



## INVESTOR PRESENTATION

2015 FOURTH 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

The following presentation includes certain adjusted non-GAAP financial measures. Additional details about non-GAAP financial measures and a reconciliation of GAAP financial measures to non-GAAP financial measures is included in the news release issued by the company on March 2, 2016, which is available in the "Investors" section of the Company's website, located at [www.abercrombie.com](http://www.abercrombie.com). 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 Abercrombie & Fitch Co., excluding net income attributable to noncontrolling interests.

# Q4 ADJUSTED P&L SUMMARY\*

	2015	% OF NET SALES	2014	% OF NET SALES
NET SALES	\$1,112,930	100.0%	\$1,119,544	100.0%
GROSS PROFIT	675,325	60.7%	681,885	60.9%
OPERATING EXPENSE	555,685	49.9%	555,589	49.6%
OTHER OPERATING INCOME, NET	(1,634)	-0.1%	(5,795)	-0.5%
OPERATING INCOME	121,274	10.9%	132,091	11.8%
INTEREST EXPENSE, NET	4,456	0.4%	4,776	0.4%
INCOME BEFORE TAXES	116,818	10.5%	127,315	11.4%
TAX EXPENSE	41,944	3.8%	46,495	4.2%
NET INCOME	73,707	6.6%	80,820	7.2%
NET INCOME PER SHARE				
BASIC	\$1.09		\$1.16	
DILUTED	\$1.08		\$1.15	
WEIGHTED-AVERAGE SHARES OUTSTANDING				
BASIC	67,432		69,409	
DILUTED	68,243		70,136	

\* The Q4 Adjusted P&L Summary for the current and prior periods is presented on a non-GAAP basis and excludes the effect of certain items, set out on page 5, which the company believes do not reflect its future operating outlook.

# FULL YEAR ADJUSTED P&L SUMMARY\*

	2015	% OF NET SALES	2014	% OF NET SALES
NET SALES	\$3,518,680	100.0%	\$3,744,030	100.0%
GROSS PROFIT	2,178,190	61.9%	2,313,570	61.8%
OPERATING EXPENSE	2,050,347	58.3%	2,137,116	57.1%
OTHER OPERATING INCOME, NET	(8,652)	-0.2%	(15,239)	-0.4%
OPERATING INCOME	136,495	3.9%	191,693	5.1%
INTEREST EXPENSE, NET	18,248	0.5%	14,365	0.4%
INCOME BEFORE TAXES	118,247	3.4%	177,328	4.7%
TAX EXPENSE	37,217	1.1%	65,019	1.7%
NET INCOME	78,047	2.2%	112,309	3.0%
NET INCOME PER SHARE				
BASIC	\$1.13		\$1.56	
DILUTED	\$1.12		\$1.54	
WEIGHTED-AVERAGE SHARES OUTSTANDING				
BASIC	68,880		71,785	
DILUTED	69,417		72,937	

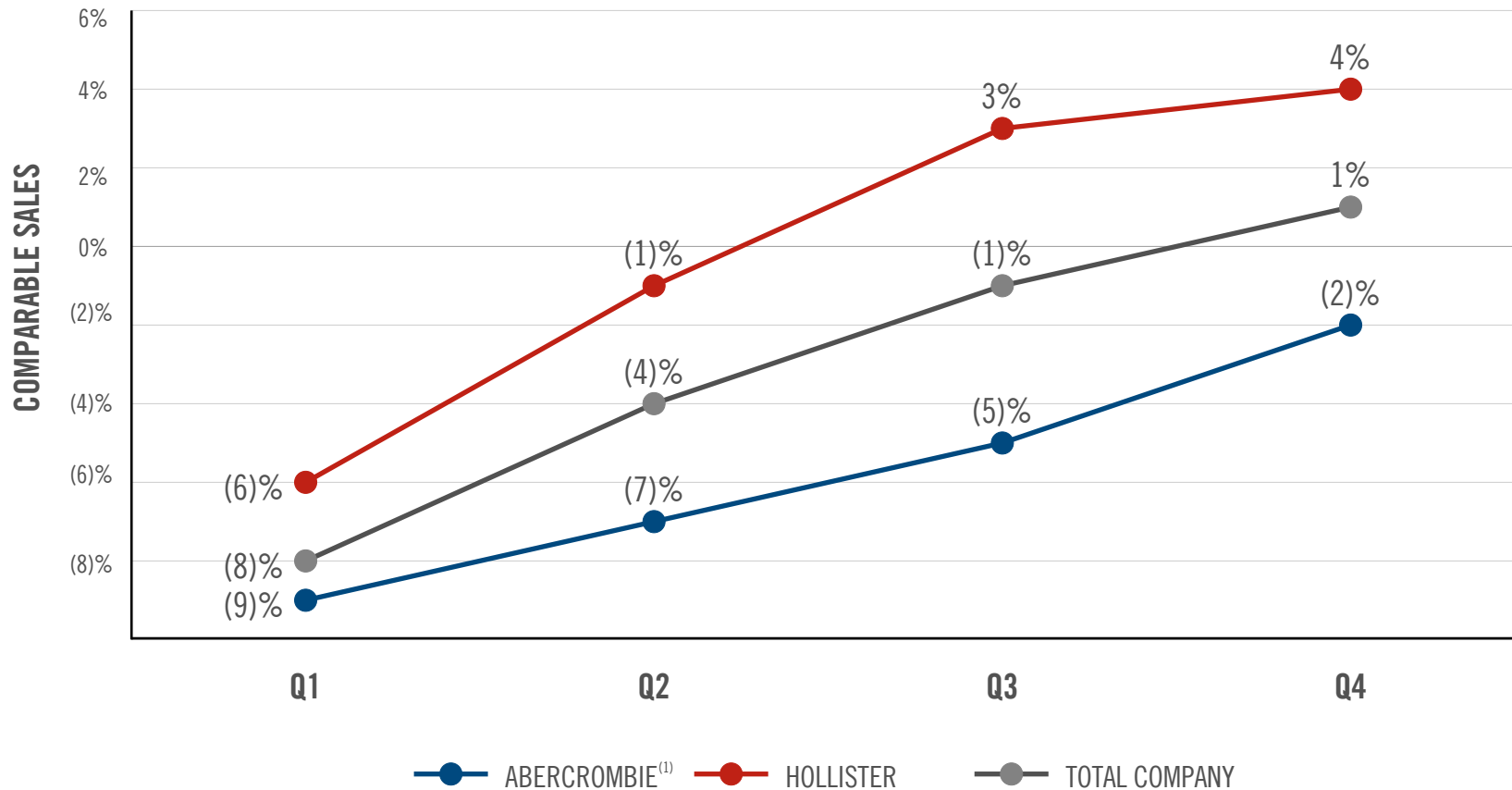
\* The Full Year Adjusted P&L Summary for the current and prior periods is presented on a non-GAAP basis and excludes the effect of certain items, set out on page 5, which the company believes do not reflect its future operating outlook.

# EXCLUDED ITEMS (PRE-TAX)

2015	Q1	Q2	Q3	Q4	FULL YEAR
INVENTORY WRITE-DOWN (RECOVERY)	\$26,861	\$(2,621)	\$(2,573)	\$(1,020)	\$20,647
LEGAL SETTLEMENT CHARGES	—	15,753	—	—	15,753
ASSET IMPAIRMENT, STORE FIXTURES, LEASE TERMINATION AND STORE CLOSURE COSTS	10,112	1,394	12,659	2,211	26,376
PROFIT IMPROVEMENT INITIATIVE	2,479	—	—	—	2,479
GILLY HICKS RESTRUCTURING CHARGES	(1,598)	—	—	—	(1,598)
TOTAL	\$37,854	\$14,526	\$10,086	\$1,191	\$63,657

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 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

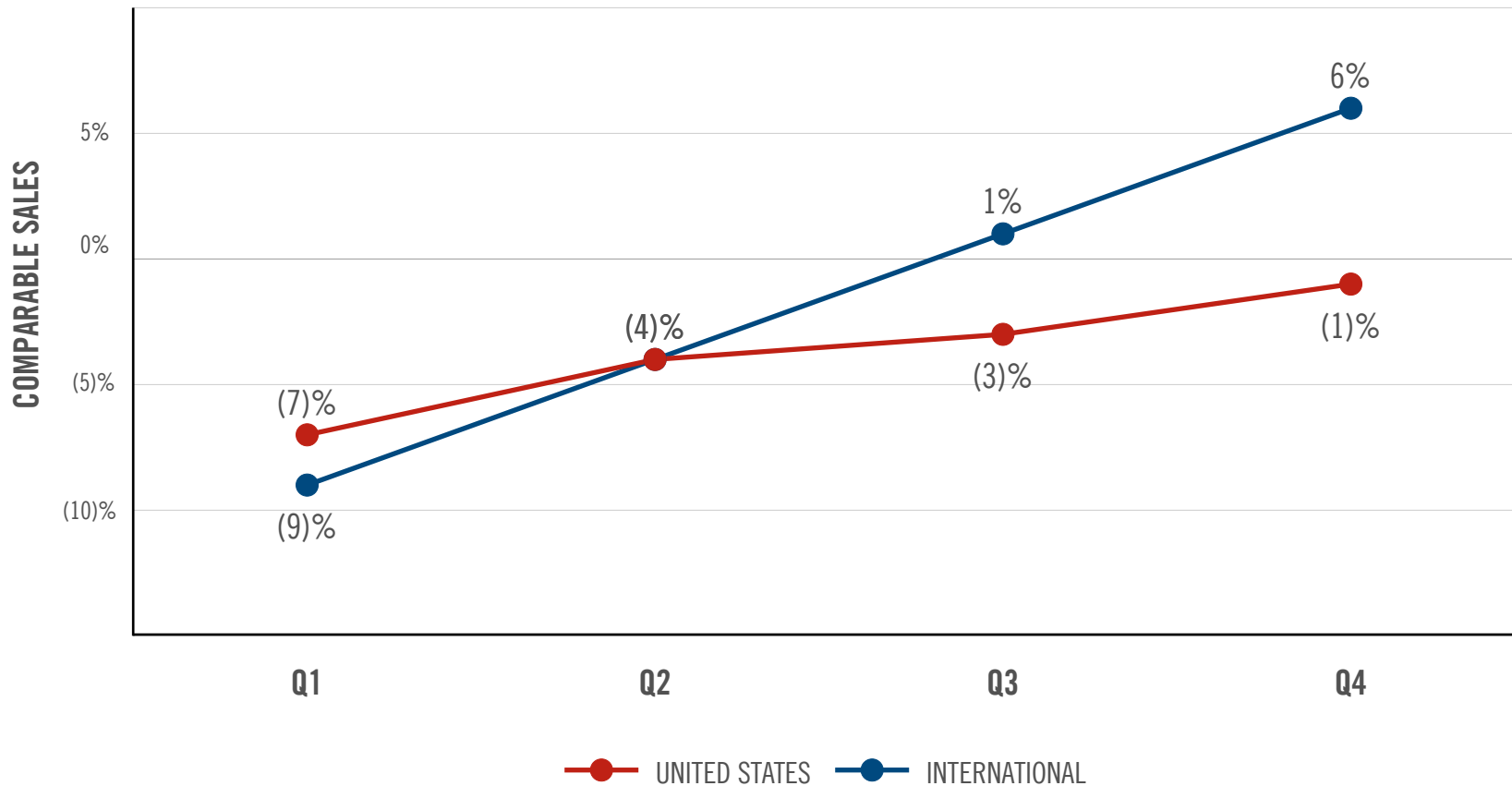
# FISCAL 2015 COMPARABLE SALES BY BRAND\*



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

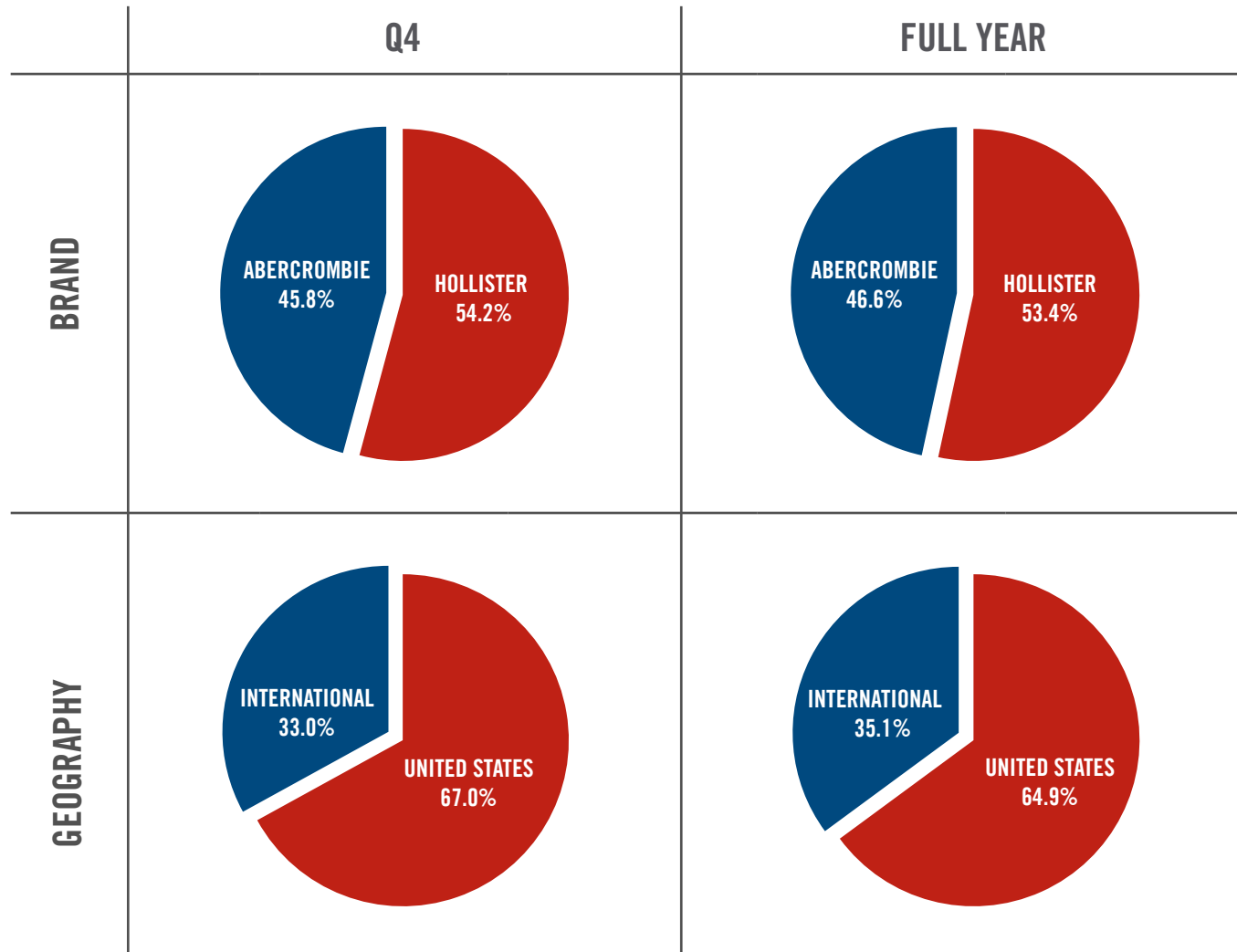
<sup>(1)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands.

# FISCAL 2015 COMPARABLE SALES BY GEOGRAPHY\*



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

# FISCAL 2015 SALES MIX\*

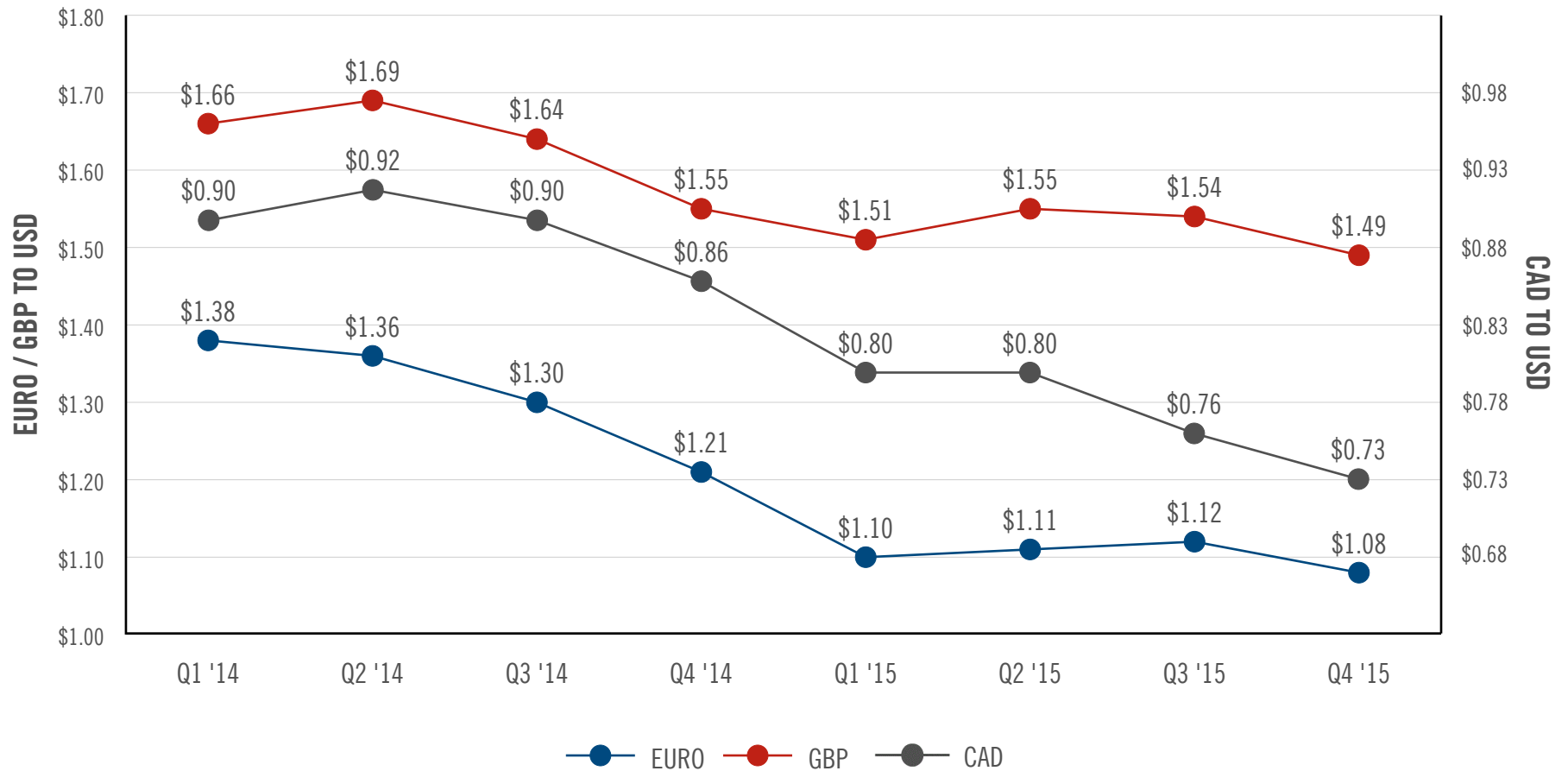


\* Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands.



# FOREIGN CURRENCY EXCHANGE RATES

AVERAGE FX RATES\*



\* Source: Bloomberg; figures represent the average daily exchange rate by fiscal quarter.

# Q4 ADJUSTED OPERATING EXPENSE\*

	2015	% OF NET SALES	2014	% OF NET SALES	Δ bps <sup>(3)</sup>
<b>STORE OCCUPANCY <sup>(1)</sup></b>	\$187,966	16.9%	\$185,012	16.5%	40
<b>ALL OTHER <sup>(2)</sup></b>	242,475	21.8%	256,647	22.9%	(110)
<b>STORES AND DISTRIBUTION</b>	430,441	38.7%	441,659	39.4%	(70)
<b>MARKETING, GENERAL &amp; ADMINISTRATIVE</b>	125,244	11.3%	113,930	10.2%	110
<b>TOTAL</b>	\$555,685	49.9%	\$555,589	49.6%	30

\* Q4 Adjusted Operating Expense for the current and prior periods is presented on a non-GAAP basis and excludes the effect of certain items, set out on page 5, which the company believes do not reflect its future operating outlook.

<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 REPURCHASED	COST	AVERAGE COST	SHARES REPURCHASED	COST	AVERAGE COST
<b>Q1</b>	—	—	—	3,825.7	\$150,000	\$39.21
<b>Q2</b>	—	—	—	1,459.4	\$60,000	\$41.11
<b>Q3</b>	2,460.5	\$50,029	\$20.33	2,039.0	\$75,038	\$36.80
<b>Q4</b>	—	—	—	—	—	—
<b>FULL YEAR</b>	2,460.5	\$50,029	\$20.33	7,324.1	\$285,038	\$38.92

# Q4 STORE OPENINGS

	BRAND	CENTER	CITY	DATE
INTERNATIONAL	A&F	Lalaport Expocity	Suita, Japan	11/16/2015
	Hollister	Lalaport Expocity	Suita, Japan	11/16/2015
	A&F+kids	Shanghai IFC	Shanghai, China	12/19/2015
	A&F+kids	Mall of the Emirates	Dubai, UAE	12/26/2015
	Hollister	Deira City Centre	Dubai, UAE	12/31/2015
OUTLET	A&F	Memphis Outlet	Southaven, MS	11/19/2015
	A&F	Riverhead Outlet	Riverhead, NY	12/19/2015

# Q4 STORE COUNT ACTIVITY

ALL BRANDS	TOTAL	UNITED STATES	CANADA	EUROPE	REST OF WORLD <sup>(3)</sup>
START OF Q4 2015	965	790	19	118	38
OPENINGS	7	2	—	—	5
CLOSINGS	(40)	(38)	(1)	(1)	—
END OF Q4 2015	932	754	18	117	43

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

START OF Q4 2015	395	359	7	17	12
OPENINGS	5	2	—	—	3
CLOSINGS	(21)	(21)	—	—	—
END OF Q4 2015	379	340	7	17	15

## HOLLISTER CO. <sup>(2)</sup>

START OF Q4 2015	570	431	12	101	26
OPENINGS	2	—	—	—	2
CLOSINGS	(19)	(17)	(1)	(1)	—
END OF Q4 2015	553	414	11	100	28

<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. Excludes one international franchise store as of January 30, 2016.

<sup>(2)</sup> Excludes two international franchise stores as of January 30, 2016.

<sup>(3)</sup> Includes Asia and the Middle East.

# STRATEGIC INITIATIVES

**CUSTOMER CENTRICITY**

**BRAND POSITIONING**

**COMPELLING ASSORTMENTS**

**CONTINUOUS PROFIT  
IMPROVEMENT**

**OPTIMIZE BRAND REACH**

**ORGANIZE TO WIN**

# OUTLOOK\*

**FOR FISCAL 2016, THE COMPANY EXPECTS:**

- **FLAT TO SLIGHTLY POSITIVE COMPARABLE SALES**
- **ADVERSE EFFECTS FROM FOREIGN CURRENCY ON SALES OF APPROXIMATELY \$50 MILLION**
- **A GROSS MARGIN RATE APPROXIMATELY FLAT TO LAST YEAR'S ADJUSTED NON-GAAP RATE OF 61.9%, BUT UP ON A CONSTANT CURRENCY BASIS**
- **SLIGHT LEVERAGE IN OPERATING EXPENSE RELATIVE TO LAST YEAR'S ADJUSTED NON-GAAP RATE OF 58.3%**
- **AN IMPROVEMENT OVER LAST YEAR'S ADJUSTED NON-GAAP OPERATING INCOME, DESPITE AN ADVERSE EFFECT FROM FOREIGN CURRENCY OF APPROXIMATELY \$30 MILLION; THE EFFECT FROM FOREIGN CURRENCY, CALCULATED ON A CONSTANT CURRENCY BASIS, IS DETERMINED BY APPLYING FISCAL 2016 FORECASTED RATES TO FISCAL 2015 RESULTS AND IS NET OF THE YEAR-OVER-YEAR IMPACT FROM HEDGING**
- **AN EFFECTIVE TAX RATE IN THE MID-TO-UPPER 30S**
- **A WEIGHTED AVERAGE DILUTED SHARE COUNT OF APPROXIMATELY 68 MILLION SHARES, EXCLUDING THE EFFECT OF POTENTIAL SHARE BUYBACKS**
- **CAPITAL EXPENDITURES IN THE RANGE OF \$150 MILLION TO \$175 MILLION**

\* Excluded from the company's full year outlook are potential charges, such as those related to impairments, store closings and its strategic initiatives.

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Abercrombie  
& Fitch

NEW YORK