

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	August 1, 2015	% of Net Sales	August 2, 2014	% of Net Sales
	(Unaudited)		(Unaudited)	
NET SALES	\$ 817,756	100.0 %	\$ 890,605	100.0 %
Cost of goods sold	307,894	37.7 %	337,649	37.9 %
GROSS PROFIT	509,862	62.3 %	552,956	62.1 %
Stores and distribution expense	389,193	47.5 %	426,301	47.9 %
Marketing, general and administrative expense	119,846	14.7 %	111,033	12.5 %
Restructuring charge	—	— %	419	— %
Other operating income, net	(1,139)	(0.1)%	(4,290)	(0.5)%
OPERATING INCOME	1,962	0.2 %	19,493	2.2 %
Interest expense, net	4,567	0.5 %	2,020	0.2 %
INCOME (LOSS) BEFORE TAXES	(2,605)	(0.3)%	17,473	2.0 %
Tax expense (benefit)	(3,217)	(0.4)%	4,596	0.6 %
NET INCOME	612	0.1 %	12,877	1.4 %
Less: Net income attributable to non-controlling interest	1,422	0.2 %	—	— %
NET INCOME (LOSS) ATTRIBUTABLE TO ABERCROMBIE & FITCH CO.	<u>\$ (810)</u>	<u>(0.1)%</u>	<u>\$ 12,877</u>	<u>1.4 %</u>
NET INCOME (LOSS) PER SHARE ATTRIBUTABLE TO ABERCROMBIE & FITCH CO.:				
BASIC	\$ (0.01)		\$ 0.18	
DILUTED	\$ (0.01)		\$ 0.17	
WEIGHTED-AVERAGE SHARES OUTSTANDING				
BASIC	69,713		72,436	
DILUTED	69,713		73,756	

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Twenty-Six Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2015	% of Net Sales	August 2, 2014	% of Net Sales
	(Unaudited)		(Unaudited)	
NET SALES	\$ 1,527,178	100.0 %	\$ 1,713,033	100.0 %
Cost of goods sold	605,767	39.7 %	648,418	37.9 %
GROSS PROFIT	921,411	60.3 %	1,064,615	62.1 %
Stores and distribution expense	780,831	51.1 %	843,872	49.2 %
Marketing, general and administrative expense	227,379	14.9 %	234,614	13.7 %
Restructuring (benefit) charge	(1,598)	(0.1)%	6,052	0.4 %
Asset impairment	6,133	0.4 %	—	— %
Other operating income, net	(3,099)	(0.2)%	(7,910)	(0.5)%
OPERATING LOSS	(88,235)	(5.8)%	(12,013)	(0.7)%
Interest expense, net	9,206	0.6 %	4,017	0.2 %
LOSS BEFORE TAXES	(97,441)	(6.4)%	(16,030)	(0.9)%
Tax benefit	(34,807)	(2.3)%	(5,236)	(0.3)%
NET LOSS	(62,634)	(4.1)%	(10,794)	(0.6)%
Less: Net income attributable to non-controlling interest	1,422	0.1 %	—	— %
NET LOSS ATTRIBUTABLE TO ABERCROMBIE & FITCH CO.	<u>\$ (64,056)</u>	<u>(4.2)%</u>	<u>\$ (10,794)</u>	<u>(0.6)%</u>
NET LOSS PER SHARE ATTRIBUTABLE TO ABERCROMBIE & FITCH CO.:				
BASIC	\$ (0.92)		\$ (0.15)	
DILUTED	\$ (0.92)		\$ (0.15)	
WEIGHTED-AVERAGE SHARES OUTSTANDING				
BASIC	69,612		73,459	
DILUTED	69,612		73,459	

Abercrombie & Fitch Co.
Condensed Consolidated Balance Sheets
(in thousands)

<u>ASSETS</u>	<u>August 1, 2015</u> (Unaudited)	<u>January 31, 2015</u>	<u>August 2, 2014</u> (Unaudited)
CURRENT ASSETS:			
Cash and equivalents	\$ 408,311	\$ 520,708	\$ 310,740
Receivables	72,477	52,910	75,679
Inventories	478,618	460,794	550,227
Deferred income taxes, net	40,724	13,986	34,264
Other current assets	103,012	116,574	105,983
TOTAL CURRENT ASSETS	1,103,142	1,164,972	1,076,893
PROPERTY AND EQUIPMENT, NET	947,053	967,001	1,098,240
OTHER ASSETS	372,006	373,194	388,043
TOTAL ASSETS	\$ 2,422,201	\$ 2,505,167	\$ 2,563,176
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES:			
Accounts payable	\$ 199,412	\$ 141,685	\$ 160,280
Accrued expenses	299,301	282,736	277,592
Short-term portion of deferred lease credits	25,304	26,629	31,397
Income taxes payable	3,094	32,804	14,955
Short-term portion of borrowings, net	2,017	2,102	75,000
TOTAL CURRENT LIABILITIES	529,128	485,956	559,224
LONG-TERM LIABILITIES:			
Long-term portion of deferred lease credits	\$ 98,943	\$ 106,393	\$ 128,678
Long-term portion of borrowings, net	289,834	291,310	112,500
Leasehold financing obligations	48,381	50,521	59,937
Other liabilities	169,968	181,286	211,473
TOTAL LONG-TERM LIABILITIES	607,126	629,510	512,588
TOTAL ABERCROMBIE & FITCH CO. STOCKHOLDERS' EQUITY	1,284,525	1,389,701	1,491,364
Non-controlling interest	1,422	—	—
TOTAL SHAREHOLDERS' EQUITY	1,285,947	1,389,701	1,491,364
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,422,201	\$ 2,505,167	\$ 2,563,176

Abercrombie & Fitch Co.
Schedule of Non-GAAP Financial Measures
Thirteen Weeks Ended August 1, 2015
(in thousands, except per share data)
(Unaudited)

	GAAP ⁽¹⁾	EXCLUDED ITEMS ⁽²⁾	ADJUSTED NON-GAAP ⁽³⁾
GROSS PROFIT	\$ 509,862	\$ (2,621)	\$ 507,241
Stores and distribution expense	389,193	1,394	387,799
Marketing, general and administrative expense	119,846	15,753	104,093
OPERATING INCOME	1,962	14,526	16,488
INCOME (LOSS) BEFORE TAXES	(2,605)	14,526	11,921
Tax expense (benefit)	(3,217)	5,119	1,902
NET INCOME (LOSS) ATTRIBUTABLE TO ABERCROMBIE & FITCH CO.	\$ (810)	\$ 9,407	\$ 8,597
NET INCOME (LOSS) PER DILUTED SHARE:	\$ (0.01)	\$ 0.13	\$ 0.12

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

⁽²⁾ Excluded items consist of pre-tax charges of \$15.8 million related to legal settlement charges and, \$2.2 million primarily related to accelerated depreciation and disposal costs associated with the first quarter decision to discontinue the use of certain store fixtures recognized in stores and distribution expense and pre-tax benefits of \$2.6 million related to higher than expected recovery on inventory previously written-down recognized in gross profit, and \$0.8 million related to favorable terms associated with store closures recognized in stores and distribution expense.

⁽³⁾ 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.

Abercrombie & Fitch Co.
Schedule of Non-GAAP Financial Measures
Thirteen Weeks Ended August 2, 2014
(in thousands, except per share data)
(Unaudited)

	GAAP ⁽¹⁾	EXCLUDED ITEMS ⁽²⁾	ADJUSTED NON-GAAP ⁽³⁾
Stores and distribution expense	\$ 426,301	\$ 1,245	\$ 425,056
Marketing, general and administrative expense	111,033	719	110,314
Restructuring charges	419	419	—
OPERATING INCOME	19,493	2,383	21,876
INCOME BEFORE TAXES	17,473	2,383	19,856
Tax expense	4,596	1,198	5,794
NET INCOME ATTRIBUTABLE TO ABERCROMBIE & FITCH CO.	\$ 12,877	\$ 1,185	\$ 14,062
NET INCOME PER DILUTED SHARE:	\$ 0.17	\$ 0.02	\$ 0.19

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

⁽²⁾ Excluded items consist of pre-tax charges of \$2.0 million related to the Company's profit improvement initiative, of which \$1.2 million was recognized in stores and distribution expense and \$0.7 million was recognized in marketing, general and administrative expense, and \$0.4 million related to the restructuring of the Gilly Hicks brand recognized in restructuring charges.

⁽³⁾ 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.

Abercrombie & Fitch Co.
Schedule of Non-GAAP Financial Measures
Twenty-Six Weeks Ended August 1, 2015
(in thousands, except per share data)
(Unaudited)

	GAAP ⁽¹⁾	EXCLUDED ITEMS ⁽²⁾	ADJUSTED NON-GAAP ⁽³⁾
GROSS PROFIT	\$ 921,411	\$ 24,240	\$ 945,651
Stores and distribution expense	780,831	6,082	774,749
Marketing, general and administrative expense	227,379	17,523	209,856
Restructuring benefit	(1,598)	(1,598)	—
Asset impairment	6,133	6,133	—
OPERATING LOSS	(88,235)	52,380	(35,855)
LOSS BEFORE TAXES	(97,441)	52,380	(45,061)
Tax benefit	(34,807)	16,901	(17,906)
NET LOSS ATTRIBUTABLE TO ABERCROMBIE & FITCH CO.	\$ (64,056)	\$ 35,479	\$ (28,577)
NET LOSS PER DILUTED SHARE:	\$ (0.92)	\$ 0.51	\$ (0.41)

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

⁽²⁾ Excluded Items consist of pre-tax charges of \$24.2 million related to an inventory write-down recognized in gross profit, \$15.8 million related to legal settlement charges, \$3.6 million of accelerated depreciation and disposal costs recognized in stores and distribution expense, and \$4.5 million of asset impairment related to the discontinued use of certain store fixtures recognized in asset impairment, \$1.8 million related to lease termination and store closures recognized in stores and distribution expense, \$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 and \$1.6 million of fair value adjustments related to a company owned aircraft that has been sold recognized in asset impairment and a pre-tax benefit of \$1.6 million related to the restructuring of the Gilly Hicks brand recognized in restructuring charges.

⁽³⁾ 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.

Abercrombie & Fitch Co.
Schedule of Non-GAAP Financial Measures
Twenty-Six Weeks Ended August 2, 2014
(in thousands, except per share data)
(Unaudited)

	GAAP ⁽¹⁾	EXCLUDED ITEMS ⁽²⁾	ADJUSTED NON-GAAP ⁽³⁾
Stores and distribution expense	\$ 843,872	\$ 2,009	\$ 841,863
Marketing, general and administrative expense	234,614	9,920	224,694
Restructuring charge	6,052	6,052	—
OPERATING INCOME (LOSS)	(12,013)	17,981	5,968
INCOME (LOSS) BEFORE TAXES	(16,030)	17,981	1,951
Tax expense (benefit)	(5,236)	6,104	868
NET INCOME (LOSS) ATTRIBUTABLE TO ABERCROMBIE & FITCH CO.	\$ (10,794)	\$ 11,877	\$ 1,083
NET INCOME (LOSS) PER DILUTED SHARE:	\$ (0.15)	\$ 0.16	\$ 0.01

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

⁽²⁾ Excluded Items consist of pre-tax charges of \$6.9 million for legal, advisory and other charges related to certain corporate governance matters recognized in marketing, general and administrative expense, \$6.1 million related to the restructuring of the Gilly Hicks brand recognized in restructuring charges, and \$5.0 million related to the Company's profit improvement initiative, of which \$2.0 million was recognized in stores and distribution expense and \$3.0 million was recognized in marketing, general and administrative expense.

⁽³⁾ 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.

Abercrombie & Fitch Co.
U.S. Store Count
(Unaudited)
Thirteen Week Period Ended August 1, 2015

Store Activity	Abercrombie ⁽¹⁾	Hollister	Total
May 2, 2015	354	432	786
New	1	—	1
Closed	(1)	(3)	(4)
August 1, 2015	354	429	783

Abercrombie & Fitch Co.
International Store Count
(Unaudited)
Thirteen Week Period Ended August 1, 2015

Store Activity	Abercrombie ⁽¹⁾	Hollister	Total
May 2, 2015	33	137	170
New	1	2	3
Closed	—	(2)	(2)
August 1, 2015	34	137	171

⁽¹⁾ Abercrombie includes the Company's Abercrombie & Fitch and abercrombie kids brands. Locations with abercrombie kids carveouts with Abercrombie & Fitch are represented as a single store count.

Abercrombie & Fitch Co.
U.S. Store Count
(Unaudited)
Twenty-Six Week Period Ended August 1, 2015

Store Activity	Abercrombie ⁽¹⁾	Hollister	Total
January 31, 2015	361	433	794
New	4	—	4
Closed	(11)	(4)	(15)
August 1, 2015	354	429	783

Abercrombie & Fitch Co.
International Store Count
(Unaudited)
Twenty-Six Week Period Ended August 1, 2015

Store Activity	Abercrombie ⁽¹⁾	Hollister	Total
January 31, 2015	32	135	167
New	2	4	6
Closed	—	(2)	(2)
August 1, 2015	34	137	171

⁽¹⁾ Abercrombie includes the Company's Abercrombie & Fitch and abercrombie kids brands. Locations with abercrombie kids carveouts with Abercrombie & Fitch are represented as a single store count.