



## INVESTOR PRESENTATION

2015 THIRD QUARTER

# SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

A&F cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by management or spokespeople of A&F involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the company's control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," and similar expressions may identify forward-looking statements. Except as may be required by applicable law, we assume no obligation to publicly update or revise our forward-looking statements. The factors included in the disclosure under the heading "FORWARD-LOOKING STATEMENTS AND RISK FACTORS" in "ITEM 1A. RISK FACTORS" of A&F's Annual Report on Form 10-K for the fiscal year ended January 31, 2015 in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the 2015 Fiscal year and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this presentation or otherwise made by management.

## OTHER INFORMATION

A reconciliation of GAAP financial measures to non-GAAP financial measures is included in a schedule accompanying the consolidated financial statements in this presentation. As used in the presentation, "GAAP" refers to accounting principles generally accepted in the United States of America.

All dollar and share amounts are in 000's unless otherwise stated. Sub-totals and totals may not foot due to rounding.

Net Income and Net Income per share financial measures included herein are attributable to the shareholders of Abercrombie & Fitch Co., excluding net income attributable to noncontrolling interests.

# Q3 ADJUSTED P&L SUMMARY\*

|                                     | 2015      | % OF NET SALES | 2014      | % OF NET SALES |
|-------------------------------------|-----------|----------------|-----------|----------------|
| NET SALES                           | \$878,572 | 100.0%         | \$911,453 | 100.0%         |
| GROSS PROFIT                        | 557,214   | 63.4%          | 567,070   | 62.2%          |
| OPERATING EXPENSE                   | 510,057   | 58.1%          | 514,970   | 56.5%          |
| OTHER OPERATING INCOME, NET         | (3,919)   | -0.4%          | (1,534)   | -0.2%          |
| OPERATING INCOME                    | 51,076    | 5.8%           | 53,634    | 5.9%           |
| INTEREST EXPENSE, NET               | 4,586     | 0.5%           | 5,572     | 0.6%           |
| INCOME BEFORE TAXES                 | 46,490    | 5.3%           | 48,062    | 5.4%           |
| TAX EXPENSE                         | 13,179    | 1.5%           | 17,656    | 1.9%           |
| NET INCOME                          | 32,917    | 3.7%           | 30,406    | 3.3%           |
| NET INCOME PER SHARE                |           |                |           |                |
| BASIC                               | \$0.48    |                | \$0.43    |                |
| DILUTED                             | \$0.48    |                | \$0.42    |                |
| WEIGHTED-AVERAGE SHARES OUTSTANDING |           |                |           |                |
| BASIC                               | 68,866    |                | 70,814    |                |
| DILUTED                             | 69,265    |                | 72,128    |                |

\* The Q3 Adjusted P&L Summary for the current and prior periods is presented on a non-GAAP basis and excludes the items set out on page 4. Non-GAAP financial measures should not be used as alternatives to the most directly comparable GAAP financial measures and are also not intended to supersede or replace the company's GAAP financial measures. The company believes it is useful to investors to provide the non-GAAP financial measures to assess the company's operating performance. A reconciliation between GAAP and non-GAAP results is included as an appendix to the presentation.

# EXCLUDED ITEMS (PRE-TAX)

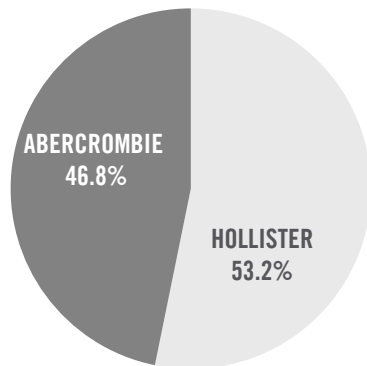
| 2015  | Q1       | Q2        | Q3        | Q4 | YEAR TO DATE |
|---|----------|-----------|-----------|----|--------------|
| INVENTORY WRITE-DOWN (RECOVERY)   | \$26,861 | \$(2,621) | \$(2,573) |    | \$21,667     |
| LEGAL SETTLEMENT CHARGES  | —        | 15,753    | —         |    | 15,753       |
| ASSET IMPAIRMENT, STORE FIXTURES, LEASE TERMINATION AND STORE CLOSURE COSTS | 10,112   | 1,394     | 12,659    |    | 24,165       |
| PROFIT IMPROVEMENT INITIATIVE   | 2,479    | —         | —         |    | 2,479        |
| GILLY HICKS<br>RESTRUCTURING CHARGES  | (1,598)  | —         | —         |    | (1,598)      |
| TOTAL   | \$37,854 | \$14,526  | \$10,086  |    | \$62,466     |

| 2014  | Q1       | Q2      | Q3       | Q4       | FULL YEAR |
|---|----------|---------|----------|----------|-----------|
| ASSET IMPAIRMENT, LEASE TERMINATION AND STORE CLOSURE CHARGES | —        | —       | \$18,958 | \$31,641 | \$50,599  |
| PROFIT IMPROVEMENT INITIATIVE AND CORPORATE GOVERNANCE        | 9,964    | 1,964   | 1,310    | 718      | 13,956    |
| GILLY HICKS<br>RESTRUCTURING CHARGES                          | 5,633    | 419     | —        | 2,378    | 8,431     |
| CEO TRANSITION COSTS  | —        | —       | —        | 5,188    | 5,188     |
| TOTAL   | \$15,597 | \$2,383 | \$20,268 | \$39,925 | \$78,174  |

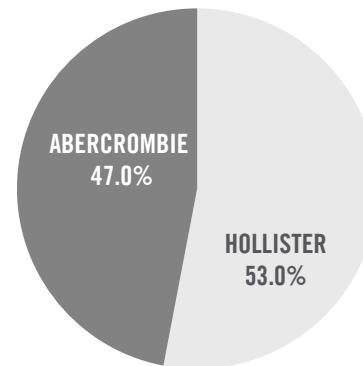
# FISCAL 2015 COMPARABLE SALES BY BRAND<sup>\*</sup>

|                                   | Q1  | Q2  | Q3  | YTD |
|-----------------------------------|-----|-----|-----|-----|
| <b>ABERCROMBIE <sup>(1)</sup></b> | -9% | -7% | -5% | -7% |
| <b>HOLLISTER</b>                  | -6% | -1% | 3%  | -2% |
| <b>TOTAL COMPANY</b>              | -8% | -4% | -1% | -4% |

Q3 SALES MIX



YTD SALES MIX



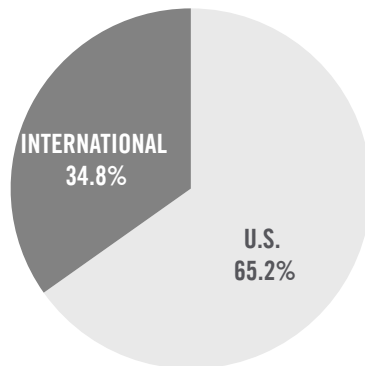
<sup>\*</sup> Comparable sales are calculated on a constant currency basis. Sales include store and DTC sales.

<sup>(1)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands.

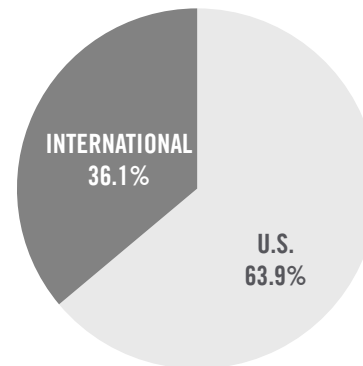
# FISCAL 2015 COMPARABLE SALES BY GEOGRAPHY\*

|               | Q1  | Q2  | Q3  | YTD |
|---------------|-----|-----|-----|-----|
| U.S.          | -7% | -4% | -3% | -5% |
| INTERNATIONAL | -9% | -4% | 1%  | -4% |
| TOTAL COMPANY | -8% | -4% | -1% | -4% |

Q3 SALES MIX



YTD SALES MIX



\* Comparable sales are calculated on a constant currency basis. Sales include store and DTC sales.

# Q3 ADJUSTED OPERATING EXPENSE\*

| THIRD QUARTER                       | 2015      | % OF NET SALES | 2014      | % OF NET SALES | Δ bps <sup>(3)</sup> |
|-------------------------------------|-----------|----------------|-----------|----------------|----------------------|
| STORE OCCUPANCY <sup>(1)</sup>      | \$180,804 | 20.6%          | \$187,459 | 20.6%          | —                    |
| ALL OTHER <sup>(2)</sup>            | 211,555   | 24.1%          | 223,735   | 24.5%          | (40)                 |
| STORES AND DISTRIBUTION             | 392,359   | 44.7%          | 411,194   | 45.1%          | (40)                 |
| MARKETING, GENERAL & ADMINISTRATIVE | 117,698   | 13.4%          | 103,776   | 11.4%          | 200                  |
| TOTAL                               | \$510,057 | 58.1%          | \$514,970 | 56.5%          | 160                  |

\* Q3 Adjusted Operating Expense excludes the items set out on page 4. Non-GAAP financial measures should not be used as alternatives to the most directly comparable GAAP financial measures and are also not intended to supersede or replace the company's GAAP financial measures. The company believes it is useful to investors to provide the non-GAAP financial measures to assess the company's operating performance. A reconciliation between GAAP and non-GAAP results is included as an appendix to the presentation.

<sup>(1)</sup> Includes rent, other landlord charges, utilities, depreciation and other occupancy expense.

<sup>(2)</sup> Includes selling payroll, store management and support, other store expense, direct-to-consumer expense, and distribution center costs.

<sup>(3)</sup> Rounded based on reported percentages.

# SHARE REPURCHASES

|                | FY 2015               |          |                 | FY 2014               |           |                 |
|----------------|-----------------------|----------|-----------------|-----------------------|-----------|-----------------|
|                | SHARES<br>REPURCHASED | COST     | AVERAGE<br>COST | SHARES<br>REPURCHASED | COST      | AVERAGE<br>COST |
| FIRST QUARTER  | —                     | —        | —               | 3,825.7               | \$150,000 | \$39.21         |
| SECOND QUARTER | —                     | —        | —               | 1,459.4               | \$60,000  | \$41.11         |
| THIRD QUARTER  | 2,460.5               | \$50,029 | \$20.33         | 2,039.0               | \$75,038  | \$36.80         |
| FOURTH QUARTER | —                     | —        | —               | —                     | —         | —               |
| TOTAL          | 2,460.5               | \$50,029 | \$20.33         | 7,324.1               | \$285,038 | \$38.92         |



# Q3 STORE OPENINGS\*

|               | BRAND     | CENTER                          | CITY               | DATE       |
|---------------|-----------|---------------------------------|--------------------|------------|
| U.S.          | Hollister | Mall of San Juan                | San Juan, PR       | 8/8/2015   |
|               | A&F       | Coolsprings Galleria            | Franklin, TN       | 9/2/2015   |
|               | Hollister | Liberty Center                  | Liberty Center, OH | 10/22/2015 |
| INTERNATIONAL | Hollister | Joy City Chaoyang               | Beijing, China     | 8/15/2015  |
|               | Hollister | YOHO Mall                       | Hong Kong          | 9/1/2015   |
|               | A&F       | Riverside 66                    | Tianjin, China     | 9/19/2015  |
|               | A&F       | Pacific Centre                  | Vancouver, CA      | 10/24/2015 |
| OUTLET        | A&F       | The Crossings Premium Outlet    | Tannersville, PA   | 8/8/2015   |
|               | A&F       | Vacaville Premium Outlets       | Vacaville, CA      | 8/8/2015   |
|               | A&F       | Chicago Premium Outlets         | Aurora, IL         | 8/27/2015  |
|               | A&F       | Outlet Shoppes of the Bluegrass | Louisville, KY     | 10/24/2015 |

\* Excludes two relocated A&F stores which are included in store openings in the store count activity table on page 11.

# OUTLOOK\*

**FOR THE FOURTH QUARTER OF FISCAL 2015, THE COMPANY EXPECTS:**

- **COMPARABLE SALES TO BE APPROXIMATELY FLAT**
- **CONTINUED ADVERSE EFFECTS FROM FOREIGN CURRENCY EXCHANGE RATES**
- **GROSS MARGIN RATE TO BE APPROXIMATELY FLAT TO LAST YEAR ON A CONSTANT CURRENCY BASIS**
- **OPERATING EXPENSE TO BE APPROXIMATELY FLAT TO LAST YEAR AFTER ABSORBING A PROVISION FOR THE RESTORATION OF INCENTIVE COMPENSATION**
- **WEIGHTED AVERAGE DILUTED SHARE COUNT OF APPROXIMATELY 68 MILLION SHARES, EXCLUDING EFFECTS OF POTENTIAL SHARE REPURCHASES**

**FULL-YEAR ADJUSTED EFFECTIVE TAX RATE TO BE IN THE MID-TO-UPPER 30s, INCLUDING DISCRETE BENEFITS RELATING TO THE RELEASE OF A VALUATION ALLOWANCE AND OTHER DISCRETE TAX ITEMS**

**FULL-YEAR CAPITAL EXPENDITURES OF APPROXIMATELY \$150 MILLION**

\* Excluded from the company's Outlook for the remainder of fiscal year 2015 are potential charges related to impairments and store closings and other potential charges related to its restructuring efforts and related tax effects.

# Q3 STORE COUNT ACTIVITY

| ALL BRANDS       | TOTAL | U.S. | CANADA | EUROPE | REST OF WORLD* |
|------------------|-------|------|--------|--------|----------------|
| START OF Q3 2015 | 954   | 783  | 18     | 118    | 35             |
| OPENINGS         | 13    | 9    | 1      | —      | 3              |
| CLOSINGS         | (2)   | (2)  | —      | —      | —              |
| END OF Q3 2015   | 965   | 790  | 19     | 118    | 38             |

## ABERCROMBIE <sup>(1)</sup>

|                  |     |     |   |    |    |
|------------------|-----|-----|---|----|----|
| START OF Q3 2015 | 388 | 354 | 6 | 17 | 11 |
| OPENINGS         | 9   | 7   | 1 | —  | 1  |
| CLOSINGS         | (2) | (2) | — | —  | —  |
| END OF Q3 2015   | 395 | 359 | 7 | 17 | 12 |

## HOLLISTER CO.

|                  |     |     |    |     |    |
|------------------|-----|-----|----|-----|----|
| START OF Q3 2015 | 566 | 429 | 12 | 101 | 24 |
| OPENINGS         | 4   | 2   | —  | —   | 2  |
| CLOSINGS         | —   | —   | —  | —   | —  |
| END OF Q3 2015   | 570 | 431 | 12 | 101 | 26 |

\* Includes Asia and the Middle East.

<sup>(1)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands. Locations with abercrombie kids carveouts within Abercrombie & Fitch stores are represented as a single store count.

# STRATEGIC INITIATIVES

**ONGOING EFFORTS TO TURN AROUND THE BUSINESS ARE FOCUSED ON:**

- **PUTTING THE CUSTOMER AT THE CENTER OF EVERYTHING WE DO**
- **DELIVERING A COMPELLING AND DIFFERENTIATED ASSORTMENT**
- **OPTIMIZING OUR BRAND REACH DOMESTICALLY AND INTERNATIONALLY AND OPTIMIZING OUR PERFORMANCE IN EACH CHANNEL**
- **DEFINING A CLEAR POSITION FOR OUR BRANDS**
- **CONTINUING TO IMPROVE EFFICIENCY AND REDUCE EXPENSE**
- **ENSURING WE ARE ORGANIZED TO SUCCEED**

# APPENDIX: RECONCILIATION OF Q3 2015 NON-GAAP FINANCIAL MEASURES

THIRTEEN WEEKS ENDED OCTOBER 31, 2015  
(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)

|   | GAAP <sup>(1)</sup> | EXCLUDED<br>ITEMS | ADJUSTED<br>NON-GAAP <sup>(6)</sup> |
|---|---------------------|-------------------|-------------------------------------|
| <b>GROSS PROFIT <sup>(2)</sup></b>                    | \$559,787           | \$(2,573)         | \$557,214                           |
| <b>STORES AND DISTRIBUTION EXPENSE <sup>(3)</sup></b> | 392,942             | 583               | 392,359                             |
| <b>ASSET IMPAIRMENT <sup>(4)</sup></b>                | 12,076              | 12,076            | —                                   |
| <b>OPERATING INCOME</b>                               | 40,990              | 10,086            | 51,076                              |
| <b>INCOME BEFORE TAXES</b>                            | 36,404              | 10,086            | 46,490                              |
| <b>TAX (BENEFIT) EXPENSE <sup>(5)</sup></b>           | (5,881)             | 19,060            | 13,179                              |
| <b>NET INCOME</b>                                     | \$41,891            | \$(8,974)         | \$32,917                            |
| <b>NET INCOME PER DILUTED SHARE</b>                   | \$0.60              | \$(0.12)          | \$0.48                              |

<sup>(1)</sup> "GAAP" refers to accounting principles generally accepted in the United States of America.

<sup>(2)</sup> Excluded Items consist of benefits of \$2.6 million related to higher than expected recovery on inventory previously written-down.

<sup>(3)</sup> Excluded Items consist of charges of \$0.6 million related to accelerated depreciation and disposal costs associated with a decision to discontinue the use of certain store fixtures.

<sup>(4)</sup> Excluded Items consist of charges of \$12.1 million related to stores whose asset carrying value exceeded fair value.

<sup>(5)</sup> Both GAAP and Adjusted Non-GAAP reflect benefits related to a change in the estimated annual effective tax rate. In addition, GAAP and Adjusted Non-GAAP include discrete benefits of \$9.7 million and \$7.7 million, respectively, related to a release of a valuation allowance and other discrete tax items.

<sup>(6)</sup> Non-GAAP financial measures should not be used as alternatives to the most directly comparable GAAP financial measures and are also not intended to supersede or replace the company's GAAP financial measures. The company believes it is useful to investors to provide the non-GAAP financial measures to assess the company's operating performance.

# APPENDIX: RECONCILIATION OF YTD 2015 NON-GAAP FINANCIAL MEASURES

THIRTY-NINE WEEKS ENDED OCTOBER 31, 2015  
(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)

|   | GAAP <sup>(1)</sup> | EXCLUDED<br>ITEMS | ADJUSTED<br>NON-GAAP <sup>(7)</sup> |
|---|---------------------|-------------------|-------------------------------------|
| <b>GROSS PROFIT <sup>(2)</sup></b>                                  | \$1,481,198         | \$21,667          | \$1,502,865                         |
| <b>STORES AND DISTRIBUTION EXPENSE <sup>(3)</sup></b>               | 1,173,773           | 6,665             | 1,167,108                           |
| <b>MARKETING, GENERAL AND ADMINISTRATIVE EXPENSE <sup>(4)</sup></b> | 345,077             | 17,523            | 327,554                             |
| <b>RESTRUCTURING BENEFIT <sup>(5)</sup></b>                         | (1,598)             | (1,598)           | —                                   |
| <b>ASSET IMPAIRMENT <sup>(6)</sup></b>                              | 18,209              | 18,209            | —                                   |
| <b>OPERATING (LOSS) INCOME</b>                                      | (47,245)            | 62,466            | 15,221                              |
| <b>(LOSS) INCOME BEFORE TAXES</b>                                   | (61,037)            | 62,466            | 1,429                               |
| <b>TAX BENEFIT</b>  | (40,688)            | 35,961            | (4,727)                             |
| <b>NET (LOSS) INCOME</b>  | \$(22,165)          | \$26,505          | \$4,340                             |
| <b>NET (LOSS) INCOME PER DILUTED SHARE</b>                          | \$(0.32)            | \$0.38            | \$0.06                              |

<sup>(1)</sup> "GAAP" refers to accounting principles generally accepted in the United States of America.

<sup>(2)</sup> Excluded Items consist of charges of \$21.7 million related to an inventory write-down, net of recoveries.

<sup>(3)</sup> Excluded Items consist of charges of \$4.2 million related to accelerated depreciation and disposal costs associated with a decision to discontinue the use of certain store fixtures, \$1.8 million related to lease termination and store closure costs, and \$0.7 million related to the company's continuous profit improvement program.

<sup>(4)</sup> Excluded Items consist of charges of \$15.8 million related to legal settlement charges and \$1.8 million related to the company's continuous profit improvement program.

<sup>(5)</sup> Excluded Items consist of benefits of \$1.6 million related to the Gilly Hicks brand.

<sup>(6)</sup> Excluded Items consist of charges of \$12.1 million related to stores whose asset carrying value exceeded fair value, \$4.5 million related to the discontinued use of certain store fixtures and \$1.6 million related to a company owned aircraft.

<sup>(7)</sup> Non-GAAP financial measures should not be used as alternatives to the most directly comparable GAAP financial measures and are also not intended to supersede or replace the company's GAAP financial measures. The company believes it is useful to investors to provide the non-GAAP financial measures to assess the company's operating performance.

# APPENDIX: RECONCILIATION OF Q3 2014 NON-GAAP FINANCIAL MEASURES

THIRTEEN WEEKS ENDED NOVEMBER 1, 2014  
(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)

|  | GAAP <sup>(1)</sup> | EXCLUDED<br>ITEMS | ADJUSTED<br>NON-GAAP <sup>(5)</sup> |
|--|---------------------|-------------------|-------------------------------------|
| STORES AND DISTRIBUTION EXPENSE <sup>(2)</sup>               | \$413,551           | \$2,357           | \$411,194                           |
| MARKETING, GENERAL AND ADMINISTRATIVE EXPENSE <sup>(3)</sup> | 104,981             | 1,205             | 103,776                             |
| ASSET IMPAIRMENT <sup>(4)</sup>                              | 16,706              | 16,706            | —                                   |
| OPERATING INCOME   | 33,366              | 20,268            | 53,634                              |
| INCOME BEFORE TAXES  | 27,794              | 20,268            | 48,062                              |
| TAX EXPENSE  | 9,567               | 8,089             | 17,656                              |
| NET INCOME   | \$18,227            | \$12,179          | \$30,406                            |
| NET INCOME PER DILUTED SHARE                                 | \$0.25              |                   | \$0.42                              |

<sup>(1)</sup> "GAAP" refers to accounting principles generally accepted in the United States of America.

<sup>(2)</sup> Excluded Items consist of charges of \$2.3 million related to lease termination and store closure costs.

<sup>(3)</sup> Excluded Items consist of charges of \$0.7 million related to the company's profit improvement initiative and \$0.6 million of legal, advisory and other costs related to certain corporate governance matters.

<sup>(4)</sup> Excluded Items consist of charges of \$16.7 million related to stores whose asset carrying value exceeded fair value.

<sup>(5)</sup> Non-GAAP financial measures should not be used as alternatives to the most directly comparable GAAP financial measures and are also not intended to supersede or replace the company's GAAP financial measures. The company believes it is useful to investors to provide the non-GAAP financial measures to assess the company's operating performance.

# APPENDIX: RECONCILIATION OF YTD 2014 NON-GAAP FINANCIAL MEASURES

THIRTY-NINE WEEKS ENDED NOVEMBER 1, 2014  
(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)

|  | GAAP <sup>(1)</sup> | EXCLUDED<br>ITEMS | ADJUSTED<br>NON-GAAP <sup>(6)</sup> |
|--|---------------------|-------------------|-------------------------------------|
| STORES AND DISTRIBUTION EXPENSE <sup>(2)</sup>               | \$1,257,422         | \$4,365           | \$1,253,057                         |
| MARKETING, GENERAL AND ADMINISTRATIVE EXPENSE <sup>(3)</sup> | 339,595             | 11,125            | 328,470                             |
| RESTRUCTURING CHARGES <sup>(4)</sup>                         | 6,053               | 6,053             | —                                   |
| ASSET IMPAIRMENT <sup>(5)</sup>                              | 16,706              | 16,706            | —                                   |
| OPERATING INCOME   | 21,353              | 38,249            | 59,602                              |
| INCOME BEFORE TAXES  | 11,764              | 38,249            | 50,013                              |
| TAX EXPENSE  | 4,331               | 14,193            | 18,524                              |
| NET INCOME   | \$7,433             | \$24,056          | \$31,489                            |
| NET INCOME PER DILUTED SHARE                                 | \$0.10              | \$0.33            | \$0.43                              |

<sup>(1)</sup> "GAAP" refers to accounting principles generally accepted in the United States of America.

<sup>(2)</sup> Excluded Items consist of charges of \$2.3 million related to lease termination and store closure costs and \$2.1 million related to the company's profit improvement initiative.

<sup>(3)</sup> Excluded Items consist of charges of \$7.5 million of legal, advisory and other costs related to certain corporate governance matters and \$3.6 million related to the Company's profit improvement initiative.

<sup>(4)</sup> Excluded Items consist of charges of \$6.1 million related to the Gilly Hicks brand.

<sup>(5)</sup> Excluded Items consist of charges of \$16.7 million related to stores whose asset carrying value exceeded fair value.

<sup>(6)</sup> Non-GAAP financial measures should not be used as alternatives to the most directly comparable GAAP financial measures and are also not intended to supersede or replace the company's GAAP financial measures. The company believes it is useful to investors to provide the non-GAAP financial measures to assess the company's operating performance.