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 quarterly period ended November 2, 2002

Commission file number 1-11980

ANNTAYLOR, INC.
(Exact name of registrant as specified in its charter)

Delaware	**51-0297083**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
142 West 57th Street, New York, NY	**10019**
(Address of principal executive offices)	(Zip Code)

(212) 541-3300
(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 ✓ No ___.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ___ No ✓.

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

Class	Outstanding as of November 29, 2002
Common Stock, $1.00 par value	**1**

The registrant meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ANNTAYLOR, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

For the Quarters and Nine Months Ended November 2, 2002 and November 3, 2001
(unaudited)

	Quarters Ended		Nine Months Ended	
	Nov. 2, 2002	Nov. 3, 2001	Nov. 2, 2002	Nov. 3, 2001
	(in thousands except per share amounts)			
Net sales	$ 340,218	$ 310,804	$1,028,753	$ 928,187
Cost of sales	143,760	142,929	464,554	448,657
Gross margin	196,458	167,875	564,199	479,530
Selling, general and administrative expenses	154,906	142,212	456,412	413,763
Amortization of goodwill	---	2,760	---	8,280
Operating income	41,552	22,903	107,787	57,487
Interest income	923	242	2,352	1,100
Interest expense	1,638	1,516	5,163	5,015
Income before income taxes	40,837	21,629	104,976	53,572
Income tax provision	15,926	9,535	40,941	24,135
Net income	$ 24,911	$ 12,094	$ 64,035	$ 29,437

See accompanying notes to condensed consolidated financial statements.

ANNTAYLOR, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
November 2, 2002 and February 2, 2002
(unaudited)

	November 2, 2002	February 2, 2002
ASSETS	(in thousands)	
Current assets		
Cash and cash equivalents	$ 165,853	$ 30,037
Accounts receivable, net	14,407	65,598
Merchandise inventories	208,086	180,117
Prepaid expenses and other current assets	49,845	50,314
Total current assets	438,191	326,066
Property and equipment, net	251,116	250,735
Goodwill, net	286,579	286,579
Deferred financing costs, net	4,392	5,044
Other assets	16,392	14,742
Total assets	$ 996,670	$ 883,166
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	$ 60,216	$ 52,011
Accrued expenses	101,428	83,364
Current portion of mortgage	---	1,250
Total current liabilities	161,644	136,625
Note Payable to ATSC	120,797	118,280
Deferred lease costs and other liabilities	18,494	16,132
Stockholder's equity		
Common stock, $1.00 par value; 1,000 shares authorized; 1 share issued and outstanding	1	1
Additional paid-in capital	415,010	392,683
Retained earnings	280,724	219,445
Total stockholder's equity	695,735	612,129
Total liabilities and stockholder's equity	$ 996,670	$ 883,166

See accompanying notes to condensed consolidated financial statements.

ANNTAYLOR, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended November 2, 2002 and November 3, 2001
(unaudited)

	Nine Months Ended	
	November 2, 2002	November 3, 2001
	(in thousands)	
Operating activities:		
Net income	$ 64,035	$ 29,437
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred compensation	4,234	998
Amortization of goodwill	---	8,280
Deferred income taxes	3,685	2,025
Depreciation and amortization	36,076	31,330
Gain on sale of proprietary credit card accounts receivable	(2,095)	---
Loss on disposal or write down of property and equipment	631	1,502
Non-cash interest	3,184	3,021
Provision for loss on accounts receivable	---	1,087
Changes in assets and liabilities:		
Receivables	(4,515)	(13,850)
Merchandise inventories	(27,969)	(54,179)
Prepaid expenses and other current assets	(1,149)	(2,192)
Accounts payable and accrued expenses	26,265	18,974
Other non-current assets and liabilities, net	(1,354)	(7,350)
Net cash provided by operating activities	101,028	19,083
Investing activities:		
Purchases of property and equipment	(37,084)	(65,586)
Net proceeds from sale of proprietary credit card accounts receivable	57,800	---
Net cash provided by (used by) investing activities	20,716	(65,586)
Financing activities:		
Net borrowings under revolving credit facility	---	14,250
Payments on mortgage	(1,250)	(1,040)
Payment of deferred financing costs	(15)	(1,033)
Parent company activity	15,337	6,013
Net cash provided by financing activities	14,072	18,190
Net increase (decrease) in cash	135,816	(28,313)
Cash and cash equivalents, beginning of period	30,037	31,962
Cash and cash equivalents, end of period	$165,853	$ 3,649
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for interest	$ 1,564	$ 1,522
Cash paid during the period for income taxes	$ 27,640	$ 11,984

See accompanying notes to condensed consolidated financial statements.

ANNTAYLOR, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Basis of Presentation

The condensed consolidated financial statements of AnnTaylor, Inc. (the "Company") are unaudited but, in the opinion of management, contain all adjustments (which are of a normal recurring nature) necessary to present fairly the financial position, results of operations and cash flows for the periods presented. All significant intercompany accounts and transactions have been eliminated.

The results of operations for the fiscal 2002 interim periods shown in this report are not necessarily indicative of results to be expected for the fiscal year.

The February 2, 2002 condensed consolidated balance sheet amounts have been derived from the previously audited consolidated balance sheet of the Company.

Certain fiscal 2001 amounts have been reclassified to conform to the fiscal 2002 presentation.

Detailed footnote information is not included for the quarters ended November 2, 2002 and November 3, 2001. The financial information set forth herein should be read in conjunction with the Notes to the Company's Consolidated Financial Statements contained in its Fiscal 2001 Annual Report on Form 10-K.

2. Long-Term Debt

The Company had $120,797,000 in long-term debt outstanding at November 2, 2002 in the form of a Note Payable to AnnTaylor Stores Corporation.

3. Recent Accounting Pronouncements

Effective February 3, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets". SFAS No. 142 requires that ratable amortization of goodwill be replaced by periodic tests for impairment within six months of the date of adoption, and then on a periodic basis thereafter. Based on the impairment testing performed in February 2002, Management determined that there was no impairment loss related to the net carrying value of the Company's recorded goodwill. Management intends to reevaluate this on an annual basis, or when events or circumstances indicate an impairment test is necessary, in accordance with the provisions of SFAS No. 142. Excluding the amortization of goodwill, net income for the third quarter and nine months ended November 3, 2001 would have been $14,756,000 and $37,421,000, respectively.

3. Recent Accounting Pronouncements (continued)

In June 2002, the Financial Accounting Standards Board (the "FASB"), issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred, rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. Previous accounting guidance was provided by Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)". SFAS No. 146 replaces EITF No. 94-3, and is required to be applied prospectively to exit or disposal activities initiated after December 31, 2002. The Company will adopt SFAS No. 146 in the fourth quarter of fiscal 2002, and does not expect it will have a material impact on its consolidated financial statements.

In October 2002, the FASB issued SFAS No. 147 "Acquisitions of Certain Financial Institutions – an amendment of FASB Statements No. 72 and 144 and FASB Interpretation No. 9". SFAS No. 147 removes acquisitions of financial institutions, except for transactions between two or more mutual enterprises, from the scope of both Statement No. 72 and Interpretation No. 9, and requires that those transactions be accounted for in accordance with FASB Statements No. 141 "Business Combinations" and No. 142 "Goodwill and Other Intangible Assets". In addition, SFAS No. 147 amends FASB Statement No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" to include in its scope long-term customer-relationship intangible assets of financial institutions. Management has determined that SFAS No. 147 has no applicability to the Company's operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

	Nine Months Ended	
	November 2, 2002	November 3, 2001
Number of Stores:		
Open at beginning of period	538	478
Opened during period	43	58
Expanded during period*	---	6
Closed during period	1	4
Open at end of period	580	532
Type of Stores Open at End of Period:		
Ann Taylor stores	350	341
Ann Taylor Loft stores	202	178
Ann Taylor Factory Stores	28	13

* *Expanded stores are excluded from comparable store sales for the first year following expansion.*

Nine Months ended November 2, 2002 Compared to Nine Months ended November 3, 2001

The Company's net sales for the nine month period ended November 2, 2002 increased $100,566,000, or 10.8 percent, to $1,028,753,000, up from $928,187,000 for the same period last year. Comparable store sales for the period decreased 0.4 percent, compared to a 9.1 percent decrease for the same period last year. Comparable store sales by division were down 1.6 percent for Ann Taylor, and up 1.7 percent for Ann Taylor Loft. The increase in net sales is primarily due to an increase in the number of stores open during the period as compared to the same period last year.

Gross margin as a percentage of net sales for the nine month period ended November 2, 2002 increased to 54.8 percent, up from 51.7 percent for the same period last year. The increase in gross margin as a percentage of net sales is the combined result of higher full price sales and higher margin rates achieved on both full price and non-full price sales at both divisions.

Selling, general and administrative expenses for the nine month period ended November 2, 2002 were $456,412,000, or 44.4 percent of net sales, compared to $413,763,000, or 44.6 percent of net sales, for the same period last year. The decrease in selling, general and administrative expenses as a percentage of net sales is primarily the result of efficiencies gained in store operations and lower internet costs, partially offset by an increase in the provision for management performance bonus.

As a result of the foregoing, the Company had operating income of $107,787,000, or 10.5 percent of net sales, for the nine month period ended November 2, 2002, compared to operating income of $57,487,000, or 6.2 percent of net sales, for the same period last year. There was no goodwill amortization recorded in fiscal 2002, in accordance with SFAS No. 142, which the Company adopted in February 2002. The Company recorded $8,280,000 in goodwill amortization during the nine month period ended November 3, 2001. Operating income for the fiscal 2001 year-to-date period, without giving effect to goodwill amortization, was $65,767,000, or 7.1 percent of net sales.

Interest income for the nine month period ended November 2, 2002 was $2,352,000, compared to $1,100,000 for the same period last year. The increase is primarily attributable to higher cash on hand, offset somewhat by lower interest rates.

Interest expense for the nine month period ended November 2, 2002 was $5,163,000, compared to $5,015,000 for the same period last year.

The income tax provision was $40,941,000, or 39.0 percent of income before income taxes, for the nine month period ended November 2, 2002, compared to $24,135,000, or 45.1 percent of income before income taxes, for the same period last year. The decrease in the effective income tax rate is primarily the result of non-deductible goodwill expense, which, as previously discussed, was not recorded in fiscal 2002.

As a result of the foregoing factors, the Company had net income of $64,035,000, or 6.2 percent of net sales, for the nine month period ended November 2, 2002, compared to net income of $29,437,000, or 3.2 percent of net sales, for the same period last year. Excluding the amortization of goodwill, net income during the nine month period ended November 3, 2001 would have been $37,421,000, or 4.0 percent of net sales.

Statement Regarding Forward-Looking Disclosures

Sections of this Quarterly Report on Form 10-Q, including the preceding Management's Discussion and Analysis of Financial Condition and Results of Operations, contain various forward-looking statements, made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements may use the words "expect", "anticipate", "plan", "intend", "project", "believe" and similar expressions. These forward-looking statements reflect the Company’s current expectations concerning future events, and actual results may differ materially from current expectations or historical results. Any such forward-looking statements are subject to various risks and uncertainties, including failure by the Company to predict accurately customer fashion preferences; decline in the demand for merchandise offered by the Company; competitive influences; changes in levels of store traffic or consumer spending habits; effectiveness of the Company's brand awareness and marketing programs; general economic conditions or a downturn in the retail industry; the inability of the Company to locate new store sites or negotiate favorable lease terms for additional stores or for the expansion of existing stores; lack of sufficient consumer interest in the Company’s Online Store; a significant change in the regulatory environment applicable to the Company's business; an increase in the rate of import duties or export quotas with respect to the Company's merchandise; financial or political instability in any of the countries in which the Company’s goods are manufactured; acts of war or terrorism in the United States or worldwide; work stoppages, slowdowns or strikes; and other factors set forth in the Company’s filings with the SEC. The Company does not assume any obligation to update or revise any forward-looking statements at any time for any reason.

Item 4. Controls and Procedures

Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, the Company has conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as such term is defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of a date within 90 days of the filing of this quarterly report (the "Evaluation Date"). Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's reports filed or submitted under the Exchange Act. There were no significant changes in the Company's internal controls or in other factors that could significantly affect such controls subsequent to the Evaluation Date, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number	Description
99.1	Certification of chief executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification of chief financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K:

The following reports on Form 8-K were filed during the quarter covered by this report:

Date of Report	**Item(s) Reported**
8/14/2002	Item 5 and Item 7
8/14/2002	Item 7 and Item 9
8/29/2002	Item 7

The report on Form 8-K dated August 14, 2002 included the Condensed Consolidated Statements of Operations for the quarters and six months ended August 3, 2002 and August 4, 2001 and the Condensed Consolidated Balance Sheets at August 3, 2002 and February 2, 2002 of AnnTaylor Stores Corporation.

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.

AnnTaylor, Inc.

Date: December 13, 2002

By: /s/J. Patrick Spainhour
J. Patrick Spainhour
Chairman and Chief Executive Officer

Date: December 13, 2002

By: /s/James M. Smith
James M. Smith
Senior Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

I, J. Patrick Spainhour, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AnnTaylor, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 13, 2002

/s/J. Patrick Spainhour
J. Patrick Spainhour
Chairman and Chief Executive Officer

CERTIFICATION

I, James M. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AnnTaylor, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 13, 2002

/s/James M. Smith
James M. Smith
Senior Vice President,
Chief Financial Officer and
Treasurer

Exhibit Index

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