

EST. 1892

# Abercrombie & Fitch

NEW YORK

**BANK OF AMERICA MERRILL LYNCH  
2013 CONSUMER & RETAIL CONFERENCE**

**MARCH 13, 2013**

# **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 28, 2012, 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.

## **CHANGE IN ACCOUNTING METHODOLOGY**

The Company changed its method of accounting for inventory from the retail method to the cost method effective in the fourth quarter of Fiscal 2012.

## **OTHER INFORMATION**

All dollar and share amounts are in thousands unless otherwise stated. Sub-totals and totals may not foot due to rounding.

The Fiscal 2012 retail calendar includes a fifty-third week.

# STRATEGIC OBJECTIVE

LEVERAGE THE INTERNATIONAL APPEAL OF OUR ICONIC BRANDS  
TO BUILD A HIGHLY PROFITABLE, SUSTAINABLE, GLOBAL BUSINESS

EST. 1892  
**Abercrombie  
& Fitch**  
NEW YORK

EST. 1892  
**abercrombie**  
KIDS

**GILLY HICKS**  
SYDNEY

PACIFIC MERCHANTS  
  
**HOLLISTER**  
CALIFORNIA  
1922

# ADJUSTED P&L SUMMARY\* - COST METHOD

	2012	2011	%Δ
<b>NET SALES</b>	\$4,510,805	\$4,158,058	8.5%
<b>GROSS PROFIT</b>	2,816,709	2,550,224	10.5%
GROSS PROFIT RATE	62.4%	61.3%	
<b>OPERATING INCOME</b>	381,640	346,467	10.2%
OPERATING MARGIN	8.5%	8.3%	
<b>NET INCOME</b>	\$241,603	\$222,075	8.8%
<b>NET INCOME PER DILUTED SHARE</b>	\$2.90	\$2.48	16.9%
<b>DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING</b>	83,175	89,537	-7.1%

\* The adjusted P&L summary, for both 2012 and 2011, is from continuing operations and is presented on a non-GAAP basis excluding impairment and other charges.

# RESTATED NON-GAAP DILUTED EPS HISTORY\*

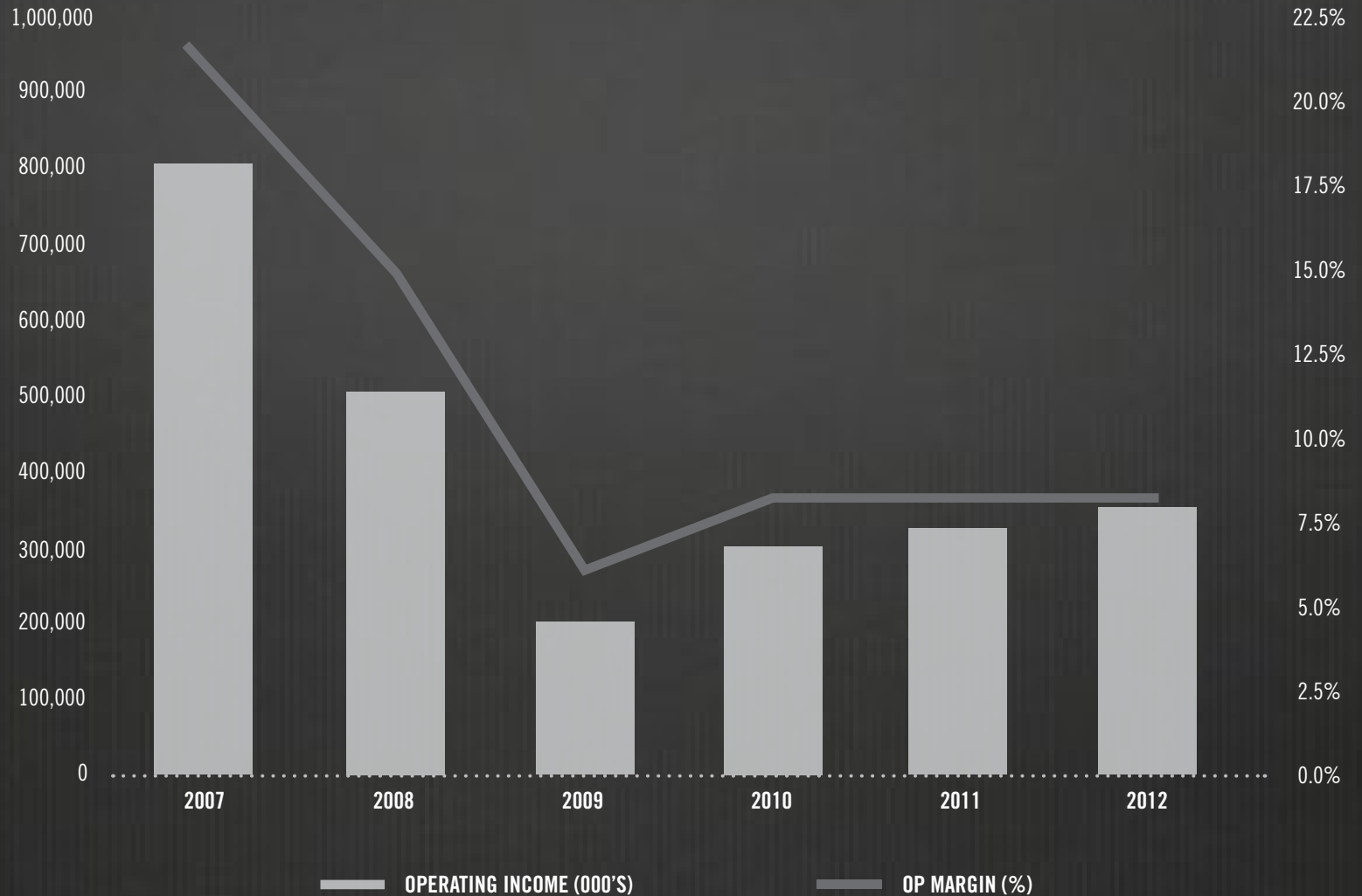


	2007	2008	2009	2010	2011	2012
<b>GAAP EPS <sup>(1)</sup></b>	\$5.45	\$3.45	\$0.89	\$1.73	\$1.60	\$2.85
<b>IMPAIRMENT</b>	-	0.06	0.23	0.34	0.49	0.06
<b>OTHER CHARGES</b>	-	-	-	0.03	0.39	-
<b>NON-GAAP EPS</b>	\$5.45	\$3.51	\$1.12	\$2.10	\$2.48	\$2.90

\* From Continuing Operations

<sup>(1)</sup> GAAP EPS for 2010 forward are reported under the cost method. Prior figures are reported under the retail method as the Company determined that it would be impracticable to restate.

# ADJUSTED OPERATING INCOME\*



\* Operating income for 2010 forward are reported under the cost method. Prior figures are reported under the retail method as the company determined that it would be impracticable to restate.

# PROFIT IMPROVEMENT CROSS FUNCTIONAL TEAMS

- PROCESS EFFICIENCY & ROI
- AUR

TEAMS CONSIST OF FULL-TIME LEADERS, SUPPORTED BY  
OTHER SENIOR ASSOCIATES





# STRATEGIC INITIATIVES

MERCHANDISING INITIATIVES

INVENTORY OPTIMIZATION

INSIGHT & INTELLIGENCE

CUSTOMER ENGAGEMENT

AVERAGE UNIT COST

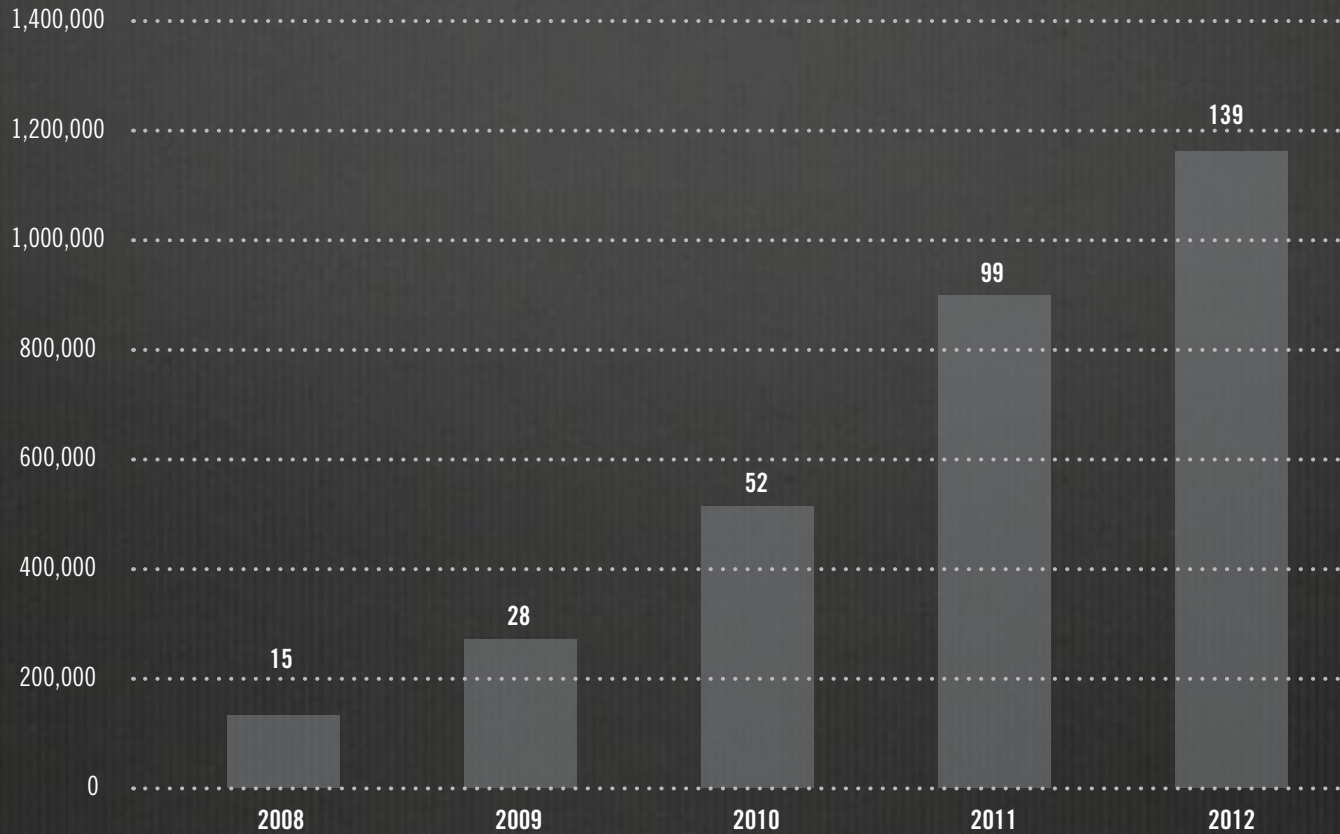
EXPENSE REDUCTION

U.S. STORE CLOSURES





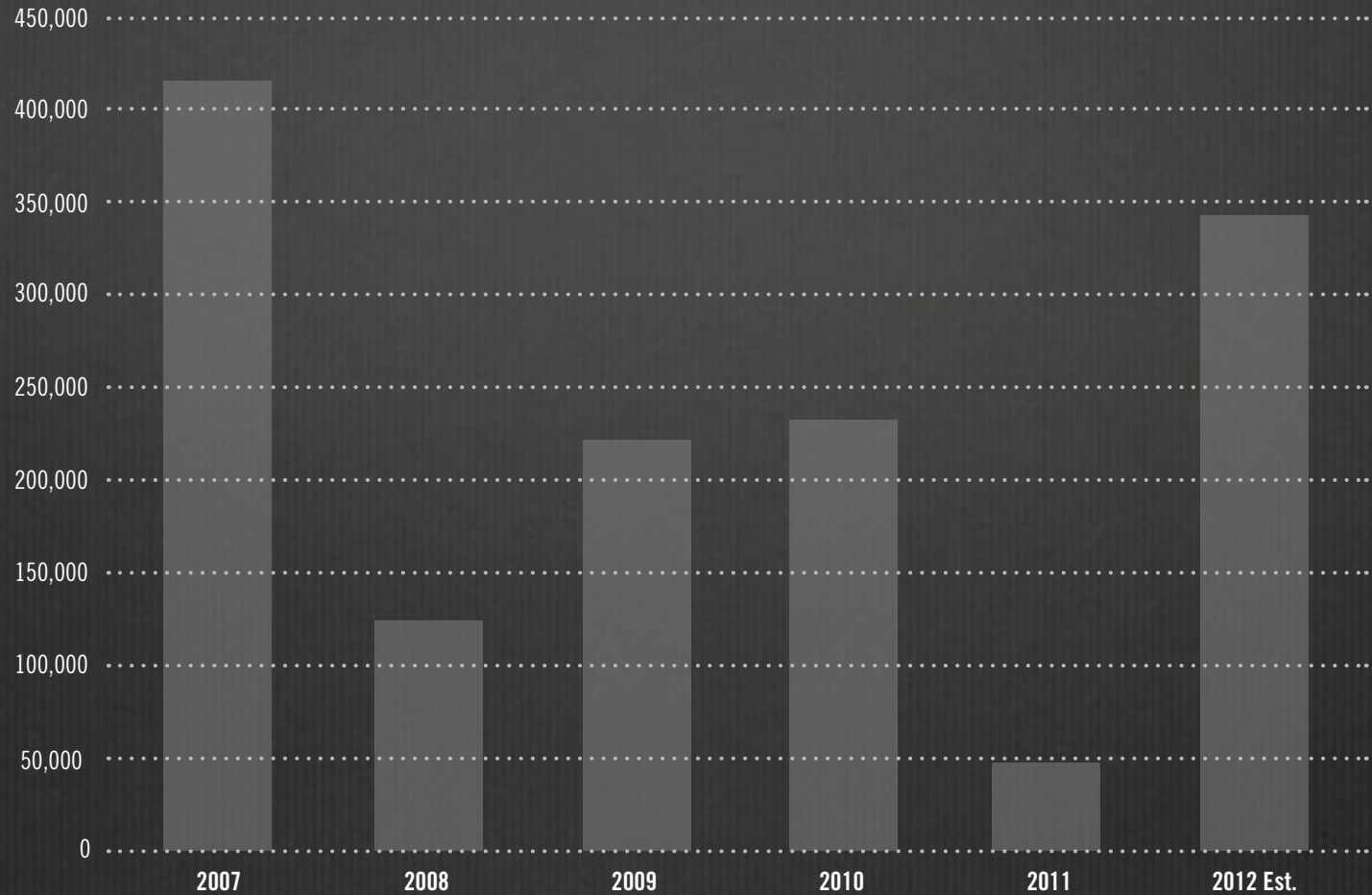
# INTERNATIONAL SALES & STORE COUNT



# PRO FORMA LIQUIDITY

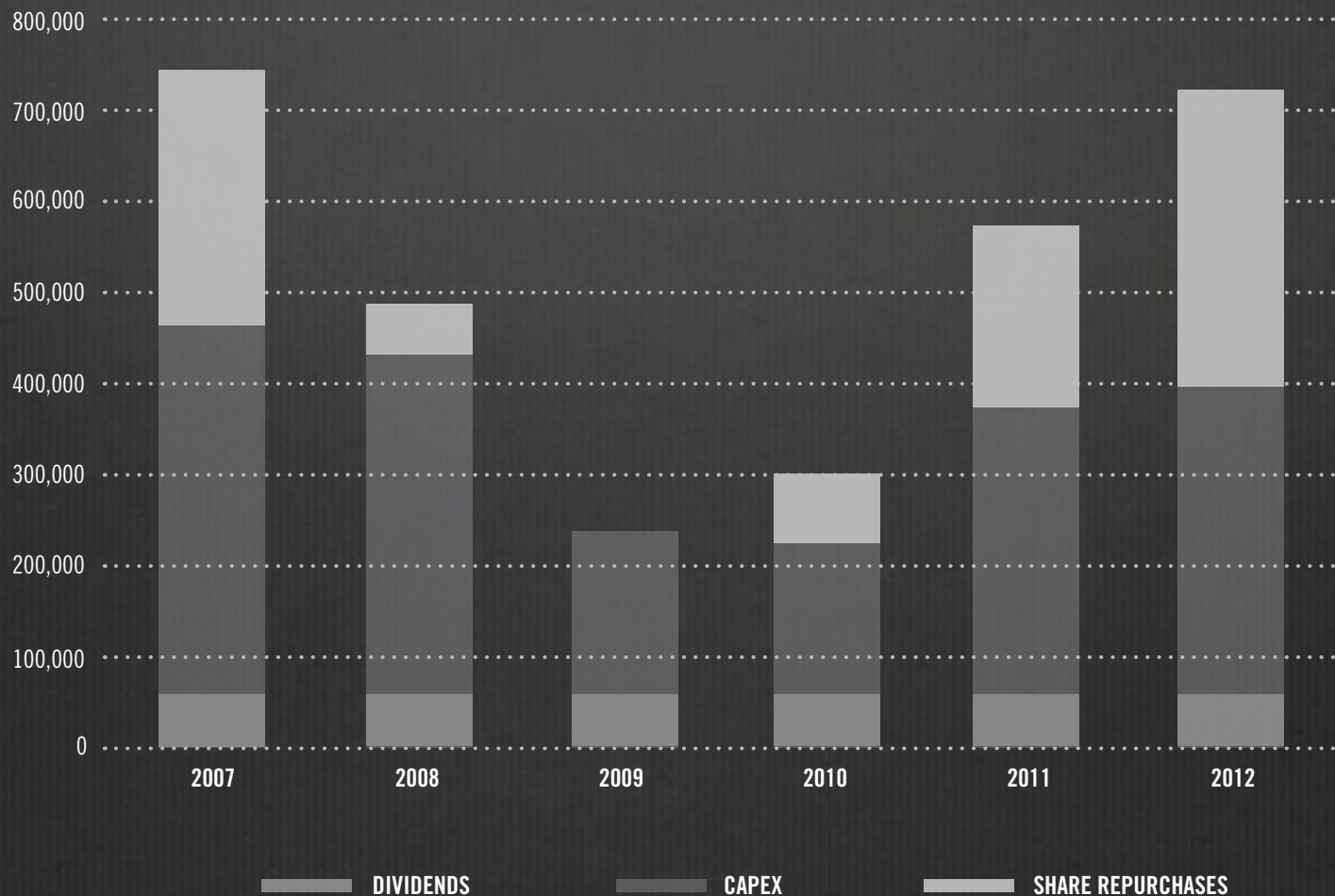
	AS OF 2/2/2013
CASH & EQUIVALENTS	\$646
TERM LOAN	150
REVOLVER	350
PRO FORMA LIQUIDITY	\$1,146

# FREE CASH FLOW\*



\* Operating Cash Flow less Capex

# CAPITAL ALLOCATION HISTORY



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