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# Abercrombie & Fitch

NEW YORK

**INVESTOR PRESENTATION**

2013 SECOND 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 February 2, 2013, in some cases have affected and in the future could affect the Company's financial performance and could cause actual results for the 2013 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 and share amounts are in 000's unless otherwise stated. Sub-totals and totals may not foot due to rounding.

Due to the fifty-third week in fiscal 2012, second quarter and year to date comparable sales are compared to the thirteen and twenty six week periods ended August 4, 2012.

The Company changed its method of accounting for inventory from the retail method to the cost method effective February 2, 2013. Prior year figures have been restated to reflect the cost method of accounting for inventory.

# Q2 P&L SUMMARY

	UNAUDITED		UNAUDITED (RESTATED)	
	2013 <sup>(1)</sup>	% OF NET SALES	2012	% OF NET SALES
NET SALES	\$945,698	100.0%	\$951,407	100.0%
GROSS PROFIT	604,122	63.9%	592,451	62.3%
OPERATING EXPENSE	589,368	62.3%	569,378	59.8%
OTHER OPERATING INCOME, NET	(4,411)	-0.5%	(1,933)	-0.2%
OPERATING INCOME	19,165	2.0%	25,006	2.6%
INTEREST EXPENSE, NET	1,750	0.2%	1,546	0.2%
INCOME BEFORE TAXES	17,415	1.8%	23,460	2.5%
TAX EXPENSE	6,045	0.6%	6,409	0.7%
NET INCOME	11,370	1.2%	17,051	1.8%
NET INCOME PER SHARE				
BASIC	\$ 0.15		\$ 0.21	
DILUTED	\$ 0.14		\$ 0.20	
WEIGHTED-AVERAGE SHARES OUTSTANDING				
BASIC	77,382		82,555	
DILUTED	79,267		83,441	

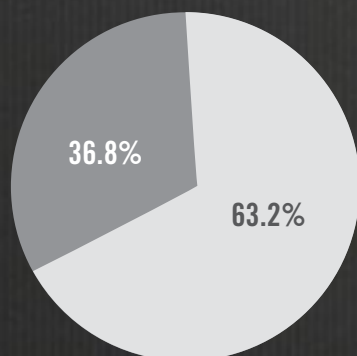
<sup>(1)</sup> 2013 includes \$2.6M of pre-tax charges (\$0.02 of net income per share) related to the implementation of profit improvement initiatives.

# Q2 COMPARABLE SALES

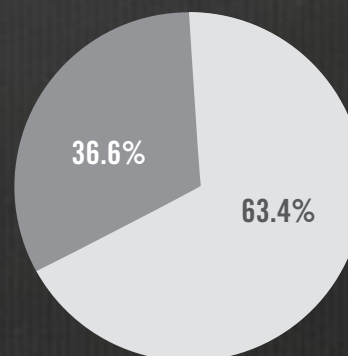
	<u>Q2</u>
<b>TOTAL COMPANY*</b>	-10%
<b>GEOGRAPHIC*:</b>	
US	-11%
INTERNATIONAL	-7%
<b>BRAND*:</b>	
ABERCROMBIE & FITCH	-6%
abercrombie kids	-3%
HOLLISTER Co.	-13%

	<u>YTD</u>
<b>TOTAL COMPANY*</b>	-12%
<b>GEOGRAPHIC*:</b>	
US	-13%
INTERNATIONAL	-11%
<b>BRAND*:</b>	
ABERCROMBIE & FITCH	-10%
abercrombie kids	-4%
HOLLISTER Co.	-15%

Q2 - SALES MIX



YTD - SALES MIX



\* Includes comparable store and DTC sales.

■ U.S. ■ Intl.

# OPERATING EXPENSE

SECOND QUARTER	2013	% OF NET SALES	2012	% OF NET SALES	△bps <sup>(4)</sup>
STORE OCCUPANCY <sup>(1)</sup>	\$192,449	20.3%	\$185,311	19.5%	90
ALL OTHER <sup>(2)</sup>	279,273	29.5%	272,774	28.7%	90
STORES AND DISTRIBUTION	471,722	49.9%	458,085	48.1%	180
MARKETING, GENERAL & ADMINISTRATIVE <sup>(3)</sup>	117,646	12.4%	111,293	11.7%	70
TOTAL	\$589,368	62.3%	\$569,378	59.8%	250

<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, DTC, and distribution center costs.

<sup>(3)</sup> 2013 includes \$2.6M of charges related to the implementation of profit improvement initiatives.

<sup>(4)</sup> Rounded based on reported percentages.

# Q2 ANALYSIS

	2013 OPERATING		2012 OPERATING	
	SALES	INCOME	SALES	INCOME (RESTATED)
<b>U.S. STORES<sup>(1)</sup></b>	\$504,674	\$58,973 11.7%	\$562,105	\$70,658 12.6%
<b>INTERNATIONAL STORES<sup>(1)</sup></b>	286,727	69,359 24.2%	261,625	83,886 32.1%
<b>DIRECT TO CONSUMER</b>	154,297	55,008 35.7%	127,677	43,456 34.0%
<b>MARKETING, GENERAL AND ADMINISTRATIVE EXPENSES<sup>(2)</sup></b>	-	(117,646)	-	(111,293)
<b>STORE PRE-OPENING COSTS<sup>(3)</sup></b>	-	(5,688)	-	(15,370)
<b>ALL OTHER, NET<sup>(4)</sup></b>	-	(40,842)	-	(46,330)
<b>TOTAL</b>	<b>\$945,698</b>	<b>\$19,165</b>	<b>\$951,407</b>	<b>\$25,006</b>

<sup>(1)</sup> Operating Income for U.S. Stores and International Stores is reported on an aggregate four-wall basis, and excludes pre-opening costs. Also includes third party sell-off of excess merchandise.

<sup>(2)</sup> 2013 includes \$2.6M of charges related to the implementation of the profit improvement initiatives.

<sup>(3)</sup> Store Pre-Opening Costs include pre-opening rent, payroll, travel and other expenses.

<sup>(4)</sup> All other includes Store Management Support, DC and Other Expense, net of Other Income.



# SHARE REPURCHASES

	FY 2013			FY 2012		
	SHARES REPURCHASED	COST	AVERAGE COST	SHARES REPURCHASED	COST	AVERAGE COST
FIRST QUARTER	349.7	\$16,305	\$46.63	3,300.0	\$161,215	\$48.85
SECOND QUARTER	2,033.0	\$99,501	\$48.94	-	-	-
THIRD QUARTER	-	-	-	3,025.2	\$104,283	\$34.47
FOURTH QUARTER	-	-	-	1,222.7	\$56,166	\$45.94
TOTAL	2,382.7	\$115,806	\$48.60	7,547.9	\$321,664	\$42.62

# INTERNATIONAL HOLLISTER STORE COUNT - CUMULATIVE

	YEAR END						Q2 END
HOLLISTER	2007	2008	2009	2010	2011	2012	2013
CANADA	3	6	6	9	12	12	12
UK		3	10	19	26	29	31
GERMANY			1	4	11	17	18
ITALY			1	3	5	8	9
SPAIN				3	8	12	12
IRELAND					1	1	1
SWEDEN					2	3	3
HONG KONG					1	2	2
BELGIUM					2	2	2
FRANCE					4	7	8
AUSTRIA					3	6	6
CHINA					2	4	6
S. KOREA						2	2
NETHERLANDS						1	1
POLAND						1	1
AUSTRALIA							2
TOTAL	3	9	18	38	77	107	116





# Q2 STORE OPENINGS

BRAND	CENTER	CITY	DATE
A&F / kids	ASHFORD DESIGNER OUTLET	ASHFORD, UK	5/9/13
A&F / kids	PRESTIGE OUTLET CHESTERFIELD	CHESTERFIELD, MO	8/2/13
HOLLISTER	BONDI JUNCTION	SYDNEY, AUS	5/9/13
HOLLISTER	LE BEFANE	RIMINI, IT	5/23/13
HOLLISTER	TAIKOO LI SANLITUN	BEIJING, CN	6/29/13
HOLLISTER	MIXC HANGZHOU	HANGZHOU, CN	8/1/13



# GUIDANCE UPDATES

## THIRD QUARTER:

COMPARABLE SALES DOWN SLIGHTLY MORE THAN  
SECOND QUARTER

DILUTED EPS IN THE RANGE OF \$0.40 - \$0.45\*



\* EPS estimate does not reflect the impact of potential impairment and store closure charges, or additional charges related to the implementation of the Company's profit improvement initiatives.

# Q2 STORE COUNT ACTIVITY

ALL BRANDS*	TOTAL	U.S.	CANADA	EUROPE	ASIA*
START OF Q2 2013	1,053	909	18	113	13
OPENINGS	8	2	-	3	3
CLOSINGS	(4)	(4)	-	-	-
END OF Q2 2013	1,057	907	18	116	16

## ABERCROMBIE & FITCH

START OF Q2 2013	283	264	4	11	4
OPENINGS	2	1	-	1	-
CLOSINGS	-	-	-	-	-
END OF Q2 2013	285	265	4	12	4

## abercrombie kids

START OF Q2 2013	149	144	2	3	-
OPENINGS	2	1	-	1	-
CLOSINGS	(1)	(1)	-	-	-
END OF Q2 2013	150	144	2	4	-

## HOLLISTER CO.

START OF Q2 2013	593	481	12	91	9
OPENINGS	4	-	-	1	3
CLOSINGS	(3)	(3)	-	-	-
END OF Q2 2013	594	478	12	92	12

\* End of Q2 2013 includes 28 Gilly Hicks stores, 20 in the U.S. and eight in Europe.

\* Asia includes Australia.