

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended January 31, 2014
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from **to**

Commission File No. 000-22754

URBAN OUTFITTERS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania

(State or Other Jurisdiction of
Incorporation or Organization)

5000 South Broad Street, Philadelphia, PA

(Address of Principal Executive Offices)

23-2003332

(I.R.S. Employer
Identification No.)

19112-1495

(Zip Code)

Registrant's telephone number, including area code: (215) 454-5500

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

Title of Each Class
Common Shares, \$.0001 par value

Name of Exchange on Which Registered
The NASDAQ Global Select Market LLC

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

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

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

Indicate by checkmark 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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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 such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by checkmark 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 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.

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter, was \$4,876,471,643.

The number of shares outstanding of the registrant's common stock on March 26, 2014 was 144,560,953.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required by Items 10, 11, 12, 13 and 14 is incorporated by reference into Part III hereof from portions of the Proxy Statement for the registrant's 2014 Annual Meeting of Shareholders.

[Table of Contents](#)

TABLE OF CONTENTS

PART I

Item 1.	Business	1
Item 1A.	Risk Factors	10
Item 1B.	Unresolved Staff Comments	16
Item 2.	Properties	16
Item 3.	Legal Proceedings	19
Item 4.	Mine Safety Disclosures	19

PART II

Item 5.	Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities	20
Item 6.	Selected Financial Data	22
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	23
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	37
Item 8.	Financial Statements and Supplementary Data	37
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	37
Item 9A.	Controls and Procedures	37
Item 9B.	Other Information	38

PART III

Item 10.	Directors, Executive Officers and Corporate Governance	41
Item 11.	Executive Compensation	44
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters	44
Item 13.	Certain Relationships and Related Transactions, and Director Independence	44
Item 14.	Principal Accountant Fees and Services	44

PART IV

Item 15.	Exhibits and Financial Statement Schedules	45
	Signatures	48

	INDEX TO CONSOLIDATED FINANCIAL STATEMENTS	F-1
--	--	-----

[Table of Contents](#)

Certain matters contained in this filing with the United States Securities and Exchange Commission (“SEC”) may contain forward-looking statements and are being made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. When used in this Annual Report on Form 10-K, the words “project,” “believe,” “plan,” “will,” “anticipate,” “expect” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any one, or all, of the following factors could cause actual financial results to differ materially from those financial results mentioned in the forward-looking statements: the difficulty in predicting and responding to shifts in fashion trends, changes in the level of competitive pricing and promotional activity and other industry factors, overall economic and market conditions and the resultant impact on consumer spending patterns, lowered levels of consumer confidence and higher levels of unemployment, lowered levels of consumer spending resulting from the continuing worldwide economic downturn and related debt crisis, any effects of terrorist acts or war, natural disasters or severe weather conditions, availability of suitable retail space for expansion, timing of store openings, risks associated with international expansion, seasonal fluctuations in gross sales, the departure of one or more key senior executives, import risks, including potential disruptions and changes in duties, tariffs and quotas, the closing of any of our distribution centers, our ability to protect our intellectual property rights, risks associated with internet sales, response to new store concepts, changes in accounting standards and subjective assumptions, regulatory changes and legal matters and other risks identified in our filings with the SEC, including those set forth in Item 1A of this Annual Report on Form 10-K. We disclaim any intent or obligation to update forward-looking statements even if experience or future changes make it clear that actual results may differ materially from any projected results expressed or implied therein.

Unless the context otherwise requires, all references to “Urban Outfitters,” the “Company,” “we,” “us,” “our” or “our company” refer to Urban Outfitters, Inc., together with its subsidiaries.

PART I

Item 1. Business

General

We are a leading lifestyle specialty retail company that operates under the Urban Outfitters, Anthropologie, Free People, Terrain and Bhldn brands. We also operate a Wholesale segment under the Free People brand. We have over 43 years of experience creating and managing retail stores that offer highly differentiated collections of fashion apparel, accessories and home goods in inviting and dynamic store settings. Our core strategy is to provide unified environments that establish emotional bonds with the customer. In addition to our retail stores, we offer our products and market our brands directly to the consumer through our e-commerce websites, mobile applications and also through our Urban Outfitters, Anthropologie and Free People catalogs. We have achieved compounded annual sales growth of approximately 11% over the past five years, with sales of approximately \$3.1 billion during the fiscal year ended January 31, 2014.

We opened our first store in 1970 near the University of Pennsylvania campus in Philadelphia, Pennsylvania. We were incorporated in Pennsylvania in 1976, and opened our second store in Harvard Square, Cambridge, Massachusetts in 1980. The first Anthropologie store opened in a suburb of Philadelphia in October 1992. We started doing business in Europe in June 1998, with our first European Urban Outfitters store located in London. We opened our first Free People store in the Garden State Plaza Mall in Paramus, New Jersey in November 2002. We opened our first Terrain

[Table of Contents](#)

garden center in Glen Mills, Pennsylvania in April 2008. We opened our first European Anthropologie store in London in October 2009. In August 2011, we opened our first Bhldn store in Houston, Texas.

In 1984 we established the Free People wholesale division to develop, in conjunction with Urban Outfitters, private label apparel lines of young women's casual wear that could be effectively sold at attractive prices in Urban Outfitters stores.

Our fiscal year ends on January 31. All references to our fiscal years refer to the fiscal years ended on January 31 in those years. For example, our fiscal 2014 ended on January 31, 2014.

Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed with, or furnished to, the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on our investor relations website, www.urbanoutfittersinc.com, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the SEC. We will voluntarily provide electronic or paper copies (other than exhibits) of our filings free of charge upon written request. You may also obtain any materials we file with, or furnish to, the SEC on its website at www.sec.gov.

Our omni-channel strategy enhances our customers' brand experience by providing a seamless approach to the customer shopping experience. We have substantially integrated all available shopping channels, including stores, websites (online and through mobile devices) and catalogs. Our investments in areas such as marketing campaigns and technology advancements are designed to generate demand for the omni-channel and not the separate store or direct-to-consumer channels. Store sales are primarily fulfilled from that store's inventory, but may also be shipped from any of our fulfillment centers or from a different store location if an item is not available at the original store. Direct-to-consumer orders are primarily shipped to our customers through our fulfillment centers, but may also be shipped from any store, or a combination of fulfillment centers and stores depending on the availability of a particular item. As our customers continue to shop across multiple channels, we have adapted our approach towards meeting this demand. Due to the availability of like product in a variety of shopping channels, we now source these products utilizing single stock keeping units ("SKUs") based on the omni-channel demand rather than the demand of the separate channels. These and other technological capabilities allow us to better serve our customers and help us to fill orders that otherwise may have been cancelled due to out-of-stock positions. As a result of changing customer behavior and the substantial integration of the operations of our store and direct-to-consumer channels, we manage and analyze our performance based on a single omni-channel rather than separate channels and believe that the omni-channel results present the most meaningful and appropriate measure of our performance.

Retail Segment

Urban Outfitters. Urban Outfitters targets young adults aged 18 to 28 through its unique merchandise mix and compelling store environment. We have established a reputation with these young adults, who are culturally sophisticated, self-expressive and concerned with acceptance by their peer group. The product offering includes women's and men's fashion apparel, footwear, beauty, accessories and sporting apparel and gear, as well as an eclectic mix of apartment wares and gifts. Apartment wares range from rugs, pillows and shower curtains to books, candles and novelties. Stores average approximately 8,800 square feet of selling space, and typically carry an estimated 60,000 to 65,000 SKUs. Our stores are located in large metropolitan areas, select university communities,

[Table of Contents](#)

specialty centers and enclosed malls. Our stores accommodate our customers' propensity not only to shop, but also to congregate with their peers. As of January 31, 2014, we operated 230 Urban Outfitters stores, of which 176 were located in the United States, 14 were located in Canada and 40 were located in Europe. We plan to open approximately 13 Urban Outfitters stores, globally, in fiscal 2015. Urban Outfitters operates websites in North America and Europe that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in our stores. Urban Outfitters offers a catalog in North America and Europe offering select merchandise, most of which is also available in our Urban Outfitters stores. Urban Outfitters' North American and European Retail segment net sales accounted for approximately 36.3% and 8.1% of consolidated net sales, respectively, for fiscal 2014.

Anthropologie. Anthropologie tailors its merchandise and inviting store environment to sophisticated and contemporary women aged 28 to 45. Anthropologie's unique and eclectic product assortment includes women's casual apparel and accessories, shoes, home furnishings and a diverse array of gifts and decorative items. The home furnishings range from furniture, rugs, lighting and antiques to table top items, bedding and gifts. Stores average approximately 7,100 square feet of selling space, typically carry an estimated 45,000 to 50,000 SKUs and are located in specialty retail centers, upscale street locations and enclosed malls. As of January 31, 2014, we operated 187 Anthropologie stores, of which 174 were located in the United States, nine were located in Canada and four were located in Europe. We plan to open approximately 13 Anthropologie stores, globally, in fiscal 2015. Anthropologie operates websites in North America and Europe that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in our stores. Anthropologie also offers a catalog in North America and Europe that markets select merchandise, most of which is also available in our Anthropologie stores. Anthropologie's North American and European Retail segment net sales accounted for approximately 39.8% and 1.2% of consolidated net sales, respectively, for fiscal 2014.

Free People. Our Free People retail stores primarily offer private label branded merchandise targeted to young contemporary women aged 25 to 30. Free People offers a unique merchandise mix of casual women's apparel, intimates, shoes, accessories and gifts. Free People retail stores average approximately 1,500 square feet of selling space, carry up to 13,000 SKUs and are located in enclosed malls, upscale street locations and specialty retail centers. The retail channels of Free People expose both our wholesale accounts and retail customers to the full Free People product assortment and store environment. As of January 31, 2014, we operated 90 Free People stores, of which 88 were located in the United States and two were located in Canada. We plan to open approximately 12 new Free People stores in fiscal 2015. Free People operates websites in North America and Europe that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in our stores, as well as all of the Free People wholesale offerings. Free People also offers a catalog offering select merchandise, most of which is also available in our Free People stores. Free People's Retail segment net sales accounted for approximately 7.7% of consolidated net sales for fiscal 2014.

Terrain. Terrain is designed to appeal to women and men interested in a creative, sophisticated outdoor living and gardening experience. Terrain creates a compelling shopping environment through its large and free standing sites, inspired by the "greenhouse." Each of our Terrain garden centers operates with an average of approximately 18,000 square feet of enclosed selling space as well as a large outdoor seasonal selling space used for its offering of lifestyle home and garden products, combined with antiques, live plants, flowers, wellness products and accessories. Both Terrain locations offer a full-service restaurant and coffee bar. Terrain also offers a variety of landscape and design service solutions to our customers. As of January 31, 2014, we operated two Terrain garden centers

[Table of Contents](#)

and a website that offers customers a portion of the product assortment found at the Terrain garden centers. Terrain's Retail segment net sales accounted for less than 1.0% of consolidated net sales for fiscal 2014.

Bhldn. The Bhldn brand emphasizes every element that contributes to a wedding. Bhldn offers a curated collection of heirloom quality wedding gowns, bridesmaid frocks, party dresses, assorted jewelry, headpieces, footwear, lingerie and decorations. The stores average approximately 3,300 square feet of selling space and are located in a specialty retail center and an upscale street location. As of January 31, 2014, we operated two Bhldn stores and a website that offers customers access to all product offerings of the Bhldn brand. We also operate shop-within-shop locations within our Anthropologie stores that offer a comparable product assortment to our standalone stores and website. Bhldn's Retail segment net sales accounted for less than 1.0% of consolidated net sales for fiscal 2014.

Wholesale Segment

The Free People wholesale division was established in 1984 to develop, in conjunction with Urban Outfitters, private label apparel lines of young women's casual wear that could be effectively sold at attractive prices in Urban Outfitters stores. In order to achieve minimum production lots, Free People wholesale began selling to other retailers throughout the United States. We distribute our Free People products in certain department stores using a shop-within-shop sales model. We believe that the shop-within-shop model allows for a more complete merchandising of our Free People products and will give us greater freedom in differentiating the presentation of our products and further strengthening of our brand image. During fiscal 2014, Free People's range of tops, bottoms, sweaters and dresses were sold worldwide through approximately 1,400 better department and specialty stores worldwide, including Macy's, Nordstrom, Bloomingdale's, Lord & Taylor, Selfridges, our own Free People stores, and in Japan through an exclusive distribution and marketing agreement with World Co., Ltd. We monitor the styles and products that are popular with our wholesale customers to give us insight into current fashion trends, which helps us better serve our retail customers. Free People presently maintains wholesale sales and showroom facilities in New York City, Los Angeles, Chicago, London and Tokyo. Free People's wholesale sales accounted for approximately 5.8% of consolidated net sales for fiscal 2014.

Store Environment

We create a unified environment in our stores that establishes an emotional bond with the customer. Every element of the environment is tailored to the aesthetic preferences of our target customers. Through creative design, much of the existing retail space is modified to incorporate a mosaic of fixtures, finishes and revealed architectural details. In our stores, merchandise is integrated into a variety of creative vignettes and displays designed to offer our customers an entire look at a distinct lifestyle. This dynamic visual merchandising and display technique provides the connection among the store design, the merchandise and the customer. Essential components of the ambiance of each store may include playing music that appeals to our target customers, using unique signage and employing a staff that understands and identifies with the target customer.

Our Urban Outfitters, Anthropologie, and Free People stores are primarily located in upscale street locations, enclosed shopping malls, and specialty retail centers. Our two Terrain garden centers are both free-standing locations. Our Bhldn stores are located in a specialty retail center and an upscale street location.

[Table of Contents](#)

For our Anthropologie, Urban Outfitters and Free People stores, we plan to implement a location expansion strategy in fiscal 2015 similar to our strategy in fiscal 2014.

Buying Operations

Maintaining a constant flow of fashionable merchandise for our Retail segment is critically important to our ongoing performance. We maintain our own buying groups that select and develop products to satisfy our target customers and provide us with the appropriate amount and timing of products offered. Merchandise managers may supervise several buyers and assistant buyers. Our buyers stay in touch with the evolving tastes of their target customers by shopping at major trade markets, attending national and regional trade shows and staying current with mass media influences, including social media, music, video, film, magazines and pop culture.

Merchandise

Our Urban Outfitters stores, websites, mobile applications and catalogs offer a wide array of eclectic merchandise, including women's and men's fashion apparel, footwear, beauty, accessories, sporting apparel and gear and an eclectic mix of apartment wares and gifts. Product offerings in our Anthropologie stores, on our websites and mobile applications and within our catalogs include women's casual apparel and accessories, shoes, as well as home furnishings and an eclectic diverse array of gifts and decorative accessories for the home, garden, bed and bath. Our Free People retail stores, websites, mobile applications and catalog offer a showcase for casual women's apparel, intimates, shoes, accessories and gifts, primarily developed and designed by our Free People wholesale division. Our Terrain garden centers and website offer lifestyle home and garden products combined with antiques, live plants, flowers, wellness products and accessories. Our Bhldn retail stores and website offer a curated collection of heirloom quality wedding gowns, bridesmaid frocks, party dresses, assorted jewelry, headpieces, footwear, lingerie and decorations. Our merchandise is continuously updated to appeal to our target customers' changing tastes and is supplied by a large number of domestic and foreign vendors, with new shipments of merchandise arriving at our stores and fulfillment centers almost daily.

The wide breadth of merchandise offered by our Retail segment includes national third-party brands, as well as exclusive merchandise developed and designed internally by our brands. This selection allows us to offer fashionable merchandise and to differentiate our product mix from that of traditional department stores, as well as that of other specialty and direct-to-consumer retailers. Merchandise designed and developed by our brands generally yields higher gross profit margins than third-party branded merchandise, and helps to keep our product offerings current and unique.

The ever-changing mix of products available to our customers allows us to adapt our merchandise to prevailing fashion trends, and, together with the inviting atmosphere and experience of our stores and websites, encourages our core customers to visit our shopping channels frequently.

We seek to select price points for our merchandise that are consistent with the spending patterns of our target customers. As such, our stores carry merchandise at a wide range of price points that may vary considerably within product categories.

Store Operations

We have organized our retail store operations by brand into geographic areas or districts that each have a district manager. District managers are responsible for several stores and monitor and supervise

[Table of Contents](#)

individual store managers. Each store manager is responsible for overseeing the daily operations of one of our stores. In addition to a store manager, the staff of a typical Urban Outfitters, Anthropologie, Free People, Terrain and Bhldn store includes a combination of some or all of the following positions: a visual manager, several department managers and full and part-time sales and visual staff. The staff of a typical Anthropologie store may also include a customer care manager who helps tailor the shopping experience to the needs of Anthropologie's target customers. A Terrain garden center may also include merchandise care and maintenance staff. The staff of a Bhldn store also includes a product, bridal and event manager, appointment stylist and a category specialist.

An essential requirement for the success of our stores is our ability to attract, train and retain talented, highly motivated store managers, visual managers and other key employees. In addition to management training programs for both newly hired and existing employees, we have a number of retention programs that offer qualitative and quantitative performance-based incentives to district-level managers, store-level managers and full-time sales associates.

Marketing and Promotion

We believe we have highly effective marketing tools in our websites, mobile applications, catalogs, email campaigns and social media. We refresh this media as frequently as daily to reflect the most cutting edge changes in fashion and culture. We also believe that highly visible store locations, broad merchandise selection and creative and visual presentation within our stores, on our websites and on our mobile applications are key enticements for customers to explore these channels and purchase merchandise. Consequently, we rely on these factors, as well as the brand recognition created by our direct marketing activities, to draw customers to our omni-channel operations, rather than traditional forms of advertising such as print, radio and television media. Marketing activities for each of our retail store concepts may include special event promotions and a variety of public relations activities designed to create community awareness of our stores and products. We also are active in social media and blogs. We believe that the traditional method of a one-way communication to customers is no longer enough. We believe that by starting a conversation and interacting directly with our customers, most notably via facebook, Twitter, Pinterest, Instagram and our own mobile applications, we are more effective at understanding and serving their fashion needs. We also believe that our blogs continue this conversation. Not only do our blogs allow us to communicate what inspires us, they allow our customers to tell us what inspires them. This fosters our relationships with our customers and encourages them to continue shopping with us.

During fiscal 2014 we circulated approximately 29.4 million catalogs across all brands. We plan for our catalog circulation to remain consistent in fiscal 2015.

Suppliers

To serve our target customers and to recognize changes in fashion trends and seasonality, we purchase merchandise from numerous foreign and domestic vendors. To the extent that our vendors are located overseas or rely on overseas sources for a large portion of their merchandise, any event causing a disruption of imports, such as the imposition of import restrictions, war, acts of terrorism, natural disasters, port security considerations or labor disputes, financial or political instability in any of the countries in which goods we purchase are manufactured, trade restrictions in the form of tariffs or quotas, or both, disruption in the supply of fabrics or raw materials, increases in the cost of fuel or

[Table of Contents](#)

decreases in the value of the U.S. dollar relative to foreign currencies could adversely affect our business. During fiscal 2014, we purchased merchandise from approximately 4,700 vendors. No single vendor accounted for more than 10% of merchandise purchased during that time. While certain of our vendors have limited financial resources and production capabilities, we do not believe that the loss of any one vendor would have a material effect on our business.

Company Operations

Distribution. We own a 291,000 square foot distribution facility in Lancaster County, Pennsylvania that receives and distributes approximately half of our retail store merchandise. This facility provides distribution services to our east coast retail stores at a favorable freight cost per unit, and provides for faster turnaround from selected vendors. This facility has a computerized material handling system and is located approximately 65 miles from our home offices in Philadelphia, Pennsylvania. We also lease a 214,500 square foot distribution center located in Reno, Nevada, that receives and distributes the remaining half of our retail store merchandise. This facility provides distribution services to our west coast retail stores at a favorable freight cost per unit, and provides for faster turnaround from selected vendors.

We lease a 459,000 square foot fulfillment center located in Trenton, South Carolina. This facility, which utilizes an automated material handling system, houses merchandise distributed through our Retail and Wholesale segments. The center accommodates direct-to-consumer fulfillment related functions, including inventory warehousing, receiving and customer shipping.

In September 2012 we completed construction on a 463,000 square foot fulfillment center located in Reno, Nevada. This facility, which we own and operate, is used primarily to house and distribute merchandise to our western United States direct-to-consumer customers, significantly improving our fulfillment capability. The facility also includes automated material handling systems as well as a data center.

We lease distribution and fulfillment facilities located in Rushden, England. Our 98,000 square foot distribution facility supports our entire European store base and has an automated material handling system. Our 142,000 square foot fulfillment facility, which supports our entire European direct-to-consumer channel, has an advanced cross belt sorter. We believe both of these facilities will support our European growth for the next several years.

Information Systems. Very early in our growth, we recognized the need for high-quality information in order to manage merchandise planning, buying, inventory management and control functions. We invested in a retail software package that met our processing and reporting requirements. We utilize point-of-sale register systems connected by a digital subscriber line network to our home offices. Additionally, many of our stores have mobile point-of-sale devices which have virtually the same functionality as our cash registers. These systems provide for register efficiencies, timely customer checkout and instant back office access to register information, as well as daily updates of sales, inventory data and price changes. Our direct-to-consumer channel, which includes the Anthropologie, Urban Outfitters, Free People, Terrain and Bhldn retail websites and the Anthropologie, Free People and Urban Outfitters catalogs, maintains separate software systems that manage the merchandise and customer information for our in-house customer contact center and fulfillment functions. The Free People wholesale division uses a separate software system for customer service, order entry and allocations, production planning and inventory management. We have a

[Table of Contents](#)

second data center located in our Reno fulfillment facility that functions as a redundant hosting site for our direct-to-consumer and data communication systems. We have contracted with a nationally recognized company to provide disaster recovery services with respect to our key systems.

Competition

The specialty retail and the wholesale businesses are each highly competitive in both the domestic and international markets. Our Retail segment competes on the basis of, among other things, the location of our stores, website, mobile applications and catalog presentation, website design, the breadth, quality, style, price and availability of merchandise and the level of customer service offered. Although we believe that the eclectic mix of products and our unique store and website experiences offered by our Retail segment help differentiate us, it also means that our Urban Outfitters, Anthropologie, Free People, Terrain and Bhldn stores compete against a wide variety of smaller, independent specialty retailers, as well as department stores and national specialty chains. Many of our competitors have substantially greater name recognition as well as financial, marketing and other resources. Our Anthropologie, Free People and Bhldn stores also face competition from small boutiques that offer an individualized shopping experience similar to the one we strive to provide to our target customers. In addition, some of our suppliers offer products directly to consumers and certain of our competitors.

Along with certain Retail segment factors noted above, other key competitive factors for our direct-to-consumer channel include the success or effectiveness of merchandise delivery, website and mobile application availability and customer lists. Our direct-to-consumer channel competes against numerous websites and catalogs, which may have a greater volume of circulation and web traffic or more effective marketing through online media and social networking sites.

Our Free People wholesale business competes with numerous wholesale companies based on the quality, price and fashion of our wholesale product offerings. Many of our wholesale business competitors' products have a wider distribution network. In addition, certain of our wholesale competitors have greater name recognition, financial and other resources.

Trademarks and Service Marks

We are the registered owner in the United States of certain service marks and trademarks, including, but not limited to "Urban Outfitters," "Anthropologie," "Free People," "Bhldn," "Terrain," "BDG," "Co-Operative," "Deletta," "Ecote," "Eloise," "Intimately Free People," "Odille," "Urban Renewal" and "Urbn.com." Each mark is renewable indefinitely, contingent upon continued use at the time of renewal. In addition, we currently have pending registration applications with the U.S. Patent and Trademark Office covering certain other marks. We also own marks that have been registered in foreign countries and have applications for marks pending in additional foreign countries. We regard our marks as important to our business due to their name recognition with our customers. We are not aware of any valid claims of infringement or challenges to our right to use any of our marks in the United States.

Employees

As of January 31, 2014, we employed approximately 22,900 people, approximately 37% of whom were full-time employees. The number of part-time employees fluctuates depending on seasonal

[Table of Contents](#)

needs. Of our total employees, approximately 3% work in the Wholesale segment and the remaining 97% work in our Retail segment. None of our employees are covered by a collective bargaining agreement, and we believe that our relations with our employees are excellent.

Financial Information about Operations

We aggregate our operations into two reportable segments, the Retail segment and the Wholesale segment. See Note 15, “Segment Reporting,” in the Notes to Consolidated Financial Statements for additional information.

Financial Information about Geographical Areas

See Note 15, “Segment Reporting,” in the Notes to Consolidated Financial Statements for information regarding net sales from domestic and foreign operations and long-lived assets.

Seasonality

Our business is subject to seasonal fluctuations in net sales and operating income, with a more significant portion typically realized from August 1 to December 31 of each year (the back-to-school and holiday periods). Historically, and consistent with the retail industry, this seasonality also impacts our working capital requirements, particularly with regard to inventory. See Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations—Seasonality and Quarterly Results for additional information.

Item 1A. Risk Factors

Our reportable segments are sensitive to economic conditions, consumer spending, shifts in fashion and industry and demographic conditions.

We are subject to seasonal variations and face numerous business risk factors. Consumer purchases of discretionary retail items and specialty retail products, including our products, may decline during recessionary periods and also may decline at other times when disposable income is lower. A prolonged economic downturn could have a material adverse impact on our business, financial condition or results of operations. There is a risk that consumer sentiment may decline due to economic and/or geo-political factors, which could negatively impact our financial position and results of operations.

Our performance is subject to worldwide economic conditions and their impact on levels of consumer spending remains uncertain and may remain depressed for the foreseeable future. Some of the factors impacting discretionary consumer spending include general economic conditions, wages and employment, consumer debt, reductions in net worth based on severe market declines, residential real estate and mortgage markets, taxation, fuel and energy prices, interest rates, consumer confidence, the European political and economic crisis and other macroeconomic factors. Consumer purchases of discretionary items, including our merchandise, generally decline during recessionary periods and other periods where disposable income is adversely affected. The current economy may continue to affect consumer purchases of our merchandise and adversely impact our results of operations and continued growth. The economic conditions may also affect the number of specialty retail businesses and their ability to purchase merchandise from our Wholesale segment. It is difficult to predict how long the current uncertain economic, capital and credit market conditions will continue and what impact they will have on our business.

We rely heavily on our ability to identify changes in fashion.

Customer tastes and fashion trends are volatile and can change rapidly. Our success depends in part on our ability to effectively predict and respond to changing fashion tastes and consumer demands, and to translate market trends into appropriate, saleable product offerings. Our inability to effectively determine these changes may lead to higher seasonal inventory levels and a future need to increase markdowns to liquidate our inventory. Compared to our Retail segment, our Wholesale segment is more sensitive to changes in fashion trends because of longer lead times in the manufacturing and sale of its apparel. Our fashion decisions constitute a material risk and may have an adverse effect on our financial condition and results of operations.

We may not be successful in expanding our business, opening new retail stores or extending our existing store leases.

Our growth strategy depends on our ability to open and operate new retail stores on a profitable basis. We also must be able to effectively extend our existing store leases. Our operating complexity will increase as our store base grows, and we may face challenges in managing our future growth. Such growth will require that we continue to expand and improve our operating capabilities, and expand, train and manage our employee base. We may be unable to hire and train a sufficient number of qualified personnel or successfully manage our growth. Our expansion prospects also depend on a number of other factors, many of which are beyond our control, including, among other things,

[Table of Contents](#)

competition, the availability of financing for capital expenditures and working capital requirements and the availability of suitable sites for new store locations on acceptable lease terms. There can be no assurance that we will be able to achieve our store expansion goals, nor can there be any assurance that our newly opened stores will achieve revenue or profitability levels comparable to those of our existing stores in the time periods estimated by us, or at all. If our stores fail to achieve, or are unable to sustain, acceptable revenue and profitability levels, we may incur significant costs associated with closing those stores.

We may not be successful expanding our business internationally.

Our current growth strategy includes plans to continue to open new stores internationally over the next several years. We have limited prior experience operating internationally, where we face established competitors. International stores have different operational characteristics, including employment and labor, transportation, logistics, real estate and legal requirements. Furthermore, consumer demand and behavior, as well as tastes and purchasing trends may differ internationally, and as a result, sales of our merchandise may not be successful, or the margins on those sales may not be in line with those we currently anticipate. Additionally, our ability to conduct business internationally may be adversely impacted by political and economic risks, as well as the global economy. Any differences that we encounter as we expand internationally, may divert financial, operational and managerial resources from our existing operations, which could adversely impact our financial condition and results of operations.

As we continue to expand our international operations, we are subject to certain U.S. laws, including the Foreign Corrupt Practices Act, as well as the laws of the foreign countries in which we operate. We are required to use all commercially reasonable efforts to ensure compliance with these laws. Violations of these laws could subject us to sanctions or other penalties that could negatively affect our reputation, business and operating results.

Existing and increased competition in the specialty retail, direct-to-consumer and wholesale apparel businesses may reduce our net revenues, profits and market share.

The specialty retail segment and the wholesale apparel businesses are each highly competitive. Our retail stores compete on the basis of, among other things, location, the breadth, quality, style, and availability of merchandise and the level of customer service offered and merchandise price. Our Anthropologie, Free People and Bhldn stores also face competition from small boutiques that offer an individualized shopping experience similar to the one we strive to provide to our target customers. Additionally, the internet and other new technologies facilitate competitive entry and comparison shopping in our Retail segment. We strive to offer a multichannel shopping experience for our direct-to-consumer customers and use social media and mobile applications as a way to interact with our customers and enhance their shopping experiences. Multichannel retailing is rapidly evolving and we must keep pace with changing customer expectations and new developments by our competitors. In addition, some of our suppliers offer products directly to consumers and certain of our competitors. Our Free People wholesale business competes with numerous wholesale companies based on the quality, fashion and price of its wholesale product offerings, many of whose products have a wider distribution. Many of our competitors have substantially greater name recognition as well as financial, marketing and other resources. We cannot assure you that we will continue to be able to compete successfully against existing or future competitors. Due to difficult economic conditions our

[Table of Contents](#)

competitors may force a markdown or promotional sales environment which could hurt our ability to achieve our historical profit margins. Our expansion into markets served by our competitors and entry of new competitors or expansion of existing competitors into our markets could have a material adverse effect on our business, financial condition and results of operations.

Our business depends on effective marketing and high customer traffic.

We have many initiatives in our marketing programs particularly with regard to our websites and mobile applications. If our competitors increase their spending on marketing, if our marketing expenses increase, if our marketing becomes less effective than that of our competitors, or if we do not adequately leverage technology and data analytics capabilities needed to generate concise competitive insight, we could experience a material adverse effect on our results of operations. A failure to sufficiently innovate or maintain adequate and effective marketing could inhibit our ability to maintain brand relevance and drive increased sales.

We depend on key personnel and may not be able to retain or replace these employees or recruit additional qualified personnel, which would harm our business.

We believe that we have benefited substantially from the leadership and experience of our senior executives, including our co-founder, Chairman of the Board, Chief Executive Officer and President, Richard A. Hayne. The loss of the services of any of our senior executives could have a material adverse effect on our business and prospects, as we may not be able to find suitable management personnel to replace departing executives on a timely basis. In addition, if our senior executives do not fully integrate within the structure of our management team and core business, we may be adversely affected. We do not have an employment agreement with Mr. Hayne, or any of our other key personnel. In addition, as our business expands, we believe that our future success will depend greatly on our continued ability to attract and retain highly skilled and qualified personnel. There is a high level of competition for personnel in the retail industry. Our inability to meet our staffing requirements in the future could impair our ability to increase revenue and could otherwise harm our business.

We could be materially and adversely affected if any of our distribution centers are closed.

We operate six distribution and fulfillment facilities worldwide to support our Retail and Wholesale segments in the United States, Western Europe and Canada, and for fulfillment of catalog and website orders around the world. The merchandise purchased for our United States and Canadian retail store operations is shipped directly to our distribution centers in Lancaster County, Pennsylvania and Reno, Nevada. Merchandise purchased for our direct-to-consumer operations is shipped directly to our fulfillment centers in Trenton, South Carolina and Reno, Nevada. Merchandise purchased for our wholesale operations is shipped directly to our fulfillment center in Trenton, South Carolina. The merchandise purchased for our Western Europe retail and direct-to-consumer operations is shipped to Rushden, England. If any of our distribution centers were to close for any reason, the other distribution centers may not be able to support the resulting additional distribution demands. As a result, we could incur significantly higher costs and longer lead times associated with distributing our products to our stores and customers during the time it takes for us to re-open or replace the center.

We rely significantly on international sources of production.

We receive a substantial portion of our apparel and other merchandise from foreign sources, both purchased directly in foreign markets and indirectly through domestic vendors with foreign sources.

[Table of Contents](#)

To the extent that our vendors are located overseas or rely on overseas sources for a large portion of their products, any event causing a disruption of imports, including the imposition of import restrictions, war, acts of terrorism and natural disasters could adversely affect our business. If imported goods become difficult or impossible to bring into the United States due to significant labor issues, such as strikes at any of our ports in the United States, and if we cannot obtain such merchandise from other sources at similar costs, our sales and profit margins may be adversely affected. The flow of merchandise from our vendors could also be adversely affected by financial or political instability in any of the countries in which the goods we purchase are manufactured, if the instability affects the production or export of merchandise from those countries. Moreover, in the event of a significant disruption in the supply of the fabrics or raw materials used by our vendors in the manufacture of our products, our vendors may not be able to locate alternative suppliers of materials of comparable quality at an acceptable price, or at all. Trade restrictions in the form of tariffs or quotas, or both, applicable to the products we sell could also affect the importation of those products and could increase the cost and reduce the supply of products available to us. The cost of fuel is a significant component in transportation costs, therefore, increases in the petroleum products can adversely affect our gross margins. In addition, decreases in the value of the U.S. dollar relative to foreign currencies could increase the cost of products we purchase from overseas vendors.

On August 22, 2012, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, (the “Dodd-Frank Act”), the SEC adopted new requirements for companies that manufacture products that contain certain minerals and metals, known as conflict minerals. Some of these conflict minerals are commonly used in many products, and may be used in some of the products we offer. These requirements will generally require companies to investigate, disclose and report annually whether or not conflict minerals, if used in the manufacture of the products offered by the company, originated from the Democratic Republic of Congo or adjoining countries. The implementation of these requirements could adversely affect the sourcing, availability and pricing of conflict minerals used in the manufacture of certain of the products we offer. In addition, we may incur additional costs to comply with the disclosure requirements.

Our operating results fluctuate from period to period.

Our business experiences seasonal fluctuations in net sales and operating income, with a more significant portion of operating income typically realized during the five-month period from August 1 to December 31 of each year (the back-to-school and holiday periods). Historically, and consistent with the retail industry, this seasonality also impacts our working capital requirements, particularly with regard to inventory. Any decrease in sales or margins during this period, or in the availability of working capital needed in the months preceding this period, could have a more material adverse effect on our business, financial condition and results of operations than in other periods. Seasonal fluctuations also affect our inventory levels, as we usually order merchandise in advance of peak selling periods and sometimes before new fashion trends are confirmed by customer purchases. We must carry a significant amount of inventory, especially before the back-to-school and holiday selling periods. If we are not successful in selling our inventory during this period, we may be forced to rely on markdowns or promotional sales to dispose of the inventory or we may not be able to sell the inventory at all, which could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to protect our trademarks and other intellectual property rights.

We believe that our trademarks and service marks are important to our success and our competitive position due to their name recognition with our customers. We devote substantial

[Table of Contents](#)

resources to the establishment and protection of our trademarks and service marks on a worldwide basis. We are not aware of any valid claims of infringement or challenges to our right to use any of our trademarks and service marks in the United States. Nevertheless, there can be no assurance that the actions we have taken to establish and protect our trademarks and service marks will be adequate to prevent imitation of our products by others or to prevent others from seeking to block sales of our products as a violation of the trademarks, service marks and intellectual property of others. Also, others may assert rights in, or ownership of our, trademarks and other intellectual property and we may not be able to successfully resolve these types of conflicts to our satisfaction. In addition, the laws of certain foreign countries may not protect proprietary rights to the same extent as do the laws of the United States.

War, acts of terrorism, or the threat of either may negatively impact availability of merchandise and/or otherwise adversely impact our business.

In the event of war or acts of terrorism, or if either are threatened, our ability to obtain merchandise available for sale in our stores or on our websites may be negatively impacted. A substantial portion of our merchandise is imported from other countries, see “*We rely significantly on international sources of production.*” If commercial transportation is curtailed or substantially delayed, our business may be adversely impacted, as we may have difficulty shipping merchandise to our distribution centers and stores, as well as fulfilling catalog and website orders. In the event of war or acts of terrorism, or the threat of either, we may be required to suspend operations in some or all of our stores, which could have a material adverse impact on our business, financial condition and results of operations.

We may not be successful in introducing additional store concepts or brands.

We may, from time to time, seek to develop and introduce new concepts or brands in addition to our established brands, Urban Outfitters, Anthropologie and Free People. Our ability to succeed in Terrain, Bhldn, and other new concepts could require significant capital expenditures and management attention. Additionally, any new concept is subject to certain risks, including customer acceptance, competition, product differentiation, challenges relating to economies of scale in merchandise sourcing and the ability to attract and retain qualified personnel, including management and designers. There can be no assurance that we will be able to develop and grow these or any other new concepts to a point where they will become profitable, or generate positive cash flow. If we cannot successfully develop and grow these new concepts, our financial condition and results of operations may be adversely impacted.

We may develop new store concepts through acquisitions and we may not be successful in integrating those acquisitions.

Acquisitions involve numerous risks, including the diversion of our management’s attention from other business concerns, the possibility that current operating and financial systems and controls may be inadequate to deal with our growth and the potential loss of key employees.

We also may encounter difficulties in integrating any businesses we may acquire with our existing operations. The success of these transactions depends on our ability to:

- successfully merge corporate cultures and operational and financial systems;
- realize cost reduction synergies; and
- as necessary, retain key management members and technical personnel of acquired companies.

[Table of Contents](#)

In addition, there may be liabilities that we fail, or are unable, to discover in the course of performing due diligence investigations on any company that we may acquire, or have recently acquired. Also, there may be additional costs relating to acquisitions including, but not limited to, possible purchase price adjustments. Any of our rights to indemnification from sellers to us, even if obtained, may not be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business or property acquired. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business and financial condition.

We rely on information technology systems and a material disruption or failure of such systems or technologies could adversely affect our business.

Our operations, in particular our direct-to-consumer sales, are subject to numerous risks, including reliance on third-party computer hardware/software, rapid technological change, diversion of sales from our stores, liability for online content, violations of state or federal laws, including those relating to online privacy, credit card fraud, risks related to the failure of the information technology systems that operate our websites, including computer viruses, telecommunications failures and electronic break-ins and similar disruptions. If our information systems or other technologies are damaged or cease to function properly, we may have to make a significant investment to fix or replace them, and we may suffer loss of critical data and interruptions or delays in our operations in the interim. Although we have not experienced any interruptions or shutdowns of our systems for any material length of time for the reasons described above, such disruptions could lead to delays in our business operations and, if significant, affect our sales and profitability. During the course of business, we obtain and transmit confidential customer information through our information technology systems. While, to the best of our knowledge, we have not experienced any material misappropriation, loss or other unauthorized disclosure of confidential or personally identifiable information as a result of a security breach or cyber-attack, such a security breach or cyber-attack could adversely affect our business and operations, including damaging our reputation and our relationships with our customers, employees and investors and exposing us to risks of litigation and liability. While we believe we are diligent in selecting vendors, systems and procedures to enable us to maintain the integrity of our systems, we recognize that there are inherent risks and we cannot assure that any future interruptions, shutdowns or unauthorized disclosures will not occur.

Manufacturer compliance with our social compliance program requirements.

We have a manufacturer compliance program that is monitored on a regular basis by our buying offices. Our production facilities are either certified as in compliance with our program, or areas of improvement are identified and corrective follow-up action is taken. All manufacturing facilities are required to follow applicable national labor laws, as well as international compliance standards regarding workplace safety, such as standards that require clean and safe working environments, clearly marked exits and paid overtime. We believe in protecting the safety and working rights of the people who manufacture the products we sell, while recognizing and respecting cultural and legal differences found throughout the world. We require our outside vendors to register through an online website and agree that they and their suppliers will abide by certain standards and conditions of employment.

[Table of Contents](#)

Our results can be adversely affected by market disruptions.

Market disruptions due to severe weather conditions, natural disasters, health hazards, terrorist activities, financial crises, political crises or other major events or the prospect of these events can affect consumer spending and confidence levels and adversely affect our results or prospects in affected markets. The receipt of proceeds under any insurance we maintain for these purposes may be delayed or the proceeds may be insufficient to fully offset our losses.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial results or financial condition.

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, such as revenue recognition, asset impairment, impairment of goodwill and other intangible assets, inventories, lease obligations, self-insurance, tax matters and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported or expected financial performance or financial condition.

We are subject to numerous regulations and legal matters that could adversely affect our business.

We are subject to customs, child labor, tax, employment, privacy, truth-in-advertising and other laws, including consumer protection regulations and zoning and occupancy ordinances that regulate retailers generally and/or govern the importation, promotion and sale of merchandise and the operation of retail stores and distribution and fulfillment centers. Additional legal and regulatory requirements, and the fact that foreign laws occasionally conflict with domestic laws, have increased the complexity of the regulatory environment and the cost of compliance. If these laws change without our knowledge, or are violated by importers, designers, manufacturers or distributors, we could experience delays in shipments and receipt of goods or be subject to fines or other penalties under the controlling regulations, any of which could adversely affect our business. Moreover, legal actions may be filed against us from time to time, including class actions. These actions may assert commercial, tort, intellectual property, customer, employment, data privacy, securities or other claims. We may also be impacted by litigation trends, including class action lawsuits involving consumers and shareholders, that could have a material adverse effect on our reputation, the market price of our common shares, or our results of operations, financial condition and cash flows.

Item 1B. Unresolved Staff Comments

We have no outstanding comments with the staff of the SEC.

Item 2. Properties

Since 2006, our home office has been located in several buildings on one campus in the historic core of the Philadelphia, Pennsylvania Navy Yard. The consolidated offices at the Navy Yard allow for an efficient operation of our Philadelphia-based offices and will help to support our growth needs for the foreseeable future. We currently occupy approximately 404,000 square feet. We hold options on several adjacent buildings that are available for at least the next ten years to allow for additional

[Table of Contents](#)

expansion if necessary. During fiscal 2014, we began construction on two buildings that will expand our home offices an additional 133,000 square feet to accommodate our growth. One of these buildings was completed in fiscal 2014 and we anticipate the other to be completed during fiscal 2015. In addition, during fiscal 2014 we purchased another building in the Navy Yard that consists of approximately 122,000 square feet for future expansion. This building is currently leased to a third party.

Our European home offices are located in London, England and consist of three leased properties totaling approximately 13,000 square feet. The leased properties have varying lease term expirations through 2024.

Our North American retail stores are supported by two distribution facilities. We own a 291,000 square foot distribution center in Lancaster County, Pennsylvania, which supports approximately half of our retail stores. We lease a distribution facility in Reno, Nevada. The Nevada facility is approximately 214,500 square feet and supports the remaining half of our retail stores. The term of this operating lease is set to expire in 2017 with Company options to renew for up to an additional ten years.

We operate a 459,000 square foot fulfillment center in Trenton, South Carolina, which houses merchandise distributed through our Retail and Wholesale segments. The operating lease for the Trenton center is set to expire in 2016.

In September 2012, we completed the construction of a 463,000 square foot fulfillment center in Reno, Nevada that we own and operate to support the Retail segment. In fiscal 2014, we relocated our customer contact center to Martinez, Georgia. This leased facility consists of approximately 40,000 square feet and has a lease term expiring in fiscal 2019 with three five year renewal options.

We lease separate distribution and fulfillment centers in Rushden, England to support our retail and direct-to-consumer channels in Europe. The distribution center occupies approximately 98,000 square feet and the fulfillment center occupies approximately 142,000 square feet, which also includes our European customer contact center. The term of both of these leases are set to expire in September 2020.

Improvements in recent years, including those in fiscal 2014 described in Item 7: Management's Discussion and Analysis—Liquidity and Capital Resources, were necessary to adequately support our growth. We believe we may need to further expand the square footage of our home office and distribution facilities to support our growth over the next several years. For more information on our distribution center properties, see Item 1: Business—Company Operations—*Distribution*. We believe that our facilities are well maintained and in good operating condition.

All of our Urban Outfitters, Anthropologie, Free People, Terrain and Bhldn stores are leased, well maintained and in good operating condition. Our retail stores are typically leased for a term of ten years with renewal options for an additional five to ten years. Total estimated selling square feet for stores open, under lease as of January 31, 2014, by Urban Outfitters, Anthropologie, Free People, Terrain and Bhldn was approximately 2,031,000, 1,318,000, 131,000, 36,000 and 6,700, respectively. Terrain also utilizes outdoor space to sell seasonal items, live plants, accessories and outdoor furniture. The average store selling square feet is approximately 8,800 for Urban Outfitters, 7,100 for Anthropologie and 1,500 for Free People. Selling square feet can sometimes change due to floor moves, use of staircases, cash register configuration and other factors.

[Table of Contents](#)

The following table shows the location of each of our existing retail stores, as of January 31, 2014:

	Urban Outfitters	Anthropologic	Free People	Terrain	Bhdn	Total
United States:						
<i>Alabama</i>	1	2	1	—	—	4
<i>Arizona</i>	4	4	2	—	—	10
<i>Arkansas</i>	—	1	—	—	—	1
<i>California</i>	40	32	20	—	—	92
<i>Colorado</i>	3	3	3	—	—	9
<i>Connecticut</i>	4	4	2	1	—	11
<i>Delaware</i>	1	1	—	—	—	2
<i>District of Columbia</i>	2	2	—	—	—	4
<i>Florida</i>	9	10	2	—	—	21
<i>Georgia</i>	4	4	3	—	—	11
<i>Idaho</i>	1	1	—	—	—	2
<i>Illinois</i>	9	8	4	—	1	22
<i>Indiana</i>	3	1	1	—	—	5
<i>Kansas</i>	1	1	—	—	—	2
<i>Kentucky</i>	1	2	—	—	—	3
<i>Louisiana</i>	2	2	1	—	—	5
<i>Maine</i>	1	—	—	—	—	1
<i>Maryland</i>	3	5	2	—	—	10
<i>Massachusetts</i>	8	6	5	—	—	19
<i>Michigan</i>	3	4	1	—	—	8
<i>Minnesota</i>	2	4	1	—	—	7
<i>Mississippi</i>	—	1	1	—	—	2
<i>Missouri</i>	2	2	1	—	—	5
<i>Nebraska</i>	1	1	—	—	—	2
<i>Nevada</i>	2	2	1	—	—	5
<i>New Jersey</i>	7	10	4	—	—	21
<i>New Mexico</i>	1	1	—	—	—	2
<i>New York</i>	18	10	9	—	—	37
<i>North Carolina</i>	3	4	1	—	—	8
<i>Ohio</i>	3	4	2	—	—	9
<i>Oklahoma</i>	—	2	—	—	—	2
<i>Oregon</i>	2	2	2	—	—	6
<i>Pennsylvania</i>	6	5	4	1	—	16
<i>Rhode Island</i>	1	1	—	—	—	2
<i>South Carolina</i>	2	3	—	—	—	5
<i>Tennessee</i>	3	5	2	—	—	10
<i>Texas</i>	11	12	7	—	1	31
<i>Utah</i>	1	1	1	—	—	3
<i>Vermont</i>	1	—	—	—	—	1
<i>Virginia</i>	4	6	2	—	—	12
<i>Washington</i>	4	3	3	—	—	10
<i>Wisconsin</i>	2	2	—	—	—	4
Total United States	176	174	88	2	2	442

[Table of Contents](#)

	Urban Outfitters	Anthropologie	Free People	Terrain	Bhldn	Total
Canada:						
<i>Alberta</i>	2	2	1	—	—	5
<i>British Columbia</i>	2	2	—	—	—	4
<i>Ontario</i>	6	4	1	—	—	11
<i>Quebec</i>	4	1	—	—	—	5
Total Canada	14	9	2	—	—	25
Europe:						
<i>Belgium</i>	2	—	—	—	—	2
<i>Denmark</i>	1	—	—	—	—	1
<i>Germany</i>	6	—	—	—	—	6
<i>Ireland</i>	2	—	—	—	—	2
<i>Netherlands</i>	1	—	—	—	—	1
<i>Sweden</i>	1	—	—	—	—	1
<i>United Kingdom</i>	27	4	—	—	—	31
Total Europe	40	4	—	—	—	44
Global Total	230	187	90	2	2	511

In addition to the stores listed above, Free People also operates wholesale sales and showroom facilities in New York City, London, Los Angeles and Chicago that are leased through 2017, 2018, 2019 and 2019, respectively. Through our exclusive distribution and marketing agreement with World Co., Ltd., we operate a wholesale sales and showroom facility in Tokyo.

Item 3. Legal Proceedings

We are party to various legal proceedings arising from normal business activities. Management believes that the ultimate resolution of these matters will not have a material adverse effect on our financial position, results of operations or cash flows.

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

Our common shares are traded on the NASDAQ Global Select Market under the symbol “URBN.” The following table sets forth, for the periods indicated below, the reported high and low sale prices for our common shares as reported on the NASDAQ Global Select Market.

Market Information

	<u>High</u>	<u>Low</u>
Fiscal 2014		
Quarter ended April 30, 2013	\$ 44.15	\$ 38.18
Quarter ended July 31, 2013	\$ 44.96	\$ 38.11
Quarter ended October 31, 2013	\$ 44.15	\$ 35.00
Quarter ended January 31, 2014	\$ 40.45	\$ 35.26
Fiscal 2013		
Quarter ended April 30, 2012	\$ 31.36	\$ 26.23
Quarter ended July 31, 2012	\$ 31.81	\$ 25.43
Quarter ended October 31, 2012	\$ 40.65	\$ 29.36
Quarter ended January 31, 2013	\$ 43.81	\$ 34.38

Holdings of Record

On March 26, 2014 there were 112 holders of record of our common shares.

Dividend Policy

Our current credit facility includes certain limitations on the payment of cash dividends on our common shares. We have not paid any cash dividends since our initial public offering and do not anticipate paying any cash dividends on our common shares in the foreseeable future.

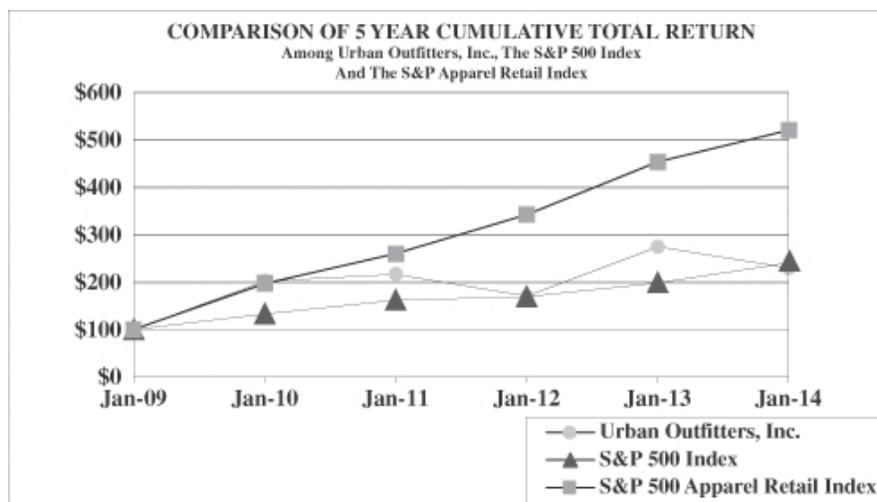
Securities Authorized for Issuance Under Equity Compensation Plans

All equity compensation plans have been approved by security holders of the Company. See Note 9, “Share-Based Compensation,” for details of the Company’s equity compensation plans and outstanding awards.

[Table of Contents](#)

Stock Performance

The following graph and table compares the cumulative total shareholder return on our common shares with the cumulative total return on the Standard and Poor's 500 Composite Stock Index and the Standard and Poor's 500 Apparel Retail Index for the period beginning January 30, 2009 and ending January 31, 2014, assuming the reinvestment of any dividends and assuming an initial investment of \$100 in each. The comparisons in this table are required by the SEC and are not intended to forecast or be indicative of possible future performance of the common shares or the referenced indices.



*\$100 invested on 1/30/09 in stock or index, including reinvestment of dividends.
Fiscal years ending January 31.

Company/Market/Peer Group	Base Period Jan-09	INDEXED RETURNS				
		Years Ended				
		Jan-10	Jan-11	Jan-12	Jan-13	Jan-14
Urban Outfitters Inc.	\$ 100.00	\$ 202.63	\$ 217.08	\$ 170.10	\$ 274.73	\$ 229.91
S&P 500	\$ 100.00	\$ 133.14	\$ 162.68	\$ 169.55	\$ 198.00	\$ 240.61
S&P 500 Apparel Retail	\$ 100.00	\$ 197.74	\$ 259.62	\$ 342.37	\$ 453.47	\$ 520.13

[Table of Contents](#)**Item 6. Selected Financial Data**

The following table sets forth selected consolidated income statement and balance sheet data for the periods indicated. The selected consolidated income statement and balance sheet data for each of the five fiscal years presented below is derived from our consolidated financial statements. The data presented below should be read in conjunction with Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements of the Company and the related notes thereto, which appear elsewhere in this Annual Report on Form 10-K. The results of operations for past accounting periods are not necessarily indicative of the results to be expected for any future accounting period.

	Fiscal Year Ended January 31,				
	2014	2013	2012	2011	2010
Income Statement Data:					
(in thousands, except share amounts and per share data)					
Net sales	\$ 3,086,608	\$ 2,794,925	\$ 2,473,801	\$ 2,274,102	\$ 1,937,815
Gross profit	1,161,342	1,031,531	860,536	936,620	786,145
Income from operations	426,831	374,285	284,725	414,203	338,984
Net income	282,360	237,314	185,251	272,958	219,893
Net income per common share—basic	\$ 1.92	\$ 1.63	\$ 1.20	\$ 1.64	\$ 1.31
Weighted average common shares outstanding—basic	147,014,869	145,253,691	154,025,589	166,896,322	168,053,502
Net income per common share—diluted	\$ 1.89	\$ 1.62	\$ 1.19	\$ 1.60	\$ 1.28
Weighted average common shares outstanding—diluted	149,225,906	146,663,731	156,191,289	170,333,550	171,230,245
Balance Sheet Data:					
Working capital	\$ 663,150	\$ 622,089	\$ 363,526	\$ 592,953	\$ 617,664
Total assets	2,221,214	1,797,211	1,483,708	1,794,321	1,636,093
Total liabilities	527,044	442,623	417,440	382,773	339,318
Total shareholders' equity	\$ 1,694,170	\$ 1,354,588	\$ 1,066,268	\$ 1,411,548	\$ 1,296,775

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are an omni-channel retailer operating two reportable segments: a leading lifestyle specialty Retail segment and a Wholesale segment. Our Retail segment consists of our Urban Outfitters, Anthropologie, Free People, Terrain and Bhldn brands, whose merchandise is sold directly to our customers through retail stores, websites, mobile applications, catalogs and customer contact centers. Our Wholesale segment consists of the Free People wholesale division that primarily designs, develops and markets young women's contemporary casual apparel.

Our fiscal year ends on January 31. All references to our fiscal years refer to the fiscal years ended on January 31 in those years. For example, our fiscal year 2014 ended on January 31, 2014.

Our omni-channel strategy enhances our customers' brand experience by providing a seamless approach to the customer shopping experience. We have substantially integrated all available shopping channels, including stores, websites (online and through mobile devices) and catalogs. Our investments in areas such as marketing campaigns and technology advancements are designed to generate demand for the omni-channel and not the separate store or direct-to-consumer channels. Store sales are primarily fulfilled from that store's inventory, but may also be shipped from any of our fulfillment centers or from a different store location if an item is not available at the original store. Direct-to-consumer orders are primarily shipped to our customers through our fulfillment centers, but may also be shipped from any store, or a combination of fulfillment centers and stores depending on the availability of a particular item. As our customers continue to shop across multiple channels, we have adapted our approach towards meeting this demand. Due to the availability of like product in a variety of shopping channels, we now source these products utilizing single SKUs based on the omni-channel demand rather than the demand of the separate channels. These and other technological capabilities allow us to better serve our customers and help us to fill orders that otherwise may have been cancelled due to out-of-stock positions. As a result of changing customer behavior and the substantial integration of the operations of our store and direct-to-consumer channels, we manage and analyze our performance based on a single omni-channel rather than separate channels and believe that the omni-channel results present the most meaningful and appropriate measure of our performance.

Our comparable Retail segment net sales data is equal to the sum of our comparable store plus comparable direct-to-consumer channels. A store is considered to be comparable if it has been open at least one full fiscal year, unless it was materially expanded or remodeled within that year or was not otherwise operating at its full capacity within that year. A direct-to-consumer channel is considered to be comparable if it has been operational for at least one full fiscal year. There is no overlap between comparable store net sales and comparable direct-to-consumer net sales. Sales from stores and direct-to-consumer channels that do not fall within the definition of comparable store or channel are considered to be non-comparable. The effects of foreign currency translation are also considered non-comparable.

Although we have no precise empirical data as it relates to customer traffic or customer conversion rates within our stores, we believe that, based only on our observations, changes in transaction volume in our stores, as discussed in our results of operations, may correlate to changes in customer traffic. We are able to monitor customer visits, average order value and conversion rate on

[Table of Contents](#)

our websites. We believe that changes in any of these metrics may be caused by a response to our brands' fashion offerings, our marketing campaigns, circulation of our catalogs and an overall growth in brand recognition as we expand our store base.

Retail Segment

As of January 31, 2014, we operated 230 Urban Outfitters stores of which 176 were located in the United States, 14 were located in Canada and 40 were located in Europe. During fiscal 2014, we opened 16 new Urban Outfitters stores, of which 10 were located in the United States, one was located in Canada, and five were located in Europe. During the year ended January 31, 2014, Urban Outfitters closed one store located in the United States. Urban Outfitters operates websites in North America and Europe that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in our stores. Urban Outfitters offers a catalog in North America and in Europe offering select merchandise, most of which is also available in our Urban Outfitters stores. Urban Outfitters targets young adults aged 18 to 28 through a unique merchandise mix and compelling store environment. Urban Outfitters' product offering includes women's and men's fashion apparel, footwear, beauty, accessories and sporting apparel and gear, as well as an eclectic mix of apartment wares and gifts. We plan to open additional stores over the next several years. Urban Outfitters' North American and European Retail segment net sales accounted for approximately 36.3% and 8.1% of consolidated net sales, respectively, for fiscal 2014, compared to 39.2% and 8.2%, respectively, for fiscal 2013.

As of January 31, 2014, we operated 187 Anthropologie stores, of which 174 were located in the United States, nine were located in Canada and four were located in Europe. During fiscal 2014, we opened nine new Anthropologie stores, of which seven were located in the United States, one was located in Canada and one was located in Europe. During the year ended January 31, 2014, Anthropologie closed two stores located in the United States due to lease expirations. Anthropologie operates websites in North America and Europe that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in our stores. Anthropologie also offers a catalog in North America and in Europe that markets select merchandise, most of which is also available in our Anthropologie stores. Anthropologie tailors its merchandise to sophisticated and contemporary women aged 28 to 45. Anthropologie's product assortment includes women's casual apparel and accessories, shoes, home furnishings and a diverse array of gifts and decorative items. We plan to open additional stores over the next several years. Anthropologie's North American and European Retail segment net sales accounted for approximately 39.8% and 1.2% of consolidated net sales, respectively, for fiscal 2014, compared to 38.8% and 1.1%, respectively, for fiscal 2013.

As of January 31, 2014, we operated 90 Free People stores, of which 88 were located in the United States and two were located in Canada. During fiscal 2014, we opened 13 new Free People stores, all of which were located in the United States. Free People operates websites in North America and in Europe that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in our stores, as well as all of the Free People wholesale offerings. Free People also offers a catalog offering select merchandise, most of which is also available in our Free People stores. Free People primarily offers private label branded merchandise targeted to young contemporary women aged 25 to 30. Free People provides a unique merchandise mix of casual women's apparel, intimates, shoes, accessories and gifts. We plan to open additional stores over the next several years, some of which may be outside the United States. Free People's Retail segment net sales accounted for approximately 7.7% of consolidated net sales for fiscal 2014, compared to approximately 6.2% for fiscal 2013.

[Table of Contents](#)

As of January 31, 2014, we operated two Terrain garden centers and a website that offers customers a portion of the product assortment found at the Terrain garden centers. Terrain is designed to appeal to women and men interested in a creative, sophisticated outdoor living and gardening experience. Terrain creates a compelling shopping environment through its large and freestanding sites. Merchandise includes lifestyle home and garden products combined with antiques, live plants, flowers, wellness products and accessories. Both Terrain locations offer a full-service restaurant and coffee bar. Terrain also offers a variety of landscape and design services. Terrain's Retail segment net sales accounted for less than 1.0% of consolidated net sales for fiscal 2014 and 2013, respectively.

As of January 31, 2014, we operated two Bhldn stores and a website that offers customers access to all product offerings of the Bhldn brand. We also operate shop-within-shop locations within our Anthropologie stores that offer a comparable product assortment to our standalone stores and website. Bhldn offers a curated collection of heirloom quality wedding gowns, bridesmaid frocks, party dresses, assorted jewelry, headpieces, footwear, lingerie and decorations. Bhldn's Retail segment net sales accounted for less than 1.0% of consolidated net sales for fiscal 2014 and 2013, respectively.

For all brands combined, we plan to open approximately 35 to 40 new stores during fiscal 2015, including 13 Urban Outfitters stores, 13 Anthropologie stores and 12 Free People stores.

Wholesale Segment

The Free People wholesale division designs, develops and markets young women's contemporary casual apparel. Free People's range of tops, bottoms, sweaters and dresses are sold worldwide through approximately 1,400 better department and specialty stores worldwide, including Macy's, Nordstrom, Bloomingdale's, Lord & Taylor, Selfridges, our own Free People stores, and in Japan through an exclusive distribution and marketing agreement with World Co., Ltd. Free People's Wholesale segment net sales accounted for approximately 5.8% of consolidated net sales for fiscal 2014, compared to 5.3% in fiscal 2013.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States. These generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period.

Our senior management has reviewed the critical accounting policies and estimates with our audit committee. Our significant accounting policies are described in Note 2, "Summary of Significant Accounting Policies in the Notes to Consolidated Financial Statements." We believe that the following discussion addresses our critical accounting policies, which are those that are most important to the presentation of our financial condition and cash flows and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. If actual results were to differ significantly from estimates made, the reported results could be materially affected. We are not currently aware of any reasonably likely events or circumstances that would cause our actual results to be materially different from our estimates.

[Table of Contents](#)

Revenue Recognition

Revenue is recognized by the Retail segment at the point-of-sale for merchandise the customer takes possession of at the retail store or when merchandise is shipped to the customer, net of estimated customer returns. Revenue is recognized by the Wholesale segment when merchandise is shipped to the customer, net of estimated customer returns. Revenue is recognized at the completion of a job or service for landscape sales. Revenue is presented on a net basis and does not include any tax assessed by a governmental or municipal authority. Payment for merchandise in our Retail segment is tendered by cash, check, credit card, debit card or gift card. Therefore, our need to collect outstanding accounts receivable for our Retail segment is negligible and mainly results from returned checks or unauthorized credit card transactions. We maintain an allowance for doubtful accounts for our Wholesale segment and landscape service accounts receivable, which management reviews on a regular basis and believes is sufficient to cover potential credit losses and billing adjustments. Deposits for custom orders are recorded as a liability and recognized as a sale upon delivery of the merchandise to the customer. These custom orders, typically for upholstered furniture, are not material. Deposits for landscape services are recorded as a liability and recognized as a sale upon completion of service. Landscape services and related deposits are not material.

We account for a gift card transaction by recording a liability at the time the gift card is issued to the customer in exchange for consideration from the customer. A liability is established and remains on our books until the card is redeemed by the customer, at which time we record the redemption of the card for merchandise as a sale, or when we determine the likelihood of redemption is remote. We determine the probability of the gift cards being redeemed to be remote based on historical redemption patterns. Revenues attributable to the reduction of gift card liabilities for which the likelihood of redemption becomes remote are included in sales and are not material. Our gift cards do not expire.

Sales Return Reserve

We record a reserve for estimated product returns where the sale has occurred during the period reported, but the return is likely to occur subsequent to the period reported. The reserve for estimated product returns is based on our most recent historical return trends. If the actual return rate or experience is materially higher than our estimate, sales returns would be adjusted in the future. As of January 31, 2014 and 2013, reserves for estimated sales returns totaled \$17.1 million and \$14.4 million, representing 3.2% and 3.3% of total liabilities, respectively.

Marketable Securities

All of our marketable securities as of January 31, 2014 and January 31, 2013 are classified as available-for-sale and are carried at fair value, which approximates amortized cost. Interest on these securities, as well as the amortization of discounts and premiums, is included in "Interest income" in the Consolidated Statements of Income. Unrealized gains and losses on these securities (other than mutual funds held in the rabbi trust for the Urban Outfitters, Inc. Non-qualified Deferred Compensation Plan (See Note 3, "Marketable Securities," in the Notes to Consolidated Financial Statements)) are considered temporary and therefore are excluded from earnings and are reported as a component of "Other comprehensive income" in the Consolidated Statements of Comprehensive Income and in accumulated other comprehensive loss in shareholders' equity until realized. Mutual funds held in the rabbi trust have been accounted for under the fair value option, which results in all unrealized gains and losses being recorded in "Interest income" in the Consolidated Statements of Income. Other than temporary impairment losses related to credit losses are considered to be realized

[Table of Contents](#)

losses. When available-for-sale securities are sold, the cost of the securities is specifically identified and is used to determine the realized gain or loss. Securities classified as current assets have maturity dates of less than one year from the balance sheet date. Securities classified as non-current assets have maturity dates greater than one year from the balance sheet date. Available-for-sale securities such as auction rate securities that fail at auction and do not liquidate in the normal course are classified as non-current assets.

Inventories

We value our inventories, which consist primarily of general consumer merchandise held for sale, at the lower of cost or market. Cost is determined on the first-in, first-out method and includes the cost of merchandise and import related costs, including freight, import taxes and agent commissions. A periodic review of inventory is performed in order to determine if inventory is properly stated at the lower of cost or market. Factors related to current inventories such as future expected consumer demand and fashion trends, current aging, current and anticipated retail markdowns or wholesale discounts and class or type of inventory are analyzed to determine estimated net realizable value. Criteria that we utilize to quantify aging trends includes factors such as average selling cycle and seasonality of merchandise, the historical rate at which merchandise has sold below cost during the average selling cycle and the value and nature of merchandise currently priced below original cost. A provision is recorded to reduce the cost of inventories to the estimated net realizable values, if appropriate. The majority of inventory at January 31, 2014 and 2013 consisted of finished goods. Unfinished goods and work-in-process were not material to the overall net inventory value. Net inventories as of January 31, 2014 and January 31, 2013 totaled \$311.2 million and \$282.4 million, representing 14.0% and 15.7% of total assets, respectively. Any significant unanticipated changes in the risk factors noted within this report could have a significant impact on the value of our inventories and our reported operating results.

Adjustments to provisions related to the net realizable value of our inventories are primarily based on the market value of our annual physical inventories, cycle counts and recent historical trends. Our estimates generally have been accurate and our reserve methods have been applied on a consistent basis. We expect the amount of our reserves and related inventories to increase over time as we increase our sales.

Long-Lived Assets

Our long-lived assets consist principally of store leasehold improvements, buildings and furniture and fixtures, and are included in the "Property and equipment, net" line item in our Consolidated Balance Sheets. Store leasehold improvements are recorded at cost and are amortized using the straight-line method over the lesser of the applicable store lease term, including lease renewals which are reasonably assured, or the estimated useful life of the leasehold improvements. The typical initial lease term for our stores is ten years. Buildings are recorded at cost and are amortized using the straight-line method over 39 years. Furniture and fixtures are recorded at cost and are amortized using the straight-line method over their useful life, which is typically five years. Net property and equipment as of January 31, 2014 and January 31, 2013 totaled \$806.9 million and \$733.4 million, representing 36.3% and 40.8% of total assets, respectively.

In assessing potential impairment of these assets, we make estimates regarding forecasted operating results and cash flows on a store-by-store basis. Newly opened stores may take time to generate positive operating and cash flow results. Factors such as store type (e.g., mall versus free-

[Table of Contents](#)

standing), store location (e.g., urban area versus college campus or suburb), current marketplace awareness of our brands, local customer demographic data and current fashion trends are all considered in determining the time frame required for a store to achieve positive financial results, which, in general, is assumed to be within three years from the date a store location has opened. We record impairment losses when events indicate that an asset may be impaired and the undiscounted cash flows are less than the carrying amount of the assets. For fiscal 2014, 2013 and 2012, impairment losses were not material.

We have not historically encountered material early retirement charges related to our long-lived assets. The cost of assets sold or retired and the related accumulated depreciation or amortization is removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are charged to expense as incurred. Major renovations or improvements that extend the service lives of our assets are capitalized over the extension period or life of the improvement, whichever is less.

Accounting for Income Taxes

As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the tax jurisdictions in which we operate. This process involves estimating our actual current tax obligations together with assessing temporary differences resulting from differing treatment of certain items for tax and accounting purposes, such as depreciation of property and equipment and valuation of inventories. These temporary differences result in deferred tax assets and liabilities, which are included within our Consolidated Balance Sheets. We then assess the likelihood that our deferred tax assets will be recovered from future taxable income. We recognize deferred tax assets to the extent that we believe these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. Actual results could differ from this assessment if adequate taxable income is not generated in future periods. Net deferred tax assets as of January 31, 2014 and January 31, 2013 totaled \$66.8 million and \$41.1 million representing, 3.0% and 2.3% of total assets, respectively.

To the extent we believe that recovery of an asset is at risk, we establish valuation allowances. To the extent we establish valuation allowances or increase the allowances in a period, we record additional income tax expense in the Consolidated Statements of Income. Valuation allowances were \$0.1 million as of January 31, 2014 and \$2.1 million as of January 31, 2013. Valuation allowances are based on evidence of our ability to generate sufficient taxable income in certain foreign and state jurisdictions. In the future, if enough evidence of our ability to generate sufficient future taxable income in these jurisdictions becomes apparent, we would be required to reduce our valuation allowances, resulting in a reduction in income tax expense in the Consolidated Statements of Income. On a quarterly basis, management evaluates the likelihood that we will realize the deferred tax assets and adjusts the valuation allowances, if appropriate.

We record uncertain tax positions on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

[Table of Contents](#)

Our tax liability for uncertain tax positions contains uncertainties because we are required to make assumptions and to apply judgment to estimate the exposures associated with our various filing positions. Although we believe that the judgments and estimates discussed herein are reasonable, actual results may differ, and we may be exposed to losses or gains that could be material.

We consider the earnings of certain non-U.S. subsidiaries to be indefinitely invested outside the United States on the basis of estimates that future domestic cash generation will be sufficient to meet future domestic cash needs and our specific plans for reinvestment of those subsidiary earnings. Should we decide to repatriate the foreign earnings, we would need to adjust our income tax provision in the period we determined that the earnings will no longer be indefinitely invested outside the United States.

Accounting for Contingencies

From time to time, we are named as a defendant in legal actions arising from our normal business activities. We are required to record an estimated loss contingency when information available prior to issuance of our financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Accounting for contingencies arising from contractual disputes or legal proceedings requires management to use its best judgment when estimating an accrual related to such contingencies. As additional information becomes known, our accrual for a loss contingency could fluctuate, thereby creating variability in our results of operations from period to period. Likewise, an actual loss arising from a loss contingency which significantly exceeds the amount accrued in our financial statements could have a material adverse impact on our operating results for the period in which such actual loss becomes known.

Share-Based Compensation

Accounting for share-based compensation requires measurement of compensation cost for all share-based awards at fair value on the date of grant and recognition of compensation over the service period, net of estimated forfeitures.

We use a lattice binomial pricing model to determine the fair value of our stock options and stock appreciation rights. This model uses assumptions including the risk free rate of interest, expected volatility of our stock price and expected life of the awards. A Monte Carlo simulation, which utilizes similar assumptions, is used to determine the fair value of performance-based awards. We review our assumptions and the valuations provided by independent third-party valuation advisors in order to determine the fair value of share-based compensation awards at the date of grant. The assumptions used in calculating the fair value of these share-based payment awards represent our best estimates, but these estimates involve inherent uncertainties and the application of judgment. Changes in these assumptions can materially affect the fair value estimate.

Additionally, we make certain estimates about the number of awards which will become vested under performance-based incentive plans. We record expense for performance-based awards based on our current expectations of the probable number of shares that will ultimately vest. The estimation of share-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised and could be materially different from share-based compensation expense recorded in prior periods.

[Table of Contents](#)

We also estimate the expected forfeiture rate. We consider many factors when estimating expected forfeitures, including types of awards and historical experience. We revise our forfeiture rates, when necessary, in subsequent periods if actual forfeitures differ from those originally estimated. As a result, if the actual forfeiture rate is different from the estimate at the completion of the vesting period, the share-based compensation expense may not be comparable to amounts recorded in prior periods.

Results of Operations

As a Percentage of Net Sales

The following table sets forth, for the periods indicated, the percentage of our net sales represented by certain income statement data and the change in certain income statement data from period to period. This table should be read in conjunction with the discussion that follows:

	Fiscal Year Ended January 31,		
	2014	2013	2012
Net sales	100.0%	100.0%	100.0%
Cost of sales	62.4	63.1	65.2
Gross profit	37.6	36.9	34.8
Selling, general and administrative expenses	23.8	23.5	23.3
Income from operations	13.8	13.4	11.5
Interest income	0.1	0.1	0.2
Other income	—	—	—
Other expenses	—	(0.1)	—
Income before income taxes	13.9	13.4	11.7
Income tax expense	4.7	4.9	4.2
Net income	9.2%	8.5%	7.5%
Period over Period Change:			
Net sales	10.4%	13.0%	8.8%
Gross profit	12.6%	19.9%	-8.1%
Income from operations	14.0%	31.5%	-31.3%
Net income	19.0%	28.1%	-32.1%

Fiscal 2014 Compared to Fiscal 2013

Net sales in fiscal 2014 increased by 10.4% to \$3.1 billion, from \$2.8 billion in fiscal 2013. The \$291.7 million increase was attributable to a \$262.7 million, or 9.9%, increase in Retail segment net sales and a \$29.0 million, or 19.5%, increase in Wholesale segment net sales.

The growth in Retail segment net sales during fiscal 2014 was driven by increases of \$144.2 million, or 6.0%, in Retail segment comparable net sales, which includes our direct-to-consumer channel, and \$118.5 million in non-comparable and new store net sales. Our total company comparable Retail segment net sales increase was comprised of increases of 31.7% and 10.1% at Free

[Table of Contents](#)

People and Anthropologie, respectively, and was partially offset by a decrease of 0.6% at Urban Outfitters. The increase in Retail segment comparable net sales was driven by continued growth in the direct-to-consumer channel for all brands and positive comparable store net sales at Anthropologie and Free People. Direct-to-consumer net sales were driven by an increase in website and mobile application traffic, a higher average order value and an improved conversion rate. The positive comparable store net sales resulted from increases in units per transaction and transactions, which were partially offset by a decrease in average unit selling price. The increase in net sales attributable to non-comparable and new stores was primarily the result of opening 87 new stores in fiscal 2014 and 2013 that were not in operation for the full comparable periods. Thus far during the first quarter of fiscal 2015, comparable Retail segment net sales are low single-digit negative.

The increase in Wholesale segment net sales in fiscal 2014 was due to higher sales to both specialty and department stores driven by increases in transactions.

Gross profit rates in fiscal 2014 increased to 37.6% of net sales, or \$1.2 billion, from 36.9% of net sales, or \$1.0 billion, in fiscal 2013. The increase in the gross profit rate was primarily due to improved merchandise margins largely due to significant improvement in the Anthropologie brand markdown rate. This improvement was partially offset by increased markdowns at the Urban Outfitters brand in North America. The increased penetration of the direct-to-consumer channel continued to drive store occupancy leverage and delivery expense deleverage. Total inventories at January 31, 2014 increased by \$28.8 million, or 10.2%, to \$311.2 million from \$282.4 million at January 31, 2013. This increase was primarily related to the acquisition of inventories to stock new and non-comparable stores. Comparable Retail segment inventories as of January 31, 2014 grew 2.5%.

Selling, general and administrative expenses as a percentage of net sales increased during fiscal 2014 to 23.8%, compared to 23.5% for fiscal 2013, primarily due to increases in marketing expenses. Selling, general and administrative expenses increased by \$77.3 million, or 11.8%, to \$734.5 million in fiscal 2014, from \$657.2 million in fiscal 2013. The dollar increase over the prior year was primarily related to the operating expenses of new stores and increased marketing expenses to support our customer acquisition and retention programs.

Income from operations increased to 13.8% of net sales, or \$426.8 million, for fiscal 2014 compared to 13.4% of net sales, or \$374.3 million, for fiscal 2013.

Our annual effective income tax rate for fiscal 2014 decreased to 34.0% of income before income taxes compared to 36.8% of income before income taxes for fiscal 2013. The decrease in the fiscal 2014 effective tax rate is due to a higher percentage of foreign taxable income in fiscal 2014, which carries a lower tax rate, a decrease in valuation allowances for foreign operating loss carryforwards and certain nonrecurring tax adjustments. See Note 8, "Income Taxes," in the Notes to Consolidated Financial Statements, for a reconciliation of the statutory U.S. federal income tax rate to our effective tax rate. We expect the tax rate for fiscal 2015 to be approximately 35.0%.

Fiscal 2013 Compared to Fiscal 2012

Net sales in fiscal 2013 increased by 13.0% to \$2.8 billion, from \$2.5 billion in the prior fiscal year. The \$321.1 million increase was attributable to a \$305.5 million, or 13.1%, increase in Retail segment net sales and a \$15.6 million, or 11.8%, increase in our Wholesale segment net sales.

[Table of Contents](#)

The growth in Retail segment net sales during fiscal 2013 was driven by increases of \$157.7 million in non-comparable and new store net sales and \$147.8 million, or 6.9%, in Retail segment comparable net sales, which includes our direct-to-consumer channel. Our total company comparable Retail segment net sales increase was comprised of increases of 21.8%, 8.0% and 3.6% at Free People, Urban Outfitters and Anthropologie, respectively, and was driven by continued growth in the direct-to-consumer channel partially offset by negative comparable store net sales. The increase in net sales attributable to non-comparable and new stores was primarily the result of opening 106 new stores in fiscal 2013 and 2012 that were not in operation for the full comparable periods. The direct-to-consumer net sales increase was driven by increased traffic to our websites, which was partially offset by a decline in average order value and conversion rate. The negative comparable store net sales resulted from decreases in average units per transaction and average unit sales prices, partially offset by an increase in transactions.

The increase in our Free People wholesale net sales of \$21.1 million, or 16.6%, was driven by an increase in transactions, which was partially offset by a decline in average unit selling prices. The Free People wholesale net sales increase was partially offset by a \$5.5 million decline in Leifsdottir net sales resulting from the discontinuation of wholesale distribution of the Leifsdottir brand, which began in the first quarter of fiscal 2012 and was principally completed by the end of the second quarter of fiscal 2012.

Gross profit rates in fiscal 2013 increased to 36.9% of net sales, or \$1.0 billion, from 34.8% of net sales, or \$860.5 million, in fiscal 2012. The increase in the rate was primarily due to a reduction in merchandise markdowns. Total Company inventories at January 31, 2013 increased by \$32.3 million, or 12.9%, to \$282.4 million from \$250.1 million at January 31, 2012. This increase was primarily related to the acquisition of inventory to stock new and non-comparable stores and to support the significant growth in the direct-to-consumer channel. Comparable Retail segment inventories as of January 31, 2013 grew 5.7%.

Selling, general and administrative expenses, as a percentage of net sales for fiscal 2013, increased to 23.5% of net sales versus 23.3% of net sales for fiscal 2012. This increase was primarily due to the deleveraging of direct selling controllable expenses driven by negative comparable store net sales. In fiscal 2013, selling, general and administrative expenses increased by \$81.4 million, or 14.1%, to \$657.2 million, from \$575.8 million in fiscal 2012. The dollar increase over the prior year is primarily related to the operating expenses of new and non-comparable stores.

Income from operations increased to 13.4% of net sales, or \$374.3 million, for fiscal 2013 compared to 11.5% of net sales, or \$284.7 million, for fiscal 2012.

Our annual effective income tax rate for fiscal 2013 increased to 36.8% of income before income taxes compared to 35.9% of income before income taxes for fiscal 2012. The increase in the fiscal 2013 effective tax rate is partially due to certain nonrecurring state and foreign tax adjustments. See Note 8, "Income Taxes," in the Notes to Consolidated Financial Statements, for a reconciliation of the statutory U.S. federal income tax rate to our effective tax rate.

Liquidity and Capital Resources

Cash, cash equivalents and marketable securities were \$890.3 million as of January 31, 2014 as compared to \$623.4 million as of January 31, 2013 and \$362.0 million as of January 31, 2012. The

[Table of Contents](#)

\$266.9 million increase in cash, cash equivalents and marketable securities during fiscal 2014 was primarily a result of \$423.2 million from cash provided by operating activities, partially offset by \$186.1 million cash paid for property and equipment.

Cash provided by operating activities for fiscal 2014, increased by \$27.5 million to \$423.2 million from \$395.7 million in fiscal 2013. The increase primarily consists of changes in working capital driven by the timing of accounts payable disbursements. Our working capital as of year-end for fiscal years 2014, 2013 and 2012 was \$663.2 million, \$622.1 million and \$363.5 million, respectively. Changes in working capital primarily relate to changes in the volume of cash, cash equivalents and marketable securities.

Cash used in investing activities during fiscal 2014 was \$462.2 million, consisting of \$186.1 million used primarily for the construction of new stores and the expansion of our home offices and \$276.1 million in net purchases of marketable securities.

Cash provided by financing activities during fiscal 2014 of \$33.7 million was primarily related to the exercise of stock options and related tax benefits on stock option exercises.

During the last three years, we have satisfied our cash requirements through our cash flow from operating activities. Our primary uses of cash have been to open new stores, purchase inventories and expand our fulfillment and home office facilities. We have also continued to invest in our omni-channel efforts, technology and our international operations. Cash paid for property and equipment for fiscal 2014, 2013 and 2012 were \$186.1 million, \$168.9 million, and \$190.0 million, respectively, and were primarily used to expand and support our store base, home offices and distribution and fulfillment facilities.

During fiscal 2015, we plan to construct and open approximately 35 to 40 new stores, renovate certain existing stores, continue to expand our home offices in Philadelphia, Pennsylvania, increase our fulfillment capabilities, upgrade our systems, increase our investments in omni-channel marketing and purchase inventories for our Retail and Wholesale segments at levels appropriate to maintain our planned sales growth. We believe that our marketing, social media, merchandise expansion, website and mobile initiatives are a significant contributor to our Retail segment sales growth. During fiscal 2015, we plan to continue our investment in these initiatives for all brands. We plan to increase the level of capital expenditures during fiscal 2015 to approximately \$215 to \$235 million. We believe that our new store investments have the potential to generate positive cash flow within a year. We believe the expansion of our fulfillment and home office facilities is necessary to adequately support our growth. We may also enter into one or more acquisitions or transactions related to the expansion of our brand offerings.

On August 27, 2013, our Board of Directors authorized the repurchase of 10.0 million common shares under a share repurchase program. We repurchased and subsequently retired 0.3 million common shares at a total cost of \$10.7 million during fiscal 2014. The average cost per share of the repurchases for fiscal 2014 was \$35.61, including commissions.

On February 28, 2006, a stock repurchase authorization by our Board of Directors allowed us to repurchase up to 8.0 million common shares. On November 16, 2010 and August 25, 2011, two additional stock repurchase authorizations by our Board of Directors allowed us to repurchase, in

[Table of Contents](#)

aggregate, 20.0 million additional common shares. We repurchased all of the remaining outstanding shares available under these authorizations during fiscal 2012. During fiscal 2012, we repurchased and retired 20.5 million common shares for approximately \$538.3 million.

In addition to the shares repurchased under the share repurchase program, during fiscal 2014 and 2012, we acquired and subsequently retired 9,520 and 282,813 common shares at a total cost of \$0.4 million and \$7.2 million, respectively, from employees to meet minimum statutory tax withholding requirements.

Subsequent to January 31, 2014, we repurchased and retired 4,523,220 common shares at a total cost of \$162.0 million or an average cost of \$35.83 per share, including commissions.

On April 25, 2011, we amended our line of credit facility (the "Line") with Wells Fargo Bank, National Association. This amendment extended the term of the Line for three years, increased the accordion feature from \$100.0 million to \$175.0 million, reduced the interest rate margin for certain cash advances and modified certain financial covenants and terms. The Line has been subsequently amended from time to time to join certain subsidiaries as borrowers and guarantors, to revise certain financial covenants, and to use the accordion feature of the Line to increase the total available credit under the Line to \$175.0 million. The Line contains a sub-limit for borrowings by our European subsidiaries that are guaranteed by us. Cash advances bear interest at LIBOR plus 0.50% to 1.50% based on the Company's achievement of prescribed adjusted debt ratios. The Line subjects us to various restrictive covenants, including maintenance of certain financial ratios such as adjusted debt. The covenants also include limitations on our capital expenditures and the payment of cash dividends. As of and during the year ended January 31, 2014, there were no borrowings under the Line and we were in compliance with all covenants under the Line. Outstanding letters of credit and stand-by letters of credit under the Line totaled approximately \$69.8 million as of January 31, 2014. The available credit under the Line was \$105.2 million as of January 31, 2014.

On March 27, 2014, we amended and restated our existing line of credit facility with Wells Fargo Bank, National Association ("the Amended and Restated Line"). The Amended and Restated Line is a five year \$175.0 million revolving credit facility with an accordion feature allowing for an increase of up to \$50.0 million at our discretion. The Amended and Restated Line contains a sub-limit for borrowings by our subsidiaries that are guaranteed by us. Under the terms of the Amended and Restated Line, at the borrowers' option, the aggregate principal balance of the amounts advanced or portions thereof will bear interest at (a) the base rate, or (b) the applicable LIBOR Rate plus a margin that can range from 0.50% to 1.50%. The Amended and Restated Line subjects us to various restrictive covenants, including maintenance of certified financial covenants. We expect the Amended and Restated Line to satisfy our credit needs through at least fiscal 2015.

[Table of Contents](#)

Contractual Obligations

<u>Description</u>	<u>Total Obligations</u>	<u>Payments Due by Period (in thousands)</u>			
		<u>Less Than One Year</u>	<u>One to Three Years</u>	<u>Three to Five Years</u>	<u>More Than Five Years</u>
Operating leases (1)	\$ 1,801,125	\$ 244,145	\$451,971	\$379,733	\$725,276
Purchase orders (2)	367,003	367,003	—	—	—
Construction contracts (3)	29,350	29,350	—	—	—
Tax contingencies (4)	1,614	1,614	—	—	—
Total contractual obligations	<u>\$2,199,092</u>	<u>\$642,112</u>	<u>\$451,971</u>	<u>\$379,733</u>	<u>\$725,276</u>

- (1) Includes store operating leases, which generally provide for payment of direct operating costs in addition to rent. The obligation amounts shown above only reflect our future minimum lease payments as the direct operating costs fluctuate over the term of the lease. Additionally, there are 26 locations where a percentage of sales are paid in lieu of a fixed minimum rent that are not reflected in the above table. Total rent expense related to these 26 locations was approximately \$4,036 for fiscal 2014. It is common for the lease agreements for our European locations to adjust the minimum rental due to the current market rate multiple times during the term. The table above includes our current contractual payments for these locations. Amounts noted above include commitments for 27 executed leases for stores not opened as of January 31, 2014.
- (2) Our merchandise commitments are cancellable with no or limited recourse available to the vendor until the merchandise shipping date.
- (3) Includes construction contracts with contractors that are fully liquidated upon the completion of construction, which is typically within 12 months.
- (4) Tax contingencies include \$1,614 that is classified as a current liability in the Company's Consolidated Balance Sheets as of January 31, 2014. Tax contingencies in the table above do not show an existing liability of \$4,306 because we cannot reasonably estimate in which future periods these amounts will ultimately be settled. As a result, the \$4,306 liability was classified as a non-current liability in the Company's Consolidated Balance Sheets as of January 31, 2014.

Commercial Commitments

<u>Description</u>	<u>Total Amounts Committed</u>	<u>Amount of Commitment Per Period (in thousands)</u>			
		<u>Less Than One Year</u>	<u>One to Three Years</u>	<u>Three to Five Years</u>	<u>More Than Five Years</u>
Line of credit (1)	\$ 58,461	\$ 58,461	\$—	\$—	\$—
Standby letters of credit (2)	11,327	11,327	—	—	—
Total commercial commitments	<u>\$69,788</u>	<u>\$69,788</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>

- (1) Consists primarily of outstanding letter of credit commitments in connection with import inventory purchases.
- (2) Consists primarily of standby letters of credit for customs, construction and insurance.

Off-Balance Sheet Arrangements

As of and for the three fiscal years ended January 31, 2014, except for operating leases entered into in the normal course of business, we were not party to any material off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

[Table of Contents](#)**Other Matters***Recently Issued Accounting Pronouncements*

See Note 2, “Summary of Significant Accounting Policies—Recently Issued and Adopted Accounting Pronouncements,” in the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K for a description of recently issued and adopted accounting pronouncements, including the dates of adoption and impacts on our results of operations, financial position and cash flows.

Seasonality and Quarterly Results

Our business experiences seasonal fluctuations in net sales and operating income, with a more significant portion typically realized from August 1 to December 31 of each year (the back-to-school and holiday periods). Historically, and consistent with the retail industry, this seasonality also impacts our working capital requirements, particularly with regard to inventory. The following tables set forth our net sales, gross profit, net income and net income per common share (basic and diluted) for each quarter during the last two fiscal years and the amount of such net sales and net income, respectively, as a percentage of annual net sales and annual net income. The unaudited financial information has been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

	Fiscal 2014 Quarter Ended (1)			
	April 30, 2013	July 31, 2013	Oct. 31, 2013	Jan. 31, 2014
	(dollars in thousands, except per share data)			
Net sales	\$648,177	\$758,524	\$ 774,049	\$905,858
Gross profit	238,809	298,243	292,285	332,005
Net income	47,058	76,363	70,257	88,682
Net income per common share—basic	0.32	0.52	0.48	0.60
Net income per common share—diluted	0.32	0.51	0.47	0.59

As a Percentage of Fiscal Year:

Net sales	21%	25%	25%	29%
Net income	17%	27%	25%	31%

	Fiscal 2013 Quarter Ended (1)			
	April 30, 2012	July 31, 2012	Oct. 31, 2012	Jan. 31, 2013
	(dollars in thousands, except per share data)			
Net sales	\$568,930	\$676,269	\$692,894	\$856,832
Gross profit	202,479	254,505	260,851	313,696
Net income	33,957	61,292	59,517	82,548
Net income per common share—basic	0.24	0.42	0.41	0.57
Net income per common share—diluted	0.23	0.42	0.40	0.56

As a Percentage of Fiscal Year:

Net sales	20%	24%	25%	31%
Net income	14%	26%	25%	35%

- (1) The sum of the quarterly per share amounts may not equal per share amounts reported for year-to-date periods. This is due to changes in the number of weighted-average shares outstanding and the effects of rounding for each period.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to the following types of market risks—fluctuations in the purchase price of merchandise, as well as other goods and services, the value of foreign currencies in relation to the U.S. dollar, and changes in interest rates. Due to our inventory turnover rate and our historical ability to pass through the impact of any generalized changes in our cost of goods to our customers through pricing adjustments, commodity and other product risks are not expected to be material. We purchase the majority of our merchandise in U.S. dollars, including a portion of the goods for our stores located in Canada and Europe.

Our exposure to market risk for changes in interest rates relates to our cash, cash equivalents and marketable securities. As of January 31, 2014 and 2013, our cash, cash equivalents and marketable securities consisted primarily of cash on hand and in banks, money market accounts, corporate bonds rated “A” or better, municipal and pre-refunded municipal bonds rated “A” or better, treasury bills, certificates of deposit, federal government agencies, commercial paper rated “A” or better, which bear interest at variable rates, and mutual funds. Due to the short average maturity and conservative nature of our investment portfolio, we believe a 100 basis point change in interest rates would not have a material effect on the Consolidated Financial Statements. As the interest rates on a material portion of our cash, cash equivalents and marketable securities are variable, a change in interest rates earned on the cash, cash equivalents and marketable securities would impact interest income along with cash flows, but would not impact the fair market value of the related underlying instruments.

During the first quarter of fiscal 2014, we sold all of our remaining Auction Rate Securities (“ARS”) for \$4,580 in cash. Our ARS had a par value and a recorded fair value of \$4,925 and \$4,330, respectively, prior to the sale and as of January 31, 2013.

Item 8. Financial Statements and Supplementary Data

The information required by this Item is incorporated by reference from Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations—Seasonality and Quarterly Results and from our consolidated financial statements and related notes thereto.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended. Based on this review, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of January 31, 2014.

[Table of Contents](#)

Management’s Annual Report on Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in the Securities Exchange Act Rule 13a-15(f). Our system of internal control is designed to provide reasonable, not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the design and effectiveness of our internal control over financial reporting based on the *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that the Company’s internal control over financial reporting was effective as of January 31, 2014.

The effectiveness of internal control over financial reporting as of January 31, 2014 was audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report that is included on page 39 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company’s internal control over financial reporting during the Company’s fourth quarter of fiscal 2014 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Item 9B. Other Information

On March 27, 2014, we amended and restated our existing line of credit facility with Wells Fargo Bank, National Association (“the Amended and Restated Line”). The Amended and Restated Line is a five year \$175.0 million revolving credit facility with an accordion feature allowing for an increase of up to \$50.0 million at our discretion. The Amended and Restated Line contains a sub-limit for borrowings by our subsidiaries that are guaranteed by us. Under the terms of the Amended and Restated Line, at the borrowers’ option, the aggregate principal balance of the amounts advanced or portions thereof will bear interest at (a) the base rate, or (b) the applicable LIBOR Rate plus a margin that can range from 0.50% to 1.50%. The Amended and Restated Line subjects us to various restrictive covenants, including maintenance of certified financial covenants. We expect the Amended and Restated Line to satisfy our credit needs through at least fiscal 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Urban Outfitters, Inc.
Philadelphia, Pennsylvania

We have audited the internal control over financial reporting of Urban Outfitters, Inc. and subsidiaries (the “Company”) as of January 31, 2014, based on criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

[Table of Contents](#)

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2014, based on the criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of January 31, 2014, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for the year then ended and our report dated April 1, 2014 expressed an unqualified opinion on those consolidated financial statements.

/s/ DELOITTE & TOUCHE LLP

Philadelphia, Pennsylvania
April 1, 2014

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following table sets forth the name, age and position of each of our executive officers and directors:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Richard A. Hayne	66	Chairman of the Board, Chief Executive Officer and President
Francis J. Conforti	38	Chief Financial Officer
Glen A. Bodzy	61	General Counsel and Secretary
Margaret A. Hayne	55	President, Free People Brand, Chief Creative Officer and Director
Calvin Hollinger	49	Chief Administrative Officer
Tedford G. Marlow	62	CEO of Urban Outfitters Group
David W. McCreight	50	CEO of Anthropologie Group
Wendy B. McDevitt	49	President, Terrain Brand
Edward N. Antoian (2)	58	Director
Scott A. Belair (2)(3)	66	Director
Harry S. Cherken, Jr. (1)	64	Director
Joel S. Lawson III (2)(3)	66	Director
Robert H. Strouse (1)(3)	65	Director

- (1) Member of the Nominating Committee.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.

Mr. Hayne co-founded Urban Outfitters in 1970 and has been Chairman of the Board of Directors and President since the Company's incorporation in 1976. Mr. Hayne served as the Company's principal executive officer until 2007 and again, beginning in January 2012. Margaret A. Hayne, President, Free People Brand, Chief Creative Officer and Director, is Mr. Hayne's spouse. Mr. Hayne's long tenure leading the Company as Chairman of the Board and President, his tenure as principal executive officer, and his exceptional leadership skills make him uniquely qualified to serve as a director.

Mr. Conforti joined Urban Outfitters in March 2007 as Director of Finance and SEC Reporting. After being promoted to Controller and then to Chief Accounting Officer, he was appointed Chief Financial Officer in April 2012. Prior to joining the Company, Mr. Conforti, a Certified Public Accountant, worked for AlliedBarton Security Services, LLC for five years serving as Controller for three years. Mr. Conforti began his career at KPMG in 1998 where he held various audit roles.

Mr. Bodzy joined Urban Outfitters as its General Counsel in December 1997 and was appointed Secretary in February 1999. Prior to joining the Company, Mr. Bodzy was Vice President, General Counsel and Secretary of Service Merchandise Company, Inc. where he was responsible for legal affairs, the store development program and various other corporate areas.

Ms. Hayne joined the Company in August 1982. She is a 38 year veteran of the retail and wholesale industry and has served as President, Free People Brand, since March 2007 and as Chief Creative Officer since November 2013. Richard A. Hayne, the Company's current Chairman, Chief Executive Officer and President, is Ms. Hayne's spouse.

[Table of Contents](#)

Mr. Hollinger joined the Company in November 2004 as Chief Information Officer. In July 2013, Mr. Hollinger was promoted to Chief Administrative Officer, with areas of responsibility including information technology, logistics, construction and facilities, talent acquisition and executive development, customer contact center, compensation and European operations.

Mr. Marlow served as the Global President of Urban Outfitters from July 2001 through May 2010. He rejoined the Company in February 2012 as the Chief Executive Officer of the Urban Outfitters Brand. Prior to joining the Company in 2001, Mr. Marlow served as Executive Vice President of Merchandising, Product Development and Marketing at Chico's FAS, Inc. Previously Mr. Marlow was President of Henri Bendel, a division of Limited Brands and Senior Vice President/General Merchandise Manager of Marshall Fields. Mr. Marlow began his retail career at Neiman Marcus, where he served in a variety of management roles.

Mr. McCreight joined the Company in November 2012 as Chief Executive Officer of Anthropologie Group. Previously, Mr. McCreight served as President of Under Armour from 2008 until 2010 and President of Lands' End from 2005 to 2008. Mr. McCreight also held the position of Senior Vice President of Merchandising at Lands' End from 2003 to 2005 and Senior Vice President and General Merchandising Manager of Disney Stores from 2001 to 2003. Mr. McCreight had been President of Smith and Hawken and began his career with roles within the merchant organizations at Saks, The May Company and The Limited.

Ms. McDevitt, President of the Terrain Brand and former Global Co-President of the Anthropologie Brand, joined Urban Outfitters in November 1992 and has served within the URBN brands including Director of Administration for URBN, Director of Operations/Stores for Urban Outfitters Europe, Executive Director of Stores and Operations for Anthropologie and Chief Operating Officer for Anthropologie. Prior to joining the Company, Ms. McDevitt worked for Liz Claiborne Inc.

Mr. Antoian is a Managing Partner at Chartwell Investment Partners, an investment advisory firm, where he has worked since its inception in 1997. He is also a partner and Chief Investment Officer for Zeke Capital Advisors, a financial advisory firm. In addition, Mr. Antoian is the General Partner of Zeke, L.P., a privately offered long-short equity hedge fund. From 1984 until 1997, Mr. Antoian was the Senior Portfolio Manager of Delaware Management Co. Prior to that, Mr. Antoian worked at E.F. Hutton in Institutional Sales, and as a certified public accountant for Price Waterhouse. Mr. Antoian holds an MBA in Finance and has financial and investment experience as a result of his experience as a CPA, financial advisor and portfolio manager. Mr. Antoian also serves as a director of a not-for-profit entity.

Mr. Belair co-founded Urban Outfitters in 1970 and has not been an employee since 1971, prior to incorporation of the Company in 1976. He has served as Principal of The ZAC Group, a financial advisory firm, since 1989. Previously, he was a managing director of Drexel Burnham Lambert Incorporated. Mr. Belair is also a director of Hudson City Bancorp, Inc. (HCBK), and Hudson City Savings Bank. He holds an MBA degree and has financial and investment expertise, including financial reporting expertise, as a result of his significant experience as a CPA, financial advisor, and former chief financial officer in the financial services industry. As a co-founder of the Company, Mr. Belair has been involved with the Company from its inception, and accordingly has a comprehensive understanding of and perspective on its overall business and strategic direction.

Mr. Cherken has been a partner in the law firm of Drinker Biddle & Reath LLP in Philadelphia, Pennsylvania since 1984, is a former managing partner of that firm, and has served as Co-Chair of its

[Table of Contents](#)

Real Estate Group. As a real estate lawyer with over 37 years' experience representing public and private companies in the acquisition, construction, development, financing, leasing, management, consolidation, and disposition of commercial real estate, he has extensive experience with real estate transactions, including negotiating real estate transactions and leases on behalf of the Company. Mr. Cherken also holds a Masters in Liberal Arts degree and serves as a trustee of various not-for-profit entities.

Mr. Lawson is an independent consultant and private investor. From November 2001 until November 2003, he also served as Executive Director of M&A International Inc., a global organization of merger and acquisition advisory firms. From 1980 until November 2001, Mr. Lawson was Chief Executive Officer of Howard, Lawson & Co., an investment banking and corporate finance firm. Howard, Lawson & Co. became an indirect, wholly-owned subsidiary of FleetBoston Financial Corporation in March 2001. As the former Chief Executive Officer of an investment banking and corporate finance firm, Mr. Lawson has extensive experience in financial and investment matters, including financial reporting expertise. In addition, as the former Executive Director of a global organization of merger and acquisition advisory firms, he has specialized knowledge regarding mergers and acquisitions. He also holds an MBA degree and serves as a director of a not-for-profit entity.

Mr. Strouse serves as President of Wind River Holdings, L.P., which oversees a diversified group of privately owned industrial and service businesses. Through his experience with this private investment company, Mr. Strouse brings to the Board of Directors experience in strategic planning, budgeting, talent recruitment and development, risk management, and corporate development activities. Mr. Strouse is a former corporate lawyer whose practice, prior to 1998 when he joined Wind River, focused on mergers and acquisitions, corporate governance and SEC reporting. Mr. Strouse also serves as a board member of a not-for-profit entity.

Code of Conduct and Ethics

We have a written Code of Conduct and Ethics that applies to our Directors and employees, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer. The Code includes guidelines relating to compliance with laws, the ethical handling of actual or potential conflicts of interest, the use of corporate opportunities, protection and use of our confidential information, accepting gifts and business courtesies, compliance with anti-bribery and illegal payment laws, accurate financial reporting, and procedures for promoting compliance with, and reporting violations of, the Code. The Code of Conduct and Ethics is available on our website at www.urbanoutfittersinc.com. We intend to post any amendments to our Code of Conduct and Ethics and also to disclose any waivers (to the extent applicable to the Company's Chief Executive Officer, Chief Financial Officer or Principal Accounting Officer) on our website.

Section 16(a) Beneficial Ownership Reporting Compliance

Information required by this item is incorporated herein by reference from the Company's Proxy Statement for the 2014 Annual Meeting of Shareholders.

Other Information

Other information required by Item 10 relating to the Company's directors is incorporated herein by reference from the Company's Proxy Statement for the 2014 Annual Meeting of Shareholders.

[Table of Contents](#)

Item 11. Executive Compensation

Information required by this item is incorporated herein by reference from the Company's Proxy Statement for the 2014 Annual Meeting of Shareholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

Information required by this item is incorporated herein by reference from the Company's Proxy Statement for the 2014 Annual Meeting of Shareholders.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this item is incorporated herein by reference from the Company's Proxy Statement for the 2014 Annual Meeting of Shareholders.

Item 14. Principal Accountant Fees and Services

Information required by this item is incorporated herein by reference from the Company's Proxy Statement for the 2014 Annual Meeting of Shareholders.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report on Form 10-K:

(1) Financial Statements

Consolidated Financial Statements filed herewith are listed in the accompanying index on page F-1.

(2) Financial Statement Schedule

None

All other schedules are omitted because they are not applicable or not required, or because the required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits

The Exhibits listed below are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K. The file number for each exhibit incorporated by reference is 000-22754 unless otherwise provided.

<u>Exhibit Number</u>	<u>Description</u>
3.1	Amended and Restated Articles of Incorporation is incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q (file no. 000-22754) filed on September 9, 2004.
3.2	Amendment No. 1 to Amended and Restated Articles of Incorporation is incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q (file no. 000-22754) filed on September 9, 2004.
3.3	Amendment No.2 to the Amended and Restated Articles of Incorporation is incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on May 31, 2013.
3.4	Second Amended and Restated By-laws are incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed on December 12, 2012.
10.1*	Second Amended and Restated Credit Agreement, dated March 27, 2014, by and among Urban Outfitters, Inc. and Wells Fargo Bank, National Association.
10.2*	Seventh Amended and Restated Note, dated March 27, 2014, by and among Urban Outfitters, Inc. and Wells Fargo Bank, National Association.
10.3+	Urban Outfitters 2004 Stock Incentive Plan is incorporated by reference to Appendix <i>B</i> of the Company's Definitive Proxy Statement on Schedule 14A (file no. 000-22754) filed on April 26, 2004 and Amendment No. 1 to the Urban Outfitters 2004 Stock Incentive Plan is incorporated by reference to Appendix <i>A</i> of the Company's Definitive Proxy Statement on Schedule 14A (file no. 000-22754) filed on April 25, 2005.

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
10.4+	Urban Outfitters 401(k) Savings Plan (formerly known as The Urban Outfitters, Inc. PROFIT SHARING FUND prior to July 1, 1999) is incorporated by reference to Exhibit 10.4 of the Company's Amendment No.2 to the Registration Statement on Form S-1/A (file no. 033-69378) filed on November 3, 1993.
10.5+	2000 Stock Incentive Plan is incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A (file no. 000-22754) filed on April 17, 2000.
10.6+	2008 Stock Incentive Plan is incorporated by reference to Appendix B of the Company's Definitive Proxy Statement on Schedule 14A filed on April 1, 2013.
10.7+	Urban Outfitters Executive Incentive Plan, as amended and restated effective February 1, 2010, is incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A filed on April 1, 2010.
10.8+	Form of 2004 Plan—Non-Qualified Stock Option Agreement is incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K filed on June 18, 2009.
10.9+	Form of 2004 Plan—Non-Employee Director Non-Qualified Stock Option Agreement is incorporated by reference to Exhibit 99.2 of the Company's Current Report on Form 8-K filed on June 18, 2009.
10.10+	Form of 2004 Plan—Incentive Stock Option Agreement is incorporated by reference to Exhibit 99.3 of the Company's Current Report on Form 8-K filed on June 18, 2009.
10.11+	Form of 2004—Stock Appreciation Right Agreement is incorporated by reference to Exhibit 99.2 of the Company's Current Report on Form 8-K filed on September 7, 2010.
10.12+	Form of 2004 Plan—Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on December 10, 2010.
10.13+	Form of 2008 Plan—Non-Qualified Stock Option Agreement is incorporated by reference to Exhibit 99.4 of the Company's Current Report on Form 8-K filed on June 18, 2009.
10.14+	Form of 2008 Plan—Non-Employee Director Non-Qualified Stock Option Agreement is incorporated by reference to Exhibit 99.5 of the Company's Current Report on Form 8-K filed on June 18, 2009.
10.15+	Form of 2008 Plan—Incentive Stock Option Agreement is incorporated by reference to Exhibit 99.6 of the Company's Current Report on Form 8-K filed on June 18, 2009.
10.16+	Form of 2008 Plan—Performance Stock Unit Agreement is incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K filed on September 7, 2010.
10.17+	Form of 2008 Plan—Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed on December 10, 2010.
10.18+	Form of 2008 Plan—Performance/Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on December 12, 2011.
10.19+	Form of 2008 Plan—Stock Appreciation Right Agreement is incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on December 12, 2011.

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
21.1*	List of Subsidiaries.
23.1*	Consent of Deloitte & Touche LLP.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Financial Officer.
32.1**	Section 1350 Certification of the Company's Principal Executive Officer.
32.2**	Section 1350 Certification of the Company's Principal Financial Officer.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase

* Filed herewith

** Furnished herewith

+ Compensatory plan

[Table of Contents](#)

URBAN OUTFITTERS, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm—Deloitte & Touche LLP	F-2
Consolidated Balance Sheets as of January 31, 2014 and January 31, 2013	F-3
Consolidated Statements of Income for the fiscal years ended January 31, 2014, 2013 and 2012	F-4
Consolidated Statements of Comprehensive Income for the fiscal years ended January 31, 2014, 2013 and 2012	F-5
Consolidated Statements of Shareholders' Equity for the fiscal years ended January 31, 2014, 2013 and 2012	F-6
Consolidated Statements of Cash Flows for the fiscal years ended January 31, 2014, 2013 and 2012	F-7
Notes to Consolidated Financial Statements	F-8

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Urban Outfitters, Inc.
Philadelphia, Pennsylvania

We have audited the accompanying consolidated balance sheets of Urban Outfitters, Inc. and subsidiaries (the “Company”) as of January 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, shareholders’ equity, and cash flows for each of the three years in the period ended January 31, 2014. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements 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 Urban Outfitters, Inc. and subsidiaries as of January 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

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 31, 2014, based on the criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 1, 2014 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Philadelphia, Pennsylvania
April 1, 2014

URBAN OUTFITTERS, INC.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	January 31, 2014	January 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 242,058	\$ 245,327
Marketable securities	281,813	228,486
Accounts receivable, net of allowance for doubtful accounts of \$1,711 and \$1,681, respectively	55,161	39,519
Inventories	311,207	282,411
Prepaid expenses and other current assets	75,968	61,827
Deferred taxes	28,773	14,714
Total current assets	994,980	872,284
Property and equipment, net	806,909	733,416
Marketable securities	366,422	149,585
Deferred income taxes and other assets	52,903	41,926
Total Assets	<u>\$ 2,221,214</u>	<u>\$1,797,211</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 137,036	\$ 99,059
Accrued compensation	41,085	31,095
Accrued expenses and other current liabilities	153,709	120,041
Total current liabilities	331,830	250,195
Deferred rent and other liabilities	195,214	192,428
Total Liabilities	527,044	442,623
Commitments and contingencies (see Note 13)		
Shareholders' equity:		
Preferred shares; \$.0001 par value, 10,000,000 shares authorized, none issued	—	—
Common shares; \$.0001 par value, 200,000,000 shares authorized, 147,309,575 and 146,015,767 shares issued and outstanding, respectively	15	15
Additional paid-in-capital	97,684	48,276
Retained earnings	1,597,439	1,315,079
Accumulated other comprehensive loss	(968)	(8,782)
Total Shareholders' Equity	1,694,170	1,354,588
Total Liabilities and Shareholders' Equity	<u>\$ 2,221,214</u>	<u>\$1,797,211</u>

The accompanying notes are an integral part of these consolidated financial statements.

URBAN OUTFITTERS, INC.
Consolidated Statements of Income
(in thousands, except share and per share data)

	Fiscal Year Ended January 31,		
	2014	2013	2012
Net sales	\$ 3,086,608	\$ 2,794,925	\$ 2,473,801
Cost of sales	1,925,266	1,763,394	1,613,265
Gross profit	1,161,342	1,031,531	860,536
Selling, general and administrative expenses	734,511	657,246	575,811
Income from operations	426,831	374,285	284,725
Interest income	2,713	2,126	5,120
Other income	1,088	862	553
Other expenses	(3,114)	(1,701)	(1,567)
Income before income taxes	427,518	375,572	288,831
Income tax expense	145,158	138,258	103,580
Net income	\$ 282,360	\$ 237,314	\$ 185,251
Net income per common share:			
Basic	\$ 1.92	\$ 1.63	\$ 1.20
Diluted	\$ 1.89	\$ 1.62	\$ 1.19
Weighted-average common shares outstanding:			
Basic	147,014,869	145,253,691	154,025,589
Diluted	149,225,906	146,663,731	156,191,289

The accompanying notes are an integral part of these consolidated financial statements.

URBAN OUTFITTERS, INC.
Consolidated Statements of Comprehensive Income
(in thousands)

	<u>Fiscal Year Ended January 31,</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net income	\$282,360	\$237,314	\$185,251
Other comprehensive income (loss):			
Foreign currency translation	7,194	1,455	(2,285)
Change in unrealized gains on marketable securities, net of tax	620	1,275	1,035
Total other comprehensive income (loss)	7,814	2,730	(1,250)
Comprehensive income	<u>\$290,174</u>	<u>\$240,044</u>	<u>\$184,001</u>

The accompanying notes are an integral part of these consolidated financial statements.

URBAN OUTFITTERS, INC.
Consolidated Statements of Shareholders' Equity
(in thousands, except share data)

	<u>Common Shares</u>			<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Par Value</u>	<u>Additional Paid-in Capital</u>			
Balances as of January 31, 2011	164,413,427	\$ 17	\$ 27,603	\$ 1,394,190	\$ (10,262)	\$ 1,411,548
Comprehensive income	—	—	—	185,251	(1,250)	184,001
Share-based compensation	—	—	3,068	—	—	3,068
Stock options and awards	993,923	—	4,134	—	—	4,134
Excess tax benefit from share-based awards	—	—	8,995	—	—	8,995
Share repurchases	(20,774,343)	(2)	(43,800)	(501,676)	—	(545,478)
Balances as of January 31, 2012	144,633,007	\$ 15	\$ —	\$ 1,077,765	\$ (11,512)	\$ 1,066,268
Comprehensive income	—	—	—	237,314	2,730	240,044
Share-based compensation	—	—	10,892	—	—	10,892
Stock options and awards	1,382,760	—	30,671	—	—	30,671
Excess tax benefit from share-based awards	—	—	6,713	—	—	6,713
Balances as of January 31, 2013	146,015,767	\$ 15	\$ 48,276	\$ 1,315,079	\$ (8,782)	\$ 1,354,588
Comprehensive income	—	—	—	282,360	7,814	290,174
Share-based compensation	—	—	15,742	—	—	15,742
Stock options and awards	1,603,628	—	35,218	—	—	35,218
Excess tax benefit from share-based awards	—	—	9,540	—	—	9,540
Share repurchases	(309,820)	—	(11,092)	—	—	(11,092)
Balances as of January 31, 2014	147,309,575	\$ 15	\$ 97,684	\$ 1,597,439	\$ (968)	\$ 1,694,170

The accompanying notes are an integral part of these consolidated financial statements.

URBAN OUTFITTERS, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Fiscal Year Ended January 31,		
	2014	2013	2012
Cash flows from operating activities:			
Net income	\$ 282,360	\$ 237,314	\$ 185,251
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	132,664	118,664	108,112
(Benefit) provision for deferred income taxes	(28,505)	22,248	(12,150)
Excess tax benefits from stock option exercises	(9,540)	(6,713)	(8,995)
Share-based compensation expense	15,742	10,892	3,068
Loss on disposition of property and equipment, net	2,368	616	857
Changes in assets and liabilities:			
Receivables	(15,368)	(2,917)	(251)
Inventories	(27,713)	(32,237)	(20,817)
Prepaid expenses and other assets	2,985	16,057	6,317
Payables, accrued expenses and other liabilities	68,162	31,756	21,310
Net cash provided by operating activities	<u>423,155</u>	<u>395,680</u>	<u>282,702</u>
Cash flows from investing activities:			
Cash paid for property and equipment	(186,101)	(168,875)	(190,010)
Cash paid for marketable securities	(727,987)	(372,689)	(169,467)
Sales and maturities of marketable securities	451,866	207,576	414,769
Net cash (used in) provided by investing activities	<u>(462,222)</u>	<u>(333,988)</u>	<u>55,292</u>
Cash flows from financing activities:			
Proceeds from the exercise of stock options	35,218	30,671	4,136
Excess tax benefits from stock option exercises	9,540	6,713	8,995
Share repurchases related to share repurchase program	(10,695)	—	(538,311)
Share repurchases related to taxes for share-based awards	(397)	—	(7,167)
Net cash provided by (used in) financing activities	<u>33,666</u>	<u>37,384</u>	<u>(532,347)</u>
Effect of exchange rate changes on cash and cash equivalents	2,132	978	(631)
(Decrease) increase in cash and cash equivalents	(3,269)	100,054	(194,984)
Cash and cash equivalents at beginning of period	245,327	145,273	340,257
Cash and cash equivalents at end of period	<u>\$ 242,058</u>	<u>\$ 245,327</u>	<u>\$ 145,273</u>
Supplemental cash flow information:			
Cash paid during the year for:			
Income taxes	<u>\$ 159,628</u>	<u>\$ 103,006</u>	<u>\$ 120,847</u>
Non-cash investing activities—Accrued capital expenditures	<u>\$ 20,889</u>	<u>\$ 15,055</u>	<u>\$ 21,955</u>

The accompanying notes are an integral part of these consolidated financial statements.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. Nature of Business

Urban Outfitters, Inc. (the “Company” or “Urban Outfitters”), which was founded in 1970, was incorporated in the Commonwealth of Pennsylvania in 1976. The principal business activity of the Company is the operation of a general consumer product retail and wholesale business selling to customers through various channels including retail stores, websites, catalogs and mobile applications. As of January 31, 2014 and 2013, the Company operated 511 and 476 stores, respectively. Stores located in the United States totaled 442 as of January 31, 2014 and 415 as of January 31, 2013. Operations in Europe and Canada included 44 stores and 25 stores as of January 31, 2014, respectively, and 38 stores and 23 stores as of January 31, 2013, respectively. In addition, the Company’s Wholesale segment sold and distributed apparel to approximately 1,400 better department and specialty retailers worldwide.

2. Summary of Significant Accounting Policies

Fiscal Year-End

The Company operates on a fiscal year ending January 31 of each year. All references to fiscal years of the Company refer to the fiscal years ended on January 31 in those years. For example, the Company’s fiscal 2014 ended on January 31, 2014.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and all of its subsidiaries. All inter-company transactions and accounts have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and short-term highly liquid investments with maturities of less than three months at the time of purchase. These short-term highly liquid investments are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. As of January 31, 2014 and 2013, cash and cash equivalents included cash on hand, cash in banks, money market accounts and marketable securities with maturities of less than three months at the time of purchase.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

Marketable Securities

All of the Company's marketable securities as of January 31, 2014 and January 31, 2013 are classified as available-for-sale and are carried at fair value, which approximates amortized cost. Interest on these securities, as well as the amortization of discounts and premiums, is included in interest income in the Consolidated Statements of Income. Unrealized gains and losses on these securities (other than mutual funds held in the rabbi trust) are considered temporary and therefore are excluded from earnings and are reported as a component of "Other comprehensive income" in the Consolidated Statements of Comprehensive Income and in accumulated other comprehensive loss in shareholders' equity until realized. Mutual funds held in the rabbi trust have been accounted for under the fair value option, which results in all unrealized gains and losses being recorded in "Interest income" in the Consolidated Statements of Income. Other than temporary impairment losses related to credit losses are considered to be realized losses. When available-for-sale securities are sold, the cost of the securities is specifically identified and is used to determine the realized gain or loss. Securities classified as current assets have maturity dates of less than one year from the balance sheet date. Securities classified as non-current assets have maturity dates greater than one year from the balance sheet date. Available-for-sale securities such as auction rate securities that fail at auction and do not liquidate in the normal course are classified as non-current assets.

During the first quarter of fiscal 2014, the Company sold all of its remaining auction rate securities ("ARS") for \$4,580 in cash. The Company's ARS had a par value and a recorded fair value of \$4,925 and \$4,330, respectively, prior to the sale and as of January 31, 2013.

Accounts Receivable

Accounts receivable primarily consists of amounts due from our wholesale customers as well as credit card receivables outstanding with third-party credit card vendors. The activity of the allowance for doubtful accounts for the years ended January 31, 2014, 2013 and 2012 was as follows:

	<u>Balance at beginning of year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at end of year</u>
Year ended January 31, 2014	\$ 1,681	4,400	(4,370)	\$ 1,711
Year ended January 31, 2013	\$ 1,614	5,019	(4,952)	\$ 1,681
Year ended January 31, 2012	\$ 1,015	3,920	(3,321)	\$ 1,614

Inventories

Inventories, which consist primarily of general consumer merchandise held for sale, are valued at the lower of cost or market. Cost is determined on the first-in, first-out method and includes the cost of merchandise and import related costs, including freight, import taxes and agent commissions. A periodic review of inventory is performed in order to determine if inventory is properly stated at the lower of cost or market. Factors related to current inventories such as future expected consumer demand and fashion trends, current aging, current and anticipated retail markdowns or wholesale

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

discounts, and class or type of inventory are analyzed to determine estimated net realizable value. Criteria utilized by the Company to quantify aging trends include factors such as average selling cycle and seasonality of merchandise, the historical rate at which merchandise has sold below cost during the average selling cycle, and the value and nature of merchandise currently priced below original cost. A provision is recorded to reduce the cost of inventories to the estimated net realizable values, if appropriate. The majority of inventory at January 31, 2014 and 2013 consisted of finished goods. Unfinished goods and work-in-process were not material to the overall net inventory value.

Adjustments to reserves related to the net realizable value of inventories are primarily based on the market value of the Company's annual physical inventories, cycle counts and recent historical trends. The Company's estimates generally have been accurate and its reserve methods have been applied on a consistent basis. The Company expects the amount of its reserves and related inventories to increase over time as it increases its sales.

Property and Equipment

Property and equipment are stated at cost and primarily consist of store related leasehold improvements, buildings and furniture and fixtures. Depreciation is typically computed using the straight-line method over five years for furniture and fixtures, the lesser of the lease term or useful life for leasehold improvements, three to ten years for other operating equipment and 39 years for buildings. Major renovations or improvements that extend the service lives of our assets are capitalized over the extension period or life of the improvement, whichever is less.

The Company reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. This determination includes evaluation of factors such as future asset utilization and future net undiscounted cash flows expected to result from the use of the assets. Management believes there has been no material impairment of the Company's long-lived assets as of January 31, 2014.

Deferred Rent

Rent expense from leases is recorded on a straight-line basis over the lease period. The net excess of rent expense over the actual cash paid is recorded as deferred rent. In addition, certain store leases provide for contingent rentals when sales exceed specified break-point levels that are weighted based upon historical cyclicalities. For leases where achievement of these levels is considered probable based on cumulative lease year revenue versus the established breakpoint at any given point in time, the Company accrues a contingent rent liability and a corresponding rent expense.

Operating Leases

The Company leases its retail stores under operating leases. Many of the lease agreements contain rent holidays, rent escalation clauses and contingent rent provisions or some combination of these items.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

The Company recognizes rent expense on a straight-line basis over the lease period commencing on the date that the premises are available from the landlord. The lease period includes the construction period required to make the leased space suitable for operating during which time the Company is not permitted to occupy the space. For purposes of calculating straight-line rent expense, the commencement date of the lease term reflects the date the Company takes possession of the building for initial construction and setup.

The Company classifies tenant improvement allowances in its consolidated financial statements under deferred rent and amortizes them on a straight-line basis over the related lease period. Tenant improvement allowance activity is presented as part of cash flows from operating activities in the accompanying Consolidated Statements of Cash Flows.

Revenue Recognition

Revenue is recognized by the Retail segment at the point-of-sale for merchandise the customer takes possession of at the retail store or when merchandise is shipped to the customer, net of estimated customer returns. Revenue is recognized by the Wholesale segment when merchandise is shipped to the customer, net of estimated customer returns. Revenue is recognized at the completion of a job or service for landscape sales. Revenue is presented on a net basis and does not include any tax assessed by a governmental or municipal authority. Payment for merchandise in the Company's Retail segment is tendered by cash, check, credit card, debit card or gift card. Therefore, the Company's need to collect outstanding accounts receivable for its Retail segment is negligible and mainly results from returned checks or unauthorized credit card transactions. The Company maintains an allowance for doubtful accounts for its Wholesale segment and landscape service accounts receivable, which management reviews on a regular basis and believes is sufficient to cover potential credit losses and billing adjustments. Deposits for custom orders are recorded as a liability and recognized as a sale upon delivery of the merchandise to the customer. These custom orders, typically for upholstered furniture, are not material. Deposits for landscape services are recorded as a liability and recognized as a sale upon completion of service. Landscape services and related deposits are not material.

The Company accounts for a gift card transaction by recording a liability at the time the gift card is issued to the customer in exchange for consideration from the customer. A liability is established and remains on the Company's books until the card is redeemed by the customer, at which time the Company records the redemption of the card for merchandise as a sale, or when it is determined the likelihood of redemption is remote. The Company determines the probability of the gift cards being redeemed to be remote based on historical redemption patterns. Revenues attributable to the reduction of gift card liabilities for which the likelihood of redemption becomes remote are included in sales and are not material. The Company's gift cards do not expire.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

Sales Return Reserve

The Company records a reserve for estimated product returns where the sale has occurred during the period reported, but the return is likely to occur subsequent to the period reported. The reserve for estimated product returns is based on the Company's most recent historical return trends. If the actual return rate or experience is materially higher than the Company's estimate, additional sales returns would be recorded in the future. The activity of the sales returns reserve for the years ended January 31, 2014, 2013 and 2012 was as follows:

	<u>Balance at beginning of year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at end of year</u>
Year ended January 31, 2014	\$ 14,448	64,313	(61,672)	\$ 17,089
Year ended January 31, 2013	\$ 10,967	49,412	(45,931)	\$ 14,448
Year ended January 31, 2012	\$ 11,367	41,034	(41,434)	\$ 10,967

Cost of Sales

Cost of sales includes the following: the cost of merchandise; obsolescence and shrink provisions; store occupancy costs including rent and depreciation; delivery expense; in-bound and outbound freight; customs related taxes and duties; inventory acquisition and purchasing costs; design costs; warehousing and handling costs and other inventory acquisition related costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses includes expenses such as: direct selling and selling supervisory expenses; marketing expenses; various corporate expenses such as information systems, finance, loss prevention, talent acquisition, home office and executive management expenses; share-based compensation expense; and other associated general expenses.

Shipping and Handling Revenues and Costs

The Company includes shipping and handling revenues in net sales and shipping and handling costs in cost of sales. The Company's shipping and handling revenues consist of amounts billed to customers for shipping and handling merchandise. Shipping and handling costs include shipping supplies, related labor costs and third-party shipping costs.

Advertising

The Company expenses the costs of advertising when the advertising occurs, except for direct-to-consumer advertising, which is capitalized and amortized over its expected period of future benefit. Advertising costs primarily relate to our Retail segment marketing expenses which are comprised of web marketing, catalog printing, paper, postage and other costs related to production of photographic images used in our catalogs and on our websites. The catalog printing, paper, postage and other costs

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

are amortized over the period in which the customer responds to the marketing material determined based on historical customer response trends to a similar season's advertisement. Amortization rates are reviewed on a regular basis during the fiscal year and may be adjusted if the predicted customer response appears materially different than the historical response rate. The Company has the ability to measure the response rate to direct marketing early in the course of the advertisement based on its customers' reference to a specific catalog or by product placed and sold. The average amortization period for a catalog and related items are typically one to three months. If there is no expected future benefit, the cost of advertising is expensed when incurred. Advertising costs reported as prepaid expenses were \$2,067 and \$2,716 as of January 31, 2014 and 2013, respectively. Advertising expenses were \$91,615, \$81,944 and \$71,684 for fiscal 2014, 2013 and 2012, respectively.

Start-up Costs

The Company expenses all start-up and organization costs as incurred, including travel, training, recruiting, salaries and other operating costs, and are included in selling, general and administrative expenses in the Consolidated Statements of Income.

Website Development Costs

The Company capitalizes applicable costs incurred during the application and infrastructure development stage and expenses costs incurred during the planning and operating stage. During fiscal 2014, 2013 and 2012, the Company did not capitalize any internally generated internal-use software development costs because substantially all costs were incurred during the planning and operating stages, and costs incurred during the application and infrastructure development stage were not material.

Income Taxes

The Company utilizes a balance sheet approach to provide for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of net operating loss carryforwards and temporary differences between the carrying amounts and the tax bases of assets and liabilities. Investment tax credits or grants are accounted for in the period earned. The Company files a consolidated United States federal income tax return (see Note 8, "Income Taxes" for a further discussion of income taxes). The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Net Income Per Common Share

Basic net income per common share is computed by dividing net income by the weighted-average number of common shares outstanding. Diluted net income per common share is computed by dividing net income by the weighted-average number of common shares and common share equivalents outstanding. Common share equivalents include the effect of stock options, stock appreciation rights ("SAR's"), restricted stock units ("RSU's") and performance stock units ("PSU's").

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

Comprehensive Income and Accumulated Other Comprehensive Loss

Comprehensive income is comprised of two subsets—net income and other comprehensive income/loss. Amounts included in accumulated other comprehensive loss relate to foreign currency translation adjustments and unrealized gains or losses on marketable securities. The foreign currency translation adjustments are not adjusted for income taxes because these adjustments relate to non-U.S. subsidiaries for which foreign earnings have been designated as permanently reinvested. Accumulated other comprehensive loss consisted of foreign currency translation losses of (\$1,388) and (\$8,582) as of January 31, 2014 and January 31, 2013, respectively, and unrealized gains and (losses), net of tax, on marketable securities of \$420 and (\$200) as of January 31, 2014 and January 31, 2013, respectively. The tax effect of the unrealized gains and (losses) on marketable securities recorded in comprehensive income was (\$378), (\$672) and (\$556) during fiscal 2014, 2013 and 2012, respectively. Gross realized gains and losses are included in other income in the Consolidated Statements of Income and were not material to the Company's Consolidated Financial Statements for all three years presented.

Foreign Currency Translation

The financial statements of the Company's foreign operations are translated into U.S. dollars. Assets and liabilities are translated at current exchange rates as of the balance sheet date, equity accounts at historical exchange rates, while income statement accounts are translated at the average rates in effect during the year. Translation adjustments are not included in determining net income, but are included in "Accumulated other comprehensive loss" within shareholders' equity. Transactional gains and losses included in operating results for fiscal years 2014, 2013 and 2012 were not material.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, marketable securities and accounts receivable. The Company manages the credit risk associated with cash, cash equivalents and marketable securities by investing in high-quality securities held with reputable trustees and, by policy, limiting the amount of credit exposure to any one issuer or issue, as well as providing limitations on investment maturities. The Company's investment policy requires that the majority of its cash, cash equivalents and marketable securities are invested in corporate and municipal bonds rated "A" or better, commercial paper and federally insured or guaranteed investment vehicles such as certificates of deposit, United States treasury bills and federal government agencies. Receivables from third-party credit cards are processed by financial institutions, which are monitored for financial stability. The Company regularly evaluates the financial condition of its Wholesale segment customers. The Company's allowance for doubtful accounts reflects current market conditions and management's assessment regarding the collectability of its accounts receivable. The Company maintains cash accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses from maintaining cash accounts in excess of such limits. Management believes that it is not exposed to any significant risks related to its cash accounts.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

Recently Issued Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board issued an accounting standards update that amends existing guidance by requiring that additional information be disclosed about items reclassified (“reclassification adjustments”) out of accumulated other comprehensive income. The additional information includes separately stating the total change for each component of other comprehensive income (for example, unrealized gains or losses on available-for-sale securities or foreign currency translation) and separately disclosing both current-period other comprehensive income and reclassification adjustments. Entities are also required to present, either on the face of the income statement or in the notes to the financial statements, significant amounts reclassified out of accumulated other comprehensive income as separate line items of net income, but only if the entire amount reclassified must be reclassified to net income in the same reporting period (see Note 11, “Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Loss”). For amounts that are not required to be reclassified in their entirety to net income, an entity must cross-reference to other disclosures that provide additional detail about those amounts. This update became effective for the Company beginning February 1, 2013. Other than the change in presentation, this accounting standards update did not have an impact on the Company’s financial position, results of operations or cash flows.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

3. Marketable Securities

During all periods shown, marketable securities are classified as available-for-sale. The amortized cost, gross unrealized gains (losses) and fair values of available-for-sale securities by major security type and class of security as of January 31, 2014 and 2013 are as follows:

	<u>Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized (Losses)</u>	<u>Fair Value</u>
As of January 31, 2014				
Short-term Investments:				
Corporate bonds	\$ 100,856	\$ 56	\$ (41)	\$ 100,871
Municipal and pre-refunded municipal bonds	85,000	98	(2)	85,096
Treasury bills	24,873	10	—	24,883
Certificates of deposit	35,844	13	(1)	35,856
Commercial paper	35,101	7	(1)	35,107
	<u>281,674</u>	<u>184</u>	<u>(45)</u>	<u>281,813</u>
Long-term Investments:				
Corporate bonds	208,446	268	(162)	208,552
Municipal and pre-refunded municipal bonds	125,934	415	(8)	126,341
Treasury bills	21,551	21	—	21,572
Certificates of deposit	4,000	—	(2)	3,998
Federal government agencies	4,287	6	—	4,293
Mutual funds, held in rabbi trust	1,591	108	(33)	1,666
	<u>365,809</u>	<u>818</u>	<u>(205)</u>	<u>366,422</u>
	<u>\$ 647,483</u>	<u>\$ 1,002</u>	<u>\$ (250)</u>	<u>\$ 648,235</u>
As of January 31, 2013				
Short-term Investments:				
Corporate bonds	\$ 88,432	\$ 106	\$ (23)	\$ 88,515
Municipal and pre-refunded municipal bonds	63,355	85	(17)	63,423
Treasury bills	21,354	14	—	21,368
Certificates of deposit	40,870	25	—	40,895
Commercial paper	10,775	8	(2)	10,781
Federal government agencies	3,500	4	—	3,504
	<u>228,286</u>	<u>242</u>	<u>(42)</u>	<u>228,486</u>
Long-term Investments:				
Corporate bonds	64,219	102	(61)	64,260
Municipal and pre-refunded municipal bonds	52,925	76	(60)	52,941
Treasury bills	19,724	13	—	19,737
Certificates of deposit	2,340	—	—	2,340
Federal government agencies	5,974	5	(2)	5,977
Auction rate securities	4,925	—	(595)	4,330
	<u>150,107</u>	<u>196</u>	<u>(718)</u>	<u>149,585</u>
	<u>\$ 378,393</u>	<u>\$ 438</u>	<u>\$ (760)</u>	<u>\$ 378,071</u>

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

Proceeds from the sale and maturities of available-for-sale securities were \$451,866, \$207,576 and \$414,769 in fiscal 2014, 2013 and 2012, respectively. The Company included in “Interest income,” in the Consolidated Statements of Income, a net realized loss of \$101 during fiscal 2014, a net realized gain of \$248 during fiscal 2013 and a net realized gain of \$1,171 during fiscal 2012. Amortization of discounts and premiums, net, resulted in a reduction of “Interest Income” of \$10,932, \$5,276 and \$7,373 for fiscal years 2014, 2013 and 2012, respectively. Mutual funds held in an irrevocable rabbi trust for the Urban Outfitters, Inc. Non-qualified Deferred Compensation Plan (“NQDC”), which was established during the first quarter of fiscal 2014. These assets are a source of funds to match the funding obligations to participants in the NQDC but are subject to the Company’s general creditors. The Company elected the fair value option for financial assets for the mutual funds held in the rabbi trust resulting in all unrealized gains and losses being recorded in “Interest income” in the Consolidated Statements of Income and not as a component of accumulated other comprehensive loss.

The following tables show the gross unrealized losses and fair value of the Company’s marketable securities with unrealized losses that are not deemed to be other-than-temporarily impaired aggregated by the length of time that individual securities have been in a continuous unrealized loss position, at January 31, 2014 and January 31, 2013, respectively.

Description of Securities	January 31, 2014					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate bonds	\$ 147,731	\$ (203)	\$ —	\$ —	\$ 147,731	\$ (203)
Municipal and pre-refunded municipal bonds	6,291	(10)	—	—	6,291	(10)
Treasury bills	6,606	—	—	—	6,606	—
Certificates of deposit	12,746	(3)	—	—	12,746	(3)
Commercial paper	6,640	(1)	—	—	6,640	(1)
Federal government agencies	1,753	—	—	—	1,753	—
Mutual funds, held in rabbi trust	1,666	(33)	—	—	1,666	(33)
Total	<u>\$ 183,433</u>	<u>\$ (250)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 183,433</u>	<u>\$ (250)</u>

Description of Securities	January 31, 2013					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate bonds	\$ 74,537	\$ (85)	\$ —	\$ —	\$ 74,537	\$ (85)
Municipal and pre-refunded municipal bonds	42,826	(77)	1,413	—	44,239	(77)
Certificates of deposit	3,400	—	244	—	3,644	—
Commercial paper	2,994	(1)	—	—	2,994	(1)
Federal government agencies	1,998	(2)	—	—	1,998	(2)
Auction rate securities	—	—	4,330	(595)	4,330	(595)
Total	<u>\$ 125,755</u>	<u>\$ (165)</u>	<u>\$ 5,987</u>	<u>\$ (595)</u>	<u>\$ 131,742</u>	<u>\$ (760)</u>

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

As of January 31, 2014 and 2013, there were a total of 219 and 342 securities with unrealized loss positions within the Company's portfolio, respectively.

During the first quarter of fiscal 2014, the Company sold all of its remaining ARS for \$4,580 in cash. The Company's ARS had a par value and a recorded fair value of \$4,925 and \$4,330, respectively, prior to the sale in April 2013 and as of January 31, 2013. As of January 31, 2013, there was \$595 of an unrealized loss position due to impairment of ARS held by the Company.

4. Fair Value

The Company utilizes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach that relate to its financial assets and financial liabilities). The levels of the hierarchy are described as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the Company's own assumptions.

Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of financial assets and liabilities and their placement within the fair value hierarchy. The Company's financial assets that are accounted for at fair value on a recurring basis are presented in the table below:

	Marketable Securities Fair Value as of			Total
	January 31, 2014			
	Level 1	Level 2	Level 3	
Assets:				
Corporate bonds	\$ 309,423	\$ —	\$ —	\$ 309,423
Municipal and pre-refunded municipal bonds	—	211,437	—	211,437
Treasury bills	46,455	—	—	46,455
Certificates deposit	—	39,854	—	39,854
Commercial paper	—	35,107	—	35,107
Federal government agencies	4,293	—	—	4,293
Mutual funds, held in rabbi trust	1,666	—	—	1,666
	<u>\$361,837</u>	<u>\$286,398</u>	<u>\$—</u>	<u>\$648,235</u>

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

	Marketable Securities Fair Value as of			
	January 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Corporate bonds	\$ 152,775	\$ —	\$ —	\$ 152,775
Municipal and pre-refunded municipal bonds	—	116,364	—	116,364
Treasury bills	41,105	—	—	41,105
Certificates of deposit	—	43,235	—	43,235
Commercial paper	—	10,781	—	10,781
Federal government agencies	9,481	—	—	9,481
Auction rate securities	—	—	4,330	4,330
	<u>\$ 203,361</u>	<u>\$ 170,380</u>	<u>\$ 4,330</u>	<u>\$ 378,071</u>

Level 1 assets consist of financial instruments whose value has been based on inputs that use, as their basis, readily observable market data that are actively quoted and are validated through external sources, including third-party pricing services and brokers.

Level 2 assets consist of financial instruments whose value has been based on quoted prices for similar assets and liabilities in active markets as well as quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 consists of financial instruments where there was no active market as of January 31, 2014 and 2013. During the first quarter of fiscal 2014, the Company sold all of its remaining ARS for \$4,580 in cash. As a result, there were no Level 3 investments as of January 31, 2014. The Company's ARS had a par value and a recorded fair value of \$4,925 and \$4,330, respectively, prior to the sale and as of January 31, 2013.

Below is a reconciliation of the beginning and ending ARS balances that the Company valued using a Level 3 valuation for the fiscal years ended January 31, 2014 and 2013.

	Fiscal Year Ended January 31, 2014	Fiscal Year Ended January 31, 2013
Balance at beginning of period	\$ 4,330	\$ 20,197
Total (losses)/gains realized/unrealized:		
Included in earnings	(345)	—
Included in other comprehensive income	595	2,183
Settlements	(4,580)	(18,050)
Transfers in and/or out of Level 3	—	—
Balance at end of period	<u>\$ —</u>	<u>\$ 4,330</u>
Unrealized losses included in accumulated other comprehensive loss related to assets still held at reporting date	<u>\$ —</u>	<u>\$ (595)</u>
Total gains for the period included in earnings attributable to the change in unrealized gains or losses related to assets still held at reporting date	<u>\$ —</u>	<u>\$ —</u>

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

5. Property and Equipment

Property and equipment is summarized as follows:

	January 31,	
	2014	2013
Land	\$ 15,042	\$ 5,900
Buildings	185,605	131,145
Furniture and fixtures	375,429	343,894
Leasehold improvements	809,789	778,951
Other operating equipment	161,933	140,012
Construction-in-progress	93,240	56,360
	<u>1,641,038</u>	<u>1,456,262</u>
Accumulated depreciation	<u>(834,129)</u>	<u>(722,846)</u>
Total	<u>\$ 806,909</u>	<u>\$ 733,416</u>

Depreciation expense for property and equipment for fiscal years ended 2014, 2013 and 2012 was \$121,732, \$113,388 and \$100,739, respectively.

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	January 31,	
	2014	2013
Gift certificates and merchandise credits	\$ 44,311	\$ 36,687
Accrued construction	20,939	15,030
Sales return reserves	17,089	14,448
Accrued sales taxes	12,379	12,660
Accrued rents and estimated property taxes	10,850	8,834
Other current liabilities	48,141	32,382
Total	<u>\$ 153,709</u>	<u>\$ 120,041</u>

7. Line of Credit Facility

The Company has a line of credit facility (the "Line") with Wells Fargo Bank, National Association. During the second quarter of fiscal 2013, the Company used the accordion feature of the Line to increase the total available credit under the Line from \$100 million to \$175 million. The Line contains a sub-limit for borrowings by the Company's European subsidiaries that are guaranteed by the Company. Cash advances bear interest at LIBOR plus 0.50% to 1.50% based on the Company's achievement of prescribed adjusted debt ratios. The Line subjects the Company to various restrictive covenants, including maintenance of certain financial ratios such as adjusted debt. The covenants also include limitations on the Company's capital expenditures and the payment of cash dividends. As of

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

January 31, 2014, there were no borrowings under the Line and the Company was in compliance with all covenants. Outstanding letters of credit and stand-by letters of credit under the Line totaled approximately \$69,788 as of January 31, 2014. The available credit under the Line was \$105,212 as of January 31, 2014.

On March 27, 2014, the Company amended and restated its existing line of credit facility with Wells Fargo Bank, National Association (“the Amended and Restated Line”). The Amended and Restated Line is a five year \$175.0 million revolving credit facility with an accordion feature allowing for an increase of up to \$50.0 million at the Company’s discretion. The Amended and Restated Line contains a sub-limit for borrowings by the Company’s subsidiaries that are guaranteed by the Company. Under the terms of the Amended and Restated Line, at the borrowers’ option, the aggregate principal balance of the amounts advanced or portions thereof will bear interest at (a) the base rate, or (b) the applicable LIBOR Rate plus a margin that can range from 0.50% to 1.50%. The Amended and Restated Line subjects the Company to various restrictive covenants, including maintenance of certified financial covenants. The Company expects the Amended and Restated Line to satisfy its credit needs through at least fiscal 2015.

8. Income Taxes

The components of income before income taxes are as follows:

	Fiscal Year Ended January 31,		
	2014	2013	2012
Domestic	\$375,793	\$ 340,536	\$261,214
Foreign	51,725	35,036	27,617
	<u>\$427,518</u>	<u>\$375,572</u>	<u>\$ 288,831</u>

The components of the provision for income tax expense are as follows:

	Fiscal Year Ended January 31,		
	2014	2013	2012
Current:			
Federal	\$ 139,848	\$ 93,625	\$ 93,244
State	20,530	15,746	14,199
Foreign	13,285	6,639	8,287
	<u>\$ 173,663</u>	<u>\$ 116,010</u>	<u>\$ 115,730</u>
Deferred:			
Federal	\$ (15,171)	\$ 23,285	\$ (11,292)
State	(6,225)	(722)	124
Foreign	(7,109)	(315)	(982)
	<u>(28,505)</u>	<u>22,248</u>	<u>(12,150)</u>
	<u>\$145,158</u>	<u>\$ 138,258</u>	<u>\$ 103,580</u>

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

The Company's effective tax rate was different than the statutory U.S. federal income tax rate for the following reasons:

	Fiscal Year Ended January 31,		
	2014	2013	2012
Expected provision at statutory U.S. federal tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	2.2	3.1	3.2
Foreign taxes	(2.7)	(1.7)	(2.1)
Other	(0.5)	0.4	(0.2)
Effective tax rate	<u>34.0%</u>	<u>36.8%</u>	<u>35.9%</u>

The significant components of deferred tax assets and liabilities as of January 31, 2014 and 2013 are as follows:

	January 31,	
	2014	2013
Deferred tax liabilities:		
Prepaid expense	\$ (2,813)	\$ (2,794)
Depreciation	(48,362)	(56,434)
Gross deferred tax liabilities	<u>(51,175)</u>	<u>(59,228)</u>
Deferred tax assets:		
Deferred rent	66,579	64,539
Inventories	5,624	3,357
Accounts receivable	3,063	2,093
Net operating loss carryforwards	2,601	4,356
Tax uncertainties	3,372	5,710
Accrued salaries and benefits	28,045	20,390
Other temporary differences	8,779	1,986
Gross deferred tax assets, before valuation allowances	<u>118,063</u>	<u>102,431</u>
Valuation allowances	(54)	(2,083)
Net deferred tax assets	<u>\$ 66,834</u>	<u>\$ 41,120</u>

Net deferred tax assets are attributed to the jurisdictions in which the Company operates. As of January 31, 2014 and 2013, respectively, \$39,513 and \$26,555 were attributable to U.S. federal, \$17,092 and \$11,436 were attributed to state jurisdictions and \$10,229 and \$3,129 were attributed to foreign jurisdictions.

As of January 31, 2014, certain non-U.S. subsidiaries of the Company had net operating loss carryforwards for tax purposes of approximately \$9,732 that do not expire and certain U.S.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

subsidiaries of the Company had state net operating loss carryforwards for tax purposes of approximately \$2,979 that expire from 2017 through 2033. As of January 31, 2014, the Company had a full valuation allowance for certain foreign net operating loss carryforwards where it was uncertain the carryforwards would be utilized. The Company had no valuation allowance for certain other foreign and state net operating loss carryforwards where management believes it is more likely than not the tax benefit of these carryforwards will be realized. As of January 31, 2014 and 2013, the non-current portion of net deferred tax assets aggregated \$38,061 and \$26,406, respectively.

The cumulative amount of the Company's share of undistributed earnings of non-U.S. subsidiaries for which no deferred taxes have been provided was \$204,262 as of January 31, 2014. These earnings are deemed to be permanently re-invested to finance growth programs. It is not practical to estimate the income tax liability that might be incurred if such earnings were remitted to the United States.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows:

<u>Tax Benefit Reconciliation</u>	<u>January 31,</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Balance at beginning of period	\$ 7,895	\$ 8,664	\$ 7,758
Increases in tax positions for prior years	1,026	419	3,466
Decreases in tax positions for prior years	(305)	(929)	(310)
Increases in tax positions for current year	521	635	360
Settlements	(3,190)	(13)	(2,259)
Lapse in statute of limitations	(1,112)	(881)	(351)
Balance at end of period	<u>\$ 4,835</u>	<u>\$ 7,895</u>	<u>\$ 8,664</u>

The total amount of net unrecognized tax benefits that, if recognized, would impact the Company's effective tax rate were \$2,416 and \$3,861 as of January 31, 2014 and 2013, respectively. The Company accrues interest and penalties related to unrecognized tax benefits in income tax expense in the Consolidated Statements of Income, which is consistent with the recognition of these items in prior reporting periods. During the years ended January 31, 2014, 2013 and 2012, the Company recognized benefit/expense of \$1,992, (\$541) and \$1,334, respectively, related to interest and penalties. The Company accrued \$1,078 and \$3,070 for the payment of interest and penalties as of January 31, 2014 and 2013, respectively.

The Company files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. During the year ended January 31, 2014, the Company settled its Internal Revenue Service examination for the periods ended January 31, 2011 and 2012. The Company has recognized the tax effect of this settlement for previous and future periods in the end of year balances. The Company's state and foreign filings are generally subject to audit from fiscal 2004 to 2013. It is possible that the federal or any state examination may be resolved within twelve months. Due to the

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

potential for resolution of federal and foreign audit and state examinations, and the expiration of various statutes of limitation, it is possible that the Company's gross unrecognized tax benefits balance may change within the next twelve months by a range of zero to \$2,007.

9. Share-Based Compensation

The Company's 2008 and 2004 Stock Incentive Plans each authorize up to 10,000,000 common shares, which can be granted as RSU's, unrestricted shares, incentive stock options, non-qualified stock options, PSU's or SAR's. Awards under these plans generally expire seven or ten years from the date of grant, thirty days after termination of employment or six months after the date of death or termination due to disability of the grantee. As of January 31, 2014, there were 5,760,409 and 32,682 common shares available to grant under the 2008 and 2004 Stock Incentive Plans, respectively.

A lattice binomial pricing model ("the Model") was used to estimate the fair value of stock options and SAR's. The Model allows for assumptions such as the risk-free rate of interest, volatility and exercise rate to vary over time reflecting a more realistic pattern of economic and behavioral occurrences. The Company uses historical data on exercise timing to determine the expected life assumption. The risk-free rate of interest for periods within the contractual life of the award is based on U.S. Government Securities Treasury Constant Maturities over the expected term of the equity instrument. The expected volatility is based on a weighted-average of the implied volatility and the Company's most recent historical volatility.

Based on the Company's historical experience, it has assumed an annualized forfeiture rate of 5% for its unvested share-based awards granted during the fiscal years ended January 31, 2014, 2013 and 2012. For share-based awards granted in previous years that remain unvested, an annualized forfeiture rate of 5% has been assumed. The Company will record additional expense if the actual forfeiture rate is lower than it estimated, and will record a recovery of prior expense if the actual forfeiture is higher than estimated.

Share-based compensation expense, included in "Selling, general and administrative expenses" in the Consolidated Statements of Income, for the fiscal years ended January 31, 2014, 2013 and 2012 was as follows:

	<u>Fiscal Year Ended January 31,</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Stock options	\$ 2,621	\$ 2,214	\$2,886
Stock appreciation rights	2,918	2,578	1,111
Performance stock units (1)(2)	9,956	6,124	(959)
Restricted stock units	247	(24)	30
Total	<u>\$15,742</u>	<u>\$10,892</u>	<u>\$ 3,068</u>

- (1) Includes the reversal of \$3,418 of previously recognized compensation expense in fiscal 2013, related to 320,200 PSU's that will not vest as the achievement of the related performance target is not probable.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

- (2) Includes the reversal of \$8,800 of previously recognized compensation expense in fiscal 2012, related to 1,054,466 PSU's, granted to a former executive officer of the Company, that will not vest due to the service requirement not being met.

The total tax benefit associated with share-based compensation expense for the fiscal years ended January 31, 2014, 2013 and 2012 was \$5,976, \$3,921 and \$1,058, respectively.

Stock Options

The Company may grant stock options which generally vest over a period of three to five years. Stock options become exercisable over the vesting period in installments determined by the administrator, which can vary depending upon each individual grant. Stock options granted to non-employee directors generally vest over a period of one year. The following weighted-average assumptions were used in the Model to estimate the fair value of stock options at the date of grant:

	Fiscal Year Ended January 31,		
	2014	2013	2012
Expected life, in years	3.5	3.6	3.5
Risk-free interest rate	0.6%	0.5%	0.9%
Volatility	36.0%	45.0%	50.0%
Dividend rate	—	—	—

The following table summarizes the Company's stock option activity for the fiscal year ended January 31, 2014:

	Shares	Weighted-Average Exercise Price	Weighted-Average Contractual Terms (years)	Aggregate Intrinsic Value
Awards outstanding at beginning of year	4,316,740	\$ 27.82		
Granted	100,000	46.02		
Exercised	(1,583,296)	22.24		
Forfeited or Expired	(20,250)	36.14		
Awards outstanding at end of year	2,813,194	31.55	2.3	\$ 14,502
Awards outstanding expected to vest	2,803,242	31.55	2.3	\$ 13,777
Awards exercisable at end of year	2,614,160	\$ 31.00	2.3	\$ 13,923

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

The following table summarizes other information related to stock options during the years ended January 31, 2014, 2013 and 2012:

	Fiscal Year Ended January 31,		
	2014	2013	2012
Weighted-average grant date fair value—per share	\$ 9.67	\$ 7.71	\$ 10.36
Intrinsic value of awards exercised	\$ 30,450	\$ 19,544	\$ 22,615
Net cash proceeds from the exercise of stock options	\$ 35,218	\$ 30,671	\$ 4,136

The Company recognized tax benefits related to stock options of \$10,312, \$6,532 and \$953 for the fiscal years ended January 31, 2014, 2013 and 2012, respectively. Total unrecognized compensation cost of stock options granted but not yet vested, as of January 31, 2014, was \$767, which is expected to be recognized over the weighted-average period of 0.6 years.

Stock Appreciation Rights

The Company may grant SAR's which generally vest over a five year period. Each vested SAR entitles the holder the right to the differential between the value of the Company's common share price at the date of exercise and the value of the Company's common share price at the date of grant. The following weighted-average assumptions were used in the Model to estimate the fair value of SAR's at the date of grant:

	Fiscal Year Ended January 31,		
	2014	2013	2012
Expected life, in years	5.6	5.0	4.8
Risk-free interest rate	1.0%	0.9%	0.8%
Volatility	46.0%	48.2%	48.8%
Dividend rate	—	—	—

The following table summarizes the Company's SAR activity for the fiscal year ended January 31, 2014:

	Awards	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Awards outstanding at beginning of year	1,198,800	\$ 31.15		
Granted	27,500	39.06		
Exercised	(63,400)	28.11		
Forfeited or Expired	(60,425)	34.64		
Awards outstanding at end of year	1,102,475	31.33	5.7	\$ 5,330
Awards outstanding expected to vest	1,064,159	31.33	5.7	\$ 5,063
Awards exercisable at end of year	336,150	\$ 30.72	5.7	\$ 1,722

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

The following table summarizes other information related to SAR's during the years ended January 31, 2014, 2013 and 2012:

	Fiscal Year Ended January 31,		
	2014	2013	2012
Weighted-average grant date fair value—per share	\$ 14.11	\$ 11.85	\$ 9.50
Intrinsic value of awards exercised	\$ 848	\$ —	\$ —

The Company recognized tax benefits related to SAR's of \$305 for the fiscal year ended January 31, 2014. There were no tax benefits related to SAR's for the fiscal years ended January 31, 2013 and January 31, 2012. Total unrecognized compensation cost of SAR's granted, but not yet vested, as of January 31, 2014, was \$5,873, which is expected to be recognized over the weighted-average period of 2.4 years.

Performance Stock Units

The Company may grant PSU's which vest based on the achievement of various company performance targets and external market conditions. The fair value of the PSU's are determined using a Monte Carlo simulation. Once the Company determines that it is probable that the performance targets will be met, compensation expense is recorded for these awards. If any of these performance targets are not met, the awards are forfeited. Each PSU is equal to one common share with varying maximum award value limitations. PSU's typically vest over a five year period.

The following table summarizes the Company's PSU activity for the fiscal year ended January 31, 2014:

	Shares	Weighted-Average Fair Value
	2,599,610	\$ 17.42
Non-vested awards outstanding at beginning of year	1,462,000	25.13
Granted	—	—
Vested	(352,385)	17.24
Forfeited	3,709,225	\$ 20.48
Non-vested awards outstanding at end of year		

The weighted-average grant date fair value of PSU's awarded during the fiscal years ended January 31, 2014, 2013 and 2012 was \$25.13, \$18.22 and \$16.21, per share, respectively. No PSU's vested during the fiscal years ended January 31, 2014, 2013 and 2012. Unrecognized compensation cost related to unvested PSU's as of January 31, 2014 was \$44,074, which is expected to be recognized over a weighted-average period of 3.4 years.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

Restricted Stock Units

The Company may grant RSU's which vest based on the achievement of specified service and external market conditions. RSU's typically vest over a three to five year period.

The following table summarizes the Company's RSU activity for the fiscal year ended January 31, 2014:

	<u>Shares</u>	<u>Weighted-Average Fair Value</u>
Non-vested awards outstanding at beginning of year	—	\$ —
Granted	10,000	39.06
Vested	—	—
Forfeited	—	—
Non-vested awards outstanding at end of year	<u>10,000</u>	<u>\$ 39.06</u>

The weighted-average grant date fair value of RSU's awarded during the fiscal year ended January 31, 2014 was \$39.06 per share. There were no RSU's granted during the fiscal year ended January 31, 2013. The weighted-average grant date fair value of RSU's awarded during the fiscal year ended January 31, 2012 was \$20.08 per share. No RSU's vested during the fiscal years ended January 31, 2014 and January 31, 2013. The aggregate grant date fair value of RSU's vested during the fiscal year ended January 31, 2012 was \$12. Unrecognized compensation cost related to unvested RSU's as of January 31, 2014 was \$127, which is expected to be recognized over a weighted-average period of 1.0 year.

10. Shareholders' Equity

On August 27, 2013, the Company's Board of Directors authorized the repurchase of 10,000,000 common shares under a share repurchase program. During the fiscal year ended January 31, 2014, the Company repurchased and subsequently retired 300,300 common shares at a total cost of \$10,695, or an average cost of \$35.61 per share, including commissions.

On February 28, 2006, the Company's Board of Directors approved a stock repurchase program which authorized the Company to repurchase up to 8,000,000 common shares. On November 16, 2010 and August 25, 2011, the Company's Board of Directors approved two separate stock repurchase authorizations of 10,000,000 additional common shares. These additional authorizations supplemented the Company's 2006 repurchase program. The Company repurchased all of the remaining outstanding shares available under these authorizations during fiscal 2012. The Company repurchased and subsequently retired 20,491,530 common shares at a total cost of \$538,311, or an average cost of \$26.27 per share, including commissions, during the fiscal year ended January 31, 2012. As a result of the share repurchase activity, the Company reduced the balance of additional paid-in-capital to zero during the fiscal year ended January 31, 2012 with subsequent share repurchase activity recorded as a reduction of retained earnings. During the fiscal year ended January 31, 2012, the Company reduced retained earnings by \$501,676 related to these share repurchases.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

In addition to the shares repurchased under the share repurchase program, during the fiscal years ended January 31, 2014 and January 31, 2012 the Company acquired and subsequently retired 9,520 and 282,813 common shares at a total cost of \$397 and \$7,167, respectively, from employees to meet minimum statutory tax withholding requirements.

Subsequent to January 31, 2014, the Company repurchased and retired 4,523,220 common shares at a total cost of \$162,000 or an average cost of \$35.83 per share, including commissions.

11. Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Loss

The following table presents the change in accumulated other comprehensive loss, by component, net of tax, for the fiscal year ended January 31, 2014:

	Fiscal Year Ended January 31, 2014		
	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for- Sale Securities	Total
Balance at beginning of period	\$ (8,582)	\$ (200)	\$ (8,782)
Other comprehensive income/(loss) before reclassifications..	7,194	519	7,713
Amounts reclassified from accumulated other comprehensive loss	—	101	101
Net current-period other comprehensive income/(loss)	7,194	620	7,814
Balance at end of period	<u>\$ (1,388)</u>	<u>\$ 420</u>	<u>\$ (968)</u>

All unrealized gains and losses on available-for-sale securities reclassified from accumulated other comprehensive loss were recorded in “Interest income” in the Consolidated Statements of Income.

12. Net Income Per Common Share

The following is a reconciliation of the weighted-average common shares outstanding used for the computation of basic and diluted net income per common share:

	Fiscal Year Ended January 31.		
	2014	2013	2012
Basic weighted-average common shares outstanding	147,014,869	145,253,691	154,025,589
Effect of dilutive options, stock appreciation rights, restricted stock units and performance stock units	2,211,037	1,410,040	2,165,700
Diluted weighted-average shares outstanding	<u>149,225,906</u>	<u>146,663,731</u>	<u>156,191,289</u>

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

For the fiscal years ended January 31, 2014, 2013 and 2012, awards to purchase 151,625 common shares ranging in price from \$37.65 to \$46.02, 2,440,525 common shares ranging in price from \$28.49 to \$39.58 and 3,836,838 common shares ranging in price from \$26.85 to \$39.58, respectively, were excluded from the calculation of diluted net income per common share because the impact would be anti-dilutive.

As of January 31, 2014 and 2013, 1,752,200 and 335,200 contingently issuable awards, respectively, were excluded from the calculation of diluted net income per common share as they did not meet certain performance criteria.

13. Commitments and Contingencies

Leases

The Company leases its stores, certain fulfillment and distribution facilities, and offices under non-cancelable operating leases. The following is a schedule by year of the future minimum lease payments for operating leases with original terms in excess of one year:

<u>Fiscal Year</u>	
2015	\$ 244,145
2016	236,814
2017	215,157
2018	199,880
2019	179,853
Thereafter	725,276
Total minimum lease payments	<u>\$ 1,801,125</u>

Amounts noted above include commitments for 27 executed leases for stores not opened as of January 31, 2014. The majority of our leases allow for renewal options between five and ten years upon expiration of the initial lease term. The store leases generally provide for payment of direct operating costs including real estate taxes. Certain store leases provide for contingent rentals when sales exceed specified levels. Additionally, the Company has entered into store leases that require a percentage of total sales to be paid to landlords in lieu of minimum rent.

Rent expense consisted of the following:

	<u>Fiscal Year Ended January 31,</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Minimum and percentage rentals	\$205,759	\$ 186,804	\$165,901
Contingent rentals	5,542	5,714	5,403
Total	<u>\$ 211,301</u>	<u>\$192,518</u>	<u>\$ 171,304</u>

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

The Company also has commitments for un-fulfilled purchase orders for merchandise ordered from our vendors in the normal course of business, which are liquidated within 12 months, of \$367,003. The majority of the Company's merchandise commitments are cancellable with no or limited recourse available to the vendor until the merchandise shipping date. The Company also has commitments related to contracts with construction contractors, fully liquidated upon the completion of construction, which is typically within 12 months, of \$29,350.

Benefit Plans

Full and part-time U.S. based employees who are at least 18 years of age are eligible after three months of employment to participate in the Urban Outfitters 401(k) Savings Plan (the "Plan"). Under the Plan, employees can defer 1% to 25% of compensation as defined. The Company makes matching contributions in cash of \$0.25 per employee contribution dollar on the first 6% of the employee contribution. The employees' contribution is 100% vested while the Company's matching contribution vests at 20% per year of employee service. The Company's contributions were \$1,770, \$1,483 and \$1,365 for fiscal years 2014, 2013 and 2012, respectively.

On November 27, 2012, the Company's Board of Directors approved the terms of the NQDC, which became effective as of February 1, 2013. The NQDC provides certain employees who are limited in their participation under the Plan the opportunity to defer compensation as defined within the NQDC. The Company's matching contributions are calculated to provide \$0.25 per employee contribution dollar on the first 6% of total compensation deferred under the combination of both the Plan and the NQDC. Employee contributions are 100% vested on the contribution date and the Company's matching contribution is 100% vested upon crediting to participants' accounts on an annual basis. No matching contributions were made by the Company during fiscal 2014. The NQDC obligation was \$1,666 as of January 31, 2014. The Company has purchased investments to fund the NQDC obligation. The investments had an aggregate market value of \$1,666 as of January 31, 2014, and are included in "Marketable securities" in the Consolidated Balance Sheets (see Note 3, "Marketable Securities").

Contingencies

The Company is party to various legal proceedings arising from normal business activities. Management believes that the ultimate resolution of these matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

14. Related Party Transactions

Drinker Biddle & Reath LLP ("DBR"), a law firm, provided general legal services to the Company. Fees paid to DBR during fiscal 2014, 2013 and 2012 were \$2,637, \$1,902 and \$2,509, respectively. Harry S. Cherken, Jr., a director of the Company, is a partner at DBR. Amounts due to DBR as of January 31, 2014 and 2013 were approximately \$380 and \$275, respectively.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

The McDevitt Company, a real estate company, acted as a broker in substantially all of the Company's new real estate transactions during fiscal 2014, 2013 and 2012. The Company has not paid any compensation to The McDevitt Company for such services, but the Company has been advised that The McDevitt Company has received commissions from other parties to such transactions. Wade L. McDevitt is the president and the sole shareholder of The McDevitt Company and brother-in-law of Scott A. Belair, one of the Company's directors. There were no amounts due to or from The McDevitt Company as of January 31, 2014 and January 31, 2013. Mr. McDevitt's wife, Wendy B. McDevitt, is an executive officer of the Company, serving as President of the Terrain Brand.

The Addis Group ("Addis"), an insurance brokerage and risk management consulting company, acted as the Company's commercial insurance broker and risk management consultant for the years ended January 31, 2014, 2013 and 2012. The Company has not paid any compensation to Addis for such services, but has been advised that Addis has received commissions from other parties to such transactions. Scott Addis, the brother-in-law of Richard A. Hayne, Chairman of the Board of the Company, Chief Executive Officer and President, is the President of The Addis Group. There were no amounts due to or from Addis as of January 31, 2014 and January 31, 2013.

15. Segment Reporting

The Company is a global retailer of lifestyle-oriented general merchandise with two reportable segments—"Retail" and "Wholesale." The Company's Retail segment consists of the aggregation of its five brands operating through 511 stores under the retail names "Urban Outfitters," "Anthropologie," "Free People," "Terrain" and "Bhldn" and includes their direct-to-consumer channels. Each of the Company's brands, which include the retail stores and direct-to-consumer channels, are considered an operating segment. Net sales from the Retail segment accounted for more than 94% of total consolidated net sales for the fiscal years ended January 31, 2014, 2013 and 2012, respectively. The remaining net sales are derived from the Company's Wholesale segment that distributes apparel to approximately 1,400 better department and specialty retailers worldwide and to its Retail segment.

The Company has aggregated its brands into a Retail segment based upon their shared management, customer base and economic characteristics. Reporting in this format provides management with the financial information necessary to evaluate the success of the segments and the overall business. The Company evaluates the performance of the segments based on the net sales and pre-tax income from operations (excluding intercompany charges) of the segment. Corporate expenses include expenses incurred and directed by the corporate office that are not allocated to segments. The principal identifiable assets for each reporting segment are inventories and property and equipment. Other assets are comprised primarily of general corporate assets, which principally consist of cash and cash equivalents, marketable securities, deferred taxes and prepaid expenses, which are typically not allocated to the Company's segments. The Company accounts for intersegment sales and transfers as if the sales and transfers were made to third parties making similar volume purchases.

The Company's omni-channel strategy enhances its customers' brand experience by providing a seamless approach to the customer shopping experience. The Company has substantially integrated all

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

available shopping channels, including stores, websites and catalogs (online and through mobile devices). The Company's investments in areas such as marketing campaigns and technology advancements are designed to generate demand for the omni-channel and not the separate store or direct-to-consumer channels. Store sales are primarily fulfilled from that store's inventory, but may also be shipped from any of the Company's fulfillment centers or from a different store location if an item is not available at the original store. Direct-to-consumer orders are primarily shipped to the Company's customers through its fulfillment centers, but may also be shipped from any store, or a combination of fulfillment centers and stores depending on the availability of a particular item. As the Company's customers continue to shop across multiple channels, the Company has adapted its approach towards meeting this demand. Due to the availability of like product in a variety of shopping channels, the Company now sources these products utilizing single stock keeping units based on the omni-channel demand rather than the demand of the separate channels. These and other technological capabilities allow the Company to better serve its customers and help it to fill orders that otherwise may have been cancelled due to out-of-stock positions. As a result of changing customer behavior and the substantial integration of the operations of the Company's store and direct-to-consumer channels, the Company manages and analyzes its performance based on a single omni-channel rather than separate channels and believes that the omni-channel results present the most meaningful and appropriate measure of the Company's performance.

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

The accounting policies of the reportable segments are the same as the policies described in Note 2, “Summary of Significant Accounting Policies.” Both the Retail and Wholesale segments are highly diversified. No one customer constitutes more than 10% of the Company’s total consolidated net sales. A summary of the information about the Company’s operations by segment is as follows:

	<u>Fiscal Year</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net sales			
Retail operations	\$ 2,908,981	\$ 2,646,284	\$ 2,340,794
Wholesale operations	185,792	154,957	140,657
Intersegment elimination	<u>(8,165)</u>	<u>(6,316)</u>	<u>(7,650)</u>
Total net sales	<u>\$ 3,086,608</u>	<u>\$ 2,794,925</u>	<u>\$ 2,473,801</u>
Income from operations			
Retail operations	\$ 414,734	\$ 366,139	\$ 276,581
Wholesale operations	42,191	35,783	26,919
Intersegment elimination	<u>(837)</u>	<u>(610)</u>	<u>(709)</u>
Total segment operating income	456,088	401,312	302,791
General corporate expenses	<u>(29,257)</u>	<u>(27,027)</u>	<u>(18,066)</u>
Total income from operations	<u>\$ 426,831</u>	<u>\$ 374,285</u>	<u>\$ 284,725</u>
Depreciation expense for property and equipment			
Retail operations	\$ 120,960	\$ 112,645	\$ 99,645
Wholesale operations	<u>772</u>	<u>743</u>	<u>1,094</u>
Total depreciation expense for property and equipment	<u>\$ 121,732</u>	<u>\$ 113,388</u>	<u>\$ 100,739</u>
Inventories			
Retail operations	\$ 282,590	\$ 265,787	
Wholesale operations	<u>28,617</u>	<u>16,624</u>	
Total inventories	<u>\$ 311,207</u>	<u>\$ 282,411</u>	
Property and equipment, net			
Retail operations	\$ 802,965	\$ 730,489	
Wholesale operations	<u>3,944</u>	<u>2,927</u>	
Total property and equipment, net	<u>\$ 806,909</u>	<u>\$ 733,416</u>	
Cash paid for property and equipment			
Retail operations	\$ 184,255	\$ 168,530	\$ 189,311
Wholesale operations	<u>1,846</u>	<u>345</u>	<u>699</u>
Total cash paid for property and equipment	<u>\$ 186,101</u>	<u>\$ 168,875</u>	<u>\$ 190,010</u>

URBAN OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands, except share and per share data)

The Company has foreign operations in Europe and Canada. Revenues and long-lived assets, based upon the Company's domestic and foreign operations, are as follows:

	Fiscal Year		
	2014	2013	2012
Net Sales			
Domestic operations	\$2,685,042	\$ 2,423,155	\$2,169,976
Foreign operations	401,566	371,770	303,825
Total net sales	<u>\$ 3,086,608</u>	<u>\$2,794,925</u>	<u>\$ 2,473,801</u>
Property and equipment, net			
Domestic operations	\$ 655,866	\$ 586,068	
Foreign operations	151,043	147,348	
Total property and equipment, net	<u>\$ 806,909</u>	<u>\$ 733,416</u>	

SECOND AMENDED AND RESTATED

CREDIT AGREEMENT

Dated March 27, 2014

by and among

URBAN OUTFITTERS, INC.,
and its Subsidiaries listed on Schedule 1 hereto,

as Borrowers,

the Lenders referred to herein,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	1
Section 1.1 <u>Definitions</u>	1
Section 1.2 <u>General</u>	18
Section 1.3 <u>Other Definitions and Provisions</u>	18
ARTICLE II CREDIT FACILITY	18
Section 2.1 <u>Loans</u>	18
Section 2.2 <u>Procedure for Advances of Loans</u>	19
Section 2.3 <u>Repayment of Loans</u>	20
Section 2.4 <u>Notes</u>	21
Section 2.5 <u>Change in Commitment</u>	21
Section 2.6 <u>Termination of the Aggregate Commitment</u>	21
Section 2.7 <u>Use of Proceeds</u>	21
Section 2.8 <u>Joint and Several Obligations</u>	22
Section 2.9 <u>Dollar Equivalent</u>	22
ARTICLE III LETTERS OF CREDIT	22
Section 3.1 <u>L/C Commitment</u>	22
Section 3.2 <u>Terms of Letters of Credit</u>	23
Section 3.3 <u>Existing Letters of Credit issued by Wells Fargo</u>	23
Section 3.4 <u>Cash Collateral for Letters of Credit</u>	23
Section 3.5 <u>Procedure for Issuance of Letters of Credit</u>	24
Section 3.6 <u>Commissions and Other Charges</u>	24
Section 3.7 <u>L/C Participations</u>	24
Section 3.8 <u>Reimbursement Obligation of the Borrowers</u>	25
Section 3.9 <u>Obligations Absolute</u>	25
Section 3.10 <u>General Terms of Documentary Letters of Credit</u>	26
Section 3.11 <u>Effect of Application</u>	27
ARTICLE IV GENERAL LOAN PROVISIONS	27
Section 4.1 <u>Interest</u>	27
Section 4.2 <u>Notice and Manner of Conversion or Continuation of Loans</u>	29
Section 4.3 <u>Fees</u>	29
Section 4.4 <u>Manner of Payment</u>	30
Section 4.5 <u>Credit of Payments and Proceeds</u>	30
Section 4.6 <u>Changed Circumstances</u>	30
Section 4.7 <u>Indemnity</u>	32
Section 4.8 <u>Capital Requirements</u>	33
Section 4.9 <u>Taxes</u>	33
Section 4.10 <u>Guaranty</u>	37
Section 4.11 <u>Adjustments</u>	37
Section 4.12 <u>Nature of Obligations of Lenders Regarding Extensions of Credit; Assumption by the Administrative Agent</u>	37
Section 4.13 <u>Currencies; Currency Equivalent and Related Provisions</u>	38
ARTICLE V CLOSING; CONDITIONS OF CLOSING AND BORROWING	39
Section 5.1 <u>Closing</u>	39

Section 5.2	<u>Conditions to Closing and Initial Extensions of Credit</u>	39
Section 5.3	<u>Conditions to All Extensions of Credit</u>	41
ARTICLE VI REPRESENTATIONS AND WARRANTIES OF THE BORROWERS		42
Section 6.1	<u>Representations and Warranties</u>	42
Section 6.2	<u>Survival of Representations and Warranties, Etc.</u>	48
ARTICLE VII FINANCIAL INFORMATION AND NOTICES		48
Section 7.1	<u>Financial Statements and Projections</u>	48
Section 7.2	<u>Officer's Compliance Certificate</u>	49
Section 7.3	<u>Accountants' Certificate</u>	49
Section 7.4	<u>Other Reports</u>	49
Section 7.5	<u>Notice of Litigation and Other Matters</u>	50
Section 7.6	<u>Accuracy of Information</u>	50
ARTICLE VIII AFFIRMATIVE COVENANTS		51
Section 8.1	<u>Preservation of Corporate Existence and Related Matters</u>	51
Section 8.2	<u>Maintenance of Property</u>	51
Section 8.3	<u>Insurance</u>	51
Section 8.4	<u>Accounting Methods and Financial Records</u>	51
Section 8.5	<u>Payment and Performance of Obligations</u>	51
Section 8.6	<u>Compliance With Laws and Approvals</u>	51
Section 8.7	<u>Environmental Laws</u>	51
Section 8.8	<u>Compliance with ERISA</u>	52
Section 8.9	<u>Compliance With Agreements</u>	52
Section 8.10	<u>Conduct of Business</u>	52
Section 8.11	<u>Visits and Inspections</u>	52
Section 8.12	<u>Additional Guarantors</u>	52
Section 8.13	<u>Maintain Cash Collateral Account</u>	53
Section 8.14	<u>Subsequent Credit Terms</u>	53
Section 8.15	<u>Further Assurances</u>	53
Section 8.16	<u>Bank Accounts</u>	53
ARTICLE IX FINANCIAL COVENANTS		53
Section 9.1	<u>Fixed Charge Coverage Ratio</u>	53
Section 9.2	<u>Adjusted Debt to EBITDAR Ratio</u>	53
ARTICLE X NEGATIVE COVENANTS		54
Section 10.1	<u>Limitations on Debt</u>	54
Section 10.2	<u>Limitations on Guaranty Obligations</u>	54
Section 10.3	<u>Limitations on Liens</u>	55
Section 10.4	<u>Limitations on Loans, Advances, Investments and Acquisitions</u>	55
Section 10.5	<u>Limitations on Mergers and Liquidation</u>	56
Section 10.6	<u>Limitations on Sale of Assets</u>	56
Section 10.7	<u>Limitations on Exchange and Issuance of Capital Stock</u>	57
Section 10.8	<u>Transactions with Affiliates</u>	57
Section 10.9	<u>Certain Accounting Changes</u>	57
Section 10.10	<u>Amendments; Payments and Prepayments of Subordinated Debt</u>	57
Section 10.11	<u>Restrictive Agreements</u>	58
ARTICLE XI DEFAULT AND REMEDIES		58
Section 11.1	<u>Events of Default</u>	58

Section 11.2	<u>Remedies</u>	60
Section 11.3	<u>Rights and Remedies Cumulative; Non-Waiver, etc.</u>	60
ARTICLE XII THE ADMINISTRATIVE AGENT		61
Section 12.1	<u>Appointment</u>	61
Section 12.2	<u>Delegation of Duties</u>	61
Section 12.3	<u>Exculpatory Provisions</u>	61
Section 12.4	<u>Reliance by the Administrative Agent</u>	61
Section 12.5	<u>Notice of Default</u>	62
Section 12.6	<u>Non-Reliance on the Administrative Agent and Other Lenders</u>	62
Section 12.7	<u>Indemnification</u>	62
Section 12.8	<u>The Administrative Agent in Its Individual Capacity</u>	63
Section 12.9	<u>Resignation of the Administrative Agent; Successor Administrative Agent</u>	63
ARTICLE XIII MISCELLANEOUS		64
Section 13.1	<u>Notices</u>	64
Section 13.2	<u>Expenses; Indemnity</u>	65
Section 13.3	<u>Set-off</u>	65
Section 13.4	<u>Governing Law</u>	65
Section 13.5	<u>Consent to Jurisdiction; Service of Process</u>	66
Section 13.6	<u>Waiver of Jury Trial; Preservation of Remedies</u>	66
Section 13.7	<u>Reversal of Payments</u>	67
Section 13.8	<u>Injunctive Relief; Punitive Damages</u>	67
Section 13.9	<u>Accounting Matters</u>	67
Section 13.10	<u>Successors and Assigns; Participations</u>	67
Section 13.11	<u>Disclosure of Information; Confidentiality</u>	69
Section 13.12	<u>Patriot Act Notice</u>	69
Section 13.13	<u>Amendments, Waivers and Consents</u>	70
Section 13.14	<u>Agreement Controls</u>	70
Section 13.15	<u>Covenants Independent</u>	70
Section 13.16	<u>Survival</u>	70
Section 13.17	<u>Counterparts</u>	70
Section 13.18	<u>Headings</u>	70
Section 13.19	<u>Severability</u>	71
Section 13.20	<u>Entirety</u>	71
Section 13.21	<u>Termination</u>	71
Section 13.22	<u>Payment of Borrowers' Obligations</u>	71
Section 13.23	<u>Powers of Attorney and Authorizations Irrevocable</u>	71
Section 13.24	<u>Register</u>	71
Section 13.25	<u>Judgment Currency</u>	71
Section 13.26	<u>Effect on Existing Credit Agreement</u>	72

SCHEDULES

- Schedule 1 - Subsidiaries that are Borrowers
- Schedule 2 - Lenders and Commitments
- Schedule 3 - Guarantors
- Schedule 6.1(a) - Jurisdictions of Organization and Qualification
- Schedule 6.1(b) - Subsidiaries and Capitalization
- Schedule 6.1(i) - ERISA Plans
- Schedule 6.1(l) - Material Contracts
- Schedule 6.1(m) - Labor and Collective Bargaining Agreements
- Schedule 6.1(t) - Debt and Guaranty Obligations
- Schedule 6.1(u) - Litigation
- Schedule 10.3 - Existing Liens
- Schedule 10.4(a) - Existing Loans, Advances and Investments
- Schedule 10.4(b) - Investment Policy and Guidelines

EXHIBITS

- Exhibit A - Form of Note
- Exhibit B - Form of Notice of Borrowing
- Exhibit C - Form of Notice of Account Designation
- Exhibit D - Form of Notice of Conversion/Continuation
- Exhibit E - Form of Officer's Compliance Certificate
- Exhibit F - Form of Termination Date Extension Request
- Exhibit G - Form of Assignment Agreement
- Exhibit H - MLA Costs
- Exhibit I - Form of Joinder to Guaranty
- Exhibit J - Form of U.S. Tax Compliance Certificate

SECOND AMENDED AND RESTATED CREDIT AGREEMENT (“Credit Agreement”), dated the 27 day of March, 2014, by and among URBAN OUTFITTERS, INC., a Pennsylvania corporation (“Urban”), the Subsidiaries (as hereinafter defined) of Urban listed on Schedule 1 hereto (including Urban, each individually a “Borrower” and collectively, the “Borrowers”), the Lenders who are or may become party to this Agreement, WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Administrative Agent for the Lenders.

STATEMENT OF PURPOSE

The Borrowers, the Administrative Agent and certain Lenders entered into that certain Amended and Restated Credit Agreement, dated September 23, 2004, as amended by (i) that certain Letter Agreement Concerning Amended and Restated Note, dated May 18, 2005, (ii) that certain First Amendment to Amended and Restated Credit Agreement, dated November 30, 2006, (iii) that certain Letter Agreement concerning the Amended and Restated Note dated May 31, 2007; (iv) that certain Extension of Amended and Restated Credit Agreement, dated November 27, 2007, (v) that certain Amendment No. 2 to Amended and Restated Credit Agreement, dated December 10, 2007, (vi) that certain Amendment No. 3, Consent and Waiver to Amended and Restated Credit Agreement dated as of September 21, 2009, (vii) that certain letter agreement dated December 1, 2010, (viii) that certain letter agreement dated March 9, 2011, (ix) that certain Amendment No. 4 to Amended and Restated Credit Agreement, dated April 25, 2011, (x) that certain Amendment No. 5 to Amended and Restated Credit Agreement, dated October 31, 2011, (xi) that certain Amendment No. 6 to Amended and Restated Credit Agreement, dated June 14, 2012, and (xii) that certain Amendment No. 7 to Amended and Restated Credit Agreement, dated July 31, 2012 (collectively, as so amended and as may be further amended, restated or modified from time to time, the “Existing Credit Agreement”).

The parties hereto have agreed to amend and restate the Existing Credit Agreement to (i) show the effects of the multiple amendments as a single agreement, and (ii) make certain other modifications as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, and intending to be legally bound hereby, such parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following terms when used in this Agreement shall have the meanings assigned to them below:

“Adjusted Debt” means, for any period of determination, as to Urban and its Consolidated Subsidiaries, the sum of eight times (8x) Rents plus Funded Debt.

“Adjusted Debt to EBITDAR Ratio” means, as of any date of determination, as to Urban and its Consolidated Subsidiaries, Adjusted Debt divided by EBITDAR, in each case for the most recently ended Rolling Period.

“Administration Fee” shall have the meaning assigned thereto in Section 4.3(a) hereof.

“Administrative Agent” means Wells Fargo in its capacity as Administrative Agent hereunder, and any successor thereto appointed pursuant to Section 12.9 hereof.

“Administrative Agent’s Office” means the office of the Administrative Agent specified or determined in accordance with the provisions of Section 13.1(c) hereof.

“Affiliate” means, with respect to any Person, any other Person (other than a Subsidiary) which directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person or any Subsidiary. The term control means (a) the power to vote five percent (5%) or more of the securities or other equity interests of a Person having ordinary voting power, or (b) the possession, directly or indirectly, of any other power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“Aggregate Commitment” means the aggregate amount of the Lenders’ Commitments hereunder, as such amount may be reduced or modified at any time or from time to time pursuant to the terms hereof. On the Closing Date, the Aggregate Commitment shall be One Hundred Seventy-Five Million Dollars (\$175,000,000), as such amount may be increased in accordance with Section 2.5(b) hereof.

“Agreement” means this Second Amended and Restated Credit Agreement including the schedules and exhibits attached hereto, as amended, restated or otherwise modified from time to time.

“Alternate Currency” means as of the date hereof Pounds Sterling, Canadian Dollars, Japanese Yen, Hong Kong Dollars, Bermuda Dollars, and the euro and hereafter means such currencies or such other lawful currency other than Dollars that is freely transferable and convertible into Dollars as each Lender and Administrative Agent may mutually agree and from time to time designate as an Alternate Currency, each such Alternate Currency specified herein or hereafter designated to remain in effect as such until notice is given by any Lender or Administrative Agent that such currency is no longer available as an Alternate Currency.

“Alternate Currency Loan” means a Loan denominated in an Alternate Currency.

“Alternate Currency Exposure” means the aggregate outstanding principal balance of all Alternate Currency Loans, plus the outstanding undrawn amount of, and all unreimbursed draws under, all Alternate Currency Letters of Credit.

“Alternate Currency Letter of Credit” means a Letter of Credit denominated in an Alternate Currency.

“Alternate Currency Sublimit” means the Dollar Equivalent of the portion of the Aggregate Commitment up to which Lenders have agreed to make Alternate Currency Loans and/or issue Alternate Currency Letters of Credit (subject to the L/C Commitment), being Fifty Million Dollars (\$50,000,000).

“Applicable Law” means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities and all orders and decrees of all courts and arbitrators.

“Applicable Margin” means with respect to the Loans for each fiscal quarter, the percentages determined by reference to the Adjusted Debt to EBITDAR Ratio as of the end of the fiscal quarter immediately preceding the delivery of the applicable Officer’s Compliance Certificate as follows:

<u>Level</u>	<u>Adjusted Debt to EBITDAR Ratio</u>	<u>Applicable Base Rate Margin</u>	<u>Daily One Month LIBOR Margin</u>	<u>Applicable LIBOR and Eurocurrency Margin</u>
I	>3.50	0%	1.60%	1.50%
II	>2.75 and ≤3.50	0%	1.10%	1.00%
III	<2.75	0%	0.60%	0.50%

Adjustments, if any, in the Applicable Margin shall be made by the Administrative Agent on the fifth (5th) Business Day after receipt by the Administrative Agent of quarterly financial statements for the Borrowers and the accompanying Officer's Compliance Certificate setting forth the Adjusted Debt to EBITDAR Ratio of the Borrower as of the most recent fiscal quarter end. Notwithstanding the remedies available to Lenders under [Section 4.1\(c\)](#) hereof, in the event the Borrowers fail to deliver such financial statements and certificate within the time required by [Section 7.1 and 7.2](#) hereof, the Applicable Margin shall be the percentage set forth in Level I in the above chart until the delivery of such financial statements and certificate which indicate that an adjustment is available; provided; that if the Borrowers incorrectly report or calculate the Adjusted Debt to EBITDAR Ratio, the Administrative Agent, in its sole discretion, may charge interest retroactively based on the Applicable Margin that should have been in effect for such period that the Adjusted Debt to EBITDAR Ratio was incorrectly reported or calculated. The foregoing shall not limit any rights of the Lenders to receipt of the default rate set forth in [Section 4.1\(c\)](#), if applicable.

“[Application](#)” means an application, in the form specified by the Issuing Lender from time to time, which may include, but is not limited to, any electronic platform maintained by the Issuing Lender for the purpose of delivery of Letters of Credit, requesting the Issuing Lender to issue a Letter of Credit.

“[Assignment Agreement](#)” shall have the meaning assigned thereto in [Section 13.10](#) hereof.

“[Base Rate](#)” means Wells Fargo's Prime Rate.

“[Base Rate Loan](#)” means any Loan bearing interest at a rate based upon the Base Rate as provided in [Section 4.1\(a\)](#) hereof.

“[Bermuda Dollars](#)” means the lawful currency of Bermuda.

“[Borrower](#)” means individually, and “[Borrowers](#)” means collectively, Urban Outfitters, Inc., a Pennsylvania corporation, and each Subsidiary set forth on [Schedule 1](#) hereto, including without limitation each Non-U.S. Borrower, each in its capacity as a borrower hereunder.

“[Business Day](#)” means (a) for all purposes other than as set forth in clauses (b) and (c) below, any day other than a Saturday, Sunday or any other day which commercial banks in Pennsylvania are authorized or required by law to close, and (b) with respect to determining any Interest Period under [Section 4.1\(b\)](#), any day other than any Saturday, Sunday or any other day which commercial banks in the state of New York are authorized or required by law to close, (c) with respect to all notices and determinations in connection with, and payments of principal and interest on, any LIBOR Rate Loan or

Daily One Month LIBOR Loan, any day that is a Business Day described in clause (a) and that is also London Business Day, and (d) with respect to all notices and determinations in connection with, and payments of principal and interest on, any Alternate Currency Loan, a day on which commercial banks and the London foreign exchange market set the payments in the Principal Financial Center for the applicable Alternate Currency.

“Capital Asset” means, with respect to the Borrowers and their Subsidiaries, any asset that should, in accordance with GAAP, be classified and accounted for as a capital asset on a Consolidated balance sheet of the Borrowers and their Subsidiaries.

“Capital Expenditure Payment(s)” means capital expenditures, net of all applicable tenant improvement allowances and any other amounts for fit-out and other capital expenditures that will be reimbursed to any Borrower or Subsidiary from any source, including state and local government grants, rebates and incentives, on the annual audited financial statements of Urban and its Consolidated Subsidiaries as prepared in accordance with GAAP.

“Capital Lease” means, with respect to the Borrowers and their Subsidiaries, any lease of any property that should, in accordance with GAAP, be classified and accounted for as a capital lease on a Consolidated balance sheet of the Borrowers and their Subsidiaries.

“Capital Stock” means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests and (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets upon liquidation of, the issuing Person.

“Cash Management Bank” means any Person that, (a) at the time it enters into a Cash Management Agreement with a Credit Party, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent, or (b) at the time it (or its Affiliate) becomes a Lender (including on the Closing Date), is a party to a Cash Management Agreement with a Credit Party, in each case in its capacity as a party to such Cash Management Agreement.

“Cash Management Agreement” means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card (including non-card electronic payables), electronic funds transfer and other cash management arrangements.

“Change in Control” means any of the following: (i) any Person, either individually or acting in concert with one or more other Persons as a “group,” shall have acquired beneficial ownership, directly or indirectly, of all of the issued and outstanding Capital Stock of Urban representing 51% or more of the combined voting power of all issued and outstanding Capital Stock of Urban entitled to vote in the election of members of the board of directors of Urban, other than the Capital Stock having such power only by reason of the happening of a contingency and (ii) the occurrence of a change in the composition of the board of directors of Urban such that a majority of the members of such board during any period of two consecutive years are not Continuing Members. As used herein, the term “group”, “beneficially own” or “beneficial ownership” shall have the meaning set forth in the Exchange Act and the rules and regulations promulgated thereunder (except with respect to “beneficial ownership,” a person shall be deemed to have “beneficial ownership” of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time).

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Closing Date” means the date of this Agreement or such later Business Day upon which each condition described in Section 5.2 hereof shall be satisfied or waived in all respects in a manner acceptable to the Administrative Agent, in its sole discretion.

“Code” means the Internal Revenue Code of 1986, and the rules and regulations thereunder, each as amended, supplemented or otherwise modified.

“Commitment” means, as to any Lender, the obligation of such Lender to make Loans to, and, subject to the L/C Commitment, to issue or participate in Letters of Credit for the account of, the Borrowers hereunder in an aggregate principal or face amount at any time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2 hereto, as the same may be reduced or modified at any time or from time to time pursuant to the terms hereof.

“Commitment Percentage” means, as to any Lender at any time, the ratio of (a) the amount of the Commitment of such Lender to (b) the Aggregate Commitment of all the Lenders.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated” means, when used with reference to financial statements or financial statement items of the Borrowers and their Subsidiaries, such statements or items on a consolidated basis in accordance with applicable principles of consolidation under GAAP.

“Continuing Member” means, as of any date of determination any member of the board of directors of Urban who (i) was a member of such board on the Closing Date or (ii) was nominated for election or elected to such board with the affirmative vote of a majority of the members who were either members of such board on the Closing Date or whose nomination or election was previously so approved.

“Credit Parties” means, collectively, the Borrowers and the Guarantors.

“Daily One Month LIBOR” means, for any day, the rate of interest equal to LIBOR then in effect for delivery for a one (1) month period.

“Daily One Month LIBOR Loan” means any Loan bearing interest at a rate based upon the Daily One Month LIBOR as provided in Section 4.1(a) hereof.

“Debt” means, with respect to the Borrowers and their Subsidiaries at any date and without duplication, the sum of the following determined in accordance with GAAP: (a) all liabilities, obligations and indebtedness for borrowed money, including without limitation obligations evidenced by bonds, debentures, notes or other similar instruments of any such Person, provided, however, that liabilities, obligations and indebtedness under operating leases shall not constitute Debt unless and until payments thereunder become past due or accelerated in accordance with GAAP; (b) all obligations to pay the deferred purchase price of property or services of any such Person, except trade payables arising in the ordinary course of business not more than thirty (30) days past due; (c) all obligations of any such Person as lessee under Capital Leases and under “synthetic” or similar leases; (d) all Debt secured by any Lien upon property or assets owned by such Person, notwithstanding that such Person has not assumed or become liable for the payment of such Debt; (e) all Guaranty Obligations of any such Person; (f) all obligations, contingent or otherwise, of any such Person relative to the face amount of letters of credit, whether or not drawn, including without limitation any Reimbursement Obligation, and banker’s acceptances issued for the account of any such Person; (g) all obligations of any such Person to redeem, repurchase, exchange, defease or otherwise make payments in respect of capital stock or other securities of such Person; and (h) all obligations incurred by any such Person pursuant to Hedging Agreements.

“Default” means any of the events specified in Section 11.1 hereof which with the passage of time, the giving of notice or any other condition, would constitute an Event of Default.

“Defaulting Lender” has the meaning assigned to such term in Section 4.6(d) hereof.

“Dollar Equivalent” means, on any date of determination with respect to any Alternate Currency Loan or Alternate Currency Letter of Credit, the amount, as determined by Administrative Agent, of Dollars which could be purchased with the amount of the relevant Alternate Currency involved in such computation at the spot rate at which Dollars may be exchanged into such Alternate Currency as set forth on such date on the applicable Dow Jones Telerate page (or any successor pages) or, if such rate does not appear on such pages, at the rate of exchange quoted by the Administrative Agent in Philadelphia, Pennsylvania at 11:00 a.m. on the date of determination, to prime banks in New York City for the spot purchase in the New York foreign exchange market of such amount of Dollars with such Alternate Currency, as the case may be.

“Dollars or \$” means, unless otherwise qualified, the lawful currency of the United States of America.

“EBIT” means, for any period of determination, as to Urban and its Consolidated Subsidiaries, net income for such period, plus Interest Expense and taxes, in each case as determined in accordance with GAAP and, if applicable, to the extent each has been deducted in determining net income. For the purpose of calculating EBIT, for any period of determination, (i) if at any time during such period a Material Acquisition is made, EBIT shall be calculated after giving the pro forma effect to such Material Acquisition (if positive) as if it had occurred on the first day of such period, and (ii) if at any time during such period a Material Disposition is made, EBIT shall be reduced by an amount equal to EBIT (if positive) attributed to the property that is subject to such Material Disposition or increased by an amount equal to EBIT (if negative) attributed to the property that is subject to such Material Disposition.

“EBITDAR” means, for any period of determination, as to Urban and its Consolidated Subsidiaries, EBIT plus depreciation expense, amortization expense and Rents for such period, in each case as determined in accordance with GAAP (except Rents, which shall be determined on a cash rather than an accrual basis) and, if applicable, to the extent each has been deducted in determining net income. For the purpose of calculating EBITDAR, for any period of determination, (i) if at any time during such period a Material Acquisition is made, EBITDAR shall be calculated after giving the pro forma effect to

such Material Acquisition (if positive) as if it had occurred on the first day of such period, and (ii) if at any time during such period a Material Disposition is made, EBITDAR shall be reduced by an amount equal to EBITDAR (if positive) attributed to the property that is subject to such Material Disposition or increased by an amount equal to EBITDAR (if negative) attributed to the property that is subject to such Material Disposition.

“Eligible Assignee” means, with respect to any assignment of the rights, interest and obligations of a Lender hereunder, a Person that is at the time of such assignment: (a) a commercial bank organized under the laws of the United States or any state thereof, having combined capital and surplus in excess of \$500,000,000; (b) a commercial bank organized under the laws of any other country that is a member of the Organization of Economic Cooperation and Development, or a political subdivision of any such country, having combined capital and surplus in excess of \$500,000,000; (c) a finance company, insurance company or other financial institution which in the ordinary course of business extends credit of the type extended hereunder and that has total assets in excess of \$1,000,000,000; (d) already a Lender hereunder (whether as an original party to this Agreement or as the assignee of the Lender); (e) the successor (whether by transfer of assets, merger or otherwise) to all or substantially all of the commercial lending business of the assigning Lender; or (f) any other Person that has been approved in writing as an Eligible Assignee by the Borrowers and the Administrative Agent.

“Employee Benefit Plan” means any employee benefit plan (other than a Multiemployer Plan) which is subject to the provisions of ERISA which (a) is maintained for employees of any Borrower or any ERISA Affiliate or (b) has at any time within the preceding six years been maintained for the employees of any Borrower or any current or former ERISA Affiliate.

“Environmental Laws” means any and all federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities, relating to the protection of human health or the environment, including without limitation requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Materials.

“ERISA” means the Employee Retirement Income Security Act of 1974, and the rules and regulations thereunder, each as amended, supplemented or otherwise modified.

“ERISA Affiliate” means any Person who together with any Borrower or Subsidiary is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

“euro” means the lawful currency of the European Union.

“Eurocurrency Rate” shall mean, with respect to any Eurocurrency Loan, a rate per annum (rounded to the next higher 1/100 of 1%) at which deposits in the relevant Alternate Currency are offered to the Administrative Agent at its principal office in London, England by prime banks in the London Interbank Market, in each case, as of 11:00 a.m. London time, on the second Business Day prior to the commencement of the relevant Interest Period in amounts substantially equal to the Alternate Currency Loan as to which Borrowers may elect the Eurocurrency Rate to be applicable and with a maturity of comparable duration to the Interest Period selected by Borrowers for such Alternate Currency Loan, as may be adjusted for reserves by dividing that rate by 1.00 minus the Eurodollar Reserve Percentage, and as may be further adjusted for MLA Costs.

“Eurodollar Reserve Percentage” means, for any day, the percentage (expressed as a decimal and rounded upwards, if necessary, to the next higher one-hundredth of one percent (1/100%)) which is in effect for such day as prescribed by the Federal Reserve Board (or any successor) for determining the maximum reserve requirement (including without limitation any basic, supplemental or emergency reserves) in respect of eurocurrency liabilities or any similar category of liabilities for a member bank of the Federal Reserve System in New York City.

“Event of Default” means any of the events specified in Section 11.1 hereof, provided that any requirement for passage of time, giving of notice, or any other condition, has been satisfied.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

“Excluded Swap Obligation” means, with respect to any Credit Party, any Swap Obligation if, and to the extent that, all or a portion of the liability of such Credit Party for or the guarantee of such Credit Party of, or the grant by such Credit Party of a security interest to secure, such Swap Obligation (or any liability or guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Credit Party’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the liability for or the guarantee of such Credit Party or the grant of such security interest becomes effective with respect to such Swap Obligation (such determination being made after giving effect to any applicable keepwell, support or other agreement for the benefit of the applicable Credit Party, including under Section 2 of the Guaranty Agreement). If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal for the reasons identified in the immediately preceding sentence of this definition

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office, located in the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by a Borrower under Section 4.6(d)) or (ii) such Lender changes its Lending Office, except, in each case, to the extent that, pursuant to Section 4.9, amounts with respect to such Tax were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 4.9(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Letters of Credit” means all Letters of Credit issued or deemed issued under the Existing Credit Agreement.

“Extensions of Credit” means an amount equal to the sum of: (a) the aggregate principal amount of all Loans then outstanding, and (b) the L/C Obligations then outstanding.

“Executive Order” has the meaning assigned thereto in Section 6.1(z) hereof.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“Fee Letter” means the separate fee letter agreement dated March 27, 2014 among Urban and the Administrative Agent.

“FDIC” means the Federal Deposit Insurance Corporation, or any successor thereto.

“Federal Funds Rate” means, the rate per annum (rounded upwards, if necessary, to the next higher one-hundredth of one percent (1/100%)) representing the daily effective federal funds rate as quoted by the Administrative Agent and confirmed in Federal Reserve Board Statistical Release H.15 (519) or any successor or substitute publication selected by the Administrative Agent. If, for any reason, such rate is not available, then “Federal Funds Rate” shall mean a daily rate which is determined, in the opinion of the Administrative Agent, to be the rate at which federal funds are being offered for sale in the national federal funds market at 9:00 a.m. (Philadelphia time). Rates for weekends or holidays shall be the same as the rate for the most immediate preceding Business Day.

“Fiscal Year” means the fiscal year of the Borrowers and their Subsidiaries ending on January 31.

“Fixed Charge Coverage Ratio” means, as of any date of determination, as to Urban and its Consolidated Subsidiaries, the ratio of (a) EBITDAR divided by (b) Interest Expense plus Rents.

“Foreign Assets Control Regulations” has the meaning assigned thereto in Section 6.1(z) hereof.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“Funded Debt” means, for any period of determination, the aggregate principal amount of all Debt of the Borrowers and their Consolidated Subsidiaries for: (i) borrowed money (including without limitation the face amount of Letters of Credit whether or not drawn); (ii) installment purchases of real or personal property; (iii) the principal portion of obligations owing under Capital Leases, determined in accordance with GAAP; (iv) “synthetic leases” and other similar lease arrangements; and (v) guaranties of Funded Debt of others, without duplication.

“FX Calculation Date” means (a) each date of delivery of a Notice of Borrowing or Application, (b) each date of delivery of an Officer’s Compliance Certificate, and (c) each other date on which Administrative Agent shall, in its discretion, calculate the Dollar Equivalent of outstanding Alternate Currency Exposure, provided, that Administrative Agent agrees to make such calculation upon receipt of written notice from any Lender that such Lender believes the Aggregate Commitment or Alternate Currency Sublimit may be exceeded as a result of currency fluctuations affecting the Dollar Equivalent of outstanding Alternate Currency Exposure, provided further, that, except as set forth in the foregoing proviso, Administrative Agent shall have no obligation to calculate the Dollar Equivalent of outstanding Alternate Currency Exposure other than on an FX Calculation Date as set forth in clauses (a) and (b).

“GAAP” means generally accepted accounting principles, as recognized by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board, consistently applied and maintained on a consistent basis for the Borrowers and their Subsidiaries throughout the period indicated and consistent with the prior financial practice of the Borrowers and their Subsidiaries.

“Governmental Approvals” means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities.

“Governmental Authority” means any nation, province, state or political subdivision thereof, and any government, agency, instrumentality regulatory body, court, central bank or other Person exercising executive, legislative, regulatory, administrative or judicial functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Guaranty Agreement” means that certain Amended and Restated Guaranty Agreement, dated the date of this Agreement, executed by the Guarantors in favor of the Administrative Agent for the benefit of Lenders, pursuant to which the Guarantors have agreed to unconditionally guaranty, on a joint and several basis, the full, prompt and complete performance of all of the Borrowers’ duties, covenants and obligations under this Agreement, the Notes and the other Loan Documents. The term “Guaranty Agreement” shall also be deemed to mean and refer to all amendments, modifications, extensions, renewals, refinancings and/or supplements to said agreement made and/or entered into subsequent to the Closing Date, including without limitation all amendments which are consummated for the purposes of adding any new and/or additional Persons as Guarantors, as provided for in [Section 8.12](#) of this Agreement.

“Guarantors” means collectively those direct and indirect Subsidiaries of the Borrowers set forth on Schedule 3 hereto, and “Guarantor” means any of such Guarantors and each additional entity whether now owned or hereafter acquired that becomes a Guarantor pursuant to Section 8.12 hereof.

“Guaranty Obligation” means, with respect to the Borrowers and their Subsidiaries, without duplication, any obligation, contingent or otherwise, of any such Person pursuant to which such Person has directly or indirectly guaranteed any Debt of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, with respect to such Debt: (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt (whether arising by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement condition or otherwise), or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, that the term “Guaranty Obligation” shall not include (i) endorsements for collection or deposit in the ordinary course of business, or (ii) obligations under real estate leases to the extent that such obligations do not constitute Debt.

“Hazardous Materials” means any substances or materials: (a) which are or become defined as hazardous wastes, hazardous substances, pollutants, contaminants, chemical substances or mixtures or toxic substances under any Applicable Law; (b) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise harmful to human health or the environment and are or become regulated by any Governmental Authority; (c) the presence of which require investigation or remediation under any Applicable Law; (d) the discharge or emission or release of which requires a permit or license under any Applicable Law or other Governmental Approval; (e) which are deemed to constitute a nuisance, a trespass or pose a health or safety hazard to persons or neighboring properties; (f) which consist of underground or aboveground storage tanks, whether empty,

filled or partially filled with any substance; or (g) which contain, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or waste, crude oil, nuclear fuel, natural gas or synthetic gas.

“Hedging Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.

“Hong Kong Dollars” means the lawful currency of Hong Kong.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrowers under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Intangible Assets” means for Urban and its Consolidated Subsidiaries, all assets which would be classified in accordance with GAAP as intangible assets, including without limitation, all franchises, licenses, permits, patents, patent applications, copyrights, trademarks, tradenames, goodwill, experimental or organization expenses and other like intangibles, the cash surrender value and other like intangibles of any life insurance policy, treasury stock and unamortized debt discount.

“Interest Expense” means, for any period of determination, as to Urban and its Consolidated Subsidiaries, total interest expense (including without limitation interest expense attributable to Capital Leases), without duplication, determined in accordance with GAAP.

“Interest Period” shall have the meaning assigned thereto in Section 4.1(b) hereof.

“Issuing Lender” means Wells Fargo in its capacity as issuer of any Letter of Credit, or any successor thereto.

“Japanese Yen” means the lawful currency of Japan.

“Joinder to Guaranty” means a Joinder to Guaranty made by a Subsidiary of any of the Borrowers, substantially in the form of Exhibit I to this Agreement, pursuant to which such Subsidiary becomes a Guarantor.

“L/C Commitment” means: (a) in the case of documentary Letters of Credit, the Aggregate Commitment, and (b) in the case of standby Letters of Credit, the lesser of (i) the Aggregate Commitment and (ii) Twenty-Five Million Dollars (\$25,000,000).

“L/C Obligations” means at any time, an amount equal to the sum of (a) the aggregate undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to Section 3.8 hereof.

“L/C Participants” means the collective reference to all Lenders participating in the issuance of Letters of Credit.

“Lender” means each Person executing this Agreement as a Lender set forth on the signature pages hereto and each Person that hereafter becomes a party to this Agreement as a Lender pursuant to Section 13.10 hereof.

“Lending Office” means, with respect to any Lender, the office of such Lender maintaining such Lender’s Commitment Percentage of the Loans.

“Letters of Credit” shall have the meaning assigned thereto in Section 3.1 hereof.

“LIBOR” means,

(a) for any interest rate calculation with respect to a LIBOR Rate Loan, the rate of interest per annum determined on the basis of the rate for deposits in Dollars for a period equal to the applicable Interest Period which appears on Reuters Screen LIBOR01 Page (or any applicable successor page) at approximately 11:00 a.m. (London time) two (2) London Banking Days prior to the first day of the applicable Interest Period. If, for any reason, such rate does not appear on Reuters Screen LIBOR01 Page (or any applicable successor page), then “LIBOR” shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) two (2) London Banking Days prior to the first day of the applicable Interest Period for a period equal to such Interest Period.

(b) for any interest rate calculation with respect to a Daily One Month LIBOR Loan, the rate of interest per annum determined on the basis of the rate for deposits in Dollars for an Interest Period equal to one month (commencing on the date of determination of such interest rate) which appears on the Reuters Screen LIBOR01 Page (or any applicable successor page) at approximately 11:00 a.m. (London time) on such date of determination, or, if such date is not a Business Day, then the immediately preceding Business Day. If, for any reason, such rate does not appear on Reuters Screen LIBOR01 Page (or any applicable successor page) then “LIBOR” for such Daily One Month LIBOR Loan shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) on such date of determination for a period equal to one month commencing on such date of determination.

Each calculation by the Administrative Agent of LIBOR shall be conclusive and binding for all purposes, absent manifest error.

“LIBOR Rate” means a rate per annum (rounded upwards, if necessary, to the next higher one-hundredth of one percent (1/100%)) determined by the Administrative Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

“LIBOR Rate Loan” means any Loan bearing interest at a rate based upon the LIBOR Rate as provided in Section 4.1(a) hereof.

“Lien” means, with respect to any asset, any mortgage, lien pledge, charge, security interest or encumbrance of any kind in respect of such asset, including without limitation acquiring or holding any asset subject to the interest of a vendor, lessor or other creditor under any conditional sale agreement, Capital Lease or other title retention agreement relating to such asset.

“Loans” means any revolving loan made to the Borrowers pursuant to Section 2.1 hereof, including without limitation all Alternate Currency Loans, and all such revolving loans collectively as the context requires, and “Loan” means any of such Loans.

“Loan Documents” means, collectively, this Agreement, the Note, the Guaranty Agreement, the Joinder to Guaranty, the Applications, the Letters of Credit, and each other document, instrument, certificate and agreement executed and delivered by any Borrower, any Subsidiary, any Guarantor or their counsel in connection with this Agreement or otherwise referred to herein or contemplated hereby, all as may be amended, restated or otherwise modified.

“Loan Party” means each Borrower and each Guarantor.

“London Business Day” means any day that is a day for trading by and between banks in Dollar deposits in the London interbank market.

“Management Report” means that certain memorandum entitled “Material Weaknesses in Internal Control” furnished to the Borrowers by their auditors, or any similar successor report, in its entirety, as required to be delivered in accordance with Generally Accepted Auditing Standards.

“Material Adverse Effect” means, with respect to the Borrowers and their Subsidiaries taken as a whole, a material adverse effect on the properties, business, prospects, operations or condition (financial or otherwise) of the Borrowers and their Subsidiaries or the ability of the Borrowers and their Subsidiaries to perform their obligations under the Loan Documents or Material Contracts, in each case to which they are a party.

“Material Acquisition” means any acquisition of assets comprising all or substantially all of an operating unit of a business or substantially all of the equity interests of a Person that involves payment of aggregate consideration (including, without limitation, earn outs, bonuses, non-compete and similar payments, and transition and consulting arrangements) in excess of Twenty Million Dollars (\$20,000,000) (whether paid or payable in cash or other property (including equity interests)).

“Material Contract” means (a) any written contract or other agreement of any Borrower or any Subsidiary involving monetary liability of or to any such Person in an amount in excess of \$20,000,000 per annum, or (b) any other written contract or agreement of any Borrower or any Subsidiary the failure to comply with which could reasonably be expected to have a Material Adverse Effect; provided, however, that operating leases in the aggregate, in and of themselves, shall not be deemed a Material Contract; provided, further, however, that any single operating lease may constitute a Material Contract in accordance with the foregoing definition of Material Contract.

“Material Disposition” means any disposition of assets comprising all or substantially all of the equity interests of a Person that involves payment of aggregate consideration (including, without limitation, earn outs, bonuses, non-compete and similar payments, and transition and consulting arrangements) in excess of Twenty Million Dollars (\$20,000,000) (whether paid or payable in cash or other property (including equity interests)).

“MLA Cost” shall mean, with respect to any Alternate Currency Loan made by any Lender, the cost imputed to such Lender of compliance with the Mandatory Liquid Assets requirements of the Bank of England during the Interest Period applicable to such Alternate Currency Loan, expressed as a rate per annum and determined in accordance with Exhibit H hereto.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA which is subject to the provisions of ERISA to which any Borrower, any Subsidiary or any ERISA Affiliate is making, or is accruing an obligation to make, contributions within the preceding six years.

“national currency unit” means the unit of currency (other than a euro unit) of a Participating Member State.

“Non-U.S. Borrowers” means, collectively, all Borrowers formed under a jurisdiction outside of the United States, including, without limitation, URBN UK Limited (f/k/a Urban Outfitters UK Limited), a corporation formed under the laws of England and Wales, and HK Sourcing Limited, a limited liability company incorporated in Hong Kong, and “Non-U.S. Borrower” means any of such Non-U.S. Borrowers.

“Non-U.S. Sublimit” means, (a) Twenty Million Dollars (\$20,000,000) with respect to, without duplication, the aggregate outstanding principal amount at any time of: (i) Loans borrowed by or on behalf of any Non-U.S. Borrower or Subsidiary thereof; (ii) intercompany loans to any Non-U.S. Borrower or Subsidiary (other than the Restricted Subsidiaries) thereof permitted under Section 10.4(d) hereof; and (iii) L/C Obligations for Letters of Credit issued for the account of any Non-U.S. Borrower or Subsidiary thereof, excluding documentary Letters of Credit issued for the account of HK Sourcing Limited, and (b) Fifty Million Dollars (\$50,000,000) with respect to L/C Obligations for documentary Letters of Credit issued for the account of HK Sourcing Limited.

“Non-U.S. Subsidiary” means a Subsidiary formed in a jurisdiction located outside of the United States.

“Note(s)” means the collective reference to the Notes executed by the Borrowers payable to the order of each Lender, substantially in the form of Exhibit A hereto, evidencing the Commitments, and any amendments and modifications thereto, any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

“Notice of Account Designation” shall have the meaning assigned thereto in Section 2.2(c) hereof.

“Notice of Borrowing” shall have the meaning assigned thereto in Section 2.2 hereof.

“Notice of Conversion/Continuation” shall have the meaning assigned thereto in Section 4.2 hereof.

“Obligations” means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including without limitation interest accruing after the filing of any bankruptcy or similar petition) the Loans; (b) the L/C Obligations; (c) all payment and other obligations owing by the Borrowers and Guarantors to any Lender or the Administrative Agent under any Cash Management Agreement or any Hedging Agreement with any Lender; and (d) all other fees and commissions (including without limitation attorney’s fees), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Borrowers and Guarantors to

the Lenders or the Administrative Agent, of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note, in each case under or in respect of this Agreement, the Note, any Letter of Credit or any of the other Loan Documents, or any Cash Management Agreement or Hedging Agreement with any Lender or the Administrative Agent. Notwithstanding the foregoing, "Obligations" of any Credit Party shall not include any Excluded Swap Obligation of such Credit Party.

"Officer's Compliance Certificate" shall have the meaning assigned thereto in Section 7.2 hereof.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 4.6(d)).

"Participants" shall have the meaning assigned thereto in Section 13.10 hereof.

"Participating Member State" means each state so described in any legislation enacted by the European Union.

"Participations" shall have the meaning assigned thereto in Section 13.10 hereof.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor agency.

"Pension Plan" means any Employee Benefit Plan, which is subject to the provisions of Title IV of ERISA or Section 412 of the Code and which (a) is maintained for employees of any Borrower, Subsidiary or ERISA Affiliate or (b) has at any time within the preceding six years been maintained for the employees of any Borrower, Subsidiary or current or former ERISA Affiliate.

"Person" means an individual, corporation, limited liability company, partnership, association, trust, business trust, joint venture, joint stock company, pool, syndicate, sole proprietorship, unincorporated organization, Governmental Authority or any other form of entity or group thereof.

"Pounds Sterling" means the lawful currency of the United Kingdom.

"Prime Rate" means, at any time, the rate of interest per annum publicly announced from time to time by Wells Fargo as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in the Prime Rate occurs. The parties hereto acknowledge that the rate announced publicly by Wells Fargo as its Prime Rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

“Principal Financial Center” means, in the case of any Alternate Currency, the principal financial center with such Alternate Currency is cleared and settled, as determined by the Administrative Agent.

“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) the Issuing Lender, as applicable.

“Reimbursement Obligation” means the obligation of the Borrowers to reimburse the Issuing Lender pursuant to Section 3.8 hereof for amounts drawn under Letters of Credit.

“Remaining Lenders” means the Lenders other than the Lender(s) which the Borrowers have requested to be terminated, replaced or added under this Agreement; provided, however, that such Remaining Lenders hold in the aggregate at least sixty percent (60%) of the Aggregate Commitment immediately prior to such termination, replacement or addition.

“Rents” means all cash payments made to a landlord in connection with a lease of real property, including without limitation payments for rent, utilities and taxes, property insurance, and common area maintenance charges.

“Required Lenders” means: (i) if there are less than three Lenders, all Lenders, or (ii) if there are three or more Lenders, at any date, any combination of holders of at least sixty-six and two-thirds percent (66 2/3%) of the aggregate unpaid principal amount of the Notes, or if no amounts are outstanding under the Notes, any combination of Lenders whose Commitment Percentages aggregate at least sixty-six and two-thirds percent (66 2/3%).

“Responsible Officer” means any of the following: the chief executive officer, chief financial officer or treasurer of each Borrower or Guarantor or any other officer of such Borrower or Guarantor reasonably acceptable to the Administrative Agent.

“Restricted Subsidiary” means, collectively, URBN Canada Retail, Inc., Urban Outfitters UK Limited, Anthropologie UK Limited and such other Subsidiaries as to which Urban and the Administrative Agent may from time to time agree.

“Rolling Period” means, as of any date, the most recent four (4) consecutive fiscal quarters of Urban and its Consolidated Subsidiaries completed on or before such date.

“Solvent” means, as to any Borrower or Guarantor on a particular date, that any such Person (a) has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage and is able to pay its debts as they mature, (b) owns property having a value, both at fair valuation and at present fair saleable value, greater than the amount required to pay its probable liabilities (including without limitation contingencies), and (c) does not believe that it will incur debts or liabilities beyond its ability to pay such debts or liabilities as they mature.

“Subordinated Debt” means the collective reference to Debt on Schedule 6.1(t) hereto designated as Subordinated Debt and any other Debt of any Borrower or Subsidiary subordinated in right and time of payment to the Obligations on terms satisfactory to the Required Lenders.

“Subsidiary” means as to any Person, any corporation, partnership, limited liability company or other entity of which more than fifty percent (50%) of the outstanding capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company or other entity is at the time, directly

or indirectly, owned by or the management is otherwise controlled by such Person (irrespective of whether, at the time, capital stock or other ownership interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified references to “Subsidiary” or “Subsidiaries” herein shall refer to those of any Borrower.

“Swap Obligation” means, with respect to any Credit Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Tangible Net Worth” means Urban and its Consolidated Subsidiaries’ net worth, as defined in accordance with GAAP, minus Intangible Assets.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Termination Date” means the earliest of the dates referred to in Section 2.6 hereof.

“Termination Date Extension Request” means a request by Urban to the Administrative Agent, substantially in the form of Exhibit F hereto, which shall be submitted no earlier than one hundred fifty (150) days and no later than forty-five days (45) days prior to the Termination Date referred to in subsection (a) of Section 2.6 hereof.

“Termination Event” means one or more of any of the following: (a) a “Reportable Event” described in Section 4043 of ERISA with respect to a Pension Plan (other than an event for which the 30-day notice period is waived); (b) the withdrawal of any Borrower, Subsidiary or any ERISA Affiliate from a Pension Plan during a plan year in which it was a “substantial employer” as defined in Section 4001(a)(2) of ERISA; (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination under Section 4041 of ERISA; (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC; (e) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (f) the partial or complete withdrawal of any Borrower, Subsidiary or ERISA Affiliate from a Multiemployer Plan; (g) the imposition of a Lien pursuant to Section 412 of the Code or Section 303 of ERISA; (h) any event or condition which results in the reorganization or insolvency of a Multiemployer Plan under Sections 4241 or 4245 of ERISA; or (i) any event or condition which results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by PBGC of proceedings to terminate a Multiemployer Plan under Section 4042 of ERISA.

“Trading With the Enemy Act” has the meaning assigned thereto in Section 6.1(z) hereto.

“Uniform Customs” means in the case of (a) standby Letters of Credit, the International Standby Practices – ISP98 (1998), International Chamber of Commerce Publication No. 590, as the same may be amended or revised from time to time, and (b) documentary Letters of Credit, the Uniform Customs and Practice for Documentary Credits (2007 Revision), effective July, 2007 International Chamber of Commerce Publication No. 600, as the same may be amended or revised from time to time.

“UCC” means the Uniform Commercial Code as in effect in the Commonwealth of Pennsylvania, as amended, restated or otherwise modified.

“United States” means the United States of America.

“U.S. Borrowers” means collectively all Borrowers formed under the laws of a jurisdiction within the United States, and “U.S. Borrower” means any of such U.S. Borrowers.

“U.S. Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 4.9(g)(ii).

“Wells Fargo” means Wells Fargo Bank, National Association.

“Wholly-Owned” means, with respect to a Subsidiary, that all of the shares of capital stock or other ownership interests of such Subsidiary are, directly or indirectly, owned or controlled by a Borrower and/or one or more of a Borrower’s Wholly-Owned Subsidiaries.

“Withholding Agent” means any Loan Party and the Administrative Agent.

Section 1.2 General. Unless otherwise specified, a reference in this Agreement to a particular section, subsection, Schedule or Exhibit is a reference to that section, subsection, Schedule or Exhibit of this Agreement. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. Any reference herein to “Philadelphia time” shall refer to the applicable time of day in Philadelphia, Pennsylvania.

Section 1.3 Other Definitions and Provisions.

(a) Use of Capitalized Terms. Unless otherwise defined therein, all capitalized terms defined in this Agreement shall have the defined meanings when used in this Agreement, the Note and the other Loan Documents or any certificate, report or other document made or delivered pursuant to this Agreement.

(b) Miscellaneous. The words hereof, herein and hereunder and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

ARTICLE II
CREDIT FACILITY

Section 2.1 Loans. Subject to the terms and conditions of this Agreement, each Lender severally agrees to make Loans to the Borrowers from time to time from the Closing Date through the Termination Date as requested by the Borrowers in accordance with the terms hereof; provided, that

(a) the aggregate principal amount of all outstanding Loans (after giving effect to any amount requested) shall not exceed the Aggregate Commitment less the sum of all L/C Obligations,

(b) the principal amount of outstanding Loans from any Lender to the Borrowers shall not at any time exceed such Lender’s Commitment as set forth on Schedule 2 hereto less such Lender’s Commitment Percentage of outstanding L/C Obligations,

(c) the aggregate principal amount of all outstanding Loans to Non-U.S. Borrowers (after giving effect to any amount requested) shall not at any time exceed the Non-U.S. Sublimit less the sum of: (i) the aggregate principal amount of all outstanding intercompany loans (without duplication) to (x) any Non-U.S. Borrower or (y) any Non-U.S. Subsidiary permitted under Section 10.4(d) hereof and (ii) all L/C Obligations for Letters of Credit issued for the account of any Non-U.S. Borrower,

(d) Lenders may make Alternate Currency Loans only to Non-U.S. Borrowers;

(e) the Dollar Equivalent of the Alternate Currency Exposure shall not at any time exceed the Alternate Currency Sublimit;

(f) Non-U.S. Borrowers may borrow only Alternate Currency Loans; and

(g) Restricted Subsidiaries shall not receive, in whole or in part, directly or indirectly (including, without limitation, through intercompany loans), in any form (whether currency, property, credits, or otherwise), the proceeds of any Loans.

Each Loan by a Lender shall be in a principal amount equal to such Lender's Commitment Percentage of the aggregate principal amount of Loans requested on such occasion. Subject to the terms and conditions hereof, the Borrowers may borrow, repay and reborrow Loans hereunder until the Termination Date.

Section 2.2 Procedure for Advances of Loans.

(a) Requests for Borrowing. The Borrowers shall give the Administrative Agent irrevocable prior written notice in the form attached hereto as Exhibit B (a "Notice of Borrowing") not later than 11:00 a.m. (Philadelphia time) (i) on the same Business Day as each Base Rate Loan or Daily One Month LIBOR Loan, (ii) at least three (3) Business Days before each LIBOR Rate Loan, and (iii) at least three (3) London Business Days before each Alternate Currency Loan, of its intention to borrow, specifying: (A) the date of such borrowing, which shall be a Business Day (and a London Business Day with respect to an Alternate Currency Loan); (B) the amount of such borrowing, which shall be in an amount equal to the amount of the Aggregate Commitment then available to the Borrowers, or, if less, (w) with respect to Base Rate Loans, in an aggregate principal amount of \$250,000 and increments of \$250,000 in excess thereof, (x) with respect to Daily One Month LIBOR Loans, in an aggregate principal amount of \$500,000 and increments of \$250,000 in excess thereof, (y) with respect to LIBOR Rate Loans in an aggregate principal amount of \$1,000,000 and increments of \$500,000 in excess thereof and (z) with respect to Eurocurrency Loans, the Dollar Equivalent of \$100,000 and increments of \$100,000 in excess thereof; (C) whether such Loans are to be Base Rate Loans, Daily One Month LIBOR Loans, LIBOR Rate Loans or Eurocurrency Loans, if a combination thereof, the amount allocated to each; and (D) in the case of a LIBOR Rate Loan or a Eurocurrency Loan, the duration of the Interest Period applicable thereto. Notices received after 11:00 a.m. (Philadelphia time) shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the Lenders of each Notice of Borrowing.

(b) Authority of Urban. Each Borrower hereby irrevocably authorizes and requests that Urban execute all Notices of Borrowing, make all elections as to interest rates and take any other actions required of or permitted by the Borrowers under this Agreement, on its respective behalf, in each case, with the same force and effect as if such Borrower had executed such Notice of Borrowing, made such election or taken such other action itself. Any request, application, or other communication by Urban may be relied on by the Administrative Agent and the Lenders, and any communication by the Administrative Agent and the Lenders shall be made to Urban, and shall be binding on each Borrower, jointly and severally, as fully as if such request, application or other communication were made directly by or to each such Borrower.

(c) Disbursement of Loans. Not later than 2:00 p.m.(Philadelphia time) on the proposed borrowing date, each Lender will make available to the Administrative Agent, for the account of the Borrowers, at the office of the Administrative Agent, in funds immediately available to the Administrative Agent, such Lender's Commitment Percentage of the Loans to be made on such borrowing date. The Borrowers hereby irrevocably authorize the Administrative Agent to disburse the proceeds of each borrowing requested pursuant to this Section 2.2 in immediately available funds by crediting or wiring such proceeds to the deposit account of the Borrowers identified in the most recent notice substantially in the form of Exhibit C hereto (a "Notice of Account Designation") delivered by the Borrowers to the Administrative Agent or as may be otherwise agreed upon by the Borrowers and the Administrative Agent from time to time. Subject to Section 4.12 hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Loan requested pursuant to this Section 2.2 to the extent that any Lender has not made available to the Administrative Agent its Commitment Percentage of such Loan.

Section 2.3 Repayment of Loans.

(a) Repayment of Loans. The Borrowers shall repay the outstanding principal amount of all Loans in full on the Termination Date, together with all accrued but unpaid interest thereon and fees, costs and expenses.

(b) Mandatory Repayments. (i) If at any time the outstanding principal amount of all Loans exceeds the Aggregate Commitment less the sum of all L/C Obligations, the Borrowers shall repay immediately upon notice from the Administrative Agent, by payment to the Administrative Agent for the account of the Lenders, the Loans, and shall furnish cash collateral reasonably satisfactory to the Administrative Agent and/or repay the L/C Obligations, in an amount equal to such excess with each such repayment applied first to the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to Section 3.8 hereof, second to the principal amount of outstanding Loans, and third to the cash collateral account described in, and to be applied in accordance with the terms of, Section 11.2(b) hereof. Each such repayment shall be accompanied by any amount required to be paid pursuant to Section 4.7 hereof, and (ii) if at any time the Dollar Equivalent of all Alternate Currency Exposure exceeds the Alternate Currency Sublimit, then the Borrowers shall make a prepayment of Alternate Currency Loans and/or furnish cash collateral reasonably satisfactory to Administrative Agent or repay the L/C Obligations for the Alternate Currency Letters of Credit in the amount of such excess.

(c) Optional Repayments; Limitation on Prepayment of LIBOR Rate Loans and Eurocurrency Loans. The Borrowers: (i) may at any time and from time to time repay all or any portion of the outstanding principal balance of any Base Rate Loan or Daily One Month LIBOR Loan without premium or penalty, provided that any such repayment shall include all accrued interest on the amount repaid; and (ii) may not repay any LIBOR Rate Loan or Eurocurrency Loan on any day other than on the last day of the Interest Period applicable thereto unless such repayment is accompanied by all accrued interest on the amount repaid and by any amount required to be paid pursuant to Section 4.7 hereof

(d) Survival of Hedging Agreements. Any prepayment shall not affect Borrower's obligation to continue making payments under any Hedging Agreement (including any swap agreement, as defined in 11 U.S.C. §101) executed by any Borrower after the date hereof (it being acknowledged that no Hedging Agreement is outstanding as of the date hereof), which shall remain in full force and effect notwithstanding such prepayment, subject to the terms of such Hedging Agreement.

Section 2.4 Notes. The Loans and the obligation of the Borrowers to repay such Loans shall be evidenced by a Note executed by the Borrowers payable to the order of each Lender representing the Borrowers' obligation to pay such Lender's Commitment or, if less, the aggregate unpaid principal amount of all Loans made and to be made by such Lender to the Borrowers hereunder, plus interest and all other fees, charges and other amounts due thereon. Each Note shall be dated the Closing Date and shall bear interest on the unpaid principal amount thereof at the applicable interest rate per annum specified in Section 4.1 hereof.

Section 2.5 Change in Commitment.

(a) Reductions. The Borrowers shall have the right at any time and from time to time, upon at least five (5) Business Days prior written notice to the Administrative Agent, to permanently reduce, without premium or penalty, (i) the Aggregate Commitment at any time or (ii) portions of the Aggregate Commitment, from time to time, in an aggregate principal amount not less than \$10,000,000 or any whole multiple of \$5,000,000 in excess thereof. Each permanent reduction permitted pursuant to this Section 2.5(a) shall be accompanied by a payment of principal sufficient to reduce the aggregate outstanding Extensions of Credit after such reduction to the Aggregate Commitment as so reduced and if the Aggregate Commitment as so reduced is less than the aggregate amount of all outstanding and unexpired Letters of Credit, the Borrowers shall be required to deposit collateral, of the type and in the amounts required by Section 3.4 hereof, in a cash collateral account opened by the Administrative Agent. Any reduction of the Aggregate Commitment to zero shall be accompanied by payment of all outstanding Obligations thereunder (and furnishing of cash collateral satisfactory to the Administrative Agent for all L/C Obligations) and shall result in the termination of the Aggregate Commitment. Such cash collateral shall be applied in accordance with Section 11.2(b) hereof. If the reduction of the Aggregate Commitment requires the repayment of any LIBOR Rate Loan, such repayment shall be accompanied by any amount required to be paid pursuant to Section 4.7 hereof.

(b) Increases. So long as no Default or Event of Default has occurred and is continuing hereunder, the Borrowers shall have the right at any time and from time to time, upon at least thirty (30) days prior written notice to the Administrative Agent, to increase the Aggregate Commitment, in no more than three tranches by an aggregate principal amount not to exceed Fifty Million Dollars (\$50,000,000.00); provided, however, that any such increase shall be in an amount of not less than Ten Million Dollars (\$10,000,000). Each such increase permitted pursuant to this Section 2.5(b) shall be conditioned upon Borrowers' compliance, as of the effective date of any such increase, with the requirements of Section 5.2(b),(c),(d),(e) and (f) hereto, as required by the Administrative Agent, which requirements may include without limitation, the execution and delivery of an amendment agreement in form and substance satisfactory to the Required Lenders, the delivery of replacement or additional promissory notes, confirmations of Guaranty Agreements, opinions of counsel and lien searches.

Section 2.6 Termination of the Aggregate Commitment. The Aggregate Commitment shall terminate on the earliest of: (a) March 26, 2019; (b) the date of termination by the Borrowers pursuant to Section 2.5(a) hereof; and (c) the date of termination by the Administrative Agent on behalf of the Lenders pursuant to Section 11.2(a) hereof; provided, however, that Urban may submit to the Administrative Agent a Termination Date Extension Request (which shall be submitted without limitation with the annual business plan and financial projections required to be delivered under Section 7.1(c) hereof), pursuant to which each Lender, at its sole discretion, may agree to extend the Termination Date of its respective Commitment set forth in subsection (a) of this Section 2.6 by an additional three hundred sixty-four (364) day term.

Section 2.7 Use of Proceeds. The Borrowers shall use the proceeds of the Extensions of Credit: (a) to fund working capital (including expenditures for Capital Assets); (b) to

support the issuance of Letters of Credit for the account of any Borrower (including for the benefit of a Guarantor); and (c) for the general corporate requirements of the Borrowers (including without limitation the payment of certain fees and expenses incurred in connection with the transactions contemplated hereby).

Section 2.8 Joint and Several Obligations. The obligations of the Borrowers hereunder are and shall be joint and several, except that it is the intent and agreement of Borrowers and Lenders that Non-U.S. Borrowers shall not be liable hereunder, except with respect to Loans made to Non-U.S. Borrowers (other than Non-U.S. Borrowers that are pass-through entities, for federal income tax purposes, owned by a U.S. Borrower) and L/C Obligations for Letters of Credit issued for the account of Non-U.S. Borrowers (other than Non-U.S. Borrowers that are pass-through entities, for U.S. federal income tax purposes, owned by a U.S. Borrower).

Section 2.9 Dollar Equivalent. All limitations relating to the amount of Alternate Currency Advances and Alternate Currency Letters of Credit shall be calculated from time to time based on the Dollar Equivalent thereof as of the most recent FX Calculation Date.

ARTICLE III **LETTERS OF CREDIT**

Section 3.1 L/C Commitment. Subject to the terms and conditions hereof, the Issuing Lender: (i) agrees to issue standby and documentary letters of credit for the account of any Borrower or Guarantor and (ii) agrees to issue Alternate Currency Letters of Credit for the account of any Non-U.S. Borrower (collectively, "Letters of Credit"), on any Business Day from the Closing Date through but not including the Termination Date in such form as may be approved from time to time by the Issuing Lender; provided, that the Issuing Lender shall have no obligation to issue any Letter of Credit if:

- (a) there exists a Default or an Event of Default, or the issuance of such Letter of Credit would give rise to a Default or an Event of Default;
- (b) after giving effect to such issuance:
 - (i) the L/C Obligations would exceed the L/C Commitment,
 - (ii) the Aggregate Commitment minus the Extensions of Credit would be less than zero,
 - (iii) any Lender's Commitment minus such Lender's Extensions of Credit would be less than zero,
 - (iv) (A) the L/C Obligations for all Letters of Credit issued for the account of any Non-U.S. Borrower plus (B) the aggregate principal amount of all Loans outstanding to any Non-U.S. Borrower plus (C) the aggregate principal amount of all outstanding intercompany loans to Non-U.S. Borrowers permitted under Section 10.4(d) hereof, would exceed the Non U.S. Sublimit, or
 - (v) at the time of issuance of any Alternate Currency Letter of Credit, the amount available to be drawn under such Alternate Currency Letter of Credit and all other Alternate Currency Letters of Credit then outstanding hereunder plus any unreimbursed draws under Alternate Currency Letters of Credit, together with the outstanding principal amount of all Alternate Currency Loans, shall not exceed the Alternate Currency Sublimit.

(c) such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any Applicable Law.

References herein to “issue” and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any existing Letters of Credit, unless the context otherwise requires.

Section 3.2 Terms of Letters of Credit. Subject without limitation to Section 3.1 hereof, each Letter of Credit shall:

(a) be denominated in Dollars in a minimum amount of \$1,500, or be denominated in an Alternate Currency in a minimum amount of a Dollar Equivalent of \$1,500;

(b) be issued to support obligations of a Borrower or a Subsidiary, contingent or otherwise, incurred in the ordinary course of business;

(c) expire on a date which shall be no later than the earlier of:

(i) in the case of standby Letters of Credit one (1) year from the date of issuance and subject to Section 3.4, the Termination Date; or

(ii) in the case of documentary Letters of Credit, one hundred eighty (180) days from the date of issuance, and subject to Section 3.4, the Termination Date.

(d) be subject to the Uniform Customs and, to the extent not inconsistent therewith the laws of the Commonwealth of Pennsylvania.

Section 3.3 Existing Letters of Credit issued by Wells Fargo. Each of the Existing Letters of Credit is hereby deemed issued and outstanding under the terms of this Agreement.

Section 3.4 Cash Collateral for Letters of Credit.

(a) Notwithstanding the provisions of Section 3.2 hereof requiring that the final expiry of each Letter of Credit be on or before the Termination Date, the Issuing Lender may issue, upon the Borrowers’ request if required by a proposed beneficiary, a Letter of Credit which by its terms may be extended beyond the Termination Date. With respect to any such Letter of Credit issued hereunder, the Borrowers hereby agree that they will deliver on or before the Termination Date collateral, of the type and in the amounts required by subparagraph (b) below and subject to subparagraph (c) below, in an amount equal to one hundred five percent (105%) of the outstanding undrawn amount of each such Letter of Credit.

(b) On the Termination Date, upon a reduction of the Aggregate Commitment in the manner set forth in Section 2.5 hereof or upon the occurrence of and during the continuance of an Event of Default, the Issuing Lender may require (and in the case of an Event of Default occurring under Section 11.1(j) or Section 11.1(k) it shall be required automatically) that the Borrowers deliver to the Issuing Lender cash or U.S. Treasury Bills with maturities of not more than ninety (90) days from the date of delivery (discounted in accordance with customary banking practice to present value to determine amount) in an amount equal at all times to one hundred five percent (105%) of the outstanding undrawn amount of all Letters of Credit, such cash or U.S. Treasury Bills and all interest earned thereon to constitute cash collateral for all such Letters of Credit.

(c) Any cash collateral deposited under subparagraph (b) above, and all interest earned thereon, shall be held by the Issuing Lender and invested and reinvested at the expense and the written direction of Borrowers, in U.S. Treasury Bills with maturities of no more than ninety (90) days from the date of investment.

Section 3.5 Procedure for Issuance of Letters of Credit. The Borrowers may from time to time request that the Issuing Lender issue a Letter of Credit, or request that a Letter of Credit be amended or extended, by delivering to the Issuing Lender at the Administrative Agent's office, an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Application, the Issuing Lender shall process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall, subject to Section 3.1 and Article V hereof, promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any standby Letter of Credit earlier than three (3) Business Days, or any documentary Letter of Credit earlier than one (1) Business Day, after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the Issuing Lender and the Borrowers. The Issuing Lender shall promptly furnish to the Borrowers a copy of such Letter of Credit.

Section 3.6 Commissions and Other Charges.

(a) The Borrowers shall pay to the Administrative Agent for the account of the Issuing Lender and the L/C Participants on a pro rata basis (i) fees with respect to documentary Letters of Credit as set forth in the Fee Letter, and (ii) a letter of credit fee with respect to each standby Letter of Credit in an amount equal to the Applicable Margin for a LIBOR Rate Loan or Eurocurrency Loan, as the case may be, as of the date of the calculation of the fee on a per annum basis multiplied by the face amount of each standby Letter of Credit as then in effect. Each such commission shall be payable quarterly in arrears on the last Business Day of each calendar quarter and on the Termination Date.

(b) In connection with the issuance, transfer, extension, modification or other administration of any Letter of Credit, the Borrowers shall pay to the Issuing Lender upon request all customary costs and expenses of the Issuing Lender therefor.

(c) All fees, commissions, costs, expenses or other charges paid to an Issuing Lender by Borrowers under this Section 3.6 shall be non-refundable.

Section 3.7 L/C Participations.

(a) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Commitment Percentage in the Issuing Lender's obligations and rights under each Letter of Credit issued hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrowers in accordance with the terms of this Agreement, such L/C Participant shall pay to the Issuing Lender upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Commitment Percentage of the amount of such draft, or any part thereof, which is not so reimbursed.

(b) Upon becoming aware of any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to Section 3.7(a) hereof in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit, the Issuing Lender shall notify each L/C Participant of the amount and due date of such required payment and such L/C Participant shall pay to the Issuing Lender the amount specified on the applicable due date. If any such amount is paid to the Issuing Lender after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand, in addition to such amount, the product of (i) such amount, times (ii) the daily average Federal Funds Rate as determined by the Administrative Agent during the period from and including the date such payment is due to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. A certificate of the Issuing Lender with respect to any amounts owing under this Section 3.7(b) shall be conclusive in the absence of manifest error. With respect to payment to the Issuing Lender of the unreimbursed amounts described in this Section 3.7(b), if the L/C Participants receive notice that any such payment is due (A) prior to 1:00 p.m.(Philadelphia time) on any Business Day, such payment shall be due that Business Day, and (B) after 1:00 p.m.(Philadelphia time) on any Business Day, such payment shall be due on the following Business Day.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its Commitment Percentage of such payment in accordance with this Section 3.7, the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrowers or otherwise), or any payment of interest on account thereof, the Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

Section 3.8 Reimbursement Obligation of the Borrowers. The Borrowers agree to reimburse the Issuing Lender on each date on which the Issuing Lender notifies the Borrowers of the date and amount of a draft paid under any Letter of Credit for the amount of (a) such draft so paid or presented purporting to be drawn and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment. Each such payment shall be made to the Issuing Lender at its address for notices specified herein in Dollars, (except for payments in connection with Alternate Currency Letters of Credit which shall be repaid in the currency in which such draft was paid) and in immediately available funds. If the Borrowers fail to timely reimburse the Issuing Lender on the date the Borrowers receive the notice referred to in this Section 3.8, the Borrowers shall be deemed to have timely given a Notice of Borrowing hereunder to the Administrative Agent requesting the Lenders to make a Base Rate Loan on such date in an amount equal to the amount of such drawing and, regardless of whether or not the conditions precedent specified in Article V have been satisfied, the Lenders shall make Base Rate Loans in such amount, the proceeds of which shall be applied to reimburse the Issuing Lender for the amount of the related drawing and costs and expenses; provided, however, that absent an Event of Default, the Borrowers may elect to convert amounts remaining unpaid by the Borrowers (i) under any Letter of Credit denominated in Dollars to Base Rate Loans, Daily One Month LIBOR Loans, or LIBOR Rate Loans, and (ii) any Letter of Credit denominated in any Alternate Currency to Eurocurrency Loans or Daily One Month LIBOR Loans, subject to Section 4.2 hereof.

Section 3.9 Obligations Absolute. The Borrowers' obligations under this Article III (including without limitation the Reimbursement Obligation) shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which any Borrower may have or have had against the Issuing Lender or any beneficiary of a Letter of Credit. The Borrowers also agree with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrowers' Reimbursement Obligation under Section 3.8 shall not be affected by, among other things, the

validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among any Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of any Borrower against any beneficiary of such Letter of Credit or any such transferee. The Borrowers assume all risks of the acts or omissions of the beneficiary of each Letter of Credit with respect to the use of the Letter of Credit or with respect to the beneficiary's obligations to any Borrower. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions caused by the Issuing Lender's gross negligence or willful misconduct. The Borrowers agree that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Customs and, to the extent not inconsistent therewith, the UCC shall be binding on the Borrowers and shall not result in any liability of the Issuing Lender to the Borrowers. The responsibility of the Issuing Lender to the Borrowers in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each determination of whether drafts or other documents presented under a Letter of Credit comply with the terms thereof. In furtherance of the foregoing, and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with their terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in compliance with the terms of such Letter of Credit. In furtherance and not in limitation of the foregoing, in accordance with the Uniform Customs, the Issuing Lender may accept facially conforming documents.

Section 3.10 General Terms of Documentary Letters of Credit.

(a) To the extent any failure to comply with the provisions of this Section 3.10 would, either individually or in the aggregate, result in a Material Adverse Effect, the Borrowers agree to procure or to cause the beneficiaries of each documentary Letter of Credit to procure promptly any necessary import and export or other licenses for the import or export or shipping of any goods referred to in or pursuant to a Letter of Credit and to comply and to use its commercially reasonable efforts to cause the beneficiaries to comply with all foreign and domestic governmental regulations with respect to the shipment and warehousing of such goods or otherwise relating to or affecting such Letter of Credit, including without limitation governmental regulations pertaining to transactions involving designated foreign countries or their nationals, and to furnish such certificates in that respect as the Issuing Lender may at any time reasonably require, and to keep such goods adequately covered by insurance in amounts, with carriers and for such risks as shall be customary in the industry and to cause the Issuing Lender's interest to be endorsed on such insurance and to furnish the Issuing Lender at its request with reasonable evidence thereof. Should such insurance (or lack thereof) upon said goods for any reason not be reasonably satisfactory to the Issuing Lender, the Issuing Lender may (but is not obligated to) obtain, after notice, at the Borrowers' expense, insurance satisfactory to the Issuing Lender.

(b) In connection with each documentary Letter of Credit, neither the Issuing Lender nor any correspondent shall be responsible for: (i) the existence, character, quality, quantity, condition, packing, value or delivery of the property purporting to be represented by documents; (ii) any

difference in character, quality, condition or value of the property from that expressed in documents; (iii) the time, place, manner or order in which shipment of the property is made; (iv) partial or incomplete shipment referred to in such Letter of Credit; (v) the character, adequacy or responsibility of any insurer, or any other risk connected with insurance other than insurance procured by the Issuing Lender; (vi) any deviation from instructions, delay, default or fraud by the beneficiary or anyone else in connection with the property or the shipping thereof; (vii) the solvency, responsibility or relationship to the property of any party issuing any documents in connection with the property; (viii) delay in arrival or failure to arrive of either the property or any of the documents relating thereto; (ix) delay in giving or failure to give notice of arrival or any other notice; (x) any breach of contract between the Letter of Credit beneficiaries and any Borrower; (xi) any laws, customs, and regulations which may be effective in any jurisdiction where any negotiation and/or payment of such Letter of Credit occurs; (xii) failure of documents (other than documents required by the terms of the Letter of Credit) to accompany any draft at negotiation; or (xiii) failure of any entity to note the amount of any document or draft on the reverse of such Letter of Credit or to surrender or to take up such Letter of Credit or to forward documents other than documents required by the terms of the Letter of Credit. In connection with each Letter of Credit, the Issuing Lender shall not be responsible for any error, neglect or default of any of its correspondents. None of the above shall affect, impair or prevent the vesting of any of the Issuing Lender's rights or powers hereunder. If a Letter of Credit provides that payment is to be made by the Issuing Lender's correspondent, neither the Issuing Lender nor such correspondent shall be responsible for the failure of any of the documents specified in such Letter of Credit to come into the Issuing Lender's hands, or for any delay in connection therewith, and the Borrowers' obligation to make reimbursements shall not be affected by such failure or delay in the receipt of any such documents.

(c) To the extent not inconsistent with this Agreement, the Uniform Customs are hereby made a part of this Agreement with respect to obligations in connection with each documentary Letter of Credit.

Section 3.11 Effect of Application. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Article III, or with Article XI hereof, the provisions of this Article III or Article XI hereof, as applicable, shall apply. Article XI alone shall govern with respect to Default and Events of Default in connection with any Letter of Credit.

ARTICLE IV **GENERAL LOAN PROVISIONS**

Section 4.1 Interest.

(a) Interest Rate Options.

(i) Loans. Subject to the provisions of this Section 4.1, at the election of the Borrowers, the aggregate principal balance of the Loans or any portion thereof shall bear interest at:

(A) the Base Rate on a per annum basis;

(B) the Daily One Month LIBOR plus the Applicable Margin on a per annum basis; or

(C) the LIBOR Rate plus the Applicable Margin on a per annum basis.

The Borrowers shall select the rate of interest and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing is given pursuant to Section 2.2 hereof or at the time a Notice of Conversion/Continuation is given pursuant to Section 4.2 hereof. Each Loan or portion thereof bearing interest based on: (x) the Base Rate shall be a “Base Rate Loan;” (y) the Daily One Month LIBOR shall be a “Daily One Month LIBOR Loan;” and (z) LIBOR Rate shall be a “LIBOR Rate Loan.” Any Loan or any portion thereof as to which the Borrowers have not duly specified an interest rate as provided herein shall be deemed a Base Rate Loan.

(ii) Alternate Currency Loans. Any Alternate Currency Loan shall bear interest at the applicable Eurocurrency Rate plus the Applicable Margin on a per annum basis. Each Alternate Currency Loan bearing interest based on the Eurocurrency Rate shall be a “Eurocurrency Loan.”

(b) Interest Periods. In connection with each LIBOR Rate Loan, the Borrowers, by giving notice at the times described in Section 4.1(a) hereof, shall elect an interest period (each, an “Interest Period”) to be applicable to such Loan or Alternate Currency Loan, which Interest Period shall be a period of one (1), two (2) or three (3) months with respect to each LIBOR Rate Loan or Eurocurrency Loan; provided that:

(i) the Interest Period shall commence on the date of advance of or conversion to any LIBOR Rate Loan or Eurocurrency Loan and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the next preceding Interest Period expires;

(ii) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided, that if any Interest Period with respect to a LIBOR Rate Loan or Eurocurrency Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(iii) any Interest Period with respect to a LIBOR Rate Loan or Eurocurrency Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;

(iv) no Interest Period shall extend beyond the Termination Date; and

(v) there shall be no more than six (6) Interest Periods outstanding at any time.

(c) Default Rate. Subject to Section 11.3 hereof, at the discretion of the Administrative Agent and the Required Lenders, upon the occurrence and during the continuance of an Event of Default: (i) the Borrowers shall no longer have the option to request LIBOR Rate Loans, Eurocurrency Loans or Daily One Month LIBOR Loans; (ii) all amounts due and payable with respect to LIBOR Rate Loans shall bear interest at a rate per annum two percent (2%) in excess of the rate then applicable to LIBOR Rate Loans until the end of the applicable Interest Period and thereafter at a rate equal to two percent (2%) in excess of the rate then applicable to Base Rate Loans; (iii) Daily One Month LIBOR Loans shall convert to Base Rate Loans; and (iv) all amounts due and payable with respect to Base Rate Loans shall bear interest at a rate per annum equal to two percent (2%) in excess of the rate then applicable to Base Rate Loans. Interest shall continue to accrue on the Notes at the rates set forth above after the filing by or against the Borrowers of any petition seeking any relief in bankruptcy or under any act or law pertaining to insolvency or debtor relief, whether state, federal or foreign, as well as before and after any judgment.

(d) Interest Payment and Computation. Interest on each Base Rate Loan and each Daily One Month LIBOR Loan shall be payable in arrears on the last Business Day of each calendar quarter commencing March 31, 2014, or earlier, if such Base Rate Loan or Daily One Month LIBOR Loan is repaid by the Borrower prior to the end of any calendar quarter, on the date of such repayment; and interest on each LIBOR Rate Loans or Eurocurrency Loan shall be payable on the last day of each Interest Period applicable thereto. Interest on LIBOR Rate Loans, Eurocurrency Loans, Daily One Month LIBOR Loans and all fees payable hereunder shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed, and interest on Base Rate Loans shall be computed on the basis of a 365/66-day year and assessed for the actual number of days elapsed.

(e) Maximum Rate. In no contingency or event whatsoever shall the aggregate of all amounts deemed interest hereunder or under the Notes charged or collected pursuant to the terms of this Agreement or pursuant to the Notes exceed the highest rate permissible under any Applicable Law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that the Lenders have charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate permitted by Applicable Law, and the Lenders shall at the Administrative Agent's option: (i) promptly refund to the Borrowers any interest received by the Lenders in excess of the maximum lawful rate; or (ii) apply such excess to the principal balance of the Obligations. It is the intent hereof that the Borrowers not pay or contract to pay, and that neither the Administrative Agent nor any Lender receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the Borrowers under Applicable Law.

Section 4.2 Notice and Manner of Conversion or Continuation of Loans. Provided that no Event of Default has occurred and is then continuing, the Borrowers shall have the option to: (a) convert at any time, but not earlier than the third Business Day after the Closing Date, all or any portion of its outstanding Base Rate Loans or Daily One Month LIBOR Loans in a principal amount equal to \$1,000,000 or any whole multiple of \$500,000 in excess thereof into one or more LIBOR Rate Loans; and (b) upon the expiration of any Interest Period, (i) convert all or any part of its outstanding LIBOR Rate Loans in a principal amount equal to \$250,000 or a whole multiple of \$250,000 in excess thereof into Base Rate Loans, (ii) convert all or any part of its outstanding LIBOR Rate Loans in a principal amount equal to \$500,000 or a whole multiple of \$250,000 in excess thereof into Daily One Month LIBOR Loans, or (iii) continue such LIBOR Rate Loans as LIBOR Rate Loans and Eurocurrency Loans as Eurocurrency Loans. Whenever the Borrowers desire to convert or continue Loans as provided above, the Borrowers shall give the Administrative Agent irrevocable prior written notice in the form attached hereto as Exhibit D (a "Notice of Conversion/Continuation") not later than 11:00 a.m. (Philadelphia time) three (3) Business Days before the day on which a proposed conversion or continuation of such Loan is to be effective specifying: (A) the Loans to be converted or continued, and, in the case of any LIBOR Rate Loan to be converted or continued, the last day of the Interest Period therefor; (B) the effective date of such conversion or continuation (which shall be a Business Day); (C) the principal amount of such Loans to be converted or continued; and (D) the Interest Period to be applicable to such converted or continued LIBOR Rate Loan. The Administrative Agent shall promptly notify the Lenders of such Notice of Conversion/Continuation.

Section 4.3 Fees.

(a) Administration Fee. On the Closing Date, the Borrowers shall pay the Administrative Agent an administration fee (the "Administration Fee") set forth in the Fee Letter.

Section 4.4 Manner of Payment. Each payment by the Borrowers on account of the principal of or interest on the Loans or of any fee, commission or other amounts (including without limitation the Reimbursement Obligation) payable to the Lenders under this Agreement or the Notes shall be made not later than 1:00 p.m.(Philadelphia time) on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office for the account of the Lenders (other than as set forth below) pro rata in accordance with their respective Commitment Percentages (except as specified below), in Dollars (except with respect to Alternate Currency Loans, as to which payments will be made in the currency in which such Alternate Currency Loan was made) in immediately available funds and shall be made without any set-off, counterclaim or deduction whatsoever. Any payment received after such time but before 2:00 p.m.(Philadelphia time) on such day shall be deemed a payment on such date for the purposes of Section 11.1 hereof, but for all other purposes shall be deemed to have been made on the next succeeding Business Day. Any payment received after 2:00 p.m.(Philadelphia time) shall be deemed to have been made on the next succeeding Business Day for all purposes. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each Lender at its address for notices set forth herein its pro rata share of such payment in accordance with such Lender's Commitment Percentage (except as specified below) and shall wire advice of the amount of such credit to each Lender. Each payment to the Administrative Agent of the Issuing Lender's fees or L/C Participants commissions shall be made in like manner, but for the account of the Issuing Lender or the L/C Participants, as the case may be. Each payment to the Administrative Agent of Administrative Agent's fees or expenses shall be made for the account of the Administrative Agent, and any amount payable to any Lender under Section 4.6, Section 4.7, Section 4.8, Section 4.9 or Section 13.2 hereof shall be paid to the Administrative Agent for the account of the applicable Lender. Subject to Section 4.1(b)(ii) hereof, if any payment under this Agreement or the Notes shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day, and such extension of time shall in such case be included in computing any interest if payable along with such payment.

Section 4.5 Credit of Payments and Proceeds. In the event that the Borrowers shall fail to pay any of the Obligations when due and the Obligations have been accelerated pursuant to Section 11.2 hereof, all payments received by the Lenders upon the Notes and the other Obligations and all net proceeds from the enforcement of the Obligations shall be applied first to all expenses then due and payable by the Borrowers hereunder, then to all indemnity obligations then due and payable by the Borrowers hereunder, then to all Administrative Agent's and Issuing Lender's fees then due and payable, then to all commitment and other fees and commissions then due and payable, then to accrued and unpaid interest on the Notes, the Reimbursement Obligations and any termination payments due in respect of any Hedging Agreement with any Lender (pro rata in accordance with all such amounts due), then to the principal amount of the Notes and Reimbursement Obligations (pro rata in accordance with all such amounts due) and then to the cash collateral account described in Section 11.2(b) hereof to the extent of any L/C Obligations then outstanding, in that order.

Section 4.6 Changed Circumstances.

(a) Circumstances Affecting LIBOR Rate and Eurocurrency Rate Availability. In connection with any request for a LIBOR Rate Loan or a conversion to or continuation thereof, if for any reason (i) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable amount and Interest Period of such Loan, (ii) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for the ascertaining the LIBOR Rate for such Interest Period with respect to a proposed LIBOR Rate Loan or (iii) the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that the LIBOR Rate does not

adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans during such Interest Period, then the Administrative Agent shall promptly give notice thereof to the Borrowers. Thereafter, until the Administrative Agent notifies the Borrowers that such circumstances no longer exist, the obligation of the Lenders to make LIBOR Rate Loans, Eurocurrency Loans or Daily One Month LIBOR Loans and the right of the Borrowers to convert any Loan to or continue any Loan as a LIBOR Rate Loan, Eurocurrency Loan or a Daily One Month LIBOR Loan shall be suspended, and the Borrowers shall: (i) repay in full (or cause to be repaid in full) the then outstanding principal amount of each such LIBOR Rate Loan or Eurocurrency Loan, together with accrued interest thereon, on the last day of the then current Interest Period applicable to such LIBOR Rate Loan or Eurocurrency Loan; (ii) repay in full (or cause to be repaid in full) the then outstanding principal amount of each such Daily One Month LIBOR Loan together with accrued interest thereon; or (iii) convert to a Base Rate Loan the then outstanding principal amount of each such Daily One Month LIBOR Loan and, as of the last day of each applicable Interest Period, the then outstanding principal amount of each such LIBOR Rate Loan or Eurocurrency Loan.

(b) Laws Affecting LIBOR Rate, Eurocurrency Rate and Daily One Month LIBOR Availability. If, after the date hereof, the introduction of, or any change in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for any Lender (or any of their respective Lending Offices) to honor its obligations hereunder to make or maintain any LIBOR Rate Loan, Eurocurrency Loan or Daily One Month LIBOR Loan, such Lender shall promptly give notice thereof to the Administrative Agent, and the Administrative Agent shall promptly give notice to the Borrowers and the other Lenders. Thereafter, until the Administrative Agent notifies the Borrowers that such circumstances no longer exist, (i) the obligations of the Lenders to make LIBOR Rate Loans, Eurocurrency Loans, or Daily One Month LIBOR Loans and the right of the Borrowers to convert any Loan or continue any Loan as a LIBOR Rate Loan, Eurocurrency Loan or Daily One Month LIBOR Loan shall be suspended and thereafter the Borrowers may select only Base Rate Loans hereunder, and (ii) if any of the Lenders may not lawfully continue to maintain a Daily One Month LIBOR Loan, LIBOR Rate Loan or Eurocurrency Loan to the end of the then current Interest Period applicable thereto, the applicable Daily One Month LIBOR Loan shall immediately be converted to a Base Rate Loan or the applicable LIBOR Rate Loan or Eurocurrency Loan shall immediately be converted to a Base Rate Loan for the remainder of the Interest Period applicable thereto.

(c) Increased Costs. If, after the date hereof, the introduction of, or any change in, any Applicable Law, or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of such Authority, central bank or comparable agency:

(i) shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) with respect to any Note, any Letter of Credit or any Application; or

(ii) shall impose, modify or deem applicable any reserve (including without limitation any imposed by the Board of Governors of the Federal Reserve System), special deposit, compulsory loan, insurance or capital or similar requirement against assets of, deposits with or for the account of, or credit extended by any Lender (or any of their respective Lending Offices) or shall impose on any Lender (or any of their respective Lending Offices) or the foreign exchange and interbank markets any other condition affecting any Note;

and the result of any of the foregoing is to increase the costs to any Lender of maintaining any LIBOR Rate Loan, Eurocurrency Loan or Daily One Month LIBOR Loan or issuing Letters of Credit or to reduce the yield or amount of any sum received or receivable by any Lender under this Agreement or under the Notes in respect of a LIBOR Rate Loan, Eurocurrency Loan, Daily One Month LIBOR Loan or Letter of Credit or Application, then such Lender shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify the Borrowers of such fact and demand compensation therefor and, within fifteen (15) days after such notice by the Administrative Agent, the Borrowers shall pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction. The Lender will promptly notify the Borrowers of any event of which it has knowledge which will entitle such Lender to compensation pursuant to this Section 4.6(c); provided, that the Administrative Agent shall incur no liability whatsoever to the Borrowers in the event it fails to do so. The amount of such compensation shall be determined, in the applicable Lender's sole discretion, based upon the assumption that such Lender funded its Commitment Percentage of the LIBOR Rate Loans, Eurocurrency Loans or the Daily One Month LIBOR Loans in the London interbank market and using any reasonable attribution or averaging methods which such Lender deems appropriate and practical. A certificate of such Lender setting forth the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to the Borrowers and shall be conclusively presumed to be correct save for manifest error. The Lenders shall determine the applicability of, and the amount due under, this Section 4.6 consistent with the manner in which they apply similar provisions and calculate similar amounts payable to it by other borrowers having in their credit agreements provisions comparable to this Section 4.6.

(d) Replacement of Lenders. Any Lender that: (i) is unable to or is prohibited from making LIBOR Rate Loans, Eurocurrency Loans or Daily One Month LIBOR Loans to the Borrowers as set forth in Section 4.6(a) or Section 4.6(b) above or (ii) incurs increased costs and demands compensation therefor as set forth in Section 4.6(c) above, shall be referred to hereafter as a "Defaulting Lender." If a Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, or to any Governmental Authority for the account of any Lender, such Lender shall be referred to hereafter as an "Indemnified Lender." If any Lender is a Defaulting Lender or Indemnified Lender, then Borrowers may elect to remove such Lender from this Agreement, and notwithstanding the provisions of Section 13.13 hereof to the contrary, the consent of the Remaining Lenders shall not be required for such removal, and so long as no Default or Event of Default has occurred and is continuing, the consent of solely the Borrowers and the Administrative Agent shall be required for the replacement bank, if any, and the requirement that the Defaulting Lender's or Indemnified Lender's Commitment must be replaced, and the requisite documentation to effect such removal and replacement, such consent not to be unreasonably withheld or delayed.

Section 4.7 Indemnity. The Borrowers hereby indemnify each of the Lenders against any loss or expense which may arise or be attributable to each Lender's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain any Loan: (a) as a consequence of any failure by the Borrowers to make any payment when due of any amount due hereunder in connection with a LIBOR Rate Loan or Eurocurrency Loan; (b) due to any failure of the Borrowers to borrow on a date specified therefor in a Notice of Borrowing or Notice of Continuation/Conversion; or (c) due to any payment, prepayment or conversion of any LIBOR Rate Loan or Eurocurrency Loan on a date other than the last day of the Interest Period therefor. The amount of such loss or expense shall be determined, in the applicable Lender's sole discretion, based upon the assumption that such Lender funded the LIBOR Rate Loans or Eurocurrency Loans in the London interbank market and using any reasonable attribution or averaging methods which such Lender deems appropriate and practical. A certificate of such Lender

setting forth the basis for determining such amount or amounts necessary to compensate the Lender shall be forwarded to the Borrowers through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error.

Section 4.8 Capital Requirements.

(a) If any Lender or the Issuing Lender determines that any Change in Law affecting such Lender or the Issuing Lender or any lending office of such Lender or such Lender's or the Issuing Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or the Issuing Lender's capital or on the capital of such Lender's or the Issuing Lender's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Lender's policies and the policies of such Lender's or the Issuing Lender's holding company with respect to capital adequacy), then from time to time upon written request of such Lender or such Issuing Lender the Borrower shall pay within ten (10) Business Days after receipt of such written request to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company for any such reduction suffered. A certificate as to such amounts submitted to the Borrower shall, in the absence of manifest error, be presumed to be correct and binding for all purposes.

(b) Failure or delay on the part of any Lender to demand compensation Section 4.8 shall not constitute a waiver of such Lender's right to demand such compensation, *provided*, that the Borrower shall not be required to compensate a Lender pursuant to this Section 4.8 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefore (except that, if the Change in Law giving rise to such increased costs or reduction is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 4.9 Taxes.

(a) Defined Terms. For purposes of this Section 4.9, the term "Lender" includes the Issuing Lender and the term "Applicable Law" includes FATCA.

(b) Payments Free and Clear. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes. In addition, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law or, at the option of the Administrative Agent, timely reimburse it for the payment of, any Other Taxes.

(d) Indemnity by the Loan Parties. Subject to Section 2.8 hereof, the Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.10(b)(ii) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payment. Within thirty (30) days after the date of any payment of Taxes pursuant to this Section 4.9, the applicable Loan Party shall furnish to the Administrative Agent, at its address referred to in Section 13.1 hereof, the original or a certified copy of a receipt issued by the applicable Governmental Authority evidencing payment thereof, a copy of the return reporting such payment, or other evidence of payment satisfactory to the Administrative Agent.

(g) Status of Lenders

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 4.9(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable

judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A) Any Lender that is a U.S. Person shall deliver to the Borrowers and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from United States federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of **Exhibit J-1** to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of **Exhibit J-2** or **Exhibit J-3**, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of **Exhibit J-4** on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrowers and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 4.9 (including by the payment of additional amounts pursuant to this Section 4.9), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Without prejudice to the survival of any other agreement of the Borrowers hereunder, each party's obligations under this Section 4.9 shall survive the resignation or

replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 4.10 Guaranty. The Obligations of the Borrowers shall be guaranteed by the Guarantors as provided in the Guaranty Agreement.

Section 4.11 Adjustments. If any Lender (a "Benefited Lender") shall at any time receive any payment of all or part of the Obligations owing to it, or interest thereon, or if any Lender shall at any time receive any collateral in respect to the Obligations owing to it (whether voluntarily or involuntarily, by set-off or otherwise) in a greater proportion than any such payment to and collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders such portion of each such other Lender's Extensions of Credit, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned to the extent of such recovery, but without interest. The Borrowers agree that each Lender so purchasing a portion of another Lender's Extensions of Credit may exercise all rights of payment (including without limitation rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

Section 4.12 Nature of Obligations of Lenders Regarding Extensions of Credit; Assumption by the Administrative Agent . The obligations of the Lenders under this Agreement to make the Loans and issue or participate in Letters of Credit are several and are not joint or joint and several. Unless the Administrative Agent shall have received notice from a Lender prior to a proposed borrowing date that such Lender will not make available to the Administrative Agent such Lender's ratable portion of the amount to be borrowed on such date (which notice shall not release such Lender of its obligations hereunder), the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the proposed borrowing date in accordance with Section 2.2(c) hereof, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrowers on such date a corresponding amount. If such amount is made available to the Administrative Agent on a date after such borrowing date, such Lender shall pay to the Administrative Agent on demand an amount, until paid, equal to the product of (a) the amount not made available by such Lender in accordance with the terms hereof, times (b) the daily average Federal Funds Rate during such period as determined by the Administrative Agent, times (c) a fraction the numerator of which is the number of days that elapse from and including such borrowing date to the date on which such amount not made available by such Lender in accordance with the terms hereof shall have become immediately available to the Administrative Agent and the denominator of which is 360. A certificate of the Administrative Agent with respect to any amounts owing under this Section 4.12 shall be conclusive, absent manifest error. If such Lender's Commitment Percentage of such borrowing is not made available to the Administrative Agent by such Lender within three (3) Business Days of such borrowing date, the Administrative Agent shall be entitled to recover such amount made available by the Administrative Agent with interest thereon at the rate per annum applicable to Base Rate Loans hereunder, on demand, from the Borrowers. The failure of any Lender to make available its Commitment Percentage of any Loan requested by the Borrowers shall not relieve it or any other Lender of its obligation, if any, hereunder to make its Commitment Percentage of such Loan available on the borrowing date, but no Lender shall be responsible for the failure of any other Lender to make its Commitment Percentage of such Loan available on the borrowing date.

Section 4.13 Currencies; Currency Equivalent and Related Provisions.

(a) Redenomination and Alternate Currencies. Each obligation of any party under this Agreement which has been denominated in the fixed national currency unit of a Participating Member State shall be redenominated into the euro in accordance with the legislation of the European Union applicable to such currency, provided, that if and to the extent that any such legislation provides that an amount denominated either in the euro unit or in the national currency unit of a Participating Member State and payable within the Participating Member State by crediting an account of a creditor can be paid by a debtor either in the euro unit or in that national currency unit, each party to this Agreement shall be entitled to pay or repay any such amount either in the euro unit or in such national currency unit.

(b) Loans. Any portion of an Alternate Currency Loan in the currency of a Participating Member State shall be made in the euro unit, provided that any portion of such Alternate Currency Loan may, if so requested by Borrowers, be made in the national currency unit of any Participating Member State so long as such national currency unit continues to be available as legal tender for obligations of the same type or character as the obligations set forth in this Agreement, is freely convertible and is not subject to exchange controls.

(c) Payments by Borrowers. Those Sections of this Agreement providing for payment or repayment in a national currency unit shall be construed so that, in relation to the payment of any amount of euro units or national currency units, such amount shall be made available to the Lenders in immediately available, freely transferable, cleared funds to such account with Lenders (in such principal financial center) as Lenders may from time to time in good faith nominate for this purpose.

(d) Payments by Lenders Generally. With respect to the payment of any amount denominated in the euro unit or in a national currency unit, no Lender shall be liable to the Borrowers in any way whatsoever for any delay, or the consequences of any delay, in the crediting to any account of any amount required by this Agreement to be paid by a Lender if such Lender has made reasonable effort to effect all relevant steps to achieve, on the date required by the Agreement, the payment of such amount in immediately available, freely transferable, cleared funds (in the euro unit or, as the case may be, in a national currency unit) to the account with such Lender in the principal financial center in the Participating Member State which the Borrowers shall have specified for such purpose. In this paragraph, "all relevant steps" means all such steps as may be prescribed from time to time by the regulations or operating procedures of such clearing or settlement system as the Lender may from time to time reasonably believe to be in effect for the purpose of clearing or settling payment in the euro.

(e) Basis of Accrual. If the basis of accrual of interest or fees expressed in this Agreement with respect to the currency of any state that becomes a Participating State Member, in Administrative Agent's judgment, shall not be available because interest rate quotes for a national currency unit are no longer provided, or shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest or fees in respect of the euro, such convention or practice shall replace such expressed basis effective as of and from the date on which such state becomes a Participating Member State; provided, however, if any or all of an Alternate Currency Loan in the currency of such state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such portion of the Alternate Currency Loan, on the last day of the current Interest Period.

(f) Rounding and Other Consequential Changes. Without prejudice and in addition to any method of conversion or rounding prescribed by any applicable legislation, and without prejudice to the respective liabilities for indebtedness of the Borrowers to Lenders and the Lenders to the Borrowers under or pursuant to this Agreement:

(i) each reference in this Agreement to a minimum amount (or an integral multiple thereof) in a national currency unit to be paid to or by Lenders shall be replaced by a reference to such reasonably comparable amount (or an integral multiple thereof) in the euro unit as Administrative Agent may from time to time specify; and

(ii) except as expressly provided in this Agreement, each provision of this Agreement, including, without limitation, the right to combine currencies to effect a set off, shall be subject to such reasonable changes of interpretation as Administrative Agent, as applicable, may from time to time specify to be necessary or appropriate to reflect the introduction of or change over to the euro in Participating Member States.

(g) Exchange Indemnification and Increased Costs. The Borrowers shall, upon demand from Administrative Agent, pay to Lenders the amount of: (i) any loss or cost or increased cost incurred by any Lender, (ii) any reduction in any amount payable to or in the effective return on its capital to any Lender, (iii) interest or other return, including principal, foregone by any Lender as a result of the introduction of, change over to or operation of the euro in any Participating Member State, or (iv) any currency exchange loss that any Lender sustains as a result of the Borrowers' election to borrow in national currency units and repay in euro units or to borrow in euro units and repay in national currency units. A certificate of a Lender setting forth the basis for determining such additional amount or amounts necessary to compensate such Lender shall be conclusively presumed to be correct save for manifest error.

ARTICLE V

CLOSING; CONDITIONS OF CLOSING AND BORROWING

Section 5.1 Closing. The closing shall take place at the offices of Reed Smith LLP at 10:00 a.m. on March 27, 2014, or on such other date and in such other manner as the parties hereto shall mutually agree.

Section 5.2 Conditions to Closing and Initial Extensions of Credit. The obligation of the Administrative Agent and the Lenders to close this Agreement and to make the initial Loan or to issue the initial Letter of Credit is subject to the satisfaction of each of the following conditions:

(a) Executed Loan Documents. This Agreement, the Notes and the Guaranty Agreement shall have been duly authorized, executed and delivered to the Administrative Agent by the parties thereto, shall be in full force and effect and no Default or Event of Default shall exist thereunder, and the Borrowers and Guarantors, as applicable, shall have delivered original counterparts thereof to the Administrative Agent.

(b) Closing Certificates; etc.

(i) Certificate of the Secretary of each Borrower and Guarantor. The Administrative Agent shall have received a certificate of the secretary or assistant secretary of each Borrower and each Guarantor certifying as to the incumbency and genuineness of the signature of each officer of such Borrower (including without limitation the Non-U.S. Borrowers) or Guarantor executing Loan Documents to which it is a party and certifying (A) that either (1) since the last delivery of such documents to Wells Fargo there have been no changes to the articles, or certificate(s), of incorporation, the bylaws or other similar formation or organizational documents of such Borrower or Guarantor as in

effect on the date of such certifications or, for each such Borrower or Guarantor to which (1) does not apply, (2) that attached thereto is a true, correct and complete copy of the articles, or certificate(s), of incorporation, the bylaws or other similar formation or organizational documents and all amendments thereto of such Borrower or Guarantor as in effect on the date of such certifications; and (B) that attached thereto is a true, correct and complete copy of resolutions duly adopted by the board of directors of such Borrower or Guarantor authorizing the borrowings contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party.

(ii) Certificates of Good Standing. The Administrative Agent shall have received certificates as of a recent date of the good standing of each Borrower (including without limitation the Non-U.S. Borrowers) and each Guarantor under the laws of its jurisdiction of organization.

(iii) Opinions of Counsel. The Administrative Agent shall have received favorable opinions of counsel to the Borrowers and the Guarantors addressed to the Administrative Agent and the Lenders with respect to such matters as the Lenders shall request.

(c) Hazard and Liability Insurance. The Administrative Agent shall have received certificates of current hazard, business interruption and liability insurance, and, if requested by the Administrative Agent, evidence of payment of all insurance premiums for the current policy period of each and copies (certified by a Responsible Officer) of insurance policies in form and substance reasonably satisfactory to the Administrative Agent.

(d) Consents; Defaults.

(i) Governmental and Third Party Approvals. The Borrowers shall have obtained all necessary approvals, authorizations and consents of any Person and of all Governmental Authorities and courts having jurisdiction with respect to the transactions contemplated by this Agreement and the other Loan Documents.

(ii) No Injunction, Etc. No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any Governmental Authority to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby, or which, in the Administrative Agent's sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement and such other Loan Documents.

(iii) No Event of Default. No Default or Event of Default shall have occurred and be continuing.

(e) Financial Matters.

(i) Financial Statements. The Administrative Agent shall have received the most recent audited Consolidated financial statements of Urban and its Consolidated Subsidiaries, all in form and substance satisfactory to the Administrative Agent.

(ii) Financial Condition Certificate. The Borrowers shall have delivered to the Administrative Agent a certificate, in form and substance satisfactory to the Administrative Agent, and certified as accurate by a Responsible Officer of Urban, that: (A) each Borrower and each Subsidiary is Solvent; (B) each Borrower's uncontested payables are current and not past due in excess of sixty (60) days; and (C) attached thereto are the financial projections previously delivered to the Administrative Agent representing the good faith opinions of the Borrowers and senior management thereof as to the projected results contained therein.

(iii) Payments at Closing. The Borrowers shall have paid the fees due to Lenders under Section 4.3 hereof and any other accrued and unpaid fees or commissions due hereunder (including without limitation legal fees and expenses to the Administrative Agent), and to any other Person such amount as may be due thereto in connection with the transactions contemplated hereby, including without limitation all taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of any of the Loan Documents.

(f) Miscellaneous.

(i) Notice of Account Designation. The Administrative Agent shall have received a Notice of Account Designation specifying the account or accounts to which the proceeds of any Loans are to be disbursed.

(ii) Proceedings and Documents. All opinions, certificates and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Administrative Agent. The Administrative Agent shall have received copies of all other instruments and other evidence as the Administrative Agent may reasonably request, in form and substance satisfactory to the Administrative Agent, with respect to the transactions contemplated by this Agreement and the taking of all actions in connection therewith.

(iii) Due Diligence and Other Documents. The Borrowers shall have delivered to the Administrative Agent such documents, certificates and opinions as the Administrative Agent may reasonably request.

(iv) Tax Forms. Lenders shall have delivered to Administrative Agent any U.S. Internal Revenue Service tax forms required under Section 4.9 hereof.

Section 5.3 Conditions to All Extensions of Credit. The obligation of the Administrative Agent and the Lenders to make any Extension of Credit is subject to the satisfaction of the following conditions precedent on the relevant borrowing or issue date, as applicable:

(a) Continuation of Representations and Warranties. The representations and warranties contained in Article VI hereof shall be true and correct on and as of such borrowing or issuance date with the same effect as if made on and as of such date; except for any representation and warranty made as of an earlier date, which representation and warranty shall remain true and correct as of such earlier date.

(b) No Existing Default. No Default or Event of Default shall have occurred and be continuing hereunder (i) on the borrowing date with respect to such Loan or after giving effect to the Loans to be made on such date or (ii) on the issue date with respect to such Letter of Credit or after giving effect to such Letters of Credit on such date.

(c) Officer's Compliance Certificate; Additional Documents. The Administrative Agent shall have received the current Officer's Compliance Certificate and each additional document, instrument, legal opinion or other item of information, as reasonably requested by the Administrative Agent.

(d) Conditions. Each borrowing by the Borrowers or request for the issuance of a Letter of Credit shall constitute a representation and warranty by the Borrowers as of the date of such Loan or issuance of such Letter of Credit that the conditions of this Section 5.3 hereof have been satisfied.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE BORROWERS

Section 6.1 Representations and Warranties. To induce the Administrative Agent and the Lenders to enter into this Agreement and to induce the Lenders to make Extensions of Credit, the Borrowers hereby represent and warrant to the Administrative Agent and the Lenders both before and after giving effect to the transactions contemplated hereunder that:

(a) Organization; Power; Qualification. Each Borrower and each Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, has the power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization, except where the failure to obtain such qualification or authorization would not have a Material Adverse Effect. The jurisdictions in which each Borrower and each Guarantor are organized and qualified to do business as of the Closing Date are described on Schedule 6.1(a) hereto.

(b) Ownership. Each Subsidiary of any Borrower and each of their respective Subsidiaries, as of the Closing Date, as depicted on the organizational chart attached hereto as Schedule 6.1(b). As of the Closing Date and unless otherwise noted on Schedule 6.1(b), each “parent” entity depicted on Schedule 6.1(b) hereto owns one hundred percent (100%) of the outstanding equity of any entity shown to be a subsidiary. All of the outstanding shares representing the equity ownership of the parent entities have been duly authorized and validly issued and are fully paid and nonassessable. As of the Closing Date, there are no outstanding stock purchase warrants, subscriptions, options, securities, instruments or other rights of any type or nature whatsoever, which are convertible into, exchangeable for or otherwise provide for or permit the issuance of capital stock of any Borrower.

(c) Authorization of Agreement, Loan Documents and Borrowing. Each Borrower, each Subsidiary and each Guarantor has the right, power and authority and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Agreement and each of the other Loan Documents to which it is a party in accordance with their respective terms. This Agreement and each of the other Loan Documents have been duly executed and delivered by the duly authorized officers of each Borrower, each Subsidiary and each Guarantor party thereto, and each such document constitutes the legal, valid and binding obligation of each Borrower, each Subsidiary and each Guarantor party thereto, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal debtor relief laws from time to time in effect which affect the enforcement of creditors rights in general and the availability of equitable remedies.

(d) Compliance of Agreement, Loan Documents and Borrowing with Laws, Etc. The execution, delivery and performance by each Borrower, each Subsidiary and each Guarantor of the Loan Documents to which each such Person is a party, in accordance with their respective terms, the borrowings hereunder and the transactions contemplated hereby do not and will not, by the passage of time, the giving of notice or otherwise, (i) require any Governmental Approval or violate any Applicable Law relating to any Borrower, any Subsidiary or any Guarantor, (ii) conflict with, result in a breach of or constitute a default under the articles or certificate of incorporation, bylaws or other organizational documents of any Borrower, any Subsidiary or any Guarantor or any indenture, agreement or other

instrument to which such Person is a party or by which any of its properties may be bound or any Governmental Approval relating to such Person, or (iii) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by such Person other than Liens (if any) arising under the Loan Documents.

(e) Compliance with Law: Governmental Approvals. Each Borrower, each Subsidiary and each Guarantor: (i) has all Governmental Approvals required by any Applicable Law for it to conduct its business, each of which is in full force and effect, is final and not subject to review on appeal and is not the subject of any pending or, to the best of its knowledge, threatened attack by direct or collateral proceeding, except where the failure to obtain any such Governmental Approvals or the existence of any potential appeals or threatened attacks in connection therewith would not, singly or in the aggregate, have a Material Adverse Effect, and (ii) is in compliance with each Governmental Approval applicable to it and in compliance with all other Applicable Laws relating to it or any of its respective properties, except for such failures to comply that would not, singly or in the aggregate, have a Material Adverse Effect.

(f) Tax Returns and Payments. Each Borrower, each Subsidiary and each Guarantor has duly filed or caused to be filed all federal, state, local and other tax returns required by Applicable Law to be filed, and has paid, or made adequate provision for the payment of, all federal, state, local and other taxes, assessments and governmental charges or levies upon it and its property, income, profits and assets which are due and payable, except such taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP. No Governmental Authority has asserted any Lien or other claim against any Borrower, any Subsidiary or any Guarantor with respect to unpaid taxes which has not been discharged or resolved. The charges, accruals and reserves on the books of each Borrower, each Subsidiary and each Guarantor in respect of federal, state, local and other taxes for all Fiscal Years and portions thereof since the organization of each Borrower, each Subsidiary and each Guarantor are in the judgment of the Borrowers adequate, and the Borrowers do not anticipate any additional taxes or assessments for any of such years.

(g) Intellectual Property Matters. Each Borrower, each Subsidiary and each Guarantor owns or possesses rights to use all franchises, licenses, copyrights, copyright applications, patents, patent rights or licenses, patent applications, trademarks, trademark rights, trade names, trade name rights, copyrights and rights with respect to the foregoing which are required to conduct its business. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights, and no Borrower nor any Subsidiary is liable to any Person for infringement under Applicable Law with respect to any such rights as a result of its business operations, except to the extent any such event or liability, either singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(h) Environmental Matters.

(i) To the knowledge of each Borrower, each Subsidiary and each Guarantor, the properties owned, leased or operated by each Borrower, each Subsidiary and each Guarantor do not contain, and to their knowledge have not previously contained, any Hazardous Materials in amounts or concentrations which (A) constitute or constituted a violation of applicable Environmental Laws or (B) could give rise to Borrower liability under applicable Environmental Laws which, either singly or in the aggregate, could reasonably be expected to cause a Material Adverse Effect;

(ii) Each Borrower, each Subsidiary, each Guarantor and their properties and all operations conducted in connection therewith are in compliance, and have been in compliance (other than such instances which have been cured), with all applicable Environmental Laws, except to the extent any instances of noncompliance, either singly or in the aggregate, could not reasonably be expected to cause a Material Adverse Effect;

(iii) No Borrower, Subsidiary or Guarantor has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters, Hazardous Materials, or compliance with Environmental Laws, nor does any Borrower, any Subsidiary or any Guarantor have knowledge or reason to believe that any such notice will be received or is being threatened, except to the extent any such notices, either singly or in the aggregate, could not reasonably be expected to cause a Material Adverse Effect;

(iv) To the knowledge of each Borrower, Subsidiary or Guarantor, Hazardous Materials have not been transported or disposed of to or from the properties owned, leased or operated by any Borrower, any Subsidiary or any Guarantor in violation of, or in a manner or to a location which could give rise to liability under Environmental Laws which, either singly or in the aggregate, could reasonably be expected to cause a Material Adverse Effect, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of such properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Laws which, either singly or in the aggregate, could reasonably be expected to cause a Material Adverse Effect;

(v) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of any Borrower, any Subsidiary or any Guarantor, threatened, under any Environmental Law to which any Borrower, any Subsidiary or any Guarantor is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to any Borrower, any Subsidiary, any Guarantor or such properties owned (or, to the knowledge of any Borrower, Subsidiary or Guarantor, leased) by any Borrower, Subsidiary or Guarantor, or operations conducted by any Borrower, Subsidiary or Guarantor, except to the extent any such proceedings, actions, decrees, orders or requirements, either singly or in the aggregate, could not reasonably be expected to cause a Material Adverse Effect; and

(vi) To the knowledge of each Borrower, each Subsidiary and each Guarantor, there has been no release or threat of release of Hazardous Materials at or from properties owned, leased or operated by any Borrower, any Subsidiary or any Guarantor, now or in the past, in violation of or in amounts or in a manner that could give rise to liability to any Borrower, any Subsidiary, any Guarantor or to any assignee thereof under Environmental Laws which, either singly or in the aggregate, could reasonably be expected to cause a Material Adverse Effect.

(i) ERISA.

(i) As of the Closing Date, no Borrower, Subsidiary, Guarantor or ERISA Affiliate maintains or contributes to, or has any obligation under, any Employee Benefit Plans or Multiemployer Plans other than those identified on Schedule 6.1(i) hereto;

(ii) Each Borrower, Subsidiary, Guarantor and ERISA Affiliate is in compliance with all applicable provisions of ERISA and the regulations and published interpretations thereunder with respect to all Employee Benefit Plans and all Multiemployer Plans except for any required amendments for which the remedial amendment period as defined in Section 401(b) of the Code has not yet expired. Each Employee Benefit Plan that is (i) an individually designed plan, or (ii) a Multiemployer Plan and is intended to be qualified under Section 401(a) of the Code has been determined by the Internal Revenue Service to be so qualified, and each trust related to such plan has been determined to be exempt under Section 501(a) of the Code. Each Employee Benefit Plan that is a pre-approved

plan and is intended to be qualified under Section 401(a) of the Code is the subject of a favorable advisory or opinion letter. No liability has been incurred by any Borrower, any Subsidiary, any Guarantor or any ERISA Affiliate which remains unsatisfied for any taxes or penalties with respect to any Employee Benefit Plan or any Multiemployer Plan;

(iii) No Pension Plan has been terminated, nor has a Pension Plan failed to meet the “minimum funding standard” (as described in Section 412 of the Code), nor has any funding waiver from the Internal Revenue Service been received or requested with respect to any Pension Plan, nor has any Borrower, any Subsidiary, any Guarantor or any ERISA Affiliate failed to make any contributions or to pay any amounts due and owing as required by Section 430 of the Code, Section 303 of ERISA or the terms of any Pension Plan prior to the due dates of such contributions under Section 430 of the Code or Section 303 of ERISA, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C) or 4063(a) of ERISA with respect to any Pension Plan, nor does any Borrower, Subsidiary, Guarantor or ERISA Affiliate maintain or contribute to a multiemployer plan (as defined in Section 3(37) of ERISA), nor has any Borrower, Subsidiary, Guarantor or ERISA Affiliate ever contributed to or had any other liability with respect to, a multiemployer plan;

(iv) No Borrower, Subsidiary, Guarantor or ERISA Affiliate has: (A) engaged in a nonexempt prohibited transaction described in Section 406 of the ERISA or Section 4975 of the Code; (B) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no premium payments which are due and unpaid; (C) failed to make a required contribution or payment to a Multiemployer Plan; or (D) failed to make a required installment or other required payment under Section 430 of the Code;

(v) No Termination Event has occurred or, to the best knowledge of each Borrower, each Subsidiary, each Guarantor, and each ERISA Affiliate after due inquiry, is reasonably expected to occur; and

(vi) No proceeding, claim (other than routine claims for benefits), lawsuit and/or investigation is existing or, to the best knowledge of each Borrower, each Subsidiary and each Guarantor after due inquiry, threatened, concerning or involving any (A) employee welfare benefit plan (as defined in Section 3(1) of ERISA) currently maintained or contributed to by any Borrower, any Subsidiary, any Guarantor or any ERISA Affiliate, (B) Pension Plan or (C) Multiemployer Plan.

(j) Margin Stock. No Borrower, Subsidiary or Guarantor is engaged principally or as one of its activities in the business of extending credit for the purpose of purchasing or carrying any margin stock (as each such term is defined or used in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the Loans or Letters of Credit will be used for purchasing or carrying margin stock or for any purpose which violates, or which would be inconsistent with, the provisions of Regulation T, U or X of such Board of Governors.

(k) Government Regulation. No Borrower, Subsidiary or Guarantor is an investment company or a company controlled by an investment company (as each such term is defined or used in the Investment Company Act of 1940, as amended), and no Borrower, Subsidiary or Guarantor is, or after giving effect to any Extension of Credit will be, subject to regulation under any Applicable Law which limits its ability to incur or consummate the transactions contemplated hereby.

(l) Material Contracts. Schedule 6.1(l) hereto sets forth a complete and accurate list of all Material Contracts of each Borrower, each Subsidiary and each Guarantor in effect as of the Closing Date not listed on any other Schedule hereto; other than as set forth in Schedule 6.1(l) hereto, each such Material Contract is, and after giving effect to the consummation of the transactions contemplated by the Loan Documents will be, in full force and effect in accordance with the terms thereof.

(m) Employee Relations. Each Borrower, each Subsidiary and each Guarantor enjoys good employee relations and is not, as of the Closing Date, party to any collective bargaining agreement nor has any labor union been recognized as the representative of its employees except as set forth on Schedule 6.1(m) hereto. No Borrower, Subsidiary or Guarantor knows of any pending, threatened or contemplated strikes, work stoppage or other collective labor disputes involving its employees or those of any Subsidiary.

(n) Burdensome Provisions. No Borrower, Subsidiary or Guarantor is a party to any indenture, agreement, lease or other instrument, or subject to any corporate or partnership restriction, Governmental Approval or Applicable Law which is so unusual or burdensome as in the foreseeable future could be reasonably expected to have a Material Adverse Effect. No Borrower, Subsidiary or Guarantor presently anticipates that future expenditures needed to meet the provisions of any statutes, orders, rules or regulations of a Governmental Authority will be so burdensome as to have a Material Adverse Effect.

(o) Financial Statements. The Consolidated balance sheets of Urban and its Consolidated Subsidiaries as of January 31, 2013 and the related statements of income and retained earnings and cash flows for the Fiscal Years then ended, copies of which have been furnished to the Lenders, are complete and correct and fairly present the assets, liabilities and financial position of the Borrowers, their Subsidiaries and the Guarantors as at such dates, and the results of the operations and changes of financial position for the periods then ended. All such financial statements, including without limitation the related schedules and notes thereto, have been prepared in accordance with GAAP. No Borrower, Subsidiary or Guarantor has any Debt, obligation or other unusual forward or long-term commitment which is not fairly reflected in the foregoing financial statements or in the notes thereto in accordance with GAAP.

(p) No Material Adverse Change. Since January 31, 2013, there has been no material adverse change in the properties, business, operations, prospects, or condition (financial or otherwise) of any Borrower, any Subsidiary or any Guarantor, and no event, including without limitation any material pending or threatened litigation, bankruptcy or other proceeding, has occurred or condition arisen that could reasonably be expected to have a Material Adverse Effect.

(q) Solvency. As of the Closing Date and after giving effect to each Extension of Credit made hereunder, each Borrower, each Subsidiary and each Guarantor will be Solvent.

(r) Titles to Properties. Each Borrower, each Subsidiary and each Guarantor has such title to the real property owned or leased by it as is necessary or desirable to the conduct of its business and valid and legal title to all of its personal property and assets, including without limitation those reflected on the balance sheets of Urban and its Consolidated Subsidiaries delivered pursuant to Section 6.1(o) hereof, except those which have been disposed of by any Borrower, any Subsidiary or any Guarantor subsequent to such date which dispositions have been in the ordinary course of business or as otherwise expressly permitted hereunder.

(s) Liens. None of the properties and assets of any Borrower, any Subsidiary or any Guarantor is subject to any Lien, except Liens permitted pursuant to Section 10.3 hereof. No financing statement under the Uniform Commercial Code of any state which names any Borrower, any Subsidiary, any Guarantor or any of their respective trade names or divisions as debtor and which has not been terminated, has been filed in any state or other jurisdiction, and no Borrower, Subsidiary or

Guarantor has signed any such financing statement or any security agreement authorizing any secured party thereunder to file any such financing statement, except to perfect those Liens permitted by Section 10.3 hereof.

(t) Debt and Guaranty Obligations. A complete and correct listing of all Debt and Guaranty Obligations of each Borrower, each Subsidiary and each Guarantor as of January 31, 2013 is set forth on Schedule 6.1(f) hereto. There is no Debt and no Guaranty Obligations of any Borrower, any Subsidiary or any Guarantor other than those listed on Schedule 6.1(f), and Schedule 6.1(f) presents, in all material respects, an accurate listing of the Debt and Guaranty Obligations of each Borrower, each Subsidiary and each Guarantor as of the Closing Date. Each Borrower, each Subsidiary and each Guarantor has performed and is in compliance with all of the terms of such Debt and Guaranty Obligations and all instruments and agreements relating thereto, and no default or event of default, or event or condition which with notice or lapse of time or both would constitute such a default or event of default on the part of any Borrower, any Subsidiary or any Guarantor exists with respect to any such Debt or Guaranty Obligation.

(u) Litigation. Except for matters existing on the Closing Date and set forth on Schedule 6.1(u) hereto and those as to which the insurer has not disclaimed liability coverage, there are no actions, suits or proceedings pending nor, to the knowledge of any Borrower, any Subsidiary or any Guarantor, threatened, against or in any other way relating adversely to or affecting any Borrower, any Subsidiary, any Guarantor or any of their respective properties in any court or before any arbitrator of any kind or before or by any Governmental Authority, which, either singly or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(v) Absence of Defaults. No event has occurred or is continuing which constitutes a Default or an Event of Default, or which constitutes, or which with the passage of time or giving of notice or both would constitute, a default or event of default by any Borrower, any Subsidiary or any Guarantor under any Material Contract or judgment, decree or order to which any Borrower, any Subsidiary or any Guarantor is a party or by which any Borrower, any Subsidiary, any Guarantor or any of their respective properties may be bound or which would require any Borrower, any Subsidiary or any Guarantor to make any payment thereunder prior to the scheduled maturity date therefor.

(w) Accuracy and Completeness of Information. All written information, reports and other papers and data produced by or on behalf of each Borrower, each Subsidiary and each Guarantor and furnished to the Lenders were, at the time the same were so furnished, complete and correct in all respects to the extent necessary to give the recipient a true and accurate knowledge of the subject matter. No document, including without limitation any financial statement, furnished or written statement made to the Lenders by any Borrower, any Subsidiary and any Guarantor in connection with the negotiation, preparation or execution of this Agreement or any of the Loan Documents contains or will contain any untrue statement of a fact material to the creditworthiness of any Borrower, any Subsidiary or any Guarantor or omits or will omit to state a fact necessary in order to make the statements contained therein not misleading. No Borrower is aware of any facts which it has not disclosed in writing to the Lenders having a Material Adverse Effect, or insofar as such Borrower can now foresee, could reasonably be expected to have a Material Adverse Effect.

(x) Fees and Commissions. No Borrower owes any fees or commissions of any kind, and no Borrower knows of any claim for any fees or commissions, in connection with the Borrowers' obtaining the Commitments or the Loans from the Lenders, except those provided herein.

(y) Public Utility Holding Company Act. No Borrower is a "public utility holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended (the "1935 Act"), nor does the execution, delivery and performance of this Agreement and the Note require any filing, authorization or consent under the 1935 Act.

(z) Foreign Assets Control Regulations, Etc. None of the requesting or borrowing of the Loans, the requesting or issuance, extension or renewal of any Letters of Credit or the use of the proceeds of any thereof will violate the Trading with the Enemy Act (50 U.S.C. §1 et seq., as amended) (the “Trading With the Enemy Act”) or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) (the “Foreign Assets Control Regulations”) or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001) (the “Executive Order”) and (b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56)). Furthermore, none of the Borrowers nor any of their Subsidiaries or other Affiliates (a) is or will become a “blocked person” as described in the Executive Order, the Trading with the Enemy Act or the Foreign Assets Control Regulations or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such “blocked person.”

Section 6.2 Survival of Representations and Warranties, Etc. All representations and warranties set forth in this Article VI and all representations and warranties contained in any certificate, or any of the Loan Documents (including without limitation any such representation or warranty made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made or deemed to be made at and as of the Closing Date, shall survive the Closing Date and shall not be waived by the execution and delivery of this Agreement, any investigation made by or on behalf of the Administrative Agent or the Lenders or any borrowing hereunder.

ARTICLE VII

FINANCIAL INFORMATION AND NOTICES

Until all the Obligations have been paid and satisfied in full and the Commitments terminated, unless consent has been obtained in the manner set forth in Section 13.13 hereof, the Borrowers will furnish or cause to be furnished to the Administrative Agent and the Lenders at the Administrative Agent’s Office, or such other office as may be designated by the Administrative Agent and the Lenders from time to time:

Section 7.1 Financial Statements and Projections.

(a) Quarterly Financial Statements. As soon as practicable and in any event within forty-five (45) days after the end of the first three (3) fiscal quarters of each Fiscal Year, an unaudited Consolidated balance sheet of Urban and its Consolidated Subsidiaries as of the close of such fiscal quarter and unaudited Consolidated statements of income, retained earnings and cash flows for the fiscal quarter then ended and that portion of the Fiscal Year then ended, including without limitation the notes thereto, all in reasonable detail setting forth in comparative form the corresponding figures for the preceding Fiscal Year and prepared by Urban in accordance with GAAP and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during the period, and certified by a Responsible Officer of Urban to present fairly in all material respects the financial condition of Urban and its Consolidated Subsidiaries as of their respective dates and the results of operations of Urban and its Consolidated Subsidiaries for the respective periods then ended, subject to normal year end adjustments.

(b) Annual Financial Statements. As soon as practicable and in any event within ninety (90) days after the end of each Fiscal Year, an audited Consolidated balance sheet of Urban and its Consolidated Subsidiaries as of the close of such Fiscal Year and audited Consolidated statements of income, retained earnings and cash flows for the Fiscal Year then ended, including without limitation the notes thereto, all in reasonable detail setting forth in comparative form the corresponding figures for the preceding Fiscal Year and examined by an independent certified public accounting firm acceptable to the Administrative Agent in accordance with GAAP and, if applicable, containing disclosure of the effect on the financial position or results of operation of any change in the application of accounting principles and practices during the year, and accompanied by a report thereon by such certified public accountants that is not qualified with respect to scope limitations imposed by any Borrower, any Subsidiary or any Guarantor or with respect to accounting principles followed by any Borrower, any Subsidiary or any Guarantor not in accordance with GAAP.

(c) Annual Business Plan and Financial Projections. If the Borrowers submit a Termination Date Extension Request pursuant to Section 2.6 hereof, then as soon as practicable but not less than forty-five (45) days prior to the Termination Date, a business plan of Urban and its Consolidated Subsidiaries for the ensuing six (6) fiscal quarters, such plan to be prepared in accordance with GAAP and to include, on a quarterly basis, the following: a quarterly operating and capital budget, a projected income statement, statement of cash flows and balance sheet and a report containing management's discussion and analysis of such projections, accompanied by a certificate from a Responsible Officer of Urban to the effect that, to the best of such Responsible Officer's knowledge, such projections are good faith estimates of the financial condition and operations of Urban and its Consolidated Subsidiaries for such six (6) quarter period.

Section 7.2 Officer's Compliance Certificate. At each time financial statements are delivered pursuant to Section 7.1(a) or Section 7.1(b) hereof and at such other times as the Administrative Agent shall reasonably request, a certificate of the chief financial officer or the treasurer of Urban in the form of Exhibit E attached hereto (an "Officer's Compliance Certificate").

Section 7.3 Accountants' Certificate. At each time financial statements are delivered pursuant to Section 7.1(b) hereof, a certificate of the independent public accountants certifying such financial statements addressed to the Administrative Agent:

(a) stating that in making the examination necessary to issue the report of independent public accountants of such financial statements, nothing came to their attention that caused them to believe that Urban and its Consolidated Subsidiaries were not in compliance with any of the terms, covenants, provisions or conditions of Article IX of the Agreement as they relate to accounting matters; and

(b) attaching the calculations prepared by Urban and its Consolidated Subsidiaries that were provided to the accountants in connection with Section 7.3(a) hereof.

Section 7.4 Other Reports.

(a) Promptly upon receipt thereof, copies of all Management Reports, if any, submitted to any Borrower, any Subsidiary or any Guarantor or to its respective board of directors by its independent public accountants in connection with their auditing function, and copies of any management responses thereto; and

(b) Such other information regarding the operations, business affairs and financial condition of any Borrower, any Subsidiary or any Guarantor as the Administrative Agent may reasonably request.

Section 7.5 Notice of Litigation and Other Matters. Prompt (but in no event later than ten (10) Business Days after an officer of any Borrower or any Subsidiary obtains knowledge thereof) telephonic and written notice of:

(a) the commencement of all proceedings and investigations by or before any Governmental Authority and all actions and proceedings in any court or before any arbitrator against or involving any Borrower or any Subsidiary or any of their respective properties, assets or businesses, which in any such case could reasonably be expected to have a Material Adverse Effect;

(b) any notice of any violation received by any Borrower or any Subsidiary from any Governmental Authority including without limitation any notice of violation of Environmental Laws, which in any such case could reasonably be expected to have a Material Adverse Effect;

(c) any labor controversy that has resulted in, or threatens to result in, a strike or other work action against any Borrower or any Subsidiary, which in any such case could reasonably be expected to have a Material Adverse Effect;

(d) any attachment, judgment, levy or order exceeding \$1,000,000 (in any such case, which is not covered by insurance, or as to which the insurer has disclaimed insurance coverage, or which is not stayed or bonded) that may be assessed against any Borrower or any Subsidiary;

(e) any Default or Event of Default, or any event which constitutes or which with the passage of time or giving of notice or both would constitute a default or event of default under any Material Contract to which any Borrower or any Subsidiary is a party or by which any Borrower or any Subsidiary or any of their respective properties may be bound;

(f) (i) any unfavorable determination letter from the Internal Revenue Service regarding the qualification of an Employee Benefit Plan under Section 401(a) of the Code (along with a copy thereof), (ii) all notices received by any Borrower, any Subsidiary or any ERISA Affiliate of the PBGC's intent to terminate any Pension Plan or to have a trustee appointed to administer any Pension Plan, (iii) all notices received by any Borrower, any Subsidiary or any ERISA Affiliate from a Multiemployer Plan sponsor concerning the imposition or amount of withdrawal liability pursuant to Section 4202 of ERISA and (iv) any Borrower obtaining knowledge or reason to know that any Borrower, any Subsidiary or any ERISA Affiliate has filed or intends to file a notice of intent to terminate any Pension Plan under a distress termination within the meaning of Section 4041(c) of ERISA; and

(g) any event which makes any of the representations set forth in Section 6.1 hereof inaccurate in any material respect.

Section 7.6 Accuracy of Information. All written information, reports, statements and other papers and data furnished by or on behalf of any Borrower, any Subsidiary or any Guarantor to the Administrative Agent (other than financial forecasts), whether pursuant to this Article VII, any other provision of this Agreement or the Guaranty Agreement, shall be, at the time the same is so furnished, complete and correct in all material respects to the extent necessary to give the Lenders complete, true and accurate knowledge of the subject matter based on the Borrowers' knowledge thereof.

ARTICLE VIII
AFFIRMATIVE COVENANTS

Until all of the Obligations have been paid and satisfied in full and the Commitments terminated, unless consent has been obtained in the manner provided for in Section 13.13 hereof, each Borrower will, and will cause each Subsidiary and each Guarantor to:

Section 8.1 Preservation of Corporate Existence and Related Matters. Except as permitted by Section 10.5 hereof, preserve and maintain its separate corporate existence and all rights, franchises, licenses and privileges necessary to the conduct of its business, and qualify and remain qualified as a foreign corporation and authorized to do business in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

Section 8.2 Maintenance of Property. Protect and preserve all properties useful in and material to its business, including without limitation copyrights, patents, trade names and trademarks; maintain in good working order and condition all buildings, equipment and other tangible real and personal property; and from time to time make or cause to be made all renewals, replacements and additions to such property necessary for the conduct of its business, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 8.3 Insurance. Maintain insurance with financially sound and reputable insurance companies against such risks and in such amounts as are customarily maintained by similar businesses and as may be required by Applicable Law, and on the Closing Date and from time to time thereafter deliver to the Administrative Agent upon its request a detailed list of the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

Section 8.4 Accounting Methods and Financial Records. Maintain a system of accounting, and keep such books, records and accounts (which shall be true and complete in all material respects) as may be required or as may be necessary to permit the preparation of financial statements in accordance with GAAP and in compliance with the regulations of any Governmental Authority having jurisdiction over it or any of its properties.

Section 8.5 Payment and Performance of Obligations. Pay and perform all Obligations under this Agreement and the other Loan Documents, and pay or perform (a) all taxes, assessments and other governmental charges that may be levied or assessed upon it or any of its property, and (b) all other indebtedness, obligations and liabilities in accordance with customary trade practices; provided, that a Borrower or Subsidiary may contest any item described in clauses (a) or (b) of this Section 8.5 in good faith so long as adequate reserves are maintained with respect thereto in accordance with GAAP.

Section 8.6 Compliance With Laws and Approvals. Observe and remain in compliance with all Applicable Laws and maintain in full force and effect all Governmental Approvals, in each case applicable to the conduct of its business, except where the failure to do so would not have a Material Adverse Effect.

Section 8.7 Environmental Laws. In addition to and without limiting the generality of Section 8.6 hereof, (a) comply with, and ensure such compliance by all tenants and subtenants with all applicable Environmental Laws and obtain and comply with and maintain, and ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, (b) conduct and complete all

investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws, and promptly comply with all lawful orders and directives of any Governmental Authority regarding Environmental Laws, and (c) defend, indemnify and hold harmless the Lenders, and their respective parents, Subsidiaries, Affiliates, employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the presence of Hazardous Materials, or the violation of, noncompliance with or liability under any Environmental Laws applicable to the operations of such Borrower or such Subsidiary, or any orders, requirements or demands of Governmental Authorities related thereto, including without limitation reasonable attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing directly result from the gross negligence or willful misconduct of the party seeking indemnification therefor.

Section 8.8 Compliance with ERISA. In addition to and without limiting the generality of Section 8.6 hereof, (a) comply with all applicable provisions of ERISA and the regulations and published interpretations thereunder with respect to all Employee Benefit Plans, (b) not take any action or fail to take action the result of which could be a liability to the PBGC or to a Multiemployer Plan, (c) not participate in any prohibited transaction that could result in any civil penalty under ERISA or tax under the Code, (d) operate each Employee Benefit Plan in such a manner that will not incur any tax liability under Section 4980B of the Code or any liability to any qualified beneficiary as defined in Section 4980B of the Code and (e) furnish to the Administrative Agent upon the Administrative Agent's request such additional information about any Employee Benefit Plan as may be reasonably requested by the Administrative Agent.

Section 8.9 Compliance With Agreements. Comply with each term, condition and provision of all leases, agreements and other instruments entered into in the conduct of its business, except to the extent any failure to comply, either singly or in the aggregate, would not have a Material Adverse Effect; provided, that a Borrower or Subsidiary may: (a) contest any such lease, agreement or other instrument in good faith through applicable actions or proceedings so long as adequate reserves are maintained in accordance with GAAP; or (b) cancel any Material Contract so long as written notice thereof is provided to the Administrative Agent not more than twenty-five (25) Business Days thereafter.

Section 8.10 Conduct of Business. Engage only in businesses in substantially the same fields as the businesses conducted by the Borrowers and their Subsidiaries on the Closing Date and in lines of business reasonably related thereto.

Section 8.11 Visits and Inspections. Permit representatives of the Administrative Agent, from time to time, to visit and inspect its properties; inspect, audit and make extracts from its books, records and files, including without limitation management letters prepared by independent accountants; and discuss with its principal officers, and its independent accountants, its business, assets, liabilities, financial condition, results of operations and business prospects.

Section 8.12 Additional Guarantors. Within ten (10) days after any Subsidiary of any Borrower with at least \$20,000,000 of equity is created or acquired after the Closing Date, give notice thereof to the Administrative Agent of such creation or acquisition and whether such Subsidiary shall be formed under a jurisdiction outside of the United States, and cause to be executed and delivered to the Administrative Agent: (a) a duly executed Guaranty Agreement or Joinder to Guaranty or other supplement thereto, with such changes as the Administrative Agent may reasonably request, it being acknowledged and agreed that, with respect to guaranties by Non-U.S. Subsidiaries, such guaranties will contain provisions limiting recourse thereunder to the extent (i) required to render them enforceable under applicable law or (ii) necessary to avoid any potential deemed distribution under Section 956 of the Code

or similar issue, and (b) favorable legal opinions addressed to the Administrative Agent and the Lenders in form and substance satisfactory thereto with respect to the enforceability of such Guaranty Agreement and such other documents and closing certificates as may be requested by the Administrative Agent.

Section 8.13 Maintain Cash Collateral Account. On the Termination Date, establish and maintain with the Issuing Lender an account and deposit in such account cash collateral for Letters of Credit as required under Section 3.4(b) hereof.

Section 8.14 Subsequent Credit Terms.

(a) Notify the Administrative Agent in writing not less than ten (10) Business Days prior to its entering into any amendment or modification of any credit arrangement, whether now in effect or hereafter incurred, pursuant to which any Borrower or any Subsidiary agrees to financial covenants or events of default which are more restrictive to such Borrower or Subsidiary than those contained in this Agreement. Upon entering into any such amendment or modification, and with respect to the covenants and events of default in this Agreement, the corresponding covenants, terms and conditions of this Agreement are and shall be deemed to be automatically and immediately amended to conform with and to include the applicable covenants, terms and/or conditions of such other agreement; provided, however, that the foregoing shall not be applicable to or be deemed to affect any provision of this Agreement to the extent that any amendment or modification is less restrictive than the corresponding provisions of this Agreement.

(b) Each Borrower and Subsidiary hereby agrees promptly to execute and deliver any and all such documents and instruments and to take all such further actions as Administrative Agent may, in its sole discretion, deem necessary or appropriate to effectuate the provisions of this Section 8.14.

Section 8.15 Further Assurances. Make, execute and deliver all such additional and further acts, things, deeds and instruments as the Administrative Agent may reasonably require to document and consummate the transactions contemplated hereby and to vest completely in and insure the Lenders their rights under this Agreement, the Notes, the Letters of Credit and the other Loan Documents.

Section 8.16 Bank Accounts. Cause the U.S. Borrowers and any other Credit Party that is formed under the laws of a jurisdiction within the United States to use Wells Fargo as its primary provider of trade/import letter of credit services and as its primary Cash Management Bank for services within the United States.

ARTICLE IX

FINANCIAL COVENANTS

Until all of the Obligations have been paid and satisfied in full and the Commitments terminated, unless consent has been obtained in the manner set forth in Section 13.13 hereof, no Borrower or Subsidiary will:

Section 9.1 Fixed Charge Coverage Ratio. As of any fiscal quarter end, permit the Fixed Charge Coverage Ratio of Urban and its Consolidated Subsidiaries to be less than 2.0 to 1.0.

Section 9.2 Adjusted Debt to EBITDAR Ratio. As of any fiscal quarter end, permit the Adjusted Debt to EBITDAR Ratio of Urban and its Consolidated Subsidiaries to be more than 4.0 to 1.0.

ARTICLE X
NEGATIVE COVENANTS

Until all of the Obligations have been paid and satisfied in full and the Commitments terminated, unless consent has been obtained in the manner set forth in Section 13.13 hereof, no Borrower has or will, and no Borrower will permit any Subsidiary to:

Section 10.1 Limitations on Debt. Create, incur, assume or suffer to exist any Debt except:

- (a) the Obligations;
- (b) Debt incurred in connection with a Hedging Agreement with a counterparty and upon terms and conditions (including without limitation interest rate) reasonably satisfactory to the Administrative Agent;
- (c) Subordinated Debt;
- (d) Debt existing on the Closing Date and not otherwise permitted under this Section 10.1 hereof, as set forth on Schedule 6.1(t) hereto and the renewal and refinancing (but not the increase at the aggregate principal amount thereof) thereof;
- (e) purchase money Debt of the Borrowers and their Subsidiaries incurred in connection with Capitalized Leases in an aggregate principal amount not to exceed \$10,000,000 outstanding on any date of determination;
- (f) Debt consisting of Guaranty Obligations permitted by Section 10.2 hereof;
- (g) Debt of the Non-U.S. Borrowers to Borrowers under loans and advances permitted by Section 10.4(d); and
- (h) so long as: (i) no Event of Default has occurred and is continuing or would result therefrom; (ii) Borrowers and their Subsidiaries are in pro forma compliance with the covenants in Sections 9.1 and 9.2 hereof both before and after giving effect to such Debt; (iii) such Debt is not senior in right of payment to the payment of the Debt arising under this Agreement and the other Loans; (iv) such Debt has a maturity date later than the date set forth in Section 2.6(a) hereof, as it may be extended from time to time; and (v) Borrowers have provided Agent with evidence of proforma compliance of an Adjusted Debt to EBITDAR Ratio of Urban and its Consolidated Subsidiaries of no more than 3.50 to 1.0 both before and after giving effect to such Debt, unsecured Debt of Borrowers and their Subsidiaries at any time outstanding;

provided, that no agreement or instrument with respect to Debt permitted to be incurred by this Section 10.1 shall restrict, limit or otherwise encumber (by covenant or otherwise) the ability of any Subsidiary of any Borrower to make any payment to any Borrower or any other Subsidiary (in the form of dividends, intercompany advances or otherwise) for the purpose of enabling the Borrowers to pay the Obligations.

Section 10.2 Limitations on Guaranty Obligations. Create, incur, assume or suffer to exist any Guaranty Obligations except:

- (a) Guaranty Obligations in favor of the Lenders; and

(b) Guaranty Obligations of Urban for the benefit of any Subsidiary (other than a Restricted Subsidiary) of Debt permitted by Section 10.1(a), Section 10.1(b), Section 10.1(c), Section 10.1(d), Section 10.1(e), Section 10.1(f), Section 10.1(g), and Section 10.1(h) hereof.

Section 10.3 Limitations on Liens. Create, incur, assume or suffer to exist, any Lien on or with respect to any of its assets or properties (including without limitation shares of capital stock or other ownership interests or commercial tort claims), real or personal, whether now owned or hereafter acquired, except:

(a) Liens for taxes, assessments and other governmental charges or levies (excluding any Lien imposed pursuant to any of the provisions of ERISA or Environmental Laws) not yet due or as to which the period of grace (not to exceed thirty (30) days), if any, related thereto has not expired or which are being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP;

(b) the claims of materialmen, mechanics, carriers, warehousemen, processors or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business: (i) each of which, as to the underlying indebtedness thereof, is not overdue for a period of more than sixty (60) days; or (ii) which claims are being contested in good faith and by appropriate actions or proceedings or are stayed or bonded;

(c) Liens consisting of deposits or pledges made in the ordinary course of business in connection with, or to secure payment of, obligations under workers compensation, unemployment insurance or similar legislation or obligations under customer service contracts;

(d) Liens constituting encumbrances in the nature of zoning restrictions, easements and rights or restrictions of record on the use of real property, which in the aggregate are not substantial in amount and which do not, in any case, detract from the value of such property or impair the use thereof in the ordinary conduct of business;

(e) Liens of the Lenders;

(f) Liens not otherwise permitted by this Section 10.3 and in existence on the Closing Date and described on Schedule 10.3 hereto; and

(g) Liens securing Debt permitted under Section 10.1(e) hereof; provided that (i) such Liens shall be created substantially simultaneously with the acquisition of the related asset or in connection with the refinancing of Liens created substantially simultaneously, (ii) such Liens do not at any time encumber any property other than the property financed by such Debt, (iii) the amount of Debt secured thereby is not increased and (iv) the principal amount of Debt secured by any such Lien shall at no time exceed one hundred percent (100%) of the original purchase price of such property at the time it was acquired.

Section 10.4 Limitations on Loans, Advances, Investments and Acquisitions. Purchase, own, invest in or otherwise acquire, directly or indirectly, any capital stock, interests in any partnership or joint venture (including without limitation the creation or capitalization of any Subsidiary), evidence of Debt or other obligation or security, substantially all or a portion of the business or assets of any other Person or any other investment or interest whatsoever in any other Person, or make or permit to exist, directly or indirectly, any loans, advances or extensions of credit to, or any investment in cash or by delivery of property in, any Person except:

(a) investments not otherwise permitted by this Section 10.4 in Subsidiaries existing on the Closing Date and the other existing loans, advances and investments not otherwise permitted by this Section 10.4 described on Schedule 10.4(a) hereto;

(b) investments made in accordance with the Investment Policy and Guidelines attached hereto as Schedule 10.4(b) as in effect on the Closing Date, which Investment Policy and Guidelines may be updated or amended by the Borrowers without the consent of Wells Fargo; provided, that such updates or amendments shall not become a part of this Credit Agreement without ten (10) days prior written notice to Wells Fargo;

(c) Investments by any Borrower or any Subsidiary (other than a Restricted Subsidiary) in the form of acquisitions of all or substantially all of the business or a line of business (whether by merger (so long as a Borrower and Subsidiary is the surviving entity), the acquisition of capital stock, assets or any combination thereof) of any other Person; provided that the aggregate purchase price paid or payable in connection with all such acquisitions does not exceed \$500,000,000 from the Closing Date to the Termination Date;

(d) the making by any Borrower or any Guarantor of loans or advances to or investments in any Subsidiary, provided that such Subsidiary is joined as a Guarantor pursuant to Section 8.12 hereof, and provided, further, that: (i) the aggregate principal amount of intercompany loans to Non-U.S. Borrowers may not exceed the Non-U.S. Sublimit less: (A) the amount of L/C Obligations for Letters of Credit issued for the account of Non-U.S. Borrowers and (B) the aggregate principal amount of outstanding Loans borrowed by or on behalf of any Non-U.S. Borrower and (ii) intercompany loans and advances to Non-U.S. Borrowers from U.S. Borrowers together with investments by U.S. Borrowers in Non-U.S. Borrowers shall not exceed, in the aggregate, without duplication, \$50,000,000 at any time outstanding.

(e) the creation of accounts receivable in the ordinary course of business; and

(f) the making of loans and advances to employees in the ordinary course of business, which loans and advances: (i) shall not exceed \$1,000,000 in the aggregate outstanding at any one time, (ii) shall not remain outstanding in excess of 366 days, and (iii) shall otherwise be in compliance with Section 10.8 hereof.

Section 10.5 Limitations on Mergers and Liquidation. Merge, consolidate or enter into any similar combination with any other Person or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) except:

(a) any Wholly Owned Subsidiary of any Borrower may merge with any other Wholly-Owned Subsidiary of any Borrower, except where the survivor of such merger is a Restricted Subsidiary;

(b) any Wholly-Owned Subsidiary may merge with or into any Person acquired in accordance with Section 10.4(c) hereof; and

(c) any Wholly-Owned Subsidiary of any Borrower may wind-up into any Borrower or any other Wholly-Owned Subsidiary (other than a Restricted Subsidiary) of any Borrower.

Section 10.6 Limitations on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including without limitation the sale of any receivables and leasehold interests and any sale-leaseback or similar transaction), whether now owned or hereafter acquired except:

(a) the sale of inventory in the ordinary course of business;

(b) the sale of obsolete assets no longer used or usable in the business of any Borrower or any Subsidiary;

(c) the transfer of assets to any Borrower or any Wholly-Owned Subsidiary (other than a Restricted Subsidiary) of any Borrower pursuant to Section 10.5(c) hereof;

(d) the transfer of assets to any Guarantor pursuant to Section 10.4(d) hereof;

(e) dispositions by any Borrower or any Subsidiary of property pursuant to sale-leaseback transactions, provided that the book value of all property so disposed of shall not exceed \$25,000,000 from and after the Closing Date;

(f) the sale or discount without recourse of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof; and

(g) the sale, transfer or other disposition of any other assets not to exceed \$25,000,000 in the aggregate, valued at the higher of book value or sales price, in any twelve month period.

Section 10.7 Limitations on Exchange and Issuance of Capital Stock. Issue, sell or otherwise dispose of any class or series of capital stock that, by its terms or by the terms of any security into which it is convertible or exchangeable, is, or upon the happening of an event or passage of time would be, (a) convertible or exchangeable into Debt or (b) required to be redeemed or repurchased, including without limitation at the option of the holder, in whole or in part, or has, or upon the happening of an event or passage of time would have, a redemption or similar payment due.

Section 10.8 Transactions with Affiliates. Directly or indirectly: (a) make any loan or advance to, or purchase or assume any note or other obligation to or from, any of its officers, directors, shareholders or other Affiliates, or to or from any member of the immediate family of any of its officers, directors, shareholders or other Affiliates, or subcontract any operations to any of its Affiliates, or (b) enter into, or be a party to, any other transaction with any of its Affiliates, except pursuant to the reasonable requirements of its business and upon fair and reasonable terms that are fully disclosed to and approved in writing by the Administrative Agent prior to the consummation thereof and are no less favorable to it than it would obtain in a comparable arm's length transaction with a Person not its Affiliate; provided, however, that this Section 10.8 shall not be construed to prohibit or limit the terms of employee compensation provided in the ordinary course of business, including without limitation salaries and benefits, relocation packages and, subject to Section 10.4(f) hereof, loans and advances to employees.

Section 10.9 Certain Accounting Changes. Change its Fiscal Year end, or make any change in its accounting treatment and reporting practices except as required by GAAP.

Section 10.10 Amendments; Payments and Prepayments of Subordinated Debt. Amend or modify (or permit the modification or amendment of) any of the terms or provisions of any Subordinated Debt, or cancel or forgive, make any voluntary or optional payment or prepayment on, or redeem or acquire for value (including without limitation by way of depositing with any trustee with respect thereto money or securities before due for the purpose of paying when due) any Subordinated Debt.

Section 10.11 Restrictive Agreements. Enter into any agreement which contains any negative pledge on assets or any covenants more restrictive than the provisions of Articles VIII, IX and X hereof, or which restricts, limits or otherwise encumbers its ability to incur Liens on or with respect to any of its assets or properties, other than a negative pledge on assets or properties securing Debt incurred pursuant to such agreement.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1 Events of Default. Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any Governmental Authority or otherwise:

(a) Default in Payment of Principal of Loans and Reimbursement Obligations. The Borrowers shall default in any payment of principal of any Loan, Note or Reimbursement Obligation when and as due (whether at maturity, by reason of acceleration or otherwise).

(b) Other Payment Default. The Borrowers shall default in the payment when and as due (whether at maturity, by reason of acceleration or otherwise) of interest on any Loan, Note or Reimbursement Obligation or the payment of any other Obligation, and such default shall continue unremedied for three (3) Business Days.

(c) Misrepresentation. Any representation or warranty made or deemed to be made by any Borrower or any Subsidiary under this Agreement, any Loan Document or any amendment hereto or thereto, shall at any time prove to have been incorrect or misleading in any material respect when made or deemed made.

(d) Default in Performance of Certain Covenants. Any Borrower shall default in the performance or observance of any covenant or agreement contained in Section 7.1, Section 7.2 or Section 7.5(e) or Article IX or Article X of this Agreement.

(e) Default in Performance of Other Covenants and Conditions. Any Borrower or any Subsidiary shall default in the performance or observance of any term, covenant, condition or agreement contained in this Agreement (other than as specifically provided for otherwise in this Section 11.1) or any other Loan Document and such default shall continue for a period of thirty (30) days after written notice thereof has been given to the Borrowers by the Administrative Agent.

(f) Hedging Agreement. Any termination payment shall be due by any Borrower under any Hedging Agreement and such amount is not paid by the due date thereof; provided, however, that in the case of any Hedging Agreement with a counterparty other than Wells Fargo or any Lender, no Event of Default shall exist hereunder unless the termination payment exceeds \$5,000,000.

(g) Debt Cross-Default. Any Borrower or any Subsidiary shall (i) default in the payment of any Debt (other than any Note or any Reimbursement Obligation, which occurrence is governed by Section 11.1(a)) the aggregate outstanding amount of which Debt is in excess of \$5,000,000 or any of such Debt in excess of \$5,000,000 shall be accelerated or demanded or declared due and payable, or (ii) default in the observance or performance of any other agreement or condition relating to

any Debt (other than any Note or any Reimbursement Obligation) the aggregate outstanding amount of which Debt is in excess of \$5,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Debt (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, any such Debt to become due prior to its stated maturity (any applicable grace period having expired).

(h) Other Cross-Defaults. Any Borrower or any Subsidiary shall default in the payment when due, or in the performance or observance, of any material obligation or condition of any Material Contract unless, but only as long as, the existence of any such default is being contested by such Borrower or such Subsidiary in good faith by appropriate actions or proceedings and adequate reserves in respect thereof have been established on the books of such Borrower or such Subsidiary to the extent required by GAAP.

(i) Change in Control. A Change in Control shall have occurred.

(j) Voluntary Bankruptcy Proceeding. Any Borrower or any Subsidiary shall: (i) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition for adjustment of debts; (iii) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws; (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) admit in writing its inability to pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; or (vii) take any corporate action for the purpose of authorizing any of the foregoing.

(k) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against any Borrower or any Subsidiary in any court of competent jurisdiction seeking: (i) relief under the federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts; or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like for such Borrower or Subsidiary or for all or any substantial part of their respective assets, domestic or foreign, and such case or proceeding shall continue without dismissal or stay for a period of sixty (60) consecutive days, or an order granting the relief requested in such case or proceeding (including without limitation an order for relief under such federal bankruptcy laws) shall be entered.

(l) Termination Event. The occurrence of any of the following events: (i) any Borrower, any Subsidiary or any ERISA Affiliate fails to make full payment when due of all amounts which, under the provisions of any Pension Plan or Section 430 of the Code, such Borrower, Subsidiary or ERISA Affiliate is required to pay as contributions thereto; (ii) there is a failure to meet the minimum funding standard as described in Section 302 of ERISA or Section 412 of the Code with respect to any Pension Plan, (iii) a Termination Event or (iv) any Borrower, any Subsidiary or any ERISA Affiliate as employers under one or more Multiemployer Plan makes a complete or partial withdrawal from any such Multiemployer Plan and the plan sponsor of such Multiemployer Plans notifies such withdrawing employer that such employer has incurred a withdrawal liability requiring payments in an amount exceeding \$100,000.

(m) Judgment. A judgment or order for the payment of money which causes the aggregate amount of all such judgments to exceed \$7,500,000 in any Fiscal Year shall be entered against any Borrower or any Subsidiary by any court and such judgment or order shall continue without discharge

or stay for a period of thirty (30) days; provided, however, that any such judgment or order shall not constitute an Event of Default if bonded or if otherwise covered by insurance which shall have not been disclaimed by the insurer.

Section 11.2 Remedies. Upon the occurrence of an Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrowers:

(a) Acceleration; Termination of Facilities. Declare the principal of and interest on the Loans, the Notes and the Reimbursement Obligations at the time outstanding, and all other amounts owed to the Lenders and the Administrative Agent under this Agreement or any of the other Loan Documents (other than any Hedging Agreement) (including without limitation all L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) and all other Obligations (other than obligations owing under any Hedging Agreement), to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in this Agreement or the other Loan Documents to the contrary notwithstanding, and terminate the Aggregate Commitment and Commitments and any right of the Borrowers to request borrowings or Letters of Credit thereunder; provided, that upon the occurrence of an Event of Default specified in Section 11.1(j) or Section 11.1(k) hereof, the Aggregate Commitment and Commitments shall be automatically terminated and all Obligations (other than obligations owing under any Hedging Agreement) shall automatically become due and payable.

(b) Letters of Credit. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to the preceding paragraph, require the Borrowers at such time to deposit in a cash collateral account opened by the Issuing Lender an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Issuing Lender to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay the other Obligations. After all such Letters of Credit shall have expired or been fully drawn upon, the Reimbursement Obligation shall have been satisfied and all other Obligations shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrowers.

(c) Rights of Collection. Exercise on behalf of the Lenders of all of their other rights and remedies under this Agreement, the other Loan Documents and Applicable Law, in order to satisfy all of the Borrowers' Obligations.

Section 11.3 Rights and Remedies Cumulative; Non-Waiver, etc. The enumeration of the rights and remedies of the Administrative Agent and the Lenders set forth in this Agreement is not intended to be exhaustive, and the exercise by the Administrative Agent and the Lenders of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the Loan Documents or that may now or hereafter exist in law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Administrative Agent or the Lenders in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Borrowers, the Administrative Agent and the Lenders or their respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Loan Documents or to constitute a waiver of any Event of Default.

ARTICLE XII
THE ADMINISTRATIVE AGENT

Section 12.1 Appointment. Each of the Lenders hereby irrevocably designates and appoints Wells Fargo as Administrative Agent of such Lender under this Agreement and the other Loan Documents for the term hereof, and each such Lender irrevocably authorizes Wells Fargo as Administrative Agent for such Lender, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and such other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement or such other Loan Documents, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein and therein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or the other Loan Documents or otherwise exist against the Administrative Agent. Any reference to the Administrative Agent in this Article XII shall be deemed to refer to the Administrative Agent solely in its capacity as Administrative Agent and not in its capacity as a Lender.

Section 12.2 Delegation of Duties. The Administrative Agent may execute any of its respective duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by the Administrative Agent with reasonable care.

Section 12.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact, Subsidiaries or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or the other Loan Documents (except for actions occasioned solely by its or such Person's own gross negligence or willful misconduct), or (b) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Borrower or any Subsidiary or any officer thereof contained in this Agreement or the other Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or the other Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the other Loan Documents or for any failure of any Borrower to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of any.

Section 12.4 Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including without limitation counsel to the Borrowers), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless such Note shall have been transferred in accordance with Section 13.10 hereof. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement and the other Loan Documents unless it shall first receive such advice or concurrence of the Required Lenders (or, when expressly required hereby or by the relevant other Loan Document, all the Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against

any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action except for its own gross negligence or willful misconduct. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the Notes in accordance with a request of the Required Lenders (or, when expressly required hereby, all the Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Notes.

Section 12.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless it has received notice from a Lender or the Borrowers referring to this Agreement, describing such Default or Event of Default and stating that such notice is a notice of default. In the event that the Administrative Agent receives such a notice, it shall promptly give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders, except to the extent that other provisions of this Agreement expressly require that any such action be taken or not be taken only with the consent and authorization or the request of the Lenders or Required Lenders, as applicable.

Section 12.6 Non-Reliance on the Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact, Subsidiaries or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including without limitation any review of the affairs of the Borrowers, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrowers and made its own decision to make its Loans and issue or participate in Letters of Credit hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrowers. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder or by the other Loan Documents, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrowers which may come into the possession of the Administrative Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact, Subsidiaries or Affiliates.

Section 12.7 Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such and (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to the respective amounts of their Commitment Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Notes or any Reimbursement Obligation) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or the other Loan Documents, or any documents contemplated by or

referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Administrative Agent's bad faith, gross negligence or willful misconduct. The agreements in this Section 12.7 shall survive the payment of the Notes, any Reimbursement Obligation and all other amounts payable hereunder and the termination of this Agreement.

Section 12.8 The Administrative Agent in Its Individual Capacity. The Administrative Agent and its respective Subsidiaries and Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrowers as though the Administrative Agent were not an Administrative Agent hereunder. With respect to any Loans made or renewed by it and any Note issued to it and with respect to any Letter of Credit issued by it or participated in by it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

Section 12.9 Resignation of the Administrative Agent; Successor Administrative Agent. The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lender, and the Borrowers. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent, which successor shall be an Eligible Assignee. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the Administrative Agent's giving of notice of resignation (or such earlier day as shall be agreed by the Required Lenders)(the "Resignation Effective Date"), then the Administrative Agent may (but shall not be obligated to), on behalf of the Lenders and the Issuing Lender, appoint a successor Administrative Agent, which successor shall have minimum capital and surplus of at least \$500,000,000. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date, (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Lender under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the Issuing Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 13.2 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective related parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Notices.

(a) Method of Communication. Except as otherwise provided in this Agreement, all notices and communications hereunder shall be in writing, or by telephone subsequently confirmed in writing. Any notice shall be effective if delivered by hand delivery or sent via telecopy, recognized overnight courier service or certified mail, return receipt requested, and shall be presumed to be received by a party hereto (i) on the date of delivery if delivered by hand or sent by telecopy, (ii) on the next Business Day if sent by recognized overnight courier service and (iii) on the third Business Day following the date sent by certified mail, return receipt requested. A telephonic notice to the Administrative Agent as understood by the Administrative Agent will be deemed to be the controlling and proper notice in the event of a discrepancy with or failure to receive a confirming written notice.

(b) Addresses for Notices. Notices to any party shall be sent to it at the following addresses, or any other address as to which all the other parties are notified in writing.

If to the Borrowers: Urban Outfitters, Inc.
5000 South Broad Street
Philadelphia, PA 19112-1495
Attention: President
Telephone No.: 215.454.5500
Telecopy No.: 215.454.4600

With copies to: Urban Outfitters, Inc.
5000 South Broad Street
Philadelphia, PA 19112-1495
Attention: General Counsel
Telephone No.: 215.454.5500
Telecopy No.: 215.454.4600

If to Wells Fargo: Wells Fargo Bank, N.A.
123 South Broad Street
17th Floor (Y1379-171)
Philadelphia, PA 19109
Attention: Stephen Dorosh
Telephone 302-765-5525
Telecopy 302-765-5518

With copies to: Reed Smith LLP
2500 One Liberty Place
1650 Market Street
Philadelphia, PA 19103
Attn: James Lawlor
Tel: 215-851-8873

If to any Lender: To the Address set forth on Schedule 2 hereto

(c) Administrative Agent's Office. The Administrative Agent hereby designates its office located at the address set forth above, or any subsequent office which shall have been specified for such purpose by written notice to the Borrowers, as the Administrative Agent's Office referred to herein, to which payments due are to be made and at which Loans will be disbursed and Letters of Credit issued.

Section 13.2 Expenses; Indemnity. The Borrowers will: (a) pay all reasonable out-of-pocket expenses of the Administrative Agent in connection with (i) the preparation, execution and delivery of this Agreement and each other Loan Document, whenever the same shall be executed and delivered, including without limitation all out-of-pocket due diligence expenses and reasonable fees and disbursements of counsel for the Administrative Agent and (ii) the preparation, execution and delivery of any waiver, amendment or consent by the Administrative Agent relating to this Agreement or any other Loan Document, including without limitation reasonable fees and disbursements of counsel for the Administrative Agent; (b) pay all reasonable out-of-pocket expenses of the Administrative Agent and each Lender actually incurred in connection with the administration and enforcement of any rights and remedies of the Administrative Agent and each Lender under the Aggregate Commitment, including without limitation consulting with appraisers, accountants, engineers, attorneys and other Persons concerning the nature, scope or value of any right or remedy of the Administrative Agent or any Lender hereunder or under any other Loan Document or any factual matters in connection therewith, which expenses shall include without limitation the reasonable fees and disbursements of such Persons; and (c) defend, indemnify and hold harmless the Administrative Agent and any Lender and its parents, Subsidiaries, Affiliates, employees, agents, officers and directors, from and against any losses, penalties, fines, liabilities, settlements, damages, costs and expenses, suffered by any such Person in connection with any claim, investigation, litigation or other proceeding (whether or not the Administrative Agent or any Lender is a party thereto) and the prosecution and defense thereof, arising out of or in any way connected with the Agreement, any other Loan Document or the Loans, including without limitation reasonable attorney's and consultant's fees, except to the extent that any of the foregoing directly result from the gross negligence or willful misconduct of the party seeking indemnification therefor. This Section 13.2 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

Section 13.3 Set-off. In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, upon and after the occurrence of any Event of Default and during the continuance thereof, the Lenders and any assignee or participant of a Lender in accordance with Section 13.10 hereof are hereby authorized by the Borrowers at any time or from time to time, without notice to the Borrowers or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, including without limitation indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Lenders, or any such assignee or participant to or for the credit or the account of any Borrower against and on account of the Obligations irrespective of whether or not (a) the Lenders shall have made any demand under this Agreement or any of the other Loan Documents or (b) the Administrative Agent shall have declared any or all of the Obligations to be due and payable as permitted by Section 11.2 hereof and although such Obligations shall be contingent or unmatured.

Section 13.4 Governing Law. This Agreement, the Notes and the other Loan Documents, unless otherwise expressly set forth therein, shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without reference to the conflicts or choice of law principles thereof.

Section 13.5 Consent to Jurisdiction; Service of Process.

(a) Each Borrower hereby irrevocably consents to the personal jurisdiction of the state and federal courts located in Philadelphia County, Pennsylvania, in any action, claim or other proceeding arising out of any dispute in connection with this Agreement, the Notes and the other Loan Documents, any rights or obligations hereunder or thereunder, or the performance of such rights and obligations. Each Borrower hereby irrevocably appoints each and every officer of Urban as its attorney upon whom may be served any summons, complaint or other process or pleading in any action, claim or proceeding brought by the Administrative Agent or any Lender in connection with this Agreement, the Notes or the other Loan Documents, any rights or obligations hereunder or thereunder, or the performance of such rights and obligations, on behalf of itself or its property, in the manner specified in Section 13.1 hereof, and irrevocably consents to the service of a summons and complaint in any action or proceeding brought by the Administrative Agent or any Lender by mailing copies thereof by registered or certified mail, posted paid, to the address specified for delivery of notices herein. Nothing in this Section 13.5 shall affect the right of the Lender to serve legal process in any other manner permitted by Applicable Law or affect the right Administrative Agent or any Lender to bring any action or proceeding against any Borrower or its properties any other jurisdictions.

(b) To the extent that any Borrower has or hereafter may acquire: (i) any immunity from jurisdiction of the state or federal courts located in Philadelphia County, Pennsylvania or from any legal process out of any such court (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, or (ii) any objection to the laying of the venue or of an inconvenient forum or any suit, action or proceeding brought in a state or federal court located in Philadelphia County, Pennsylvania under process served in accordance with this Agreement or any Loan Document, each Borrower hereby irrevocably waives such immunity or objection in respect of any suit, action or proceeding arising out of or relating to this Agreement, any other Loan Document or the rights and obligations of the parties hereunder.

Section 13.6 Waiver of Jury Trial; Preservation of Remedies.

(a) Jury Trial. THE ADMINISTRATIVE AGENT, EACH LENDER AND EACH BORROWER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF ANY DISPUTE, CLAIM OR CONTROVERSY IN CONNECTION WITH THIS AGREEMENT, THE NOTES, THE LETTERS OF CREDIT OR THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS.

(b) Preservation of Certain Remedies. The parties hereto and the other Loan Documents preserve, without diminution, certain remedies that such Persons may employ or exercise freely, either alone, in conjunction with or during a dispute, claim or controversy arising out of this Agreement, the Notes, the Letters of Credit or any other Loan Document. Each such Person shall have and hereby reserves the right to proceed in any court of proper jurisdiction or by self help to exercise or prosecute the following remedies: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale granted in the Loan Documents or under applicable law or by judicial foreclosure and sale; (ii) all rights of self help including without limitation peaceful occupation of property and collection of rents, set off, and peaceful possession of property; (iii) obtaining provisional or ancillary remedies including without limitation injunctive relief, sequestration, garnishment, attachment, appointment of receiver and in filing an involuntary bankruptcy proceeding; and (iv) when applicable, a judgment by confession of judgment.

Section 13.7 Reversal of Payments. To the extent the Borrowers make a payment or payments to the Administrative Agent for the ratable benefit of the Lenders or the Administrative Agent receives any payment or proceeds of the collateral which payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds repaid, the Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment or proceeds had not been received by the Administrative Agent.

Section 13.8 Injunctive Relief; Punitive Damages.

(a) The Borrowers recognize that, in the event the Borrowers fail to perform, observe or discharge any of their obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to the Lenders. Therefore, the Borrowers agree that the Lenders, at the Lenders' option, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

(b) The Administrative Agent, Lenders and the Borrowers (on behalf of themselves and each Subsidiary) hereby agree that no such Person shall have a remedy of special, indirect, consequential, punitive or exemplary damages against any other party to a Loan Document and each such Person hereby waives any right or claim to any special, indirect, consequential, punitive or exemplary damages that they may now have or may arise in the future in connection with any Dispute, whether such Dispute is resolved through arbitration or judicially.

(c) The parties agree that they shall not have a remedy of special, indirect, consequential, punitive or exemplary damages against any other party in any Dispute and hereby waive any right or claim to special, indirect, consequential, punitive or exemplary damages they have now or which may arise in the future in connection with any Dispute whether the Dispute is resolved by arbitration or judicially.

Section 13.9 Accounting Matters. All financial and accounting calculations, measurements and computations made for any purpose relating to this Agreement, including without limitation all computations utilized by any Borrower or any Subsidiary to determine compliance with any covenant contained herein, shall, except as otherwise expressly contemplated hereby or unless there is an express written direction by the Administrative Agent to the contrary agreed to by the Borrowers, be performed in accordance with GAAP as in effect on the Closing Date. In the event that changes in GAAP shall be mandated by the Financial Accounting Standards Board, or any similar accounting body of comparable standing, or shall be recommended by the Borrowers' certified public accountants, to the extent that such changes would modify such accounting terms or the interpretation or computation thereof, the Administrative Agent and the Borrower shall work in good faith to reach agreement on adjusted covenants and calculation methodologies; provided that such changes shall be followed in defining such accounting terms only from and after the date the Borrowers and the Lenders shall have amended this Agreement to the extent necessary to reflect any such changes in the financial covenants, test levels and other terms and conditions of this Agreement.

Section 13.10 Successors and Assigns; Participations.

(a) Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the Borrowers, the Administrative Agent and the Lenders, all future holders of the Notes, and their respective successors and assigns, except that the Borrowers shall not assign or transfer any of their rights or obligations under this Agreement or any other Loan Document without the prior written consent of each Lender.

(b) Assignments and Participations by the Lenders.

(i) Assignments by the Lenders. The Borrowers hereby acknowledge and agree that each Lender may at any time with the consent of the Borrowers (so long as no Default or Event of Default has occurred and is continuing) and the consent of the Administrative Agent, which consents shall not be unreasonably withheld, assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including without limitation all or a portion of the Extensions of Credit at the time owing to it and the Notes held by it); provided that no such assignment shall be made to the Borrowers or any of their Subsidiaries or Affiliates; provided further that (A) each such assignment shall be of a constant, and not a varying percentage, of all such assigning Lender's rights and obligations under this Agreement; (B) if less than all of the assigning Lender's Commitment is to be assigned, the Commitment so assigned shall not be less than \$5,000,000; (C) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording, an assignment agreement (an "Assignment Agreement") in the form of Exhibit G hereto, together with any Note or Notes subject to such assignment; (D) such assignment shall not, without the consent of the Borrowers, require the Borrowers to file a registration statement with the Securities and Exchange Commission or apply to or qualify the Loans or any Note under the blue sky laws of any state; (E) the assigning Lender shall pay to the Administrative Agent an assignment fee of \$3,500 upon the execution by such Lender of the Assignment Agreement; provided that no such fee shall be payable upon any assignment by a Lender to an Affiliate thereof; (F) the assignee thereunder shall be a party to this Agreement and, to the extent provided in such Assignment Agreement, have the rights and obligations of a Lender hereunder; (G) the assigning Lender thereunder shall, to the extent provided in such Assignment Agreement, be released from its obligations under this Agreement; and (H) upon receipt of an Assignment Agreement from an assigning Lender and an Eligible Assignee, the Administrative Agent shall promptly deliver a copy of such Assignment Agreement to the Borrowers. Within five (5) Business Days after receipt of notice, the Borrowers shall execute and deliver to the Lender, in exchange for the Note or Notes to be surrendered in the manner set forth below, a new Note or Notes payable to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it pursuant to such Assignment Agreement and a new Note payable to the order of the assigning Lender in an amount equal to the Commitment retained by it hereunder. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Note, shall be dated the effective date of such Assignment Agreement and shall otherwise be in substantially the form of the surrendered Note. Each surrendered Note shall be canceled and returned to the Borrowers concurrent with the Borrowers' delivery of the new Note or Notes. Notwithstanding anything to the contrary in this Section 13.10(b), no consent of the Borrowers shall be required for any Lender to assign all or a portion of its interests, rights and obligations under this Agreement to an Affiliate thereof.

(ii) Participations by the Lenders. The Borrowers hereby acknowledge and agree that each Lender may at any time grant participations in all or any portion the Commitment, the Loans, the Notes, the Extensions of Credit or of its right, title and interest therein or in or to this Agreement (collectively, "Participations") to any other lending office or to any other bank, lending institution or other entity which has the requisite sophistication to evaluate the merits and risks of investments in Participations ("Participants"); provided, however, that: (A) each such participation shall be in an amount not less than \$5,000,000; (B) all amounts payable by the Borrowers hereunder shall be determined as if Lenders had not granted such Participation; (C) such Lender's obligations under this Agreement (including without limitation its Commitment) shall remain unchanged; (D) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; (E) such Lender shall remain the holder of the Notes held by it for purposes of this Agreement; (F) the Borrowers,

the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (G) any agreement pursuant to which a Lender may grant a Participation (x) shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of Borrowers hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provisions of this Agreement, (y) such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement without the consent of the Participant if such modification, amendment or waiver would reduce the principal of or rate of interest on any Loan or postpone the date fixed for any payment of principal of or interest on any Loan, and (z) shall not relieve such Lender from its obligations, which shall remain absolute, to make Loans and to issue Letters of Credit hereunder. Each Lender that grants a Participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1 of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(iii) Right to Assign to Federal Reserve Bank. Notwithstanding anything herein to the contrary, Lenders may pledge or grant a security interest in any Note, right to payment or other benefit hereunder to any Federal Reserve Bank without the consent or any party, without notice to any party, and without payment of any fees in accordance with Applicable Law.

Section 13.11 Disclosure of Information; Confidentiality. Lenders shall hold all non-public information with respect to the Borrowers obtained pursuant to the Loan Documents in accordance with their customary procedures for handling confidential information; provided, that the Administrative Agent and Lenders may disclose any such information: (a) to the extent such disclosure is required by law or requested by any regulatory authority, or (b) in any suit, action or proceeding for the purpose of the Administrative Agent or any Lender defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies or interests under or in connection with any of the Loan Documents or any Hedging Agreement. Any Lender may, in connection with any assignment, proposed assignment, participation or proposed participation pursuant to Section 13.10 hereof, disclose to the assignee, participant, proposed assignee or proposed participant, any information relating to any Borrower, any Subsidiary or any Guarantor furnished to such Lender by or on behalf of the Borrowers, their Subsidiaries or the Guarantors; provided, that prior to any such disclosure, each such assignee, proposed assignee, participant or proposed participant shall agree with the Borrowers or such Lender to preserve the confidentiality of any confidential information relating to any Borrower, any Subsidiary or any Guarantor received from such Lender.

Section 13.12 Patriot Act Notice. To help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For purposes of this section, account shall be understood to include loan accounts.

Section 13.13 Amendments, Waivers and Consents. Except as set forth below, any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents (other than any Hedging Agreement, the terms and conditions of which may be amended, modified or waived by the parties thereto) may be amended or waived by the Lenders, and any consent given by the Lenders, if, but only if, such amendment, waiver or consent is in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and delivered to the Administrative Agent and, in the case of an amendment, signed by the Borrowers; provided, that no amendment, waiver or consent shall: (a) increase the amount or extend the time of the obligation of the Lenders to make Loans or issue or participate in Letters of Credit (including without limitation pursuant to Section 3.7 hereof), (b) extend the originally scheduled time or times of payment of the principal of any Loan or Reimbursement Obligation or the time or times of payment of interest on any Loan or Reimbursement Obligation, (c) reduce the rate of interest or fees payable on any Loan or Reimbursement Obligation, (d) reduce the principal amount of any Loan or Reimbursement Obligation, (e) permit any subordination of the principal or interest on any Loan or Reimbursement Obligation, (f) permit any assignment (other than as specifically permitted or contemplated in this Agreement) of any of the Borrowers' rights and obligations hereunder, (g) release any Guarantor, (h) consent to a replacement bank or agree to reduce the Aggregate Commitment in connection with the replacement of a Defaulting Lender under Section 4.6(d) hereof or (i) amend the provisions of this Section 13.13 or the definition of Required Lenders, without the prior written consent of each Lender. In addition, no amendment, waiver or consent to the provisions of (a) Article XIII hereof shall be made without the written consent of the Administrative Agent and (b) Article III hereof without the written consent of the Issuing Lender.

Section 13.14 Agreement Controls. In the event there is a conflict or inconsistency between this Agreement and any other Loan Document, the terms of this Agreement shall control; provided, that any provision of the Guaranty Agreement which imposes additional burdens on any Borrower or any Subsidiary or further restricts the rights of any Borrower or any Subsidiary or gives the Administrative Agent or the Lenders additional rights shall not be deemed to be in conflict or inconsistent with this Agreement and shall be given full force and effect.

Section 13.15 Covenants Independent. The Borrowers expressly acknowledge and agree that each covenant contained in Article VIII, Article IX or Article X hereof shall be given independent effect. Accordingly, the Borrowers shall not engage in any transaction or other act otherwise permitted under any covenant contained in Article VIII, Article IX or Article X hereof if, before or after giving effect to such transaction or act, the Borrowers shall or would be in breach of any other covenant contained in Article VIII, Article IX or Article X hereof.

Section 13.16 Survival. Notwithstanding any termination of this Agreement, the indemnities to which the Administrative Agent and the Lenders are entitled under the provisions of this Article XIII and any other provision of this Agreement and the Loan Documents shall continue in full force and effect and shall protect the Administrative Agent and the Lenders against events arising after such termination as well as before.

Section 13.17 Counterparts. This Agreement may be executed in any number of counterparts, by facsimile and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and shall be binding upon all parties, their successors and assigns, and all of which taken together shall constitute one and the same agreement.

Section 13.18 Headings. Titles and captions of Articles, Sections and subsections in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

Section 13.19 Severability. Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 13.20 Entirety. This Agreement together with the other Loan Documents represents the entire agreement of the parties hereto and thereto, and supersedes all prior agreements and understandings, oral and written, if any, including any commitment letters or correspondence relating to the Loan Documents or the transactions contemplated herein or therein, except those obligations which survive under the commitment letter between the Borrowers and the Administrative Agent dated March 30, 2001.

Section 13.21 Termination. This Agreement shall remain in effect from the Closing Date through and including the date upon which all Obligations shall have been indefeasibly and irrevocably paid and satisfied in full. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination.

Section 13.22 Payment of Borrowers' Obligations. The Borrowers' Obligations under this Agreement and each of the Loan Documents shall be performed by the Borrowers at their sole cost and expense.

Section 13.23 Powers of Attorney and Authorizations Irrevocable. All powers of attorney and other authorizations granted to the Administrative Agent, the Lenders and any Persons designated by the Administrative Agent or any Lender pursuant to any provisions of this Agreement or any of the other Loan Documents shall be deemed coupled with an interest and shall be irrevocable so long as any of the Obligations remain unpaid or unsatisfied or the Aggregate Commitment has not been terminated.

Section 13.24 Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders and the amount of the Extensions of Credit with respect to each Lender from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrowers, the Administrative Agent and the Lenders may treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers or any Lender (but only to the extent of entries in the Register that are applicable to such Lender) at any reasonable time and from time to time upon reasonable prior notice.

Section 13.25 Judgment Currency.

(a) The Borrowers' obligations under this Agreement to make payments in Dollars (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Lenders of the full amount of the Obligation Currency expressed to be payable to the Lenders under this Agreement. If for the purpose of obtaining or enforcing judgment against any Borrowers in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made at the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in

such currency designated by the Administrative Agent) determined, in each case, as of the day immediately preceding the day on which the judgment is given (such business day being hereinafter referred to as the “Judgment Currency Conversion Date”).

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Borrowers covenant and agree to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining any rate of exchange for this Section 13.25, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

Section 13.26 Effect on Existing Credit Agreement. This Agreement amends and restates the Existing Credit Agreement and is not intended to constitute a novation of Borrowers’ obligations thereunder, and shall not cause a payment and reborrowing, or termination of any of the indebtedness or obligations of the Borrowers under the Existing Credit Agreement or other loan documents executed in connection therewith (collectively, the “Existing Loan Documents”), nor shall it extinguish, discharge, terminate or impair Borrowers’ indebtedness or obligations or the Administrative Agent’s or any Lender’s rights or remedies under the Existing Credit Agreement and the other Existing Loan Documents; provided that all such indebtedness, obligations, rights and remedies shall be on the terms and conditions of, and as set forth in, this Agreement, the Notes and the other Loan Documents.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers, all as of the day and year first written above.

Borrowers:

[CORPORATE SEAL]

URBAN OUTFITTERS, INC.

By: /s/ Frank Conforti

Name: Frank Conforti

Title: Chief Financial Officer

[CORPORATE SEAL]

UO FENWICK, INC.

By: /s/ Frank Conforti

Name: Frank Conforti

Title: Chief Financial Officer

[CORPORATE SEAL]

URBAN OUTFITTERS WHOLESALE, INC.

By: /s/ Frank Conforti

Name: Frank Conforti

Title: Chief Financial Officer

[CORPORATE SEAL]

HK SOURCING LIMITED

By: /s/ Francis John Conforti

Name: Francis John Conforti

Title: Director

[CORPORATE SEAL]

URBN UK LIMITED

By: /s/ Francis J. Conforti

Name: Francis J. Conforti

Title: Director

Lender:

WELLS FARGO BANK, NATIONAL ASSOCIATION
(successor by merger to Wachovia Bank, National
Association), as a Lender, Issuing Lender and as
Administrative Agent

By: /s/ Stephen T. Dorosh

Name: Stephen T. Dorosh

Title: Senior Vice President

Schedule 1

Subsidiaries that are Borrowers

UO Fenwick, Inc. – a Delaware Corporation

URBN UK Limited – a company formed under the laws of England and Wales

HK Sourcing Limited – a limited liability company incorporated in Hong Kong

Urban Outfitters Wholesale, Inc. – a Pennsylvania Corporation

Schedule 2

Lenders and Commitments

Lender	Commitment
Wells Fargo Bank, National Association 123 South Broad Street, 14 th Floor (PA1202) Philadelphia, PA 19109 Attention: Stephen T. Dorosh, Senior Vice President Telephone No.: (215) 670-6577 Telecopy No.: (215) 670-6543	\$ 175,000,000

Schedule 3

Guarantors

Anthropologie, Inc. – a Pennsylvania Corporation

Free People of PA LLC – a Pennsylvania Limited Liability Company

U.O. Real Estate LLC – a Pennsylvania Limited Liability Company

UO US LLC – a Delaware Limited Liability Company

Urban Outfitters West LLC – a California Limited Liability Company

URBN Holding, Inc. – a Delaware corporation

Schedule 6.1 (a)

Jurisdictions of Organization and Qualification

Urban Outfitters, Inc.

Organized in: Pennsylvania

Qualifications: AL, AZ, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, NC, NC, NJ, NM, NV, NY, OH, OR, RI, SC, TN, TX, UT, VA, WA, WI

Anthropologie, Inc.

Organized in: Pennsylvania

Qualifications: AL, AR, AZ, CA, CO, CT, DE, FL, GA, ID, IL, IN, KS, KY, LA, MA, MD, MI, MN, MO, MS, NC, NC, NE, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, VT, WA, WI

Free People of PA LLC

Organized in: Pennsylvania

Qualifications: AL, AZ, CA, CO, CT, FL, GA, ID, IL, IN, LA, MA, MD, MI, MN, MO, MS, NC, NC, NJ, NV, NY, OH, OR, TN, TX, UT, VA, WA

Urban Outfitters West LLC

Organized in: California

Qualifications: PA

Urban Outfitters Wholesale, Inc.

Organized in: Pennsylvania

Qualifications: CA, IL, NY, SC

UO Fenwick, Inc.

Organized in: Delaware

Qualifications: none

URBN Holding, Inc.

Organized in: Delaware

Qualifications: none

Jurisdictions of Organization and Qualification

(continued)

UO US LLC

Organized in: Delaware

Qualifications: none

HK Sourcing Limited

Organized in: Delaware

Qualifications: none

URBN UK Limited

Organized in: England and Wales

Qualifications: none

U.O. Real Estate LLC

Organized in: Pennsylvania

Qualifications: none

Schedule 6.1 (b)

Subsidiaries and Capitalization

<u>Corporation</u>	<u>Wholly Owned by</u>	<u>Number of Shares</u>	<u>Par Value per Share</u>
Urban Outfitters, Inc.	n/a	147,309,575	\$ 0.0001
Anthropologie, Inc.	Urban Outfitters, Inc.	1	\$ 0.01
Urban Outfitters Wholesale, Inc.	Anthropologie, Inc.	1,000	\$ 0.10
URBN UK Limited	UO Netherlands BV	30,185,058	£ 1.00
UO Fenwick, Inc.	Urban Outfitters Wholesale, Inc.	1,000	\$ 1.00
URBN Holding, Inc.	Urban Outfitters, Inc.	100	\$ 0.01
HK Sourcing Limited	UO Bermuda Ltd	100	HK\$ 1.00
UO Bermuda Limited	URBN NL Holding CV (95% ownership)	9,500	\$ 0.01
URBN Bermuda Holding Ltd	URBN NL Holding CV	1	\$ 0.01
<u>Limited Liability Company</u>	<u>Member Corporation</u>	<u>Ownership %</u>	
Urban Outfitters West, LLC	Urban Outfitters Wholesale, Inc.	100.0%	
Free People of PA, LLC	Urban Outfitters Wholesale, Inc.	100.0%	
UO US LLC	URBN Holding, Inc.	100.0%	
UO Real Estate Holding I, LLC	Urban Outfitters, Inc.	100.0%	
UO Real Estate Holding II, LLC	UO Real Estate Holding I, LLC	100.0%	
UO Real Estate, LLC	UO Real Estate Holding II, LLC	100.0%	
<u>Partnership</u>	<u>Partners</u>	<u>Partnership %</u>	
URBN NL Holding, C.V.	UO Fenwick, Inc.	10.0%	
	URBN Holding, Inc.	90.0%	

Schedule 6.1 (i)

ERISA Plans

<u>Plan</u>	<u>Plan Number</u>
Urban Outfitters, Inc. Welfare Benefit Plan	501
Urban Outfitters Inc. 401(K) Savings Plan	
Urban Outfitters, Inc. Nonqualified Deferred Compensation Plan	

Schedule 6.1 (I)

Material Contracts

Contract

Value

Contract dated October 1, 2013
Between Urban Outfitters, Inc. and
Center Vanderland Industries, Inc.
(Wholesale Material Handling
System – Distribution Center)

\$24,700,000.00

Schedule 6.1 (m)

Labor and Collective Bargaining Agreements

None.

Schedule 6.1 (t)

Debt and Guaranty Obligations

None.

Schedule 6.1 (u)

Litigation

None.

Schedule 10.3

Existing Liens

None.

Schedule 10.4 (a)

Existing Loans, Advances and Investments

None.

Schedule 10.4 (b)

Investment Policies and Guidelines

UO FENWICK, INC.

Investment Guidelines

Effective: July 1, 2013

Investment Goals and Objectives

The specific objectives of the investment strategy in order of priority are as follows:

1. Preservation of principal/capital
2. Maintenance of liquidity requirements
3. Optimum after-tax return on investment, see benchmark.

Benchmark

BofA Merrill Lynch 9-12 month U.S. Treasury Notes & Bonds Index

Investment Authorization

The following Urban Outfitters personnel individually are designated and each has the authority to initiate and direct investment transactions for UO Fenwick, Inc. (the "Client"), which conform to the parameters of this policy (the "Policy") :

Chief Financial Officer

Global Controller

Treasury Director

Additionally, the professional investment managers are granted full discretion to buy, sell, invest and reinvest a portion of the UO Fenwick, Inc.'s assets consistent with this Policy. The investment managers have been chosen in part because of their particular investment strategy and emphasis. The investment manager has advised Client that the following investment guidelines will not require the investment manager to deviate from that particular strategy and emphasis.

Eligible Investments

Investments may be made only in the following instruments:

- U.S. Treasury obligations
- Government Sponsored Entity (GSE) securities which are (implicitly) guaranteed by the Federal Government
- FDIC Temporary Liquidity Guarantee Program (TLGP) investments (when available)
- Certificates of Deposit (Domestic, Eurodollar, and Yankee), Eurodollar Time Deposits, Time Deposits, Deposit Notes and Bank Notes
- Pre-Refunded tax-exempt municipal bonds
 - Pre-refunded escrow must be irrevocable by the bond issuer
 - Escrow trustee and must collateralize 100% of the purchase price of the bond
- Money market funds with assets of greater than \$1 Billion
 - Must provide for same day settlement
 - Must seek to maintain \$1.00 Net Asset Value
 - Must be SEC registered and 2a-7 eligible
- Taxable and tax-exempt municipal bonds rated A3/A- (or the equivalent) or better
- Corporate Bonds rated A3/A- (or the equivalent) or better
- Commercial Paper (excluding Asset-Backed Commercial Paper)
- Debt obligations of, and issues guaranteed by, foreign governments and their regional authorities and supra-national organizations.

Credit Quality

- The minimum average credit quality of the portfolio will be at least AA- or the equivalent.
- Securities must be rated by at least two nationally recognized statistical rating organizations (NRSRO), such as Moody's, S&P and Fitch.
- Purchases are limited to issues with minimum short-term ratings of A-1, P-1 or F1 (or the equivalent) or minimum long-term ratings of A3 or A- (or the equivalent) at the time of purchase, as rated by any two NRSROs, such as S&P, Moody's, or Fitch. For split rated securities, the lowest rating shall prevail.
- Pre-refunded municipal securities, escrowed in government securities that have not been re-rated are exempt from the minimum ratings stated above.

Maturity and Duration

- Assets may be invested in securities with a maximum maturity of 3 years from settlement date.
- The portfolio will be managed to have a targeted duration within a band of +/-0.50 year around the duration of the benchmark.

Investment/Portfolio Restrictions

- Investments will be made in U.S. dollars only.
- No more than \$400 million may be held for investment with any one professional investment manager.
- With the exception of US Treasury and GSE securities and money market funds, at time of purchase, no one issuer will represent more than 2% of the total professional investment manager's account.
- With the exception of US Treasury and US Agency GSEs, Commercial Paper, Certificates of Deposit, Time Deposits and Money Market Mutual Funds, no one security will represent more than 10% of the total issue size outstanding at the time of purchase.
- Net realized loss limit of 0.01% of portfolio fair market value per quarter. Once the limit is reached all proposed trades in excess of this limit must be approved by Client prior to execution. Portfolio fair market value will be the fair market value of the portfolio as of the prior quarter ending date.
- Asset-backed securities and mortgage backed securities are prohibited.
- Derivatives are prohibited.
- The investment manager does not have authority to borrow on behalf of UO Fenwick, Inc.

Reporting

Reports shall be FASB compliant and available no later than business day two (2) of the month subsequent to the reporting period. Reports must contain detail of all assets held during the period and their respective activity during that time period.

Compliance and Investment Review

If necessary, Client's Board of Directors will meet with each professional investment manager as needed.

The investment manager will certify quarterly, in writing, to Client that the operation of its account has been in compliance with this Policy and all specific guidelines set forth herein. (Certification attached to the Policy as Appendix B) In the event a manager is out of compliance, at any time, through inadvertence or otherwise, the manager will notify Client within a reasonable period of time, no longer than 3 business days in writing and take remedial action based on discussions with Client. Any trade or transaction which is not in compliance with this Policy at time of purchase must be reversed by the manager. The investment manager will be responsible to return to Client all funds invested in the particular trade or transaction plus, if applicable, all interest or monies earned.

After transactions have been placed, all investment managers will notify Client promptly of any downgrades in rating not in compliance with the investment guidelines and will provide Client's authorized officer(s) with a recommended course of action within a reasonable period of time under the circumstances, which may include selling the security.

Other

This Policy will be reviewed periodically by Client's Boards of Directors and revised or confirmed as appropriate.

By initial and continuing acceptance of this Policy and all related specific guidelines, the investment manager concurs with the provisions contained herein. The manager is encouraged to recommend changes to the investment guidelines which may improve performance of the portfolio or make adjustments based on market trends and/or market risk as appropriate. If at any time the manager believes the objectives cannot be met due to the provisions of the investment guidelines or for any other reason, Client's Board of Directors must be notified in writing.

The investment manager, will, on at least an annual basis, provide UO Fenwick, Inc. with written certification that:

- it has controls related to its discretionary investment management business that it believes are appropriate to achieve various control objectives, including that its current systems and related processes produce accurate financial information and data;
- its current controls are tested by an outside third party; and
- the investment manager has a disaster recovery system in place, which is functioning properly so as to protect Client's assets and related data.

The investment manager will, on at least an annual basis, provide Client with a copy of the then current SAS 70 Reports for Bank of America Advisors, LLC, and the custody operations business unit of Bank of America, N.A. (including the report of the independent auditors or accountants). The investment manager will promptly notify Client if the independent report of any such SAS 70 Report contains any qualifications.

In addition, the investment manager will maintain appropriate insurance coverages to protect the investment manager from loss of UO Fenwick, Inc.'s assets held by the investment manager for any purpose or in any capacity or for which the investment manager is legally liable and will provide, as required, memorandums of insurance detailing the amounts of these insurance coverages currently in place.

APPENDIX B - Quarterly Compliance Statement

To: UO Fenwick, Inc.

Date (Input Current Date)

We (Input your Investment Firm Name), certify that during the fiscal quarter of (Input Period Covered), we have been in compliance with the UO Fenwick, Inc. Investment Policy. (If there were exceptions during the quarter please list each exception and the time UO Fenwick, Inc. was notified of such exceptions.

(Input Managers Signature) _____

(Input Printed Managers Name)

(Input Printed Firm Name)

EXHIBIT A

FORM OF NOTE

\$175,000,000

_____, 20__

FOR VALUE RECEIVED, the undersigned, URBAN OUTFITTERS, INC., a corporation organized under the laws of Pennsylvania (“Urban”), and each Subsidiary of Urban listed on Schedule 1 to the Credit Agreement referred to below (Urban and each such Subsidiary, each a “Borrower” and collectively, the “Borrowers”), jointly and severally, promise to pay to Wells Fargo Bank, National Association (the “Lender”) and its assigns, at the office of the Administrative Agent at the times provided in the Credit Agreement referred to below, the principal sum of One Hundred Seventy Five Million Dollars (\$175,000,000) or, if less, the principal amount of all Loans made by the Lender from time to time pursuant to that certain Second Amended and Restated Credit Agreement dated March 27, 2014 (as may be amended, restated or otherwise modified from time to time, the “Credit Agreement”) by and among the Borrowers, the Lender, the other lenders referred to therein, and Wells Fargo Bank, National Association, as Administrative Agent, together with interest thereon at the times and in the manner provided in the Credit Agreement. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

The unpaid principal amount of this Seventh Amended and Restated Note (“Seventh Amended and Restated Note”) from time to time outstanding is subject to repayment from time to time as provided in the Credit Agreement and shall bear interest as provided in Section 4.1 of the Credit Agreement. All payments of principal and interest on this Seventh Amended and Restated Note shall be payable in lawful currency of the United States of America in immediately available funds to the account designated in the Credit Agreement.

This Seventh Amended and Restated Note is entitled to the benefits of, and evidences Obligations incurred wider, the Credit Agreement, to which reference is made for a description of the collateral for this Seventh Amended and Restated Note, if any, and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the Obligations evidenced by this Seventh Amended and Restated Note and on which such Obligations may be declared to be immediately due and payable.

This Seventh Amended and Restated Note evidences and constitutes the restatement, renewal and modification of that certain Sixth Amended and Restated Note dated June 14, 2012 (the “Existing Note”), which, in turn, amended and restated that certain Fifth Amended and Restated Note, dated May 27, 2010 (the “2010 Note”), which, in turn, amended and restated that certain Fourth Amended and Restated Note, dated September 21, 2009 (the “2009 Note”), which, in turn, amended and restated that certain Third Amended and Restated

Note, dated December 10, 2007 (the "2007 Note"), which, in turn, amended and restated that certain Second Amended and Restated Note, dated May 31, 2007 (the "May 2007 Note"), which, in turn, amended and restated that certain Amended and Restated Note, dated May 16, 2005 (the "2005 Note"), which, in turn, amended and restated that certain Note, dated September 23, 2004, from the Borrowers to Wachovia Bank, NA, in the original principal amount of \$42,500,000 (the "Amended and Restated Note"), which, in turn, amended and restated that certain Note, dated September 23, 2004, from the Borrowers to the Wachovia Bank NA, in the original principal amount of \$35,000,000, issued pursuant to that certain Existing Credit Agreement (the "Prior Note"). Such Prior Note constituted the restatement, renewal and modification of that certain Promissory Note dated September 12, 2001 from the Borrowers to Wachovia Bank, NA, in the original principal amount of \$25,000,000 issued pursuant to the Existing Credit Agreement and the amendments thereto (as amended and/or restated from time to time prior to the date hereof, the "Original Note" and together with the Existing Note, the 2010 Note, the 2009 Note, the 2007 Note, the May 2007 Note, the 2005 Note, the Amended and Restated Note and the Prior Note, the "Existing Notes"). The execution and delivery of this Seventh Amended and Restated Note shall not in any circumstances be deemed to have terminated, extinguished, released or discharged the Borrowers' indebtedness under the Existing Notes, which indebtedness shall continue under and be governed by this Seventh Amended and Restated Note and the Second Amended and Restated Credit Agreement. This Seventh Amended and Restated Note shall, for all purposes, be deemed the "Note" in connection with any of the documents executed and delivered in connection with or pursuant to the Existing Note.

THIS AMENDED AND RESTATED NOTE SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT REFERENCE TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

The Borrowers hereby waive all requirements as to diligence, presentment, demand of payment, protest and (except as required by the Second Amended and Restated Credit Agreement) notice of any kind with respect to this Seventh Amended and Restated Note.

[remainder of the page left intentionally blank]

IN WITNESS WHEREOF, the undersigned have executed this Seventh Amended and Restated Note under seal as of the day and year first written above.

[CORPORATE SEAL]

URBAN OUTFITTERS, INC.,
as a Borrower

By: _____
Name:
Title:

[CORPORATE SEAL]

UO FENWICK, INC.,
as a Borrower

By: _____
Name:
Title:

[CORPORATE SEAL]

URBAN OUTFITTERS WHOLESALE, INC.
as a Borrower

By: _____
Name:
Title:

[CORPORATE SEAL]

HK SOURCING LIMITED
as a Borrower

By: _____
Name:
Title:

[CORPORATE SEAL]

URBN UK LIMITED
as a Borrower

By: _____
Name:
Title:

[Seventh Amended and Restated Note]

EXHIBIT B

FORM OF NOTICE OF BORROWING

Dated:

Wells Fargo Bank, N.A.
Administrative Agent
123 South Broad Street
17th Floor (Y1379-171)
Philadelphia, PA 19107

Phone: 302
Fax: 302-
Attention:

Ladies and Gentlemen:

This irrevocable Notice of Borrowing is delivered to you under Section 2.2(a) of that certain Second Amended and Restated Credit Agreement dated March 27, 2014 (as may be amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among URBAN OUTFITTERS, INC., a corporation organized under the laws of Pennsylvania ("Urban"), and each Subsidiary of Urban set forth on Schedule 1 to the Credit Agreement (Urban and each such Subsidiary, each a "Borrower" and collectively, the "Borrowers"), the Lenders referred to therein and Wells Fargo Bank, National Association, as Administrative Agent.

1. The Borrowers hereby request that the Lenders make [a Loan] [Loans] to the Borrowers in the aggregate principal amount of \$ £[] []. (Complete with an amount in accordance with Section 2.2(a) of the Credit Agreement.)

2. The Borrowers hereby request that such Loan[s] be made on the following Business Day[s]: . (Complete with a Business Day in accordance with Section 2.2(a) of the Credit Agreement.)

3. The Borrowers hereby request that such Loan[s] bear interest in accordance with Section 4.1(a) of the Credit Agreement as [Base Rate Loans, LIBOR Rate Loans, Eurocurrency Loans or LIBO Market Index Rate Loans, or a combination thereof], as set forth below:

<u>Component of Loan[s]</u>	<u>Interest Rate</u>	<u>Interest Period (LIBOR Rate Loans and Eurocurrency Loans Only)</u>	<u>Expiration date for Interest Period (if applicable)</u>
	[Base Rate]		
	[Daily One Month LIBOR plus Applicable Margin]		
	[LIBOR Rate plus Applicable Margin]		
	[Eurocurrency Rate plus Applicable Margin]		

4. The principal amount of all Loans and L/C Obligations outstanding as of the date hereof (including the requested Loan[s]) does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the Credit Agreement.

5. All of the conditions applicable to the Loan[s] requested herein as set forth in the Credit Agreement have been satisfied on the date hereof and will remain satisfied to the date[s] of such Loan[s].

6. The representations and warranties contained in Article VI of the Credit Agreement are true and correct on the date of this Notice of Borrowing with the same effect as if made on and as of such date; except for any representation and warranty made as of an earlier date, which representation and warranty remains true and correct as of such earlier date.

7. No Default or Event of Default has occurred or is continuing under the Credit Agreement on the borrowing date with respect to such Loan[s] or after giving effect to the Loan[s] to be made on such date.

8. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Notice of Borrowing on behalf of the Borrowers this day of , 20 .

URBAN OUTFITTERS, INC.,
for itself as a Borrower and for each other
Borrower

By: _____
Name:
Title:

EXHIBIT C

FORM OF NOTICE OF ACCOUNT DESIGNATION

Dated:

Wells Fargo Bank, N.A., as
Administrative Agent
123 South Broad Street
17th Floor (Y1379-171)
Philadelphia, PA 19109
Phone: 302-765-5525
Fax: 302-765-5518
Attention: Stephen Dorosh

Ladies and Gentlemen:

This Notice of Account Designation is delivered to you under Section 2.2(c) of that certain Second Amended and Restated Credit Agreement dated March 27, 2014 (as may be amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among URBAN OUTFITTERS, INC., a corporation organized under the laws of Pennsylvania ("Urban"), and each Subsidiary of Urban set forth on Schedule 1 to the Credit Agreement (Urban and each such Subsidiary, each a "Borrower" and collectively, the "Borrowers"), the Lenders referred to therein and Wells Fargo Bank, N.A. as Administrative Agent.

1. The Administrative Agent is hereby authorized to disburse all Loan proceeds into the following account(s):

ABA Routing Number: _____
Account Number: _____

ABA Routing Number: _____
Account Number: _____

ABA Routing Number: _____
Account Number: _____

2. This authorization shall remain in effect until revoked or until a subsequent Notice of Account Designation is provided to the Administrative Agent.

3. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Notice of Account Designation this day of , 20 .

URBAN OUTFITTERS, INC.,
for itself as a Borrower and for each other Borrower

By:

Name:
Title:

EXHIBIT D

FORM OF NOTICE OF CONVERSION/CONTINUATION

Dated:

Wells Fargo Bank, N.A., as
Administrative Agent
123 South Broad Street
17th Floor (Y1379-171)
Philadelphia, PA 19109
Phone: 302-765-5525
Fax: 302-765-5518
Attention: Stephen Dorosh

Ladies and Gentlemen:

This irrevocable Notice of Conversion/Continuation (the "Notice") is delivered to you under Section 4.2 of that certain Second Amended and Restated Credit Agreement dated March 27, 2014 (as may be amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among URBAN OUTFITTERS, INC., a corporation organized under the laws of Pennsylvania ("Urban"), and each Subsidiary of Urban set forth on Schedule 1 to the Credit Agreement (Urban and each such Subsidiary, each a "Borrower" and collectively, the "Borrowers"), the Lenders referred to therein and Wells Fargo Bank, N.A., as Administrative Agent.

1. This Notice is submitted for the purpose of (Check one and complete applicable information in accordance with the Credit Agreement.)

(a) Converting all or part of a Base Rate Loan into a LIBOR Rate Loan.

- (i) The aggregate outstanding principal balance of all Base Rate Loans is \$
- (ii) The principal amount of such Loan to be converted is \$
- (iii) The requested effective date of the conversion of such Loan is .
- (iv) The requested Interest Period applicable to the converted Loan is .

(b) Converting all or part of a Daily One Month LIBOR Loans into a LIBOR Rate Loan.

-
- (i) The aggregate outstanding principal balance of all One Month LIBOR Rate Loans is \$.
 - (ii) The principal amount of such Loan to be converted is \$.
 - (iii) The requested effective date of the conversion of such Loan is .
 - (iv) The requested Interest Period applicable to the converted Loan is .
- (c) Converting all or part of LIBOR Rate Loans into a Base Rate Loan.**
- (i) The aggregate outstanding principal balance of all LIBOR Rate Loans is \$.
 - (ii) The principal amount of such Loan to be converted is \$.
 - (iii) The requested effective date of the conversion of such Loan is .
 - (iv) The requested Interest Period applicable to the converted Loan is .
- (d) Converting all or part of a LIBOR Rate Loan into a Daily One Month LIBOR Rate Loan.**
- (i) The aggregate outstanding principal balance of all LIBOR Rate Loans is \$.
 - (ii) The principal amount of such Loan to be converted is .
 - (iii) The requested effective date of the conversion of such Loan is .
 - (iv) The requested Interest Period applicable to the converted Loan is .
- (e) Continuing all or a part of a LIBOR Rate Loan as a LIBOR Rate Loan or all or part of a Eurocurrency Loan as a Eurocurrency Loan.**
- (i) The aggregate outstanding principal balance of all LIBOR Rate Loans is \$.

-
- (ii) The principal amount of such Loan to be continued is \$.
 - (iii) The last day of the current Interest Period for such Loan is .
 - (iv) The requested effective date of the continuation of such Loan is .
 - (v) The requested Interest Period applicable to the continued Loan is

2. The principal amount of all Loans and L/C Obligations outstanding as of the date hereof does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the Credit Agreement.

3. All of the conditions applicable to the conversion or continuation of the Loan[s] requested herein as set forth in the Credit Agreement have been satisfied or waived as of the date hereof and will remain satisfied or waived to the date of conversion or continuation of such Loan[s].

4. The representations and warranties contained in Article VI of the Credit Agreement are true and correct on the date of this Notice of Conversion/Continuation with the same effect as if made on and as of such date; except for any representation and warranty made as of an earlier date, which representation and warranty shall remain true and correct as of such earlier date.

5. No Default or Event of Default has occurred or is continuing under the Credit Agreement on the borrowing date with respect to such Loan[s] or after giving effect to the Loan[s] to be converted or continued on such date.

6. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Notice of Conversion/Continuation this day of , 20 .

URBAN OUTFITTERS, INC.,
for itself as a Borrower and for each other Borrower

By: _____
Name:
Title:

EXHIBIT E

FORM OF OFFICER'S COMPLIANCE CERTIFICATE

The undersigned, on behalf of URBAN OUTFITTERS, INC., a corporation organized under the laws of Pennsylvania ("Urban"), and each Subsidiary of Urban set forth on Schedule 1 to the Credit Agreement referred to below (Urban and each such Subsidiary, each a "Borrower" and collectively, the "Borrowers"), hereby certifies to the Administrative Agent and the Lenders referred to below, as follows:

1. This Certificate is delivered to you pursuant to Section 7.2 of that certain Second Amended and Restated Credit Agreement dated March 27, 2014 (as may be amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrowers, the Lenders referred to therein and Wells Fargo Bank, N.A., as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

2. I have reviewed the financial statements of Urban and its Consolidated Subsidiaries dated as of _____ and for the _____ period's then ended and such statements fairly present in all material respects the financial condition of Urban and its Consolidated Subsidiaries as of the dates indicated and the results of their operations and cash flows for the period[s] indicated.

3. I have reviewed the terms of the Credit Agreement and the other Loan Documents, and I have made, or caused to be made under my supervision, a review in reasonable detail of the transactions and the condition of Urban and its Consolidated Subsidiaries during the accounting period covered by the financial statements referred to in Paragraph 2 above. Such review has not disclosed the existence during or at the end of such accounting period of any condition or event that constitutes a Default or an Event of Default, nor do I have any knowledge of the existence of any such condition or event as at the date of this Officer's Compliance Certificate [except, if such condition or event existed or exists, describe the nature and period of existence thereof and what action the Borrowers have taken, are taking and propose to take with respect thereto].

4. Urban and its Consolidated Subsidiaries are in compliance with the financial covenants contained in Article IX of the Credit Agreement as shown on Schedule 1 hereto and the Borrowers, their Subsidiaries and the Guarantors are in compliance with each of the other covenants and restrictions contained in the Credit Agreement and the other Loan Documents.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Officer's Compliance Certificate as of the day of , 20 .

URBAN OUTFITTERS, INC.,
for itself as a Borrower and for each other Borrower

By: _____
Name:
Title: [Chief Financial Officer] [Treasurer]

Schedule 1
to
Officer's Compliance Certificate

I. Fixed Charge Coverage Ratio (Section 9.1 of the Credit Agreement)

A. EBITDAR for the most recently ended Rolling Period:

(i)	net income	\$
(ii)	Interest Expense (to the extent deducted in determining net income)	\$
(iii)	taxes (to the extent deducted in determining net income)	\$
(iv)	depreciation expense (to the extent deducted in determining net income)	\$
(v)	amortization expense (to the extent deducted in determining net income)	\$
(vi)	Rents (determined on a cash basis)	\$
	<i>(A = the sum of (i) through (vi) above)</i>	\$

B. Fixed Charges for the most recently ended Rolling Period:

(i)	Interest Expense	\$
(ii)	Rents	\$
	<i>(B = the sum of (i) through (ii) above)</i>	\$

Fixed Charge Coverage Ratio (the ratio of A divided by B): to 1.0

Covenant: Fixed Charge Coverage Ratio must not be less than 2.0 to 1.0.

Compliance? YES NO

II. Adjusted Debt to EBITDAR Ratio (Section 9.2 of the Credit Agreement)

A. Adjusted Debt for the most recently ended Rolling Period

(i)	Rents	\$	x8 =	\$
(ii)	Funded Debt—principal amount of all Debt for:	\$		
(a)	borrowed money (including the face amount of Letters of Credit, whether or not drawn)			\$
(b)	installment purchases of real or personal property			\$
(c)	principal portion of obligations owing under Capital Leases			\$
(d)	“synthetic leases” and other similar lease arrangements			\$
(e)	guaranties of Funded Debt of others, without duplication			\$
	<i>(A = the sum of (1) plus (ii)(a) through (ii)(e) above)</i>			\$

B. EBITDAR for the most recently ended Rolling Period

	<i>Amount from Section I.A. of this Schedule 1</i>			\$
--	--	--	--	----

Adjusted Debt to EBITDAR Ratio (the ratio of A divided by B): to 1.00

Covenant: Adjusted Debt to EBITDAR Ratio must not be greater than 4.00 to 1.00.

Compliance? YES NO

EXHIBIT F

FORM OF TERMINATION DATE EXTENSION REQUEST

Dated:

Wells Fargo Bank, N.A., as
Administrative Agent
123 South Broad Street
17th Floor (Y1379-171)
Philadelphia, PA 19109
Phone: 302-765-5525
Fax: 302-765-5518
Attention: Stephen Dorosh

Ladies and Gentlemen:

This Termination Date Extension Request (this "Request") is delivered to you under Section 2.6(a) of that certain Second Amended and Restated Credit Agreement dated March 27, 2014 (as may be amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among URBAN OUTFITTERS, INC., a corporation organized under the laws of Pennsylvania ("Urban"), and each Subsidiary of Urban set forth on Schedule 1 to the Credit Agreement (Urban and each such Subsidiary, each a "Borrower" and collectively, the "Borrowers"), the Lenders referred to therein and Wells Fargo Bank, N.A., as Administrative Agent.

1. This Request is being submitted by the Borrowers to the Administrative Agent days prior to the Termination Date. (Complete with an amount which is not less than forty-five (45) days and not more than one hundred fifty (150) days prior to the Termination Date).

2. The Borrowers hereby request that the each Lender extend the respective Termination Date of their Commitment by an additional three hundred sixty-four (364) day term.

3. Attached hereto are the annual business plan and financial projections for the ensuing six (6) fiscal quarters which are required to be delivered by the Borrowers under Section 7.1(c) of the Credit Agreement, along with a certificate of a Responsible Officer of Urban certifying that, to the best of such Responsible Officer's knowledge, such financial projections are good faith estimates of the financial condition and operations of Urban and its Consolidated Subsidiaries for such six (6) fiscal quarter period.

4. The Borrowers hereby expressly acknowledge and agree that each Lender, in its sole discretion, may agree or decline to grant this Request and that such Request may be agreed to by such Lender subject to such additional terms and conditions under the Credit Agreement (including without limitation any additional collateral security) as such Lender, in its sole discretion, may determine and require.

4. The principal amount of all Loans and L/C Obligations outstanding as of the date hereof does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the Credit Agreement.

5. All of the conditions applicable to the Loans outstanding and L/C Obligations as of the date hereof as set forth in the Credit Agreement have been satisfied on the date hereof and will remain satisfied through the Termination Date.

6. The representations and warranties contained in Article VI of the Credit Agreement are true and correct on the date of this Request with the same effect as if made on and as of such date; except for any representation and warranty made as of an earlier date, which representation and warranty remains true and correct as of such earlier date.

7. No Default or Event of Default has occurred or is continuing under the Credit Agreement as of the date of this Request.

8. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Officer's Compliance Certificate as of the day of , 20 .

URBAN OUTFITTERS, INC.,
for itself as a Borrower and for each other Borrower

By: _____
Name:
Title:

EXHIBIT G

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated as of:

Reference is made to the Second Amended and Restated Credit Agreement dated as of March 27, 2014, as amended, restated or otherwise modified (the "Credit Agreement") by and among URBAN OUTFITTERS, INC., a corporation organized under the laws of Pennsylvania ("Urban") and each such Subsidiary of Urban set forth on Schedule 1 to the Credit Agreement (Urban and each such Subsidiary, each a "Borrower" and collectively, the "Borrowers"), the lenders party thereto (the "Lenders") and Wells Fargo Bank, N.A., as Administrative Agent. Capitalized terms used herein which are not defined herein shall have the meanings assigned thereto in the Credit Agreement.

(the "Assignor") and (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, as of the Effective Date (as defined below), a % interest in and to all of the Assignor's interest, rights and obligations with respect to its Commitment and Loans [(including such percentage of the outstanding L/C Obligations)] and the Assignor thereby retains % of its interest therein. This Assignment and Acceptance is entered pursuant to, and authorized by, Section 13.10 of the Credit Agreement.

2. The Assignor (i) represents that, as of the date hereof, its Commitment Percentage (without giving effect to assignments thereof which have not yet become effective) under the Credit Agreement is %, the outstanding balances of its Loans [(including its Commitment Percentage of the outstanding L/C Obligations)] (unreduced by any assignments thereof which have not yet become effective) under the Credit Agreement is \$; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan. Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto, other than that the Assignor is the legal, and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrowers or their Subsidiaries or the performance or observance by the Borrowers or their Subsidiaries of any of their obligations under the Credit Agreement or any other instrument or document furnished or executed pursuant thereto; and (iv) attaches the Note delivered to it under the Credit Agreement and requests that the Borrower exchange such Note for new Notes payable to each of the Assignor and the Assignee as follows:

Note Payable to the Order of:

Principal Amount of Note:

\$

3. The Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (ii) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (iii) agrees that it will, independently and without reliance upon the Assignor or any other Lender or Administrative Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iv) confirms that it is an Eligible Assignee; (v) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (vi) agrees that it will perform in accordance with their terms all the obligations which by the terms of the Credit Agreement and the other Loan Documents are required to be performed by it as a Lender; (vii) agrees to hold all confidential information in a manner consistent with the provisions of Section 13.11 of the Credit Agreement; and (viii) includes herewith for the Administrative Agent the two forms required by Section 4.9(f) of the Credit Agreement (if required and not previously delivered).

4. The effective date for this Assignment and Acceptance shall be as set forth in Section 1 of Schedule 1 hereto (the "Effective Date"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for, to the extent required by the Credit Agreement, consent by the Borrowers and the Administrative Agent and acceptance and recording in the Register.

5. Upon such consents, acceptance and recording, from and after the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and the other Loan Documents to which Lenders are parties and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender under each such agreement, and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement and the other Loan Documents.

6. Upon such consents, acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the interest assigned hereby (including payments of principal, interest, fees and other amounts) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

7. THIS ASSIGNMENT AND ACCEPTANCE SHALL BE DEEMED TO BE A CONTRACT UNDER SEAL AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

[Signature Page Follows]

WITNESS the following signatures as of the day of , 20 .

ASSIGNOR:

By: _____
Title:

ASSIGNEE:

By: _____
Title:

Acknowledged and Consented to on behalf of the Borrower: ¹

[INSERT NAME OF BORROWER]

By: _____
Title:

Consented to and Accepted by:

WELLS FARGO BANK, N.A.
as Administrative Agent

By: _____
Title:

¹ If applicable pursuant to Section 13.10.

Schedule 1

to

Assignment and Acceptance

1. Effective Date	
	, 20
2. Assignor's Interest Prior to Assignment	
(a) Commitment Percentage	\$
(b) Outstanding balance of Loans	\$
(c) Outstanding balance of Assignor's Commitment	\$
3. Assigned Interest (from Section 1) of Loans	
4. Assignee's Extensions of Credit After Effective Date	
(a) Total outstanding balance of Assignee's Loans (line 2(b) times line 3)	
(b) Total outstanding balance of Assignee's Commitment Percentage of the L/C Obligations(line 2(c) times line 3)	\$
5. Retained Interest of Assignor after Effective Date	
(a) Retained Interest (from Section 1) of Commitment Percentage	\$
(b) Outstanding balance of Assignor's Loans (line 2(b) times line 5(a))	\$
(c) Outstanding balance of Assignor's Commitment Percentage of L/C Obligations (line 2(c)(i) times line 5(a))	\$
6. Payment Instructions	
(a) If payable to Assignor, to the account of Assignor to:	
ABA No:	
Account Name:	
Account No.:	
Attn:	
Ref:	
(b) If payable to Assignee, to the account of Assignee to:	
ABA No:	
Account Name:	
Account No.:	
Attn:	
Ref:	

EXHIBIT H

MLA COSTS

The MLA Costs for any advance made in an Alternate Currency by any Lender is calculated in accordance with the following formula:

$$\frac{BY + L(Y-X) + S(Y-Z)}{100 - (B+S)} \% \text{ per annum} = \text{MLA Costs}$$

where on the day of application of the formula:

- B is the percentage of such Lender's eligible liabilities which the Bank of England requires such Lender to hold on a non-interest-bearing deposit account in accordance with its cash ratio requirements;
- Y is the interest rate applicable to such Alternate Currency Advance;
- L is the percentage of eligible liabilities which the Bank of England requires such Lender to maintain as secured money with members of the London Discount Market Association and/or as secured call money with certain money brokers and gilt-edged primary market makers;
- X is the rate at which secured deposits in the relevant amount may be placed by such Lender with members of the London Discount Market Association and/or as secured call money with certain money brokers and gilt-edged primary market makers at or about 11:00 a.m. on that day for the relevant period;
- S is the percentage of such Lender's eligible liabilities which the Bank of England requires such Lender to place as a special deposit; and
- Z is the interest rate per annum allowed by the Bank of England on special deposits. For the purposes hereof "eligible liabilities" and "special deposits" have the meanings given to them at the time of application of the formula by the Bank of England.

EXHIBIT I

**FORM OF
JOINDER TO GUARANTY AGREEMENT**

By executing this Joinder to Guaranty Agreement, each of the undersigned hereby acknowledges and agrees that (a) it has read that certain Amended and Restated Guaranty Agreement (as it may be amended, restated or modified from time to time, the "Guaranty"), dated March 27, 2014, by certain affiliates of Urban Outfitters, Inc. ("Urban"), in favor of Wells Fargo Bank, N.A. (successor by merger to Wachovia Bank, National Association), as administrative agent for the benefit of the lenders under the Credit Agreement (defined below), executed and delivered in connection with that certain Second Amended and Restated Credit Agreement (as amended through the date hereof, and as it may be amended, restated or modified from time to time, the "Credit Agreement"), dated March 27, 2014, by and among Urban, the other Borrowers (as defined therein), the Lenders referred to therein, and Wells Fargo Bank, N.A. (successor by merger to Wachovia Bank, National Association) as administrative agent, and (b) from and after the date of this Joinder, (i) it makes each of the representations and warranties made by a Guarantor as though fully set forth herein, agrees to the covenants set forth in the Guaranty, and shall be bound by all of the terms and conditions of, and shall be an additional Guarantor under the Guaranty, (ii) represents that its address for notices is as set forth below; and (iii) it is and shall be for all purposes a Guarantor thereunder. This Joinder to Guaranty Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflicts of law or choice of law principles.

IN WITNESS WHEREOF, the undersigned have executed this Joinder to Guaranty Agreement as of _____, 20__.

Attest:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address for Notices:

Attest:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address for Notices:

EXHIBIT J-1

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of March 27, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Urban Outfitters, Inc., a Pennsylvania corporation, the Subsidiaries identified as Borrowers on Schedule 1 thereto, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 4.9(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20[]

EXHIBIT J-2

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of March 27, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Urban Outfitters, Inc., a Pennsylvania corporation, the Subsidiaries identified as Borrowers on Schedule 1 thereto, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 4.9(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20[]

EXHIBIT J-3

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of March 27, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Urban Outfitters, Inc., a Pennsylvania corporation, the Subsidiaries identified as Borrowers on Schedule 1 thereto, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 4.9(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20[]

EXHIBIT J-4

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of March 27, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Urban Outfitters, Inc., a Pennsylvania corporation, the Subsidiaries identified as Borrowers on Schedule 1 thereto, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 4.9(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name:

Title:

Date: _____, 20[]

SEVENTH AMENDED AND RESTATED NOTE

\$175,000,000

March 27, 2014

FOR VALUE RECEIVED, the undersigned, URBAN OUTFITTERS, INC., a corporation organized under the laws of Pennsylvania (“Urban”), and each Subsidiary of Urban listed on Schedule 1 to the Credit Agreement referred to below (Urban and each such Subsidiary, each a “Borrower” and collectively, the “Borrowers”), jointly and severally, promise to pay to Wells Fargo Bank, National Association (the “Lender”) and its assigns, at the office of the Administrative Agent at the times provided in the Credit Agreement referred to below, the principal sum of One Hundred Seventy Five Million Dollars (\$175,000,000) or, if less, the principal amount of all Loans made by the Lender from time to time pursuant to that certain Second Amended and Restated Credit Agreement dated March 27, 2014 (as may be amended, restated or otherwise modified from time to time, the “Credit Agreement”) by and among the Borrowers, the Lender, the other lenders referred to therein, and Wells Fargo Bank, National Association, as Administrative Agent, together with interest thereon at the times and in the manner provided in the Credit Agreement. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

The unpaid principal amount of this Seventh Amended and Restated Note (“Seventh Amended and Restated Note”) from time to time outstanding is subject to repayment from time to time as provided in the Credit Agreement and shall bear interest as provided in Section 4.1 of the Credit Agreement. All payments of principal and interest on this Seventh Amended and Restated Note shall be payable in lawful currency of the United States of America in immediately available funds to the account designated in the Credit Agreement.

This Seventh Amended and Restated Note is entitled to the benefits of, and evidences Obligations incurred under, the Credit Agreement, to which reference is made for a description of the collateral for this Seventh Amended and Restated Note, if any, and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the Obligations evidenced by this Seventh Amended and Restated Note and on which such Obligations may be declared to be immediately due and payable.

This Seventh Amended and Restated Note evidences and constitutes the restatement, renewal and modification of that certain Sixth Amended and Restated Note dated June 14, 2012 (the “Existing Note”), which, in turn, amended and restated that certain Fifth Amended and Restated Note, dated May 27, 2010 (the “2010 Note”), which, in turn, amended and restated that certain Fourth Amended and Restated Note, dated September 21, 2009 (the “2009 Note”), which, in turn, amended and restated that certain Third Amended and Restated Note, dated December 10, 2007 (the “2007 Note”), which, in turn, amended and restated that certain Second Amended and Restated Note, dated May 31, 2007 (the “May 2007 Note”), which, in turn, amended and restated that certain Amended and Restated Note, dated May 16, 2005 (the “2005 Note”), which, in turn, amended and restated that certain Note, dated September 23, 2004, from the Borrowers to Wachovia Bank, NA, in the original principal amount of \$42,500,000 (the “Amended and Restated Note”), which, in turn, amended and restated that certain Note, dated September 23, 2004, from the Borrowers to the Wachovia Bank NA, in the original principal

amount of \$35,000,000, issued pursuant to that certain Existing Credit Agreement (the "Prior Note"). Such Prior Note constituted the restatement, renewal and modification of that certain Promissory Note dated September 12, 2001 from the Borrowers to Wachovia Bank, NA, in the original principal amount of \$25,000,000 issued pursuant to the Existing Credit Agreement and the amendments thereto (as amended and/or restated from time to time prior to the date hereof, the "Original Note" and together with the Existing Note, the 2010 Note, the 2009 Note, the 2007 Note, the May 2007 Note, the 2005 Note, the Amended and Restated Note and the Prior Note, the "Existing Notes"). The execution and delivery of this Seventh Amended and Restated Note shall not in any circumstances be deemed to have terminated, extinguished, released or discharged the Borrowers' indebtedness under the Existing Notes, which indebtedness shall continue under and be governed by this Seventh Amended and Restated Note and the Second Amended and Restated Credit Agreement. This Seventh Amended and Restated Note shall, for all purposes, be deemed the "Note" in connection with any of the documents executed and delivered in connection with or pursuant to the Existing Note.

THIS AMENDED AND RESTATED NOTE SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT REFERENCE TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

The Borrowers hereby waive all requirements as to diligence, presentment, demand of payment, protest and (except as required by the Second Amended and Restated Credit Agreement) notice of any kind with respect to this Seventh Amended and Restated Note.

[remainder of the page left intentionally blank]

IN WITNESS WHEREOF, the undersigned have executed this Seventh Amended and Restated Note under seal as of the day and year first written above.

[CORPORATE SEAL]

URBAN OUTFITTERS, INC.,
as a Borrower

By: /s/ Frank Conforti
Name: Frank Conforti
Title: Chief Financial Officer

[CORPORATE SEAL]

UO FENWICK, INC.,
as a Borrower

By: /s/ Frank Conforti
Name: Frank Conforti
Title: Chief Financial Officer

[CORPORATE SEAL]

URBAN OUTFITTERS WHOLESALE, INC.
as a Borrower

By: /s/ Frank Conforti
Name: Frank Conforti
Title: Chief Financial Officer

[CORPORATE SEAL]

HK SOURCING LIMITED
as a Borrower

By: /s/ Francis John Conforti
Name: Francis John Conforti
Title: Director

[CORPORATE SEAL]

URBN UK LIMITED
as a Borrower

By: /s/ Francis J. Conforti
Name: Francis J. Conforti
Title: Director

[Seventh Amended and Restated Note]

Subsidiaries of Urban Outfitters, Inc., a Pennsylvania corporation
(as of February 1, 2014)

<u>Subsidiary</u>	<u>Jurisdiction of Organization</u>
Anthropologie, Inc.	Pennsylvania
Urban Outfitters Wholesale, Inc.	Pennsylvania
Urban Outfitters UK Limited	United Kingdom
Urban Outfitters West LLC	California
UO Fenwick, Inc.	Delaware
Urban Outfitters Ireland Limited	Ireland
Free People of PA LLC	Pennsylvania
U.O. Real Estate LLC	Pennsylvania
U.O. Real Estate Holding I LLC	Pennsylvania
U.O. Real Estate Holding II LLC	Pennsylvania
Urban Outfitters Denmark	Denmark
(Branch of URBN UK Limited, UK)	
Urban Outfitters i Sverige AB	Sweden
UO Netherlands BV	Netherlands
UO Netherlands Holding BV	Netherlands
Urban Outfitters Belgium BVBA	Belgium
Urban Outfitters Germany GmbH	Germany
HK Sourcing Limited	Hong Kong
Terrain Merchandising LLC	Delaware
Terrain East LLC	Pennsylvania
J. Franklin Styer Nurseries, Inc.	Pennsylvania
URBN UK Limited	United Kingdom
URBN NL Holding CV	Netherlands
UO Bermuda Limited	Bermuda
Anthropologie UK Limited	United Kingdom
URBN Holding, Inc.	Delaware
UO US LLC	Delaware
URBN Canada Retail, Inc.	Canada
URBN Bermuda Holding Ltd	Bermuda
URBN Bermuda Holding Partners LP	Bermuda
URBN HK Trading Limited	Hong Kong
URBN Japan GK	Japan
URBN Netherlands Retail BV	Netherlands
URBN Ireland Retail Ltd	Ireland

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-33603, 333-38648, 333-84333, 333-119878, 333-153149 and 333-183902 on Form S-8 of our reports dated April 1, 2014, relating to the consolidated financial statements of Urban Outfitters, Inc. and subsidiaries, and the effectiveness of Urban Outfitters, Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Urban Outfitters, Inc. for the year ended January 31, 2014.

/s/ DELOITTE & TOUCHE LLP

Philadelphia, Pennsylvania

April 1, 2014

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard A. Hayne, certify that:

1. I have reviewed this annual report on Form 10-K of Urban Outfitters, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2014

By: _____ /s/ RICHARD A. HAYNE

Richard A. Hayne
(Principal Executive Officer)

**Certification Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Richard A. Hayne, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that (1) the Form 10-K of Urban Outfitters, Inc. (the "Company") for the year ended January 31, 2014 (the "Form 10-K"), fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and (2) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 1, 2014

By: _____ /s/ RICHARD A. HAYNE
Richard A. Hayne
(Principal Executive Officer)

**Certification Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Francis J. Conforti, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that (1) the Form 10-K of Urban Outfitters, Inc. (the "Company") for the year ended January 31, 2014 (the "Form 10-K"), fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and (2) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 1, 2014

By: _____ /s/ FRANCIS J. CONFORTI
Francis J. Conforti
(Chief Financial Officer)

