

EST. 1892

**Abercrombie
& Fitch**

NEW YORK

INVESTOR PRESENTATION

2015 FIRST 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.

OPERATING SEGMENTS

During the first quarter, the Company changed its operating segments to align with its recent transition to a branded organizational structure. This transition was substantially completed in the first quarter and, in conjunction with the change, the Company determined its operating segments to be Abercrombie (including Abercrombie & Fitch and abercrombie kids) and Hollister, which have been aggregated into one reportable segment.

OTHER INFORMATION

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

Q1 ADJUSTED P&L SUMMARY*

	2015	% OF NET SALES	2014	% OF NET SALES
NET SALES	\$709,422	100.0%	\$822,428	100.0%
GROSS PROFIT	438,410	61.8%	511,659	62.2%
OPERATING EXPENSE	492,713	69.5%	531,187	64.6%
OTHER OPERATING INCOME, NET	(1,960)	-0.3%	(3,620)	-0.4%
OPERATING LOSS	(52,343)	-7.4%	(15,908)	-1.9%
INTEREST EXPENSE, NET	4,639	0.7%	1,997	0.2%
LOSS BEFORE TAXES	(56,982)	-8.0%	(17,905)	-2.2%
TAX BENEFIT	(19,808)	-2.8%	(4,926)	-0.6%
NET LOSS	\$(37,174)	-5.2%	\$(12,979)	-1.6%
NET LOSS PER SHARE BASIC AND DILUTED	\$(0.53)		\$(0.17)	
WEIGHTED-AVERAGE SHARES OUTSTANDING BASIC AND DILUTED	69,510		74,483	

* The Q1 Adjusted P&L Summary for the current and prior period is presented on a non-GAAP basis and excludes the charges set out on page 4. A reconciliation between GAAP and non-GAAP results is included as an appendix to the presentation.

EXCLUDED CHARGES (PRE-TAX)

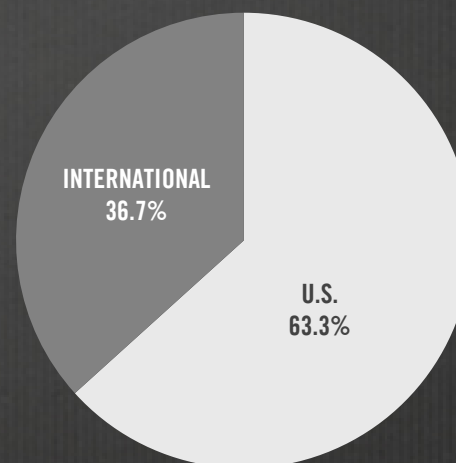
2015	Q1	Q2	Q3	Q4	YEAR TO DATE
INVENTORY WRITE-DOWN	\$26,861				\$26,861
ASSET IMPAIRMENT, STORE FIXTURES, LEASE TERMINATION AND STORE CLOSURE COSTS	10,112				10,112
CONTINUOUS PROFIT IMPROVEMENT PROGRAM	2,479				2,479
GILLY HICKS RESTRUCTURING CHARGES	(1,598)				(1,598)
TOTAL	\$37,854				\$37,854

2014	Q1	Q2	Q3	Q4	FULL YEAR
ASSET IMPAIRMENT, LEASE TERMINATION AND STORE CLOSURE COSTS	—	—	\$18,958	\$31,641	\$50,599
PROFIT IMPROVEMENT INITIATIVE AND CORPORATE GOVERNANCE	9,964	1,964	1,310	718	13,956
GILLY HICKS 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

Q1 COMPARABLE SALES*

	<u>Q1</u>
TOTAL COMPANY	-8%
GEOGRAPHIC:	
US	-7%
INTERNATIONAL	-9%
BRAND:	
ABERCROMBIE ⁽¹⁾	-9%
HOLLISTER CO.	-6%

GEOGRAPHIC SALES MIX



*Comparable sales are calculated on a constant currency basis and exclude Gilly Hicks.

⁽¹⁾ Abercrombie includes the Company's Abercrombie & Fitch and abercrombie kids brands.

Q1 ADJUSTED OPERATING EXPENSE*

FIRST QUARTER	2015	% OF NET SALES	2014	% OF NET SALES	Δ bps ⁽³⁾
STORE OCCUPANCY ⁽¹⁾	\$181,131	25.5%	\$188,721	22.9%	260
ALL OTHER ⁽²⁾	205,819	29.0%	228,086	27.7%	130
STORES AND DISTRIBUTION	386,950	54.5%	416,807	50.7%	380
MARKETING, GENERAL & ADMINISTRATIVE	105,763	14.9%	114,380	13.9%	100
TOTAL	\$492,713	69.5%	\$531,187	64.6%	490

* Q1 Adjusted Operating Expense excludes the charges set out on page 4. A reconciliation between GAAP and non-GAAP results is included as an appendix to the presentation.

⁽¹⁾ Includes rent, other landlord charges, utilities, depreciation and other occupancy expense.

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

⁽³⁾ Rounded based on reported percentages.

SHARE REPURCHASES

	FY 2015			FY 2014		
	SHARES REPURCHASED	COST	AVERAGE COST	SHARES REPURCHASED	COST	AVERAGE COST
FIRST QUARTER	—	—	—	3,825.7	\$150,000	\$39.21
SECOND QUARTER				1,459.4	\$60,000	\$41.11
THIRD QUARTER				2,039.0	\$75,038	\$36.80
FOURTH QUARTER				—	—	—
TOTAL	—	—	—	7,324.1	\$285,038	\$38.92

Q1 STORE OPENINGS

BRAND	CENTER	CITY	DATE
Hollister	Dubai Mall	Dubai, UAE	2/20/2015
A&F	360 Mall	Kuwait City, Kuwait	4/2/2015
Hollister	Lalaport Fujimi	Fujimi, Japan	4/6/2015
A&F	Outlet Mall of Savannah	Pooler, GA	4/15/2015
A&F	Edinburgh Premium Outlets	Edinburgh, IN	4/18/2015
A&F	Asheville Outlets	Asheville, NC	4/30/2015

FULL YEAR OUTLOOK UPDATES*

CONTINUED HEADWINDS FROM FOREIGN CURRENCY EXCHANGE RATES

CONTINUED SEQUENTIAL COMPARABLE SALES IMPROVEMENT INTO THE SECOND QUARTER AND THE SECOND HALF OF THE FISCAL YEAR

GROSS MARGIN RATE FLAT TO SLIGHTLY UP

OPERATING EXPENSES NOW TO BE DOWN APPROXIMATELY \$40 MILLION COMPARED TO THE PRIOR YEAR, EXCLUDING THE EFFECTS FROM CHANGES IN COMPARABLE SALES

WEIGHTED AVERAGE DILUTED SHARE COUNT OF APPROXIMATELY 70 MILLION SHARES EXCLUDING THE EFFECT OF POTENTIAL SHARE REPURCHASES

CAPITAL EXPENDITURES OF APPROXIMATELY \$150 MILLION

*Excluded from the Company's Full Year Outlook are charges incurred during the quarter, as detailed on page 4, as well as other potential future charges related to impairment and store closing charges and other potential charges related to the Company's restructuring efforts.

Q1 STORE COUNT ACTIVITY

ALL BRANDS	TOTAL	U.S.	CANADA	EUROPE	REST OF WORLD*
START OF Q1 2015	969	799	18	121	31
OPENINGS	6	3	—	—	3
CLOSINGS	(13)	(13)	—	—	—
END OF Q1 2015	962	789	18	121	34
A&F					
START OF Q1 2015	279	250	4	16	9
OPENINGS	4	3	—	—	1
CLOSINGS	(5)	(5)	—	—	—
END OF Q1 2015	278	248	4	16	10
abercrombie kids					
START OF Q1 2015	122	116	2	4	—
OPENINGS	—	—	—	—	—
CLOSINGS	(7)	(7)	—	—	—
END OF Q1 2015	115	109	2	4	—
HOLLISTER CO.					
START OF Q1 2015	568	433	12	101	22
OPENINGS	2	—	—	—	2
CLOSINGS	(1)	(1)	—	—	—
END OF Q1 2015	569	432	12	101	24

* Includes Asia, Australia and the Middle East.

STRATEGIC ACTIONS

- CUSTOMER CENTRICITY
- BRAND POSITIONING
- COMPELLING AND DIFFERENTIATED ASSORTMENTS
- CHANNEL OPTIMIZATION AND REACH
- CONTINUOUS PROFIT IMPROVEMENT
- ORGANIZATION



CUSTOMER CENTRICITY



- MORE INVITING AND EASIER SHOPPING EXPERIENCE
- SIMPLER AND CLEARER PRICING
- ADJUSTMENTS TO INTERNATIONAL PRICING
- NEW STORE FRONT AND PROTOTYPES
- SEAMLESS DTC/ OMNICHANNEL EXPERIENCE
- STORE MANAGEMENT INCENTIVE AND TRAINING PROGRAMS

COMPELLING AND DIFFERENTIATED ASSORTMENT



- **BALANCING FASHION RELEVANCE, QUALITY AND VALUE**
- **BUILDING TAILORED ASSORTMENTS BY CHANNEL**
- **BALANCING CATEGORY OFFERINGS**
- **EXTENDING SIZE RANGES AND EVOLVING FITS**

CHANNEL OPTIMIZATION AND REACH

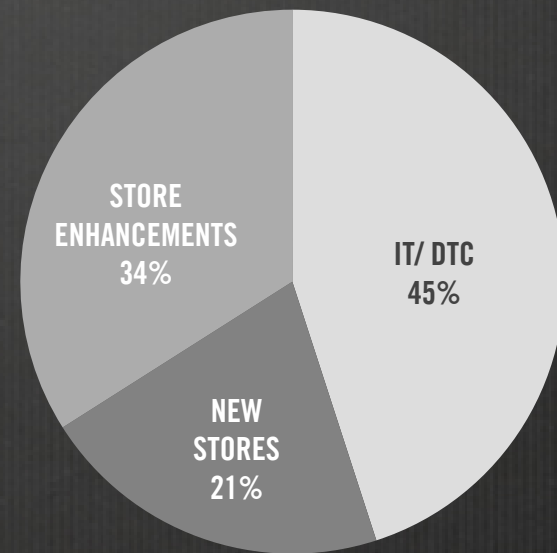
- REPOSITIONING OF THE STORE FLEET
- SELECTIVE INTERNATIONAL GROWTH
- OUTLETS
- WHOLESALE, FRANCHISING AND LICENSING



CONTINUOUS PROFIT IMPROVEMENT

- **COMPLETION OF PROFIT IMPROVEMENT INITIATIVE WITH \$250 MILLION OF ANNUAL SAVINGS CAPTURED**
- **CUMMULATIVE CLOSURES SINCE 2010 OF APPROXIMATELY 275 U.S. STORES**
- **IMPLEMENTATION OF CONTINUOUS PROFIT IMPROVEMENT**
- **DISCIPLINED AND FOCUSED INVESTMENTS**

FISCAL 2015 CAPITAL EXPENDITURES



ORGANIZATION



- **BRANDED ORGANIZATION COMPLETED IN FIRST QUARTER**
- **SUPPORTED BY NEW HIRES AND INTERNAL PROMOTIONS IN DESIGN, MERCHANDISING AND PLANNING**
- **CLEAR MEASUREMENT AND ACCOUNTABILITY AT THE BRAND LEVEL**

APPENDIX: RECONCILIATION OF Q1 2015 NON-GAAP FINANCIAL MEASURES

THIRTEEN WEEKS ENDED MAY 2, 2015
(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)

	GAAP	EXCLUDED CHARGES ⁽¹⁾	ADJUSTED NON-GAAP ⁽²⁾
GROSS PROFIT	\$411,549	\$26,861	\$438,410
STORES AND DISTRIBUTION EXPENSE	391,638	4,688	386,950
MARKETING, GENERAL AND ADMINISTRATIVE EXPENSE	107,533	1,770	105,763
RESTRUCTURING INCOME	(1,598)	(1,598)	—
ASSET IMPAIRMENT	6,133	6,133	—
LOSS BEFORE TAXES	(94,836)	37,854	(56,982)
TAX BENEFIT	(31,590)	11,782	(19,808)
NET LOSS	\$(63,246)	\$26,072	\$(37,174)
NET LOSS PER DILUTED SHARE	\$(0.91)		\$(0.53)

⁽¹⁾ Excluded Charges consist of pre-tax charges of \$26.9 million related to an inventory write-down, \$1.4 million of accelerated depreciation and \$4.5 million of asset impairment related to the discontinued use of certain store fixtures, \$2.6 million related to lease termination and store closures, \$2.5 million related to the Company's continuous profit improvement program, of which \$0.7 million was recognized in stores and distribution expense and \$1.8 million was recognized in marketing, general and administrative expense, \$1.6 million for a further fair value adjustment related to a company owned aircraft held for sale, and a \$1.6 million benefit related to the restructuring of the Gilly Hicks brand.

⁽²⁾ Non-GAAP financial measures should not be used as alternatives to net income and net income per diluted share 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 Q1 2014 NON-GAAP FINANCIAL MEASURES

THIRTEEN WEEKS ENDED MAY 3, 2014
(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)

	GAAP	EXCLUDED CHARGES ⁽¹⁾	ADJUSTED NON-GAAP ⁽²⁾
GROSS PROFIT	\$511,659	—	\$511,659
STORES AND DISTRIBUTION EXPENSE	417,571	764	416,807
MARKETING, GENERAL AND ADMINISTRATIVE EXPENSE	123,581	9,201	114,380
RESTRUCTURING CHARGES	5,633	5,633	—
LOSS BEFORE TAXES	(33,503)	15,598	(17,905)
TAX BENEFIT	(9,832)	4,906	(4,926)
NET LOSS	\$(23,671)	\$10,692	\$(12,979)
NET LOSS PER DILUTED SHARE	\$(0.32)		(0.17)

⁽¹⁾ Excluded Charges consist of pre-tax charges of \$5.6 million related to the restructuring of the Gilly Hicks brand, \$3.1 million related to the Company's profit improvement initiative, of which \$0.8 million was recognized in stores and distribution expense and \$2.3 million was recognized in marketing general and administrative expense, and \$6.9 million for legal, advisory and other charges related to certain corporate governance matters.

⁽²⁾ Non-GAAP financial measures should not be used as alternatives to net income and net income per diluted share 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.