

**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 (Date of earliest event reported): **August 16, 2006**

ZUMIEZ INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington

(State or Other Jurisdiction of Incorporation)

000-51300

(Commission File Number)

91-1040022

(IRS Employer Identification No.)

6300 Merrill Creek Parkway, Suite B, Everett, Washington

(Address of Principal Executive Offices)

98203

(Zip Code)

(425) 551-1500

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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 (see General Instruction A.2. below):

- 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 August 16, 2006, the Company issued a press release (the "Press Release") reporting its financial results for the second quarter ended July 29, 2006, a copy of which is attached hereto as Exhibit 99.1 and the contents of which are incorporated herein by this reference.

In accordance with General Instruction B.2. of Form 8-K, the information contained in this report and the Press Release 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 that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1. Press Release of Zumiez Inc., dated August 16, 2006.

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.

ZUMIEZ INC.
(Registrant)

Date: August 16, 2006

By: /s/ Richard M. Brooks
Richard M. Brooks
President and Chief Executive Officer

Company Contact:
 Brenda Morris
 Chief Financial Officer
 Zumiez Inc.
 (425) 551-1564

Investor Contact:
 Integrated Corporate Relations
 Chad Jacobs/David Griffith
 (203) 682-8200

**ZUMIEZ INC. ANNOUNCES FISCAL 2006
 SECOND QUARTER RESULTS
 Q2-06 Net Sales Increased 41.5% to \$55.8 Million;
 Comparable Store Sales Increased 12.6% in Second Quarter;
 Net Income Increased to \$1.6 million in Second Quarter, 94% over prior year quarter;
 Q2-06 Diluted EPS Doubled to \$0.06;
 Company Raises Fiscal 2006 EPS Guidance to \$0.66 to \$0.67**

Everett, WA — August 16, 2006 — Zumiez Inc. (NASDAQ: ZUMZ) today reported results for the second quarter ended July 29, 2006.

Total net sales for the second quarter (13 weeks) ended July 29, 2006 increased by 41.5% to \$55.8 million from \$39.4 million reported in the second quarter (13 weeks) of the prior fiscal year. The company posted net income for the quarter of \$1.6 million or \$0.06 per diluted share versus \$848,000 or \$0.03 per diluted share in the second quarter of the prior fiscal year. Comparable store sales increased 12.6% for the second quarter of fiscal 2006 compared to 11.3% in the second quarter of fiscal 2005.

Total net sales for the first six months (26 week period) of fiscal 2006 increased by 42.3% to \$103.5 million from \$72.8 million reported in the first six months of the prior year. The company posted net income of \$2.8 million or \$0.10 per diluted share in the first six months of 2006 versus \$808,000 or \$0.03 per diluted share in the prior year. Comparable store sales increased 15.8% for the first six months of fiscal 2006 compared to 11.6% for the first six months of fiscal 2005.

Rick Brooks, President and Chief Executive Officer of Zumiez Inc., stated, "We are pleased with our second quarter results, particularly our ability to generate same store sales gains in excess of 12% and a doubling of earnings per share. While the junior's category has been relatively challenging, we

anticipated that the business would slow due to lack of a clear fashion direction and have planned and are planning our inventory accordingly. Our strong brand and category diversity differentiates Zumiez from other retailers in the mall and gives us the flexibility to relatively quickly adjust our product mix to changing trends."

During the quarter, Zumiez completed the acquisition of 19 Fast Forward stores. The company also opened 22 stores during the quarter and remains on track to open 42 new stores in fiscal 2006.

Mr. Brooks concluded, "I believe that we are well-positioned for back-to-school and note that it is important to recognize that the period stretches through August and well into September. Longer term, we will continue to leverage our strong brand, compelling business model, unique market position and significant store expansion opportunities to drive annual earnings growth towards our goal of 30%."

2006 Outlook

The company stated that it is raising guidance for fiscal 2006 to \$0.66 to \$0.67 in diluted earnings per share. Weighted average diluted shares for the fiscal year are expected to be approximately 29,300,000.

In putting forth this outlook, the company reminds investors of the complexity of accurately assessing future growth given the difficulty in predicting fashion trends and consumer preferences, boardsports popularity and participation rates, general economic conditions and the impact of other business variables and risks.

A conference call will be held today to discuss second quarter results and will be web cast at 5:00 p.m. ET on <http://ir.zumiez.com>. Participants may also dial (866) 356-3095 followed by the conference identification code of 57232931.

About Zumiez Inc.

Zumiez is a leading specialty retailer of action sports related apparel, footwear, equipment and accessories. Our stores cater to young men and women between ages 12-24, focusing on skateboarding, surfing, snowboarding, motocross and BMX. As of August 10, 2006 we operate 221 stores, which are primarily located in shopping malls and our web site address is www.zumiez.com.

Safe Harbor Statement

Certain statements in this press release and oral statements relating thereto made from time to time by representatives of the company may constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. These statements include, without

limitation, predictions and guidance relating to the company's future financial performance, brand and product category diversity, ability to adjust product mix, integration of acquired businesses, growing customer demand for our products and new store openings. In some cases, you can identify forward-looking statements by terminology such as, "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. These forward-looking statements are based on management's current expectations but they involve a number of risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of risks and uncertainties, which include, without limitation, those described in the company's quarterly report on Form 10-Q for the quarter ended April 29, 2006 as filed with the Securities and Exchange Commission and available at www.sec.gov. You are urged to consider these factors carefully in evaluating the forward-looking statements herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. The forward-looking statements speak only as of the date on which they are made and the company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

ZUMIEZ INC.
CONDENSED STATEMENT OF INCOME
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 29, 2006	July 30, 2005	July 29, 2006	July 30, 2005
Net sales	\$ 55,756	\$ 39,407	\$ 103,541	\$ 72,776
Cost of goods sold	36,981	26,633	69,500	50,155
Gross margin	<u>18,775</u>	<u>12,774</u>	<u>34,041</u>	<u>22,621</u>
Selling, general and administrative expenses	16,780	11,502	30,576	21,332
Operating profit	<u>1,995</u>	<u>1,272</u>	<u>3,465</u>	<u>1,289</u>
Interest income (expense), net	231	78	583	34
Other income (expense), net	(16)	1	(16)	16
Earnings before income taxes	<u>2,210</u>	<u>1,351</u>	<u>4,032</u>	<u>1,339</u>
Provision for income taxes	568	503	1,281	531
Net income	<u>\$ 1,642</u>	<u>\$ 848</u>	<u>\$ 2,751</u>	<u>\$ 808</u>
Basic net income per share	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.10</u>	<u>\$ 0.03</u>
Diluted net income per share	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.10</u>	<u>\$ 0.03</u>
Weighted average shares outstanding, Basic	27,396,890	26,573,784	27,299,864	24,592,152
Weighted average shares outstanding, Diluted	28,903,588	28,213,112	28,768,373	26,231,480

ZUMIEZ INC.
CONDENSED BALANCE SHEETS
(in thousands, except share amounts)

	July 29, 2006 (Unaudited)	January 28, 2006 (Audited)	July 30, 2005 (Unaudited)
Assets			
Current assets			
Cash and cash equivalents	\$ 4,221	\$ 4,737	\$ 17,844
Marketable Securities	10,366	38,264	—
Receivables	6,196	3,746	4,863
Inventory	51,783	30,559	42,226
Prepaid expenses and other	3,610	711	2,820
Deferred tax assets	1,485	938	1,059
Total current assets	<u>77,661</u>	<u>78,955</u>	<u>68,812</u>
Leasehold improvements and equipment, net	45,447	35,456	30,854
Goodwill	11,635	—	—
Total long-term assets	<u>57,082</u>	<u>35,456</u>	<u>30,854</u>
Total assets	<u>\$ 134,743</u>	<u>\$ 114,411</u>	<u>\$ 99,666</u>
Liabilities and Shareholders' Equity			
Current liabilities			
Trade accounts payable	\$ 30,075	\$ 18,623	\$ 25,168
Accrued payroll and payroll taxes	3,317	4,388	2,481
Income taxes payable	—	3,309	—
Current portion of deferred rent and tenant allowances	1,180	900	960
Other accrued liabilities	7,860	4,378	4,828
Total current liabilities	<u>42,432</u>	<u>31,598</u>	<u>33,437</u>

Long-term deferred rent and tenant allowances, less current portion	10,226	7,595	5,794
Deferred tax liabilities	807	1,534	1,182
Total long-term liabilities	11,033	9,129	6,976
Commitments and contingencies (Note 4)			
Shareholders' equity			
Preferred stock, no par value, 40,000,000 shares authorized; none issued and outstanding			
Common stock, no par value, 100,000,000 shares authorized; 27,553,420 shares issued and outstanding at July 29, 2006, 27,259,297 shares issued and outstanding at January 28, 2006, and 26,914,660 issued and outstanding at July 30, 2005			
Accumulated other comprehensive income	39,885	35,031	32,637
Retained earnings	(16)	(5)	—
	41,409	38,658	26,616
Total shareholders' equity	81,278	73,684	59,253
Total liabilities and shareholders' equity	\$ 134,743	\$ 114,411	\$ 99,666

ZUMIEZ INC.
CONDENSED CASH FLOWS
(in thousands)
(Unaudited)

	For the Six Months Ended	
	July 29, 2006	July 30, 2005
Cash flows from operating activities		
Net income	\$ 2,751	\$ 808
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	4,675	3,466
Deferred tax expense	(1,273)	(528)
Stock compensation expense	878	82
Loss on disposal of assets	5	19
Loss on sale of marketable securities	17	—
Excess tax benefit from stock options	(3,102)	—
Changes in operating assets and liabilities		
Receivables	(2,282)	(2,952)
Inventory	(16,433)	(13,581)
Prepaid expenses	(2,730)	(1,654)
Trade accounts payable	9,149	8,513
Accrued payroll and payroll taxes	(1,137)	(80)
Income taxes payable	(207)	(2,611)
Other accrued liabilities	2,800	(575)
Deferred rent	(165)	306
Net cash used in operating activities	(7,054)	(8,787)
Cash flows from investing activities		
Additions to leasehold improvements and equipment	(9,260)	(6,382)
Acquisitions, net of cash acquired	(15,273)	—
Purchases of marketable securities	(60,412)	—
Sales and maturities of marketable securities	88,239	—
Net cash provided by (used in) investing activities	3,294	(6,382)
Cash flows from financing activities		
Change in book overdraft	—	(429)
Borrowings on revolving credit facility	—	16,450
Payments on revolving credit facility	(732)	(16,450)
Proceeds from exercise	874	458
Proceeds from sale of stock	—	31,958
Excess tax benefit from stock options	3,102	—
Net cash provided by financing activities	3,244	31,987
Net increase (decrease) in cash and cash equivalents	(516)	16,818
Cash and cash equivalents, Beginning of period	4,737	1,026
Cash and cash equivalents, End of period	\$ 4,221	\$ 17,844
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	\$ —	\$ 59
Cash paid during the period for income taxes	3,577	2,605