BUCKLE INC

FORM 10-K
(Annual Report)

Filed 5/1/1997 For Period Ending 2/1/1997

Address	2407 W 24TH ST
	KEARNEY, Nebraska 68847
Telephone	308-236-8491
CIK	0000885245
Industry	Retail (Apparel)
Sector	Services
Fiscal Year	02/01

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 February 1, 1997

Commission File Number: 000-20132

THE BUCKLE, INC.
(Exact name of Registrant as specified in its charter)

Nebraska (State or other jurisdiction of incorporation or organization)	47-0366193 (I.R.S. Employer Identification No.)	
2407 West 24th Street, Kearney, Nebraska (Address of principal executive offices)	68847 (Zip Code)	(308) 236-8491 (Registrant's telephone number)

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

Title of each Class	Name of each Exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $.05 par value
(Title of Class)

(Former name, former address and former fiscal year if changed since last report)

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 (X). No ( ).

Indicate if the 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 a definitive proxy or information statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ( ).

The aggregate market value (based on the closing price on the NASDAQ) of the Common Stock of the Registrant held by non-affiliates of the Registrant was $60,949,530.00 on April 14, 1997. 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 2,138,580 shares.

The number of shares outstanding of the Registrant's Common Stock, as of April 14, 1997 was 6,983,581 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for Registrant's 1997 Annual Meeting of Shareholders to be held June 2, 1997 are incorporated by reference in Part III.

THE BUCKLE, INC.

FORM 10-K
FEBRUARY 1, 1997

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PART I

ITEM 1 - BUSINESS

The Buckle, Inc. (the "Company") is a retailer of medium to better priced casual apparel for fashion conscious young men and women. As of February 1, 1997, the Company operated 181 retail stores in 22 states throughout the central United States under the names "Brass Buckle" and "The Buckle." The Company markets a wide selection of mostly brand name casual apparel, including denims, other casual bottoms, tops, sportswear, outerwear, accessories, and shoes. The Company emphasizes personalized attention to its customers and provides individual customer services such as free alterations, free gift wrapping, easy layaways and a frequent shopper program. Most stores are located in regional, high-traffic shopping malls, and this is the Company's strategy for future expansion. All of the Company's central office functions, including purchasing, pricing, advertising and distribution, are controlled from its headquarters and distribution center in Kearney, Nebraska.

Incorporated in Nebraska in 1948, the Company commenced business under the name Mills Clothing, Inc., a conventional men's clothing store with only one location. In 1967, a second store, under the trade name Brass Buckle, was purchased. In the early 1970s, the store image changed to that of a jeans store, with a wide selection of denims and shirts. The first branch store was opened in Columbus, Nebraska, in 1976. In 1977, the Company began selling young women's apparel as well, and opened its first mall store. The Company has experienced significant growth over the past ten years, growing from 38 stores at the start of 1987 to 181 stores by the close of 1996. The Company changed its corporate name to The Buckle, Inc. on April 23, 1991. All references herein to fiscal 1996 refer to the 52-week period ended February 1, 1997. Fiscal 1995 and fiscal 1994 refer to the 53 and 52-week periods ended February 3, 1996 and January 28, 1995, respectively.

The company's principal executive offices and distribution center are located at 2407 West 24th Street, Kearney, Nebraska 68847. The Company's telephone number is (308) 236-8491.

Marketing and Merchandising

The Company's marketing and merchandising strategy is to offer customers a wide selection of key brand name merchandise while also providing a broad range of services designed to create customer loyalty. The Company provides a unique specialty apparel store with merchandise designed to appeal to the fashion conscious 12 to 24 year old. The merchandise mix includes denims, casual bottoms, tops, sweaters, dresses, outerwear, accessories, and shoes. Denim is a significant contributor to total sales (over 31% of fiscal 1996 net sales) and is a key to the Company's merchandising concept. The Company believes it attracts customers with a selection of brands and a wide variety of fits, finishes and styles in denim. Shirts and tops are also a significant contributor to the total sales (over 34% of fiscal 1996 net sales). The Company strives to provide a continually changing selection of the latest casual fashions.

The percentage of net sales over the past three fiscal years of the Company's major product lines are set forth in the following table.

	Percentage of Net Sales		
Merchandise Group	Fiscal 1996	Fiscal 1995	Fiscal 1994
Denims	31.6%	32.6%	31.7%
Slacks/Casual Bottoms	3.4	1.7	1.7
Tops (including sweaters)	34.6	37.3	39.9
Sportswear/Fashion Clothes (including dresses)	10.6	14.8	16.6
Outerwear	2.4	2.1	2.1
Accessories	4.7	4.9	3.5
Shoes	12.6	6.0	3.0
Other	.1	.6	1.5
Total	100.0%	100.0%	100.0%

Brand name merchandise constitutes over 80% of the Company's sales volume. The balance is comprised of private label merchandise that is manufactured to the Company's specifications. The Company's merchandisers continually work with manufacturers and vendors to produce brand name merchandise that is unique in color and style compared to the merchandise sold in other stores. While the brands offered by the Company change to meet current customer preferences, the Company currently offers brands such as Lucky Brand Dungarees, Dr. Martens, Mossimo, Calvin Klein, Levi's, Silver, and Tommy Jeans. The Company believes brand name merchandise will continue to constitute the substantial majority of sales, although the percentage of private label merchandise sold has increased over the past several years.

Management believes the Company provides a unique store setting by maintaining a high level of customer service, and by offering a wide selection of fashionable, quality merchandise at good values. The Company believes that it is essential to create an enjoyable shopping atmosphere and to provide highly motivated employees who give personal attention to customers. Each salesperson is educated to help create a complete look for the customer by showing merchandise as coordinating outfits. The Company also offers specialized services such as free alterations, free gift wrapping, layaways, a special order system which allows stores to obtain specifically requested merchandise from other Company stores, a frequent shopper card, and The Buckle private label credit card. Customers are encouraged to use the Company's layaway plan, which allows customers to make a partial payment on merchandise which is then held by the store until the balance is paid. For the past three fiscal years an average of approximately 7% of net sales have been made on a layaway basis.

Merchandising and pricing decisions are made centrally; however, the Company's distribution system allows for variation in the mix of merchandise distributed to each store so that individual store inventories can be tailored to reflect differences in customer buying patterns at various locations. In addition, to assure a continually fresh, new look in its stores, the Company ships new merchandise daily to most stores, including varying styles and colors that differ from prior merchandise. The Company also has a transfer program which shifts specific merchandise to locations where it is selling better. This distribution and transfer system helps to maintain customer satisfaction by providing in stock popular items and reducing the need to mark down slow-moving merchandise at a particular location. The Company believes that the reduced markdowns justify the incremental costs of distribution associated with the transfer system. The Company does not hold storewide off-price sales at anytime.

In 1990, the store layout and decor were completely redesigned to provide an appealing and contemporary appearance. At that time, the Company began operating all new and fully remodeled stores with this design. The design presents a contemporary atmosphere in which the store's architectural elements, including feature display walls, provide a backdrop, creating a stronger visual presentation for the customer. Special care is taken to provide an environment comfortable for all customers. The interior is well lighted to provide true, bright color rendition of the merchandise, and many fixtures are movable to allow for highlighting specific garments within the display walls. Finish materials are selected to provide a high quality look and easy maintenance. All stores opened and fully remodeled since June 1990 (176 stores as of March 10, 1997) have the new format and do business as "The Buckle."

In 1996, the Company contracted with a national design firm to again review the store design and assist in development of an updated unique look. The first store with the new design was opened February 26, 1997 in The Wolfchase Galleria in Memphis, TN. The Company plans to use this design for all new stores and will update existing stores only if there is a normally scheduled remodel.

ADVERTISING AND PROMOTION

In fiscal 1996, The Company spent $2.8 million (net co-op reimbursements) or 1.34% of net sales on advertising and in-store point of sale materials. In the past, radio and direct mail have been the primary sources of advertising for The Company. In 1996 and moving forward, there will be less emphasis on direct mail coupons and more focus on in-store visual enhancements, special events and image advertising. On-screen theatre advertising is being added to the media mix in select markets as an image builder for The Company. Radio advertising will continue to be a media source used to support special events in approximately 80% of The Company's markets.

In 1996, The Company published a corporate web site at www.buckle.com. The Internet provides an information source for investors, customers and employees. The Company will continue offering the frequent shopper program (The Buckle Primo Card), a program designed to build customer loyalty. In-store seasonal sign kits and promotional signage is used to enhance merchandising presentations, the stores' image and special events at point of sale.

STORE OPERATIONS

The Company has two Vice Presidents of Sales, two regional managers, eight district managers, and 34 area managers. All district and area managers also serve as manager of their home base store. Each store has one manager, one or two assistant managers, one to three additional full-time salespeople and up to 20 part-time salespeople. Most stores have peak levels of staff during the back-to-school and Christmas seasons. Almost every location also employs a seamstress.

The Company places great importance on recruiting and training quality personnel. The Company recruits interns and management trainees on college campuses and focuses on building its management organization from within. Sales training of new employees is performed at the store level by store managers. Salespeople displaying particular talent generally are assigned to stores operated by district managers for training as a store manager. A majority of the Company's store managers and most of its middle and upper level management are former salespeople, including the President of the Company, Dennis Nelson, and its Chairman, Dan Hirschfeld.

Store managers receive compensation in the form of a base salary and incentive bonuses. District and area managers also receive added incentives based upon the sales performance of stores in their district/area.

The Company has established a comprehensive program stressing the prevention and control of shrinkage losses. Steps taken to reduce shrinkage include monitoring cash refunds, voids, inappropriate discounts, employee sales and returns-to-vendor, as well as the installation of electronic article surveillance systems in more than 85% of the Company's stores. As a result, the Company achieved a shrinkage rate of 0.7% of net sales for fiscal 1996, 0.6% for fiscal 1995 and 0.5% for fiscal 1994.

The average store is approximately 4,600 square feet (of which the Company estimates an average of approximately 85% is selling space), and stores range in size from 2,450 square feet to 7,300 square feet.

PURCHASING AND DISTRIBUTION

The Company has a very experienced buying team. The buying team, which includes the President, Vice President of Men's Merchandising, in addition to the men's and women's merchandisers, has 5 members who have between 13 and 27 years with the company. The experience and leadership within the buying team contributes significantly to the company's success by enabling the buying team to react quickly to changes in fashion and by providing extensive knowledge of sources for branded and private label goods.

The Company purchases products from manufacturers within the United States and from some foreign manufacturers. The Company's merchandising team monitors U.S. fashion centers (in New York and on the West Coast) and shops high fashion stores to adapt new ideas to The Buckle. The Company continually monitors fabric selection, quality and delivery schedules. The Company has not experienced any material difficulties with merchandise manufactured in foreign countries. The Company does not have long-term or exclusive contracts with any brand name manufacturer or supplier. The Company does have an exclusive agreement with an agent in Hong Kong for the manufacture of The Buckle, Inc.'s private label merchandise. This agreement was entered into as of November 28, 1994, for orders placed subsequent to this date. Management believes that as the Company has grown it has been able to obtain better purchasing terms.

In fiscal 1996, Lucky Brand Dungarees and AirWair USA (Dr. Martens) made up 16.9% and 13.3%, respectively, of the Company's net sales. No other vendor accounted for more than 10% of the Company's sales. Current significant vendors include Lucky Brand Dungarees, Dr. Martens, Mossimo, Calvin Klein, Levi's, Silver, and Tommy Jeans. The Company continually strives to offer brands that are currently popular with its customers, and therefore the Company's suppliers and purchases from specific vendors may vary significantly from year to year.

The Buckle stores generally carry the same merchandise, with quantity and seasonal variations based upon historical sales data, climate and perceived local customer interest. The Company uses a centralized receiving and distribution center located within the corporate headquarters building in Kearney, NE. Merchandise is received daily in Kearney, tagged with bar coded tickets, sorted, and packaged for distribution to individual stores via United Parcel Service. The Company's goal is to ship the majority of its merchandise out to the stores within one business day of receipt. This system allows stores to receive new merchandise almost every day, providing customers with a good reason to shop often and helping create excitement within each store. During fiscal 1995, the Company began to direct-ship to its Buckle stores merchandise from Levi Strauss and Company.

Management believes its distribution system can service up to 220 stores in the current facilities. The Company is currently working on plans for expansion of its current corporate headquarters and distribution center, with a newly designed distribution system that would allow for expansion to handle up to 650 stores. The Company has developed an effective computerized system for tracking merchandise from the time it is checked in at the Company's distribution center until it arrives at the stores and is sold to a customer. The system's function is to insure that store shipments are delivered accurately and promptly, to account for inventory, and to assist in allocating merchandise among stores. Management can track on a daily basis which merchandise is selling at specific locations and directs transfers of merchandise from one store to another as necessary. This allows stores to carry a reduced inventory while at the same time satisfying customer demands.

In order to reduce interstore shipping costs and to provide more timely restocking of in-season merchandise, the Company has increased its focus on warehousing a portion of initial shipments. Sales reports are then used to replenish on a basis of one to three times each week, those stores that are experiencing the greatest success selling specific styles, colors, and sizes of merchandise. This system is also designed to prevent a crowded, cluttered look in the stores at the beginning of a season.

STORE LOCATIONS AND EXPANSION STRATEGIES

As of March 20, 1997 the Company operated 185 stores in 23 states, including 4 stores opened in 1997. The existing stores are in 8 downtown locations, 9 strip centers and 168 shopping malls. The Company anticipates opening approximately 13 additional new stores in fiscal 1997. All new stores for 1997 will be located in higher traffic shopping malls. The following table lists the location of existing stores as of March 20, 1997.

Location of Stores

State	Number of Stores
Arkansas	5
Colorado	9
Idaho	3
Illinois	11
Indiana	12
Iowa	20
Kansas	15
Kentucky	4
Michigan	13
Minnesota	7
Mississippi	1
Missouri	11
Montana	4
Nebraska	15
New Mexico	3
North Dakota	3
Ohio	8
Oklahoma	13
South Dakota	3
Texas	12
Tennessee	2
Wyoming	1
Wisconsin	10
Total	185

The Buckle has grown significantly over the past ten years, with the number of stores increasing from 39 at the beginning of 1987 to 181 at the end of 1996. The Company's plan is to continue expansion by developing the geographic region it currently serves and by expanding into contiguous markets. The Company intends to open new stores only when management believes there is a reasonable expectation of satisfactory results.

The following table sets forth information regarding store openings and closing since the beginning of fiscal 1987 to the end of fiscal 1996:

Total Number of Stores Per Year

Fiscal Year	Open at start of year	Opened in Current Year	Total
1987	39	6	45
1988	45	11	56
1989	56	10	66
1990	66	6	71
1991	71	15	86
1992	86	18	104
1993	104	27	131
1994	131	16	147
1995	147	17	164
1996	164	17	181

The Company's criteria used when considering a particular location for expansion include:

1. Market area, including proximity to existing markets to capitalize on name recognition;
2. Trade area population (number, average age, and college population);
3. Economic vitality of market area;
4. Mall location, anchor tenants, tenant mix, average sales per square foot;
5. Available location within a mall, square footage and storefront width, and facility of using the current store design;
6. Availability of suitable management personnel for the market;
7. Cost of rent, including minimum rent, common area and extra charges;
8. Estimated construction costs, including landlord charge backs and tenant allowances.

In fiscal 1990, expansion was suspended for the first two quarters of the year as management developed and refined the store design to give the stores a more contemporary look and permitting better presentation of merchandise in coordinated outfits.

In 1996, The Buckle began development of an updated store design. This design will be used on the new stores beginning in fiscal 1997, and on any regularly scheduled remodels or relocations. The Company does not plan to remodel all existing stores with the new design at this time.

The Company generally seeks sites of 4,000 to 5,000 square feet for its stores. The projected cost of opening a store with the new design is approximately $445,000, including construction costs of approximately $325,000 (which is prior to any construction allowance received) and inventory costs of approximately $120,000.

The Company anticipates opening approximately 17 new stores during fiscal 1997 and completing the remodeling of approximately four existing stores. Remodels range from partial to full, with construction costs for a full remodel being nearly the same as for a new store. Of the four stores scheduled for remodeling during fiscal 1997, it is estimated that each will receive full remodeling. The Company has budgeted a total of $13.0 million (before estimated construction allowances from landlords of $1.5 million) for new store construction, remodeling, technology upgrades and construction at the corporate headquarters during fiscal 1997.

The Company plans to expand in 1997 by opening stores in four new states as well as openings in existing markets. New store openings are generally scheduled to coincide with the increased customer traffic of the Easter, back-to-school or Christmas holiday shopping seasons.

The Company believes that, given the time required for training personnel, staffing a store and developing adequate district and regional managers, its current management infrastructure is sufficient to support its currently planned rate of growth.

The Company's ability to expand in the future will depend, in part, on general business conditions and the ability to find suitable malls with acceptable sites on satisfactory terms and the availability of internal or external financing sources. There can be no assurance that the Company's expansion plans will be fulfilled in whole or in part, or that leases under negotiation for planned new sites will be obtained on terms favorable to the Company.

MANAGEMENT INFORMATION SYSTEMS

The Company's management information systems (MIS) and electronic data processing systems (EDP) consist of a full range of retail, financial and merchandising systems, including purchasing, inventory distribution and control, sales reporting, accounts payable, and merchandise management.

The system includes Fujitsu Atrium 9000 point-of-sale (POS) registers equipped with bar code readers in each store. These registers are polled nightly by the central computer (IBM AS/400) using a virtual private network for collection of comprehensive data, including complete item-level sales information, employee time clocking, merchandise transfers and receipts, special orders, supply orders and returns-to-vendor. In conjunction with the nightly polling, the central computer sends the cash registers messages from various departments at the Company headquarters and price changes for the price lookup (PLU) file maintained within the POS registers.

Each weekday morning, the Company initiates an electronic "sweep" of the individual store bank accounts to the Company's primary concentration account. This allows the Company to meet its obligations with a minimum of borrowing and to invest excess cash on a timely basis.

Management monitors the performance of each its stores on a continual basis. Daily information is used to evaluate inventory, determine markdowns, analyze profitability and assist management in the scheduling and compensation of employees. Additionally, reports are generated verifying daily bank deposit information against recorded sales, identifying transactions rung at prices that differ from the PLU file, and listing selected "exception" transactions (e.g. refunds, cash paid-outs, discounts). These reports are used to help assure consistency among the stores and to help prevent losses due to error or dishonesty.

The PLU system allows management to control merchandise pricing centrally, permitting faster and more accurate processing of sales at the store and the monitoring of specific inventory items to confirm that centralized pricing decisions are carried out in each of the stores. Management is able to direct all price changes, including promotional, clearance and markdowns on a central basis and estimate the financial impact of such changes.

The Company is committed to ongoing review of the MIS and EDP systems to provide productive, timely information and effective controls. This review includes testing of new products and systems to assure that the Company is aware of technological developments. Most important, continual feedback is sought from every level of the Company to assure that information provided is pertinent to all aspects of the Company's operations.

EMPLOYEES

As of February 1, 1997, the Company had approximately 3300 employees - approximately 540 of whom were full-time. The Company has an experienced management team, and substantially all of the management team, from store managers through senior management, commenced work for the Company on the sales floor. The Company experiences high turnover of store and distribution center employees, primarily due to having a significant number of part-time employees. However, the Company has not experienced significant difficulty in hiring qualified personnel. Of the total employees, 170 are employed at the corporate headquarters and in the distribution center. None of the Company's employees are represented by a union. Management believes that employee relations are good.

The Company provides medical, dental, life insurance and long-term disability plans, as well as a 401(k) and a section 125 cafeteria plan for eligible employees. To be eligible for the plans, other than the 401(k) Plan, an employee must have worked for the Company for 90 days or more, and his or her normal work week must be 35 hours or more. As of February 1, 1997, 488 employees participated in the medical plan, 496 in the dental plan, 508 in the life insurance plan, 451 in the long-term disability plan and 243 in the cafeteria plan. With respect to the medical, dental and life insurance plans, the Company pays 80% to 100% of the employee's expected premium cost, plus 10% to 100% of the expected cost of dependent coverage under the health plan, the exact percentage being based upon the employee's term of employment and job classification within the Company. In addition, all employees receive discounts on company merchandise.

COMPETITION

The men's and women's apparel industries are highly competitive with fashion, selection, quality, price, location, store environment and service being the principal competitive factors. While the Company believes that it is able to compete favorably with other merchandisers, including department stores and specialty retailers, with respect to each of these factors, the Company believes it competes mainly on the basis of customer service and merchandise selection.

In the men's merchandise areas, the Company competes with specialty retailers such as Gap, Gadzooks, Pacific Sunwear, Abercrombie & Fitch, and County Seat. The men's market also competes with certain department stores, such as Dillards, Proffitt's, May Company stores, Federated stores, and other local or regional department stores and specialty retailers, and with mail order merchandisers.

In the women's merchandise area, the Company competes with specialty retailers such as Maurices, Gadzooks, Express, Gap, and Vanity. The women's sales also compete with department stores, such as Dillards, Proffitt's, May Company stores, and certain local and regional department stores and specialty retailers, and with mail order merchandisers.

Many of the Company's competitors are considerably larger and have substantially greater financial, marketing and other resources than the Company, and there is no assurance that the Company will be able to compete successfully with them in the future. Furthermore, while the Company believes it competes effectively for favorable site locations and lease terms, competition for prime locations within a mall is also intense.

TRADEMARKS

"Brass Buckle" and "The Buckle" are federally registered trademarks of the Company. The Company believes the strength of its trademarks is of considerable value to its business, and its trademarks are important to its marketing efforts. The Company intends to protect and promote its trademarks as management deems appropriate.

EXECUTIVE OFFICERS OF THE COMPANY

The Executive Officers of the Company are listed below, together with brief accounts of their experience and certain other information.

DANIEL J. HIRSCHFELD, AGE 55. Mr. Hirschfeld is Chairman of the Board of Company. He has served as Chairman of the Board since April 19, 1991. Prior to that time, Mr. Hirschfeld served as President and Chief Executive Officer. Mr. Hirschfeld has been involved in all aspects of the Company's business, including the development of the Company's management information systems.

DENNIS H. NELSON, AGE 47. Mr. Nelson is President and Chief Executive Officer and a Director of the Company. He has held the titles of President and director since April 19, 1991. Mr. Nelson was elected Chief Executive Officer on March 17, 1997. Mr. Nelson began his career with the Company in 1970 as a part-time salesman while he was attending Kearney State College (now the University of Nebraska - Kearney). While attending college, he became involved in merchandising and sales supervision for the Company. Upon graduation from college in 1973 Mr. Nelson became a full-time employee of the Company and he has worked in all phases of the Company's operations since that date. Prior to his election as President and Chief Operating Officer on April 19, 1991, Mr. Nelson performed all of the functions normally associated with those positions.

KAREN B. RHOADS, AGE 38. Ms. Rhoads is the Vice-President - Finance and a Director of the Company, and is the Chief Financial Officer. Ms. Rhoads was elected a Director on April 19, 1991. She worked in the corporate offices during college, and later worked part-time on the sales floor. Ms. Rhoads practiced as a CPA for 6 1/2 years, during which time she began working on tax and accounting matters for the Company as a client. She has been employed with the Company since November, 1987.

SCOTT PORTER, AGE 35. Mr. Porter is the Vice President-Men's Merchandising. He joined the Company in May of 1978 as a part-time salesman. In 1983, he commenced full-time employment with the Company as a store manager and began participating in buying trips. Since 1987, Mr. Porter has devoted most of his time to men's merchandising, but also is involved in other aspects of the business, including advertising and store design.

JIM SHADA, AGE 41. Mr. Shada is Vice President - Sales. He began employment with the Company in November of 1978 as a salesperson. Between 1979 and 1985 he managed and opened new stores for the Company, and in 1985 Mr. Shada became the Company's sales manager. He is also involved in other aspects of the business including advertising, store design and site selection.

GARY LALONE, AGE 47. Mr. Lalone is Vice President - Sales. Mr. Lalone joined the Company in March, 1982 as the store manager. While managing, he became involved with the men's merchandising. Mr. Lalone became a regional manager and began participating in store site selection, advertising, store design and personnel development. Presently, the majority of Mr. Lalone 's time is spent in sales, and in helping develop and educate personnel as store managers and as regional and district managers.

S. WAYNE DAUGHERTY, AGE 53. Mr. Daugherty is Vice President - Operations and Secretary. He joined the Company in June 1978 and began working in various areas of the Company's business, including advertising, store systems development, general facilities operations, site selection and leasing. From 1988 to the present, Mr. Daugherty's primary activities have been real estate and construction, and operational purchasing.

BRETT P. MILKIE, AGE 37. Mr. Milkie is Vice President-Leasing. He was elected Vice President-Leasing on May 30, 1996. Mr. Milkie was a leasing agent for a national retail mall developer for 6 years prior to joining the company in January, 1992 as director of leasing.

ITEM 2 - PROPERTIES

All of the store locations operated by the Company are leased facilities. Most of the Company's stores have lease terms of approximately ten years and generally do not contain renewal options. The Company has not in the past experienced problems renewing its leases, although no assurance can be given that the Company can renew existing leases on favorable terms. The Company seeks to negotiate extensions on leases for stores undergoing remodeling to provide terms of approximately ten years after completion of remodeling. Consent of the landlord generally is required to remodel or change the name under which the Company does business. The Company has not in the past experienced problems in obtaining such consent. Most leases provide for a fixed minimum rental plus an additional rental cost based upon a set percentage of sales beyond a specified breakpoint, plus common area and other charges.

The current terms of the Company's leases, including automatic renewal options, expire as follows:

During Fiscal Year	Number of expiring leases
1997	5
1998	1
1999	9
2000	19
2001	18
2002	30
2003	34
2004 and later	69
Total	185

The corporate headquarters and distribution center for the Company

operate within a facility purchased by the Company in 1988, and located in Kearney, NE. The building provides approximately 55,000 square feet of space with over 50% of the area being allocated for the distribution and returns-to-vendor departments.

ITEM 3 - LEGAL PROCEEDINGS

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 this form, the Company was not engaged in any legal proceedings that are expected, individually or in the aggregate, to have a material adverse effect on the Company.

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

There were no matters submitted to a vote of security holders during the fourth quarter of fiscal 1996.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The Company's common stock trades in the over-the-counter market under the NASDAQ National Market System symbol BKLE. Prior to the Company's initial public offering on May 6, 1992, there was no public market for the Company's common stock. The Company has not paid any cash dividends in fiscal 1996, 1995 or 1994, and has no plans to for the foreseeable future.

The number of record holders of the Company's common stock as of April 14, 1997 was 302. Based upon information from the principal market makers, the Company believes there are more than 1,800 beneficial owners. The last reported sales price of the Company's common stock on April 14, 1997 was $28.50.

The remainder of the information required by this item is incorporated by reference to the information on page 28 of the Company's 1996 Annual Report to Shareholders under the caption "Stock Prices by Quarter" which is attached to this Form 10-K.

ITEM 6 - SELECTED FINANCIAL DATA

The information required by this item is incorporated by reference to the information on page 13 of the financial section in the Company's 1996 Annual Report to Shareholders under the caption "Selected Financial Data" which is attached to this Form 10-K.

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

The information required by this item is incorporated by reference to the information appearing on pages 25 through 28 in the Company's 1996 Annual Report to Shareholders which is attached to this Form 10-K.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements together with the report thereon of Deloitte & Touche LLP dated February 25, 1997, appearing on pages 14 through 24 of the Company's 1996 Annual Report to Shareholders (which is attached to this Form 10-K) are incorporated by reference in this Form 10-K.

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

None.

PART III

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this item appears under the captions "Executive Officers of the Company" appearing on pages 9 and 10 of this report, and "Election of Directors" in the Company's Proxy Statement for its 1997 Annual Shareholders' Meeting and is incorporated by reference.

ITEM 11- EXECUTIVE COMPENSATION

The information required by this item appears under the caption "Executive Compensation and Other Information" in the Company's Proxy Statement for its 1997 Annual Shareholders' Meeting and is incorporated by reference.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item appears under the caption "Election of Directors" in the Company's Proxy Statement for its 1997 Annual Shareholders' Meeting and is incorporated by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item appears under the caption "Compensation Committee Interlocks and Insider Participation" in the Company's Proxy Statement for its 1997 Annual Shareholders' Meeting and is incorporated by reference.

PART IV

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

(a) (1) FINANCIAL STATEMENTS

The Company's 1996 Annual Report to Shareholders, a copy of which appears as Exhibit 13 to this Form 10-K Report, contains the following on pages 14 through 24 and are hereby incorporated by reference to this report:

Independent Auditors' Report Balance Sheets as of February 1, 1997, and February 3, 1996 Statements of Income for each of the three years in the period ended February 1, 1997
Statements of Stockholders' Equity for each of the three years in the period ended February 1, 1997 Statements of Cash Flows for each of the three years in the period ended February 1, 1997 Notes to Financial Statements for each of the three years in the period ended February 1, 1997

(a) (2) FINANCIAL STATEMENT SCHEDULE

Independent Auditors' Report

II. Valuation and Qualifying Accounts and Reserves

All other schedules are omitted because they are not applicable or the required information is presented in the financial statements or notes thereto. This schedule is on page 15.

(b) REPORTS ON FORM 8-K

The Company did not file a report on Form 8-K during the quarter ended February 1, 1997.

(c) EXHIBITS

See index to exhibits on pages 16 and 17.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE BUCKLE, INC.

Date: April 30, 1997

By: DENNIS H. NELSON
Dennis H. Nelson,
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on the 30th day of April, 1997.

DANIEL J. HIRSCHFELD Daniel J. Hirschfeld Chairman of the Board and Director	ROBERT E. CAMPBELL Robert E. Campbell Director
DENNIS H. NELSON Dennis H. Nelson President and Chief Executive Officer and Director	William D. Orr Director
KAREN B. RHOADS Karen B. Rhoads Vice President of Finance and Chief Financial Officer and Director	Bill L. Fairfield Director

Ralph M. Tysdal Director

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS
THE BUCKLE, INC.

We have audited the financial statements of The Buckle, Inc. as of February 1, 1997 and February 3, 1996 and for each of the three years in the period ended February 1, 1997, and have issued our report thereon dated February 25, 1997; such financial statements and report are included in your 1996 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the financial statement schedule of The Buckle, Inc., listed in Item 14(a)(2). This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. 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.

DELOITTE & TOUCHE, LLP
Omaha, Nebraska
February 25, 1997

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

	Allowance for Doubtful Accounts
Balance, January 29, 1994	$ 154,153
Amounts charged to costs and expenses	430,668
Recoveries of amounts previously written off	10,737
Write-off of uncollectible accounts	(383,237)
Balance, January 28, 1995	212,321
Amounts charged to costs and expenses	456,980
Recoveries of amounts previously written off	7,570
Write-off of uncollectible accounts	(436,498)
Balance, February 3, 1996	240,373
Amounts charged to costs and expenses	493,232
Recoveries of amounts previously written off	4,034
Write-off of uncollectible accounts	(425,844)
Balance, February 1, 1997	$ 311,795

INDEX TO EXHIBITS

EXHIBITS		PAGE NUMBER OR INCORPORATION BY REFERENCE TO
(3)	Articles of Incorporation and By-Laws.	
(3.1)	Articles of Incorporation of The Buckle, Inc. as amended	Exhibit 3.1 to Form S-1 No. 33-46294
(3.2)	By-Laws of The Buckle, Inc.	Exhibit 3.2 to Form S-1 No. 33-46294
(4)	Instruments defining the rights of security holders, including indentures	
(4.1)	See Exhibits 3.1 and 3.2 for provisions of the Articles of Incorporation and By-laws of the Registrant defining rights of holders of Common Stock of the registrant	
(4.2)	Form of stock certificate for Common Stock	Exhibit 4.1 to Form S-1 No. 33-46294
(9)	Not applicable	
(10)	Material Contracts	
(10.1)	1991 Stock Incentive Plan	Exhibit 10.1 to Form S-1 No. 33-46294
(10.2)	1991 Non-Qualified Stock Option Plan	Exhibit 10.2 to Form S-1 No. 33-46294
(10.3)	Non-Qualified Stock Option Plan and Agreement With Dennis Nelson	Exhibit 10.3 to Form S-1 No. 33-46294
(10.4)	Acknowledgment dated April 1, 1997 and executed April 5, 1997 by Dennis H. Nelson	
(10.5)	Acknowledgment dated April 1, 1997 and executed April 1, 1997 by Scott M. Porter	
(10.6)	Acknowledgment dated April 1, 1997 and executed April 11, 1997 by James E. Shada	
(10.7)	Acknowledgment dated April 1, 1997 and executed April 14, 1997 by Gary L. Lalone	
(10.8)	Acknowledgment dated April 1, 1997 and executed April 14, 1997 by S. Wayne Daugherty	
(10.10)	Cash or Deferred Profit Sharing Plan	Exhibit 10.10 to Form S-1 No. 33-46294
(10.11)	Programmed Lending Note dated May 23, 1996 for $5.0 million payable to First National Bank and Trust Co. of Kearney	

(10.12)	Loan Agreement dated May 23, 1996 between The Buckle, Inc. and First National Bank and Trust Co. of Kearney, regarding $5.0 million line of credit.	
(10.13)	Letter dated May 21, 1996 from First National Bank and Trust Co. of Kearney, regarding $5.0 million line of credit and $5.0 million letter of credit facility.	
(10.17)	1993 Director Stock Option Plan	Exhibit A to Proxy Statement for Annual Meeting to be held May 26, 1993
(10.18)	1993 Executive Stock Option Plan	Exhibit B to Proxy Statement for Annual Meeting to be held May 26, 1993
(10.19)	1995 Management Incentive Plan	Exhibit A to Proxy Statement for Annual Meeting to be held June 2, 1995
(10.20)	1995 Executive Stock Option Plan	Exhibit B to Proxy Statement for Annual Meeting to be held June 2, 1995
(10.21)	1997 Management Incentive Plan	Exhibit A to Proxy Statement for Annual Meeting to be held June 2, 1997

(11) Statement regarding Computation of Pro Forma Net Income Per Share

(12) Not applicable

(13) 1996 Annual Report to Stockholders

(18) Not applicable

(19) Not applicable

(22) Not applicable

(23) Consent of Deloitte & Touche LLP

(25) Not applicable

(28) Not applicable

EXHIBIT 10.4

ACKNOWLEDGMENT

1. Dennis Nelson, currently employed by The Buckle, Inc. of Kearney, Nebraska, will be paid an annual salary of $400,000, for so long as the employee is employed by the Company during the fiscal year ending January 31, 1998.

2. In addition to the salary outlined in paragraph 1, above, a cash bonus for the above fiscal year will be paid to Dennis provided he/she is employed by The Buckle, Inc. on the last day of such fiscal year. The bonus will be calculated based upon 24.50% of the "Management Bonus Pool." This bonus pool will be calculated as follows:

2a. There will be nothing earned in the bonus pool on the first $10 million of pre-bonus net income for fiscal 1997.
2b. For pre-bonus net income in excess of $10 million, the amount put into the bonus pool will be based upon increases in fiscal 1997 pre-bonus net income above fiscal 1996 pre-bonus net income as follows.

Increase in Pre-bonus Net Income	Percentage to Bonus Pool
No increase	15.5%
> 0 - 10%	17.0%
>10 - 20%	18.0%
>20 - 30%	19.0%
>30%	20.0%

3. In addition to the cash bonus detailed above, you have been granted options to purchase 48,600 shares of The Buckle, Inc. common stock at $27.875 per share. These options will be earned and will vest as follows:

3a. One-half of the options will be earned upon determination by the Compensation Committee that the company has achieved a 10% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.
3b. The second half of the options will be earned upon determination by the Compensation Committee that the Company has achieved a 30% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.
3c. If the 10% and/or the 30% performance goals are not achieved, the respective options will ultimately vest on December 31, 2006, even though they have not been earned.

The cash bonus will be paid on or before April 15 following the close of the fiscal year. For calculating this bonus, "pre-bonus net income" shall be defined as the Company's net income from operations after the deduction of all expenses, excluding administrative and store manager percentage bonuses and excluding income taxes, but including draws against such bonuses. Net income from operations does not include earnings on cash investments. For this purpose, net income shall be computed by the Company in accordance with the Company's normal accounting practices, and the Company's calculations will be final and conclusive.

Any person eligible for a bonus who is no longer employed, for whatever reason, by The Buckle Inc. on the last day of such fiscal year shall forfeit any right, claim or interest to any year-end bonus.

4. A credit limit of $3,500 has been established on your The Buckle charge account, subject to annual change as determined by management. Please make sure your charge account balance does not exceed this limit. You may have payments made to your charge account via payroll withholding during the year.

Management is committed to reviewing its policies continually. Accordingly, the statements outlined above are subject to review and change by management at any time, with or without notice.

I understand I have the right to terminate my employment with The Buckle, Inc. at any time, with or without notice, and The Buckle, Inc. retains the same right, with or without cause or notice. I recognize, therefore, that I am an "at will" employee.

This acknowledgment supersedes any prior acknowledgment or agreement with the Company. This acknowledgment does not constitute an agreement of employment with The Buckle, Inc.

April 1, 1997
The Buckle, Inc.

Acknowledged by: DENNIS H. NELSON Date: April 5, 1997

EXHIBIT 10.5

ACKNOWLEDGMENT

1. Scott Porter, currently employed by The Buckle, Inc. of Kearney, Nebraska, will be paid an annual salary of $200,000, for so long as the employee is employed by the Company during the fiscal year ending January 31, 1998.

2. In addition to the salary outlined in paragraph 1, above, a cash bonus for the above fiscal year will be paid to Scott provided he/she is employed by The Buckle, Inc. on the last day of such fiscal year. The bonus will be calculated based upon 12.50% of the "Management Bonus Pool." This bonus pool will be calculated as follows:

2a. There will be nothing earned in the bonus pool on the first $10 million of pre-bonus net income for fiscal 1997.

2b. For pre-bonus net income in excess of $10 million, the amount put into the bonus pool will be based upon increases in fiscal 1997 pre-bonus net income above fiscal 1996 pre-bonus net income as follows.

Increase in Pre-bonus Net Income	Percentage to Bonus Pool
No increase	15.5%
> 0 - 10%	17.0%
>10 - 20%	18.0%
>20 - 30%	19.0%
>30%	20.0%

3. In addition to the cash bonus detailed above, you have been granted options to purchase 36,000 shares of The Buckle, Inc. common stock at $27.875 per share. These options will be earned and will vest as follows:

3a. One-half of the options will be earned upon determination by the Compensation Committee that the company has achieved a 10% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.

3b. The second half of the options will be earned upon determination by the Compensation Committee that the Company has achieved a 30% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.

3c. If the 10% and/or the 30% performance goals are not achieved, the respective options will ultimately vest on December 31, 2006, even though they have not been earned.

The cash bonus will be paid on or before April 15 following the close of the fiscal year. For calculating this bonus, "pre-bonus net income" shall be defined as the Company's net income from operations after the deduction of all expenses, excluding administrative and store manager percentage bonuses and excluding income taxes, but including draws against such bonuses. Net income from operations does not include earnings on cash investments. For this purpose, net income shall be computed by the Company in accordance with the Company's normal accounting practices, and the Company's calculations will be final and conclusive.

Any person eligible for a bonus who is no longer employed, for whatever reason, by The Buckle Inc. on the last day of such fiscal year shall forfeit any right, claim or interest to any year-end bonus.

4. A credit limit of $3,500 has been established on your The Buckle charge account, subject to annual change as determined by management. Please make sure your charge account balance does not exceed this limit. You may have payments made to your charge account via payroll withholding during the year.

Management is committed to reviewing its policies continually. Accordingly, the statements outlined above are subject to review and change by management at any time, with or without notice.

I understand I have the right to terminate my employment with The Buckle, Inc. at any time, with or without notice, and The Buckle, Inc. retains the same right, with or without cause or notice. I recognize, therefore, that I am an "at will" employee.

This acknowledgment supersedes any prior acknowledgment or agreement with the Company. This acknowledgment does not constitute an agreement of employment with The Buckle, Inc.

April 1, 1997
The Buckle, Inc.

Acknowledged by: Scott M. Porter Date: April 1, 1997

EXHIBIT 10.6

ACKNOWLEDGMENT

1. Jim Shada, currently employed by The Buckle, Inc. of Kearney, Nebraska, will be paid an annual salary of $175,000, for so long as the employee is employed by the Company during the fiscal year ending January 31, 1998.

2. In addition to the salary outlined in paragraph 1, above, a cash bonus for the above fiscal year will be paid to Jim provided he/she is employed by The Buckle, Inc. on the last day of such fiscal year. The bonus will be calculated based upon 11.25% of the "Management Bonus Pool." This bonus pool will be calculated as follows:

2a. There will be nothing earned in the bonus pool on the first $10 million of pre-bonus net income for fiscal 1997.

2b. For pre-bonus net income in excess of $10 million, the amount put the bonus pool will be based upon increases in fiscal 1997 pre-bonus net income above fiscal 1996 pre-bonus net income as follows.

Increase in Pre-bonus Net Income	Percentage to Bonus Pool
No increase	15.5%
> 0 - 10%	17.0%
>10 - 20%	18.0%
>20 - 30%	19.0%
>30%	20.0%

3. In addition to the cash bonus detailed above, you have been granted options to purchase 24,000 shares of The Buckle, Inc. common stock at $27.875 per share. These options will be earned and will vest as follows:

3a. One-half of the options will be earned upon determination by the Compensation Committee that the company has achieved a 10% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.

3b. The second half of the options will be earned upon determination by the Compensation Committee that the Company has achieved a 30% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.

3c. If the 10% and/or the 30% performance goals are not achieved, the respective options will ultimately vest on December 31, 2006, even though they have not been earned.

The cash bonus will be paid on or before April 15 following the close of the fiscal year. For calculating this bonus, "pre-bonus net income" shall be defined as the Company's net income from operations after the deduction of all expenses, excluding administrative and store manager percentage bonuses and excluding income taxes, but including draws against such bonuses. Net income from operations does not include earnings on cash investments. For this purpose, net income shall be computed by the Company in accordance with the Company's normal accounting practices, and the Company's calculations will be final and conclusive.

Any person eligible for a bonus who is no longer employed, for whatever reason, by The Buckle Inc. on the last day of such fiscal year shall forfeit any right, claim or interest to any year-end bonus.

4. A credit limit of $3,500 has been established on your The Buckle charge account, subject to annual change as determined by management. Please make sure your charge account balance does not exceed this limit. You may have payments made to your charge account via payroll withholding during the year.

Management is committed to reviewing its policies continually. Accordingly, the statements outlined above are subject to review and change by management at any time, with or without notice.

I understand I have the right to terminate my employment with The Buckle, Inc. at any time, with or without notice, and The Buckle, Inc. retains the same right, with or without cause or notice. I recognize, therefore, that I am an "at will" employee.

This acknowledgment supersedes any prior acknowledgment or agreement with the Company. This acknowledgment does not constitute an agreement of employment with The Buckle, Inc.

April 1, 1997
The Buckle, Inc.

Acknowledged by: James E. Shada Date: April 11, 1997

EXHIBIT 10.7

ACKNOWLEDGMENT

1. Gary Lalone, currently employed by The Buckle, Inc. of Kearney, Nebraska, will be paid an annual salary of $175,000, for so long as the employee is employed by the Company during the fiscal year ending January 31, 1998.

2. In addition to the salary outlined in paragraph 1, above, a cash bonus for the above fiscal year will be paid to Gary provided he/she is employed by The Buckle, Inc. on the last day of such fiscal year. The bonus will be calculated based upon 11.25% of the "Management Bonus Pool." This bonus pool will be calculated as follows:

2a. There will be nothing earned in the bonus pool on the first $10 million of pre-bonus net income for fiscal 1997.

2b. For pre-bonus net income in excess of $10 million, the amount put into the bonus pool will be based upon increases in fiscal 1997 pre-bonus net income above fiscal 1996 pre-bonus net income as follows.

Increase in Pre-bonus Net Income	Percentage to Bonus Pool
No increase	15.5%
> 0 - 10%	17.0%
>10 - 20%	18.0%
>20 - 30%	19.0%
>30%	20.0%

3. In addition to the cash bonus detailed above, you have been granted options to purchase 24,000 shares of The Buckle, Inc. common stock at $27.875 per share. These options will be earned and will vest as follows:

3a. One-half of the options will be earned upon determination by the Compensation Committee that the company has achieved a 10% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.

3b. The second half of the options will be earned upon determination by the Compensation Committee that the Company has achieved a 30% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.

3c. If the 10% and/or the 30% performance goals are not achieved, the respective options will ultimately vest on December 31, 2006, even though they have not been earned.

The cash bonus will be paid on or before April 15 following the close of the fiscal year. For calculating this bonus, "pre-bonus net income" shall be defined as the Company's net income from operations after the deduction of all expenses, excluding administrative and store manager percentage bonuses and excluding income taxes, but including draws against such bonuses. Net income from operations does not include earnings on cash investments. For this purpose, net income shall be computed by the Company in accordance with the Company's normal accounting practices, and the Company's calculations will be final and conclusive.

Any person eligible for a bonus who is no longer employed, for whatever reason, by The Buckle Inc. on the last day of such fiscal year shall forfeit any right, claim or interest to any year-end bonus.

4. A credit limit of $3,500 has been established on your The Buckle charge account, subject to annual change as determined by management. Please make sure your charge account balance does not exceed this limit. You may have payments made to your charge account via payroll withholding during the year.

Management is committed to reviewing its policies continually. Accordingly, the statements outlined above are subject to review and change by management at any time, with or without notice.

I understand I have the right to terminate my employment with The Buckle, Inc. at any time, with or without notice, and The Buckle, Inc. retains the same right, with or without cause or notice. I recognize, therefore, that I am an "at will" employee.

This acknowledgment supersedes any prior acknowledgment or agreement with the Company. This acknowledgment does not constitute an agreement of employment with The Buckle, Inc.

April 1, 1997
The Buckle, Inc.

Acknowledged by: Gary L. Lalone Date: April 14, 1997

EXHIBIT 10.8

ACKNOWLEDGMENT

1. Wayne Daugherty, currently employed by The Buckle, Inc. of Kearney, Nebraska, will be paid an annual salary of $150,000, for so long as the employee is employed by the Company during the fiscal year ending January 31, 1998.

2. In addition to the salary outlined in paragraph 1, above, a cash bonus for the above fiscal year will be paid to Wayne provided he/she is employed by The Buckle, Inc. on the last day of such fiscal year. The bonus will be calculated based upon 10.00% of the "Management Bonus Pool." This bonus pool will be calculated as follows:

2a. There will be nothing earned in the bonus pool on the first $10 million of pre-bonus net income for fiscal 1997.

2b. For pre-bonus net income in excess of $10 million, the amount put into the bonus pool will be based upon increases in fiscal 1997 pre-bonus net income above fiscal 1996 pre-bonus net income as follows.

Increase in Pre-bonus Net Income	Percentage to Bonus Pool
No increase	15.5%
> 0 - 10%	17.0%
>10 - 20%	18.0%
>20 - 30%	19.0%
>30%	20.0%

3. In addition to the cash bonus detailed above, you have been granted options to purchase 18,600 shares of The Buckle, Inc. common stock at $27.875 per share. These options will be earned and will vest as follows:

3a. One-half of the options will be earned upon determination by the Compensation Committee that the company has achieved a 10% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.

3b. The second half of the options will be earned upon determination by the Compensation Committee that the Company has achieved a 30% increase in pre-bonus net income for fiscal 1997. These earned options will vest one-third immediately, one third on January 30, 1999 and one-third on January 29, 2000.

3c. If the 10% and/or the 30% performance goals are not achieved, the respective options will ultimately vest on December 31, 2006, even though they have not been earned.

The cash bonus will be paid on or before April 15 following the close of the fiscal year. For calculating this bonus, "pre-bonus net income" shall be defined as the Company's net income from operations after the deduction of all expenses, excluding administrative and store manager percentage bonuses and excluding income taxes, but including draws against such bonuses. Net income from operations does not include earnings on cash investments. For this purpose, net income shall be computed by the Company in accordance with the Company's normal accounting practices, and the Company's calculations will be final and conclusive.

Any person eligible for a bonus who is no longer employed, for whatever reason, by The Buckle Inc. on the last day of such fiscal year shall forfeit any right, claim or interest to any year-end bonus.

4. A credit limit of $3,500 has been established on your The Buckle charge account, subject to annual change as determined by management. Please make sure your charge account balance does not exceed this limit. You may have payments made to your charge account via payroll withholding during the year.

Management is committed to reviewing its policies continually. Accordingly, the statements outlined above are subject to review and change by management at any time, with or without notice.

I understand I have the right to terminate my employment with The Buckle, Inc. at any time, with or without notice, and The Buckle, Inc. retains the same right, with or without cause or notice. I recognize, therefore, that I am an "at will" employee.

This acknowledgment supersedes any prior acknowledgment or agreement with the Company. This acknowledgment does not constitute an agreement of employment with The Buckle, Inc.

April 1, 1997
The Buckle, Inc.

Acknowledged by: Wayne Daugherty Date: April 14, 1997

EXHIBIT 10.11
PROGRAMMED LENDING NOTE

$5,000,000.00 MAY 23, 1996

The undersigned jointly and severally promise(s) to pay to the order of FIRST NATIONAL BANK AND TRUST CO. OF KEARNEY ("Lender") the sum of FIVE AND NO/100 DOLLARS, or so much thereof as may be advanced from time to time, with interest at the rate set forth below (calculated on the basis of actual days elapsed in a 365 day year) on the unpaid principal balance until this Note is fully paid. Principal and interest shall be payable at Lender's office, or at such other place as the holder hereof may designate, in lawful money of the United States. Unless otherwise provided herein all payments shall be applied first to accrued interest and the balance to principal.

The interest rate of this Note shall be:
/ / an annual rate of______%.
/ / an annual rate ________________ Lender's Reference Rate as established from time to time each change in the interest rate to be effective on the day of a change in the Reference Rate. The initial interest rate shall be ______%.
/ / an annual rate _________________ Lender's Reference Rate, to be adjusted on the ___________ day of each during the term of this Note. The initial interest rate shall be _______%.
/X/ an annual rate 0.00% ABOVE NEW YORK PRIME AS PUBLISHED IN THE WALL STREET JOURNAL AS ESTABLISHED FROM TIME TO TIME . The initial rate shall be 8.25%. Interest after maturity (whether this Note matures by demand, acceleration or lapse of time) shall be charged on the outstanding principal of default at / / ___________% above the rate at maturity or /X/ 16.0% ("Default Rate"). In no event shall the interest charged on this Note exceed the maximum rate, if any, allowed by law.
Principal and interest shall be due in a single payment on N/A or as follows:_______________________

MONTHLY INTEREST PAYMENTS DUE BEGINNING JULY 1, 1996, AND CONTINUING MONTHLY THEREAFTER;
and, if not sooner paid, all unpaid principal and accrued interest shall be due and payable on MAY 31, 1997
/X/ (Check if applicable) If any payment of principal or interest is not paid within 15 days after the due date, a late charge of four percent(4%) of the amount of the delinquent payment may be assessed by the holder; provided, however, that nothing in this paragraph shall limit or affect the holder's right to accelerate the sums owing under this Note as set forth below or any other rights and remedies of the holder hereunder or under the Loan Documents (as defined below).
The term "Lender's Reference Rate" shall mean a rate established by the Lender from time to time for its internal use and guidance in the pricing of loans. Lender may, at its sole discretion, change its Reference Rate and the undersigned agree(s) that Lender is not obligated to give notice of changes in Lender's Reference Rate or other index used for establishing the interest rate of this Note. No representation is made that Lender's Reference Rate or other index used for establishing the interest rate of this Note is either the lowest, the best or a favored rate.
This obligation may be prepaid, in whole or in part, at any time without penalty. Any partial prepayment shall not postpone the due date or change the amount of any subsequent installments.
All advances under this Note made after maturity, if any, are subject to all terms and conditions hereof and are due and payable on demand; provided that Lender has no obligation to make any advances or readvances after maturity.
Upon non-payment of any installment of principal or interest when due; or if holder shall at any time believe that the prospect of timely payment of this Note is impaired; or upon the death, dissolution, termination of existence, insolvency, business failure or appointment of a receiver of any part of the property of, or upon any assignment for the benefit of creditors by, any maker(s), endorser(s), surety(ies) or guarantor(s) of this Note; or upon the occurrence of any event of default under any of the Loan Documents; the holder shall have the right to declare the entire balance due and payable without notice. If this Note is payable on demand nothing contained herein shall prevent the holder from demanding payment of this Note at any time and for any reason without prior notice. The failure of the holder to exercise this option to accelerate, or to exercise any other right or remedy hereunder or under the Loan Documents, shall not constitute a waiver of such option, right or remedy, and the holder may exercise such option, right or remedy during any existing or subsequent default regardless of any prior forbearance.
The undersigned agree(s) to pay all costs, fees and expenses incurred by the holder in connection with any action taken to collect any sums due hereunder or under the Loan Documents, to enforce any provisions hereof or of the Loan Documents, or to protect any of the holder's rights hereunder or under the Loan Documents (collectively, "Costs"). Such Costs shall include, but not be limited to, costs of title searches, commitments and policies, sums advanced to discharge liens on or otherwise to protect any collateral for this Note, and unless prohibited by law reasonable attorney fees. Such Costs shall be added to the principal sum due hereunder and draw interest at the Default Rate.
Lender shall have at all times a security interest in and right of set-off against the balances in any deposit account with respect to which the maker(s) and endorser(s) hereof, or any of them, are parties, and may at any time, without notice, apply the

same against payment of this Note or any other obligation of the undersigned to Lender, whether due or not, regardless of the existence or amount of any other security held by Lender.
The holder hereof may without notice to or consent of, and without releasing or diminishing the liability of, any maker or endorser of this Note:

(i) agree with any maker hereof to modify the rate or any terms of payment of this Note, or any terms of the Loan Documents without limitation; (ii) sell, exchange, cancel, release, surrender, realize upon or otherwise deal with in any manner and in any order all or any part of any collateral securing this Note; or (iii) release any party to this Note. Each maker and endorser waives presentment, demand, notice of dishonor and protest, and consents to any number of extensions and renewals for any periods without notice. The undersigned agree(s) that each provision whose box is checked is part of this Note. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers and shall be binding upon each of them, their successors and assigns. This Note shall be governed by the laws of the State of Nebraska. This Note is governed by, and Lender is entitled to the benefits of, any and all loan agreement(s), security agreement(s), mortgage (s), deed(s) of trust, and other security documents executed by the undersigned, or any of them, in favor of Lender, including without limitation LOAN

AGREEMENT DATED 5-23-96 (collectively, "Loan Documents").

These funds are advanced for the purpose of WORKING CAPITAL

THE BUCKLE, INC.

<u>BY DAN HIRSCHFELD</u>

Note No. LINE 229351 Address PO BOX 1480

KEARNEY NE 68848

EXHIBIT 10.12

LOAN AGREEMENT

This LOAN AGREEMENT ("Agreement") is made as of the 23RD day of MAY, 1996, between FIRST NATIONAL BANK AND TRUST CO. OF KEARNEY ("Lender") and THE BUCKLE, INC. ("Borrower," whether one or more; unless expressly indicated otherwise, all references to Borrower shall be both individually and collectively if Borrower is more than one person and/or entity).

I. THE LOAN

1.1 Loan. Lender shall lend Borrower the sum of $5,000,000.00 (the "Loan"), as evidenced by the following note(s)

PROGRAMMED LENDING NOT OF EVEN DATE IN THE AMOUNT OF $5,000,000.00

(the "Note," whether one or more), and pursuant to the terms of a loan commitment letter dated _______, 199__ ("Commitment Letter"). The Loan shall be governed by the terms of this Agreement, the Commitment Letter, the Note and the other "Loan Documents" (as defined in the Note), all of which are incorporated herein by reference. The terms and conditions of this Agreement, the Commitment Letter, the Note and the other Loan Documents shall be considered cumulative and not exclusive or alternative.

1.2 PROGRAMMED LENDING. With respect to that portion of the Loan, if any, that is represented by one or more programmed lending notes, Lender at Borrower's request will advance funds under and in accordance with the terms of each such note from time to time as long as the outstanding principal balance does not exceed the maximum principal amount of the note. The actual principal balance outstanding at any one time may be increased or decreased from time to time as a result of advances by Lender and payments by Borrower, and a payment by the Borrower during the term of a programmed lending note of the entire principal balance of such note shall not operate as a discharge of Borrower under the note.

1.3 ADVANCES. All Loan advances may be made to Borrower's regular checking account number 326-406. A check or other charge presented against this account in excess of the account balance may be treated by Lender as a request for a Loan advance, and payment by Lender of any such check may at its option constitute a Loan advance under this Agreement. Advances, if made pursuant to the payment of a check or other charge, shall be debited to the Loan balance and credited to the checking account balance, and unless otherwise agreed by Lender shall be in multiples of $1,000 or an amount equal to the unused portion of the maximum credit available if less than $1,000.

II. CONDITIONS OF LENDING/ADVANCES

The obligation of Lender to make the Loan and any advances under the Note(or any of them if more than one) is subject to the following conditions precedent: (a) Borrower is not in default under any provisions of this Agreement, the Commitment Letter, any Note or any other Loan Documents; (b) all warranties and representations of Borrower under this Agreement, the Commitment Letter, the Note and the other Loan Documents are true as of the date of the requested advance; (c) no litigation or other legal proceeding is pending or threatened against Borrower that has not been disclosed to Lender in writing before the date of the Loan or advance; (d) there is no material adverse change in the financial condition or earning power of Borrower or any guarantor of the Loan, or material decrease in the value of any security for the Loan; and (e) there is no change in any law or regulation that makes it unlawful for Lender to make the Loan or advances under the Note (or any of them if more than one) or to give effect to Lender's obligations as contemplated hereby. Further, Lender may require appropriate documentation as to the reason for a requested advance before making an advance.

III. SECURITY

3.1 LOAN DOCUMENTS. All advances and readvances made pursuant to the Note (or any of them if more than one) and this Agreement shall be secured by all security agreements, mortgages, deed(s) of trust and other security documents set forth in the Note and included within the term "Loan Documents" therein. Such security shall secure all existing and future indebtedness owed by Borrower to Lender.

3.2 FURTHER ASSURANCES. Borrower agrees to execute and deliver such security agreements, financing statements, and other such documents as Lender will require for perfection of security interests, liens, and other security described above, as Lender may reasonably request at any time from time to time in form satisfactory to Lender.

IV. COVENANTS

Until payment of all sums owing under this Agreement, the Commitment Letter, the Note and the other Loan Documents Borrower shall:

4.1 FINANCIAL INFORMATION. Furnish to Lender with reasonable promptness the following financial information:

4.2 LEGAL PROCEEDINGS. Notify Lender in writing of any material legal action or proceeding commenced against Borrower.

4.3 ENVIRONMENTAL LAWS. Keep its property and operations in compliance with all applicable laws, ordinances and regulations relating to industrial hygiene or environmental protection (collectively, "Environmental Laws"); allow Lender to enter Borrower's property to conduct any and all inspections and testing that Lender reasonably deems necessary or desirable to determine whether Borrower is in compliance with Environmental Laws; notify Lender of any spill, release or discovery of any substance deemed to be hazardous or toxic under any Environmental Laws (collectively, "Hazardous Materials") on, onto or from any of Borrower's properties; notify Lender of any order, request, notice or other form of written or oral communication from any governmental agency relating to any violation or potential violation of any Environmental Laws in connection with any of Borrower's properties; and indemnify and hold harmless Lender, its directors, employees and agents, and any successors to Lender's interest, from and against any and all claims, damages, losses and liabilities arising in connection with the presence, use, disposal or transport of any Hazardous Materials on, under, from or about Borrower's property. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, THE PROVISIONS OF THIS PARAGRAPH 4.3, INCLUDING WITHOUT LIMITATION BORROWER'S OBLIGATION PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE PAYMENT OF THE LOAN.

4.4 MAINTAIN ENTITY. If Borrower is or includes a corporation or partnership, maintain its existence as a duly organized corporation and/or partnership and promptly notify Lender of any change in its articles of incorporation and/or partnership agreement.

V. WARRANTIES AND REPRESENTATIONS Borrower warrants and represents to Lender as follows:

5.1 FINANCIAL STATEMENTS. All financial statements relating to Borrower provided to Lender fairly reflect the financial condition of Borrower as of the dates of such statements, and there has been no material adverse change in the financial condition of Borrower since the dates thereof.

5.2 PROCEEDINGS. No proceedings exist or are threatened against Borrower that will substantially and adversely affect Borrower's condition, financial or otherwise.

VI. OTHER COVENANTS, WARRENTIES AND REPRESENTATIONS In addition to the above covenants, warranties and representations, Borrower covenants, warrants and represents to Lender as follows:

VII. EVENTS OF DEFAULT In addition to anything contained in the Commitment Letter, the Note and the other Loan Documents, the occurrence of any of the following shall constitute an Event of Default by Borrower:

7.1 FAILURE OF PAYMENT. Failure to pay in full all principal and interest under the Note (or any of them if more than one) when due.

7.2 FALSE WARRANTIES OR REPRESENTATIONS. Any of the warranties or representations in sections V and VI hereof being or becoming materially false, or any information contained in any schedule, statement, report, notice or other writing furnished by or on behalf of Borrower to Lender pursuant to this Agreement, or otherwise in connection with the Loan, being materially false.

7.3 BREACH OF COVENANT. A breach or failure in performance of any covenant set forth in sections IV and VI hereof.

7.4 OTHER BREACH. A breach or failure in the performance of any other provision of the Agreement, not specified above, which shall have continued for a period of thirty (30) days after Lender has given notice of such breach or failure; or a breach or failure in the performance of any term, covenant, warranty, representation or other agreement contained in the Commitment Letter, any Note or any other Loan Documents, after giving effect to any express notice requirement and/or curative period set forth therein.

7.5 OTHER INDEBTEDNESS. Any default in the payment or performance of any indebtedness, liability or obligation of Borrower (or any one or more of them if more than one) to Lender, not specified above, whether now existing or hereafter arising.

VIII. REMEDIES The occurrence of any Event of Default shall constitute a default under the Note and the other Loan Documents, and Lender shall have all rights and remedies available under this Agreement, the Commitment Letter, the Note, the other Loan Documents and applicable law, including without limitation the right to declare the entire balance of the Note immediately due and payable, and all such rights and remedies shall be cumulative. No delay or omission of Lender in exercising any of its rights or remedies shall operate as a waiver of such right or remedy or any other right or remedy of Lender, and a waiver on any occasion shall not constitute a waiver of such right or remedy on any future occasion.

IX. MISCELLANEOUS
9.1 GOVERNING LAW. This Agreement and the Loan shall be governed by the laws of the State of Nebraska.
9.2 SURVIVAL OF REPRESENTATIONS. All covenants, warranties and representations made in writing by Borrower in connection herewith shall survive the execution and delivery of this Agreement, the Commitment Letter, the Note and the other Loan Documents.
9.3 BINDING EFFECT. All agreements, covenants, warranties and representations in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.
9.4 ASSIGNMENT. Borrower may not assign this Agreement, the Commitment Letter, the Note (or any of them if more than one) or any other Loan Documents without the express written consent of Lender, which shall be exercised at Lender's sole discretion.
9.5 RENEWALS; EXTENSIONS. The provisions of this Agreement shall apply to any renewal or extension of the Loan, except as modified or amended in writing by the parties hereto at the time of such renewal or extension.
9.6 JOINT AND SEVERAL LIABILITY. If Borrower consists of more than one person and/or entity, the obligations, liabilities, covenants, agreements, warranties and representations contained in or arising from this Agreement are joint and several as to each such person and/or entity.
9.7 LIMITATION OF LIABILITY. LENDER SHALL NOT BE LIABLE FOR ANY CLAIMS, DEMANDS, LOSSES OR DAMAGES MADE, CLAIMED OR SUFFERED BY ANY PARTY TO THIS AGREEMENT.
9.8 ENTIRE AGREEMENT. This Agreement, the Note and the other Loan Documents contain the entire agreement of the parties, and cannot be modified or altered unless reduced to writing and consented to by all the undersigned parties.

FIRST NATIONAL BANK AND TRUST CO. OF KEARNEY
Name and Lender

```
Date:  5-23-96                          BY:  LARRY L. JEPSON
     ----------------------                -------------------------------

                                        Title:  CHAIRMAN AND CEO
                                              ------------------------------

Date:  5-23-96                          X       DAN HIRSCHFELD
     ----------------------             -----------------------------------

                                        THE BUCKLE, INC.       Borrower

Date: 5-23-96                           X
     ----------------------             -----------------------------------
                                        BY                     Borrower
Date:
     ----------------------             -----------------------------------
                                                               Borrower


STATE OF                  )
        ------------------)
                          ) ss.
COUNTY OF                 )
         -----------------)
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The foregoing Agreement was acknowledged before me

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this           day of,          by
     ---------         --------    -----------------------------------------


                                           ------------------------------
                                                  Notary Public
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EXHIBIT 10.13

May 21, 1996

Dan Hirschfeld, Chairman & CEO
The Buckle, Inc.
2407 West 24th Street
P.O. Box 1480
Kearney, NE 68848-1480

Dear Dan:

Our bank is pleased to issue a renewal loan commitment to your Company for another year. The purpose of this loan commitment is to provide your Company with the funds for your financing needs required for this operating year, subject to the following terms and conditions:

1) A short term, unsecured operating line of credit in the amount of $5,000,000.00 available for your use until the loan expiration date of May 31, 1997, at which time it will be subject to annual renewal, as has been the case in previous years.

2) The interest rate charged on the unsecured operating line of credit will be the National Prime Rate as published in the "Wall Street Journal" date of change. Interest will be billed and payable monthly on the unsecured line of credit.

3) A $5,000,000.00 irrevocable commercial letter of credit line, which is an increase from last year's commercial letter of credit line of $3,000,000.00.

4) The Company agrees to maintain working capital at all times of at least $10,000,000.00.

5) The Company agrees to provide the bank with quarterly financial statements consisting of a balance sheet and income statement, and to provide the bank with an annual fiscal year end audited financial statement.

We appreciate this opportunity to be able to assist your fine Company with this financing package in support of your growth objectives. If the terms and conditions of this loan commitment are satisfactory to you, please acknowledge your acceptance by signing the following Acknowledgment and returning it to my attention in the postage-paid return envelope I have provided for your convenience.

Thank you very much.

Sincerely yours,

LARRY JEPSON

Larry L. Jepson
Chairman & CEO

ACKNOWLEDGMENT

The Undersigned acknowledges and accepts this loan commitment with attendant terms and conditions as stated, this 23rd day of May, 1996.

THE BUCKLE, INC.

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BY:  DAN HIRSCHFELD, CHAIRMAN & CEO            5/23/96
     ------------------------------            -------
     Dan Hirschfeld, Chairman & CEO              Date
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Exhibit 11

THE BUCKLE, INC.

COMPUTATIONS OF EARNINGS PER SHARE

	Fifty-two and Fifty-three Weeks Ended	
	February 1, 1997	February 3, 1996
FINANCIAL STATEMENT COMPUTATIONS:		
Net Income	$13,624	$9,847
NET INCOME PER SHARE:		
Shares used in this computation:		
Weighted average shares outstanding	6,952	6,845
Dilutive effect of stock options	363	175
Common and common equivalent shares	7,315	7,020
Net income per share	$1.86	$1.40

EXHIBIT 13

SELECTED FINANCIAL DATA

	FISCAL YEAR ENDED				
	FEB. 1, 1997	Feb. 3, 1996	Jan. 28, 1995	Jan. 29, 1994	Jan. 30, 1993
	(dollar amounts in thousands, except per share and selected operating data)				
INCOME STATEMENT DATA					
Net sales	$206,393	$172,291	$ 145,038	$129,631	$112,898
Cost of sales (including buying, distribution and occupancy costs)	140,359	118,262	100,578	89,094	74,593
Gross profit	66,034	54,029	44,460	40,537	38,305
Selling expenses	38,361	33,166	27,840	24,792	22,054
General and administrative expenses	7,157	6,101	4,848	4,644	4,394
Income from operations	20,516	14,762	11,772	11,101	11,857
Other income	1,151	1,158	510	476	250
Income before income taxes	21,667	15,920	12,282	11,577	12,107
Pro forma income taxes (1)	8,043	6,073	4,586	4,376	4,641
Pro forma net income (1)	$ 13,624	$ 9,847	$ 7,696	$ 7,201	$ 7,466
SELECTED OPERATING DATA					
Stores open at end of period	181	164	147	131	104
Average sales per square foot	$ 255	$ 238	$ 225	$ 238	270
Average sales per store (000's)	$ 1,183	$ 1,094	$ 1,029	$ 1,103	$ 1,188
Comparable store sales change	11.1%	7.5%	-1.8%	-3.7%	10.5%
BALANCE SHEET DATA					
Working capital	$ 54,904	$ 37,794	$ 28,704	$ 23,498	$ 24,569
Total assets	$102,017	$ 81,683	$ 65,051	$ 54,408	$ 48,801
Long term debt	-	-	-	-	-
Stockholders' equity	$ 78,043	$ 61,629	$ 51,782	$ 44,555	$ 38,255

(1) For the first quarter of fiscal 1992, the Company operated as an S corporation and was not subject to federal (and most state) income taxes. Thus the pro forma income taxes are based upon estimated income tax rates that would have applied if it had operated as a C corporation for the entire year of fiscal 1992.

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of The Buckle, Inc. as of February 1, 1997 and February 3, 1996, and the related statements of income, stockholders' equity and cash flows for each of the three fiscal years in the period ended February 1, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 February 1, 1997 and February 3, 1996 and the results of its operations and its cash flows for each of the three fiscal years in the period ended February 1, 1997, in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP

DELOITTE & TOUCHE LLP

Omaha, Nebraska
February 25, 1997

BALANCE SHEETS

	FEB 1, 1997	FEB 3, 1996
	(dollar amounts are in thousands)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 35,486	$ 22,499
Short-term investments	8,455	5,485
Accounts receivable, net of allowance of $312 and $240, respectively	1,387	976
Inventory	31,106	27,057
Prepaid expenses and other assets	1,965	1,329
Total current assets	78,399	57,346
PROPERTY AND EQUIPMENT (NOTE B):	49,248	45,282
Less accumulated depreciation	(26,290)	(21,422)
	22,958	23,860
OTHER ASSETS	660	477
	$102,017	$ 81,683
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 9,407	$ 8,662
Accrued employee compensation	9,565	6,682
Accrued store operating expenses	1,677	1,197
Gift certificates redeemable	1,106	921
Income taxes payable	1,740	2,090
Total current liabilities	23,495	19,552
DEFERRED INCOME TAXES (NOTE D)	479	502
COMMITMENTS (NOTES C AND F)		
STOCKHOLDERS' EQUITY (NOTE H):		
Common stock, authorized 20,000,000 shares of $.05 par value; issued and outstanding, 6,981,906 and 6,845,125 shares, respectively	349	342
Additional paid-in capital	25,520	22,737
Retained earnings	52,174	38,550
Total stockholders' equity	78,043	61,629
	$102,017	$ 81,683

See notes to financial statements.

STATEMENTS OF INCOME

	Years Ended		
	FEB. 1, 1997	Feb. 3, 1996	Jan. 28, 1995
	(amounts are in thousands except per share data)		
SALES, Net of returns and allowances of $13,650, $11,057 and $9,917, respectively	$206,393	$172,291	$145,038
COST OF SALES (Including buying, distribution and occupancy costs)	140,359	118,262	100,578
Gross profit	66,034	54,029	44,460
OPERATING EXPENSES:			
Selling	38,361	33,166	27,840
General and administrative	7,157	6,101	4,848
	45,518	39,267	32,688
INCOME FROM OPERATIONS	20,516	14,762	11,772
OTHER INCOME, Net	1,151	1,158	510
INCOME BEFORE INCOME TAXES	21,667	15,920	12,282
PROVISION FOR INCOME TAXES (Note D)	8,043	6,073	4,586
NET INCOME	$ 13,624	$ 9,847	$ 7,696
NET INCOME PER SHARE	$ 1.86	$ 1.40	$ 1.10
WEIGHTED AVERAGE SHARES OUTSTANDING	7,315	7,020	7,027

See notes to financial statements.

STATEMENTS OF STOCKHOLDERS' EQUITY

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TREASURY STOCK	TOTAL
				(dollar amounts are in thousands)	
BALANCE, January 29, 1994, as previously reported	$348	$24,115	$21,007	$(915)	$44,555
Restatement for reduction of issued shares of capital stock (Note A)	(4)	(911)	-	915	-
BALANCE, January 29, 1994, as restated	344	23,204	21,007	-	44,555
Common stock (2,750 shares) issued on exercise of stock options	-	25	-	-	25
Repurchase of common stock (45,500 shares)	(2)	(492)	-	-	(494)
Net income	-	-	7,696	-	7,696
BALANCE, January 28, 1995	342	22,737	28,703	-	51,782
Common stock (11,250 shares) issued on exercise of stock options	1	101	-	-	102
Repurchase of common stock (5,900 shares)	(1)	(101)	-	-	(102)
Net income	-	-	9,847	-	9,847
BALANCE, February 3, 1996	342	22,737	38,550	-	61,629
Common stock (136,781 shares) issued on exercise of stock options	7	2,041	-	-	2,048
Tax benefit related to exercise of employee stock options	-	742	-	-	742
Net income	-	-	13,624	-	13,624
BALANCE, February 1, 1997	$349	$25,520	$52,174	$ -	$78,043

See notes to financial statements.

STATEMENTS OF CASH FLOWS

	YEARS ENDED		
	FEB. 1, 1997	FEB. 3, 1996	JAN. 28, 1995
	(AMOUNTS ARE IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 13,624	$ 9,847	$ 7,696
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation	5,346	5,430	5,135
Deferred taxes	167	(423)	71
Loss on disposal of assets	-	65	175
Changes in operating assets and liabilities:			
Accounts receivable	(411)	28	31
Inventory	(4,049)	(10,068)	(4,097)
Prepaid expenses and other assets	(84)	27	(21)
Accounts payable	745	2,697	2,825
Accrued employee compensation	2,882	2,253	364
Accrued store operating expenses	481	336	24
Gift certificates redeemable	185	142	15
Income taxes payable	(351)	1,254	10
Net cash flows from operating activities	18,535	11,588	12,228
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(4,489)	(6,223)	(7,305)
Proceeds from sale of property and equipment	45	4	-
Increase in other assets	(182)	(137)	(202)
Purchase of short-term investments	(6,786)	(5,097)	(3,872)
Proceeds from maturities of short-term investments	3,816	2,829	6,634
Net cash flows from investing activities	(7,596)	(8,624)	(4,745)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock and exercise of stock options	2,048	102	25
Purchases of common stock	-	(102)	(494)
Net cash flows from financing activities	2,048	-	(469)
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,987	2,964	7,014
CASH AND CASH EQUIVALENTS, Beginning of year	22,499	19,535	12,521
CASH AND CASH EQUIVALENTS, End of year	$ 35,486	$22,499	$19,535

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED FEBRUARY 1, 1997, FEBRUARY 3, 1996 AND JANUARY 28, 1995
(dollar amounts are in thousands except per share data)

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 year 1996 represents the 52-week period ended February 1, 1997. Fiscal year 1995 represents the 53-week period ended February 3, 1996 and fiscal year 1994 represents the 52-week period ended January 28, 1995.

NATURE OF OPERATIONS - The Company is a retailer of medium to better priced casual apparel for fashion conscious young men and women operating in 181 stores located in the 22 states throughout the central United States, as of February 1, 1997.

During fiscal 1996, the Company opened seventeen new stores and substantially renovated four stores. During fiscal 1995, the Company opened seventeen new stores and substantially renovated eight stores. During fiscal 1994, the Company opened sixteen new stores and substantially renovated twelve stores.

INVENTORIES - Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

DEPRECIATION AND AMORTIZATION - 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 the property and equipment have useful lives of five to ten years with the exception of a building, which has an estimated useful life of 31.5 years.

CASH EQUIVALENTS - For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

SHORT-TERM INVESTMENTS - Short-term investments are carried at amortized cost. All of the Company's short-term investments have been classified as held-to-maturity securities. The investments are all municipal bonds, U.S. Treasury securities or repurchase agreements and, at February 1, 1997, they have an aggregate fair value of $8,575 compared to a carrying value of $8,455. Included in the statements of income, is interest income of $1,023, $766 and $471 for fiscal years 1996, 1995 and 1994, respectively.

PRE-OPENING EXPENSES - Costs related to opening new stores are expensed as incurred.

FINANCIAL INSTRUMENTS AND CREDIT RISK CONCENTRATIONS - Financial instruments, which potentially subject the Company to concentrations of credit risk, are primarily cash and short-term investments and accounts receivable. The Company places its investments primarily in tax-free municipal bonds or U.S. Treasury securities with short-term maturities, and limits the amount of credit exposure to any one entity. Concentrations of credit risk with respect to accounts receivable are limited due to the nature of the Company's receivables; mainly layaways, for which the Company retains possession of the merchandise until the customer's account is paid in full and employee receivables, which can be offset against future compensation.

NET INCOME PER SHARE - Net income per share is based on the weighted average number of shares of common stock and common stock equivalents outstanding during the year as calculated under the treasury stock method.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

STOCK-BASED COMPENSATION - The Company accounts for its stock-based compensation under provisions of Accounting Principles Opinion 25, Accounting for Stock Issued to Employees (APB 25).

RESTATEMENT - Effective January 1, 1996, the State of Nebraska amended the law regarding the acquisition of a corporation's own shares of capital stock. Such acquisitions now constitute shares that are still authorized but are not considered issued. Therefore, the Company has restated the accompanying statements of stockholders' equity as of the beginning of the earliest year presented to reflect the reduction of issued shares of such treasury stock held by the Company. This restatement had no impact on the Company's results of operations.

B. PROPERTY AND EQUIPMENT

A summary of the cost of property and equipment follows:

	FEB. 1, 1997	Feb. 3, 1996
Land	$ 39	$ 39
Building and improvements	1,268	1,249
Office equipment	2,553	2,728
Transportation equipment	1,720	1,681
Leasehold improvements	19,170	17,101
Furniture and fixtures	22,931	20,685
Shipping/receiving equipment	1,179	1,156
Screenprinting equipment	102	93
Construction-in-progress	286	550
	$ 49,248	$ 45,282

C. FINANCING ARRANGEMENTS

The Company has available an unsecured line of credit of $5 million and an $5 million letter of credit facility. Borrowings under the line of credit and letter of credit provide for interest to be paid at a rate equal to the prime rate published in The Wall Street Journal on the date of the borrowings. There were no bank borrowings at February 1, 1997 and February 3, 1996 or at any time during fiscal 1996, 1995 and 1994. The Company had outstanding letters of credit totalling $333 and $590 at February 1, 1997 and February 3, 1996, respectively.

D. INCOME TAXES

The provision for income taxes consists of:

FISCAL YEAR

	1996	1995	1994
Currently payable:			
Federal	$6,456	$5,123	$3,653
State	1,420	1,373	862
Deferred	167	(423)	71
Total	$8,043	$6,073	$4,586

Total 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 major reasons for this difference (expressed as a percent of pre-tax income) are as follows:

	Fiscal Year		
	1996	1995	1994
Statutory rate	35.0%	35.0%	35.0%
Surtax exemption	(0.5)	(0.7)	(0.9)
State income tax effect	5.0	5.5	4.6
Tax exempt interest income	(1.9)	(1.8)	(1.6)
Expenses not deductible	0.1	0.1	0.2
Benefits of state tax credits	(0.6)	-	-
	37.1%	38.1%	37.3

Deferred tax assets and liabilities are comprised of the following:

	Feb 1, 1997	Feb 3, 1996
Deferred tax assets:		
Inventory	$ 499	$ 473
Option compensation	740	318
Accrued vacation	197	169
Allowance for doubtful accounts	106	82
Gift certificates	47	-
Other	37	31
	$1,626	$1,073
Deferred tax liabilities - depreciation	$ 479	$ 502

The deferred tax assets are classified in prepaid expenses and other assets.

Cash paid for income taxes was $6,433, $4,407 and $3,747 in fiscal years 1996, 1995 and 1994, respectively.

E. RELATED PARTY TRANSACTIONS

Prior to the sale of a building to an unrelated third party, the Company operated one store in a facility leased from Three-D's Partnership, which was owned by directors and officers of the Company. No rent was paid under this lease during fiscal years 1996 and 1995. Rent paid under this lease amounted to $13 for fiscal year 1994. Included in other assets is a $600 note receivable from a life insurance trust fund controlled by the Company's Chairman. The note is secured by a life insurance policy on the Chairman.

F. LEASE COMMITMENTS

The Company conducts its operations in leased facilities under numerous noncancellable operating leases expiring at various dates through January 31, 2009. Most of the Company's stores have lease terms of approximately ten years and generally do not contain renewal options. Operating lease base rental expense for fiscal 1996, 1995 and 1994 was $11,493, $9,947 and $8,657, 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 1996, 1995 and 1994 were $847, $474 and $284, respectively. Total future minimum rental commitments under these operating leases are as follows:

FISCAL YEAR

1997	$12,506
1998	12,603
1999	12,611
2000	12,436
2001	11,725
Thereafter	28,359
Total minimum payments required	$90,240

G. PROFIT SHARING PLAN

The Company has a 401(k) profit sharing plan covering all eligible employees who desire to participate. Contributions to the plan are based upon the amount of the employees' deferrals and the employer's matching formula. The Company's matching contribution relates to the employees' deferrals up to 6% of the employees' compensation. The Company has elected to make matching contributions equal to 100% of the employees' deferrals not exceeding 6%. The total expense under the profit sharing plan was $638, $546 and $480 for fiscal years 1996, 1995 and 1994, respectively.

H. STOCK-BASED COMPENSATION

The Company has several stock option plans that provide for granting of options to purchase common stock to designated employees, officers and directors. The options may be in the form of incentive stock options or nonqualified stock options, and are granted at fair market value on the date of grant. The option plans have various vesting schedules, ranging from being fully vested at date of grant to vesting over a four year period. One of the option plans is performance based whereby the actual number of options that vest is contingent upon the attainment of certain levels of future pre-bonus, pre-tax income. The options generally expire ten years from the date of grant. At February 1, 1997, 381,713 shares of common stock were available for grant under the various option plans.

The Company accounts for its stock-based compensation under the provisions of Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB Opinion No. 25), which utilizes the intrinsic value method. Compensation cost related to stock-based compensation was $1,400, $825 and $0 for the fiscal years ended 1996, 1995 and 1994, respectively.

If compensation cost for the Company's stock-based compensation plan had been determined based on the fair value at the grant dates for awards under the plans consistent with the method of SFAS No. 123, Accounting for Stock-Based Compensation, the Company's net income and net income per share would have been reduced to the pro forma amounts indicated below:

		1996	1995
Net income	As reported	$13,624	$9,847
	Pro forma	$13,362	$9,596
Net income per share	As reported	$ 1.86	$ 1.40
	Pro forma	$ 1.83	$ 1.37

The weighted average fair value of options granted during the year was $9.30 and $6.95 per option for 1996 and 1995, respectively. The fair value of options granted under the Plans was estimated at the date of grant using a binomial option pricing model with the following assumptions:

	1996	1995
Risk-free interest rate	6.00%	7.00%
Dividend yield	0.00%	0.00%
Expected volatility	40.0%	40.0%
Expected life (years)	6.0 years	6.0 years

A summary of the Company's stock-based compensation activity related to stock options for the last three fiscal years is as follows:

	1996		1995		1994	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding - beginning of year	983,270	$15.09	789,820	$14.61	754,620	$14.56
Granted	217,400	19.13	209,600	13.81	42,600	18.28
Expired/terminated	(27,989)	17.26	(5,050)	15.83	(4,650)	13.45
Exercised	(136,780)	15.03	(11,100)	9.00	(2,750)	9.00
Outstanding - end of year	1,035,901	$15.93	983,270	$15.09	789,820	$14.61

There were 979,119, 919,132, and 712,328 options exercisable at February 1, 1997, February 3, 1996, and January 28, 1995, respectively.

The following table summarizes information about stock options outstanding as of February 1, 1997:

OPTIONS OUTSTANDING					OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES		NUMBER OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE
			C>			
$ 9,000	$ 9,000	353,575	4.88 YEARS	$ 9.00	353,575	$ 9.00
$12.500	$14.250	149,850	7.98	13.78	133,350	13.77
$14.875	$16.750	107,975	7.01	16.24	107,450	16.25
$18,000	$20,000	258,351	8.58	18.93	220,507	18.93
$25,500	$27,750	165,150	6.03	27.73	163,987	27.74
$34,500	$36,750	1,000	9.45	35.85	250	35.85
		1,035,901	6.66	$15.93	979.119	$15.83

I. QUARTERLY FINANCIAL DAT (UNAUDITED) Summarized quarterly financial information for fiscal 1996 and 1995 are as follows:

					QUARTER
FISCAL 1996	First	Second	Third	Fourth	Total
Net Sales	$39,917	$43,330	$61,073	$62,073	$206,393
Gross profit	$11,289	$12,443	$20,867	$21,435	$ 66,034
Income from operations	$ 1,921	$ 2,982	$ 7,532	$ 8,081	$ 20,516
Net Income	$ 1,301	$ 2,022	$ 4,807	$ 5,494	$ 13,624
Net Income per share	$ 0.18	$ 0.28	$ 0.65	$ 0.75	$ 1.86

					QUARTER
FISCAL 1995	First	Second	Third	Fourth	Total
Net sales	$30,852	$34,614	$50,298	$56,527	$172,291
Gross profit	$ 8,310	$ 9,461	$16,353	$19,905	$ 54,029
Income from operations	$ 751	$ 1,711	$ 5,572	$ 6,728	$ 14,762
Net Income	$ 7.14	$ 1,195	$ 3,544	$ 4,394	$ 9,847
Net Income per share	$ 0.10	$ 0.17	$ 0.50	$ 0.63	$ 1.40

RESULTS OF OPERATIONS

The following table sets forth certain financial data expressed as a percentage of net sales and the percentage change in the dollar amount of such items compared to the prior period.

	Percentage of Net Sales			Percentage Increase (Decrease)	
	FEB. 1, 1997	Feb. 3, 1996	Jan. 28, 1995	1995 to 1996	Fiscal Year 1994 to 1995
INCOME STATEMENT DATA					
Sales	100.0%	100.0%	100.0%	19.8%	18.8%
Cost of sales (including buying, distribution and occupancy costs)	68.0%	68.6%	69.4%	18.7%	17.6%
Gross profit	32.0%	31.4%	30.6%	22.2%	21.5%
Selling expenses	18.6%	19.3%	19.2%	15.7%	19.1%
General and administrative expenses	3.5%	3.5%	3.3%	17.3%	25.9%
Income from operations	9.9%	8.6%	8.1%	39.0%	25.4%
Other income	.6%	.6%	.4%	-.6%	127.0%
Income before provision for income taxes	10.5%	9.2%	8.5%	36.1%	29.6%
Income taxes	3.9%	3.5%	3.2%	32.4%	32.4%
Net income	6.6%	5.7%	5.3%	38.4%	28.0%

FISCAL 1996 COMPARED TO FISCAL 1995

Net sales increased from $172.3 million in fiscal 1995 to $206.4 million in fiscal 1996, a 19.8% increase. Based upon the retail calendar, fiscal 1996 was a 52-week year compared to 53 weeks in the prior year, giving retailers one less week of sales in fiscal 1996. Comparable store sales increased by $17.8 million, or 11.1% for the 52 weeks of fiscal 1996 compared to the same 52 week period in the prior year. The Company had 3.3% sales growth in fiscal 1996 that was attributable to the inclusion of a full year of operating results in fiscal 1996 for stores opened in fiscal 1995 and 7.3% from the opening of 17 new stores in fiscal 1996. The remaining difference of 1.9% is due to the $2.2 million in sales during the extra week of fiscal 1995. The Company's average retail price of merchandise increased $3.70 per piece in fiscal 1996 compared to fiscal 1995, primarily due to the growth in the company's footwear business. Average sales per square foot increased 7.1%, from $238 to $255.

Gross profit after buying, distribution and occupancy costs increased $12.0 million in fiscal 1996 to $66.0 million, a 22.2% increase. As a percentage of net sales, gross profit increased from 31.4% in fiscal 1995 to 32.0% in fiscal 1996. The increase was primarily attributable to a decrease in occupancy costs as a percentage of net sales due to leverage provided by the increase in comparable store sales, as well as, improvement in the actual merchandise margin for fiscal 1996 compared to fiscal 1995. These increases were partially offset by an increase in the percentage of redemptions from Primo cards compared to the prior year. The Primo card is a frequent shopper incentive program implemented in October, 1994. The card rewards frequent shoppers with a $10 coupon after each $300 spent. Inventory shrinkage increased to .7% in fiscal 1996 compared to .6% in fiscal 1995.

Selling expenses increased from $33.2 million for fiscal 1995 to $38.4 million for fiscal 1996, a 15.7% increase. Selling expenses as a percent of net sales decreased to 18.6% for fiscal 1996 from 19.3% for fiscal 1995. This decrease was primarily attributable to improvements in the sales salaries as a percentage of net sales, partially offset by higher bonus accruals for incentives based upon net profits.

General and administrative expenses increased from $6.1 million in fiscal 1995 to $7.2 million in fiscal 1996, a 17.3% increase. As a percentage of net sales, general and administrative expenses remained constant compared to the prior year, at 3.5%.

As a result of the above changes, the Company's income from operations increased $5.8 million to $20.5 million for fiscal 1996 compared to $14.8 million for fiscal 1995, a 39.0% increase. Income from operations was 9.9% as a percentage of net sales in fiscal 1996 compared to 8.6% in fiscal 1995.

Other income for fiscal 1996 decreased .6% from fiscal 1995. Although the overall change was minimal, other income decreased compared to the previous year due to an accrual of state tax incentives receivable of approximately $240,000 recorded in the first quarter of fiscal 1995. The decrease was offset by an increase in interest income from higher levels of cash and short term investments in fiscal 1996 compared to fiscal 1995.

Income tax expense as a percentage of pre-tax income was 37.1% in fiscal 1996 compared to 38.1% in fiscal 1995. The decrease in the income tax percentage rate was primarily due to the benefits of certain state investment tax credits and due to a lower effective state income tax rate.

FISCAL 1995 COMPARED TO FISCAL 1994

Based upon the retail calendar, fiscal 1995 was a 53 week year compared to 52 weeks in the prior year, giving retailers an extra week of sales. During fiscal 1995, net sales increased to $172.3 million compared to $145.0 million in fiscal 1994, an 18.8% increase. Comparable store sales increased by $10.5 million, or 7.5% for the 53 weeks of fiscal 1995 compared to the same 53 week period in the prior year. The Company had 3.3% sales growth in fiscal 1995 that was attributable to the inclusion of a full year of operating results in fiscal 1995 for stores opened in fiscal 1994 and 6.5% sales growth from the opening of 17 new stores throughout fiscal 1995. The remaining 1.5% of the sales increase came from $2.2 million in sales during the extra week of the fiscal year. The comparable store sales gain resulted from various factors including strong denim sales, and a growing men's shoe business, and from increases in the average retail price of merchandise. The Company's average retail price of merchandise increased $1.00 in fiscal 1995 compared to fiscal 1994, due to the gains in the denim and shoe categories as well as the affect of changes in fashion demands. Average sales per square foot increased 5.8%, from $225 to $238.

Gross profit after buying, distribution, and occupancy costs increased $9.6 million in fiscal 1995 to $54.0 million, a 21.5% increase. As a percentage of net sales, gross profit increased from 30.6% in fiscal 1994 to 31.4% in fiscal 1995. This increase was primarily attributable to leverage in the occupancy costs created by increased sales and by the average occupancy cost of the 17 new stores opened during fiscal 1995 being less than the new store average for each of the past three years. The Company also had improvement in merchandise margins for fiscal 1995, which were offset by the increase in redemptions of the Primo cards compared to the 1994 fiscal year. Inventory shrinkage remained very low compared to industry averages at 0.6% and .05% for fiscal 1995 and fiscal 1994, respectively.

Selling expenses increased from $27.8 million for fiscal 1994 to $33.2 million for fiscal 1995, a 19.1% increase. Selling expenses as a percent of net sales increased to 19.3% for fiscal 1995 from 19.2% for fiscal 1994. This increase was primarily attributable to an increase in the sales executive management compensation, which resulted from a compensation expense accrual for options granted to certain key management personnel. The vesting of these options was contingent upon the company attaining specific financial performance criteria. The financial goals were achieved, resulting in an accrual of $825,000, of which $220,000 was allocated to selling expense.

General and administrative expenses increased from $4.8 million in fiscal 1994 to $6.1 million in fiscal 1995, a 25.9% increase. As a percentage of net sales, general and administrative expenses increased to 3.5% from 3.3% in the prior year. The increase in general and administrative expenses for fiscal 1995, as a percentage of net sales, resulted primarily from the stock option compensation expense accrual for certain key management personnel of the Company as explained above. Of the $825,000 accrual, $380,000 was allocated to general and administrative expenses.

As a result of the above changes, the Company's income from operations increased $3.0 million to $14.8 million for fiscal 1995 compared to $11.8 million for fiscal 1994, a 25.4% increase. Income from operations was 8.6% of net sales in fiscal 1995 compared to 8.1% in fiscal 1994.

Other income for fiscal 1995 increased 127.0% over fiscal 1994, increasing to $1.2 million from $.5 million in the previous year. This increase was primarily attributable to an increase in interest income of $300,000 from higher levels of cash and short term investments throughout fiscal 1995 compared to fiscal 1994, and to income received based upon attaining certain employment and business investment levels at the corporate headquarters in Kearney, Nebraska.

Income tax expense as a percentage of pre-tax income was 38.1% in fiscal 1995 compared to 37.3% in fiscal 1994. The increase in the income tax percentage rate was primarily due to the fact that a larger share of pre-tax net income fell in the 35% tax bracket compared to the prior fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary ongoing cash requirements are for inventory, payroll, new store expansion, and remodeling. Historically, the Company's primary source of working capital has been cash flow from operations. During fiscal 1996, 1995, and 1994 the Company's cash flow from operations was $18.5 million, $11.6 million, and $12.2 million, respectively. The Company has available an unsecured line of credit of $5.0 million and a $5.0 million letter of credit facility, all with First National Bank and Trust Co. of Kearney, Nebraska. Borrowings under both lines of credit provide for interest to be paid at a rate equal to the prime rate published in the Wall Street Journal on the date of the borrowings. The Company is subject to certain covenants, including a requirement to maintain $5.0 million in working capital. As of February 1, 1997, the Company's working capital was $54.9 million, including $35.5 million of cash and cash equivalents.

The Company has, from time to time, borrowed against these lines of credit during periods of peak inventory build-up. There were no significant borrowings during fiscal 1996, 1995 or 1994. The Company had no bank borrowings as of February 1, 1997.

During fiscal 1996, 1995, and 1994, the Company invested $4.3 million, $5.4 million, and $6.4 million, respectively, in new store construction, store renovation and upgrading store technology. The Company also spent $200,000, $800,000, and $900,000, in fiscal 1996, 1995, and 1994, respectively, to upgrade its computer system, remodel the distribution center and make improvements to the corporate headquarters.

The Company believes that existing cash and cash flow from operations will be sufficient to fund current and long-term anticipated capital expenditures and working capital requirements for the next several years.

During fiscal 1997, the Company anticipates completing approximately 21 store construction projects, including approximately 17 new stores and approximately 4 stores to be remodeled and/or relocated. As of March 1997, leases for 10 new stores have been signed, and a lease for 1 additional location is under negotiation; however, exact new store openings, remodels and relocations may vary from those anticipated. The average cost of opening a new store is approximately $445,000, including construction costs of approximately $325,000 and inventory costs of approximately $120,000. Management estimates that total capital expenditures during fiscal 1997 will be approximately $13 million, before landlord allowances, estimated to be $1.5 million.

SEASONALITY AND INFLATION

The Company's business is seasonal, with the Christmas season (from approximately November 15 to December 30) and the back-to-school season (from approximately July 15 to September 1) historically contributing the greatest volume of net sales. For fiscal years 1996, 1995, and 1994, the Christmas and back-to-school seasons accounted for an average of approximately 40% of the Company's fiscal year net sales. Although the operations of the Company are influenced by general economic conditions, the Company does not believe that inflation has had a material effect on the results of operations during the past three fiscal years. Quarterly results may vary depending on the timing and amount of sales and costs associated with the opening of new stores and the remodeling of existing stores.

STOCK PRICES BY QUARTER

The Company's common Stock trades in the over-the-counter market under the NASDAQ National Market System symbol BKLE. The Company has not paid any cash dividends in fiscal 1996, 1995 or 1994, and plans no cash dividends in the foreseeable future.

The number of record holders of the Company's common stock as of April 14, 1997 was 302. Based upon information from the principal market makers, the Company believes there are more than 2,000 beneficial owners. The last reported sales price of the Company's common stock on April 14, 1997 was $28.50.

FOLLOWING IS THE COMPANY'S QUARTERLY MARKET RANGE FOR FISCAL YEARS 1996, 1995 AND 1994.

		1996		1995		1994
Quarter	HIGH	LOW	HIGH	Low	High	Low
First	$18.75	$30.00	$16.50	$13.50	$20.25	$15.50
Second	23.25	41.50	19.00	14.75	18.50	12.00
Third	25.00	38.00	18.25	15.25	15.25	11.50
Fourth	22.00	32.50	19.50	16.25	14.50	10.50

NOTES:

\ CORPORATE INFORMATION

DATE FOUNDED
1948

NUMBER OF EMPLOYEES
3,500

STOCK TRANSFER AGENT & REGISTRAR
UMB Bank, n.a.
P.O. Box 419226
Kansas City, Missouri 64141-6226
816-860-7000

STOCK EXCHANGE LISTING
NASDAQ National Market System
Trading Symbol: BKLE

INDEPENDENT PUBLIC ACCOUNTANTS
Deloitte & Touche, LLP
Omaha, Nebraska

GENERAL CORPORATE COUNSEL
Jacobsen, Orr, Nelson, Wright, Harder &
Lindstrom, P.C.
Kearney, Nebraska

LEGAL COUNSEL
Knudsen, Berkheimer, Richardson, Endacott & Routh
Lincoln, Nebraska

ANNUAL MEETING
The Annual Meeting of Shareholders is
scheduled for 10:00 a.m. Monday, June 2, 1997 at the Ockinga Center, University
of Nebraska at Kearney. (Kearney, Nebraska)

FORM 10-K
A copy of the 10-K is available to shareholders without charge upon written request to:
Karen B. Rhoads, Vice President of Finance The Buckle, Inc.
P.O. Box 1480
Kearney, Nebraska 68848-1480

TRADEMARKS
The Buckle is a trademark of The Buckle, Inc., which is registered in the United States.

BOARD OF DIRECTORS

DANIEL J. HIRSCHFELD
Chairman of the Board

DENNIS H. NELSON
President & Chief Executive Officer

KAREN B. RHOADS
Vice President of Finance, Treasurer & Chief Financial Officer

RALPH M. TYSDAL
Owner of McDonald's restaurant franchises

BILL L. FAIRFIELD
President & CEO, Inacom Corp.

WILLIAM D. ORR
Senior Vice President for Agency & Marketing Operations, Woodmen Accident & Life Co.

ROBERT E. CAMPBELL
President, Miller & Paine
(Real Estate Management)

EXECUTIVE OFFICERS

DENNIS H. NELSON
President & Chief Executive Officer

KAREN B. RHOADS
Vice President of Finance, Treasurer & Chief Financial Officer

S. WAYNE DAUGHERTY
Vice President of Operations & Secretary

JAMES E. SHADA
Vice President of Sales

GARY L. LALONE
Vice President of Sales

SCOTT M. PORTER
Vice President of Men's Merchandising

BRETT P. MILKIE
Vice President of Leasing

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements Nos. 33-07227, 33-48402 and 33-4104 on Form S-8 of our reports dated February 25, 1997, appearing in and incorporated by reference in the Annual Report on Form 10-K of The Buckle, Inc. for the year ended February 1, 1997.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
February 25, 1997

ARTICLE 5

PERIOD TYPE	YEAR
FISCAL YEAR END	FEB 01 1997
PERIOD START	FEB 04 1996
PERIOD END	FEB 01 1997
CASH	35,486,562
SECURITIES	8,454,869
RECEIVABLES	1,698,679
ALLOWANCES	311,795
INVENTORY	31,105,692
CURRENT ASSETS	78,399,455
PP&E	49,247,709
DEPRECIATION	26,290,267
TOTAL ASSETS	102,016,615
CURRENT LIABILITIES	23,494,555
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	349,095
OTHER SE	77,693,707
TOTAL LIABILITY AND EQUITY	102,016,615
SALES	206,393,464
TOTAL REVENUES	206,393,464
CGS	140,359,074
TOTAL COSTS	45,518,063
OTHER EXPENSES	(1,151,253)
LOSS PROVISION	0
INTEREST EXPENSE	0
INCOME PRETAX	21,667,580
INCOME TAX	8,043,839
INCOME CONTINUING	13,623,741
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	13,623,741
EPS PRIMARY	1.86
EPS DILUTED	0

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