UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended:	**Commission File Number:**
April 28, 2012	**001-16435**

Chico s FAS, Inc.

(Exact name of registrant as specified in charter)

Florida	**59-2389435**
(State of Incorporation)	**(I.R.S. Employer**

Identification No.)

11215 Metro Parkway, Fort Myers, Florida 33966

(Address of principal executive offices)

239-277-6200

(Registrant s telephone number, including area code)

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 by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨ (do not check if a smaller reporting company)	Smaller reporting company	¨

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

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date.

At May 15, 2012, the registrant had 167,684,105 shares of Common Stock, $0.01 par value per share, outstanding.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Chico s FAS, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income

(Unaudited)

(In thousands, except per share amounts)

	Thirteen Weeks Ended	
	April 28, 2012	April 30, 2011
Net sales:		
Chico s/Soma Intimates	$ 425,342	$ 374,934
White House | Black Market	191,727	162,224
Boston Proper	33,748	
Total net sales	650,817	537,158
Cost of goods sold	272,221	219,495
Gross margin	378,596	317,663
Selling, general and administrative expenses:		
Selling, general and administrative expenses	291,676	244,845
Acquisition and integration costs	558	
Total selling, general and administrative expenses	292,234	244,845
Income from operations	86,362	72,818
Interest income, net	183	400
Income before income taxes	86,545	73,218
Income tax provision	32,900	27,300
Net income	$ 53,645	$ 45,918
Per share data:		
Net income per common share basic	$ 0.32	$ 0.26
Net income per common and common equivalent share diluted	$ 0.32	$ 0.26
Weighted average common shares outstanding basic	163,974	174,881
Weighted average common and common equivalent shares outstanding diluted	164,876	176,112

Comprehensive income	$ 53,523	$ 46,063
Dividends declared per share	$ 0.105	$ 0.10

See Accompanying Notes to the Consolidated Financial Statements.

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Chico s FAS, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands)

	April 28, 2012 (Unaudited)	January 28, 2012	April 30, 2011 (Unaudited)
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 147,077	$ 58,919	$ 123,409
Marketable securities, at fair value	193,446	188,934	442,815
Inventories	213,676	194,469	198,544
Prepaid expenses and other current assets	50,973	55,104	45,150
Total Current Assets	605,172	497,426	809,918
Property and Equipment, Net	564,904	550,230	507,963
Other Assets:			
Goodwill	238,693	238,693	96,774
Other intangible assets, net	131,022	132,112	38,930
Other assets, net	6,821	6,691	7,133
Total Other Assets	376,536	377,496	142,837
	$ 1,546,612	$ 1,425,152	$ 1,460,718
LIABILITIES AND STOCKHOLDERS EQUITY			
Current Liabilities:			
Accounts payable	$ 147,925	$ 100,395	$ 129,894
Other current liabilities	164,746	137,714	140,692
Total Current Liabilities	312,671	238,109	270,586
Noncurrent Liabilities:			
Deferred liabilities	128,054	125,690	127,769
Deferred taxes	49,528	52,125	
Total Noncurrent Liabilities	177,582	177,815	127,769
Stockholders Equity:			
Preferred stock			
Common stock	1,677	1,657	1,762
Additional paid-in capital	313,756	302,612	287,853
Retained earnings	740,720	704,631	772,215
Accumulated other comprehensive income	206	328	533
Total Stockholders Equity	1,056,359	1,009,228	1,062,363
	$ 1,546,612	$ 1,425,152	$ 1,460,718

See Accompanying Notes to the Consolidated Financial Statements.

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Chico s FAS, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(Unaudited)

(In thousands)

	Thirteen Weeks Ended	
	April 28, 2012	**April 30, 2011**
Cash Flows From Operating Activities:		
Net income	$ 53,645	$ 45,918
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	26,092	24,188
Deferred tax benefit	(2,014)	(1,375)
Stock-based compensation expense	5,318	3,636
Excess tax benefit from stock-based compensation	(3,136)	(762)
Deferred rent and lease credits	(4,027)	(4,330)
Loss on disposal and impairment of property and equipment	1,285	1,434
(Increase) decrease in assets		
Inventories	(19,206)	(38,730)
Prepaid expenses and other assets	3,284	3,459
Increase in liabilities		
Accounts payable	38,726	14,404
Accrued and other deferred liabilities	36,845	29,119
Total adjustments	83,167	31,043
Net cash provided by operating activities	136,812	76,961
Cash Flows From Investing Activities:		
(Increase) decrease in marketable securities	(4,633)	91,349
Purchases of property and equipment	(40,942)	(16,208)
Net cash (used in) provided by investing activities	(45,575)	75,141
Cash Flows From Financing Activities:		
Proceeds from issuance of common stock	5,815	1,373
Excess tax benefit from stock-based compensation	3,136	762
Dividends paid	(8,753)	(8,835)
Repurchase of common stock	(3,277)	(36,688)
Net cash used in financing activities	(3,079)	(43,388)
Net increase in cash and cash equivalents	88,158	108,714
Cash and Cash Equivalents, Beginning of period	58,919	14,695

Cash and Cash Equivalents, End of period	$ 147,077	$ 123,409
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 86	$ 69
Cash paid for income taxes, net	$ 890	$ 576

See Accompanying Notes to the Consolidated Financial Statements.

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Chico s FAS, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

April 28, 2012

(Unaudited)

(in thousands, except share and per share amounts)

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Chico s FAS, Inc. and its wholly-owned subsidiaries (collectively, the Company) have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and notes required by accounting principles generally accepted in the U.S. (U.S. GAAP) for complete financial statements. In the opinion of management, such interim financial statements reflect all normal adjustments considered necessary to present fairly the financial position and the results of operations and cash flows for the interim periods presented. All significant intercompany balances and transactions have been eliminated in consolidation. For further information, refer to the consolidated financial statements and notes thereto for the fiscal year ended January 28, 2012, included in the Company s Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 21, 2012. The January 28, 2012 balance sheet amounts were derived from audited financial statements included in the Company s Annual Report.

As used in this report, all references to we, us, our, and the Company, refer to Chico s FAS, Inc. and all of its wholly-owned subsidiaries.

Our fiscal years end on the Saturday closest to January 31 and are designated by the calendar year in which the fiscal year commences. Operating results for the thirteen weeks ended April 28, 2012 are not necessarily indicative of the results that may be expected for the entire year.

Certain prior year amounts have been reclassified in order to conform to the current year presentation.

Note 2. New Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board (FASB) issued new disclosure guidance related to the presentation of the statement of comprehensive income. This guidance provides an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The option to report other comprehensive income and its components in the statement of changes in stockholders equity was eliminated. This guidance is effective for periods beginning after December 15, 2011 and must be retroactively applied to all reporting periods presented. We adopted this guidance effective January 29, 2012 and the interim presentation has been adjusted to show total comprehensive income in one continuous statement with net income in accordance with the new guidance. Other than the change in presentation, this guidance did not have an impact on our consolidated results of operations, financial position or cash flows.

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Chico s FAS, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

April 28, 2012

(Unaudited)

(in thousands, except share and per share amounts)

Note 3. Acquisition of Boston Proper

On September 19, 2011, we acquired all of the outstanding equity of Boston Proper, Inc. (Boston Proper), a privately held direct-to-consumer (DTC) retailer of distinctive women s apparel and accessories. Total cash consideration was approximately $214 million, $205 million for the common stock, stock options and certain transaction related expenses and approximately $9 million for incremental working capital generated after the signing of the merger agreement and prior to closing of the transaction.

We allocated the purchase price to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date, with the remaining unallocated purchase price recorded as goodwill. The allocation of the purchase price to assets acquired and liabilities assumed is subject to further adjustment pending finalization of management s analysis.

Note 4. Stock-Based Compensation

For the thirteen weeks ended April 28, 2012 and April 30, 2011, stock-based compensation expense was $5.3 million and $3.6 million, respectively. We recognize stock-based compensation costs, net of a forfeiture rate, and on a straight-line basis over the requisite service period of the award. As of April 28, 2012, approximately 3.4 million shares remain available for future grants of either stock options, restricted stock or restricted stock units, stock appreciation rights or performance shares.

For the thirteen weeks ended April 28, 2012, we did not grant any stock options. In prior years, we used the Black-Scholes option-pricing model to value our stock options. The weighted average assumptions relating to the valuation of our stock options for the thirteen weeks ended April 30, 2011 were as follows:

	Thirteen Weeks Ended April 30, 2011
Weighted average fair value of grants	$ 6.70
Expected volatility	66%
Expected term (years)	4.5
Risk-free interest rate	2.0%
Expected dividend yield	1.5%

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Chico s FAS, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

April 28, 2012

(Unaudited)

(in thousands, except share and per share amounts)

Note 4. Stock-Based Compensation (continued)

Stock-Based Awards Activity

The following table presents a summary of our stock options activity for the thirteen weeks ended April 28, 2012:

	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of period	6,303,378	$ 13.09
Granted		
Exercised	(764,493)	6.43
Canceled or expired	(76,921)	14.65
Outstanding, end of period	5,461,964	14.00
Exercisable at April 28, 2012	3,915,276	14.34

The following table presents a summary of our restricted stock activity for the thirteen weeks ended April 28, 2012:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested, beginning of period	2,107,951	$ 11.36
Granted	1,445,910	15.01
Vested	(279,851)	13.30
Canceled	(58,970)	12.20
Unvested, end of period	3,215,040	12.79

Performance-based Awards

In the first quarter of fiscal 2012, we granted performance-based restricted stock units (PSUs), contingent upon the achievement of a Company-specific performance goal during fiscal 2012. Any units earned as a result of the achievement of such goals will vest over 3 years from the date of grant and will be settled in shares of our common stock. We are recording compensation expense based on the number of units ultimately expected to vest, recognized on a straight-line basis over the 3-year service period.

The following table presents a summary of our PSU activity for the thirteen weeks ended April 28, 2012:

	Number of Units	Weighted Average Grant Date Fair Value
Unvested, beginning of period		$
Granted	689,096	15.01
Vested		
Canceled	(2,700)	15.01
Unvested, end of period	686,396	15.01

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Chico s FAS, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

April 28, 2012

(Unaudited)

(in thousands, except share and per share amounts)

Note 5. Earnings Per Share

In accordance with accounting guidance, unvested share-based payment awards that include non-forfeitable rights to dividends, whether paid or unpaid, are considered participating securities. As a result, such awards are required to be included in the calculation of basic earnings per common share pursuant to the two-class method. For us, participating securities are comprised of unvested restricted stock awards.

Earnings per share (EPS) is determined using the two-class method, as it is more dilutive than the treasury stock method. Basic EPS is determined using the two-class method and is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the dilutive effect of potential common shares from securities such as stock options and PSUs.

The following table sets forth the computation of basic and diluted EPS shown on the face of the accompanying consolidated statements of comprehensive income:

	Thirteen Weeks Ended	
	April 28, 2012	**April 30, 2011**
Numerator		
Net income	$ 53,645	$ 45,918
Net income and dividends allocated to unvested restricted stock	(933)	(537)
Net income available to common shareholders	$ 52,712	$ 45,381
Denominator		
Weighted average common shares outstanding basic	163,973,850	174,881,470
Dilutive effect of outstanding awards	902,397	1,230,938
Weighted average common and common equivalent shares outstanding diluted	164,876,247	176,112,408
Net income per common share		
Basic	$ 0.32	$ 0.26
Diluted	$ 0.32	$ 0.26

For the thirteen weeks ended April 28, 2012 and April 30, 2011, stock options representing 1,619,363 and 3,905,031 shares of common stock, respectively, were excluded from the computation of diluted EPS because they were anti-dilutive.

Note 6. Fair Value Measurements

Our financial instruments consist of cash and cash equivalents, marketable securities, trade receivables and payables. The carrying values of these assets and liabilities approximate their fair value due to the short-term nature of the instruments.

Marketable securities are classified as available-for-sale and generally consist of municipal bonds, corporate bonds, and U.S. government and agency securities. As of April 28, 2012, our holdings consisted of $118.7 million of securities with maturity dates less than one year and $74.7 million with maturity dates over one year and less than or equal to two years.

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Chico s FAS, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

April 28, 2012

(Unaudited)

(in thousands, except share and per share amounts)

Note 6. Fair Value Measurements (continued)

We consider all securities available-for-sale, including those with maturity dates beyond 12 months, and therefore classify these securities within current assets on the consolidated balance sheets as they are available to support current operational liquidity needs. Marketable securities are carried at market value, with the unrealized holding gains and losses, net of income taxes, reflected as a separate component of stockholders equity until realized. For the purposes of computing realized and unrealized gains and losses, cost is determined on a specific identification basis.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Entities are required to use a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Unadjusted quoted prices in active markets for similar assets or liabilities, or; Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or; Inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability.

We measure certain financial assets at fair value on a recurring basis, including our marketable securities, which are classified as available-for-sale securities, certain cash equivalents, specifically our money market accounts, and assets held in our non-qualified deferred compensation plan. The money market accounts are valued based on quoted market prices in active markets. Our marketable securities are generally valued based on other observable inputs for those securities (including market corroborated pricing or other models that utilize observable inputs such as interest rates and yield curves) based on information provided by independent third party entities, except for U.S. government securities which are valued based on quoted market prices in active markets. The investments in our non-qualified deferred compensation plan are valued using quoted market prices and are included in other assets on our consolidated balance sheets.

From time to time, we measure certain assets at fair value on a non-recurring basis, specifically long-lived assets evaluated for impairment. We estimate the fair value of our long-lived assets using company-specific assumptions which would fall within Level 3 of the fair value hierarchy.

During the quarter ended April 28, 2012, we did not make any transfers between Level 1 and Level 2 financial assets. Furthermore, as of April 28, 2012, January 28, 2012 and April 30, 2011, we did not have any Level 3 financial assets. We conduct reviews on a quarterly basis to verify pricing, assess liquidity, and determine if significant inputs have changed that would impact the fair value hierarchy disclosure.

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Chico s FAS, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

April 28, 2012

(Unaudited)

(in thousands, except share and per share amounts)

Note 6. Fair Value Measurements (continued)

In accordance with the provisions of the guidance, we categorized our financial assets based on the priority of the inputs to the valuation technique for the instruments, as follows:

		Fair Value Measurements at Reporting Date Using		
	Balance as of April 28, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Current Assets				
Cash equivalents:				
Money market account	$ 29,430	$ 29,430	$	$
Marketable securities:				
Municipal securities	52,425		52,425	
U.S. government securities	17,700	17,700		
U.S. government agencies	31,608		31,608	
Corporate bonds	86,171		86,171	
Commercial paper	1,990		1,990	
Certificates of deposit	3,552		3,552	
Non Current Assets				
Deferred compensation plan	4,316	4,316		
Total	$ 227,192	$ 51,446	$ 175,746	$
	Balance as of January 28, 2012			
Current Assets				
Cash equivalents:				
Money market account	$ 3,793	$ 3,793	$	$
Marketable securities:				
Municipal securities	61,260		61,260	
U.S. government securities	25,355	25,355		
U.S. government agencies	23,648		23,648	
Corporate bonds	73,107		73,107	
Commercial paper	1,988		1,988	
Certificates of deposit	3,576		3,576	
Non Current Assets				

Deferred compensation plan	4,146	4,146		
Total	$ 196,873	$ 33,294	$ 163,579	$

	Balance as of April 30, 2011			
Current Assets				
Cash equivalents:				
Money market account	$ 29,466	$ 29,466	$	$
Marketable securities:				
Municipal securities	151,681		151,681	
U.S. government securities	67,290	67,290		
U.S. government agencies	51,835		51,835	
Corporate bonds	122,767		122,767	
Asset-backed securities	1,622		1,622	
Commercial paper	45,555		45,555	
Certificates of deposit	2,065		2,065	
Non Current Assets				
Deferred compensation plan	4,343	4,343		
Total	$ 476,624	$ 101,099	$ 375,525	$

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ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Management s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the accompanying unaudited consolidated financial statements and notes thereto and our 2011 Annual Report to Stockholders.

Executive Overview

We are a national specialty retailer of private branded, sophisticated, casual-to-dressy clothing, intimates, complementary accessories, and other non-clothing items operating under the Chico s, White House | Black Market (WH|BM), Soma Intimates (Soma) and Boston Proper brand names. We earn revenues and generate cash through the sale of merchandise in our retail stores, on our various websites and through our call centers, which take orders for all of our brands.

Net sales for the first quarter of fiscal 2012 were $650.8 million, an increase of 21.2%, compared to $537.2 million last year. The increase reflects a consolidated comparable sales increase of 9.6%, an 8.0% increase in square footage and $33.7 million in sales for Boston Proper. The consolidated comparable sales increase of 9.6% for the first quarter was on top of a 7.7% increase for last year s first quarter, and reflects increases in both average dollar sale and transaction count. The Chico s/Soma Intimates brands comparable sales increased 8.8% on top of a 7.8% increase in last year s first quarter and the WH|BM brand s comparable sales increased 11.3% on top of a 7.4% increase in last year s first quarter.

Net income for the first quarter of fiscal 2012 was $53.6 million, or $0.32 per basic and diluted share, compared to net income of $45.9 million, or $0.26 per basic and diluted share in last year s first quarter, reflecting an earnings per share increase of 23.1%. The $0.32 per diluted share represents the highest quarterly earnings per share result in our history and we believe is an indication that our merchandise and marketing resonated well with our customers.

Future Outlook

For fiscal 2012, including Boston Proper s operations, our planning assumptions are:

- Net sales increase at a mid to high teens percentage rate to approximately $2.5 to $2.6 billion, which includes comparable sales growth at a mid-single-digit rate, approximately 9% growth in store square footage and approximately $30 million in sales from the 53rd week;

- Gross margin rate down approximately 50 basis points;

- Selling, general and administrative expenses (SG&A), as a percentage of net sales, down approximately 25 to 75 basis points;

- Effective tax rate to be approximately 38%;

- Weighted average diluted shares to be approximately 166 million, excluding any impact of share repurchases;

- Inventories to be in-line with sales growth; and

- Capital expenditures of approximately $150 million, which includes 120 to 130 gross new stores.

Our planning assumptions exclude any non-recurring acquisition and integration costs for Boston Proper, which we expect will not be material in fiscal 2012. These are our internal planning assumptions and are not intended to be guidance.

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Results of Operations Thirteen Weeks Ended April 28, 2012 Compared to the Thirteen Weeks Ended April 30, 2011

The following table sets forth the percentage relationship to net sales of certain items in our consolidated statements of comprehensive income for the periods shown below:

	Thirteen Weeks Ended	
	April 28, 2012	April 30, 2011
Net sales	100.0%	100.0%
Cost of goods sold	41.8	40.9
Gross margin	58.2	59.1
Selling, general and administrative expenses	44.8	45.5
Acquisition and integration costs	0.1	
Income from operations	13.3	13.6
Interest income, net	0.0	0.0
Income before income taxes	13.3	13.6
Income tax provision	5.1	5.1
Net income	8.2%	8.5%

Net Sales

The following table depicts net sales by Chico s/Soma Intimates, WH|BM and Boston Proper in dollars and as a percentage of total net sales for the thirteen weeks ended April 28, 2012 and April 30, 2011 (dollar amounts in thousands):

	Thirteen Weeks Ended			
	April 28, 2012		April 30, 2011	
Net sales:				
Chico s/Soma Intimates	$ 425,342	65.3%	$ 374,934	69.8%
WH|BM	191,727	29.5	162,224	30.2
Boston Proper	33,748	5.2		
Total net sales	$ 650,817	100.0%	$ 537,158	100.0%

Net sales for the quarter increased 21.2% to $650.8 million from $537.2 million in last year s first quarter reflecting a consolidated comparable sales increase of 9.6%, an 8.0% increase in square footage and $33.7 million in sales for Boston Proper. Consolidated comparable sales increased 9.6% for the first quarter following a 7.7% increase for the same period last year reflecting increases in both average dollar sale and transaction count. The Chico s/Soma Intimates brands comparable sales increased by 8.8% following a 7.8% increase for the same period last year and the WH|BM brand s comparable sales increased by 11.3% following a 7.4% increase for the same period last year. Boston Proper s sales are excluded from the comparable sales calculation until twelve months after the acquisition.

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Cost of Goods Sold/Gross Margin

The following table depicts cost of goods sold and gross margin in dollars and gross margin as a percentage of total net sales for the thirteen weeks ended April 28, 2012 and April 30, 2011 (dollar amounts in thousands):

	Thirteen Weeks Ended	
	April 28, 2012	**April 30, 2011**
Cost of goods sold	$ 272,221	$ 219,495
Gross margin	$ 378,596	$ 317,663
Gross margin percentage	58.2%	59.1%

Gross margin for the quarter was $378.6 million, an increase of 19.2%, compared to $317.7 million in last year s first quarter. As a percentage of net sales, gross margin was 58.2%, a 90 basis point decrease from last year s first quarter. This decrease primarily reflects the cycling of 2011 s four-year record gross margin rate, a more promotional environment, and the inclusion of Boston Proper s results.

Selling, General, and Administrative Expenses

The following table depicts SG&A in dollars and as a percentage of total net sales for the thirteen weeks ended April 28, 2012 and April 30, 2011 (dollar amounts in thousands):

	Thirteen Weeks Ended	
	April 28, 2012	**April 30, 2011**
Selling, general and administrative expenses	$ 291,676	$ 244,845
Percentage of total net sales	44.8%	45.5%

SG&A consists of store and direct operating expenses, marketing expenses and National Store Support Center expenses.

SG&A for the quarter was $291.7 million, an increase of 19.1%, compared to $244.8 million in last year s first quarter. As a percentage of net sales, SG&A was 44.8%, which was a 70 basis point improvement from last year s first quarter. This improvement reflects leverage on store expenses from our comparable sales increase and the inclusion of Boston Proper s results, partially offset by higher marketing expenses and increased performance-based incentive compensation.

Provision for Income Taxes

Our effective tax rate for the current quarter was 38.0% compared to an effective tax rate of 37.3% in last year s first quarter. The effective tax rate for last year reflected favorable state tax settlements.

Net Income and Earnings Per Diluted Share

Net income for the quarter was $53.6 million, an increase of 16.8%, compared to $45.9 million in last year s first quarter. Earnings per diluted share for the quarter was $0.32, an increase of 23.1%, compared to $0.26 in last year first quarter. The percentage increase in earnings per diluted share was higher than the percentage increase in net income reflecting the repurchase of approximately 14.1 million shares in fiscal 2011.

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Liquidity and Capital Resources

We believe that our existing cash and marketable securities balances and cash to be generated from operations will be sufficient to fund capital expenditures, working capital needs, dividend payments, potential share repurchases, commitments and other liquidity requirements associated with our operations through at least the next 12 months. Furthermore, while it is our intention to repurchase our stock and pay a quarterly cash dividend in the future, any determination to repurchase our stock or pay future dividends will be made by the Board of Directors and will depend on our stock price, future earnings, financial condition and other factors established by the Board.

Our ongoing capital requirements will continue to be primarily for: new, expanded, relocated and remodeled stores; our distribution center and other central support facilities; the planned expansion of our NSSC campus; and information technology.

Operating Activities

Net cash provided by operating activities for the quarter was $136.8 million, an increase of approximately $59.9 million from last year s first quarter, primarily reflecting changes in working capital, as well as higher net income compared to last year s first quarter.

Investing Activities

Net cash used in investing activities for the first quarter of fiscal 2012 was $45.6 million compared to $75.1 million provided by investing activities for last year s first quarter. The net change of $120.7 million primarily reflects the proceeds from the sale of marketable securities in last year s first quarter as we rebalanced our investment portfolio and increased capital expenditures for new, relocated and remodeled stores, investments in distribution center automation, and information technology.

Financing Activities

Net cash used in financing activities for the first quarter of fiscal 2012 and fiscal 2011 was $3.1 million and $43.4 million, respectively. The decrease is primarily attributable to a reduction in share repurchase activity compared to last year.

New Store Openings

During the first quarter of fiscal 2012, we had 27 net store openings consisting of 5 Chico s net openings, 11 WH|BM net openings and 11 Soma net openings. Currently, we expect our new stores in fiscal 2012 to increase approximately 9%, reflecting approximately 22-26 net openings of Chico s stores, 53-57 net openings of WH|BM stores, and 30-34 net openings of Soma stores. We continuously evaluate the appropriate new store growth rate in light of economic conditions and may adjust the growth rate as conditions require or as opportunities arise.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not

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readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management has discussed the development and selection of these critical accounting policies and estimates with the Audit Committee of our Board of Directors, and believes the assumptions and estimates, as set forth in our Annual Report on Form 10-K for the fiscal year ended January 28, 2012, are significant to reporting our results of operations and financial position. There have been no material changes to our critical accounting policies as disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2012.

Forward-Looking Statements

This Form 10-Q may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect our current views with respect to certain events that could have an effect on our future financial performance, including but without limitation, statements regarding our plans, objectives, and future growth rates of our store concepts. The statements may address items such as future sales, gross margin expectations, SG&A expectations, operating margin expectations, earnings per share expectations, planned store openings, closings and expansions, future comparable sales, future product sourcing plans, inventory levels, planned marketing expenditures, planned capital expenditures and future cash needs. In addition, from time to time, we may issue press releases and other written communications, and our representatives may make oral statements, which contain forward-looking information.

These statements, including those in this Form 10-Q and those in press releases or made orally, relate to expectations concerning matters that are not historical fact and may include the words or phrases such as expects, believes, anticipates, plan, estimate, approximately, our planni assumptions, future outlook, and similar expressions. Except for historical information, matters discussed in such oral and written statements, including this Form 10-Q, are forward-looking statements. These forward-looking statements are based largely on information currently available to our management and on our current expectations, assumptions, plans, estimates, judgments and projections about our business and our industry, and such subject to various risks and uncertainties that could cause actual results to differ materially from historical results or those currently anticipated. Although we believe our expectations are based on reasonable estimates and assumptions, they are not guarantees of performance and there are a number of known and unknown risks, uncertainties, contingencies, and other factors (many of which are outside our control) that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Accordingly, there is no assurance that our expectations will in fact occur or that our estimates or assumptions will be correct, and we caution investors and all others not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those described in Item 1A, Risk Factors in our Annual Report on Form 10-K filed with the SEC on March 21, 2012 and the following:

These potential risks and uncertainties include the financial strength of retailing in particular and the economy in general, the extent of financial difficulties that may be experienced by customers, our ability to secure and maintain customer acceptance of styles and store concepts, the ability to maintain an appropriate level of inventory, the quality of merchandise received from suppliers, the extent and nature of competition in the markets in which we operate, the extent of the market demand and overall level of spending for women s private branded clothing and related accessories, the effectiveness of our brand awareness and marketing programs, the adequacy and perception of customer service, the ability to coordinate product development with buying and planning, the ability to efficiently, timely and successfully execute significant shifts in the countries from which merchandise is supplied, the ability of our suppliers to timely produce and deliver clothing and accessories, the changes in the costs of manufacturing, labor and advertising, the rate of new store openings, our ability to grow through new store openings and the buying public s acceptance of any of our new store concepts, the performance, implementation and integration of

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management information systems, the ability to hire, train, energize and retain qualified sales associates and other employees, the availability of quality store sites, the ability to expand our distribution center and other support facilities in an efficient and effective manner, the ability to hire and train qualified managerial employees, the ability to effectively and efficiently establish our websites, the ability to secure and protect trademarks and other intellectual property rights and to protect our reputation and brand images, the ability to effectively and efficiently operate our brands, risks associated with terrorist activities, risks associated with natural disasters such as hurricanes and other risks. In addition, there are potential risks and uncertainties that are peculiar to our reliance on sourcing from foreign suppliers, including the impact of work stoppages, transportation delays and other interruptions, political or civil instability, imposition of and changes in tariffs and import and export controls such as import quotas, changes in governmental policies in or towards foreign countries, currency exchange rates and other similar factors.

All written or oral forward-looking statements that are made or attributable to us are expressly qualified in their entirety by this cautionary notice. The forward-looking statements included herein are only made as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Litigation

In the normal course of business, we are subject to proceedings, lawsuits and other claims including proceedings under laws and government regulations relating to labor, product, intellectual property and other matters including the matters described in Item 1 of Part II of this quarterly report on Form 10-Q. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, the ultimate aggregate amount of monetary liability or financial impact with respect to these matters at April 28, 2012, cannot be ascertained. Although these matters could affect the operating results of any one quarter when resolved in future periods, and although there can be no assurance with respect thereto, management believes that, after final disposition, any monetary liability or financial impact to us would not be material to the annual consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk of our financial instruments as of April 28, 2012 has not significantly changed since January 28, 2012. We are exposed to market risk from changes in interest rates on any future indebtedness and our marketable securities.

Our exposure to interest rate risk relates in part to our revolving line of credit with our bank. However, as of April 28, 2012, we did not have any outstanding borrowings on our line of credit and, given our current liquidity position, do not expect to utilize our line of credit in the foreseeable future.

Our investment portfolio is maintained in accordance with our investment policy which identifies allowable investments, specifies credit quality standards and limits the credit exposure of any single issuer. Our investment portfolio consists of cash equivalents and marketable securities, including municipal bonds, corporate bonds, and U.S. government and agency securities. The portfolio as of April 28, 2012, consisted of $118.7 million of securities with maturity dates less than one year and $74.7 million with maturity dates over one year and less than or equal to two years. We consider all securities available-for-sale, including those with maturity dates beyond 12 months, and therefore classify these securities within current assets on the consolidated balance sheets as they are available to support current operational liquidity needs. As of April 28, 2012, an increase of 100 basis points in interest rates would reduce the fair value of our marketable securities portfolio by approximately $1.8 million. Conversely, a reduction of 100 basis points in interest rates would increase the fair value of our marketable securities portfolio by approximately $0.7 million.

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ITEM 4. CONTROLS AND PROCEDURES
Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in our reports under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms.

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures were effective in providing reasonable assurance in timely alerting them to material information relating to us (including our consolidated subsidiaries) and that information required to be disclosed in our reports is recorded, processed, summarized, and reported as required to be included in our periodic SEC filings.

Changes in Internal Controls

There were no significant changes in our internal controls or in other factors that could significantly affect our disclosure controls and procedures subsequent to the date of the above referenced evaluation. Furthermore, there was no change in our internal control over financial reporting or in other factors during the quarterly period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company was named as a defendant in a putative class action filed in March 2011 in the Superior Court of the State of California for the County of Los Angeles, Eileen Schlim v. Chico s FAS, Inc. The Complaint attempts to allege numerous violations of California law related to wages, meal periods, rest periods, and vacation pay, among other things. The Company denies the material allegations of the Complaint. The Company believes that its policies and procedures for paying its associates comply with all applicable California laws. As a result, the Company does not believe that the case should have a material adverse effect on the Company s financial condition or results of operations.

Other than as noted above, we are not currently a party to any legal proceedings, other than various claims and lawsuits arising in the normal course of business, none of which we believe should have a material adverse effect on our financial condition or results of operations.

ITEM 1A. RISK FACTORS

In addition to the other information discussed in this report, the factors described in Part I, Item 1A. Risk Factors in our 2011 Annual Report on Form 10-K filed with the SEC on March 21, 2012 should be considered as they could materially affect our business, financial condition or future results. There have not been any significant changes with respect to the risks described in our 2011 Form 10-K, but these are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may adversely affect our business, financial condition or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth information concerning our purchases of common stock for the periods indicated (dollar amounts in thousands, except per share amounts):

Period	Total Number of Shares Purchased(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Publicly Announced Plans
January 29, 2012 to February 25, 2012	86,521	$ 14.84		$ 175,006
February 26, 2012 to March 31, 2012	127,705	$ 15.34		$ 175,006
April 1, 2012 to April 28, 2012		$		$ 175,006
Total	214,226	$ 15.14		$ 175,006

(a) Consists of 214,226 shares of restricted stock repurchased in connection with employee tax withholding obligations under employee compensation plans, which are not purchases under any publicly announced plan.

ITEM 6. EXHIBITS

(a) The following documents are filed as exhibits to this Quarterly Report on Form 10-Q (exhibits marked with an asterisk have been previously filed with the Commission as indicated and are incorporated herein by this reference):

Exhibit 10.1	Participation Agreement with Pamela K Knous
Exhibit 31.1	Chico s FAS, Inc. and Subsidiaries Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Chief Executive Officer
Exhibit 31.2	Chico s FAS, Inc. and Subsidiaries Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Chief Financial Officer
Exhibit 32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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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 thereunto duly authorized.

CHICO S FAS, INC.

Date: May 22, 2012	By: /s/ David F. Dyer David F. Dyer President and Chief Executive Officer (Principal Executive Officer)
Date: May 22, 2012	By: /s/ Pamela K Knous Pamela K Knous Executive Vice President - Chief Financial Officer (Principal Financial and Accounting Officer)

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