

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

PAYLESS SHOESOURCE INC /DE/

CIK: **1060232** | IRS No.: **431813160** | State of Incorporation: **DE** | Fiscal Year End: **0130**
Type: **8-K** | Act: **34** | File No.: **001-14770** | Film No.: **06510843**
SIC: **5661** Shoe stores

Mailing Address
3231 S E 6TH ST
TOPEKA KS 66607-2207

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TOPEKA KS 66607-2207
7852335171

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

January 5, 2006

Date of Report (Date of earliest event reported)

PAYLESS SHOESOURCE, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

1-14770

(Commission File Number)

43-1813160

(IRS Employer Identification No.)

**3231 Southeast Sixth Avenue
Topeka, Kansas 66607-2207**

(Address of Principal Executive Office) (Zip Code)

(Registrant's Telephone Number, Including Area Code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a12 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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Item 7.01 Regulation FD Disclosure.

On January 5, 2006, Payless ShoeSource, Inc., a Delaware corporation, issued a press release announcing its sales for the fiscal month of December, which ended December 31, 2005. The full text of the press release and the transcript of the monthly sales message are attached hereto as Exhibits 99.1 and 99.2 respectively, and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(c) *Exhibits.*

EXHIBIT #	DESCRIPTION
99.1	Press Release dated January 5, 2006
99.2	Transcript of December monthly sales message

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.

PAYLESS SHOESOURCE, INC.

Date: January 5, 2006

By: /s/ Ullrich E. Porzig

Ullrich E. Porzig

Senior Vice President

Chief Financial Officer

and Treasurer

EXHIBIT INDEX

EXHIBIT #

DESCRIPTION

99.1

Press Release dated January 5, 2006

99.2

Transcript of December monthly sales message

Payless ShoeSource Reports December Same-Store Sales

TOPEKA, Kan., Jan. 5 /PRNewswire-FirstCall/ -- Payless ShoeSource, Inc. (NYSE: PSS) today reported that same-store sales decreased 1.5 percent during the December reporting period, the five weeks ended December 31, 2005. All data in this press release relate to continuing operations.

Company sales totaled \$264.3 million, a 3.2 percent decrease from \$273.1 million during fiscal December of last year.

Sales were as follows (unaudited):

DECEMBER SALES* (DOLLARS IN MILLIONS)

Fiscal	Fiscal	Percent	Same-Store Sales***
2005**	2004**	Increase/ Decrease	Percent Increase/Decrease

\$ 264.3	\$ 273.1	(3.2)%	(1.5)%
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YEAR-TO-DATE SALES* (DOLLARS IN BILLIONS)

Fiscal	Fiscal	Percent	Same-Store Sales***
2005**	2004**	Increase/ Decrease	Percent Increase/Decrease

\$ 2.53	\$ 2.52	0.3%	2.5%
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* Sales from continuing operations.

** The fiscal year for operations in the company' s Latin American region and Japan is based on a December 31 year-end. Operations in the company' s Latin American region (178 stores) and Japan are included in total company results on a one-month lag relative to results from other regions.

*** Same-store sales represent sales of those stores in the United States, Canada, Puerto Rico, Guam and Saipan that were open during both periods. Same-store-sales exclude stores in the company' s Latin American region and Japan.

December results were impacted by stronger than expected November sales and timing shifts in receipt flows, which reduced inventory levels in the stores. The lower inventory levels, combined with less aged product, will facilitate a cleaner transition into the spring season.

The company remains committed to its goal of achieving low single-digit positive same-store sales growth through more consistent execution of its merchandise strategy to inspire fun, fashion possibilities for the family.

At the end of fiscal December, 26 stores remained closed from the impact of hurricanes Katrina, Rita and Wilma.

Payless ShoeSource, Inc. is the largest specialty family footwear retailer in the Western Hemisphere. As of the end of fiscal December 2005, the Company operated a total of 4,615 stores, which includes the 26 stores that remain closed due to hurricanes. Payless stores offer quality family footwear and accessories at affordable prices. In addition, customers can buy shoes over the Internet through Payless.com(R), at <http://www.payless.com> .

This release contains forward-looking statements relating to anticipated financial performance. A variety of known and unknown risks and uncertainties and other factors could cause actual results to differ materially from the anticipated results or expectations. Please refer to the company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005 and the Form 10-Q for the period ending October 29, 2005, for more information on risk factors that could cause actual results to differ. The company does not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

For additional information regarding December 2005 sales performance, please call the Payless ShoeSource Investor Relations phone line at 1-800-626-3204. Select submenu 1, option 2. Or, visit our Investor Relations website at <http://www.paylessinfo.com>.

SOURCE Payless ShoeSource, Inc.

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01/05/2006

/CONTACT: Ron Cooperman of Payless ShoeSource, Inc., +1-785-295-6026/

/Company News On-Call: <http://www.prnewswire.com/comp/136152.html> /

/Web site: <http://www.paylessinfo.com> /

Script for December Sales Comments -- Thursday, January 5th, 2006

The following are comments expanding on same-store sales results for Payless ShoeSource, Inc. during the December reporting period for fiscal year 2005, the five weeks ended December 31st, 2005.

Payless ShoeSource reported that corporate same-store sales decreased 1.5 percent during December of fiscal 2005 versus the same period in fiscal 2004.

Total company sales in December were \$264.3 million dollars, a 3.2 percent decrease from total sales of \$273.1 million in December 2004. Sales are from continuing operations in both periods.

Our strongest categories in December were women' s dress and casual shoes, women' s boots, and girl' s shoes. Weaker categories for the month included men' s shoes and accessories.

By region, our business was strongest in the South, followed by the West, the Northeast and the Northcentral.

December results were impacted by stronger than expected November sales and timing shifts in receipt flows, which reduced inventory levels in the stores. The lower inventory levels, combined with less aged product, will facilitate a cleaner transition into the spring season.

The company remains committed to its goal of achieving low single-digit positive same-store sales growth through more consistent execution of its merchandise strategy to inspire fun, fashion possibilities for the family.

At the end of fiscal December, 26 stores remained closed from the impact of hurricanes Katrina, Rita and Wilma.

We were operating 4,615 total stores at the end of fiscal December, including 147 stores in the Central American region, 31 stores in South America and 313 stores in Canada. The 26 stores that remain closed due to the impact of the hurricanes are also included in our total store count for the month.

This recording contains forward-looking statements relating to anticipated financial performance. A variety of known and unknown risks and uncertainties and other factors could cause actual results to differ materially from the anticipated results or expectations. Please refer to the company' s Annual Report on Form 10-K for the fiscal year ended January 29, 2005, and the form 10-Q for the period ending October 29, 2005, for more information on risk factors that could cause actual results to differ. The company does not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Thank you for your interest in Payless.

To hear this recording again, press 1. To return to the main menu, press 2.