

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

	<b>Thirteen Weeks Ended</b>		<b>Thirteen Weeks Ended</b>	
	<b>October 28, 2017</b>	<b>% of Net Sales</b>	<b>October 29, 2016</b>	<b>% of Net Sales</b>
Net sales	\$ 859,112	100.0 %	\$ 821,734	100.0 %
Cost of sales, exclusive of depreciation and amortization	332,485	38.7 %	310,995	37.8 %
Gross profit	526,627	61.3 %	510,739	62.2 %
Stores and distribution expense	375,944	43.8 %	386,609	47.0 %
Marketing, general and administrative expense	124,533	14.5 %	105,307	12.8 %
Asset impairment	3,480	0.4 %	—	0.0 %
Other operating income, net	(70)	0.0 %	(822)	(0.1)%
Operating income	22,740	2.6 %	19,645	2.4 %
Interest expense, net	4,571	0.5 %	4,609	0.6 %
Income before taxes	18,169	2.1 %	15,036	1.8 %
Tax expense	7,553	0.9 %	6,762	0.8 %
Net income	10,616	1.2 %	8,274	1.0 %
Less: Net income attributable to noncontrolling interests	541	0.1 %	393	0.0 %
Net income attributable to Abercrombie & Fitch Co.	<u>\$ 10,075</u>	<u>1.2 %</u>	<u>\$ 7,881</u>	<u>1.0 %</u>
Net income per share attributable to Abercrombie & Fitch Co.:				
Basic	\$ 0.15		\$ 0.12	
Diluted	\$ 0.15		\$ 0.12	
Weighted-average shares outstanding:				
Basic	68,512		67,975	
Diluted	69,425		68,277	

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

	<b>Thirty-nine Weeks Ended</b>		<b>Thirty-nine Weeks Ended</b>	
	<b>October 28, 2017</b>	<b>% of Net Sales</b>	<b>October 29, 2016</b>	<b>% of Net Sales</b>
Net sales	\$ 2,299,532	100.0 %	\$ 2,290,377	100.0 %
Cost of sales, exclusive of depreciation and amortization	913,085	39.7 %	876,810	38.3 %
Gross profit	1,386,447	60.3 %	1,413,567	61.7 %
Stores and distribution expense	1,105,168	48.1 %	1,138,644	49.7 %
Marketing, general and administrative expense	343,779	14.9 %	331,473	14.5 %
Asset impairment	10,345	0.4 %	6,356	0.3 %
Other operating income, net	(4,555)	(0.2)%	(16,835)	(0.7)%
Operating loss	(68,290)	(3.0)%	(46,071)	(2.0)%
Interest expense, net	12,780	0.6 %	13,856	0.6 %
Loss before taxes	(81,070)	(3.5)%	(59,927)	(2.6)%
Tax benefit	(16,062)	(0.7)%	(17,540)	(0.8)%
Net loss	(65,008)	(2.8)%	(42,387)	(1.9)%
Less: Net income attributable to noncontrolling interests	2,108	0.1 %	2,448	0.1 %
Net loss attributable to Abercrombie & Fitch Co.	<u>\$ (67,116)</u>	<u>(2.9)%</u>	<u>\$ (44,835)</u>	<u>(2.0)%</u>
Net loss per share attributable to Abercrombie & Fitch Co.:				
Basic	\$ (0.98)		\$ (0.66)	
Diluted	\$ (0.98)		\$ (0.66)	
Weighted-average shares outstanding:				
Basic	68,347		67,848	
Diluted	68,347		67,848	

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

	<u>October 28, 2017</u>	<u>January 28, 2017</u>	<u>October 29, 2016</u>
<u>ASSETS</u>			
Current assets:			
Cash and equivalents	\$ 459,293	\$ 547,189	\$ 469,720
Receivables	78,554	93,384	71,235
Inventories, net	570,484	399,795	516,146
Other current assets	68,903	98,932	93,170
Total current assets	1,177,234	1,139,300	1,150,271
Property and equipment, net	767,930	824,738	827,996
Other assets	352,737	331,719	358,201
TOTAL ASSETS	<u>\$ 2,297,901</u>	<u>\$ 2,295,757</u>	<u>\$ 2,336,468</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable	\$ 248,963	\$ 187,017	\$ 228,880
Accrued expenses	292,479	273,044	266,761
Short-term portion of deferred lease credits	19,314	20,076	20,623
Income taxes payable	6,189	5,863	7,654
Short-term portion of borrowings, net	—	—	2,204
Total current liabilities	566,945	486,000	526,122
Long-term liabilities:			
Long-term portion of deferred lease credits	\$ 74,782	\$ 76,321	\$ 77,800
Long-term portion of borrowings, net	263,910	262,992	285,029
Leasehold financing obligations	48,082	46,397	48,810
Other liabilities	174,023	172,008	179,085
Total long-term liabilities	560,797	557,718	590,724
Total Abercrombie & Fitch Co. stockholders' equity	1,160,760	1,243,435	1,211,667
Noncontrolling interests	9,399	8,604	7,955
Total stockholders' equity	1,170,159	1,252,039	1,219,622
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,297,901</u>	<u>\$ 2,295,757</u>	<u>\$ 2,336,468</u>

## REPORTING AND USE OF GAAP AND NON-GAAP MEASURES

The company believes that each of the non-GAAP financial measures presented in this news release are useful to investors as they supplement investors' understanding of comparability across periods and provide the ability to measure the company's operating performance excluding the effect of certain items that the company believes do not reflect its future operating outlook. Management used these non-GAAP financial measures during the periods presented to assess the company's performance, to make decisions about how to allocate resources and to develop expectations for future operating performance. The company provides certain financial information on a constant currency basis to enhance investors' understanding of underlying business trends and operating performance. The effect from foreign currency, calculated on a constant currency basis, is determined by applying current period exchange rates to prior year results and is net of the year-over-year impact from hedging. The per diluted share effect from foreign currency is calculated using a 35% tax rate. In addition, the company provides comparable sales which is defined as the aggregate of: (1) year-over-year sales for stores that have been open as the same brand at least one year and whose square footage has not been expanded or reduced by more than 20% within the past year, with prior year's net sales converted at the current year's foreign currency exchange rate to remove the impact of currency fluctuation, and (2) year-over-year direct-to-consumer sales with prior year's net sales converted at the current year's foreign currency exchange rate to remove the impact of currency fluctuation. Non-GAAP financial measures should be used supplemental to, not as an alternative to, the company's GAAP financial results, and may not be the same as similar measures presented by other companies.

### Abercrombie & Fitch Co. Schedule of Non-GAAP Financial Measures Thirteen Weeks Ended October 28, 2017 (in thousands, except per share data) (Unaudited)

	GAAP <sup>(1)</sup>	Excluded Items	Adjusted Non-GAAP
Marketing, general and administrative expense <sup>(2)</sup>	\$ 124,533	\$ 11,070	\$ 113,463
Asset impairment <sup>(3)</sup>	3,480	3,480	—
Operating income	22,740	(14,550)	37,290
Income before taxes	18,169	(14,550)	32,719
Tax expense <sup>(4)</sup>	7,553	(4,117)	11,670
Net income attributable to Abercrombie & Fitch Co.	\$ 10,075	\$ (10,433)	\$ 20,508
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.15	\$ (0.15)	\$ 0.30
Diluted weighted-average shares outstanding:	69,425		69,425

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

<sup>(2)</sup> Excluded Items consist of legal charges of \$11.1 million in connection with a proposed settlement of two class action claims related to alleged wage and hour practices dating back to 2009.

<sup>(3)</sup> Excluded Items consist of asset impairment charges of \$3.5 million related to store assets whose carrying value exceeded fair value.

<sup>(4)</sup> The tax effect of excluded items is the difference between the tax provision calculated on a GAAP basis and an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Schedule of Non-GAAP Financial Measures**  
**Thirteen Weeks Ended October 29, 2016**  
**(in thousands, except per share data)**  
**(Unaudited)**

	<u>GAAP <sup>(1)</sup></u>	<u>Excluded Items</u>	<u>Adjusted Non-GAAP</u>
Marketing, general and administrative expense <sup>(2)</sup>	\$ 105,307	\$ (6,000)	\$ 111,307
Operating income	19,645	6,000	13,645
Income before taxes	15,036	6,000	9,036
Tax expense <sup>(3)</sup>	<u>6,762</u>	<u>(479)</u>	<u>7,241</u>
Net income attributable to Abercrombie & Fitch Co.	\$ 7,881	\$ 6,479	\$ 1,402
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.12	\$ 0.09	\$ 0.02
Diluted weighted-average shares outstanding:	68,277		68,277

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

<sup>(2)</sup> Excluded Items consist of indemnification recovery benefits of \$6.0 million related to certain legal settlements recognized in the second quarter of Fiscal 2015.

<sup>(3)</sup> The tax effect of excluded items is the difference between the tax provision calculated on a GAAP basis and an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Schedule of Non-GAAP Financial Measures**  
**Thirty-nine Weeks Ended October 28, 2017**  
**(in thousands, except per share data)**  
**(Unaudited)**

	<b>GAAP <sup>(1)</sup></b>	<b>Excluded Items</b>	<b>Adjusted Non-GAAP</b>
Marketing, general and administrative expense <sup>(2)</sup>	\$ 343,779	\$ 11,070	\$ 332,709
Asset impairment <sup>(3)</sup>	10,345	9,615	730
Operating loss	(68,290)	(20,685)	(47,605)
Loss before taxes	(81,070)	(20,685)	(60,385)
Tax benefit <sup>(4)</sup>	(16,062)	(5,727)	(10,335)
Net loss attributable to Abercrombie & Fitch Co.	\$ (67,116)	\$ (14,958)	\$ (52,158)
Net loss per diluted share attributable to Abercrombie & Fitch Co.	\$ (0.98)	\$ (0.22)	\$ (0.76)
Diluted weighted-average shares outstanding:	68,347		68,347

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

<sup>(2)</sup> Excluded Items consist of legal charges of \$11.1 million in connection with a proposed settlement of two class action claims related to alleged wage and hour practices dating back to 2009.

<sup>(3)</sup> Excluded Items consist of asset impairment charges of \$9.6 million related to store assets whose carrying value exceeded fair value.

<sup>(4)</sup> The tax effect of excluded items is the difference between the tax provision calculated on a GAAP basis and an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Schedule of Non-GAAP Financial Measures**  
**Thirty-nine Weeks Ended October 29, 2016**  
**(in thousands, except per share data)**  
**(Unaudited)**

	<b>GAAP <sup>(1)</sup></b>	<b>Excluded Items</b>	<b>Adjusted Non-GAAP</b>
Marketing, general and administrative expense <sup>(2)</sup>	\$ 331,473	\$ (6,000)	\$ 337,473
Asset impairment <sup>(3)</sup>	6,356	6,356	—
Other operating income, net <sup>(4)</sup>	(16,835)	(12,282)	(4,553)
Operating loss	(46,071)	11,926	(57,997)
Loss before taxes	(59,927)	11,926	(71,853)
Tax benefit <sup>(5)</sup>	(17,540)	1,768	(19,308)
Net loss attributable to Abercrombie & Fitch Co.	\$ (44,835)	\$ 10,158	\$ (54,993)
Net loss per diluted share attributable to Abercrombie & Fitch Co.	\$ (0.66)	\$ 0.15	\$ (0.81)
Diluted weighted-average shares outstanding:	67,848		67,848

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

<sup>(2)</sup> Excluded Items consist of indemnification recovery benefits of \$6.0 million related to certain legal settlements recognized in the second quarter of Fiscal 2015.

<sup>(3)</sup> Excluded Items consist of asset impairment charges of \$6.4 million related to a store whose asset carrying value exceeded fair value.

<sup>(4)</sup> Excluded Items consist of legal settlement benefits of \$12.3 million related to certain economic loss claims.

<sup>(5)</sup> The tax effect of excluded items is the difference between the tax provision calculated on a GAAP basis and an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Store Count Activity**

**Thirteen Weeks Ended October 28, 2017**

	<b>Hollister<sup>(1)</sup></b>		<b>Abercrombie<sup>(2)</sup></b>		<b>Total</b>	
	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>
July 29, 2017	397	145	306	43	703	188
New	—	—	1	1	1	1
Closed	(1)	—	(3)	—	(4)	—
October 28, 2017	396	145	304	44	700	189

**Thirty-nine Weeks Ended October 28, 2017**

	<b>Hollister<sup>(1)</sup></b>		<b>Abercrombie<sup>(2)</sup></b>		<b>Total</b>	
	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>
January 28, 2017	398	145	311	44	709	189
New	1	—	3	1	4	1
Closed	(3)	—	(10)	(1)	(13)	(1)
October 28, 2017	396	145	304	44	700	189

<sup>(1)</sup> Excludes five international franchise stores as of October 28, 2017 and July 29, 2017 and three international franchise stores as of January 28, 2017.

<sup>(2)</sup> Includes Abercrombie & Fitch and abercrombie kids brands. Excludes four international franchise stores as of October 28, 2017, three international franchise stores as of July 29, 2017 and one international franchise store as of January 28, 2017.

Abercrombie & Fitch Co.  
Financial Information  
(Unaudited)  
(in thousands, except per share data and store data)

	Fiscal 2016							2016	Fiscal 2017			YTD
	2013	2014	2015	Q1	Q2	Q3	Q4		Q1	Q2	Q3	
Net sales	\$ 4,116,897	\$ 3,744,030	\$ 3,518,680	\$ 685,483	\$ 783,160	\$ 821,734	\$ 1,036,363	\$ 3,326,740	\$ 661,099	\$ 779,321	\$ 859,112	\$ 2,299,532
Cost of sales, exclusive of depreciation and amortization	1,541,462	1,430,460	1,361,137	259,762	306,053	310,995	421,362	1,298,172	262,174	318,426	332,485	913,085
Gross profit	2,575,435	2,313,570	2,157,543	425,721	477,107	510,739	615,001	2,028,568	398,925	460,895	526,627	1,386,447
Stores and distribution expense	1,907,687	1,703,051	1,604,214	369,118	382,917	386,609	439,816	1,578,460	359,929	369,295	375,944	1,105,168
Marketing, general and administrative expense	481,784	458,820	470,321	114,447	111,719	105,307	121,729	453,202	109,893	109,353	124,533	343,779
Restructuring charge (benefit)	81,500	8,431	(1,598)	—	—	—	—	—	—	—	—	—
Asset impairment	46,715	44,988	18,209	—	6,356	—	1,574	7,930	730	6,135	3,480	10,345
Other operating (income) expense, net	(23,074)	(15,239)	(6,441)	(2,933)	(13,080)	(822)	(9,377)	(26,212)	(1,686)	(2,799)	(70)	(4,555)
Operating income (loss)	80,823	113,519	72,838	(54,911)	(10,805)	19,645	61,259	15,188	(69,941)	(21,089)	22,740	(68,290)
Interest expense, net	7,546	14,365	18,248	4,506	4,741	4,609	4,810	18,666	4,120	4,089	4,571	12,780
Income (loss) before taxes	73,277	99,154	54,590	(59,417)	(15,546)	15,036	56,449	(3,478)	(74,061)	(25,178)	18,169	(81,070)
Tax expense (benefit)	18,649	47,333	16,031	(20,787)	(3,515)	6,762	6,344	(11,196)	(13,052)	(10,563)	7,553	(16,062)
Net income (loss)	54,628	51,821	38,559	(38,630)	(12,031)	8,274	50,105	7,718	(61,009)	(14,615)	10,616	(65,008)
Less: Net income attributable to noncontrolling interests	—	—	2,983	957	1,098	393	1,314	3,762	691	876	541	2,108
Net income (loss) attributable to Abercrombie & Fitch Co.	<u>\$ 54,628</u>	<u>\$ 51,821</u>	<u>\$ 35,576</u>	<u>\$ (39,587)</u>	<u>\$ (13,129)</u>	<u>\$ 7,881</u>	<u>\$ 48,791</u>	<u>\$ 3,956</u>	<u>\$ (61,700)</u>	<u>\$ (15,491)</u>	<u>\$ 10,075</u>	<u>\$ (67,116)</u>

	Fiscal 2016								Fiscal 2017			
	2013	2014	2015	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	YTD
Net income (loss) per share attributable to Abercrombie & Fitch Co.:												
Basic	\$ 0.71	\$ 0.72	\$ 0.52	\$ (0.59)	\$ (0.19)	\$ 0.12	\$ 0.72	\$ 0.06	\$ (0.91)	\$ (0.23)	\$ 0.15	\$ (0.98)
Diluted	\$ 0.69	\$ 0.71	\$ 0.51	\$ (0.59)	\$ (0.19)	\$ 0.12	\$ 0.71	\$ 0.06	\$ (0.91)	\$ (0.23)	\$ 0.15	\$ (0.98)
Weighted-average shares outstanding:												
Basic	77,157	71,785	68,880	67,625	67,944	67,975	67,970	67,878	68,073	68,456	68,512	68,347
Diluted	78,666	72,937	69,417	67,625	67,944	68,277	68,299	68,284	68,073	68,456	69,425	68,347
Hollister comparable sales	(14)%	(10)%	— %	— %	(2)%	— %	1 %	0 %	3 %	5 %	8 %	6 %
Abercrombie comparable sales <sup>(1)</sup>		(5)%	(6)%	(8)%	(7)%	(14)%	(13)%	(11)%	(10)%	(7)%	(2)%	(6)%
Comparable sales <sup>(2)</sup>	(11)%	(8)%	(3)%	(4)%	(4)%	(6)%	(5)%	(5)%	(3)%	(1)%	4 %	0 %
Shares outstanding	76,402	69,352	67,348	67,605	67,666	67,683	67,758	67,758	68,012	68,092	68,116	68,116
Number of stores - end of period <sup>(3)</sup>	1,006	969	932	925	926	930	898	898	893	891	889	889
Gross square feet - end of period	7,736	7,517	7,292	7,209	7,209	7,219	7,007	7,007	6,939	6,908	6,880	6,880

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

<sup>(2)</sup> Comparable sales are calculated on a constant currency basis.

<sup>(3)</sup> Prior period store counts have been restated to count multi-brand outlet stores as a single store.