

EST. 1892

**Abercrombie
& Fitch**

NEW YORK

INVESTOR PRESENTATION

2016 THIRD 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 30, 2016 in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the 2016 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 November 18, 2016, which is available in the "Investors" section of the company's website, located at 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.

Q3 ADJUSTED P&L SUMMARY*

	2016	% OF NET SALES	2015	% OF NET SALES
NET SALES	\$821,734	100.0%	\$878,572	100.0%
GROSS PROFIT	510,739	62.2%	557,214	63.4%
OPERATING EXPENSE	497,916	60.6%	510,057	58.1%
OTHER OPERATING INCOME, NET	(822)	-0.1%	(3,919)	-0.4%
OPERATING INCOME	13,645	1.7%	51,076	5.8%
INTEREST EXPENSE, NET	4,609	0.6%	4,586	0.5%
INCOME BEFORE TAXES	9,036	1.1%	46,490	5.3%
TAX EXPENSE	7,241	0.9%	13,179	1.5%
NET INCOME	\$1,402	0.2%	\$32,917	3.7%
NET INCOME PER SHARE				
BASIC	\$0.02		\$0.48	
DILUTED	\$0.02		\$0.48	
WEIGHTED-AVERAGE SHARES OUTSTANDING				
BASIC	67,975		68,866	
DILUTED	68,277		69,265	

* The Q3 Adjusted P&L Summary for the current and prior periods is presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out on page 4.

EXCLUDED ITEMS (PRE-TAX)

2016	Q1	Q2	Q3	YEAR TO DATE
CLAIMS SETTLEMENT BENEFITS	\$—	\$(12,282)	\$—	\$(12,282)
ASSET IMPAIRMENT	—	6,356	—	6,356
INDEMNIFICATION RECOVERY	—	—	(6,000)	(6,000)
TOTAL	\$—	\$(5,926)	\$(6,000)	\$(11,926)

2015	Q1	Q2	Q3	YEAR TO DATE
INVENTORY WRITE-DOWN (RECOVERY)	\$26,861	\$(2,621)	\$(2,573)	\$21,667
LEGAL SETTLEMENT CHARGES	—	15,753	—	15,753
ASSET IMPAIRMENT, STORE FIXTURES, LEASE TERMINATION AND STORE CLOSURE COSTS	10,112	1,394	12,659	24,165
PROFIT IMPROVEMENT INITIATIVE	2,479	—	—	2,479
GILLY HICKS RESTRUCTURING BENEFIT	(1,598)	—	—	(1,598)
TOTAL	\$37,854	\$14,526	\$10,086	\$62,466

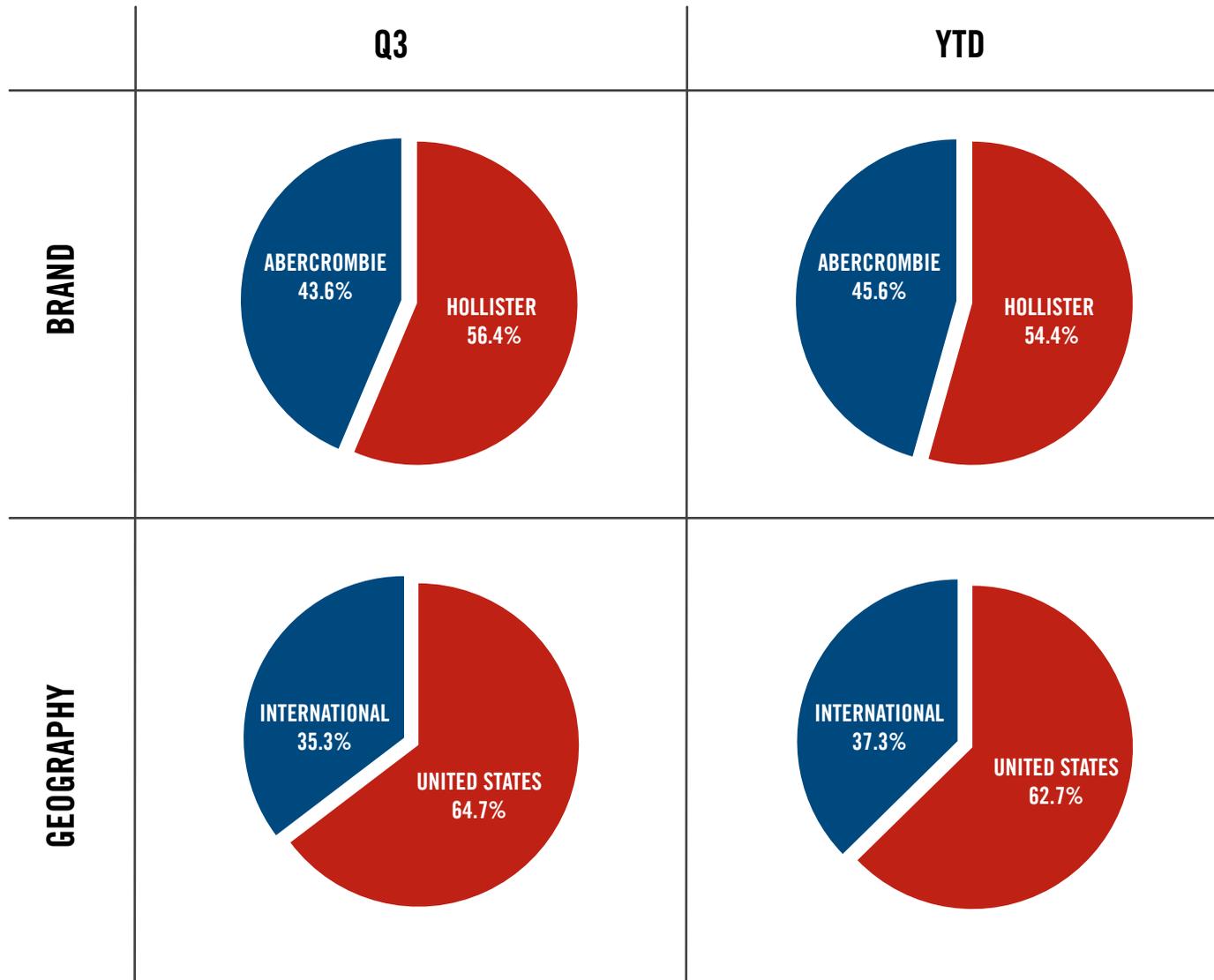
Q3 2016 COMPARABLE SALES*

	Q1	Q2	Q3	YTD
TOTAL COMPANY	(4)%	(4)%	(6)%	(5)%
BRAND:				
ABERCROMBIE ⁽¹⁾	(8)%	(7)%	(14)%	(10)%
HOLLISTER	0%	(2)%	0%	(1)%
GEOGRAPHY:				
UNITED STATES	(2)%	(4)%	(5)%	(4)%
INTERNATIONAL	(7)%	(4)%	(10)%	(7)%

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

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

Q3 2016 SALES MIX*



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

Q3 ADJUSTED OPERATING EXPENSE*

	2016	% OF NET SALES	2015	% OF NET SALES	Δ bps ⁽³⁾
STORE OCCUPANCY ⁽¹⁾	\$172,982	21.1%	\$180,804	20.6%	50
ALL OTHER ⁽²⁾	213,627	26.0%	211,555	24.1%	190
STORES AND DISTRIBUTION	386,609	47.0%	392,359	44.7%	230
MARKETING, GENERAL & ADMINISTRATIVE	111,307	13.5%	117,698	13.4%	10
OTHER OPERATING INCOME, NET	(822)	(0.1)%	(3,919)	(0.4)%	30
TOTAL	\$497,094	60.5%	\$506,138	57.6%	290

* Q3 Adjusted Operating Expense for the current and prior periods is presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out of page 4.

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

⁽²⁾ Includes selling payroll, store management and support, other store expense, direct-to-consumer expense, and distribution center costs.

⁽³⁾ Rounded based on reported percentages.

SHARE REPURCHASES

	FY 2016			FY 2015		
	SHARES REPURCHASED	COST	AVERAGE COST	SHARES REPURCHASED	COST	AVERAGE COST
Q1	—	—	—	—	—	—
Q2	—	—	—	—	—	—
Q3	—	—	—	2,460.5	\$50,029	\$20.33
Q4	—	—	—	—	—	—
FULL YEAR	—	—	—	2,460.5	\$50,029	\$20.33

Q3 STORE OPENINGS

	BRAND	CENTER	CITY	DATE
DOMESTIC	Hollister	International Market Place	Honolulu, HI	9/16/16
	Hollister	Queens Center	Queens, NY	10/28/16
INTERNATIONAL	A&F	Deji Plaza	Nanjing, China	8/27/16
OUTLET	Hollister	Florentia Village	Tianjin, China	9/15/16
	A&F	Opry Mills	Nashville, TN	9/30/16
	A&F	Park Shiga Ryuo	Kyoto, Japan	10/21/16

Q3 STORE COUNT ACTIVITY

ALL BRANDS	TOTAL	U.S.	CANADA	EUROPE	REST OF WORLD ⁽³⁾
START OF Q3 2016	926	744	18	117	47
OPENINGS	6	3	—	—	3
CLOSINGS	(2)	(2)	—	—	—
END OF Q3 2016	930	745	18	117	50
ABERCROMBIE ⁽¹⁾					
START OF Q3 2016	372	333	7	17	15
OPENINGS	3	1	—	—	2
CLOSINGS	(1)	(1)	—	—	—
END OF Q3 2016	374	333	7	17	17
HOLLISTER ⁽²⁾					
START OF Q3 2016	554	411	11	100	32
OPENINGS	3	2	—	—	1
CLOSINGS	(1)	(1)	—	—	—
END OF Q3 2016	556	412	11	100	33

⁽¹⁾ 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 October 29, 2016 and July 30, 2016.

⁽²⁾ Excludes three international franchise stores as of October 29, 2016 and excludes two international franchise stores as of July 30, 2016.

⁽³⁾ Includes 42 stores in Asia and 8 stores in the Middle East.

OUTLOOK*

FOR THE FOURTH QUARTER OF FISCAL 2016, THE COMPANY EXPECTS:

- **COMPARABLE SALES TO BE CHALLENGING, BUT MODESTLY IMPROVED FROM THE THIRD QUARTER**
- **CONTINUED ADVERSE IMPACT FROM FOREIGN CURRENCY ON SALES AND OPERATING INCOME**
- **A GROSS MARGIN RATE DOWN SLIGHTLY TO LAST YEAR'S ADJUSTED NON-GAAP RATE OF 60.7%, DRIVEN BY LOWER AVERAGE UNIT RETAIL, PARTIALLY OFFSET BY LOWER AVERAGE UNIT COST**
- **OPERATING EXPENSE, INCLUDING A LEASE TERMINATION CHARGE OF APPROXIMATELY \$16 MILLION, TO BE UP ABOUT 1% FROM LAST YEAR'S ADJUSTED NON-GAAP OPERATING EXPENSE OF \$554 MILLION, WITH THE LEASE TERMINATION CHARGE PARTIALLY OFFSET BY SAVINGS FROM LOWER SALES AND EXPENSE REDUCTION EFFORTS**
- **NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS OF APPROXIMATELY \$1 MILLION**
- **A WEIGHTED AVERAGE DILUTED SHARE COUNT OF APPROXIMATELY 68 MILLION SHARES, EXCLUDING THE EFFECT OF POTENTIAL SHARE BUYBACKS**

FULL YEAR EFFECTIVE TAX RATE TO BE IN THE MID TO UPPER 20s, BUT TO REMAIN SENSITIVE AT LOWER LEVELS OF PRE-TAX EARNINGS

FULL YEAR CAPITAL EXPENDITURES TO BE APPROXIMATELY \$140 MILLION

* Excluded from the company's outlook are the effects of certain potential items, such as asset impairment charges, litigation charges and insurance recoveries.

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