

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report: February 22, 2011
(Date of earliest event reported)

STEVEN MADDEN, LTD.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

000-23702

(Commission File Number)

13-3588231

(IRS Employer
Identification No.)

52-16 Barnett Avenue, Long Island City, New York 11104

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (718) 446-1800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

Item 2.02. Results of Operations and Financial Condition.

On February 22, 2011, Steven Madden, Ltd. (the “Company”) issued a press release, furnished as Exhibit 99.1 and incorporated in this Item 2.02 by reference, announcing the Company’s financial results for the fiscal quarter and fiscal year ended December 31, 2010.

The information contained in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished, and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18. Furthermore, the information contained in this Current Report on Form 8-K, including Exhibit 99.1, shall not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this Report is not intended to, and does not, constitute a determination or admission by the Company that the information in this Report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

| Exhibit | Description |
|----------------|---|
| 99.1 | Press Release, dated February 22, 2011, issued by Steven Madden, Ltd. |

SIGNATURES

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

Dated: February 22, 2011

STEVEN MADDEN, LTD.

By: /s/ Edward R. Rosenfeld
Edward R. Rosenfeld
Chief Executive Officer

Steve Madden Announces Fourth Quarter and Full Year 2010 Results

LONG ISLAND CITY, N.Y., February 22, 2011 /PRNewswire-FirstCall/ — Steve Madden (Nasdaq: SHOO), a leading designer and marketer of fashion footwear and accessories for women, men and children, today announced financial results for the fourth quarter and year ended December 31, 2010.

- Fourth quarter net sales increased 15.4% to \$161.0 million.
- Wholesale sales increased 17.7% while retail sales rose 10.1%, with comparable store sales up 14.1% for the fourth quarter.
- Operating margin was 17.0% of sales in the fourth quarter of 2010, compared with operating margin of 15.0% in the same period of 2009.
- Fourth quarter net income increased 30.0% to \$17.6 million, or \$0.62 per diluted share, compared to \$13.6 million, or \$0.49 per diluted share, in the prior year's fourth quarter.

Edward Rosenfeld, Chairman and Chief Executive Officer, commented, "The fourth quarter marked a positive conclusion to an exciting and impressive year for our Company. Steve and his design team continued to deliver inspired, trend-right merchandise, enabling us to record double-digit sales growth in both our wholesale and retail divisions despite the tough comparisons from a year ago. The strong sales growth, combined with increased licensing royalty income and careful management of expenses, led to a 30% increase in net income for the quarter. As we look ahead, we will remain focused on maintaining momentum in our core business while continuing to diversify our business by developing our newer brands, expanding our international footprint and growing our accessories and licensing businesses."

Fourth Quarter 2010 Results

Fourth quarter net sales were \$161.0 million compared to \$139.5 million reported in the comparable period of 2009. Net sales from the wholesale business were \$115.8 million compared to \$98.4 million in the fourth quarter of 2009, with particular strength in our international business as well as Madden Girl. New businesses, including Madden, Material Girl and Big Buddha, also contributed to the growth, as did the transition of two of the Company's mass merchant customers from a buying agency model to a wholesale model. Retail net sales grew 10.2% to \$45.3 million compared to \$41.1 million in the fourth quarter of the prior year despite a smaller store base. Same store sales for the fourth quarter of 2010 increased 14.1% following a 7.0% increase in last year's fourth quarter.

Gross margin was 43.2% in the fourth quarter of 2010, compared to 44.1% in the same period last year. Gross margin in the wholesale business was 35.7% as compared to 37.9% in the prior year's fourth quarter, due primarily to (i) the inclusion of mass merchant revenue in the net sales line; (ii) an increased mix of international sales; and (iii) lower margin in the Steven division. Retail gross margin increased to 62.5% from 58.7% in the comparable period of the prior year, benefitting from increased full-price selling and reduced discounting as compared to the fourth quarter of 2009.

Operating expenses as a percent of sales for the fourth quarter of 2010 were 29.1% versus 31.8% in the same period of the prior year, due to leverage on increased sales.

Operating income for the fourth quarter of 2010 increased to \$27.3 million, or 17.0% of sales, compared with operating income of \$21.0 million, or 15.0% of sales, in the same period of 2009.

Net income for the fourth quarter of 2010 increased 30.0% to \$17.6 million, or \$0.62 per diluted share, compared to \$13.6 million, or \$0.49 per diluted share, in the prior year's fourth quarter.

During the fourth quarter of 2010, the Company opened one full-price store and one outlet store.

Full Year 2010 Results

For the full year ended December 31, 2010, net sales increased 26.2% to \$635.4 million compared to \$503.6 million in fiscal 2009.

Net income totaled \$75.7 million, or \$2.68 per diluted share, for the year ended December 31, 2010, compared to \$50.1 million, or \$1.82 per diluted share, in fiscal 2009.

The Company opened 3 stores and closed 8 underperforming stores during 2010, ending the year with 84 retail locations, including the Internet store.

At the end of the year, cash, cash equivalents and marketable securities totaled \$193.8 million.

Arvind Dharia, Chief Financial Officer, commented, "We are pleased to have ended 2010 with a healthy balance sheet which provides us with a strong financial foundation to support our future growth initiatives."

Company Outlook

For the year ending December 31, 2011, the Company expects net sales to increase 20% - 22%. Excluding the transition of two businesses – a mass merchant private label business and the Olsenboye footwear business – from the commission income line to the net sales line on the income statement, the Company expects net sales to increase 10% - 12% during the year ending December 31, 2011. Diluted EPS is expected to be in the range of \$3.00 to \$3.10. Capital expenditures are planned to be approximately \$10 million in 2011 as compared to \$3.4 million in 2010. The Company plans to open 6 to 8 stores and to close between 5 and 7 locations in 2011.

Conference Call Information

As previously announced, interested stockholders are invited to listen to the fourth quarter earnings conference call scheduled for today, Tuesday, February 22, 2011, at 8:30 a.m. Eastern Time. The call will be broadcast live over the Internet and can be accessed by logging onto <http://www.stevemadden.com>. An online archive of the broadcast will be available within one hour of the conclusion of the call and will be accessible for a period of 30 days following the call. Additionally, a replay of the call can be accessed by dialing 877-870-5176, passcode 6951979, and will be available until March 22, 2011.

About Steve Madden

Steve Madden designs, sources and markets fashion-forward footwear and accessories for women, men and children. In addition to marketing products under its owned brands including Steve Madden, Steven by Steve Madden, Madden Girl, Betsey Johnson, Betseyville and Big Buddha, the Company is the licensee of various brands, including Olsenboye for footwear, handbags and belts, Elizabeth and James, l.e.i. and GLO for footwear and Daisy Fuentes for handbags. The Company also designs and sources products under private label brand names for various retailers. The Company's wholesale distribution includes department stores, specialty stores, luxury retailers, national chains and mass merchants. The Company also operates 81 retail stores (including the Company's online store). The Company licenses certain of its brands to third parties for the marketing and sale of certain products, including for ready-to-wear, outerwear, intimate apparel, cold weather accessories, eyewear, hosiery, jewelry, fragrance and bedding and bath products.

Safe Harbor

This press release and oral statements made from time to time by representatives of the Company contain certain "forward looking statements as that term is defined in the federal securities laws. The events described in forward looking statements may not occur. Generally these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of the Company's plans or strategies, projected or anticipated benefits from acquisitions to be made by the Company, or projections involving anticipated revenues, earnings or other aspects of the Company's operating results. The words "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions are intended to identify forward looking statements. The Company cautions you that these statements concern current expectations about the Company's future results and condition and are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond the Company's control, that may influence the accuracy of the statements and the projections upon which the statements are based. Factors which may affect the Company's results include, but are not limited to, the risks and uncertainties discussed in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission. Any one or more of these uncertainties, risks and other influences could materially affect the Company's results of operations and condition and whether forward looking statements made by the Company ultimately prove to be accurate and, as such, the Company's actual results, performance and achievements could differ materially from those expressed or implied in these forward looking statements. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

STEVEN MADDEN, LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS DATA
(In thousands, except per share amounts)

| | Quarter Ended | | Year Ended | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Dec 31, 2010 (Unaudited) | Dec 31, 2009 (Unaudited) | Dec 31, 2010 (Unaudited) | Dec 31, 2009 (Unaudited) |
| Net sales | \$ 161,028 | \$ 139,511 | \$ 635,418 | \$ 503,550 |
| Cost of sales | 91,468 | 78,048 | 359,564 | 287,361 |
| Gross profit | 69,560 | 61,463 | 275,854 | 216,189 |
| Commission and licensing fee income, net | 4,629 | 3,935 | 22,629 | 19,928 |
| Operating expenses | 46,865 | 44,420 | 176,859 | 157,149 |
| Income from operations | 27,324 | 20,978 | 121,624 | 78,968 |
| Interest and other income, net | 1,306 | 569 | 4,233 | 1,821 |
| Income before provision for income taxes | 28,630 | 21,547 | 125,857 | 80,789 |
| Provision for income taxes | 11,005 | 7,992 | 50,132 | 30,682 |
| Net income | \$ 17,625 | \$ 13,555 | \$ 75,725 | \$ 50,107 |
| Basic income per share | \$ 0.63 | \$ 0.50 | \$ 2.74 | \$ 1.85 |
| Diluted income per share | \$ 0.62 | \$ 0.49 | \$ 2.68 | \$ 1.82 |
| Weighted average common shares outstanding - Basic | 27,822 | 27,257 | 27,651 | 27,068 |
| Weighted average common shares outstanding - Diluted | 28,468 | 27,858 | 28,295 | 27,485 |

STEVEN MADDEN, LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET DATA
(In thousands)

| | As of | |
|---|-----------------------------|-------------------|
| | Dec 31, 2010 (Unaudited) | Dec 31, 2009 |
| Cash and cash equivalents | \$ 66,151 | \$ 69,266 |
| Marketable securities (current & non current) | 127,606 | 85,684 |
| Receivables, net | 70,948 | 58,605 |
| Inventories, net | 39,557 | 30,453 |
| Other current assets | 20,122 | 15,074 |
| Property and equipment, net | 20,791 | 23,793 |
| Goodwill and intangibles, net | 81,275 | 31,029 |
| Other assets | 21,246 | 12,955 |
| Total assets | \$ 447,696 | \$ 326,859 |
| Accounts payable | \$ 37,089 | \$ 24,544 |
| Other current liabilities | 34,342 | 27,818 |
| Contingent payment liability | 12,372 | — |
| Long term liabilities | 6,595 | 6,710 |
| Stockholders' equity | 357,298 | 267,787 |
| Total liabilities and stockholders' equity | \$ 447,696 | \$ 326,859 |

STEVEN MADDEN, LTD AND SUBSIDIARIES
CONSOLIDATED CASH FLOW DATA
(In thousands)

| | Year Ended | |
|--|-----------------------------|--------------|
| | Dec 31, 2010 (Unaudited) | Dec 31, 2009 |
| Net cash provided by operating activities | \$ 86,873 | \$ 64,342 |
| Investing Activities | | |
| Purchase of property and equipment | (3,424) | (3,399) |
| Purchases / sales of marketable securities (net) | (42,571) | (49,722) |
| Advance payment on contingent liability | (1,628) | — |
| Purchases of notes receivable | (7,004) | — |
| Acquisitions, net of cash acquired | (40,602) | (5,776) |
| Net cash used in investing activities | (95,229) | (58,897) |
| Net cash provided (used) in financing activities | 5,241 | (25,767) |
| Net decrease in cash and cash equivalents | (3,115) | (20,322) |
| Cash and cash equivalents at the beginning of the year | 69,266 | 89,588 |
| Cash and cash equivalents at the end of the year | \$ 66,151 | \$ 69,266 |
