

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 24, 2008

Citi Trends, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-51315
(Commission File Number)

52-2150697
(IRS Employer Identification No.)

104 Coleman Boulevard, Savannah, Georgia
(Address of principal executive offices)

31408
(Zip Code)

Registrant's telephone number, including area code: **(912) 236-1561**

Former name or former address, if changed since last report: **Not applicable**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On November 24, 2008, the Company issued a press release reporting its financial results for its third quarter ended November 1, 2008 (the "Earnings Announcement"). A copy of the Earnings Announcement is attached to this Current Report on Form 8-K ("Current Report") as Exhibit 99.1 and the contents of which are incorporated herein solely for purposes of this Item 2.02 disclosure.

The information in this Item 2.02, including the Earnings Announcement attached to this Current Report, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in this Item 2.02, including the Earnings Announcement, shall not be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release dated November 24, 2008

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 24, 2008

By: /s/ Bruce D. Smith

Name: Bruce D. Smith
Title: Chief Financial Officer

3

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release dated November 24, 2008

4



CITI TRENDS ANNOUNCES THIRD QUARTER 2008 RESULTS
Third quarter net loss of \$687,000 compared with \$513,000 in prior year quarter
Third quarter sales increased 5.4%; comparable store sales decreased 4.2%

SAVANNAH, GA (November 24, 2008) — Citi Trends, Inc. (NASDAQ: CTRN) today reported results for the third quarter ended November 1, 2008.

Financial Highlights – Third quarter ended November 1, 2008

Total sales in the third quarter ended November 1, 2008 increased 5.4% to \$104.9 million compared with \$99.5 million in the third quarter ended November 3, 2007. Comparable store sales decreased 4.2% in the third quarter. The net loss in this year's third quarter was \$687,000 compared with a net loss of \$513,000 in last year's third quarter. Loss per diluted share was \$0.05 in the third quarter of 2008 compared with a loss of \$0.04 in 2007's third quarter.

The decline in comparable store sales in this year's third quarter pressured the Company's results in relation to the third quarter of 2007. However, the Company's efforts to improve its management of inventory levels led to fewer markdowns than in last year's third quarter which, together with an increased focus on controlling inventory shrinkage, led to a higher gross margin, substantially offsetting the effect of the comparable store sales decrease.

The Company opened 7 stores, relocated or expanded 3 others, and closed 1 store in the third quarter of 2008, reaching a total store count of 341 at the end of the quarter. Since quarter-end, the Company has opened an additional 14 stores.

Financial Highlights – First three quarters ended November 1, 2008

Total sales in the first three quarters of fiscal 2008 increased 12.8% to \$341.6 million compared with \$302.9 million in the first three quarters of fiscal year 2007. Comparable store sales increased 0.8% in the first three quarters of this year. Net income was \$7.3 million compared with \$5.8 million last year. Earnings per diluted share in the first three quarters of 2008 was \$0.51 compared with \$0.41 during the same period of 2007, which included \$0.04 of expenses related to a 2007 secondary stock offering.

Fiscal 2008 Outlook

The Company's estimate of fiscal 2008 earnings is a range of \$0.95 to \$1.05 per diluted share. This guidance is based upon an anticipated comparable store sales decrease of 3% to 6% in the fourth quarter. For the year, the Company expects to increase selling square footage by approximately 15%. The effective tax rate for 2008 is estimated to approximate 33%.

The Company reminds investors of the complexity of accurately assessing future results given the difficulty in predicting fashion trends, consumer preferences and general economic conditions and the impact of other business variables. See "Forward-Looking Statements" below for more information regarding these uncertainties.

104 Coleman Blvd., Savannah, Ga 31408 · (912) 236-1561 · Fax (912) 443-3674

Investor Conference Call and Webcast

Citi Trends will host a conference call today at 5:00 p.m. ET. The number to call for the live interactive teleconference is (303) 262-2143. A replay of the conference call will be available until December 1, 2008, by dialing (303) 590-3000 and entering the passcode, 11113318#. The live broadcast of Citi Trends' quarterly conference call will be available online at the Company's website, www.cititrends.com, as well as <http://ir.cititrends.com/events.cfm>, beginning today at 5:00 p.m. ET. The online replay will follow shortly after the call and continue until December 1, 2008.

During the conference call, the Company may discuss and answer questions concerning business and financial developments and trends. The Company's responses to questions, as well as other matters discussed during the conference call, may contain or constitute information that has not been disclosed previously.

About Citi Trends

Citi Trends, Inc. is a value-priced retailer of urban fashion apparel and accessories for the entire family. The Company currently operates 355 stores located in 22 states in the Southeast, Mid-Atlantic and Midwest regions and the state of Texas. Citi Trends' website address is www.cititrends.com. CTRN-E

Forward-Looking Statements

All statements other than historical facts contained in this news release, including statements regarding our future financial results and position, business policy and plans and objectives of management for future operations, are forward-looking statements that are subject to material risks and uncertainties. The words "believe," "may," "could," "plans," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions, as they relate to Citi Trends, are intended to identify forward-looking statements. Statements with respect to earnings guidance are forward-looking statements. Investors are cautioned that any such forward-looking statements are subject to the finalization of the Company's quarterly financial and accounting procedures, are not guarantees of future performance or results and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Actual results or developments may differ materially from those included in the forward-looking statements, as a result of various factors which are discussed in Citi Trends, Inc. filings with the Securities and Exchange Commission. These risks and uncertainties include, but are not limited to, uncertainties relating to economic conditions, growth risks, consumer spending patterns, competition within the industry, competition in our markets and the ability to anticipate and

respond to fashion trends. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, Citi Trends does not undertake to publicly update any forward-looking statements in this news release or with respect to matters described herein, whether as a result of any new information, future events or otherwise.

Contact: Bruce Smith
Chief Financial Officer
(912) 443-2075

Ed Anderson
Chairman and Chief Executive Officer
(912) 443-3705

-END-

2

CITI TRENDS, INC.
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except per share data)

	Thirteen Weeks Ended November 1, 2008 (unaudited)	Thirteen Weeks Ended November 3, 2007 (unaudited)
Net sales	\$ 104,948	\$ 99,542
Cost of sales	66,208	65,026
Gross profit	38,740	34,516
Selling, general and administrative expenses	36,482	32,455
Depreciation and amortization	4,134	3,265
Loss from operations	(1,876)	(1,204)
Interest income	790	521
Interest expense	(94)	(107)
Loss before income tax benefit	(1,180)	(790)
Income tax benefit	(493)	(277)
Net loss	\$ (687)	\$ (513)
Basic net loss per common share	\$ (0.05)	\$ (0.04)
Diluted net loss per common share	\$ (0.05)	\$ (0.04)
Weighted average number of shares outstanding		
Basic	14,141	14,023
Diluted	14,141	14,023

CITI TRENDS, INC.
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except per share data)

	Thirty-Nine Weeks Ended November 1, 2008 (unaudited)	Thirty-Nine Weeks Ended November 3, 2007 (unaudited)
Net sales	\$ 341,599	\$ 302,944
Cost of sales	211,172	191,638
Gross profit	130,427	111,306
Selling, general and administrative expenses	109,600	94,578
Depreciation and amortization	11,915	9,095
Income from operations	8,912	7,633
Interest income	2,215	1,703
Interest expense	(256)	(372)
Income before provision for income taxes	10,871	8,964
Provision for income taxes	3,544	3,128
Net income	\$ 7,327	\$ 5,836
Basic net income per common share	\$ 0.52	\$ 0.42
Diluted net income per common share	\$ 0.51	\$ 0.41
Weighted average number of shares outstanding		
Basic	14,095	13,917
Diluted	14,262	14,235

3

CITI TRENDS, INC.
CONDENSED BALANCE SHEETS
(unaudited)
(in thousands)

	<u>November 1, 2008</u> (unaudited)	<u>November 3, 2007</u> (unaudited)
Assets:		
Cash and cash equivalents	\$ 12,415	\$ 4,398
Investment securities - current	—	43,721
Inventory	89,822	93,886
Other current assets	12,690	9,288
Property and equipment, net	58,659	43,895
Investment securities - noncurrent	41,785	—
Other noncurrent assets	7,154	5,176
Total assets	<u>\$ 222,525</u>	<u>\$ 200,364</u>
Liabilities and Stockholders' Equity:		
Accounts payable	\$ 46,366	\$ 44,926
Accrued liabilities	17,516	14,290
Other current liabilities	4,281	3,921
Noncurrent liabilities	<u>7,673</u>	<u>8,239</u>
Total liabilities	75,836	71,376
Total stockholders' equity	146,689	128,988
Total liabilities and stockholders' equity	<u>\$ 222,525</u>	<u>\$ 200,364</u>