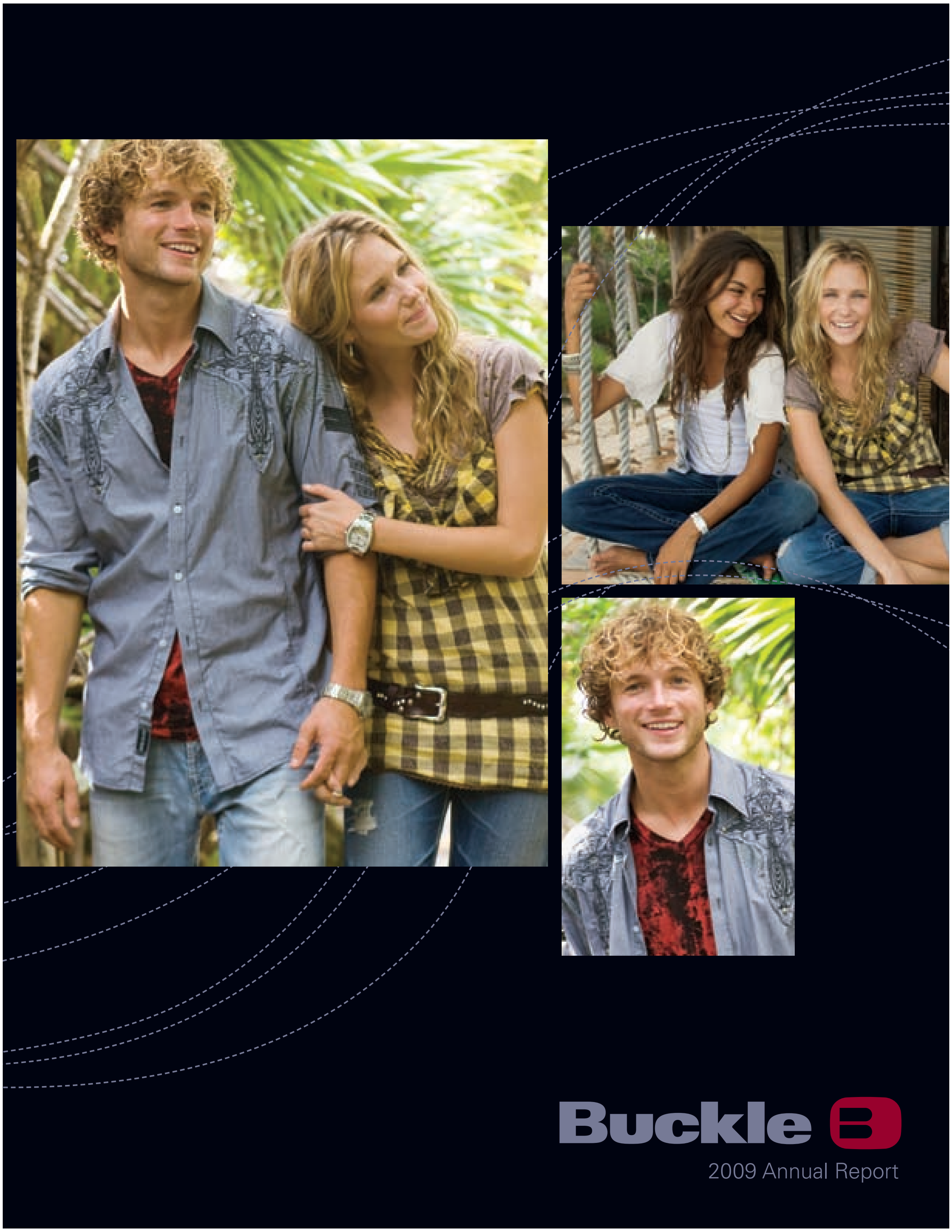
The Buckle, Inc., 2009 Annual Report

Appendix B



FINANCIAL HIGHLIGHTS

(Dollar Amounts In Thousands Except Per Share Amounts And Selected Operating Data)

	JANUARY 30, 2010	JANUARY 31, 2009	FEBRUARY 2, 2008
INCOME STATEMENT DATA			
Net sales	$ 898,287	$ 792,046	$ 619,888
Income before income taxes	$ 204,127	$ 164,868	$ 118,810
Provision for income taxes	$ 76,824	$ 60,459	$ 43,563
Net income	$ 127,303	$ 104,409	$ 75,247
Diluted earnings per share	$ 2.73	$ 2.24	$ 1.63
Net income as a percentage of net sales	14.2%	13.2%	12.1%
BALANCE SHEET DATA			
Working capital	$ 172,779	$ 197,539	$ 184,395
Long-term investments	$ 72,770	$ 56,213	$ 81,201
Total assets	$ 488,903	$ 465,340	$ 450,657
Long-term debt	$ –	$ –	$ –
Stockholders' equity	$ 354,259	$ 337,222	$ 338,320
SELECTED OPERATING DATA			
Number of stores open at year end	401	387	368
Average sales per square foot	$ 428	$ 401	$ 335
Average sales per store (000's)	$ 2,129	$ 1,995	$ 1,668
Comparable store sales change	7.8%	20.6%	13.2%

2009 BUCKLE HIGHLIGHTS

Opened 20 new stores and completed 22 substantial remodels; closed 1 store in April 2009, 1 store in October 2009, and 4 stores in January 2010 to end the fiscal year with 401 stores in 41 states.

Achieved average sales per store of $2.1 million, up from $2.0 million in fiscal 2008.

Average sales per square foot were $428, up from $401 in fiscal 2008.

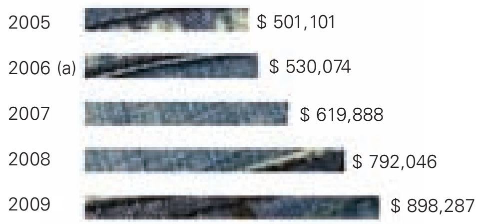
Total denim sales increased for the tenth consecutive year, with the category representing approximately 43% of fiscal 2009 net sales.

Gross margin improved as a percentage of net sales for the seventh consecutive year, rising to 44.6% from 43.4% in fiscal 2008.

Average transaction value increased 6.4% to $93.85 and average price point increased 3.9% to $45.05.

NET SALES

(Amounts In Thousands)



DILUTED EARNINGS PER SHARE

(a) Consists of 53 weeks.

Dear Shareholders:

Fiscal 2009 marked another outstanding year for Buckle on a number of fronts. We achieved record sales of $898.3 million, a 13.4% increase over fiscal 2008. In addition, we reported record earnings of $127.3 million, or $2.73 per diluted share, a 21.9% increase over last year.

Reflecting our continued commitment to creating shareholder value, we returned more than $120.3 million to shareholders throughout the year. On top of our quarterly dividends of $0.20 per share, we paid a special cash dividend of $1.80 per share during the third quarter—marking our third special dividend in the last four fiscal years. This brings our total cash returned to shareholders over the past five years to $502.6 million, including $360.7 million in dividends and $141.9 million in share repurchases. As we look ahead, our balance sheet remains strong with $230.8 million in cash and investments, stockholders' equity of $354.3 million, and no long-term debt.

Our financial results are a function of our focused approach to creating the most enjoyable shopping experience possible for our guests. No matter what is happening in the marketplace, our commitment to delivering a wide selection of quality merchandise and outstanding service to our guests remains constant.

Store Performance – Through the end of 2009, Buckle achieved 13 consecutive quarters of positive comparable store sales. Driven by a 7.8% increase in comparable store sales, our average sales per store increased to $2.1 million from $2.0 million in 2008, and our average sales per square foot increased to $428 from $401. We also improved our gross margin to 44.6% from 43.4% and our operating margin to 22.2% from 20.5%.

Denim – Composing 43% of our total sales, denim continues to serve as the cornerstone of our business. Fiscal 2009 was no exception as we increased denim sales for the tenth year in a row—growing the category by 17.5% and selling a record-level 4.3 million pairs of jeans. Throughout the year, our skilled merchandising team expanded our selection of denim fits, brands, and styles—strengthening our reputation as a denim destination.

Merchandise – Our merchandising team, led by Pat Whisler and Bob Carlberg, did an exceptional job of providing newness by collaborating with an outstanding group of vendors to successfully anticipate trends, develop new styles, and update guests' favorites. Their talent and efforts enabled us to manage our inventory as we achieved record sales for the eighth consecutive year. For the fiscal year, the men's business grew 1.5% on top of growth of 25.5% and 20.5% in each of the past two years and the women's business grew 22.5% on top of growth of 29.5% and 14.0% in the past two years.

Shopping Experience – Led by Kari Smith and Michelle Hoffman, our sales team is driven by high expectations and is dedicated to meeting them. Our 20 district managers, each averaging 21 years with the company, have done a tremendous job of motivating their teams and finding new and innovative ways to educate our teammates—effectively raising the bar for service.

Real Estate – Expansion through carefully selected new store locations in regional malls and lifestyle shopping centers is also an important component of our overall growth. Led by Brett Milkie, our real estate team takes a practical approach to site selection driven by the economics of each individual location and the availability of an internal leader to successfully manage in a particular market. In 2009, we opened 20 new stores, including our first in New York and New Jersey, remodeled 22 stores, and closed 6, ending the year with 401 stores in 41 states. This year, we plan to open 20 new stores and remodel another 25 locations.

Building for the Future – Teammates in the home office and distribution center are essential to our success. Thanks to the efforts of our online team, we increased Buckle.com sales by 45% to $52.3 million. To support this growth, we invested $5.5 million during the year to expand our online fulfillment center. We also broke ground on a new distribution center that is estimated to cost $25-$27 million. Projected to be complete in July 2010, the new facility will be equipped to support more than 600 stores. Plans for 2010 also include the replacement of our point-of-sale software and hardware, allowing us to improve our customer loyalty program and better serve our guests.

As a specialty retailer, we are proud of what we've accomplished, but we're even more excited about where we are headed. Our progress is the collective result of 7,000+ teammates' efforts across all areas of the business. To each of you, I say thank you.

I would also like to take this opportunity to thank our loyal guests for choosing to shop with us. We never forget whom we are here to serve and will work hard to continue to earn your business.

Sincerely,

Dennis H Nelson

Dennis H. Nelson
President and Chief Executive Officer

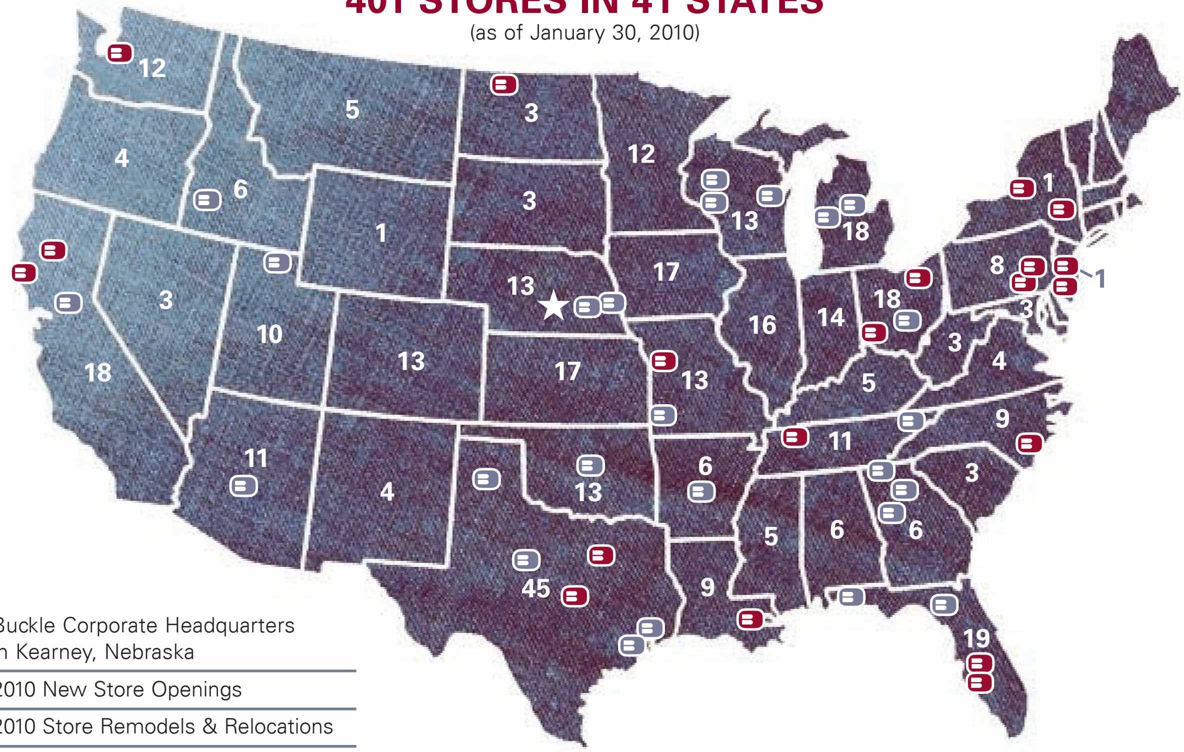
Denim Nation

Following a disciplined real estate strategy, we continue to increase our geographic presence by opening new retail locations in regional malls and lifestyle centers across the United States. In 2009, we opened 20 new stores. Plans for 2010 include 20 new stores—including additional stores in New Jersey and New York.

Buckle continues to enhance the in-store shopping experience. Over the past year, we rolled out new mannequins, tables, and fixtures and renovated 22 stores, bringing the total number of locations featuring our signature store design to 222 as of January 30, 2010. Plans for 2010 include 25 additional remodels.

401 STORES IN 41 STATES

(as of January 30, 2010)



★ Buckle Corporate Headquarters in Kearney, Nebraska

2010 New Store Openings

2010 Store Remodels & Relocations

Log on to buckle.com for a store locator.

2010 NEW STORE OPENINGS

Mall	Location	Mall	Location
Montgomery Mall	North Wales, PA	Governor's Square Mall	Clarksville, TN
The Domain II	Austin, TX	Arden Fair Mall	Sacramento, CA
The Village at Fairview	Fairview, TX	Kenwood Towne Center	Cincinnati, OH
Northgate Mall	San Rafael, CA	Eastview Mall	Victor, NY
Bellevue Square	Bellevue, WA	Dakota Square	Minot, ND
Cherry Hill Mall	Cherry Hill, NJ	Beachwood Place	Beachwood, OH
The Florida Mall	Orlando, FL	Jacksonville Mall	Jacksonville, NC
Deptford Mall	Deptford, NJ	Park City Center	Lancaster, PA
The Esplanade	Kenner, LA	Waterford Lakes Town Center	Orlando, FL
Crossgate Mall	Albany, NY	Summit Fair	Lee's Summit, MO

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 30, 2010**

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

Commission File Number: 001-12951

THE BUCKLE, INC.

(Exact name of Registrant as specified in its charter)

Nebraska	**47-0366193**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2407 West 24th Street, Kearney, Nebraska	**68845-4915**
(Address of principal executive offices)	(Zip Code)

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

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

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

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

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

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

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

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

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

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

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

The aggregate market value (based on the closing price of the New York Stock Exchange) of the common stock of the registrant held by non-affiliates of the registrant was $785,519,774 on July 31, 2009. For purposes of this response, executive officers and directors are deemed to be the affiliates of the Registrant and the holdings by non-affiliates was computed as 25,388,487 shares.

The number of shares outstanding of the Registrant's Common Stock, as of March 26, 2010, was 46,659,195.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the registrant's 2010 Annual Meeting of Shareholders to be held June 4, 2010 are incorporated by reference in Part III.

ITEM 6 - SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA

(Amounts in Thousands Except Share, Per Share Amounts, and Selected Operating Data)

	Fiscal Years Ended				
	January 30, 2010	January 31, 2009	February 2, 2008	February 3, 2007 (d)	January 28, 2006
Income Statement Data					
Net sales	$898,287	$792,046	$619,888	$530,074	$501,101
Cost of sales (including buying, distribution, and occupancy costs)	497,668	448,558	365,350	322,760	307,063
Gross profit	400,619	343,488	254,538	207,314	194,038
Selling expenses	168,741	151,251	118,699	107,592	100,148
General and administrative expenses	32,416	30,041	26,212	20,701	17,568
Income from operations	199,462	162,196	109,627	79,021	76,322
Other income, net	3,674	7,829	9,183	9,032	6,123
Gain (loss) - impairment of securities	991	(5,157)	-	-	-
Income before income taxes	204,127	164,868	118,810	88,053	82,445
Provision for income taxes	76,824	60,459	43,563	32,327	30,539
Net income	$127,303	$104,409	$75,247	$55,726	$51,906
Basic earnings per share	$2.79	$2.30	$1.69	$1.29	$1.17
Diluted earnings per share	$2.73	$2.24	$1.63	$1.24	$1.13
Dividends declared per share (a)	$2.60	$2.73	$0.60	$1.71	$0.27
Selected Operating Data					
Stores open at end of period	401	387	368	350	338
Average sales per square foot	$428	$401	$335	$302	$298
Average sales per store (000's)	$2,129	$1,995	$1,668	$1,493	$1,474
Comparable store sales change (b)	7.8%	20.6%	13.2%	0.0%	1.4%
Balance Sheet Data (c)					
Working capital	$172,779	$197,539	$184,395	$189,017	$193,428
Long-term investments	$72,770	$56,213	$81,201	$31,958	$41,654
Total assets	$488,903	$465,340	$450,657	$368,198	$374,266
Long-term debt	-	-	-	-	-
Stockholders' equity	$354,259	$337,222	$338,320	$286,587	$299,793

(a) During fiscal 2005, cash dividends were $0.0533 per share in the first quarter, $0.0667 per share in the second quarter, and $0.0756 per share in the third and fourth quarters. During fiscal 2006, cash dividends were $0.0756 per share in the first and second quarters, $0.0889 per share in the third quarter, and $0.1333 per share in the fourth quarter. In addition, the Company paid a special one-time cash dividend of $1.3333 per share in the fourth quarter of fiscal 2006. During fiscal 2007, cash dividends were $0.1333 per share in the first and second quarters and $0.1667 per share in the third and fourth quarters. During fiscal 2008, cash dividends were $0.1667 per share in the first and second quarters and $0.20 per share in the third and fourth quarters. In addition, the Company paid a special one-time cash dividend of $2.00 per share in the third quarter of fiscal 2008. During fiscal 2009, cash dividends were $0.20 per share in each of the four quarters. The Company also paid a special one-time cash dividend of $1.80 per share in the third quarter of fiscal 2009. Dividend amounts prior to the Company's 3-for-2 stock split with distribution date of January 12, 2007 and 3-for-2 stock split with distribution date of October 30, 2008, have been adjusted to reflect the impact of these stock splits.

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

(c) At the end of the period.

(d) Consists of 53 weeks.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying balance sheets of The Buckle, Inc. (the “Company”) as of January 30, 2010 and January 31, 2009, and the related statements of income, stockholders’ equity, and cash flows for each of the three fiscal years in the period ended January 30, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statements and financial statement schedule 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 financial statements present fairly, in all material respects, the financial position of The Buckle, Inc. as of January 30, 2010 and January 31, 2009, and the results of its operations and its cash flows for each of the three fiscal years in the period ended January 30, 2010, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of January 30, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report, dated March 31, 2010, expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Omaha, Nebraska
March 31, 2010

THE BUCKLE, INC.

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

ASSETS	**January 30, 2010**	**January 31, 2009**
CURRENT ASSETS:		
Cash and cash equivalents	$ 135,340	$ 162,463
Short-term investments (Notes A, B, and C)	22,687	19,150
Accounts receivable, net of allowance of $35 and $46, respectively	6,911	3,734
Inventory	88,187	83,963
Prepaid expenses and other assets (Note F)	11,684	17,655
Total current assets	264,809	286,965
PROPERTY AND EQUIPMENT (Note D):	305,974	264,154
Less accumulated depreciation and amortization	(159,392)	(147,460)
	146,582	116,694
LONG-TERM INVESTMENTS (Notes A, B, and C)	72,770	56,213
OTHER ASSETS (Notes F and G)	4,742	5,468
	$ 488,903	$ 465,340
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 24,364	$ 22,472
Accrued employee compensation	41,463	40,460
Accrued store operating expenses	8,866	7,701
Gift certificates redeemable	13,507	10,144
Income taxes payable	3,830	8,649
Total current liabilities	92,030	89,426
DEFERRED COMPENSATION (Note I)	5,957	4,090
DEFERRED RENT LIABILITY	36,657	34,602
Total liabilities	134,644	128,118
COMMITMENTS (Notes E and H)		
STOCKHOLDERS' EQUITY (Note J):		
Common stock, authorized 100,000,000 shares of $.01 par value; 46,381,263 and 45,906,265 shares issued and outstanding at January 30, 2010 and January 31, 2009, respectively	464	459
Additional paid-in capital	78,837	68,894
Retained earnings	275,751	268,789
Accumulated other comprehensive loss	(793)	(920)
Total stockholders' equity	354,259	337,222
	$ 488,903	$ 465,340

See notes to financial statements.

THE BUCKLE, INC.

STATEMENTS OF INCOME

(Dollar Amounts in Thousands Except Per Share Amounts)

	Fiscal Years Ended		
	January 30, 2010	**January 31, 2009**	**February 2, 2008**
SALES, Net of returns and allowances of $73,596, $54,973, and $42,087, respectively	$898,287	$792,046	$619,888
COST OF SALES (Including buying, distribution, and occupancy costs)	497,668	448,558	365,350
Gross profit	400,619	343,488	254,538
OPERATING EXPENSES:			
Selling	168,741	151,251	118,699
General and administrative	32,416	30,041	26,212
	201,157	181,292	144,911
INCOME FROM OPERATIONS	199,462	162,196	109,627
OTHER INCOME, Net (Note A)	3,674	7,829	9,183
GAIN (LOSS) - IMPAIRMENT OF SECURITIES (Note B)	991	(5,157)	-
INCOME BEFORE INCOME TAXES	204,127	164,868	118,810
PROVISION FOR INCOME TAXES (Note F)	76,824	60,459	43,563
NET INCOME	$127,303	$104,409	$ 75,247
EARNINGS PER SHARE (Note K):			
Basic	$ 2.79	$ 2.30	$ 1.69
Diluted	$ 2.73	$ 2.24	$ 1.63

See notes to financial statements.

THE BUCKLE, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollar Amounts in Thousands Except Share and Per Share Amounts)

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
BALANCE, February 4, 2007	29,408,576	$ 294	$ 43,493	$ 242,800	$ -	$ 286,587
Net income	-	-	-	75,247	-	75,247
Dividends paid on common stock,						
($.1333 per share - 1st and 2nd quarters)	-	-	-	(12,014)	-	(12,014)
($.1667 per share - 3rd and 4th quarters)	-	-	-	(14,988)	-	(14,988)
Common stock issued on exercise of stock options	937,247	9	12,015	-	-	12,024
Issuance of non-vested stock, net of forfeitures	138,345	1	(1)	-	-	-
Amortization of non-vested stock grants, net of forfeitures	-	-	3,886	-	-	3,886
Stock option compensation expense	-	-	293	-	-	293
Common stock purchased and retired	(642,500)	(6)	(21,571)	-	-	(21,577)
Income tax benefit related to exercise of stock options	-	-	8,862	-	-	8,862
BALANCE, February 2, 2008	29,841,668	298	46,977	291,045	-	338,320
Net income	-	-	-	104,409	-	104,409
Dividends paid on common stock,						
($.1667 per share - 1st and 2nd quarters)	-	-	-	(15,269)	-	(15,269)
($.20 per share - 3rd and 4th quarters)	-	-	-	(18,474)	-	(18,474)
($2.00 per share - 3rd quarter)	-	-	-	(92,922)	-	(92,922)
Common stock issued on exercise of stock options	994,555	10	12,714	-	-	12,724
Issuance of non-vested stock, net of forfeitures	139,635	1	(1)	-	-	-
Amortization of non-vested stock grants, net of forfeitures	-	-	4,879	-	-	4,879
Stock option compensation expense	-	-	289	-	-	289
Common stock purchased and retired	(557,100)	(5)	(9,354)	-	-	(9,359)
Income tax benefit related to exercise of stock options	-	-	13,545	-	-	13,545
3-for-2 stock split	15,487,507	155	(155)	-	-	-
Unrealized loss on investments, net of tax	-	-	-	-	(920)	(920)
BALANCE, January 31, 2009	45,906,265	459	68,894	268,789	(920)	337,222
Net income	-	-	-	127,303	-	127,303
Dividends paid on common stock,						
($.20 per share - 1st, 2nd, 3rd, and 4th quarters)	-	-	-	(37,011)	-	(37,011)
($1.80 per share - 3rd quarter)	-	-	-	(83,330)	-	(83,330)
Common stock issued on exercise of stock options	278,430	3	1,823	-	-	1,826
Issuance of non-vested stock, net of forfeitures	196,568	2	(2)	-	-	-
Amortization of non-vested stock grants, net of forfeitures	-	-	4,988	-	-	4,988
Stock option compensation expense	-	-	175	-	-	175
Income tax benefit related to exercise of stock options	-	-	2,959	-	-	2,959
Unrealized loss on investments, net of tax	-	-	-	-	127	127
BALANCE, January 30, 2010	46,381,263	$ 464	$ 78,837	$ 275,751	$ (793)	$ 354,259

See notes to financial statements.

THE BUCKLE, INC.

STATEMENTS OF CASH FLOWS
(Dollar Amounts in Thousands)

	Fiscal Years Ended		
	January 30, 2010	**January 31, 2009**	**February 2, 2008**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 127,303	$ 104,409	$ 75,247
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	25,135	21,779	20,384
Amortization of non-vested stock grants, net of forfeitures	4,988	4,879	3,886
Stock option compensation expense	175	289	293
Gain on involuntary conversion of aircraft to monetary asset	-	(2,963)	-
(Gain) loss - impairment of securities	(991)	5,157	-
Deferred income taxes	414	(595)	(1,509)
Other	38	574	146
Changes in operating assets and liabilities:			
Accounts receivable	(1,967)	(895)	1,246
Inventory	(4,224)	(6,324)	(7,333)
Prepaid expenses and other assets	6,282	(2,478)	(1,542)
Accounts payable	(2,916)	(844)	8,903
Accrued employee compensation	1,003	12,624	10,036
Accrued store operating expenses	1,165	1,997	1,236
Gift certificates redeemable	3,363	1,633	1,802
Income taxes payable	(5,731)	906	5,576
Long-term liabilities and deferred compensation	3,922	3,581	2,709
Net cash flows from operating activities	157,959	143,729	121,080
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(50,561)	(47,448)	(27,484)
Proceeds from sale of property and equipment	308	11,819	21
Change in other assets	(74)	(29)	167
Purchases of investments	(52,604)	(46,687)	(153,511)
Proceeds from sales / maturities of investments	33,703	148,818	117,079
Net cash flows from investing activities	(69,228)	66,473	(63,728)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the exercise of stock options	1,826	12,724	12,024
Excess tax benefit from stock option exercises	2,661	11,268	7,744
Purchases of common stock	-	(9,359)	(21,577)
Payment of dividends	(120,341)	(126,665)	(27,002)
Net cash flows from financing activities	(115,854)	(112,032)	(28,811)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(27,123)	98,170	28,541
CASH AND CASH EQUIVALENTS, Beginning of year	162,463	64,293	35,752
CASH AND CASH EQUIVALENTS, End of year	$ 135,340	$ 162,463	$ 64,293

See notes to financial statements.

THE BUCKLE, INC.
NOTES TO FINANCIAL STATEMENTS
(Dollar Amounts in Thousands Except Share and Per Share Amounts)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year – The Buckle, Inc. (the "Company") has its fiscal year end on the Saturday nearest January 31. All references in these financial statements to fiscal years are to the calendar year in which the fiscal year begins. Fiscal 2009 represents the 52-week period ended January 30, 2010, fiscal 2008 represents the 52-week period ended January 31, 2009, and fiscal 2007 represents the 52-week period ended February 2, 2008.

Nature of Operations – The Company is a retailer of medium to better-priced casual apparel, footwear, and accessories for fashion conscious young men and women operating 401 stores located in 41 states throughout the continental United States as of January 30, 2010.

During fiscal 2009, the Company opened 20 new stores, substantially renovated 22 stores, and closed 6 stores. During fiscal 2008, the Company opened 21 new stores, substantially renovated 13 stores, and closed 2 stores. During fiscal 2007, the Company opened 20 new stores, substantially renovated 7 stores, and closed 2 stores.

Revenue Recognition – Retail store sales are recorded upon the purchase of merchandise by customers. Online sales are recorded when merchandise is delivered to the customer, with the time of delivery being based on estimated shipping time from the Company's distribution center to the customer. Shipping fees charged to customers are included in revenue and shipping costs are included in selling expenses. Shipping costs were $5,420, $3,813, and $1,882 during fiscal 2009, 2008, and 2007, respectively. Merchandise returns are estimated based upon the historical average sales return percentage and accrued at the end of the period. The reserve for merchandise returns was $647 and $526 as of January 30, 2010 and January 31, 2009, respectively. The Company accounts for layaway sales in accordance with FASB ASC 605, *Revenue Recognition*, recognizing revenue from sales made under its layaway program upon delivery of the merchandise to the customer. The Company has several sales incentives that it offers customers including a frequent shopper punch card, B-Rewards gift certificates, and occasional sweepstakes and gift with purchase offers. The frequent shopper punch card is recognized as a cost of goods sold at the time of redemption, using the actual amount tendered. The B-Rewards incentives, based upon $10 for each $300 in net purchases, are recorded as a liability and as a selling expense at the time the gift certificates are earned. Sweepstake prizes are recorded as cost of goods sold (if it is a merchandise giveaway) or as a selling expense at the time the prize is redeemed by the customer, using actual costs incurred, and gifts with purchase are recorded as a cost of goods sold at the time of the purchase and gift redemption, using the actual cost of the gifted item.

The Company records the sale of gift cards and gift certificates as a current liability and recognizes a sale when a customer redeems the gift card or gift certificate. The amount of the gift certificate liability is determined using the outstanding balances from the prior three years of issuance and the gift card liability is determined using the outstanding balances from the prior four years of issuance. The Company records breakage as other income when the probability of redemption, which is based on historical redemption patterns, is remote. Breakage reported for the fiscal years ended January 30, 2010, January 31, 2009, and February 2, 2008 was $434, $389, and $0, respectively. The Company recognizes a current liability for the down payment made when merchandise is placed on layaway and recognizes layaways as a sale at the time the customer makes final payment and picks up the merchandise.

Cash and Cash Equivalents – The Company considers all highly liquid debt instruments with an original maturity of three months or less when purchased to be cash equivalents.

Investments – The Company accounts for investments in accordance with FASB ASC 320, *Investments-Debt and Equity Securities*. Investments classified as short-term investments include securities with a maturity of greater than three months and less than one year, and a portion of the Company's investments in auction-rate securities ("ARS"), which are available-for-sale securities. Available-for-sale securities are reported at fair value, with unrealized gains and losses excluded from earnings and reported as a separate component of stockholders' equity (net of the effect of income taxes), using the specific identification method, until they are sold. The Company reviews impairments in accordance with FASB ASC 320 to determine the classification of potential impairments as either "temporary" or "other-than-temporary." A temporary impairment results in an unrealized loss being recorded in other comprehensive income. Impairments that are considered other-than-temporary are recognized as a loss in the statements of income. The Company considers various factors in reviewing impairments, including the length of time and extent to which the fair value has been less than the Company's cost basis, the financial condition and near-term prospects of the issuer, and the Company's intent and ability to hold the investments for a period of time sufficient to allow for any anticipated recovery in market value. Held-to-maturity securities are carried at amortized cost. The Company believes it has the ability and maintains its intent to hold these investments until recovery of market value occurs. Trading securities are reported at fair value, with unrealized gains and losses included in earnings, using the specific identification method.

Inventory – Inventory is stated at the lower of cost or market. Cost is determined using the average cost method. Management records a reserve for merchandise obsolescence and markdowns based on assumptions using calculations applied to current inventory levels by department within each of four different markdown levels. Management also reviews the levels of inventory in each markdown group, and the overall aging of inventory, versus the estimated future demand for such product and the current market conditions. The calculation for estimated markdowns and/or obsolescence reduced the Company's inventory valuation by $5,832 and $6,228 as of January 30, 2010 and January 31, 2009, respectively. The amount charged (credited) to cost of goods sold, resulting from changes in the markdown reserve balance, was $(396), $439, and $(581), for fiscal years 2009, 2008, and 2007, respectively.

Property and Equipment – Property and equipment are stated on the basis of historical cost. Depreciation is provided using a combination of accelerated and straight-line methods based upon the estimated useful lives of the assets. The majority of property and equipment have useful lives of five to ten years with the exception of buildings, which have estimated useful lives of 31.5 to 39 years. Leasehold improvements are stated on the basis of historical cost and are amortized over the shorter of the life of the lease or the estimated economic life of the assets. When circumstances indicate the carrying values of long-lived assets may be impaired, an evaluation is performed on current net book value amounts. Judgments made by the Company related to the expected useful lives of property and equipment and the ability to realize cash flows in excess of carrying amounts of such assets are affected by factors such as changes in economic conditions and changes in operating performance. As the Company assesses the expected cash flows and carrying amounts of long-lived assets, adjustments are made to such carrying values.

Pre-Opening Expenses – Costs related to opening new stores are expensed as incurred.

Advertising Costs – Advertising costs are expensed as incurred and were $8,521, $7,674, and $6,376 for fiscal years 2009, 2008, and 2007, respectively.

Health Care Costs - The Company is self-funded for health and dental claims up to $200 per individual per plan year. The Company's plan covers eligible employees, and management makes estimates at period end to record a reserve for unpaid claims based upon historical claims information. The accrued liability as a reserve for unpaid health care claims was $700 and $600 as of January 30, 2010 and January 31, 2009, respectively.

Operating Leases – The Company leases retail stores under operating leases. Most lease agreements contain tenant improvement allowances, rent holidays, rent escalation clauses, and/or contingent rent provisions. For purposes of recognizing lease incentives and minimum rental expenses on a straight-line basis over the terms of the leases, the Company uses the date of initial possession to begin expensing rent, which is generally when the Company enters the space and begins to make improvements in preparation of intended use.

For tenant improvement allowances and rent holidays, the Company records a deferred rent liability on the balance sheets and amortizes the deferred rent over the terms of the leases as reductions to rent expense on the statements of income.

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

Other Income – The Company's other income is derived primarily from interest and dividends received on cash and investments, but also includes miscellaneous other sources of income.

Income Taxes **–** The Company records a deferred tax asset and liability for expected future tax consequences resulting from temporary differences between financial reporting and tax bases of assets and liabilities. The Company considers future taxable income and ongoing tax planning in assessing the value of its deferred tax assets. If the judgment of the Company's management determines that it is more than likely that these assets will not be realized, the Company would reduce the value of these assets to their expected realizable value, thereby decreasing net income. If the Company subsequently determined that the deferred tax assets, which had been written down, would be realized in the future, such value would be increased, thus increasing net income in the period such determination was made. The Company records tax benefits only for tax positions that are more than likely to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely to be realized upon ultimate settlement. Unrecognized tax benefits are tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards.

Stock Splits – On September 15, 2008, the Company's Board of Directors approved a 3-for-2 stock split payable in the form of a stock dividend for shareholders of record as of October 15, 2008, with a distribution date of October 30, 2008. All share and per share data (except par value and historical stockholders' equity data) presented in the financial statements for all periods has been adjusted to reflect the impact of this stock split.

Financial Instruments and Credit Risk Concentrations – Financial instruments, which potentially subject the Company to concentrations of credit risk, are primarily cash, investments, and accounts receivable. The Company places its investments primarily in tax-free municipal bonds, auction-rate securities, or U.S. Treasury securities with short-term maturities and limits the amount of credit exposure to any one entity.

Of the Company's $230,797 in total cash and investments as of January 30, 2010, $22,792 was comprised of investments in auction-rate securities ("ARS"). ARS have a long-term stated maturity, but are reset through a "dutch auction" process that occurs every 7 to 49 days, depending on the terms of the individual security. Until February 2008, the ARS market was highly liquid. During February 2008, however, a significant number of auctions related to these securities failed, meaning that there was not enough demand to sell the entire issue at auction. The failed auctions have limited the current liquidity of certain of the Company's investments in ARS and the Company has reason to believe that certain of the underlying issuers of its ARS are currently at risk. The Company does not, however, anticipate that further auction failures will have a material impact on the Company's ability to fund its business.

Concentrations of credit risk with respect to accounts receivable are limited due to the nature of the Company's receivables, which include primarily employee receivables that can be offset against future compensation. The Company's financial instruments have a fair value approximating the carrying value.

Earnings Per Share – Basic earnings per share data are based on the weighted average outstanding common shares during the period. Diluted earnings per share data are based on the weighted average outstanding common shares and the effect of all dilutive potential common shares, including stock options. Basic and diluted earnings per share for fiscal 2007 have been adjusted to reflect the impact of the Company's 3-for-2 stock split paid in the form of a stock dividend on October 30, 2008.

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

Comprehensive Income – Comprehensive income consists of net income and unrealized gains and losses on available-for-sale securities. Unrealized losses on the Company's investments in auction-rate securities have been included in accumulated other comprehensive loss and are separately included as a component of stockholders' equity, net of related income taxes.

	Fiscal Years Ended		
	January 30, 2010	**January 31, 2009**	**February 2, 2008**
Net income	$ 127,303	$ 104,409	$ 75,247
Changes in net unrealized losses on investments in auction-rate securities, net of taxes of $(75), $540, and $0, respectively	127	(920)	-
Comprehensive income	$ 127,430	$ 103,489	$ 75,247

Recently Issued Accounting Pronouncements – Effective February 3, 2008, the Company adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of FASB ASC 820 apply to all financial instruments that are being measured and reported on a fair value basis. In addition, FASB ASC 820-10-15-1A delayed the effective date of FASB ASC 820 to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years, for all non-financial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis. The adoption of FASB ASC 820 during fiscal 2008 for all financial instruments and the adoption during fiscal 2009 for all non-financial assets and liabilities did not have any impact on the Company's financial position or results of operations.

Effective February 3, 2008, the Company adopted the provisions of FASB ASC 825, *Financial Instruments*. FASB ASC 825 provides an option for companies to report selected financial assets and liabilities at fair value. Although the Company adopted the provisions of FASB ASC 825 effective with the beginning of the Company's 2008 fiscal year, it did not elect the fair value option for any financial instruments or other items held by the Company. Therefore, the adoption of FASB ASC 825 did not have any impact on the Company's financial position or results of operations.

In May 2009, FASB issued FASB ASC 855, *Subsequent Events*. This guidance requires management to evaluate subsequent events through the date the financial statements are issued, or are available to be issued, and requires companies to disclose the date through which such subsequent events have been evaluated. FASB ASC 855 was effective for financial statements issued for interim or annual reporting periods ending after June 15, 2009. In February 2010, FASB issued Accounting Standards Update 2010-09 which removed the requirement for SEC filers to disclose the date through which subsequent events have been evaluated. The adoption of FASB ASC 855 did not have any impact on the Company's financial position or results of operations. The Company has determined that there were no subsequent events requiring recognition or disclosure in the financial statements presented herein.

In June 2009, FASB issued FASB ASC 105, *Generally Accepted Accounting Principles*, which establishes the FASB *Accounting Standards Codification* ("ASC") as the single source of GAAP recognized by FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of FASB ASC 105, the codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the codification became non-authoritative. FASB ASC 105 was effective for financial statements issued for interim or annual reporting periods ending after September 15, 2009. Therefore, the Company adopted the provisions of FASB ASC 105 on August 2, 2009. The adoption of FASB ASC 105 did not have any impact on the Company's financial position or results of operations.

Supplemental Cash Flow Information - The Company had non-cash investing activities during fiscal years 2009, 2008, and 2007 of $4,808, $1,839, and $1,582, respectively. The non-cash investing activity relates to unpaid purchases of property, plant, and equipment included in accounts payable as of the end of the year. Amounts reported as unpaid purchases are recorded as cash outflows from investing activities for purchases of property, plant, and equipment in the statement of cash flows in the period they are paid.

Additional cash flow information for the Company includes cash paid for income taxes during fiscal years 2009, 2008, and 2007 of $79,480, $48,879, and $31,730, respectively.

B. INVESTMENTS

The following is a summary of investments as of January 30, 2010:

	Amortized Cost or Par Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-than-Temporary Impairment	Estimated Fair Value
Available-for-Sale Securities:					
Auction-rate securities	$ 24,775	$ -	$ (1,258)	$ (725)	$ 22,792
Municipal bonds	8,116	14	(14)	-	8,116
Preferred stock	2,000	-	-	(1,974)	26
	$ 34,891	$ 14	$ (1,272)	$ (2,699)	$ 30,934
Held-to-Maturity Securities:					
State and municipal bonds	$ 47,036	$ 535	$ (10)	-	$ 47,561
Fixed maturities	8,890	92	-	-	8,982
Certificates of deposit	1,640	27	-	-	1,667
U.S. treasuries	1,000	1	-	-	1,001
	$ 58,566	$ 655	$ (10)	$ -	$ 59,211
Trading Securities:					
Mutual funds	$ 6,200	$ -	$ (243)	$ -	$ 5,957

The following is a summary of investments as of January 31, 2009:

	Amortized Cost or Par Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-than-Temporary Impairment	Estimated Fair Value
Available-for-Sale Securities:					
Auction-rate securities	$ 35,495	$ -	$ (1,460)	$ (3,757)	$ 30,278
Preferred stock	2,000	-	-	(1,400)	600
	$ 37,495	$ -	$ (1,460)	$ (5,157)	$ 30,878
Held-to-Maturity Securities:					
State and municipal bonds	$ 31,965	$ 536	$ (90)	-	$ 32,411
Fixed maturities	2,500	37	(7)	-	2,530
Certificates of deposit	2,945	42	-	-	2,987
U.S. treasuries	2,985	19	(9)	-	2,995
	$ 40,395	$ 634	$ (106)	$ -	$ 40,923
Trading Securities:					
Mutual funds	$ 5,165	$ -	$ (1,075)	$ -	$ 4,090

The auction-rate securities and preferred stock were invested as follows as of January 30, 2010:

Nature	Underlying Collateral	Par Value
Municipal revenue bonds	92% insured by AAA/AA/A-rated bond insurers at January 30, 2010	$11,700
Municipal bond funds	Fixed income instruments within issuers' money market funds	9,325
Student loan bonds	Student loans guaranteed by state entities	3,750
Preferred stock	Underlying investments of closed-end funds	2,000
Total par value		$26,775

As of January 30, 2010, the Company's auction-rate securities portfolio was 57% AAA/Aaa-rated, 27% AA/Aa-rated, 9% A-rated, and 7% below A-rated.

The amortized cost and fair value of debt securities by contractual maturity as of January 30, 2010 is as follows:

	Amortized Cost	Fair Value
Available-for-sale securities		
Less than 1 year	$ 2,950	$ 2,950
1 - 5 years	1,452	1,454
5 - 10 years	1,206	1,209
Greater than 10 years	2,508	2,503
	$ 8,116	$ 8,116
Held-to-maturity securities		
Less than 1 year	$ 18,387	$ 18,520
1 - 5 years	35,802	36,234
5 - 10 years	1,926	1,978
Greater than 10 years	2,451	2,479
	$ 58,566	$ 59,211

At January 30, 2010 and January 31, 2009, $26,634 and $29,328 of available-for-sale securities and $40,179 and $22,795 of held-to-maturity investments are classified in long-term investments. Trading securities are held in a Rabbi Trust, intended to fund the Company's deferred compensation plan, and are classified in long-term investments.

The Company's investments in auction-rate securities ("ARS") are classified as available-for-sale and reported at fair market value. As of January 30, 2010, the reported investment amount is net of $1,258 of temporary impairment and $2,699 of other-than-temporary impairment ("OTTI") to account for the impairment of certain securities from their stated par value. The $1,258 temporary impairment is reported, net of tax, as an "accumulated other comprehensive loss" of $793 in stockholders' equity as of January 30, 2010. For the investments considered temporarily impaired, the Company believes that these ARS can be successfully redeemed or liquidated through future auctions at par value plus accrued interest. The Company believes it has the ability and maintains its intent to hold these investments until such recovery of market value occurs; therefore, the Company believes the current lack of liquidity has created the temporary impairment in valuation.

As of January 30, 2010, the Company had $24,775 invested in ARS and $2,000 invested in preferred securities, at par value, which are reported at their estimated fair value of $22,792 and $26, respectively. As of January 31, 2009, the Company had $35,495 invested in ARS and $2,000 invested in preferred securities, which were reported at their estimated fair value of $30,278 and $600, respectively. ARS have a long-term stated maturity, but are reset through a "dutch auction" process that occurs every 7 to 49 days, depending on the terms of the individual security. Until February 2008, the ARS market was highly liquid. During February 2008, however, a significant number of auctions related to these securities failed, meaning that there was not enough demand to sell the entire issue at auction. The failed auctions have limited the current liquidity of certain of the Company's investments in ARS and the Company has reason to believe that certain of the underlying issuers of its ARS are currently at risk. The Company does not, however, anticipate that further auction failures will have a material impact on the Company's ability to fund its business. During fiscal 2009, the Company was able to successfully liquidate $5,320 of its investments in ARS at par value. The Company also liquidated investments in preferred securities that were valued at $2,217 ($5,400 at par value) as of January 31, 2009 for $3,933, and recorded a gain of $1,716 in the statement of income for the fiscal year ended January 30, 2010. The Company reviews all investments for OTTI at least quarterly or as indicators of impairment exist and added $725 to OTTI during the fourth quarter of fiscal 2009. Indicators of impairment include the duration and severity of decline in market value. In addition, the Company considers qualitative factors including, but not limited to, the financial condition of the investee, the credit rating of the investee, and the current and expected market and industry conditions in which the investee operates.

As of January 30, 2010, $1,350 of the Company's investment in ARS and preferred securities was classified in short-term investments, due to known or anticipated subsequent redemptions, and $21,468 was classified in long-term investments. As of January 31, 2009, $1,550 of the Company's investment in ARS and preferred securities was classified in short-term investments and $29,328 was classified in long-term investments.

C. FAIR VALUE MEASURMENTS

As defined by FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities. Short-term and long-term investments with active markets or known redemption values are reported at fair value utilizing Level 1 inputs.
- Level 2 – Observable market-based inputs (either directly or indirectly) such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or inputs that are corroborated by market data.
- Level 3 – Unobservable inputs that are not corroborated by market data and are projections, estimates, or interpretations that are supported by little or no market activity and are significant to the fair value of the assets. The Company has concluded that certain of its ARS represent Level 3 valuation and should be valued using a discounted cash flow analysis. The assumptions used in preparing the discounted cash flow model include estimates for interest rates, timing and amount of cash flows, and expected holding periods of the ARS.

As of January 30, 2010 and January 31, 2009, the Company held certain assets that are required to be measured at fair value on a recurring basis including available-for-sale and trading securities. The Company's available-for-sale securities include its investments in ARS, as further described in Note B. The failed auctions, beginning in February 2008, related to certain of the Company's investments in ARS have limited the availability of quoted market prices. The Company has determined the fair value of its ARS using Level 1 inputs for known or anticipated subsequent redemptions at par value, Level 2 inputs using observable inputs, and Level 3 using unobservable inputs where the following criteria were considered in estimating fair value:

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

In addition, the Company considers other factors including, but not limited to, the financial condition of the investee, the credit rating, insurance, guarantees, collateral, cash flows, and the current and expected market and industry conditions in which the investee operates. Management believes it has used information that was reasonably obtainable in order to complete its valuation process and determine if the Company's investments in ARS had incurred any temporary and/or other-than-temporary impairment as of January 30, 2010 and January 31, 2009.

Future fluctuations in fair value of ARS that the Company judges to be temporary, including any recoveries of previous write-downs, would be recorded as an adjustment to "accumulated other comprehensive loss." The value and liquidity of ARS held by the Company may be affected by continued auction-rate failures, the credit quality of each security, the amount and timing of interest payments, the amount and timing of future principal payments, and the probability of full repayment of the principal. Additional indicators of impairment include the duration and severity of the decline in market value. The interest rates on these investments will be determined by the terms of each individual ARS. The material risks associated with the ARS held by the Company include those stated above as well as the current economic environment, downgrading of credit ratings on investments held, and the volatility of the entities backing each of the issues.

The Company's financial assets measured at fair value on a recurring basis subject to the disclosure requirements of FASB ASC 820 were as follows:

	Fair Value Measurements at Reporting Date Using			
January 30, 2010	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Available-for-sale securities				
Auction-rate securities	$ 1,261	$ 12,894	$ 8,637	$ 22,792
Municipal bonds	8,116	-	-	8,116
Preferred stock	26	-	-	26
Trading securities (including mutual funds)	5,957	-	-	5,957
Totals	$ 15,360	$ 12,894	$ 8,637	$ 36,891

	Fair Value Measurements at Reporting Date Using			
January 31, 2009	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Available-for-sale securities				
Auction-rate securities	$ 1,550	$ 21,468	$ 7,260	$ 30,278
Preferred stock	600	-	-	600
Trading securities (including mutual funds)	4,090	-	-	4,090
Totals	$ 6,240	$ 21,468	$ 7,260	$ 34,968

ARS, municipal bonds, and preferred securities included in Level 1 represent securities which have a known or anticipated upcoming redemption as of January 30, 2010 and those that have publicly traded quoted prices. ARS included in Level 2 represent securities which have not experienced a successful auction subsequent to February 2, 2008. The fair market value for these securities was determined by applying a discount to par value based on auction prices for similar securities and by utilizing a discounted cash flow model, using market-based inputs, to determine fair value. The Company used a discounted cash flow model to value its Level 3 investments, using estimates regarding recovery periods, yield, and liquidity. The assumptions used are subjective based upon management's judgment and views on current market conditions, and resulted in $739 of the Company's recorded temporary impairment and $725 of the OTTI as of January 30, 2010. The use of different assumptions would result in a different valuation and related temporary impairment charge.

Changes in the fair value of the Company's financial assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3), as defined in FASB ASC 820, are as follows:

	Fiscal Years Ended	
Available-for-Sale Auction-Rate Securities	**January 30, 2010**	**January 31, 2009**
Balance, beginning of year	$ 7,260	-
Total gains or losses (realized and unrealized):		
Included in net income	(725)	-
Included in other comprehensive income	(48)	(690)
Purchases, sales, issuances, and settlements (net)	(25)	-
Transfers in and/or out of Level 3	2,175	7,950
Balance, end of year	$ 8,637	$ 7,260

D. PROPERTY AND EQUIPMENT

	January 30, 2010	January 31, 2009
Land	$ 1,959	$ 1,170
Building and improvements	14,678	13,447
Office equipment	6,105	6,043
Transportation equipment	19,005	18,997
Leasehold improvements	119,941	111,544
Furniture and fixtures	110,579	96,778
Shipping/receiving equipment	15,783	10,294
Screenprinting equipment	111	111
Construction-in-progress	17,813	5,770
	$ 305,974	$ 264,154

E. FINANCING ARRANGEMENTS

The Company has available an unsecured line of credit of $17,500 of which $10,000 is available for letters of credit. During fiscal 2009, this line of credit was extended through July 31, 2012. Borrowings under the line of credit and letter of credit provide for interest to be paid at a rate equal to the prime rate as set by the Wells Fargo Bank, N.A. index on the date of the borrowings. There were no bank borrowings at January 30, 2010 and January 31, 2009. There were no bank borrowings during fiscal 2009, 2008, and 2007. The Company had outstanding letters of credit totaling $618 and $1,059 at January 30, 2010 and January 31, 2009, respectively.

F. INCOME TAXES

The provision for income taxes consists of:

	Fiscal Years Ended		
	January 30, 2010	January 31, 2009	February 2, 2008
Current income tax expense (benefit):			
Federal	$ 66,059	$ 52,905	$ 38,224
State	10,351	8,149	6,849
Deferred income tax expense (benefit):	414	(595)	(1,509)
Total	$ 76,824	$ 60,459	$ 43,564

Total income tax expense for the year varies from the amount which would be provided by applying the statutory income tax rate to earnings before income taxes. The primary reasons for this difference (expressed as a percent of pre-tax income) are as follows:

	Fiscal Years Ended		
	January 30, 2010	January 31, 2009	February 2, 2008
Statutory rate	35.0 %	35.0 %	35.0 %
State income tax effect	3.4	3.6	4.0
Tax exempt interest income	(0.3)	(1.0)	(2.0)
Other	(0.5)	(0.9)	(0.3)
Effective tax rate	37.6 %	36.7 %	36.7 %

Deferred income tax assets and liabilities are comprised of the following:

	January 30, 2010	January 31, 2009
Deferred income tax assets (liabilities):		
Inventory	$ 3,641	$ 3,681
Stock-based compensation	3,337	3,112
Accrued compensation	3,373	2,547
Accrued store operating costs	390	262
Unrealized loss on securities	2,021	2,847
Gift certificates redeemable	550	495
Allowance for doubtful accounts	13	17
Deferred rent liability	13,563	12,803
Property and equipment	(15,841)	(14,228)
Net deferred income tax asset	$ 11,047	$ 11,536

At January 30, 2010 and January 31, 2009, respectively, the net current deferred income tax assets of $7,396 and $7,085 are classified in “prepaid expenses and other assets.” The net non-current deferred income tax assets of $3,651 and $4,451 are classified in “other assets” at January 30, 2010 and January 31, 2009, respectively. There are no unrecognized tax benefits to be recorded in the Company’s financial statements at January 30, 2010 or January 31, 2009. The Company has no open examinations with the Internal Revenue Service and fiscal years 2006, 2007, 2008, and 2009 remain subject to examination by the Internal Revenue Service as well as state taxing authorities.

G. RELATED PARTY TRANSACTIONS

Included in other assets is a note receivable of $1,035 at January 30, 2010 and $1,005 at January 31, 2009, respectively, from a life insurance trust fund controlled by the Company's Chairman. The note was created over three years, beginning in July 1994, when the Company paid life insurance premiums of $200 each year for the Chairman on a personal policy. The note accrues interest at 5% of the principal balance per year and is to be paid from the life insurance proceeds. The note is secured by a life insurance policy on the Chairman.

H. COMMITMENTS

Leases - The Company conducts its operations in leased facilities under numerous non-cancelable operating leases expiring at various dates through fiscal 2021. Most of the Company's stores have lease terms of approximately ten years and generally do not contain renewal options. Most lease agreements contain tenant improvement allowances, rent holidays, rent escalation clauses, and/or contingent rent provisions. For purposes of recognizing lease incentives and minimum rental expenses on a straight-line basis over the terms of the leases, the Company uses the date of initial possession to begin amortization, which is generally when the Company enters the space and begins to make improvements in preparation of intended use. For tenant improvement allowances and rent holidays, the Company records a deferred rent liability on the balance sheets and amortizes the deferred rent over the terms of the leases as reductions to rent expense on the statements of income. For scheduled rent escalation clauses during the lease terms or for rental payments commencing at a date other than the date of initial occupancy, the Company records minimum rental expenses on a straight-line basis over the terms of the leases on the statements of income. Certain leases provide for contingent rents, which are determined as a percentage of gross sales in excess of specified levels. The Company records a contingent rent liability on the balance sheets and the corresponding rent expense when specified levels have been achieved or are reasonably probable to be achieved. Operating lease base rental expense for fiscal 2009, 2008, and 2007 was $45,805, $41,687, and $38,298, respectively. Most of the rental payments are based on a minimum annual rental plus a percentage of sales in excess of a specified amount. Percentage rents for fiscal 2009, 2008, and 2007 were $4,153, $3,202, and $1,159, respectively.

Total future minimum rental commitments under these operating leases with remaining lease terms in excess of one year as of January 30, 2010 are as follows:

Fiscal Year	Minimum Rental Commitments
2010	$ 49,006
2011	43,806
2012	39,313
2013	35,644
2014	31,592
Thereafter	104,595
Total minimum rental commitments	$ 303,956

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

I. EMPLOYEE BENEFITS

The Company has a 401(k) profit sharing plan covering all eligible employees who elect to participate. Contributions to the plan are based upon the amount of the employees' deferrals and the employer's discretionary matching formula. The Company may contribute to the plan at its discretion. The total expense under the profit sharing plan was $1,130, $1,022, and $887 for fiscal years 2009, 2008, and 2007, respectively.

The Buckle, Inc. Deferred Compensation Plan covers the Company's executive officers. The plan is funded by participant contributions and a specified annual Company matching contribution not to exceed 6% of the participant's compensation. The Company's contributions were $428, $341, and $390 for fiscal years 2009, 2008, and 2007, respectively.

J. STOCK-BASED COMPENSATION

The Company has several stock option plans which allow for granting of stock options to employees, executives, and directors. The options are in the form of non-qualified stock options and are granted with an exercise price equal to the market value of the Company's common stock on the date of grant. The options generally expire ten years from the date of grant. The Company also has a restricted stock plan that allows for the granting of non-vested shares of common stock to employees and executives and a restricted stock plan that allows for the granting of non-vested shares of common stock to non-employee directors.

As of January 30, 2010, 641,748 shares were available for grant under the various stock option plans, of which 452,111 were available for grant to executive officers. Also as of January 30, 2010, 208,372 shares were available for grant under the various restricted stock plans, of which 129,248 were available for grant to executive officers.

The Company accounts for stock-based compensation in accordance with FASB ASC 718, *Compensation-Stock Compensation*. Compensation expense was recognized fiscal 2009, 2008, and 2007 for new awards, based on the grant date fair value, as well as for the portion of awards granted in fiscal years prior to FASB ASC 718 adoption that was not vested as of the beginning of fiscal 2006. The fair value of stock options is determined using the Black-Scholes option pricing model, while the fair value of grants of non-vested common stock awards is the stock price on the date of grant.

Information regarding the impact of stock-based compensation expense is as follows:

	Fiscal Years Ended		
	January 30, 2010	**January 31, 2009**	**February 2, 2008**
Stock-based compensation expense, before tax:			
Stock options	$ 175	$ 289	$ 293
Non-vested shares of common stock	4,988	4,879	3,886
Total stock-based compensation expense, before tax	$ 5,163	$ 5,168	$ 4,179
Total stock-based compensation expense, after tax	$ 3,253	$ 3,256	$ 2,633

FASB ASC 718 requires the benefits of tax deductions in excess of the compensation cost recognized for stock options exercised during the period to be classified as financing cash inflows. This amount is shown as "excess tax benefit from stock option exercises" on the statements of cash flows. For fiscal 2009, 2008, and 2007, the excess tax benefit realized from exercised stock options was $2,661, $11,268, and $7,744, respectively.

No stock options were granted during fiscal 2009. Stock options granted during fiscal 2008 and 2007 were granted under the Company's 1993 Director Stock Option Plan. Grants were made with an exercise price equal to the market value of the Company's common stock on the date of grant and a contractual term of ten years. Options granted under the 1993 Director Stock Option Plan typically vest over a period of three years.

The weighted average grant date fair value of options granted during the fiscal year was $8.41 and $8.54 per option for fiscal 2008 and 2007, respectively. The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Fiscal Years Ended	
	January 31, 2009	February 2, 2008
Risk-free interest rate *(1)*	3.10 %	4.80 %
Dividend yield *(2)*	2.40 %	2.40 %
Expected volatility *(3)*	33.00 %	39.00 %
Expected lives - years *(4)*	7.0	7.0

(1) Based on the U.S. Treasury yield curve in effect at the time of grant with a term consistent with the expected lives of stock options.
(2) Based on expected dividend yield as of the date of grant.
(3) Based on historical volatility of the Company's common stock over a period consistent with the expected lives of stock options.
(4) Based on historical and expected exercise behavior.

On September 15, 2008, the Board of Directors authorized a $3.00 per share ($2.00 per share after 3-for-2 stock split) special one-time cash dividend to be paid on October 27, 2008 to shareholders of record at the close of business on October 15, 2008. Additionally, on September 21, 2009, the Board of Directors authorized a $1.80 per share special one-time cash dividend to be paid on October 27, 2009 to shareholders of record at the close of business on October 15, 2009. To preserve the intrinsic value for option holders, the Board also approved on each occasion, pursuant to the terms of the Company's various stock option plans, a proportional adjustment to both the exercise price and the number of shares covered by each award for all outstanding stock options. This adjustment did not result in any incremental compensation expense.

A summary of the Company's stock-based compensation activity related to stock options for the fiscal year ended January 30, 2010 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life		Aggregate Intrinsic Value
Outstanding - beginning of year	1,635,163	$ 6.91			
Granted	-	-			
Other (1)	447	5.83			
Expired/forfeited	(5,069)	24.21			
Exercised	(278,430)	6.56			
Outstanding - end of year	1,352,111	$ 5.02	3.29	years	$ 34,237
Exercisable - end of year	1,331,816	$ 4.75	3.22	years	$ 34,076

(1) An adjustment was made to the exercise price and number of options outstanding for the special cash dividend paid during October 2009. "Other" represents additional options issued as a result of this adjustment in the third quarter of fiscal 2009.

The total intrinsic value of options exercised during fiscal 2009, 2008, and 2007, respectively, was $7,477, $35,447, and $23,135. As of January 30, 2010, there was $64 of unrecognized compensation expense related to non-vested stock options. It is expected that this expense will be recognized over a weighted average period of approximately 1.0 year.

Non-vested shares of common stock granted during fiscal 2007 and 2008 were granted pursuant to the Company's 2005 Restricted Stock Plan. Non-vested shares granted during fiscal 2009 were granted pursuant to the Company's 2005 Restricted Stock Plan and the Company's 2008 Director Restricted Stock Plan. Shares granted under the 2005 Plan typically vest over a period of four years, only upon certification by the Compensation Committee of the Board of Directors that the Company has achieved its pre-established performance targets for the fiscal year. Shares granted under the 2008 Director Plan vest 25% on the date of grant and then in equal portions on each of the first three anniversaries of the date of grant.

A summary of the Company's stock-based compensation activity related to grants of non-vested shares of common stock for the fiscal year ended January 30, 2010 is as follows:

	Shares	Weighted Average Grant Date Fair Value
Non-Vested - beginning of year	423,171	$ 23.84
Granted	243,800	21.20
Forfeited	(47,232)	22.66
Vested	(214,394)	22.14
Non-Vested - end of year	405,345	$ 23.29

As of January 30, 2010, there was $4,066 of unrecognized compensation expense related to grants of non-vested shares. It is expected that this expense will be recognized over a weighted average period of approximately 1.9 years. The total fair value of shares vested during fiscal 2009, 2008, and 2007 was $6,517, $5,128, and $4,398, respectively.

K. EARNINGS PER SHARE

The following table provides reconciliation between basic and diluted earnings per share:

	Fiscal Years Ended								
	January 30, 2010			January 31, 2009			February 2, 2008		
	Income	Weighted Average Shares	Per Share Amount	Income	Weighted Average Shares	Per Share Amount	Income	Weighted Average Shares	Per Share Amount
Basic EPS									
Net income	$ 127,303	45,699	$ 2.79	$ 104,409	45,367	$ 2.30	$ 75,247	44,551	$ 1.69
Effect of Dilutive Securities									
Stock options and non-vested shares	-	993	(0.06)	-	1,207	(0.06)	-	1,703	(0.06)
Diluted EPS	$ 127,303	46,692	$ 2.73	$ 104,409	46,574	$ 2.24	$ 75,247	46,254	$ 1.63

Stock options to purchase 72,637 shares of common stock were not included in the computation of diluted earnings per share for fiscal 2008 because the options would be considered anti-dilutive. No stock options were deemed anti-dilutive and excluded from the computation of diluted earnings per share for either fiscal 2009 or 2007.

L. SEGMENT INFORMATION

The Company is a retailer of medium to better-priced casual apparel, footwear, and accessories. The Company operated 401 stores located in 41 states throughout the continental United States as of January 30, 2010. The Company operates its business as one segment.

The following is information regarding the Company's major product lines and is stated as a percentage of the Company's net sales:

	Fiscal Years Ended		
	January 30, 2010	January 31, 2009	February 2, 2008
Denims	42.9 %	41.4 %	43.2 %
Tops (including sweaters)	36.7	39.0	36.1
Accessories	7.7	7.7	7.7
Sportswear/fashions	5.0	4.6	4.3
Footwear	4.7	4.6	5.6
Outerwear	2.5	2.0	2.0
Casual bottoms	0.4	0.6	1.0
Other	0.1	0.1	0.1
	100.0 %	100.0 %	100.0 %

M. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Selected unaudited quarterly financial information for fiscal 2009 and 2008 are as follows:

	Quarter			
Fiscal 2009	**First**	**Second**	**Third**	**Fourth**
Net sales	$ 199,697	$ 192,906	$ 231,238	$ 274,446
Gross profit	$ 86,703	$ 82,278	$ 102,117	$ 129,521
Net income	$ 26,862	$ 24,994	$ 33,305	$ 42,142
Basic earnings per share	$ 0.59	$ 0.55	$ 0.73	$ 0.92
Diluted earnings per share	$ 0.58	$ 0.54	$ 0.71	$ 0.90

	Quarter			
Fiscal 2008	**First**	**Second**	**Third**	**Fourth**
Net sales	$ 160,300	$ 169,765	$ 210,567	$ 251,414
Gross profit	$ 65,622	$ 70,268	$ 91,805	$ 115,793
Net income	$ 18,717	$ 22,276	$ 29,076	$ 34,340
Basic earnings per share	$ 0.42	$ 0.49	$ 0.64	$ 0.75
Diluted earnings per share	$ 0.41	$ 0.48	$ 0.62	$ 0.74

Basic and diluted shares outstanding are computed independently for each of the quarters presented and, therefore, may not sum to the totals for the year.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A - CONTROLS AND PROCEDURES

The Company maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that material information, which is required to be timely disclosed, is accumulated and communicated to management in a timely manner. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) was performed as of the end of the period covered by this report. This evaluation was performed under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the Company's reports that it files or submits under the Exchange Act is accumulated and communicated to management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms.

Change in Internal Control Over Financial Reporting – There were no changes in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter that have materially affected, or are reasonable likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting – Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United State of America ("GAAP").

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of January 30, 2010, based on the criteria set forth by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission in their *Internal Control–Integrated Framework*. In making its assessment of internal control over financial reporting, management has concluded that the Company's internal control over financial reporting was effective as of January 30, 2010.

The Company's independent registered public accounting firm, Deloitte & Touche LLP, has audited the effectiveness of the Company's internal control over financial reporting. Their report appears herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the internal control over financial reporting of The Buckle, Inc. (the "Company") as of January 30, 2010, based on criteria established in *Internal Control — Integrated Framework* 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 Report on Internal Control 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.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 30, 2010, based on the criteria established in *Internal Control — Integrated Framework* 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 financial statements and financial statement schedule as of and for the fiscal year ended January 30, 2010, of the Company and our report dated March 31, 2010 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Omaha, Nebraska
March 31, 2010

ITEM 9B – OTHER INFORMATION

As required by Section 303A of the New York Stock Exchange's Corporate Governance Standards, the Company's Chief Executive Officer submitted a certification to the New York Stock Exchange in fiscal 2009 that he was not aware of any violation by the Company of the New York Stock Exchange's Corporate Governance Standards as of the date of the certification, June 29, 2009.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information required by this item appears under the captions "Executive Officers of the Company" appearing on pages 10 and 11 of this report and "Election of Directors" in the Company's Proxy Statement for its 2010 Annual Shareholders' Meeting and is incorporated by reference.

ITEM 11- EXECUTIVE COMPENSATION

Information required by this item appears under the following captions in the Company's Proxy Statement for its 2010 Annual Shareholders' Meeting and is incorporated by reference: "Executive Compensation," "Director Compensation" (included under the "Election of Directors" section), and "Report of the Audit Committee."

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item appears under the captions "Beneficial Ownership of Common Stock" and "Election of Directors" in the Company's Proxy Statement for its 2010 Annual Shareholders' Meeting and in the Notes to Financial Statements under Footnote J on pages 46 to 48 of this report and is incorporated by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item appears under the captions "Independence" and "Related Party Transactions" (included under the "Election of Directors" section) in the Company's Proxy for its 2010 Annual Shareholders' Meeting and is incorporated by reference.

ITEM 14 – PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding the fees billed by our independent registered public accounting firm and the nature of services comprising the fees for each of the two most recent fiscal years is set forth under the caption "Ratification of Independent Registered Public Accounting Firm" in the Company's Proxy Statement for its 2010 Annual Shareholders' Meeting and is incorporated by reference.

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

(a) Financial Statement Schedule

Valuation and Qualifying Account. This schedule is on page 54.

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

(b) Exhibits

See index to exhibits on pages 55 and 56.

Buckle
buckle.com

Buckle Corporate Office
2407 W. 24th Street
Kearney, NE 68845
308.236.8491

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