



Investor Presentation

2011 First Quarter

A&F

| a&f

| GH

| HCo.

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 of A&F involve risks and uncertainties and are subject to change based on various 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 29, 2011, in some cases have affected and in the future could affect the Company's financial performance and could cause actual results for the 2011 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

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

A&F

|

a&f

|

GH

|

HCo.

Q1 P&L Summary

	Unaudited		Unaudited	
	2011	% of Net Sales	2010	% of Net Sales
Net Sales	\$ 836,674	100.0%	\$ 687,804	100.0%
Cost of Goods Sold	293,013	35.0%	256,388	37.3%
Gross Profit	543,661	65.0%	431,416	62.7%
Operating Expense	506,752	60.6%	451,042	65.6%
Other Operating Income, Net	(1,836)	-0.2%	(914)	-0.1%
Operating Income (Loss)	38,745	4.6%	(18,712)	-2.7%
Interest Expense, Net	950	0.1%	825	0.1%
Income (Loss) from Continuing Operations Before Taxes	37,795	4.5%	(19,537)	-2.8%
Tax Expense (Benefit) from Continuing Operations	13,450	1.6%	(7,709)	-1.1%
Net Income (Loss) from Continuing Operations	24,345	2.9%	(11,828)	-1.7%
Net Income from Discontinued Operations	796	0.1%	-	-
Net Income (Loss)	\$ 25,141	3.0%	\$ (11,828)	-1.7%

A&F

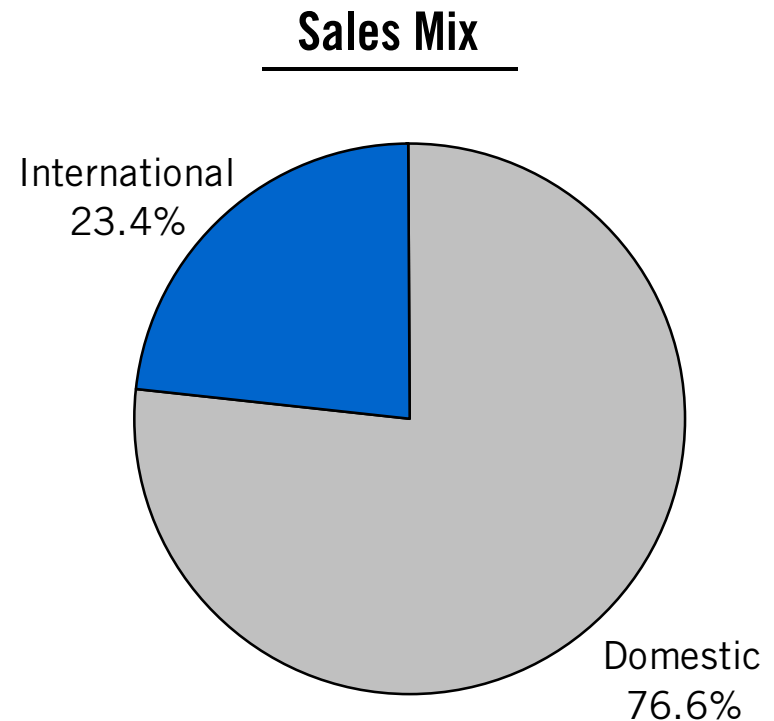
a&f

GH

HCo.

Sales Analysis Versus Prior Year

	<u>Q1</u>
Total Sales	+ 22%
Total Domestic Sales	+ 13%
Total International Sales	+ 64%
DTC Sales	+ 32%
Comparable Store Sales:	
Total Company	+ 10%
Abercrombie & Fitch	+ 8%
abercrombie kids	+ 11%
Hollister	+ 11%



A&F

a&f

GH

HCo.

Operating Expense

	2011	% of Net Sales	2010	% of Net Sales	△ bps ⁽³⁾
First Quarter					
Store Occupancy ⁽¹⁾	\$ 167,340	20.0%	\$ 158,657	23.1%	(310)
All Other ⁽²⁾	231,761	27.7%	195,753	28.5%	(80)
Stores and Distribution	399,101	47.7%	354,410	51.5%	(380)
Marketing, General & Administrative	107,651	12.9%	96,632	14.0%	(110)
TOTAL	\$ 506,752	60.6%	\$ 451,042	65.6%	(500)

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

(2) Includes selling payroll, store management and support, other store expense, DTC, and distribution center costs

(3) Rounded based on reported percentages

A&F

a&f

GH

HCo.

Inventory Analysis

	<u>As of April 30, 2011</u>	<u>As of May 1, 2010</u>	<u>% Δ</u>
Inventory on Hand	\$ 304,108	\$ 284,667	+ 7%
Inventory in Transit	<u>\$ 54,263</u>	<u>\$ 31,780</u>	<u>+ 71%</u>
Total Inventory	<u>\$ 358,371</u>	<u>\$ 316,447</u>	<u>+ 13%</u>



A&F

| a&f

| GH

| HCo.

Liquidity

	As of April 30, 2011	As of May 1, 2010
Cash and Cash Equivalents	\$ 741,823	\$ 590,511
Credit Agreement:		
Borrowings	\$ 44,309	\$ 48,995
Outstanding Letters of Credit	\$ 123	\$ 45,600
"Net" Cash Position	\$ 697,391	\$ 495,916



A&F

a&f

GH

HCo.

Share Repurchases

Fiscal Quarter	FY 2011			FY 2010		
	Shares Repurchased	Cost	Average Cost	Shares Repurchased	Cost	Average Cost
Q1	428.8	\$ 25,469	\$ 59.40	-	-	-
Q2	-	-	-	-	-	-
Q3	-	-	-	669.1	\$ 29,207	\$ 43.65
Q4	-	-	-	912.6	\$ 46,951	\$ 51.45
TOTAL	428.8	\$ 25,469	\$ 59.40	1,581.7	\$ 76,158	\$ 48.15

Remaining shares authorized for future repurchase 9,336

Shares currently outstanding 87,377

Q2 Outlook

Sales

- Targeting mid single digit comparable store sales growth

Gross Margin

- Rate erosion versus 2010

Operating Expenses

- Significantly less expense leverage than Q1
- Store Occupancy: Approximately mid \$170 millions
- All Other Stores and Distribution: Modest deleverage compared to last year's rate of 27.2% of sales; includes effect of pre-opening costs, DTC investments and accelerated depreciation of distribution center
- Marketing, General and Administrative: Mid-teen percentage increase; includes increases in incentive and equity compensation, and marketing costs

International Hollister Store Count - Cumulative

	----- Year End -----				Q1 End
	2007	2008	2009	2010	2011
Canada	3	6	6	9	9
UK		3	10	19	19
Germany			1	4	6
Italy			1	3	3
Spain				3	3
TOTAL	3	9	18	38	40

A&F

|

a&f

|

GH

|

HCo.

Confirmed Flagship Openings

<u>City</u>	<u>Timing</u>	<u>Type</u>
Paris	May 19, 2011	A&F
Madrid	Q4 2011	A&F
Dusseldorf	Q4 2011	A&F / kids
Brussels	Q4 2011	A&F
Singapore	Q4 2011	A&F
Dublin	2012	A&F
Hong Kong	2012	A&F
Hamburg	2012	A&F

A&F

| a&f

| GH

| HCo.

Appendix: EPS (Unaudited)

	Q1	
	2011	2010
Net Income (Loss) Per Share from Continuing Operations		
Basic	\$ 0.28	\$ (0.13)
Diluted	\$ 0.27	\$ (0.13)
Net Loss Per Share from Discontinued Operations		
Basic	\$ 0.01	\$ -
Diluted	\$ 0.01	\$ -
Net Income (Loss) Per Share		
Basic	\$ 0.29	\$ (0.13)
Diluted	\$ 0.28	\$ (0.13)
Weighted-Average Shares Outstanding		
Basic	87,282	88,095
Diluted	90,441	88,095

A&F

a&f

GH

HCo.

Appendix: Q1 Store Count Activity

ALL BRANDS*					
	Total	US	Canada	Europe	Asia
Start of 2011	1,069	1,017	16	34	2
Openings	2	-	-	2	-
Closings	-	-	-	-	-
End of Q1	1,071	1,017	16	36	2

abercrombie kids					
	Total	US	Canada	Europe	Asia
Start of 2011	185	181	3	1	-
Openings	-	-	-	-	-
Closings	-	-	-	-	-
End of Q1	185	181	3	1	-

A&F					
	Total	US	Canada	Europe	Asia
Start of 2011	325	316	4	3	2
Openings	-	-	-	-	-
Closings	-	-	-	-	-
End of Q1	325	316	4	3	2

Hollister Co.					
	Total	US	Canada	Europe	Asia
Start of 2011	540	502	9	29	-
Openings	2	-	-	2	-
Closings	-	-	-	-	-
End of Q1	542	502	9	31	-

* End of Q1 includes 19 Gilly Hicks stores, including one in Europe

A&F

a&f

GH

HCo.

Appendix: Accounting for Share-Based Compensation

Equity vs. Liability Classified Awards

- **Equity** – fair value is determined and fixed on the date of grant and is expensed over the award's vesting period
- **Liability** – For liability classified awards, fair value is determined on the date of grant and re-measured each reporting date thereafter, until the award is settled, and is expensed over the award's vesting period, with a current period adjustment to earnings to reflect changes in fair value for the portion of the vesting period already served
- Refer to FASB ASC 718-20-55-124 through 133 for an example on accounting for awards reclassified from equity to liability



Liability Accounting Illustration

Gross underlying shares of awards classified as liability	1,000
Change in fair value measurement	\$10
Total incremental charge	\$10,000
Percent of the vesting period served	40%
Incremental charge recognized in the current period	\$4,000
Incremental charge to be recognized over the remaining vesting period	\$6,000



A&F

| a&f

| GH

| HCo.

Amendment and Restatement of 2007 LTIP

- Will be asking shareholders to approve an additional 3,000,000 shares at our 2011 Annual Shareholder Meeting
- Allow for continued granting equity-based compensation to associates
- Significantly reduce the potential for liability accounting

