

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street NW
Washington, D.C. 29549

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 3, 2006

THE CATO CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

1-31340

(Commission
File Number)

56-0484485

(I.R.S. Employer
Identification Number)

8100 Denmark Road, Charlotte, North Carolina

(Address of Principal Executive Offices)

28273-5975

(Zip Code)

(704) 554-8510

(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))
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THE CATO CORPORATION

Item 2.02. Results of Operations and Financial Condition.

On August 3, 2006, The Cato Corporation (the “Company”) issued a press release disclosing material nonpublic information regarding the Company’s sales results for the four-week period, quarter and six-month period ending July 29, 2006. In the press release the Company also updated its earnings estimate for the second quarter ending July 29, 2006.

A copy of this press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 — Press Release issued August 3, 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.

THE CATO CORPORATION

August 9, 2006
Date

/s/ John P. D. Cato
John P. D. Cato
Chairman, President and
Chief Executive Officer

August 9, 2006
Date

/s/ Reynolds C. Faulkner
Reynolds C. Faulkner
Executive Vice President
Chief Financial Officer

Exhibit Index

Exhibit

Exhibit No.

Press Release issued August 3, 2006

99.1



The CATO Corporation

NEWS RELEASE

FOR IMMEDIATE RELEASE

For Further Information Contact:
Reynolds Faulkner
Executive Vice President
Chief Financial Officer
704-551-7201

CATO REPORTS JULY COMP STORE SALES UP 1%
Expects 2Q EPS to be at or above High End of Previous Guidance

Charlotte, NC (August 3, 2006) — The Cato Corporation (NYSE: CTR) today reported sales of \$60.3 million for the four weeks ended July 29, 2006, a 6% increase over sales of \$56.8 million for the four weeks ended July 30, 2005. Comparable store sales for the month increased 1%.

Sales for the second quarter ended July 29, 2006 were \$214.6 million, a 3% increase over sales of \$208.3 million for the second quarter ended July 30, 2005. Second quarter comparable store sales decreased 1%.

Sales for the first half were \$444.4 million, a 5% increase over 2005 first half sales of \$423.4 million. Comparable store sales for the first half were flat to the prior year.

“For the quarter, we continued to experience higher merchandise margins as a result of better sell-throughs of regular priced goods,” commented John Cato, Chairman, President, and Chief Executive Officer. “We now estimate second quarter earnings per diluted share to be at or slightly above the high end of our previous guidance of \$.34 to \$.37 versus \$.34 last year.”

The Company will release second quarter results on Tuesday, August 15, 2006.

During the month of July, the Company relocated two stores in Bainbridge, GA.

During the first half, the Company opened 21 new stores, relocated 11 stores, and closed six stores. As of July 29, 2006, The Cato Corporation operated 1,259 stores in 31 states, compared to 1,197 stores in 31 states as of July 30, 2005.

The Cato Corporation is a leading specialty retailer of value-priced women's fashion apparel operating two divisions, "Cato" and "It's Fashion!". The Company offers exclusive merchandise with fashion and quality comparable to mall specialty stores at low prices, every day. Additional information on The Cato Corporation is available at www.catocorp.com.

Statements in this press release not historical in nature including, without limitation, statements regarding the Company's expected financial results for the second quarter, are considered "forward-looking" within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations that are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contemplated by the forward-looking statements. Such factors include, but are not limited to, the following: general economic conditions; competitive factors and pricing pressures; the Company's ability to predict fashion trends; consumer apparel buying patterns; adverse weather conditions and inventory risks due to shifts in market demand. The Company does not undertake to publicly update or revise the forward-looking statements even if experience or future changes make it clear that the projected results expressed or implied therein will not be realized. The Company is not responsible for any changes made to this press release by wire or Internet services.

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