

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 2, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-12107

ABERCROMBIE & FITCH CO.

(Exact name of registrant as specified in its charter)

Delaware

31-1469076

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

Four Limited Parkway East, Reynoldsburg, OH 43068

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (614) 577-6500

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days. Yes No

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the latest practicable date.

Class A Common Stock

Outstanding at June 1, 1998

\$.01 Par Value

54,745,748 Shares

ABERCROMBIE & FITCH CO.

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

ABERCROMBIE & FITCH CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Thousands except per share amounts)

(Unaudited)

	Thirteen Weeks Ended	
	May 2, 1998	May 3, 1997
NET SALES	\$ 134,230	\$ 74,316
Cost of Goods Sold, Occupancy and Buying Costs	85,019	50,375
GROSS INCOME	49,211	23,941
General, Administrative and Store Operating Expenses	38,872	21,961
OPERATING INCOME	10,339	1,980
Interest (Income) Expense, Net	(169)	1,035
INCOME BEFORE INCOME TAXES	10,508	945
Provision for Income Taxes	4,200	380
NET INCOME	\$ 6,308	\$ 565
NET INCOME PER SHARE:		
Basic	\$ 0.12	\$ 0.01
Diluted	\$ 0.12	\$ 0.01
WEIGHTED AVERAGE SHARES OUTSTANDING:		
Basic	51,207	51,022
Diluted	52,476	51,068

The accompanying notes are an integral part of these consolidated financial statements.

ABERCROMBIE & FITCH CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Thousands)

	May 2, 1998 ----- (Unaudited)	January 31, 1998 -----
ASSETS -----		
CURRENT ASSETS:		
Cash and Equivalents	\$ 2,671	\$ 42,667
Accounts Receivable	951	1,695
Inventories	36,707	33,927
Store Supplies	5,817	5,592
Intercompany Receivable	34,020	23,785
Other	1,337	1,296
	-----	-----
TOTAL CURRENT ASSETS	81,503	108,962
PROPERTY AND EQUIPMENT, NET	68,739	70,517
DEFERRED INCOME TAXES	4,239	3,759
OTHER ASSETS	740	-
	-----	-----
TOTAL ASSETS	\$ 155,221 =====	\$ 183,238 =====
LIABILITIES AND SHAREHOLDERS' EQUITY -----		
CURRENT LIABILITIES:		
Accounts Payable	\$ 12,615	\$ 15,968
Accrued Expenses	37,722	35,143
Income Taxes Payable	1,851	15,851
	-----	-----
TOTAL CURRENT LIABILITIES	52,188	66,962
LONG-TERM DEBT	-	50,000
OTHER LONG-TERM LIABILITIES	11,594	7,501
SHAREHOLDERS' EQUITY:		
Common Stock	517	511
Paid-In Capital	143,891	117,972
Retained Earnings (Deficit)	(52,623)	(58,931)
	-----	-----
	91,785	59,552
Less: Treasury Stock, at Cost	(346)	(777)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	91,439	58,775
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 155,221 =====	\$ 183,238 =====

The accompanying notes are an integral part of these consolidated financial statements.

ABERCROMBIE & FITCH CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)

(Unaudited)

	Thirteen Weeks Ended	
	May 2, 1998	May 3, 1997
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 6,308	\$ 565
Impact of Other Operating Activities on Cash Flows:		
Depreciation and Amortization	5,128	3,478
Noncash Charge for Deferred Compensation	3,801	-
Changes in Assets and Liabilities:		
Inventories	(2,780)	3,977
Accounts Payable and Accrued Expenses	(774)	1,288
Income Taxes	(14,480)	(10,320)
Other Assets and Liabilities	1,021	941
	-----	-----
NET CASH USED FOR OPERATING ACTIVITIES	(1,776)	(71)
	-----	-----
CASH USED FOR INVESTING ACTIVITIES		
Capital Expenditures	(4,341)	(6,023)
	-----	-----
FINANCING ACTIVITIES:		
Issuance of Common Stock	25,875	-
Increase (Decrease) in Intercompany Balance	(10,235)	6,922
Exercise of Stock Options and Other	481	-
Purchase of Treasury Stock	-	(852)
Repayment of Long-Term Debt	(50,000)	-
	-----	-----
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	(33,879)	6,070
	-----	-----
NET DECREASE IN CASH AND EQUIVALENTS	(39,996)	(24)
Cash and Equivalents, Beginning of Year	42,667	1,945
	-----	-----
CASH AND EQUIVALENTS, END OF PERIOD	\$ 2,671	\$ 1,921
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

ABERCROMBIE & FITCH CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

Abercrombie & Fitch Co. (the "Company") is a specialty retailer of high quality, casual apparel for men and women with an active, youthful lifestyle.

The consolidated financial statements include the accounts of the Company and all significant subsidiaries which are more than 50 percent owned and controlled. All significant intercompany balances and transactions have been eliminated in consolidation.

The consolidated financial statements as of and for the periods ended May 2, 1998 and May 3, 1997 are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's 1997 Annual Report on Form 10-K. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments (which are of a normal recurring nature) necessary to present fairly the financial position and results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations for a full fiscal year.

The consolidated financial statements as of May 2, 1998 and for the thirteen week periods ended May 2, 1998 and May 3, 1997 included herein have been reviewed by the independent accounting firm of Coopers & Lybrand L.L.P. and the report of such firm follows the notes to consolidated financial statements.

2. CONSUMMATION OF EXCHANGE OFFER

On May 19, 1998, The Limited, Inc. completed a tax-free exchange offer to establish the Company as an independent company. The Limited accepted 47,075,052 shares of its common stock that were exchanged at a ratio of .86 of a share of Abercrombie & Fitch stock for each Limited share accepted for exchange. In addition, on June 1, 1998, The Limited effected a pro rata spin-off to its shareholders of its remaining 3,115,455 Abercrombie & Fitch shares. Limited shareholders of record at the close of trading on May 29, 1998 received .013673 of a share of Abercrombie & Fitch stock for each Limited share owned at that time.

3. EARNINGS PER SHARE

Weighted Average Common Shares Outstanding (thousands):

	May 2, 1998	May 3, 1997
	-----	-----
Common shares issued	51,235	51,050
Treasury shares	(28)	(28)
	-----	-----
Basic shares	51,207	51,022
Dilutive effect of options and restricted shares	1,269	46
	-----	-----
Diluted shares	52,476	51,068
	=====	=====

4. INVENTORIES

The fiscal year of the Company and its subsidiaries is comprised of two principal selling seasons: Spring (the first and second quarters) and Fall (the third and fourth quarters). Valuation of finished goods inventories is based principally upon the lower of average cost or market determined on a first-in, first-out basis utilizing the retail method. Inventory valuation at the end of the first and third quarters reflects adjustments for inventory markdowns and shrinkage estimates for the total selling season.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of (thousands):

	May 2, 1998	January 31, 1998
	-----	-----
Property and equipment, at cost	\$ 126,873	\$ 124,000
Accumulated depreciation and amortization	(58,134)	(53,483)
	-----	-----
Property and equipment, net	\$ 68,739	\$ 70,517
	=====	=====

6. INCOME TAXES

The Company is included in The Limited's consolidated federal and certain state income tax groups for income tax purposes and will continue to be through fiscal 1998. Under this arrangement, the Company is responsible for its proportionate share of income taxes calculated upon its federal taxable income at a current estimate of the Company's annual effective tax rate. Income taxes paid during the thirteen weeks ended May 2, 1998 and May 3, 1997 approximated \$18.1 million and \$10.7 million.

7. LONG-TERM DEBT

The Company entered into a \$150 million unsecured credit agreement (the "Agreement"), on April 30, 1998 (the "Effective Date"). Borrowings outstanding under the Agreement are due April 30, 2003. The Agreement has several borrowing options, including interest rates that are based on the lender's "Alternate Base Rate", a LIBO Rate or a rate submitted under a bidding process. Facilities fees payable under the Agreement are based on the Company's long-term credit ratings, and currently approximate .275% of the committed amount per annum. The Agreement contains covenants relating to the Company's debt, interest expense and EBITDAR. No amounts were outstanding under the Agreement at May 2, 1998.

Long-term debt at January 31, 1998 consisted of a 7.80% unsecured note in the amount of \$50 million that represented the Company's proportionate share of certain long-term debt of The Limited. The interest rate and maturity of the note paralleled that of corresponding debt of The Limited.

On April 15, 1998, the Company repaid the \$50 million long-term note owed The Limited by issuing 600,000 shares of Class A common stock at a price of \$43.125 per share and paid \$24,125,000 in cash.

8. RELATIONSHIP WITH THE LIMITED

The Limited provides various services to the Company including, but not limited to, certain associate benefit plan administration, information technology, tax, store planning/design, transportation, real estate and import and shipping services. To the extent expenditures are specifically identifiable, they are charged to the Company. All other related support expenses are charged to the Company and other divisions of The Limited based upon various allocation methods.

Subsequent to the exchange offer, the cost of these services generally is equal to The Limited's costs in providing the relevant services plus 5% of such costs. The Limited will cease to provide a substantial majority of these services on May 19, 1999 (the first anniversary of the expiration of the exchange offer establishing the Company as an independent company).

The Company's proprietary credit card processing is performed by Alliance Data Systems which is approximately 40% owned by The Limited.

Cash activity was provided through The Limited's centralized cash management systems and was reflected in the Company's intercompany account. The intercompany account was an interest earning asset or interest bearing liability of the Company depending upon the level of cash receipts and disbursements.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Audit Committee of
The Board of Directors of
Abercrombie & Fitch Co.

We have reviewed the condensed consolidated balance sheet of Abercrombie & Fitch Co. and Subsidiaries at May 2, 1998, and the related condensed consolidated statements of income and cash flows for the thirteen-week periods ended May 2, 1998 and May 3, 1997. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of January 31, 1998, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 20, 1998, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 31, 1998, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

COOPERS & LYBRAND L.L.P.

Columbus, Ohio
May 7, 1998

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

During the first quarter of 1998, net sales increased 81% to \$134.2 million from \$74.3 million a year ago. Operating income improved to \$10.3 million in the first quarter of 1998 from \$2.0 million in the first quarter of 1997. Earnings per diluted share were \$.12 in the first quarter of 1998 compared to \$.01 a year ago.

Financial Summary

The following summarized financial and statistical data compares the thirteen week period ended May 2, 1998 to the comparable 1997 period:

	1998 -----	1997 -----	% CHANGE -----
Increase in comparable store sales	48%	14%	
Retail sales increase attributable to new and remodeled stores	33%	32%	
Retail sales per average selling square foot	\$106	\$73	45%
Retail sales per average store (thousands)	\$838	\$574	46%
Average store size at end of quarter (selling square feet)	7,905	7,886	0%
Selling square feet at end of quarter (thousands)	1,249	1,041	20%
NUMBER OF STORES:			
Beginning of year	156	127	
Opened	3	5	
Closed	(1)	-	
	-----	-----	
End of period	158 =====	132 =====	

Net Sales

Net sales for the first quarter of 1998 increased 81% to \$134.2 million from \$74.3 million. The increase was due to a comparable store sales increase of 48%, combined with the net addition of 26 stores compared to the first quarter of 1997. Comparable store sales increases were strong in both the men's and women's businesses as both were driven by a strong knit and short business. Additionally, the A&F Quarterly, a catalogue/magazine which premiered for back-to-school 1997, accounted for 2.0% of net sales in the first quarter of 1998.

Gross Income

- - - - -

Gross income, expressed as a percentage of net sales, increased to 36.7% during the first quarter of 1998 from 32.2% for the same period in 1997. The increase was attributable to improved merchandise margins (representing gross income before the deduction of buying and occupancy costs) and a decrease in buying and occupancy costs, as a percentage of net sales, due to favorable expense leveraging associated with increased comparable store sales.

General, Administrative and Store Operating Expenses

- - - - -

General, administrative and store operating expenses, expressed as a percentage of net sales, were 29.0% in the first quarter of 1998 and 29.6% for the comparable period in 1997. The improvement resulted primarily from the favorable leveraging of store expenses due to higher sales volume.

Operating Income

- - - - -

First quarter operating income, expressed as a percentage of net sales, was 7.7% in 1998, up from 2.7% for the comparable period in 1997. The improvement in operating income is a result of both higher gross income and lower general, administrative and store operating expenses, as a percentage of net sales.

Interest Income/Expense

- - - - -

First quarter 1998 net interest income was \$169 thousand as compared with net interest expense of \$1.0 million for the first quarter last year. Interest expense in 1997 consisted of \$975 thousand on the \$50 million long-term debt that was repaid during the first quarter of 1998 in addition to interest on short-term borrowings. First quarter 1998 net interest income was primarily from short-term investments offset by interest expense on the \$50 million long-term debt until repayment.

FINANCIAL CONDITION

Liquidity and Capital Resources

Cash provided from operating activities and the Company's \$150 million credit agreement provide the resources to support operations, including projected growth, seasonal requirements and capital expenditures. A summary of the Company's working capital position and long-term ongoing capitalization follows (thousands):

	May 2, 1998	January 31, 1998
	-----	-----
Working capital	\$29,315	\$42,000
	=====	=====
Capitalization:		
Long-term debt	-	\$50,000
Shareholders' equity	\$91,439	58,775
	-----	-----
Total capitalization	\$91,439	\$108,775
	=====	=====

Net cash used for operating activities totaled \$1.8 million for the thirteen weeks ended May 2, 1998 versus \$71 thousand in the comparable period in 1997. Cash was provided from the increase in net income before depreciation and amortization. Cash requirements for inventory increased over the period, supporting the sales growth and addition of stores. Additionally, cash used for income taxes increased due to the first quarter tax payments made on higher fourth quarter earnings.

Abercrombie & Fitch's operations are seasonal in nature and typically peak during the back-to-school and Christmas selling periods. Accordingly, cash requirements for inventory expenditures are highest during these periods.

Investing activities were all for capital expenditures, which are primarily for new stores.

Financing activities in the first quarter of 1998 consisted primarily of the repayment of \$50 million long-term debt to The Limited. This occurred through the issuance of 600,000 shares of Class A common stock to The Limited with the remaining balance paid with cash from operations.

Capital Expenditures

Capital expenditures, primarily for new and remodeled stores, totaled \$4.3 million for the thirteen weeks ended May 2, 1998 compared to \$6.0 million for the comparable period of 1997.

The Company anticipates spending \$38-\$45 million in 1998 for capital expenditures, of which \$32-\$37 million will be for new stores, remodeling and/or expansion of existing stores and related improvements. The Company intends to add approximately 225,000 net selling square

feet in 1998, which will represent an 18% increase over year-end 1997. It is anticipated that the increase will result from the addition of 30 new stores and the remodeling and/or expansion of four to six stores.

The Company estimates that the average cost for leasehold improvements, furniture and fixtures for stores opened in 1998 will approximate \$725,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately \$275,000 per store.

Additionally, the Company plans to open 13 to 15 children's stores in 1998. The planned store size is approximately 3,200 selling square feet and the average cost for leasehold improvements, furniture and fixtures will be approximately \$530,000.

The Company expects capital expenditures will be funded principally by net cash provided by operating activities.

Information Systems and "Year 2000" Compliance

As discussed in the Company's Annual Report on Form 10-K, the Company has completed a comprehensive review of its information systems and is involved in a program to update computer systems and applications in preparation for the year 2000. The Company will incur internal staff costs as well as outside consulting and other expenditures related to the initiative. Total incremental expenses, including depreciation and amortization of new package systems, remediation to bring current systems into compliance and writing off legacy systems are not expected to have a material impact on the Company's financial condition in any year during the conversion process through 2000.

The Company is attempting to contact vendors and others on whom it relies to assure that their systems will be timely converted. However, there can be no assurance that the systems of other companies on which the Company's systems rely also will be timely converted or that any such failure to convert by another company would not have an adverse effect on the Company's systems. Furthermore, no assurance can be given that any or all of the Company's systems are or will be Year 2000 compliant, or that the ultimate costs required to address the Year 2000 issue or the impact of any failure to achieve substantial Year 2000 compliance will not have a material adverse effect on the Company's financial condition.

Relationship with The Limited

Subsequent to the exchange offer (see Note 2 to the Consolidated Financial Statements), the Company and The Limited entered into service agreements which include among other things, tax, information technology and store design and construction. These agreements are generally for a term of one year. Service agreements were also entered into for the continued use by the Company of its distribution and home office space and transportation and logistic services. These agreements are generally for a term of three years. Costs for these services will generally be the costs and expenses incurred by The Limited plus 5% of such amounts. Upon expiration of these agreements with The Limited, the Company may bring certain services in-house, contract with other outside parties or take other actions the Company deems appropriate at that time.

The Company does not anticipate that costs associated with these service agreements or costs to be incurred upon their expiration will have a material adverse impact on its financial condition.

All forward-looking statements made by the Company involve material risks and uncertainties and are subject to change based on various important factors which may be beyond the Company's control. Accordingly, the Company's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Such factors include, but are not limited to, changes in consumer spending patterns, consumer preferences and overall economic conditions, the impact of competition and pricing, changes in weather patterns, political stability, currency and exchange risks and changes in existing or potential duties, tariffs or quotas, availability of suitable store locations on appropriate terms, ability to develop new merchandise and ability to hire and train associates, and other factors that may be described in the Company's filings with the Securities and Exchange Commission. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company is a defendant in a variety of lawsuits arising in the ordinary course of business. On November 13, 1997, the United States District Court for the Southern District of Ohio, Eastern Division, dismissed with prejudice an amended complaint previously transferred to that court by the United States District Court, Central District of California. The amended complaint, which had been filed against the Company, The Limited and certain of The Limited's other subsidiaries by the American Textile Manufacturers Institute ("ATMI"), a textile industry trade association, alleged that the defendants violated the federal False Claims Act by submitting false country of origin records to the U.S. Customs Service. On November 26, 1997, ATMI served a motion to alter or amend judgment and a motion to disqualify the presiding judge and to vacate the order of dismissal. The motion to disqualify was denied on December 22, 1997, but as a matter of his personal discretion, the presiding judge elected to recuse himself from further proceedings and this matter was transferred to another judge of the United States District Court for the Southern District of Ohio, Western Division. On May 21, 1998, this judge reaffirmed the earlier dismissal and denied all pending motions seeking to alter, amend or vacate the judgment that had been entered in favor of the Company. On June 5, 1998, ATMI filed a notice of appeal to the United States Court of Appeals for the Sixth Circuit.

On June 2, 1998, Abercrombie & Fitch filed suit against American Eagle Outfitters alleging an intentional and systematic copying of the Abercrombie & Fitch Brand, its images and business practices, including the design and look of the Company's merchandise, marketing and catalogue/magazine. The lawsuit was filed in Federal District Court in Columbus, Ohio and seeks to enjoin American Eagle's practices, recover lost profits and obtain punitive damages.

Although it is not possible to predict with certainty the eventual outcome of any litigation, in the opinion of management, the foregoing proceedings are not expected to have a material adverse effect on the Company's financial position or results of operations.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3. Articles of Incorporation and Bylaws

- 3.1 Amended and Restated Certificate of Incorporation of the Company incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 2, 1996.
- 3.2 Bylaws of the Company incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 2, 1996.

4. Instruments Defining the Rights of Security Holders

- 4.1 Specimen Certificate of Class A Common Stock of the Company incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 333-8231) (the "Form S-1").
- 4.2 Credit Agreement dated as of April 30, 1998 among Abercrombie & Fitch Stores, Inc., as Borrower, the Company, as Guarantor, the Lenders party thereto, The Chase Manhattan Bank, as Administrative Agent, and Chase Securities, Inc., as Arranger, incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated April 30, 1998.

10. Material Contracts

- 10.1 Abercrombie & Fitch Co. Incentive Compensation Performance Plan incorporated by reference to Exhibit A to the Company's Proxy Statement dated April 14, 1997.
- 10.2 Abercrombie & Fitch Co. 1997 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan incorporated by reference to Exhibit B to the Company's Proxy Statement dated April 14, 1997.
- 10.3 Abercrombie & Fitch Co. 1996 Stock Plan for Non-Associate Directors incorporated by reference to Exhibit C to the Company's Proxy Statement dated April 14, 1997.
- 10.4 Employment Agreement by and between the Company and Michael S. Jeffries dated as of May 13, 1997 with exhibits and amendment incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 1, 1997.
- 10.5 Employment Agreement by and between the Company and Michele Donnan-Martin dated December 5, 1997 incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-4 (File No. 333-46423) (the "Form S-4").
- 10.6 Employment Agreement by and between the Company and Seth R. Johnson dated December 5, 1997 incorporated by reference to Exhibit 10.10 to the Form S-4.
- 10.7 Tax Disaffiliation Agreement dated as of May 19, 1998 between The Limited, Inc. and the Company.

- 10.8 Amended and Restated Services Agreement dated as of May 19, 1998 between The Limited, Inc. and the Company.
 - 10.9 Shared Facilities Agreement dated September 27, 1996 by and between the Company and The Limited, Inc., incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 2, 1996.
 - 10.10 Sublease Agreement by and between Victoria's Secret Stores, Inc. and the Company, dated June 1, 1995, (the "Sublease Agreement") incorporated by reference to Exhibit 10.3 to the Form S-1.
 - 10.11 Amendment No. 1 to the Sublease Agreement dated as of May 19, 1998.
15. Letter re: Unaudited Interim Financial Information to Securities and Exchange Commission re: Incorporation of Report of Independent Accountants
27. Financial Data Schedule

(b) Reports on Form 8-K.

Date of Report -----	Items Reported -----
February 17, 1998	Fourth Quarter Results; Commencement of Exchange Offer
April 9, 1998	February and March Sales Announcement
April 30, 1998	Entry in Credit Agreement; First Quarter Sales
May 19, 1998	Consummation of Exchange Offer

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ABERCROMBIE & FITCH CO.
(Registrant)

By /s/ Seth R. Johnson

Seth R. Johnson,
Vice President and Chief
Financial Officer*

Date: June 15, 1998

* Mr. Johnson is the principal financial officer and has been duly authorized to sign on behalf of the Registrant.

EXHIBIT INDEX

Exhibit No.	Document
-----	-----
10.7	Tax Disaffiliation Agreement dated as of May 19, 1998 between The Limited, Inc. and the Company.
10.8	Amended and Restated Services Agreement dated as of May 19, 1998 between The Limited, Inc. and the Company.
10.11	Amendment No. 1 to the Sublease Agreement dated as of May 19, 1998.
15	Letter re: Unaudited Interim Financial Information to Securities and Exchange Commission re: Incorporation of Report of Independent Accountants.
27	Financial Data Schedule.

EXECUTION COPY

TAX DISAFFILIATION AGREEMENT

BETWEEN

THE LIMITED, INC.,
ON BEHALF OF ITSELF
AND THE MEMBERS
OF THE LIMITED GROUP

AND

ABERCROMBIE & FITCH CO.
ON BEHALF OF ITSELF
AND THE MEMBERS
OF THE ABERCROMBIE & FITCH GROUP

TAX DISAFFILIATION AGREEMENT

This Agreement is entered into as of the 19th day of May, 1998 between The Limited Inc. ("The Limited"), a Delaware corporation, on behalf of itself and the members of The Limited Group, and Abercrombie & Fitch Co. ("Abercrombie & Fitch"), a Delaware corporation, on behalf of itself and the members of the Abercrombie & Fitch Group.

W I T N E S S E T H:

WHEREAS, pursuant to the tax laws of various jurisdictions, certain members of the Abercrombie & Fitch Group, as defined below, presently file certain tax returns on an affiliated, consolidated, combined, unitary, fiscal unit or other group basis (including as permitted by Section 1501 of the Internal Revenue Code of 1986, as amended (the "Code")) with certain members of The Limited Group, as defined below (each such group, a "Consolidated Group");

WHEREAS, The Limited and Abercrombie & Fitch intend to distribute to its shareholders all of the Abercrombie & Fitch common stock held by The Limited (the "Distribution");

WHEREAS, The Limited and Abercrombie & Fitch desire to set forth their agreement on the rights and obligations of The Limited, Abercrombie & Fitch and the members of The Limited Group and the Abercrombie & Fitch Group, respectively, with respect to the handling and allocation of federal, state and local taxes incurred in taxable periods beginning prior to the Distribution Date, as defined below, and various other tax matters;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. DEFINITIONS

(a) As used in this Agreement:

"Abercrombie & Fitch Combined State Tax Liability" shall mean, with respect to any taxable year and any jurisdiction, an amount of Combined State Taxes determined in accordance with the principles set forth in the definition of Abercrombie & Fitch Federal Tax Liability; provided, however, that (i) such amount shall also include any actual income, franchise or similar state or local tax liability (a "State Liability") owed in a jurisdiction (a "Combined Jurisdiction") in which a member of the Abercrombie & Fitch Group files tax returns with a member of The Limited Group, on a consolidated, combined or unitary basis, to the extent such liability exceeds the liability that would have been owed had no member of the Abercrombie & Fitch Group been included in such returns, except to the extent attributable to the recognition of The Limited's excess loss account with respect to the stock of Abercrombie & Fitch as a result of the Distribution, and (ii) such amount shall be reduced to the extent that, in any Combined Jurisdiction, the State Liability of The Limited Consolidated Group is less than the liability that would have been owed had no member of the Abercrombie & Fitch Group been included in the returns of such Combined Jurisdiction.

"Abercrombie & Fitch Federal Tax Liability" shall mean, with respect to any taxable year, the sum of the Abercrombie & Fitch Group's Federal Tax liability and any interest, penalties and other additions to such taxes for such taxable year, computed as if the Abercrombie & Fitch Group were not and never were part of The Limited Consolidated Group, but rather were a separate affiliated group of corporations filing a consolidated federal income tax return pursuant to Section 1501 of the Code, provided, however, that transactions with members of The Limited Group shall be reflected according to the provisions of the consolidated return regulations promulgated under the Code governing intercompany transactions, and that the Distribution will trigger any deferred amounts, excess loss accounts or similar items. Such computation shall be made (A) without regard to the income, deductions (including net operating loss and capital loss deductions) and credits in any year of any member of The Limited Consolidated Group that is not a member of the Abercrombie & Fitch Group, (B) by taking account of any Tax Asset of the Abercrombie & Fitch Group in accordance with Section 3(c)(iii) hereof, (C) with regard to net operating loss and capital loss carryforwards and carrybacks and minimum tax credits from earlier years of the Abercrombie & Fitch Group, but without regard to any such carryforward from a tax period (or portion thereof) ending on or before September 27, 1996, date of the initial public offering of Abercrombie & Fitch, and arising solely due to treating the Abercrombie & Fitch Group as if it were never part of The Limited Consolidated Group, (D) as though the highest rate of tax specified

in subsection (b) of Section 11 of the Code (or any other similar rates applicable to specific types of income) were the only rates set forth in that subsection, and with other similar adjustments as described in Section 1561 of the Code, (E) reflecting the positions, elections and accounting methods used by The Limited in preparing the consolidated federal income tax return for The Limited Consolidated Group, (F) by not permitting the Abercrombie & Fitch Group any compensation deductions arising in respect of any exercise of options on The Limited stock by, or the issuance or vesting of The Limited restricted stock to, any employee of the Abercrombie & Fitch Group prior to the Distribution Date, and (G) without regard to gain attributable to the recognition of The Limited's excess loss account with respect to the stock of Abercrombie & Fitch and Abercrombie & Fitch's excess loss account with respect to stock of its subsidiaries as a result of the Distribution.

"Abercrombie & Fitch Group" shall mean, at any time, Abercrombie & Fitch and any direct or indirect corporate subsidiaries of Abercrombie & Fitch that would be eligible to join with Abercrombie & Fitch, with respect to Federal Taxes, in the filing of a consolidated federal income tax return and, with respect to Combined State Taxes, in the filing of a consolidated, combined or unitary income or franchise tax return, including any predecessors thereto.

"Abercrombie & Fitch Tax Liability" shall mean, with respect to any taxable year, the sum of Abercrombie & Fitch Combined State Tax Liability and Abercrombie & Fitch Federal Tax Liability.

"After-Tax Amount" shall mean an additional amount necessary to reflect the hypothetical tax consequences of the receipt or accrual of any payment, using the maximum statutory rate (or rates, in the case of an item that affects more than one tax) applicable to the recipient of such payment for the relevant year, reflecting for example, the effect of the deductions available for interest paid or accrued and for taxes such as state and local income taxes.

"Combined State Tax" means, with respect to each state or local taxing jurisdiction, any income, franchise or similar tax payable to such state or local taxing jurisdiction in which a member of the Abercrombie & Fitch Group files tax returns with a member of The Limited Group, on a consolidated, combined or unitary basis for purposes of such income or franchise tax.

"Contingent Redemption Agreement" means the contingent stock redemption agreement, dated January 26, 1996, entered into among The Limited, Leslie H. Wexner and The Wexner Children's Trust.

"Distribution" shall mean the Exchange Offer and the Spin-Off as described in the Offering Circular-Prospectus dated April 15, 1998.

"Distribution Date" shall mean the date on which the Distribution shall be effected.

"Federal Tax" shall mean any tax imposed under Subtitle A of the Code and any related interest or penalty imposed under Subtitle F of the Code.

"Final Determination" shall mean (i) with respect to Federal Taxes, a "determination" as defined in Section 1313 (a) of the Code or execution of an Internal Revenue Service Form 870AD and, with respect to taxes other than Federal Taxes, any final determination of liability in respect of a tax that, under applicable law, is not subject to further appeal, review or modification through proceedings or otherwise, (ii) any final disposition of a tax issue by reason of the expiration of a statute of limitations or (iii) the payment of tax by The Limited with respect to any item disallowed or adjusted by any taxing authority where The Limited determines in good faith that no action should be taken to recoup such payment.

"IRS" shall mean the Internal Revenue Service.

"Post-Distribution Tax Period" means (i) any tax period beginning and ending after the Distribution Date and (ii) with respect to a tax period that begins before and ends after the Distribution Date, such portion of the tax period that commences on the day immediately after the Distribution Date.

"Pre-Distribution Tax Period" means (i) any tax period beginning and ending before or on the Distribution Date and (ii) with respect to a period that begins before and ends after the Distribution Date, such portion of the tax period ending on and including the Distribution Date.

"Prime" shall mean, the rate announced from time to time as "prime" by BankOne, Columbus, Ohio, as its prime rate with respect to the applicable currency.

"Referee" is defined in Section 16.

"Return" shall mean any tax return, statement, report or form (including estimated tax returns and reports, extension requests and forms, and information returns and reports) required to be filed with any taxing authority.

"Tax Asset" shall mean any net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or any other credit or tax attribute that could be carried forward or back to reduce taxes (including without limitation deductions and credits related to alternative minimum taxes).

"Tax Packages" shall mean one or more packages of information, that are (i) reasonably necessary for the purpose of preparing tax Returns of The Limited Consolidated Group with respect to any Pre-Distribution Tax Period, or of the Abercrombie & Fitch Group with respect to any Post-Distribution Tax Period and (ii) completed in all material respects in accordance with the standards that The Limited has established for its subsidiaries.

"Tax Proceeding" shall mean any tax audit, dispute or proceeding (whether administrative or judicial).

"The Limited Consolidated Group" shall mean The Limited and each direct and indirect corporate subsidiary, including the Abercrombie & Fitch Group that is eligible to join with The Limited in the filing of (i) for Federal Tax purposes, a consolidated federal income tax return, and (ii) for Combined State Tax Purposes, a Combined State Tax Return.

"The Limited Group" shall mean, at any time, The Limited and each of its direct and indirect corporate subsidiaries other than those subsidiaries that are members of the Abercrombie & Fitch Group.

(b) Any term used in this Agreement which is not defined in this Agreement shall, to the extent the context requires, have the meaning assigned to it in the Code or the applicable Treasury regulations thereunder or in comparable provisions of applicable law.

2. ADMINISTRATIVE AND COMPLIANCE MATTERS.

(a) Sole Tax Sharing Agreement. Any and all existing Tax sharing agreements or arrangements, written or unwritten, between any member of The Limited Group and any member of the Abercrombie & Fitch Group shall be terminated as of the effective date of this Agreement. As of the date of this Agreement, neither the members of the Abercrombie & Fitch Group nor the members of The Limited Group shall have any further rights or liabilities thereunder, and this Agreement shall be the sole tax sharing agreement between the members of the Abercrombie & Fitch Group and the members of The Limited Group. Notwithstanding the foregoing, if any such termination is not binding on any taxing authority, the Abercrombie & Fitch Group shall hold the affected member of The Limited Group harmless against any adverse effect which would

have been avoided if such termination had been given effect by such taxing authority.

(b) Designation of Agent. Each member of the Abercrombie & Fitch Group hereby irrevocably authorizes and designates The Limited, as its agent, coordinator, and administrator, for the purpose of taking any and all actions (including the execution of waivers of applicable statutes of limitation) necessary or incidental to the filing of any Return, any amended Return, or any claim for refund (even where an item or Tax Asset giving rise to an amended Return or refund claim arises in a Post-Distribution Tax Period), credit or offset of tax or any other proceedings, and for the purpose of making payments to, or collecting refunds from, any taxing authority, in each case relating only to any Pre- Distribution Tax Period. The Limited Group covenants to Abercrombie & Fitch that it shall be responsible to see that all such administrative matters relating thereto shall be handled promptly and appropriately.

(c) Pre-Distribution Tax Period Returns. The Limited will prepare, consistently with past practice and applicable law and with the assistance of the Abercrombie & Fitch Group, the consolidated Federal Tax Returns and Combined State Tax Returns of The Limited Consolidated Group for all Pre- Distribution Tax Periods. The Limited shall have the right with respect to such Returns to determine (i) the manner in which such returns, documents or statements shall be prepared and filed, including, without limitation, the manner in which any item of income, gain, loss, deduction or credit shall be reported, (ii) whether any extensions should be requested, and (iii) the elections that will be made by any member of The Limited Group or the Abercrombie & Fitch Group. In addition, with respect to all Pre-Distribution Tax Periods, The Limited shall have the right to (i) contest, compromise or settle any adjustment or deficiency proposed, asserted or assessed as a result of any audit of any Return filed by The Limited Consolidated Group, (ii) file, prosecute, compromise or settle any claim for refund, and (iii) determine whether any refunds to which The Limited Consolidated Group may be entitled shall be received by way of refund or credit against the tax liability of The Limited Consolidated Group. No later than 60 days after the Distribution Date, Abercrombie & Fitch shall prepare and deliver to The Limited Tax Packages that include information of Abercrombie & Fitch Group for the Pre-Distribution Tax Period that includes the Distribution Date. In addition, if The Limited decides to make the election referred to in section (d) below, Abercrombie & Fitch shall prepare and deliver to The Limited Tax Packages that include information of Abercrombie & Fitch Group for the tax period beginning immediately after the Distribution Date no later than 60 days after the end of such tax period.

(d) Allocation. The Limited may, at its option, elect and Abercrombie & Fitch shall join The Limited in electing (if necessary) to ratably allocate items (other than extraordinary items) of the Abercrombie & Fitch Group in accordance with relevant provisions of the Treasury Regulations Section 1.1502-76. If The Limited exercises its option to make the election, each member of the Abercrombie & Fitch Group will provide a statement stating its consent to such election as required under the regulations.

(e) Separate State Tax Returns and Post-Distribution Tax Period Returns of Abercrombie & Fitch Group. Abercrombie & Fitch shall be solely responsible for the preparation and filing of its separate state and local tax Returns and its Returns for all Post-Distribution Tax Periods.

3. TAX SHARING.

(a) General. For each taxable year of The Limited Consolidated Group during which income, loss or credit against tax of the Abercrombie & Fitch Group are includible in the consolidated Federal Tax return of The Limited Consolidated Group, Abercrombie & Fitch shall pay to The Limited an amount equal to the Abercrombie & Fitch Federal Tax Liability, and for each taxable period during which income, loss or credit against tax of any member of the Abercrombie & Fitch Group are includible in a return relating to a Combined State Tax, Abercrombie & Fitch shall pay The Limited an amount equal to the Abercrombie & Fitch Combined State Tax Liability for such taxable period, each as shown on the Pro Forma Returns (as defined in paragraph (c) below).

(b) Estimated Payments. The Limited shall determine the amount of the estimated tax installment of the Abercrombie & Fitch Federal Tax Liability (corresponding to The Limited's estimated Federal Tax installment) with respect to a taxable year in which the Abercrombie & Fitch Group is part of The Limited Consolidated Group (whether or not such payment is made prior to the Distribution), as determined under the principles of Section 3(a) of this Agreement. The Limited shall provide Abercrombie & Fitch with notice of such estimated tax determination for Federal Tax no later than 10 days before the date such corresponding installment payment is due. Abercrombie & Fitch shall, within 5 days of receipt of such determination (but in no event earlier than 5 days prior to the due date of The Limited's corresponding estimated tax payment), review the notice of determination and pay to The Limited the amount so determined. The Limited shall determine under provisions of applicable law the amount of the estimated tax installment of the Abercrombie & Fitch Combined State Tax Liability (corresponding to the relevant estimated Combined State Tax installment) with respect to a taxable year in which the Abercrombie & Fitch Group is part of The Limited Consolidated Group (whether or not such payment is

made prior to the Distribution), as determined under the principles of Section 3(a) of this Agreement. The Limited shall provide Abercrombie & Fitch with notice of such estimated tax determination for Combined State Tax no later than 10 days before the date such corresponding installment payment is due. Abercrombie & Fitch shall, within 5 days of receipt of such determination (but in no event earlier than 5 days prior to the due date of The Limited's corresponding estimated tax payment), review the notice and pay to The Limited or The Limited shall pay to the Abercrombie & Fitch, as appropriate, the amount so determined in accordance with Section 9 hereof.

(c) Payment of Taxes at Year-End.

(i) Not later than 5 days after the due date (including all applicable and valid extensions) for The Limited Consolidated Group's consolidated Federal Tax return, The Limited shall deliver to Abercrombie & Fitch a pro forma Federal Tax return (a "Pro Forma Federal Return") of the Abercrombie & Fitch Group reflecting the Abercrombie & Fitch Federal Tax Liability. Not later than 30 days after the due date for each Combined State Tax return, The Limited shall deliver to Abercrombie & Fitch the relevant pro forma Combined State Tax return (each a "Pro Forma Combined State Return" and together with the Pro Forma Federal Return, the "Pro Forma Returns") of the Abercrombie & Fitch Group reflecting the relevant Abercrombie & Fitch Combined State Tax Liability. The Pro Forma Returns shall be prepared in good faith in a manner generally consistent with past practice. Each Pro Forma Return shall be delivered together with a statement showing a calculation of the amount to be paid pursuant to section (3)(c)(ii) below.

(ii) Not later than 15 days after the receipt of each Pro Forma Return, Abercrombie & Fitch shall pay to The Limited, or The Limited shall pay to Abercrombie & Fitch, as appropriate, an amount equal to the difference, if any, between the Abercrombie & Fitch Federal Tax Liability or the Abercrombie & Fitch Combined State Tax Liability, as the case may be, reflected on such Pro Forma Return for such period and the aggregate amount of the estimated installments paid with respect thereto pursuant to Section 3(b).

(iii) If a Pro Forma Return reflects a Tax Asset that may under applicable law be used to reduce a Federal Tax or Combined State Tax liability of any member of The Limited Group for any taxable period, The Limited shall pay to Abercrombie & Fitch an amount equal to the actual tax saving (which would include refunds actually received) produced by such Tax Asset at the time such Tax saving is realized and the future Pro Forma Returns of the Abercrombie & Fitch Group shall be adjusted to reflect such use. The amount of any such tax saving for any taxable period shall be the amount of the reduction in taxes payable

to a taxing authority with respect to such tax period as compared to the taxes that would have been payable to a taxing authority with respect to such tax period in the absence of such Tax Asset.

(iv) In the event that The Limited makes a cash deposit with a taxing authority in order to stop the running of interest or makes a payment of tax and correspondingly takes action to recoup such payment (such as suing for a refund), Abercrombie & Fitch shall pay to The Limited an amount equal to Abercrombie & Fitch's share of the amount so deposited or paid (calculated in a manner consistent with the determinations provided in this Section 3). Upon receipt by The Limited of a refund of any amounts paid by it in respect of which Abercrombie & Fitch shall have advanced an amount hereunder, The Limited shall pay to Abercrombie & Fitch the amount of such refund, together with any interest received by it on such refund. If and to the extent that any claim for refund or contest based thereupon shall be unsuccessful, the payment by Abercrombie & Fitch under Section 3(c)(iv) shall be credited toward Abercrombie & Fitch's obligations under this Section 3(c)(iv) and any other payment obligation of Abercrombie & Fitch under Section 3(d) below.

(d) Treatment of Adjustments. If any adjustment is made in a Federal Tax return of The Limited Group or in a return relating to a Combined State Tax, after the filing thereof, in which income or loss of the Abercrombie & Fitch Group (or any member thereof) is included, then at the time of a Final Determination of the adjustment, Abercrombie & Fitch shall pay to The Limited or The Limited shall pay to Abercrombie & Fitch, as the case may be, the difference between all payments actually made under Section 3 with respect to the taxable year or period covered by such tax return and all payments that would have been made under Section 3 taking such adjustment into account, together with any penalties actually paid and interest for each day until the date of Final Determination calculated at a rate equal to Prime rate.

(e) Carrybacks From Post-Distribution Years.

(i) The Limited agrees to pay to Abercrombie & Fitch the actual tax benefit received by The Limited Consolidated Group from the use in any Pre-Distribution Tax Period of a carryback of any Tax Asset of the Abercrombie & Fitch Group from a Post-Distribution Tax Period. Such benefit shall be equal to the excess of (i) the amount of Federal Taxes, or Combined State Taxes, as the case may be, that would have been payable (or of the tax refund that would have been receivable) by The Limited Consolidated Group in the absence of such carryback over (ii) the amount of Federal Taxes or Combined State Taxes, as the case may be, actually payable (or of the Tax refund actually receivable) by The Limited Consolidated Group.

(ii) If, subsequent to the payment by The Limited Group to Abercrombie & Fitch Group of any amount, there shall be (A) a Final Determination which results in a disallowance or a reduction of the Tax Asset so carried back or (B) a reduction in the amount of the benefit realized by The Limited Consolidated Group from such Tax Asset as a result of a Final Determination or the use by The Limited Consolidated Group of a Tax Asset of The Limited Group, the Abercrombie & Fitch Group shall repay to The Limited, within 90 days of such event described in (A) or (B) (an "Event" or, collectively the Events") any amount which would not have been payable to the Abercrombie & Fitch Group pursuant to this Section 3(e) had the amount of the benefit been determined in light of the Events. In addition, the Abercrombie & Fitch Group shall hold each member of The Limited Group harmless for any penalty or interest payable by any member of The Limited Group as a result of any such Event. Any such amount shall be paid by The Abercrombie & Fitch Group within 90 days of the payment by The Limited Group of any such interest or penalty. Nothing in this Section 3(e) shall require The Limited to file a claim for refund of Federal Taxes or Combined States Taxes which The Limited, in its sole discretion, determined lacks substantial authority, as defined in the Code and the regulations thereunder.

(iii) Any refunds or credits of tax received by a member of The Limited Group or the Abercrombie & Fitch Group, as the case may be, relating to a Pre-Distribution Tax Period, to the extent attributable to any item of income, loss, credit, deduction or other tax attribute of any member of the Abercrombie & Fitch Group or The Limited Group, respectively, shall be paid by such member of The Limited Group or the Abercrombie & Fitch Group, respectively, to Abercrombie & Fitch or The Limited, respectively, within 90 days of receipt; provided that no such payment shall be required to the extent such refund or credit is attributable to (x) a Tax Asset of the Abercrombie & Fitch Group or The Limited Group, respectively, for which payment has previously been made by The Limited Group or the Abercrombie & Fitch Group, respectively, pursuant to Section 3(c)(iii), 3(e)(1) or 3(e)(iii), or (y) an adjustment for which payment in respect thereof has previously been made pursuant to Section 3(d).

4. CERTAIN REPRESENTATIONS AND COVENANTS.

(a)(i) Abercrombie & Fitch Representations. Abercrombie & Fitch and each member of the Abercrombie & Fitch Group represent that, as of the date hereof, and covenant that on the Distribution Date there is no plan or intention (A) to liquidate Abercrombie & Fitch or to merge or consolidate Abercrombie & Fitch, or any member of the Abercrombie & Fitch Group conducting an active trade or business relied upon in connection with the Distribution, with any other person subsequent to the Distribution, (B) to sell or

otherwise dispose of any asset (or close any store) of Abercrombie & Fitch or any member of the Abercrombie & Fitch Group subsequent to the Distribution, except in the ordinary course of business, (C) to take any action inconsistent with the information and representations furnished to the IRS in connection with the request for a private letter ruling with respect to the Distribution, (D) to repurchase stock of Abercrombie & Fitch in a manner contrary to the requirements of Revenue Procedure 96-30 or in a manner contrary to the representations made in connection with the request for a private letter ruling with respect to the Distribution, or (E) to enter into any negotiations, agreements, or arrangements with respect to transactions or events (including stock issuances, pursuant to the exercise of options or otherwise, option grants, capital contributions, or acquisitions, but not including the Distribution) which may cause the Distribution to be treated as part of a plan pursuant to which one or more persons acquire directly or indirectly Abercrombie & Fitch stock representing a "50-percent or greater interest" within the meaning of Section 355(d)(4) of the Code.

(ii) The Limited Representations. The Limited and each member of The Limited Group represent that, as of the date hereof, and covenant on the Distribution Date there is no plan or intention to take any action inconsistent with the information and representations furnished to the IRS and Davis Polk & Wardwell in connection with the request for a private letter ruling with respect to the Distribution, regardless of whether such information and representations were included in the ruling or pronouncement issued by the IRS.

(iii) Abercrombie & Fitch and The Limited Representations. Except pursuant to the terms of the Contingent Redemption Agreement, each of Abercrombie & Fitch, The Limited and the members of the Abercrombie & Fitch Group and The Limited Group, respectively, represent that, as of the date hereof, and covenant that on the Distribution Date, neither Abercrombie & Fitch, The Limited nor the members of the Abercrombie & Fitch Group or The Limited Group, respectively (as applicable), is aware of any present plan or intention by the current shareholders of The Limited to sell, exchange, transfer by gift, or otherwise dispose of any of their stock in, or securities of, The Limited or Abercrombie & Fitch subsequent to the Distribution.

(b) Abercrombie & Fitch Covenants. Abercrombie & Fitch covenants to The Limited that (i) during the two-year period following the Distribution Date, neither Abercrombie & Fitch nor any member of the Abercrombie & Fitch Group conducting an active trade or business relied upon in connection with the Distribution, will liquidate, merge or consolidate with any other person, (ii) during the two-year period following the Distribution Date, Abercrombie & Fitch will not sell, exchange, distribute or otherwise dispose of its

assets or those of any member of the Abercrombie & Fitch Group, or close any of its stores or those of any member of the Abercrombie & Fitch Group, except in the ordinary course of business, (iii) following the Distribution, Abercrombie & Fitch will, for a minimum of two years, continue the active conduct of the historic business conducted by Abercrombie & Fitch throughout the five year period prior to the Distribution, (iv) Abercrombie & Fitch will not, nor will it permit any member of the Abercrombie & Fitch Group to, take any action inconsistent with the information and representations furnished to the IRS in connection with the request for a private letter ruling with respect to the Distribution, (v) Abercrombie & Fitch will not repurchase stock of Abercrombie & Fitch in a manner contrary to the requirements of Revenue Procedure 96-30 or in a manner contrary to the representations made in connection with the request for a private letter ruling with respect to the Distribution, (vi) on or after the Distribution Date, it will not, nor will it permit any member of the Abercrombie & Fitch Group to make or change any accounting method, change its taxable year, amend any tax Return or take any tax position on any tax Return, take any other action, omit to take any action or enter into any transaction that results in any increased tax liability or reduction of any Tax Asset of The Limited Consolidated Group or any member thereof in respect of any Pre-Distribution Tax Period, (vii) during the tax period of the Abercrombie & Fitch Group that begins immediately after the Distribution Date, it will not, nor will it permit any member of the Abercrombie & Fitch Group to, enter into any transaction or take any other action that is motivated, in whole or in part, by tax considerations, (viii) during the applicable period provided in Section 355(e)(2)(B) of the Code with respect to the Distribution, it will not enter into any transaction or make any change in equity structure (including stock issuances, pursuant to the exercise of options, option grants or otherwise, capital contributions, or acquisitions, but not including the Distribution) which may cause the Distribution to be treated as part of a plan pursuant to which one or more Persons acquire directly or indirectly Abercrombie & Fitch stock representing a "50-percent or greater interest" within the meaning of Section 355(d)(4) of the Code, and (ix) it will file federal consolidated returns with its subsidiaries for the tax period immediately after the Distribution Date.

(c) Exceptions. Notwithstanding the foregoing, Abercrombie & Fitch and the members of the Abercrombie & Fitch Group may take actions inconsistent with the covenants contained in Section 4(b)(i) through (vii) above, if:

(i) Abercrombie & Fitch obtains a ruling from the IRS to the effect that such actions will not result in the Distribution being taxable to The Limited or its shareholders; or

(ii) Abercrombie & Fitch obtains an opinion of counsel recognized as an expert in federal income tax matters and acceptable to The Limited to the

same effect as in Section 4(c)(i), provided such opinion is reasonably acceptable to The Limited.

(d) Deductions and Certain Taxes Related to Options.

(i) The Limited shall file Returns claiming (x) the tax deductions attributable to the exercise of options to purchase stock of The Limited or the vesting of The Limited restricted stock which are held by employees or former employees of the Abercrombie & Fitch Group or (y) any other similar compensation related tax deductions. The Returns of the Limited Group and the Abercrombie & Fitch Group shall reflect the entitlement of The Limited Group to such deductions. To the extent such deductions are disallowed because a taxing authority determines that the Abercrombie & Fitch Group should have claimed such deductions, as consideration for The Limited's issuance of shares of its stock as a result of an event described in clause (x) of the preceding sentence, the Abercrombie & Fitch Group shall pay to The Limited Group an amount equal to the tax paid by The Limited Group as a result of such disallowance. Upon the exercise of any option or the vesting of any restricted stock described in clause (x), or the occurrence of any other event that would result in a compensation related tax deduction, as the case may be, the Abercrombie & Fitch Group (as agent for the Limited Group) shall prepare and file all applicable tax returns and pay the applicable tax liability under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act or any state employment tax law in connection with such event.

(ii) Abercrombie & Fitch shall file Returns claiming (x) the tax deductions attributable to the exercise of options to purchase stock of Abercrombie & Fitch which are held by employees or former employees of The Limited Group or (y) any other similar compensation related tax deductions. The Returns of The Limited Group and the Abercrombie & Fitch Group shall reflect the entitlement of The Abercrombie & Fitch Group to such deductions. To the extent such deductions are disallowed because a taxing authority determines that The Limited Group should have claimed such deductions, as consideration for Abercrombie & Fitch's issuance of shares of its stock as a result of an event described in clause (x) of the preceding sentence, The Limited Group shall pay to The Abercrombie & Fitch Group an amount equal to the tax paid by Abercrombie & Fitch Group as a result of such disallowance. Upon the exercise of any option described in the immediately preceding clause (x), or the occurrence of any other event that would result in a compensation related tax deduction, as the case may be, The Limited Group (as agent for Abercrombie & Fitch Group) shall prepare and file all applicable tax return and pay the applicable tax liability under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act or any state employment tax law in connection with the exercise of such an option.

5. INDEMNITIES.

(a) Abercrombie & Fitch Indemnity. Abercrombie & Fitch and each member of the Abercrombie & Fitch Group will jointly and severally indemnify The Limited and the members of The Limited Group that were members of The Limited Consolidated Group (that included a member of the Abercrombie & Fitch Group) against and hold them harmless from:

(i) any Abercrombie & Fitch Group Tax Liability;

(ii) any liability or damage resulting from a breach by Abercrombie & Fitch or any member of the Abercrombie & Fitch Group of any representation or covenant made by Abercrombie & Fitch herein; and

(iii) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any tax liability or damage described in (i) or (ii) including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such tax, liability or damage.

(b) The Limited Indemnity. The Limited and each member of The Limited Group will jointly and severally indemnify Abercrombie & Fitch and the members of the Abercrombie & Fitch Group that were members of The Limited Consolidated Group (that included a member of The Limited Group) against and hold them harmless from:

(i) any The Limited Group Tax Liability and any tax liability resulting from the Distribution, other than any such liabilities described in Section 5(a);

(ii) any liability or damage resulting from a breach by The Limited or any member of The Limited Group of any representation or covenant made by The Limited herein; and

(iii) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any tax liability or damage described in (i) or (ii) including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such tax, liability or damage.

If a member of The Limited Group ceases to be a member of The Limited as a result of a sale of its stock to a third party (whether or not treated as a sale of stock for tax purposes), such member of The Limited Group shall be released from its obligations under this Agreement upon such sale and neither The Limited nor any member of The Limited Group shall have any obligation to indemnify Abercrombie & Fitch or any member of the Abercrombie & Fitch Group under Section 5(b)(iii) for any liability or damage attributable to actions taken by such member after such sale.

(c) Discharge of Indemnity. Abercrombie & Fitch, The Limited and the members of the Abercrombie & Fitch Group and The Limited Group, respectively, shall discharge their obligations under Section 5(a) and 5(b) hereof, respectively, by paying the relevant amount within 30 days of demand therefor. After a Final Determination of an obligation of Abercrombie & Fitch or any member of the Abercrombie & Fitch Group under Section 5(a), The Limited shall send a statement to Abercrombie & Fitch showing the amount due thereunder. After a Final Determination of an obligation of The Limited or any member of The Limited Group under Section 5(b), Abercrombie & Fitch shall send a statement to The Limited showing the amount due thereunder. Calculation mechanics relating to items described in Section 5(a)(i) are set forth in Section 3(c). Notwithstanding the foregoing, if either Abercrombie & Fitch, The Limited or any member of the Abercrombie & Fitch Group or The Limited Group disputes in good faith the fact or the amount of its obligation under Section 5(a) or Section 5(b), then no payment of the amount in dispute shall be required until any such good faith dispute is resolved in accordance with Section 16 hereof; provided, however, that any amount not paid within 30 days of demand therefor shall bear interest as provided in Section 9.

(d) Tax Benefits. If an indemnification obligation of any member of The Limited Group or any member of the Abercrombie & Fitch Group, as the case may be, under this Section 5 with respect to The Limited Consolidated Group arises in respect of an adjustment that makes allowable to a member of the Abercrombie & Fitch Group or a member of The Limited Group, respectively, any deduction, amortization, exclusion from income or other allowance (a "Tax Benefit") which would not, but for such adjustment, be allowable, then any payment by any member of The Limited Group or any member of the Abercrombie & Fitch Group, respectively, pursuant to this Section 5 shall be an amount equal to (X) the amount otherwise due but for this subsection (d), minus (Y) the present value of the product of the Tax Benefit multiplied (i) by the maximum federal, foreign or state, as the case may be, corporate tax rate in effect at the time such Tax Benefit becomes allowable to a member of the Abercrombie & Fitch Group or a member of The Limited Group (as the case may be) or (ii) in the case of a credit, by 100 percent. The present value of such product shall be

determined by discounting such product from the time the Tax Benefit becomes allowable at a rate equal to Prime.

6. SUBSIDIARIES.

(a) Performance. The Limited agrees and acknowledges that The Limited shall be responsible for the performance of the obligations of each member of The Limited Group hereunder applicable to such subsidiary. Abercrombie & Fitch agrees and acknowledges that Abercrombie & Fitch shall be responsible for the performance by each member of the Abercrombie & Fitch Group of the obligations hereunder applicable to such member.

(b) Application to Present and Future Subsidiaries. This Agreement is being entered into by The Limited and Abercrombie & Fitch on behalf of themselves and each member of The Limited Group and Abercrombie & Fitch Group, respectively. This Agreement shall constitute a direct obligation of each such member and shall be deemed to have been readopted and affirmed on behalf of any corporation which becomes a member of The Limited Group or Abercrombie & Fitch Group in the future.

7. COMMUNICATION AND COOPERATION.

(a) Consult and Cooperate. Abercrombie & Fitch and The Limited shall consult and cooperate (and shall cause each member of the Abercrombie & Fitch Group or The Limited Group, respectively, to cooperate) fully at such time and to the extent reasonably requested by the other party in connection with all matters subject to this Agreement. Such cooperation shall include, without limitation,

(i) the retention and provision on reasonable request of any and all information including all books, records, documentation or other information pertaining to tax matters relating to The Limited Group and the Abercrombie & Fitch Group, any necessary explanations of information, and access to personnel, until two years after the expiration of the applicable statute of limitation (giving effect to any extension, waiver, or mitigation thereof);

(ii) the execution of any document that may be necessary or helpful in connection with any required Return or in connection with any audit, proceeding, suit or action; and

(iii) the use of the parties' best efforts to obtain any documentation from a governmental authority or a third party that may be necessary or helpful in connection with the foregoing.

(b) Provide Information. The Limited and Abercrombie & Fitch shall keep each other fully informed with respect to any material development relating to the matters subject to this Agreement.

(c) Tax Attribute Matters. The Limited and Abercrombie & Fitch shall advise each other with respect to any proposed tax adjustments relating to a Pre-Distribution Tax Period, which are the subject of an audit or investigation, or are the subject of any proceeding or litigation, and which may affect any tax liability or any tax attribute of The Limited, Abercrombie & Fitch, The Limited Group, the Abercrombie & Fitch Group or any member of the Abercrombie & Fitch Group or The Limited Group (including, but not limited to, basis in an asset or the amount of earnings and profits). Except as otherwise provided herein, The Limited shall determine the apportionment of tax attributes between The Limited Group and the Abercrombie & Fitch Group in accordance with applicable laws.

8. AUDITS AND CONTEST.

(a) Notwithstanding anything in this Agreement to the contrary, The Limited shall have full control over all matters relating to any tax return or any tax Proceeding relating to any tax matters of at least one member of The Limited Consolidated Group. Except as provided in Section 8(b), The Limited shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any matter described in the preceding sentence.

(b) No settlement of any Tax Proceeding relating to any matter that would cause a payment obligation under Sections 5(a) or 5(b) shall be accepted or entered into by or on behalf of the party entitled to receive a payment under either Section 5(a) or 5(b), whichever is applicable, unless the party ultimately responsible for such payment under either Section 5(a) or 5(b), whichever is applicable (the "Indemnitor"), consents thereto in writing (which consent shall not be unreasonably withheld). If such consent is unreasonably withheld, all expenses relating to the contest of such matter shall be borne by the Indemnitor, and otherwise they shall be borne equally by the Indemnitor and the indemnified party. If the Indemnitor does not respond to the indemnified party's request for consent within 30 days, the Indemnitor will be deemed to have consented to the settlement.

(c) The indemnified party agrees to give prompt notice to the Indemnitor of the assertion of any claim, or the commencement of any suit, action or proceeding in respect of which indemnity may be sought hereunder.

(d) With respect to Returns relating to taxes solely attributable to the Abercrombie & Fitch Group, Abercrombie & Fitch and the members of the Abercrombie & Fitch Group shall have full control over all matters relating to any Tax Proceeding in connection therewith. Abercrombie & Fitch and the members of the Abercrombie & Fitch Group shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any matter described in the preceding sentence.

9. PAYMENTS.

All payments to be made hereunder shall be made in immediately available funds. Except as otherwise provided, all payments required to be made pursuant to this Agreement will be due 90 days after the receipt of notice of such payment or, where no notice is required, 90 days after the fixing of liability or the resolution of a dispute. Payments shall be deemed made when received. Any payment that is not made when due shall bear interest at a rate equal to Prime rate for each day until paid. If, pursuant to a Final Determination, any amount paid by The Limited or the members of The Limited Group or Abercrombie & Fitch or the members of the Abercrombie & Fitch Group, as the case may be, pursuant to this Agreement results in any increased tax liability or reduction of any Tax Asset of Abercrombie & Fitch or any member of the Abercrombie & Fitch Group or The Limited or any member of The Limited Group, respectively, then The Limited or Abercrombie & Fitch, as appropriate, shall indemnify the other party and hold it harmless from any interest or penalty attributable to such increased tax liability or the reduction of such Tax Asset and shall pay to the other party, in addition to amounts otherwise owed, the After-Tax Amount.

10. NOTICES.

Any notice, demand, claim, or other communication under this Agreement shall be in writing and shall be deemed to have been given upon the delivery or mailing thereof, as the case may be, if delivered personally or sent by certified mail, return receipt requested, postage prepaid, to the parties at the following addresses (or at such other address as a party may specify by notice to the other):

If to The Limited, to:

The Limited, Inc.
Three Limited Parkway
Columbus, OH 43230
Attention: Timothy B. Lyons
Fax: 614-479-7020

If to Abercrombie & Fitch, to:

Abercrombie & Fitch Co.
Four Limited Parkway East
Reynoldsburg, OH 43068
Attention: Seth Johnson
Fax: 614-577-6950

11. COSTS AND EXPENSES.

(a) Reimbursement for Certain Services. The Limited shall provide services in connection with this Agreement, including but not limited to, those services relating to the preparation of returns (including Pro Forma Returns) and determination of Abercrombie & Fitch Tax Liability as described in sections 2 and 3. As compensation for these services, Abercrombie & Fitch shall pay The Limited a fee. The Limited shall calculate the fee payable, invoice Abercrombie & Fitch for the fee and Abercrombie & Fitch will pay the invoiced amount in a manner consistent with the invoice and payment procedures provided for in the Amended and Restated Services Agreement between Abercrombie & Fitch Co. and The Limited, Inc. (the "Transitional Services Agreement").

(b) Additional Services. The Limited will provide the tax services specified in the Transitional Services Agreement to the Abercrombie & Fitch Group that do not relate to Federal Taxes or Combined State Taxes for any Pre-

Distribution Tax Period. The Limited will be compensated in the same manner as described in Section 11(a).

(c) Others. Except as expressly set forth in this Agreement, each party shall bear its own costs and expenses incurred pursuant to this Agreement. For purposes of this Agreement, "out-of-pocket" expenses shall include reasonable attorney fees, accountant fees and other related professional fees and disbursements.

12. EFFECTIVENESS; TERMINATION AND SURVIVAL.

This Agreement shall become effective upon the consummation of the Distribution. All rights and obligations arising hereunder with respect to a Pre-Distribution Tax Period shall survive until they are fully effectuated or performed and, provided, further, that notwithstanding anything in this Agreement to the contrary, this Agreement shall remain in effect and its provisions shall survive for the full period of all applicable statutes of limitation (giving effect to any extension, waiver or mitigation thereof).

13. SECTION HEADINGS.

The headings contained in this Agreement are inserted for convenience only and shall not constitute a part hereof or in any way affect the meaning or interpretation of this Agreement.

14. ENTIRE AGREEMENT; AMENDMENTS AND WAIVERS; SEVERABILITY.

(a) Entire Agreement. This Agreement and the exhibits hereto contains the entire understanding of the parties hereto with respect to the subject matter contained herein. No alteration, amendment, modification, or waiver of any of the terms of this Agreement shall be valid unless made by an instrument signed by an authorized officer of each of The Limited and Abercrombie & Fitch, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) Amendments and Waivers. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver hereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege. This Agreement shall not be waived, amended or otherwise modified except as in writing, duly executed by all of the parties hereto.

(c) Severability. If any provision of this Agreement or the application of any such provision to any party or circumstances shall be

determined by any court of competent jurisdiction to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement or such provision or the application of such provision to such party or circumstances, other than those to which it is so determined to be invalid, illegal or unenforceable, shall remain in full force and effect to the fullest extent permitted by law and shall not be affected thereby, unless such a construction would be unreasonable.

15. GOVERNING LAW AND INTERPRETATION.

This Agreement has been made in and shall be construed and enforced in accordance with the laws of the state of New York without giving effect to laws and principles relating to conflicts of law.

16. DISPUTE RESOLUTION.

If the parties hereto are unable to resolve any disagreement or dispute relating to this Agreement within 20 days, such disagreement or dispute shall be resolved by a recognized law firm or accounting firm expert in tax matters in the relevant jurisdiction or that is mutually acceptable to the parties hereto (a "Referee"). A Referee so chosen shall resolve any such disagreement pursuant to such procedures as it may deem advisable. Any such resolution shall be binding on the parties hereto without further recourse. Except as otherwise provided herein, the costs of any Referee shall be apportioned between The Limited and Abercrombie & Fitch as determined by such Referee in such manner as the Referee deems reasonable, taking into account the circumstances of the dispute, the conduct of the parties and the result of the dispute.

17. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

18. ASSIGNMENTS; THIRD PARTY BENEFICIARIES.

Except as provided below, this Agreement shall be binding upon and shall inure only to the benefit of the parties hereto and their respective successors and assigns, by merger, acquisition of assets or otherwise (including but not limited to any successor of a party hereto succeeding to the tax attributes of such party under applicable law). This Agreement is not intended to benefit any person other than the parties hereto and such successors and assigns, and no such other person shall be a third party beneficiary hereof.

19. FURTHER ASSURANCES.

The Limited and Abercrombie & Fitch shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such instruments and take such other action as may be necessary or advisable to carry out their obligations under this Agreement and under any exhibit, document or other instrument delivered pursuant hereto.

20. AUTHORIZATION, ETC.

Each of the parties hereto hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such party that this Agreement constitutes a legal, valid and binding obligation of each such party and that the execution, delivery and performance of this Agreement by such party does not contravene or conflict with any provision or law or of its charter or bylaws or any agreement, instrument or order binding on such party.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first written above.

The Limited on its own behalf and on behalf of each member of The Limited Group.

By: _____
Title: Vice President, Taxes

Date: May 19, 1998

Abercrombie & Fitch on its own behalf and on behalf of each member of the Abercrombie & Fitch Group.

By: _____
Title: Vice President--Chief Financial Officer

Date: May 19, 1998

EXECUTION COPY

AMENDED AND RESTATED SERVICES AGREEMENT

DATED AS OF MAY 19, 1998

BETWEEN

ABERCROMBIE & FITCH CO.

AND

THE LIMITED, INC.

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AMENDED AND RESTATED SERVICES AGREEMENT

This Amended and Restated Services Agreement (this "AGREEMENT") is entered into as of May 19, 1998 by and between Abercrombie & Fitch Co., a Delaware corporation ("ABERCROMBIE & FITCH"), and The Limited, Inc. a Delaware corporation ("THE LIMITED").

RECITALS

WHEREAS, The Limited owned approximately 84% of the outstanding common stock of Abercrombie & Fitch prior to the consummation of the Exchange Offer (as defined below);

WHEREAS, The Limited will no longer own any of the outstanding common stock of Abercrombie & Fitch after the consummation of the Exchange Offer and Spin-Off (as defined below), if any;

WHEREAS, The Limited has heretofore directly or indirectly provided certain administrative, financial, management and other services to the Abercrombie & Fitch Entities (as defined below) and Abercrombie & Fitch has heretofore retained The Limited as an independent contractor to provide, directly or indirectly, certain of those services to the Abercrombie & Fitch Entities pursuant to the Services Agreement between Abercrombie & Fitch and The Limited dated as of September 27, 1996 (the "OLD SERVICES AGREEMENT"); and

WHEREAS, Abercrombie & Fitch and The Limited desire to amend and restate the Old Services Agreement as set forth herein.

AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, The Limited and Abercrombie & Fitch, for themselves, their successors and assigns, hereby agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.01. Definitions. (a) As used in this Agreement, the following terms will have the following meanings, applicable both to the singular and the plural forms of the terms described:

"ABERCROMBIE & FITCH ENTITIES" means Abercrombie & Fitch and its Subsidiaries, and "Abercrombie & Fitch Entity" shall mean any of the Abercrombie & Fitch Entities.

"AGREEMENT" has the meaning ascribed thereto in the preamble hereto, as such agreement may be amended and supplemented from time to time in accordance with its terms.

"BUSINESS DAY" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York or Columbus, Ohio are authorized or required by law to close.

"CHANGE OF CONTROL" means (i) the direct or indirect acquisition (by merger, consolidation, business combination or otherwise) by any Person or group or Persons of beneficial ownership (as defined in Rule 13d-1 and Rule 13d-5 under the Securities Exchange Act of 1934) of 50% or more of the Total Voting Power of Abercrombie & Fitch, (ii) any merger, consolidation or other business combination of Abercrombie & Fitch or a Subsidiary of Abercrombie & Fitch with any Person after giving effect to which (x) the shareholders of Abercrombie & Fitch immediately prior to such transaction do not own at least 50% of the Total Voting Power of the ultimate parent entity of the parties to such transaction or (y) individuals who were directors of Abercrombie & Fitch immediately prior to such transaction (or their designees) do not constitute a majority of the board of directors of such ultimate parent entity and (iii) the direct or indirect acquisition by any Person or group of Persons of all or substantially all of the assets of Abercrombie & Fitch.

"CLASS A COMMON STOCK" means the Class A common stock, par value \$.01 per share, of Abercrombie & Fitch.

"EFFECTIVE DATE" means the Expiration Date of the Exchange Offer.

"EXCHANGE OFFER" means the offer by The Limited to exchange all of its shares of Class A Common Stock for shares of common stock, par value \$.50 per

share, of The Limited, which offer commenced on April 15, 1998 and was consummated as of the date hereof.

"LIMITED ENTITIES" means The Limited and its Subsidiaries, and "Limited Entity" shall mean any of The Limited Entities.

"PERSON" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization, government (including any department or agency thereof) or other entity.

"SCHEDULES" means Schedules I, II, III, IV, V and VI hereto.

"SERVICES" means the various services described in the Schedules.

"SUBSIDIARY" means, as to any Person, any corporation, association, partnership, joint venture or other business entity of which more than 50% of the voting capital stock or other voting ownership interests is owned or controlled directly or indirectly by such Person or by one or more of the Subsidiaries of such Person or by a combination thereof.

"TOTAL VOTING POWER" with respect to any Person means the total combined voting power of all securities of such Person entitled to vote generally in the election of directors of such Person.

(b) Each of the following terms is defined in the Section set forth opposite such term:

TERM - - - - -	SECTION -----
Abercrombie & Fitch	Preamble
Abercrombie & Fitch Indemnified Person	4.05
Actions	4.04
Applicable Insurance	6.04
Benefit Billing	3.01
Benefits Services	3.04
Confidential Information	6.01
Customary Billing	3.01
Employee Welfare Plans	4.02
Financial Support Arrangements	6.03(a)
force majeure	7.05
Limited Indemnified Person	4.03
Pass-Through Billing	3.01
Payment Date	3.05

TERM - - - - -	SECTION -----
Prior Agreements	7.01
Service Costs	3.01
The Limited	Preamble
The Limited Plans	3.04

SECTION 1.02. Internal References. Unless the context indicates otherwise, references to Articles, Sections and paragraphs shall refer to the corresponding articles, sections and paragraphs in this Agreement and references to the parties shall mean the parties to this Agreement.

ARTICLE 2 PURCHASE AND SALE OF SERVICES

SECTION 2.01. Purchase and Sale of Services. (a) On the terms and subject to the conditions of this Agreement and in consideration of the Service Costs described below, The Limited agrees to provide to Abercrombie & Fitch, or procure the provision to Abercrombie & Fitch of, and Abercrombie & Fitch agrees to purchase from The Limited, the Services. Unless otherwise specifically agreed by The Limited and Abercrombie & Fitch, the Services to be provided or procured by The Limited hereunder shall be substantially similar in scope, quality, and nature to those customarily provided to, or procured on behalf of, the Abercrombie & Fitch Entities prior to the Effective Date.

(b) It is understood that (i) Services to be provided to Abercrombie & Fitch under this Agreement will, at Abercrombie & Fitch's request, be provided to Subsidiaries of Abercrombie & Fitch and (ii) The Limited may satisfy its obligation to provide or procure Services hereunder by causing one or more of its Subsidiaries to provide or procure such Services. With respect to Services provided to, or procured on behalf of, any Subsidiary of Abercrombie & Fitch, Abercrombie & Fitch agrees to pay on behalf of such Subsidiary all amounts payable by or in respect of such Services pursuant to this Agreement; provided that, without in any way limiting the obligations of Abercrombie & Fitch to pay for such Services, Abercrombie & Fitch may allow Abercrombie & Fitch Service Corporation, a Delaware corporation, to make such payments on its behalf.

SECTION 2.02. Additional Services. In addition to the Services to be provided or procured by The Limited in accordance with Section 2.01, if requested by Abercrombie & Fitch, and to the extent that The Limited and

Abercrombie & Fitch may mutually agree, The Limited shall provide additional services (including services not provided by The Limited to the Abercrombie & Fitch Entities prior to the Effective Date) to Abercrombie & Fitch. The scope of any such services, as well as the term, costs, and other terms and conditions applicable to such services, shall be as mutually agreed by The Limited and Abercrombie & Fitch.

ARTICLE 3
SERVICE COSTS; OTHER CHARGES

SECTION 3.01. Service Costs Generally. The Schedules hereto indicate, with respect to the Services listed therein, whether the costs to be charged to Abercrombie & Fitch for such Service are to be determined by (i) the customary billing method described in Section 3.02 ("CUSTOMARY BILLING"), (ii) the pass-through billing method described in Section 3.03 ("PASS-THROUGH BILLING") or (iii) based upon a calculation of certain costs relating to employee benefit plans and benefit arrangements described in Section 3.04 ("BENEFIT BILLING"). The Customary Billing, Pass-Through Billing and Benefit Billing methods applicable to Services provided to Abercrombie & Fitch are collectively referred to herein as the "SERVICE COSTS". Abercrombie & Fitch agrees to pay to The Limited in the manner set forth in Section 3.05 the Service Costs applicable to each of the Services provided or procured by The Limited.

SECTION 3.02. Customary Billing. The costs of Services as to which the Customary Billing method applies shall be equal to (i) the costs charged to Abercrombie & Fitch by The Limited for such Services immediately prior to the Effective Date (it being understood that from and after the Effective Date such costs may be increased by The Limited in a manner consistent with the manner in which such costs were increased from time to time prior to the Effective Date) plus (ii) 5 percent. Notwithstanding the foregoing, any out-of-pocket, third-party expenses incurred by The Limited in connection with the provision of any Services as to which the Customary Billing method applies shall be passed through to Abercrombie & Fitch without the 5 percent mark-up.

SECTION 3.03. Pass-Through Billing. The costs of Services as to which the Pass-Through Billing method applies shall be equal to the aggregate amount of third-party, out-of-pocket costs and expenses incurred by any Limited Entity on behalf of any Abercrombie & Fitch Entity (which costs shall include but not be limited to the costs incurred in connection with obtaining the consent of any party to a contract or agreement to which any Limited Entity is a party where such

consent is related to and reasonably required for the provision of any Service). If a Limited Entity incurs any such costs or expenses on behalf of any Abercrombie & Fitch Entity as well as businesses operated by The Limited, The Limited will allocate any such costs or expenses in good faith between the various businesses on behalf of which such costs or expenses were incurred as The Limited shall determine in the exercise of The Limited's reasonable judgment. The Limited shall apply usual and accepted accounting conventions in making such allocations, and The Limited or its agents shall keep and maintain such books and records as may be reasonably necessary to make such allocations. The Limited shall make copies of such books and records available to Abercrombie & Fitch upon request and with reasonable notice.

SECTION 3.04. Certain Benefits Matters. (a) Prior to the Effective Date, certain associates of Abercrombie & Fitch participated in certain benefit plans sponsored by The Limited ("THE LIMITED PLANS").

(b) The costs payable by Abercrombie & Fitch for Services relating to employee plans and benefit arrangements ("BENEFITS SERVICES") shall be determined and, to the extent specified in Schedule I, billed as set forth on Schedule I. It is the express intent of the parties that Service Costs relating to the administration of Abercrombie & Fitch employee plans and the performance of related Services will not exceed reasonable compensation for such Services as defined in 29 CFR ss.2550.408c-2.

(c) The Limited and Abercrombie & Fitch agree to cooperate fully with each other in the administration and coordination of regulatory and administrative requirements associated with The Limited Plans.

SECTION 3.05. Invoicing and Settlement of Costs. (a) The Limited will invoice or notify Abercrombie & Fitch on a monthly basis (not later than the tenth day of each month), in a manner substantially consistent with the billing practices used in connection with services provided to the Abercrombie & Fitch Entities prior to the Effective Date (except as otherwise agreed), of the Service Costs. In connection with the invoicing described in this Section 3.05(a), The Limited will provide to Abercrombie & Fitch the same billing data and level of detail as it customarily provided to the Abercrombie & Fitch Entities prior to the Effective Date and such other data as may be reasonably requested by Abercrombie & Fitch.

(b) Abercrombie & Fitch agrees to pay on or before 30 days after the date on which The Limited invoices or notifies Abercrombie & Fitch of the Service Costs (or the next Business Day, if such day is not a Business Day) (each, a "PAYMENT DATE") by wire transfer of immediately available funds payable to the

order of The Limited all amounts invoiced by The Limited pursuant to this Section 3.05(a) during the preceding calendar month. If Abercrombie & Fitch fails to pay any monthly payment within 30 days of the relevant Payment Date, Abercrombie & Fitch shall be obligated to pay, in addition to the amount due on such Payment Date, interest on such amount at the prime, or best, rate announced by Banc One Corp. compounded monthly from the relevant Payment Date through the date of payment.

ARTICLE 4
THE SERVICES

SECTION 4.01. General Standard of Service. Except as otherwise agreed with Abercrombie & Fitch or described in this Agreement, and provided that The Limited is not restricted by contract with third parties or by applicable law, The Limited agrees that the nature, quality, and standard of care applicable to the delivery of the Services hereunder will be substantially the same as that of the Services which The Limited provides from time to time throughout its businesses. The Limited shall use its reasonable efforts to ensure that the nature and quality of Services provided to Abercrombie & Fitch associates either by The Limited directly or through administrators under contract shall be undifferentiated as compared with the same services provided to or on behalf of The Limited associates under The Limited Plans. Subject to The Limited's express obligations under this Agreement, the management of and control over the provision of the Services shall reside solely with The Limited. Without limiting the generality of the foregoing, all labor matters relating to associates of The Limited and its Subsidiaries (including, without limitation, associates involved in the provision of Services to Abercrombie & Fitch) shall be within the exclusive control of The Limited, and Abercrombie & Fitch and its Subsidiaries shall not take any action affecting such matters.

SECTION 4.02. Delegation. Subject to Section 4.01 above, Abercrombie & Fitch hereby delegates to The Limited final, binding, and exclusive authority, responsibility, and discretion to interpret and construe the provisions of employee welfare benefit plans in which Abercrombie & Fitch has elected to participate and which are administered by The Limited under this Agreement (collectively, "EMPLOYEE WELFARE PLANS"). The Limited may further delegate such authority to plan administrators to:

- (i) provide administrative and other services;

(ii) reach factually supported conclusions consistent with the terms of the Employee Welfare Plans;

(iii) make a full and fair review of each claim denial and decision related to the provision of benefits provided or arranged for under the Employee Welfare Plans, pursuant to the requirements of ERISA, if within sixty days after receipt of the notice of denial, a claimant requests in writing a review for reconsideration of such decisions. The plan administrator shall notify the claimant in writing of its decision on review. Such notice shall satisfy all ERISA requirements relating thereto; and

(iv) notify the claimant in writing of its decision on review.

SECTION 4.03. Limitation of Liability. (a) Abercrombie & Fitch agrees that none of the Limited Entities and their respective directors, officers, agents, and employees (each, a "LIMITED INDEMNIFIED PERSON") shall have any liability, whether direct or indirect, in contract or tort or otherwise, to any Abercrombie & Fitch Entity or any other Person for or in connection with the Services rendered or to be rendered by any Limited Indemnified Person pursuant to this Agreement, the transactions contemplated hereby or any Limited Indemnified Person's actions or inactions in connection with any such Services or transactions, except for damages which have resulted from such Limited Indemnified Person's gross negligence or willful misconduct in connection with any such Services, actions or inactions.

(b) None of the Limited Entities shall be liable for any special, indirect, incidental, or consequential damages of any kind whatsoever (including, without limitation, attorneys' fees) in any way due to, resulting from or arising in connection with any of the Services or the performance of or failure to perform The Limited's obligations under this Agreement. This disclaimer applies without limitation (i) to claims arising from the provision of the Services or any failure or delay in connection therewith; (ii) to claims for lost profits; (iii) regardless of the form of action, whether in contract, tort (including negligence), strict liability, or otherwise; and (iv) regardless of whether such damages are foreseeable or whether The Limited has been advised of the possibility of such damages.

(c) None of the Limited Entities shall have any liability to any Abercrombie & Fitch Entity or any other Person for failure to perform The Limited's obligations under this Agreement or otherwise, where (i) such failure to perform is not caused by the gross negligence or wilful misconduct of the Limited Entity providing such Services and (ii) such failure to perform similarly affects the Limited Entities receiving such Services and does not have a

disproportionately adverse effect on the Abercrombie & Fitch Entities, taken as a whole.

(d) In addition to the foregoing, Abercrombie & Fitch agrees that it shall, in all circumstances, use commercially reasonable efforts to mitigate and otherwise minimize its damages and those of the other Abercrombie & Fitch Entities, whether direct or indirect, due to, resulting from or arising in connection with any failure by The Limited to comply fully with its obligations under this Agreement.

(e) Notwithstanding the foregoing provisions of this Section 4.03, in the event of a substantial and continuing failure on the part of The Limited to provide or procure any material Services, where such failure is reasonably expected to have a material adverse effect on Abercrombie & Fitch and its Subsidiaries, considered as a whole, Abercrombie & Fitch shall be entitled to seek specific performance to cause The Limited to provide or procure such Services.

SECTION 4.04. Indemnification of The Limited by Abercrombie & Fitch. Abercrombie & Fitch agrees to indemnify and hold harmless each Limited Indemnified Person from and against any damages, and to reimburse each Limited Indemnified Person for all reasonable expenses as they are incurred in investigating, preparing, pursuing, or defending any claim, action, proceeding, or investigation, whether or not in connection with pending or threatened litigation and whether or not any Limited Indemnified Person is a party (collectively, "ACTIONS"), arising out of or in connection with Services rendered or to be rendered by any Limited Indemnified Person pursuant to this Agreement, the transactions contemplated hereby or any Limited Indemnified Person's actions or inactions in connection with any such Services or transactions; provided that Abercrombie & Fitch will not be responsible for any damages of any Limited Indemnified Person that have resulted from such Limited Indemnified Person's gross negligence or willful misconduct in connection with any of the advice, actions, inactions, or Services referred to above (it being understood and agreed that the provision by any Limited Entity of any of the Services contemplated by Schedule II hereof without obtaining the consent of any party to any contract or agreement to which any Limited Entity is a party as of the date hereof shall not constitute gross negligence or wilful misconduct by any Limited Entity; provided that the relevant Limited Entity has used commercially reasonable efforts to obtain the relevant consent).

SECTION 4.05. Indemnification of Abercrombie & Fitch by The Limited. The Limited agrees to indemnify and hold harmless the Abercrombie & Fitch Entities and their respective directors, officers, agents, and employees (each, a "ABERCROMBIE & FITCH INDEMNIFIED PERSON") from and against any damages,

and will reimburse each Abercrombie & Fitch Indemnified Person for all reasonable expenses as they are incurred in investigating, preparing, or defending any Action, arising out of the gross negligence or willful misconduct of any Limited Indemnified Person in connection with the Services rendered or to be rendered pursuant to this Agreement.

SECTION 4.06. Further Indemnification. To the extent that any other Person has agreed to indemnify any Limited Indemnified Person or to hold a Limited Indemnified Person harmless and such Person provides services to The Limited or any affiliate of The Limited relating directly or indirectly to any employee plan or benefit arrangement for which Benefit Services are provided under this Agreement, The Limited will exercise reasonable efforts (a) to make such agreement applicable to any Abercrombie & Fitch Indemnified Person so that each Abercrombie & Fitch Indemnified Person is held harmless or indemnified to the same extent as any Limited Indemnified Person or (b) otherwise make available to each Abercrombie & Fitch Indemnified Person the benefits of such agreement.

SECTION 4.07. Notice of Certain Matters. If Abercrombie & Fitch at any time believes that The Limited is not in full compliance with its obligations under Section 4.01 of this Agreement, Abercrombie & Fitch shall so notify The Limited in writing promptly (but not later than 30 days) after becoming aware of such possible non-compliance by The Limited. Such notice (a "Non-Compliance Notice") shall set forth in reasonable detail the basis for Abercrombie & Fitch's belief as well as Abercrombie & Fitch's view as to the steps to be taken by The Limited to address the possible non-compliance. For the 30 days after receipt of such a notice, appropriate representatives of The Limited and Abercrombie & Fitch shall work in good faith to develop a plan to resolve the matters referred to in the Non-Compliance Notice. In the event such matters are not resolved through such discussions, Abercrombie & Fitch may elect to terminate The Limited's obligation to provide or procure, and its obligation to purchase, the Service or Services referred to in its Non-Compliance Notice in accordance with Section 5.02. In the event such matters are resolved through such discussions and Abercrombie & Fitch does not elect to terminate such Service or Services within 60 days of the end of the 30-day period referred to in the third sentence of this Section 4.07, Abercrombie & Fitch shall not be entitled to deliver another NonCompliance Notice or pursue other remedies with respect to same or any substantially similar matter so long as The Limited complies in all material respects with the terms of such resolution. In no event shall any termination of this Agreement pursuant to this Section 4.07 limit or affect Abercrombie & Fitch's right to seek remedies in accordance with Section 7.10 in respect of any breach by The Limited of any of its obligations under this Agreement prior to such termination.

ARTICLE 5
TERM AND TERMINATION

SECTION 5.01. Term. Except as otherwise provided in this Article 5, in Section 7.05 or as otherwise agreed in writing by the parties, (a) this Agreement shall have a term of three years from the Effective Date and (b) The Limited's obligation to provide or procure, and Abercrombie & Fitch's obligation to purchase, a Service shall cease as of the applicable date set forth in the applicable Schedules or such earlier date determined in accordance with Section 5.02.

SECTION 5.02. Termination. (a) Abercrombie & Fitch may (i) from time to time terminate this Agreement with respect to one or more of the Services, in whole or in part, upon giving at least 30 days' prior notice to The Limited or (ii) terminate this Agreement at any time upon 30 days' written notice.

(b) The Limited may terminate any Service at any time if Abercrombie & Fitch shall have failed to perform any of its material obligations under this Agreement relating to any such Service, The Limited has notified Abercrombie & Fitch in writing of such failure and such failure shall have continued for a period of 30 days after receipt of Abercrombie & Fitch of written notice of such failure.

(c) Abercrombie & Fitch may terminate any Service at any time if The Limited shall have failed to perform any of its material obligations under this Agreement relating to any such Service, Abercrombie & Fitch has notified The Limited in writing of such failure, and such failure shall have continued for a period of 30 days after receipt by The Limited of written notice of such failure.

SECTION 5.03. Effect of Termination. (a) Other than as required by law, upon termination of any Service pursuant to Section 5.02, and upon termination of this Agreement in accordance with its terms, The Limited will have no further obligation to provide the terminated Service (or any Service, in the case of termination of this Agreement) and Abercrombie & Fitch will have no obligation to pay any fees relating to such Services or make any other payments hereunder; provided that notwithstanding such termination, (i) Abercrombie & Fitch shall remain liable to The Limited for fees owed and payable in respect of Services provided prior to the effective date of the termination; (ii) The Limited shall continue to charge Abercrombie & Fitch for administrative and program costs relating to benefits paid after but incurred prior to the termination of any Service and other services required to be provided after the termination of such Service and Abercrombie & Fitch shall be obligated to pay such expenses in accordance with the terms of this Agreement; and (iii) the provisions of Articles 4, 5, 6 and 7 shall survive any such termination indefinitely. All program and administrative

costs attributable to associates of any of the Abercrombie & Fitch Entities for The Limited Plans that relate to any period after the effective date of any such termination shall be for the account of Abercrombie & Fitch.

(b) Following termination of this Agreement with respect to any Service, The Limited and Abercrombie & Fitch agree to cooperate in providing for an orderly transition of such Service to Abercrombie & Fitch or to a successor service provider. Without limiting the foregoing, The Limited agrees to (i) provide, within 30 days of the termination, copies in a format designated by The Limited, of all records relating directly or indirectly to benefit determinations of Abercrombie & Fitch associates, including but not limited to compensation and service records, correspondence, plan interpretive policies, plan procedures, administration guidelines, minutes, or any data or records required to be maintained by law and (ii) work with Abercrombie & Fitch in developing a transition schedule.

ARTICLE 6 ADDITIONAL AGREEMENTS

SECTION 6.01. Confidential Information. (a) Abercrombie & Fitch and The Limited hereby covenant and agree to hold in trust and maintain confidential all Confidential Information relating to the other party or any of such other party's Subsidiaries. Without limiting the generality of the foregoing, Confidential Information relating to a party or any of its Subsidiaries shall be disclosed only to those associates of the other party who need to know such information in connection with their ordinary course employment activities and in no event shall any such Confidential Information be disclosed to any other Person. "CONFIDENTIAL INFORMATION" shall mean all information, materials and processes relating to a party or any Subsidiary of such party obtained by the other party or any Subsidiary of such other party at any time (whether prior to or after the date hereof and whether in connection with this Agreement or otherwise) in any format whatsoever (whether orally, visually, in writing, electronically or in any other form) and shall include, but not be limited to, economic and business information or data, business plans, computer software and information relating to associates, vendors, customers, products, fashion, design, stores, financial performance and projections, processes, strategies, systems and real estate, but shall not include (i) information which becomes generally available other than by release in violation of the provisions of this Section 6.01, (ii) information which becomes available on a non-confidential basis to a party from a source other than the other party to this Agreement, provided the party in question reasonably believes that such source is

not or was not bound to hold such information confidential and (iii) information acquired or developed independently by a party without violating this Section 6.01 or any other confidentiality agreement with the other party. Notwithstanding any provision of this Section 6.01 to the contrary, a party may disclose such portion of the Confidential Information relating to the other party to the extent, but only to the extent, the disclosing party reasonably believes that such disclosure is required under law or the rules of a securities exchange; provided that the disclosing party first notifies the other party hereto of such requirement and allows such party a reasonable opportunity to seek a protective order or other appropriate remedy to prevent such disclosure. The parties acknowledge that money damages would not be a sufficient remedy for any breach of the provisions of this Section 6.01 and that the non-breaching party shall be entitled to equitable relief in a court of law in the event of, or to prevent, a breach or threatened breach of this Section 6.01.

(b) Notwithstanding the provisions of Section 6.01(a), upon a Change of Control, Abercrombie & Fitch shall (i) promptly (but in no event later than 30 days after the occurrence of such Change of Control) return to The Limited or destroy all Confidential Information in its possession (or that of any of its Subsidiaries) relating to The Limited or any of its Subsidiaries, (ii) no longer be permitted to use such Confidential Information in its business or operations (or the business or operations of any of its Subsidiaries) and (iii) promptly (but in no event later than 30 days after the occurrence of such Change of Control) deliver a written certificate to The Limited executed by Abercrombie & Fitch's Chief Executive Officer expressly acknowledging the obligations set forth in clauses (i) and (ii) of this sentence and certifying that Abercrombie & Fitch has and will continue to adhere to such requirements.

SECTION 6.02. Associate Matters. For so long as any operations of Abercrombie & Fitch or of any of its Subsidiaries are located in any of The Limited's facilities and for one year thereafter, each of The Limited and Abercrombie & Fitch agrees that (without the prior written consent of the other) it will not, and will cause each of its Subsidiaries not to, directly or indirectly, (i) solicit or otherwise attempt to induce or influence any associate of the other party (or any of its Subsidiaries) to leave employment with his or her then-current employer or (ii) employ any exempt or salaried associate of the other party (or any of its Subsidiaries) other than any such associates who were assigned solely to a single store location.

SECTION 6.03. Financial Support Arrangements. (a) Abercrombie & Fitch agrees to cooperate reasonably with any efforts undertaken by The Limited or any of its Subsidiaries intended to release The Limited and its Subsidiaries from their obligations under any guarantees (including, without limitation,

guarantees of lease obligations), letters of credit, surety bonds and other financial support arrangements maintained as of the date hereof by The Limited or any of its Subsidiaries in connection with the business or operations of Abercrombie & Fitch or any of its Subsidiaries (collectively, the "FINANCIAL SUPPORT ARRANGEMENTS").

(b) If, after the date hereof, (i) any amounts are drawn on or paid under any Financial Support Arrangement by The Limited or any of its Subsidiaries or (ii) The Limited or any of its Subsidiaries pays any fees, costs or expenses relating to any Financial Support Arrangement, Abercrombie & Fitch shall reimburse The Limited for such amounts promptly after receipt from The Limited of notice thereof accompanied by written evidence of the underlying payment obligation.

(c) Abercrombie & Fitch will not, and will not permit any of its Subsidiaries to, take any action (including, without limitation, entering into any agreement that could result in a Change of Control) that could materially and adversely affect the ability of Abercrombie & Fitch to satisfy its obligations under any material contract, agreement or arrangement in respect of which a Financial Support Arrangement is in place unless, prior to the taking of such action, appropriate provision is made such that, in the reasonable judgment of The Limited, The Limited's exposure under any Financial Support Arrangement is not materially increased as a result of the taking of any such action.

SECTION 6.04. Insurance Matters. (a) From and after the date of this Agreement, The Limited shall not, and shall cause each of its Subsidiaries not to, take or fail to take any action if such action or inaction, as the case may be, would adversely affect the applicability of any insurance in effect on the date of this Agreement that covers all or any part of the assets, liabilities, business or employees of Abercrombie & Fitch or any Subsidiary of Abercrombie & Fitch with respect to events occurring prior to the Effective Date ("APPLICABLE INSURANCE"), it being understood that in no event shall The Limited or any Subsidiary of The Limited be obligated to pay premiums with respect to periods after the Effective Date in respect of Applicable Insurance.

(b) The Limited agrees that, from and after the Effective Date, all Applicable Insurance directly or indirectly applicable to any assets, liabilities, business or employees of Abercrombie & Fitch or any Subsidiary of Abercrombie & Fitch shall be for the benefit of Abercrombie & Fitch and the Subsidiaries of Abercrombie & Fitch, it being understood that such Applicable Insurance shall also be for the benefit of The Limited and its Subsidiaries to the extent directly or indirectly applicable to any assets, liabilities, business or employees of The Limited or any of its Subsidiaries. Without limiting the generality of the foregoing, from and after the Effective Date and upon Abercrombie & Fitch's

reasonable request, The Limited shall use its reasonable efforts to modify, amend or assign all Applicable Insurance policies and arrangements so that Abercrombie & Fitch is the direct beneficiary of such Applicable Insurance with all rights to enforce, obtain the benefit of and take all other action in respect of such Applicable Insurance; provided that, if the modifications, amendments or assignments contemplated by this Section 6.04(b) are not permissible, The Limited shall, and shall cause each of its Subsidiaries to, use its reasonable efforts to enter into such other arrangements as Abercrombie & Fitch may reasonably request to ensure that Abercrombie & Fitch and the Subsidiaries of Abercrombie & Fitch are entitled to the benefit (to the fullest extent set forth in the relevant policies and arrangements) of any Applicable Insurance.

ARTICLE 7 MISCELLANEOUS

SECTION 7.01. Prior Agreements. In the event there is any conflict between the provisions of this Agreement, on the one hand, and provisions of prior services agreements among any Limited Entity and any of the Abercrombie & Fitch businesses (the "PRIOR AGREEMENTS"), on the other hand, the provisions of this Agreement shall govern and such provisions in the Prior Agreements are deemed to be amended so as to conform with this Agreement.

SECTION 7.02. Future Litigation and Other Proceedings. In the event that Abercrombie & Fitch (or any of its Subsidiaries or any of its or their officers or directors) or The Limited (or any of its Subsidiaries or any of its or their officers or directors) at any time after the date hereof initiates or becomes subject to any litigation or other proceedings before any governmental authority or arbitration panel with respect to which the parties have no prior agreements (as to indemnification or otherwise), the party (and its Subsidiaries and its and their officers and directors) that has not initiated and is not subject to such litigation or other proceedings shall comply, at the other party's expense, with any reasonable requests by the other party for assistance in connection with such litigation or other proceedings (including by way of provision of information and making available of employees as witnesses). In the event that Abercrombie & Fitch (or any of its Subsidiaries or any of its or their officers or directors) and The Limited (or any of its Subsidiaries or any of its or their officers or directors) at any time after the date hereof initiate or become subject to any litigation or other proceedings before any governmental authority or arbitration panel with respect to which the parties have no prior agreements (as to indemnification or otherwise), each party (and its officers and directors) shall, at their own expense, coordinate

their strategies and actions with respect to such litigation or other proceedings to the extent such coordination would not be detrimental to their respective interests and shall comply, at the expense of the requesting party, with any reasonable requests of the other party for assistance in connection therewith (including by way of provision of information and making available of employees as witnesses).

SECTION 7.03. No Agency. Nothing in this Agreement shall constitute or be deemed to constitute a partnership or joint venture between the parties hereto or, except to the extent provided in Section 4.02, constitute or be deemed to constitute any party the agent or employee of the other party for any purpose whatsoever and neither party shall have authority or power to bind the other or to contract in the name of, or create a liability against, the other in any way or for any purpose.

SECTION 7.04. Subcontractors. The Limited may hire or engage one or more subcontractors to perform all or any of its obligations under this Agreement; provided that, subject to Section 4.03, The Limited will in all cases remain primarily responsible for all obligations undertaken by it in this Agreement with respect to the scope, quality and nature of the Services provided to Abercrombie & Fitch.

SECTION 7.05. Force Majeure. (a) For purposes of this Section, "FORCE MAJEURE" means an event beyond the control of either party, which by its nature could not have been foreseen by such party, or, if it could have been foreseen, was unavoidable, and includes without limitation, acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) and failure of energy sources.

(b) Without limiting the generality of Section 4.03(a), neither party shall be under any liability for failure to fulfill any obligation under this Agreement, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered, or delayed as a consequence of circumstances of force majeure; provided that such party shall have exercised all due diligence to minimize to the greatest extent possible the effect of force majeure on its obligations hereunder.

(c) Promptly on becoming aware of force majeure causing a delay in performance or preventing performance of any obligations imposed by this Agreement (and termination of such delay), the party affected shall give written notice to the other party giving details of the same, including particulars of the actual and, if applicable, estimated continuing effects of such force majeure on the obligations of the party whose performance is prevented or delayed. If such

notice shall have been duly given, and actual delay resulting from such force majeure shall be deemed not to be a breach of this Agreement, and the period for performance of the obligation to which it relates shall be extended accordingly; provided that if force majeure results in the performance of a party being delayed by more than 60 days, the other party shall have the right to terminate this Agreement with respect to any Service effected by such delay forthwith by written notice.

SECTION 7.06. Entire Agreement. This Agreement (including the Schedules constituting a part of this Agreement) and any other writing signed by the parties that specifically references this Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof. This Agreement is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

SECTION 7.07. Information. Subject to applicable law and privileges, each party hereto covenants and agrees to provide the other party with all information regarding itself and transactions under this Agreement that the other party reasonably believes are required to comply with all applicable federal, state, county and local laws, ordinances, regulations and codes, including, but not limited to, securities laws and regulations.

SECTION 7.08. Notices. Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing will be duly given upon delivery, if delivered by hand, facsimile transmission, intercompany mail, or mail, to the following addresses:

(a) If to Abercrombie & Fitch, to:

Abercrombie & Fitch Co.
Four Limited Parkway
Reynoldsburg, OH 43068
Attention: Seth R. Johnson
Fax: 614-577-6950

(b) If to The Limited, to:

The Limited, Inc.
Three Limited Parkway
Columbus, OH 43230
Attention: Samuel P. Fried

Fax: 614-415-7199

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Attention: David L. Caplan
Fax: 212-450-4800

or to such other addresses or telecopy numbers as may be specified by like notice to the other parties.

SECTION 7.09. Governing Law. This Agreement shall be construed in accordance with and governed by the substantive internal laws of the State of Delaware.

SECTION 7.10. Dispute Resolution. Subject to Sections 4.03(e), 6.01 and 6.02, the parties hereto agree that any dispute arising out of or in connection with this Agreement or the transactions contemplated hereby shall be submitted to arbitration. The parties shall negotiate in good faith and use all reasonable efforts to agree upon a resolution of any dispute after receipt of written notice of such dispute from a party. If the parties cannot agree on an amicable settlement within 30 days from written submission of the matter by the party to the other party, the matter shall be submitted to arbitration. Each party shall select one arbitrator, and the two arbitrators so appointed shall select a third arbitrator. In the event such arbitrators cannot agree upon a third arbitrator, a third arbitrator shall be selected in accordance with the rules as then in effect of the American Arbitration Association. The decision of two of the three arbitrators so appointed shall be conclusive and binding upon the parties to this Agreement. Any such arbitration shall be held in Columbus, Ohio under the rules to be mutually agreed upon by the arbitrators selected by the parties or, if no such agreement can be reached, under the rules as then in effect of the American Arbitration Association. Each party to any such arbitration shall pay its own expenses; provided that the fees, costs and expenses of the third arbitrator shall be borne equally by the parties.

SECTION 7.11. WAIVER OF JURY TRIAL. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 7.12. Severability. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not render the entire Agreement invalid. Rather, the Agreement shall be construed as if not containing the particular invalid or unenforceable provision, and the rights and obligations of each party shall be construed and enforced accordingly.

SECTION 7.13. Amendment. This Agreement may only be amended by a written agreement executed by both parties hereto.

SECTION 7.14. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement.

SECTION 7.15. Services to The Limited. Abercrombie & Fitch agrees to permit the Limited Entities to use the trademarks and service marks owned by the Abercrombie & Fitch Entities at no cost to any Limited Entity in The Limited's annual reports to shareholders for fiscal years 1997 and 1998 and publicity materials and for other similar purposes through the end of fiscal year 1998.

SECTION 7.16. Termination of Old Services Agreement. Effective as of the date hereof, The Limited's obligation to provide or procure, and Abercrombie & Fitch's obligation to purchase, services under the Old Services Agreement shall terminate automatically without any further action by any party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives.

ABERCROMBIE & FITCH CO.

By: _____
Name:
Title:

THE LIMITED, INC.

By: _____
Name:
Title:

HUMAN RESOURCES AND BENEFITS SERVICES - SCHEDULE I

The Limited's obligation to provide or procure, and Abercrombie & Fitch's obligation to purchase, the services described in this Schedule shall terminate three months after the Effective Date.

SERVICE - - - - -	BILLING METHODOLOGY -----
MEDICAL/DENTAL PROGRAMS	
Benefits/Claims - - - - -	Customary Billing
0 CLAIMS COSTS FOR ABERCROMBIE & FITCH ASSOCIATES PARTICIPATING IN THE FOLLOWING LIMITED PLANS AND PROGRAMS:	
0 MEDICAL PLAN	
0 SHORT TERM DISABILITY PLAN	
0 PRESCRIPTION DRUG PLAN	
0 DENTAL PLAN	
ADMINISTRATION - - - - -	Customary Billing
0 ADMINISTRATION OF ABOVE ABERCROMBIE & FITCH PLANS AND PROGRAMS, INCLUDING	
0 MAINTENANCE OF ELIGIBILITY FILES UPON ABERCROMBIE & FITCH'S NOTIFICATION OF STATUS CHANGES	
0 CLAIM ADJUDICATION UNDER THE TERMS OF APPLICABLE PLANS	
0 MAINTENANCE OF TOLL-FREE TELEPHONE LINES FOR INQUIRIES, ETC.	
0 SUPPORT SERVICES (INTERNAL AND EXTERNAL, INCLUDING COBRA)	
PARTICIPANT CONTRIBUTIONS - - - - -	
0 PARTICIPANT CONTRIBUTIONS FOR DEDUCTIONS ABOVE PLANS OR DIRECT BILL TO ASSOCIATES/RETIRES	Participant Payroll
OTHER BENEFIT PLANS	
LIFE INSURANCE - - - - -	Customary Billing
0 LIFE INSURANCE FOR ABERCROMBIE & FITCH ASSOCIATES (INCLUDING ACCIDENTAL DEATH AND DISMEMBERMENT)	

SERVICE -----	BILLING METHODOLOGY -----
SAVINGS/RETIREMENT PLANS -----	
0 COMPANY MATCH/RETIREMENT CONTRIBUTION	Customary Billing
0 PARTICIPANT CONTRIBUTIONS	Payroll Deduction
LONG-TERM DISABILITY PLANS -----	
0 EMPLOYER CONTRIBUTIONS	Customary Billing
0 ASSOCIATE CONTRIBUTIONS	Payroll Deduction
OTHER BENEFIT SUPPORT SERVICES	
0 AUDIT, LEGAL, ACTUARIAL FEES AND RELATED RECOVERIES	Customary Billing
0 PAYROLL SUPPORT OF BENEFITS ADMINISTRATION (INSURANCE, SAVINGS, OTHER BENEFIT PLANS AND STATUTORY REQUIREMENTS)	
EMPLOYEE STOCK PURCHASE PROGRAM	CUSTOMARY BILLING
0 PAYROLL SERVICES	

INFORMATION TECHNOLOGY SERVICE - SCHEDULE II

The Limited's obligation to provide or procure, and Abercrombie & Fitch's obligation to purchase, the services described in this Schedule shall terminate on the first anniversary of the Effective Date. The costs for the services on this Schedule shall be billed using the Customary Billing method.

DATA CENTER SERVICES

Computing services consistent with services provided to Abercrombie & Fitch in the past, including:

- o providing the following operating environments:
 - o MVS environment at or above the current release of MVS SP6.0.3
 - o Hardware environment to execute the MVS operating system described above
 - o IBM CICS environments for Test and Production applications at or above the current release of 2.1 and 4.1, respectively
- o providing the following software:
 - o IBM DB/2, Version 5.1
 - o IBM TSO/ISPF, release 4.4
 - o IBM VSAM and IDCAMS software
 - o IBM ADDCOM (ADCS), NDM and GIX for store polling support
 - o Compuware File-Aid software, release 8.0.1
 - o SAS Institute Base SAS, release 6.09
- o Maintain scheduling software to run the production job streams.
- o Balance job streams as a means of controlling production applications.
- o Maintain current print distribution by DC4 operations.
- o Provide monitoring reports for Abercrombie & Fitch I.T. management.

- o Provide data transmission to other entities. (e.g., banks).
- o Maintain the Abercrombie & Fitch Polling modems in the DC1 data center.
- o Maintain hardware for tape and DASD support.
- o Maintain current connectivity to the SNA network at the Abercrombie & Fitch offices in Reynoldsburg.
- o Sufficient spool capacity for reports to laser and impact printers.
- o Maintain storage libraries for Abercrombie & Fitch to store Test and Production source code and object code, including ADCSLIB, ASM, COBOL, CNTL, PROCLIB, COPYLIB, MAPLIB, PARMLIB, SAS, VSAM and DOC libraries.

YEAR 2000 SERVICES

- o Maintain a testing environment consistent with other Limited Inc. businesses for compliance testing of MVS systems.
- o Allow Abercrombie & Fitch to complete work under the Limited Project Management Office towards meeting ITAA standards for Year 2000.

TECHNICAL SERVICES

- o Technical support for physical data in DB/2 and VSAM.
- o Technical support for SNA and VTAM.
- o Technical support for system usage. (i.e. new users, RACF ID's).

TELECOMMUNICATIONS SERVICES

- o Provide move/add/change services to Reynoldsburg offices
- o Maintain telecom switch and connections to Ameritech and MCI.

POINT-OF-SALE HELP DESK SERVICES

- o Provide the current point-of-sale help desk support from Limited stores at or above current levels.

TRANSITION SERVICES

- o The Limited EOC will provide technical services ("TRANSITION SERVICES") to assist Abercrombie & Fitch to move to another Data Center upon the termination of the period (the "SERVICE PERIOD") during which The Limited is obligated to provide or procure the other services contemplated by this Schedule. These Transition Services will entail consulting with Abercrombie & Fitch technical services staff concerning the hardware and operating system environment in use at the EOC, but will not include any Services not specifically contemplated in this or the following six paragraphs. Without limiting the generality of the foregoing, Transition Services will not include configuration, tailoring or tuning of the environment at any new Abercrombie & Fitch Data Center.
- o Copies of all Abercrombie data, both current and all available historical, will be made available to complete a transition. This data will be provided in magnetic tape format (or such other format compatible with devices in use at the EOC as Abercrombie & Fitch reasonably requests).
- o Copies of all applications software directly licensed to Abercrombie & Fitch will also be made available to complete a transition, consistent with any license agreements governing use of that software. These programs include any and all application software and utilities licensed directly to Abercrombie & Fitch and used to operate its production and test systems. Applications and operating system software licensed to The Limited or any of its affiliates and made available to or used for the benefit of Abercrombie & Fitch under this Schedule II will not be available for Abercrombie & Fitch's use unless the applicable licensor consents. Abercrombie & Fitch acknowledges that, when obtainable, such consent often is contingent upon payment of a licensing charge (which shall be the sole responsibility of Abercrombie & Fitch).
- o Where applicable, technically feasible and contractually permissible, upon request Abercrombie data and directly-licensed software may be electronically transmitted to Abercrombie & Fitch's data center in lieu of magnetic tape or other media transfer.
- o. Abercrombie-owned polling modems currently at the EOC data center will be transferred to the new data center for continuation of communications at the end of the Service Period. At the end of the Service Period, polling modems not owned by Abercrombie & Fitch but used for the benefit of Abercrombie & Fitch will be made available to Abercrombie & Fitch for purchase at net book value at the end of the Service Period (with net book value to be calculated in

accordance with generally accepted accounting principles applied consistently with the manner in which they are currently applied).

- o Network systems hardware owned by Abercrombie & Fitch and all other "downstream" communications hardware owned by Abercrombie & Fitch will remain assets of Abercrombie & Fitch.
- o All telecommunications hardware used exclusively in connection with Abercrombie & Fitch's business will be acquired by Abercrombie & Fitch at the end of the Service Period. The purchase price to be paid by Abercrombie & Fitch for such hardware will be the net book value of the hardware at the end of the Service Period (with net book value to be calculated in accordance with generally accepted accounting principles applied consistently with the manner in which they are currently applied).

DISTRIBUTION CENTER, TRANSPORTATION, ENGINEERING AND RELATED SERVICES -
SCHEDULE III

The Limited's obligation to provide or procure, and Abercrombie & Fitch's obligation to purchase, the services described in this Schedule shall terminate on the third anniversary of the Effective Date. The costs for the services on this Schedule shall be billed using the Customary Billing method, except as otherwise indicated.

DISTRIBUTION AND STORAGE SERVICES

Distribution and storage services will include receiving, handling, processing, storing and shipping Abercrombie & Fitch merchandise as well as other goods and materials to the extent reasonably related to Abercrombie & Fitch merchandise. Procedures will be maintained to ensure process accountability, inventory control, quality inspection, store-ready preparation or other special handling services on the terms, subject to the conditions and on the basis contemplated by this Agreement. Abercrombie & Fitch agrees that The Limited, including Limited Distribution Services, Inc. ("LDS"), may from time to time modify its procedures and processes, subject to the terms of this Agreement.

Without limiting the generality of the foregoing, specific services to be performed by LDS include:

- o Cycle count warehoused merchandise with the goal of cycling through the Abercrombie & Fitch merchandise once each quarter.
- o New store merchandise to be sensor-tagged by the distribution center prior to shipment.
- o Magazine merchandise to be poly-bagged by the distribution center prior to shipment.

LDS will operate and maintain the facilities, distribution processing, information systems and distribution related equipment (including safeguarding the facilities and their contents), and provide a dedicated management staff and work force, to the extent necessary to perform the services contemplated by this Schedule on the terms, subject to the conditions and on the basis set forth in this Agreement.

LDS may, at its discretion, make use of any facilities at its disposal in addition to the primary Abercrombie & Fitch distribution site to perform the foregoing services, provided that the required service levels are maintained. It is understood

that the associates, methods, systems, equipment and facilities of LDS shall at all times be under LDS' exclusive direction and control.

TRANSPORTATION SERVICES

LDS will provide all shipping and transportation services and support as follows: inbound and outbound shipping consolidation, international and domestic freight forwarding, consolidation, CFS, transportation and store delivery services through third party providers, and related management and administration of these activities.

Abercrombie & Fitch agrees to timely communicate with LDS regarding business plans which may impact LDS' ability to perform such services, including global production plans, store distributions strategies, or significant changes in requirements.

On the terms and subject to the conditions set forth in this Agreement, LDS will provide Abercrombie & Fitch access to The Limited Inc. Freight Tracking System (LIFTS). Any future improvements to the system which benefit other businesses served by LDS will be made available to Abercrombie & Fitch on the same basis as they are made available to such other businesses. Abercrombie & Fitch will continue to provide purchase order uploads to the LIFTS system and agrees to cooperate with LDS in efforts to improve the system, provided no substantial expense or investment will be required of Abercrombie & Fitch.

SUPPLIES

The current procedure of tracking Abercrombie & Fitch supply purchases through purchase orders to remain in effect.

ENGINEERING SERVICES

The following services will be provided by LDS Engineering for the design and construction of offices and distribution centers:

- o Requirements analysis and validation
- o Schematic design and space or operation layout
- o Cost estimating
- o Engineering

- o Production of construction documents (drawing and specification)
- o Solicitation and evaluation of competitive bids
- o Purchasing, delivery, and implementation
- o Project scheduling and management
- o Project cost tracking and reporting
- o Moving and start up assistance

FIXTURES

- o It is understood that the Abercrombie & Fitch Distribution Center is scheduled to relocate from its current facility to an other facility owned by The Limited, with such relocation to be effected on or prior to September 1, 1998. In connection with such relocation, The Limited will purchase on Abercrombie & Fitch's behalf (with Abercrombie & Fitch to reimburse The Limited promptly for all such purchases) hangers, racks and other equipment (the "Distribution Center Equipment") required to operate such new Distribution Center in the manner agreed by Abercrombie & Fitch and The Limited prior to the date hereof. It is understood that the cost of such hangers, racks and other equipment is expected to be approximately \$8.3 million in the aggregate (of which (i) \$4.8 million will be payable for hangers, racks and other equipment currently expected to be required to meet Abercrombie & Fitch's needs in the Fall of 1998 and (ii) \$3.5 million will be payable for hangers, racks and other equipment currently expected to be required to meet Abercrombie & Fitch's needs in the Spring of 1998, it being understood that the amounts referred to in clause (ii) are subject to adjustment during the Fall of 1998 in a manner mutually satisfactory to The Limited and Abercrombie & Fitch based on Abercrombie & Fitch's then-current business plan).
- o Any Distribution Center Equipment which is not purchased by The Limited shall be dismantled and removed from the leased Distribution Center premises by Abercrombie & Fitch at its sole cost upon the termination of its occupancy of such premises.
- o Except for the arrangements with respect to the Distribution Center Equipment set forth above, all further capital improvements to the Distribution Center shall be the sole responsibility of Abercrombie & Fitch.

- o In the event of a Change of Control involving a Person which competes with any current business of The Limited or any of its Subsidiaries, The Limited and Abercrombie & Fitch will work in good faith and use their reasonable best efforts to develop a plan whereby Abercrombie & Fitch relocates from any facilities owned by The Limited as promptly after the Change of Control as is reasonably practicable.

STORE PLANNING SERVICES - SCHEDULE IV

The Limited's obligation to provide or procure, and Abercrombie & Fitch's obligation to purchase, the services described in this Schedule shall terminate on the first anniversary of the Effective Date. The Limited and Abercrombie & Fitch agree that the capitalized construction costs for the services described in this Schedule shall be billed upon the completion of the construction of a store, and that Abercrombie & Fitch shall pay such costs for each store within 30 days after the opening of such store. Costs for services other than capitalized construction costs shall be billed in accordance with the Customary Billing Methodology.

STORE PLANNING SERVICES TO BE PROVIDED BY LIMITED
STORE PLANNING

BILLING METHODOLOGY

Limited Store Planning, Inc. ("LSP") will provide the following services to Abercrombie & Fitch for Abercrombie & Fitch stores to be opened or remodeled in 1998:

Customary Billing

- o Initial design of space
- o Production of architectural and mechanical drawings of the store design
- o Construction of store to drawing specifications
- o Purchasing, shipment, and installation of materials
- o Project management and accumulation of capital costs
- o Assisting Abercrombie & Fitch as necessary in the transition of responsibility from LSP to Abercrombie & Fitch, including the transfer of following:
 - o Store design plans
 - o Project management software
 - o Information pertaining to contractors, suppliers, and other non-Limited resources used in the design and construction of Abercrombie & Fitch stores

REAL ESTATE SERVICES - SCHEDULE V

The Limited's obligation to provide or procure, and Abercrombie & Fitch's obligation to purchase, the services described in this Schedule shall terminate on the first anniversary of the Effective Date. The costs for the services on this Schedule shall be billed using the Customary Billing method.

REAL ESTATE SERVICES TO BE PROVIDED BY LIMITED REAL ESTATE

Limited Real Estate ("LRE") will provide the following services to Abercrombie & Fitch:

- o Complete necessary deal follow-up and legal work for all deals in process at the Effective Date.
- o Provide Abercrombie & Fitch with the following:
 - o Leasing files, center maps, leasing plans and contact person information for:
 - o all existing Abercrombie & Fitch locations.
 - o the top 600 centers.
 - o premier specialty centers.
 - o The Limited's list of developers, corporate offices, contacts, phone numbers, etc.
 - o Copies of PCR's and ROA's for all existing and approved Abercrombie & Fitch deals.
 - o Copies, including disc copies, if applicable, of existing form leases with developers and Limited form leases.
 - o Copies of all Abercrombie & Fitch leases.
 - o Current version of the in-house developed real estate system and data.
- o Allow Abercrombie & Fitch to participate in the consolidated utility management system related to deregulation.

TAX SERVICES- SCHEDULE VI

The Limited's obligation to provide or procure, and Abercrombie & Fitch's obligation to purchase, the services described in this Schedule shall terminate no later than the filing due date for the income tax returns of Abercrombie & Fitch for fiscal year 1998. The costs for the services on this Schedule shall be billed using the Customary Billing method.

The Limited will:

- o provide assistance and coordinate with outside tax accountants and professional as is reasonably necessary for the preparation and filing of the following income tax returns of Abercrombie & Fitch:
 - o federal consolidated income tax returns for the tax periods ending on or before January 30, 1999.
 - o combined and separate state income or franchise tax returns for tax periods ending on or before January 30, 1999.
- o assist Abercrombie & Fitch in preparing tax packages and determining the amount of estimated income tax installments for the federal and state income taxes for the tax periods described above.
- o assist Abercrombie & Fitch to the extent necessary in the transition of tax responsibility from The Limited to Abercrombie & Fitch, by
 - o providing access to various tax resources of The Limited, including tax library, tax software and tax personnel;
 - o allowing a designated Abercrombie & Fitch person to observe, learn and participate in the planning, preparation and filing of Abercrombie & Fitch income tax returns described above; and
 - o providing tax planning services regarding Abercrombie & Fitch's income taxes for the tax periods described above.

EXECUTION COPY

AMENDMENT TO SUBLEASE AGREEMENT

This amendment to the Sublease Agreement dated June 11, 1995 (the "Sublease Agreement") between Victoria's Secret Stores, Inc., a Delaware corporation (hereinafter referred to as "Landlord") and Abercrombie & Fitch Co., a Delaware corporation (hereinafter referred to as "Tenant") is entered into and made as of the 19th day of May, 1998, by and between the Landlord and the Tenant.

W I T N E S S E T H:

WHEREAS, Landlord has leased from Distribution Land Corp., a Delaware corporation ("DLC"), a certain office/warehouse distribution facility containing approximately 951,798 square feet of floor space, identified on Exhibit A attached to the Sublease Agreement (the "Building"), pursuant to the terms of that certain Building Lease Agreement between Landlord and DLC dated as of June 1, 1995 (the "Building Lease"); and

WHEREAS, the Building is located upon an approximately 321.1 acre parcel of land located at the intersection of East Broad Street (State Route 16) and Taylor Road, Reynoldsburg, Ohio, which land is depicted on Exhibit A attached to the Sublease Agreement (the "Campus"); and

WHEREAS, Landlord subleased to Tenant a portion of the Building as more particularly described in the Sublease Agreement (the "Premises") and granted to Tenant the right to utilize certain common areas and facilities located within the Building and the Campus, all subject to the terms and conditions of the Sublease Agreement and the Building Lease; and

WHEREAS, Landlord and Tenant desire to amend the Sublease Agreement as hereinafter provided.

NOW, THEREFORE, in consideration of the premises described above and the mutual promises set forth herein, Landlord and Tenant, intending to be legally bound, hereby agree as follows:

SECTION 1. Definitions. Any capitalized terms not defined herein shall have the meanings ascribed to them in the Sublease Agreement.

SECTION 2. Amendments. Effective as of the date hereof, the parties agree that the Sublease Agreement shall be amended as follows:

(a) Section 1.02.C(ii) shall be deleted and replaced with the following:

"(ii) The space within the Premises is further depicted on the floor plan attached hereto as EXHIBIT B and made a part hereof by this reference, and consists of the following approximate number of square feet: 271,617 (consisting of 70,320 square feet of office space and 201,297 square feet of distribution space)"

(b) Section 1.02.D shall be deleted and replaced with the following:

"D. Term: Six (6) years, beginning on June 1, 1995 (the "Commencement Date") and ending on May 31, 2001 (the "Expiration Date")"

(c) Section 1.02.E(i) shall be deleted and replaced with the following:

"(i) Office space - \$11.00 per square feet, or \$773,520.00"

(d) Section 1.02.E(iii) shall be deleted and replaced with the following:

"(iii) Total Annual Base Rent (for distribution and office space) of \$1,347,216.45"

(e) Section 1.02.F shall be deleted and replaced with the following:

"F. Monthly Installments of Base Rent (for distribution and office space): \$112,268.04"

(f) Section 1.02.G and Section 3.05 shall be deleted in their entirety.

(g) EXHIBIT B shall be deleted and replaced with the new Exhibit B attached hereto.

SECTION 3. No Other Modifications. Except as amended hereby, the Sublease Agreement shall remain unchanged and the Sublease Agreement as amended shall remain in full force and effect.

SECTION 4. Governing Law. This Amendment shall be construed and enforced in accordance with the laws of the State of Ohio.

SECTION 5. Successors and Assigns. This Amendment and the respective rights and obligations of the parties hereto shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

SECTION 6. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and said counterparts shall together constitute one and the same instrument, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Witnesses as to Landlord:

LANDLORD:

VICTORIA'S SECRET STORES, INC., a Delaware corporation

Print Name:_____

By: _____
Name:
Title:

Print Name:_____

ATTESTED BY:

Print Name:_____

Name:
Title:

Print Name:_____

Witnesses as to Tenant:

TENANT:

ABERCROMBIE & FITCH, INC., a Delaware corporation

Print Name: _____

By: _____
Name:
Title:

Print Name: _____

ATTESTED BY:

Print Name: _____

Name:
Title:

Print Name: _____

STATE OF OHIO,
COUNTY OF FRANKLIN, SS:

The foregoing instrument was acknowledged before me this 19th day of
May, 1998, by _____ and _____,
respectively, of Victoria's Secret Stores, Inc., a Delaware corporation, on
behalf of the corporation.

Notary Public

Notarial Seal

STATE OF OHIO,
COUNTY OF FRANKLIN, SS:

The foregoing instrument was acknowledged before me this 19th day of
May, 1998, by _____ and _____,
respectively, of Abercrombie & Fitch, Inc., a Delaware
corporation, on behalf of the corporation.

Notary Public

Notarial Seal

Securities and Exchange Commission
450 5th Street, N.W.
Judiciary Plaza
Washington, D.C. 20549

We are aware that our report dated May 7, 1998, on our review of the interim consolidated financial information of Abercrombie & Fitch Co. and Subsidiaries for the thirteen-week period ended May 2, 1998 and included in this Form 10-Q is incorporated by reference in the Company's registration statements on Form S-8, Registration Nos. 333-15941, 333-15943 and 333-15945. Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the registration statement prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

COOPERS & LYBRAND L.L.P.

Columbus, Ohio
June 12, 1998

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