

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): August 22, 2003

Commission File Number	Registrant, State of Incorporation Address and Telephone Number	I.R.S. Employer Identification No.
333-42427	J. CREW GROUP, INC.  (Incorporated in New York) 770 Broadway New York, New York 10003 Telephone: (212) 209-2500	22-2894486
333-42423	J. CREW OPERATING CORP.  (Incorporated in Delaware) 770 Broadway New York, New York 10003 Telephone: (212) 209-2500	22-3540930

Item 7. Financial Statements and Exhibits.

99.1 Press Release issued by J.Crew Group, Inc. on August 22, 2003.

Item 12. Results of Operations and Financial Condition.

On August 22, 2003, J.Crew Group, Inc. issued a press release announcing the Company's second quarter financial results for the period ended August 2, 2003. The Company is furnishing a copy of the press release hereto as Exhibit 99.1.

The information in this Current Report is being furnished under Item 12 Results of Operations and Financial Condition and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), nor shall such information be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly stated by specific reference in such filing.

SIGNATURES

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

J. CREW GROUP, INC.  
J. CREW OPERATING CORP.

By /s/ Scott Gilbertson

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Name: Scott Gilbertson  
Title: Chief Operating Officer

Date: August 22, 2003

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release issued by J.Crew Group, Inc. on August 22, 2003.

For: J. Crew Group, Inc.  
Contact: Scott Gilbertson  
Chief Operating Officer  
(212) 209-2535  
Owen Blicksilver PR  
(516) 742-5950

For Immediate Release

J. CREW GROUP REPORTS SECOND QUARTER FINANCIAL RESULTS

NEW YORK (August 22, 2003) - J. Crew Group, Inc. today announced financial results for the thirteen weeks ended August 2, 2003. These results reflect a new inventory management strategy as well as strategic changes in the Direct business, including the discontinuance of Clearance and Sale catalogs and reductions in pages circulated. The new inventory strategy contributed to a significant improvement in cash flow.

Revenues for the second quarter of 2003 were \$167.1 million compared to \$167.6 million last year. Comparable store sales increased 2% in the second quarter, while net sales in the Direct business decreased 17%. Net income was \$15.2 million for the quarter compared to a loss of \$7.1 million last year. The 2003 quarter includes a gain on the exchange of debt of \$41 million.

The operating results for the second quarter reflect a \$12 million decrease in gross profit with a decline in gross margin from 36.4% in 2002 to 29.4% in 2003. The margin decrease resulted from atypical and accelerated markdowns related to Spring 2003 and prior season merchandise.

Revenues for the twenty-six weeks ended August 2, 2003 were \$328.6 million, a decrease of 2% from last year. Comparable store sales declined 4% in the period while sales of Direct decreased 9%. Net loss for the six month period was \$4.4 million compared to a \$19.2 million loss last year.

The operating results for the six month period reflect a \$23 million decrease in gross profit with a decline in gross margin from 38.2% in 2002 to 32.0% in 2003. This decrease was partially offset by a decline in selling, general and administrative expenses (excluding severance charges) of \$7 million. Selling expense decreased by \$4 million due to reduced circulation. The decrease in general and administrative expenses of \$3 million resulted primarily from the effect of cost reduction initiatives in the first quarter and a \$1.6 million insurance recovery in the second quarter. Interest expense was up \$4 million for the six month period reflecting the increased interest rate and accretion in fair value on the new discount notes.

The balance sheet at August 2, 2003 includes \$31 million of cash and cash equivalents, an \$18 million increase from August 3, 2002; inventories were \$85 million, down 39%. There were no working capital borrowings at August 2, 2003 compared to \$48 million last year. Cash flow from operations for the six month period, after capital expenditures, improved by \$40 million from last year.

J. Crew Group, Inc. is a leading retailer of men's and women's apparel, shoes and accessories. At August 2, 2003, the Company operated 155 retail stores, the J. Crew catalog business, [jcrew.com](http://jcrew.com), and 42 factory outlet stores.

#### Second Quarter Conference Call

The Company's second quarter investor conference call will be held today, August 22, 2003 at 11 a.m. eastern time. The event will be available through an audio webcast at [www.jcrew.com](http://www.jcrew.com) (click on "Help" and "Investor Relations") and [www.companyboardroom.com](http://www.companyboardroom.com), and will be archived on those websites. A telephone replay will also be available through August 29, 2003 at (888) 286-8010, reference #14561916.

Certain statements herein are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the Company's current expectations or beliefs concerning future events and actual results of operations may differ materially from historical results or current expectations. Any such forward-looking statements are subject to various risks and uncertainties, including the strength of the economy, changes in the overall level of consumer spending or preferences in apparel, the performance of the Company's products within the prevailing retail environment, trade restrictions, political or financial instability in countries where the Company's goods are manufactured, postal rate increases, paper and printing costs, availability of suitable store locations at appropriate terms and other factors which are set forth in the Company's Form 10-

K and in all filings with the SEC made by the Company subsequent to the filing of the Form 10-K. The Company does not undertake to publicly update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

(tables to follow)

J.Crew Group, Inc.  
Summary Income Statement Data

	Thirteen weeks		Twenty-six weeks	
	08/02/2003	08/03/2002	08/02/2003	08/03/2002
	[\$ in millions]		[\$ in millions]	
Revenues	\$ 167.1	\$ 167.6	\$ 328.6	\$ 334.7
Gross profit	49.1	61.0	105.0	128.0
Selling, general and administrative expenses	61.4	62.3	126.3	133.4
Severance costs	0.5	0.2	1.4	5.0
Interest expense	13.1	9.5	22.8	19.1
Gain on exchange of debt (net of expenses of \$3.0 million)	41.1	-	41.1	-
Income/(loss) before income taxes	15.2	(11.0)	(4.4)	(29.5)
Net income/(loss)	\$ 15.2	\$ (7.1)	\$ (4.4)	\$ (19.2)

Summary of Revenues

	Thirteen weeks		Twenty-six weeks	
	08/02/2003	08/03/2002	08/02/2003	08/03/2002
Retail Direct	\$ 100.7	\$ 94.1	\$ 182.5	\$ 179.8
Internet	26.9	25.3	63.5	56.5
Catalog	11.3	20.6	29.7	45.6
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	38.2	45.9	93.2	102.1
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Factory	20.3	20.9	36.1	36.9
Other	7.9	6.7	16.8	15.9
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	\$ 167.1	\$ 167.6	\$ 328.6	\$ 334.7
	=====	=====	=====	=====
Comp store sales:				
Retail	2.0%		-4.3%	
Factory	-3.6%		-4.6%	
Number of stores				
Retail	155	146		
Factory	42	43		

J.Crew Group, Inc.

Summary Balance Sheet Data

Assets	As of	
	08/02/2003	08/03/2002
	[ \$ in millions ]	
Cash	\$ 31.5	\$ 14.0
Inventories	84.8	138.9
Property & equipment, net	155.9	185.1
Other	45.1	51.2
Total	\$ 317.3	\$ 389.2
Liabilities and Stockholders' deficit		
Notes payable - bank	\$ -	\$ 48.0
Accounts payable and other current liabilities	96.7	93.8
Deferred credits	61.1	66.5
Long term debt (including current portion)	291.5	288.3
Redeemable preferred stock	283.6	247.4
Stockholders' deficit	(415.6)	(354.8)
Total	\$ 317.3	\$ 389.2

Summary Cash Flow

	26 weeks ended	
	08/02/2003	08/03/2002
	[ \$ in millions ]	
EBITDA (excluding the gain on exchange of debt) (a)	\$ (6.3)	\$ 5.5
Cash interest	(10.1)	(9.1)
Taxes paid	(0.3)	(0.5)
Changes in working capital	11.7	(30.6)
Cash flow from operations	(5.0)	(34.7)
Capital expenditures	(4.8)	(15.5)
Cash flow from financing activities	22.4	48.0
Change in cash	\$ 12.6	\$ (2.2)

(a) Earnings before interest, taxes and depreciation and amortization (EBITDA) should not be considered as an alternative to any measure of operating results as promulgated under generally accepted accounting principles, including operating income and net income. The Company uses EBITDA as a supplemental measure of cash flow. Management and investors often use EBITDA as a measure of our ability to service our debt. Other companies may calculate EBITDA differently and therefore, our calculations are not necessarily comparable with similarly titled figures for other companies. EBITDA for the 26 weeks ended August 2, 2003 excluded the \$41.1 million gain on exchange of debt.