

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended January 30, 1999

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class

Name of each exchange on which registered

Class A Common Stock, \$.01 Par Value

The New York Stock Exchange

Series A Participating Cumulative Preferred
Stock Purchase Rights

The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

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 and (2) has been subject to the filing requirements for
the past 90 days. Yes No
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

Aggregate market value of the registrant's Class A Common Stock held by
non-affiliates of the registrant as of April 1, 1999: \$4,710,609,518.

Number of shares outstanding of the registrant's common stock as of April 1,
1999: 51,623,118 shares of Class A Common Stock.

DOCUMENT INCORPORATED BY REFERENCE:

Portions of the registrant's proxy statement for the Annual Meeting of
Stockholders to be held on May 20, 1999 are incorporated by reference into Part
III of this Annual Report on Form 10-K.

PART I

ITEM 1. BUSINESS.

GENERAL.

Abercrombie & Fitch Co., a Delaware corporation (the "Company"), is principally engaged in the purchase, distribution and sale of men's, women's and kids' casual apparel. The Company's retail activities are conducted under the Abercrombie & Fitch and "abercrombie" trade names through retail stores and a magazine/catalogue bearing the Company name. Merchandise is targeted to appeal to customers in specialty markets who have distinctive consumer characteristics.

DESCRIPTION OF OPERATIONS.

General.

The Company was incorporated on June 26, 1996, and on July 15, 1996 acquired the stock of Abercrombie & Fitch Holdings, the parent company of the Abercrombie & Fitch business and A&F Trademark, Inc., in exchange for 43 million shares of Class B common stock issued to The Limited, Inc. ("The Limited"). An initial public offering of 8.05 million shares of the Company's Class A common stock was consummated on October 1, 1996 and, as a result, approximately 84% of the outstanding common stock of the Company was owned by The Limited.

On February 17, 1998, a registration statement was filed with the Securities and Exchange Commission in connection with a plan to establish the Company as a fully independent company via a tax-free exchange offer (the "Exchange Offer") pursuant to which The Limited shareholders were given an opportunity to exchange shares of The Limited for shares of the Company. The Exchange Offer was completed on May 19, 1998 and The Limited subsequently effected a pro rata spin-off of all of its remaining Abercrombie & Fitch shares. Subsequent to the Exchange Offer, the Company and The Limited entered into service agreements which include among other things, tax, information technology, store design and construction, use of distribution and home office space and transportation and logistic services. These agreements are generally for a term of one to three years.

At the end of fiscal 1998 the Company operated 196 stores. The following table shows the changes in the number of retail stores operated by the Company for the past five fiscal years:

Fiscal Year ----	Beginning of Year -----	Opened -----	Closed -----	End of Year -----
1994	49	20	(2)	67
1995	67	33		100
1996	100	29	(2)	127
1997	127	30	(1)	156
1998	156	41	(1)	196

During fiscal year 1998, the Company purchased merchandise from approximately 55 suppliers and factories located throughout the world. The Company sourced approximately 27% of its apparel merchandise through Mast Industries, Inc., a wholly-owned contract manufacturing subsidiary of The Limited. In addition to purchases from Mast, the Company purchases merchandise directly in foreign markets, with additional merchandise purchased in the domestic market, some of which is manufactured overseas. Excluding purchases from Mast, no more than 7% of goods purchased originated from any single third party manufacturer.

Most of the merchandise and related materials for the Company's stores are shipped to a distribution center owned by The Limited and leased by the Company in Reynoldsburg, Ohio, where the merchandise is received and inspected. Under the service agreement, The Limited distributes merchandise and related materials using common and contract carriers to the Company's stores. The Company pays outbound freight for stores to an affiliate of The Limited based on cartons shipped.

The Company's policy is to maintain sufficient quantities of inventory on hand in its retail stores and distribution center so that it can offer customers a full selection of current merchandise. The Company emphasizes rapid turnover and takes markdowns where required to keep merchandise fresh and current with fashion trends.

The Company views the retail apparel market as having two principal selling seasons, Spring and Fall. As is generally the case in the apparel industry, the Company experiences its peak sales activity during the Fall season. This seasonal sales pattern results in increased inventory during the back-to-school and Christmas holiday selling periods. During fiscal year 1998, the highest inventory level approximated \$88.7 million at the November 1998 month-end and the lowest inventory level approximated \$35.0 million at the February 1998 month-end. Merchandise sales are paid for by cash, personal check or credit cards issued by third parties including Alliance Data Systems Corporation, a credit card processing venture 31%-owned by The Limited.

The Company offers its customers a liberal return policy stated as "No Sale is Ever Final." The Company believes that certain of its competitors offer similar credit card and service policies.

The following is a brief description of the Company, including its respective target markets.

Abercrombie & Fitch is a specialty retailer of quality, casual, classic American sportswear, targeted to men and women approximately 15-50 years of age and kids seven to 14 years of age. The Abercrombie & Fitch brand was established in 1892 and became well known as a supplier of rugged, high-quality outdoor gear who placed a premium on complete customer satisfaction with each item sold. The Company was acquired by The Limited in 1988 and in 1992 Abercrombie & Fitch was repositioned as a more fashion-oriented casual apparel business directed at men and women with a youthful lifestyle. In re-establishing the Abercrombie & Fitch brand, the Company combined its historical image for quality with a new emphasis on casual American style and youthfulness.

Additional information about the Company's business, including its revenues and profits for the last three years, plus gross square footage is set forth under the caption "Management's Discussion and Analysis" in ITEM 7.

COMPETITION.

The sale of apparel and personal care products through retail stores is a highly competitive business with numerous competitors, including individual and chain fashion specialty stores and department stores. Fashion, price, service, selection and quality are the principal competitive factors in retail store sales.

The Company is unable to estimate the number of competitors or its relative competitive position due to the large number of companies selling apparel and personal care products at retail, both through stores and catalogues.

ASSOCIATE RELATIONS.

On January 30, 1999, the Company employed approximately 9,500 associates (none of whom were parties to a collective bargaining agreement), 8,300 of whom were part-time. In addition, temporary associates are hired during peak periods, such as the Holiday season.

ITEM 2. PROPERTIES.

The Company's headquarters and support functions (consisting of office, distribution and shipping facilities) are located in Reynoldsburg, Ohio and are owned by The Limited and leased by the Company under leases expiring in 2001.

Substantially all of the retail stores operated by the Company are located in leased facilities, primarily in shopping centers throughout the continental United States. The leases expire at various dates principally between 1999 and 2014.

Typically, when space is leased for a retail store in a shopping center, all improvements, including interior walls, floors, ceilings, fixtures and decorations, are supplied by the tenant. In certain cases, the landlord of the property may provide a construction allowance to fund all or a portion of the cost of improvements. The cost of improvements varies widely, depending on the size and location of the store. Rental terms for new locations usually include a fixed minimum rent plus a percentage of sales in excess of a specified amount. Certain operating costs such as common area maintenance, utilities, insurance and taxes are typically paid by tenants.

ITEM 3. LEGAL PROCEEDINGS.

The Company is a defendant in 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 that had been filed against the Company by the American Textile Manufacturers Institute ("ATMI"), a textile industry trade association. The amended complaint 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 a judge of the United States District Court for the Southern District of Ohio, Western Division. On May 21, 1998, this judge 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 appealed to the United States Court of Appeals for the Sixth Circuit, where the matter remains pending.

On June 2, 1998, the Company 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. American Eagle filed a motion for summary judgment in the lawsuit which the Company has opposed. The motion is pending before the District Court for decision.

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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT.

Set forth below is certain information regarding the executive officers of the Company as of January 30, 1999.

Michael S. Jeffries, 54, has been Chairman of the Board and Chief Executive Officer since May 1998. From February 1992 to May 1998, Mr. Jeffries held the position of President and Chief Executive Officer.

Michele S. Donnan-Martin, 35, has been Vice President-General Merchandising Manager-Women's since February 1996. For three and one-half years prior thereto, Ms. Donnan-Martin held the position of Vice President Women's Merchandising.

Seth R. Johnson, 45, has been Vice President-Chief Financial Officer since June 1992.

Charles W. Martin, 49, has been Vice President Men's Design and New Business Development since February 1999. For three years prior thereto, Mr. Martin held the position of Vice President Men's Design. For four years prior thereto, Mr. Martin held the position of Director of Men's Product Development. Mr. Martin and Ms. Donnan-Martin are spouses.

Diane Chang, 43, has been Vice President Sourcing since May 1998. For six and one-half years prior thereto, Ms. Chang held the position of Senior Vice President - Manufacturing at J. Crew, Inc.

All of the above officers serve at the pleasure of the Board of Directors of the Company.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The following is a summary of the Company's market price on the New York Stock Exchange ("ANF") for the fiscal years ending 1998 and 1997:

	Market Price	
	High	Low
1998 Fiscal Year		
4th Quarter	\$76 3/4	\$41 13/16
3rd Quarter	\$53 15/16	\$32 3/4
2nd Quarter	\$48 3/4	\$39 11/16
1st Quarter	\$47 1/2	\$31 3/16
1997 Fiscal Year		
4th Quarter	\$34 11/16	\$25 11/16
3rd Quarter	\$27 1/4	\$19 1/4
2nd Quarter	\$20 1/2	\$15 3/4
1st Quarter	\$17 5/8	\$12 7/8

On January 30, 1999, there were approximately 6,700 shareholders of record. However, when including active associates who participate in the Company's stock purchase plan, associates who own shares through Company sponsored retirement plans and others holding shares in broker accounts under street name, the Company estimates the shareholder base at approximately 60,000.

ITEM 6. SELECTED FINANCIAL DATA.

ABERCROMBIE & FITCH CO.

FINANCIAL SUMMARY

(Thousands except per share and per square foot amounts, ratios and store and associate data)

FISCAL YEAR	1998	1997	1996	1995*	1994	1993	1992
SUMMARY OF OPERATIONS							
Net Sales	\$815,804	\$521,617	\$335,372	\$235,659	\$165,463	\$110,952	\$85,301
Gross Income	\$343,951	\$201,080	\$123,766	\$79,794	\$56,820	\$30,562	\$13,413
Operating Income (Loss)	\$166,958	\$84,125	\$45,993	\$23,798	\$13,751	\$(4,064)	\$(10,190)
Operating Income (Loss) as a Percentage of Sales	20.5%	16.1%	13.7%	10.1%	8.3%	(3.7%)	(11.9%)
Net Income (Loss)	\$102,062	\$48,322	\$24,674	\$14,298	\$8,251	\$(2,464)	\$(6,090)
Net Income (Loss) as a Percentage of Sales	12.5%	9.3%	7.4%	6.1%	5.0%	(2.2%)	(7.1%)
PER SHARE RESULTS							
Net Income (Loss) Per Basic Share	\$1.98	\$.95	\$.54	\$.33	\$.19	\$(.06)	\$(.14)
Net Income (Loss) Per Diluted Share	\$1.92	\$.94	\$.54	\$.33	\$.19	\$(.06)	\$(.14)
Weighted Average Diluted Shares Outstanding	53,101	51,478	45,760	43,000	43,000	43,000	43,000
OTHER FINANCIAL INFORMATION							
Total Assets	\$319,161	\$183,238	\$105,761	\$87,693	\$58,018	\$48,882	\$61,626
Return on Average Assets	41%	33%	26%	20%	15%	(4%)	(11%)
Capital Expenditures	\$41,876	\$29,486	\$24,323	\$24,526	\$12,603	\$4,694	\$10,351
Long-Term Debt	--	\$50,000	\$50,000	--	--	--	--
Shareholders' Equity (Deficit)	\$186,105	\$58,775	\$11,238	\$(22,622)	\$(37,070)	\$(45,341)	\$(42,877)
Comparable Store Sales Increase	35%	21%	13%	5%	15%	6%	8%
Retail Sales per Average Gross Square Foot	\$483	\$376	\$306	\$290	\$284	\$243	\$221
STORES AND ASSOCIATES AT END OF YEAR							
Total Number of Stores Open	196	156	127	100	67	49	40
Gross Square Feet	1,791,000	1,522,000	1,229,000	962,000	665,000	499,000	415,000
Number of Associates	9,500	6,700	4,900	3,000	2,300	1,300	900

*Fifty-three week fiscal year.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Net sales for the fourth quarter were \$304.6 million, an increase of 44% from \$212.1 million for the fourth quarter a year ago. Operating income was \$98.7 million, up 67% compared to \$59.1 million last year. Net income per diluted share was \$1.12, up 65% from \$.68 last year.

Net sales for the fiscal year ended January 30, 1999, increased 56% to \$815.8 million from \$521.6 million last year. Operating income for the year increased 99% to \$167.0 million from \$84.1 million in 1997. Net income per diluted share was \$1.92 compared to \$.94 a year ago, an increase of 104%.

FINANCIAL SUMMARY

The following summarized financial data compares 1998 to the comparable periods for 1997 and 1996:

	1998	1997	1996	% Change	
				1998-1997	1997-1996
Net sales (millions)	\$815.8	\$521.6	\$335.4	56%	56%
Increase in comparable store sales	35%	21%	13%		
Retail sales increase attributable to new and remodeled stores	21%	34%	29%		
Retail sales per average gross square foot	\$483	\$376	\$306	28%	23%
Retail sales per average store (thousands)	\$4,551	\$3,653	\$2,955	25%	24%
Average store size at year-end (gross square feet)	9,140	9,755	9,680	(6%)	1%
Gross square feet at year-end (thousands)	1,791	1,522	1,229	18%	24%
Number of Stores:					
Beginning of year	156	127	100		
Opened	41	30	29		
Closed	(1)	(1)	(2)		
End of year	196	156	127		

NET SALES

Net sales for the fourth quarter of 1998 increased 44% to \$304.6 million from \$212.1 million in 1997. The increase was due to a comparable store sales increase of 26%, driven primarily by significantly higher transactions per store as compared to the fourth quarter of 1997. Comparable store sales increases were strong across both the men's and women's businesses and across all geographical regions of the country. The A&F QUARTERLY, a catalogue/magazine, accounted for 2.0% of net sales in the fourth quarter of 1998 as compared to 1.7% last year.

Fourth quarter 1997 net sales as compared to net sales for the fourth quarter 1996 increased 52% to \$212.1 million, due to a 23% increase in comparable store sales and sales attributable to new and remodeled stores. Comparable store sales increases were strong in both the men's and women's businesses as both were driven by a very strong knit business. Additionally, fourth quarter 1997 net sales included results from the first Holiday issue of the A&F QUARTERLY which accounted for 1.7% of total net sales.

Net sales for 1998 increased 56% to \$815.8 million from \$521.6 million a year ago. Sales growth resulted from a comparable store sales increase of 35% and the net addition of 40 new stores. Sales growth was strong across all major men's and women's merchandise categories. Net retail sales per gross square foot for the company increased 28%, principally from an increase in the number of transactions per store. The A&F Quarterly represented 1.8% of 1998 sales.

Net sales for 1997 increased 56% to \$521.6 million over the same period in 1996. The sales increase was attributable to the net addition of 29 stores and a 21% comparable store sales increase. Comparable store sales increases were equally strong in both men's and women's businesses and their performance strength was broadly based across all major merchandise categories. Net sales per gross square foot for the total Company increased 23%, driven principally by an increase in the number of transactions per store.

GROSS INCOME

Gross income, expressed as a percentage of net sales, increased to 49.3% for the fourth quarter of 1998 from 45.4% for the same period in 1997. The increase was attributable to significant leverage in buying and occupancy costs, expressed as a percentage of net sales, associated with increased comparable store sales. Merchandise margins (representing gross income before the deduction of buying and occupancy costs) improved primarily due to a lower markdown rate as the Company continued to efficiently manage inventories.

Gross income, expressed as a percentage of net sales, increased to 45.4% for the fourth quarter of 1997 from 43.0% for the same period in 1996. The increase was attributable to improved merchandise margins resulting from higher initial markups (IMU) and a lower markdown rate. As a result of improved inventory turnover, fewer markdowns, expressed as a percentage of net sales, were needed in the fourth quarter of 1997 to clear season-end merchandise as compared to the same period in 1996.

For the year, the gross income rate increased to 42.2% in 1998 from 38.5% in 1997. Merchandise margins, expressed as a percentage of net sales, increased due to higher IMU across most merchandise categories and a lower markdown rate. In addition, buying and occupancy costs, expressed as a percentage of net sales, declined due to leverage achieved from comparable store sales increases.

In 1997, the gross income rate increased to 38.5% from 36.9% in 1996. The improvement was the result of higher merchandise margins, expressed as a percentage of net sales. Improved IMU, in both the men's and women's businesses drove the increase in merchandise margins. In addition, buying and occupancy costs, expressed as a percentage of net sales, declined slightly due to leverage achieved from comparable store sales increases.

GENERAL, ADMINISTRATIVE AND STORE OPERATING EXPENSES

General, administrative and store operating expenses, expressed as a percentage of net sales, were 16.9% in the fourth quarter of 1998 and 17.5% in the comparable period in 1997. The improvement resulted primarily from favorable leveraging of expenses due to higher sales volume. Included in these expenses was approximately \$2.6 million in the fourth quarter of 1998 and 1997 of compensation expense associated with restricted stock grants awarded to key executives of the Company.

General, administrative and store operating expenses for the year, expressed as a percentage of net sales, were 21.7%, 22.4% and 23.2% in 1998, 1997 and 1996. The improvement during the three-year period resulted from management's continued emphasis on expense control and favorable leveraging of expenses, primarily store expenses, due to higher sales volume. The 1998 improvement was offset by compensation expense associated with restricted stock grants of approximately \$11.5 million.

OPERATING INCOME

Operating income, expressed as a percentage of net sales, was 32.4%, 27.9% and 25.4% for the fourth quarter of 1998, 1997 and 1996 and 20.5%, 16.1% and 13.7% for fiscal years 1998, 1997 and 1996. The improvement was the result of higher gross income coupled with lower general, administrative and store operating expenses, expressed as a percentage of net sales. Sales volume and gross income have increased at a faster rate than general, administrative and store operating expenses as the Company continues to emphasize cost controls.

INTEREST INCOME/EXPENSE

Net interest income was \$1.6 million in the fourth quarter of 1998 and \$3.1 million for all of 1998 compared with net interest expense of \$305 thousand and \$3.6 million for the corresponding periods last year. Net interest income in 1998 was primarily from short-term investments. Net interest expense in 1997 included \$975 thousand per quarter associated with \$50 million of long-term debt that was repaid during the first quarter of 1998, offset by interest income on short-term investments.

FINANCIAL CONDITION

The Company's continuing growth in operating income provides evidence of financial strength and flexibility. A more detailed discussion of liquidity, capital resources and capital requirements follows.

LIQUIDITY AND CAPITAL RESOURCES

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

	1998	1997	1996
	-----	-----	-----
Working capital	\$96,007	\$42,000	\$1,288
	=====	=====	=====
Capitalization			
Long-term debt	--	\$50,000	\$50,000
Shareholders' equity	\$186,105	58,775	11,238
	=====	=====	=====
Total Capitalization	\$186,105	\$108,775	\$61,238
	=====	=====	=====

The Company considers the following to be measures of liquidity and capital resources:

	1998	1997	1996
	-----	-----	-----
Current Ratio (current assets divided by current liabilities)	1.79	1.63	1.03
Debt-to-capitalization ratio (long-term debt divided by total capitalization)	n/a	46%	82%
Cash flow to capital investment (net cash provided by operating activities divided by capital expenditures)	413%	340%	193%

n/a = not applicable

Net cash provided by operating activities totaled \$173.1 million, \$100.2 million and \$46.8 million for 1998, 1997 and 1996.

In 1998, the improvement in net cash provided by operating activities was largely due to increased net income. Cash requirements for inventory increased \$11.1 million during 1998, supporting both the 56% sales growth and inventory levels that are 10% higher per gross square foot than last year. Correspondingly, accounts payable and accrued expenses increased, supporting the growth in inventories and sales.

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

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

In 1998, financing activities 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. Additionally, settlement of the intercompany balance between the Company and The Limited occurred concurrently with the Exchange Offer as described in Note 1 to the Consolidated Financial Statements.

On July 16, 1998, the Board of Directors authorized the repurchase of up to 1.0 million shares of the Company's common stock for general corporate purposes. During 1998, the Company repurchased 245 thousand shares of common stock.

CAPITAL EXPENDITURES

Capital expenditures, primarily for new and remodeled stores, amounted to \$41.9 million, \$29.5 million and \$24.3 million for 1998, 1997 and 1996.

During the year, the Company opened 28 Abercrombie & Fitch stores and 13 "abercrombie" kids stores.

The Company anticipates spending \$85 to \$95 million in 1999 for capital expenditures, of which \$45 to \$50 million will be for new stores, remodeling and/or expansion of existing stores and related improvements. The balance of capital expenditures will chiefly be related to the construction of a new office and distribution center which is expected to be completed by mid-2001. The Company intends to add approximately 400,000 gross square feet in 1999, which will represent a 22% increase over year-end 1998. It is anticipated the increase will result from the addition of approximately 36 new Abercrombie & Fitch stores, 15-20 "abercrombie" kids' stores and the remodeling and/or expansion of ten stores.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for Abercrombie & Fitch stores opened in 1999 will approximate \$710,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately \$300,000 per store.

The planned size of the "abercrombie" kids' stores is approximately 4,000 gross square feet and the average cost for leasehold improvements and furniture and fixtures will be approximately \$450,000.

The Company expects that substantially all future capital expenditures will be funded with cash from operations. In addition, the Company has available a \$150 million credit agreement to support operations.

INFORMATION SYSTEMS AND "YEAR 2000" COMPLIANCE: YEAR 2000 READINESS DISCLOSURES

Potential Year 2000 issues will arise primarily from computer programs which only have a two-digit date field, rather than four, to define the applicable year of business transactions. Because such computer programs will be unable to properly interpret dates beyond the year 1999, a systems failure or other computer errors may ensue. The Company relies on computer-based technology and utilizes a variety of proprietary and third party hardware and software. The Company's critical information technology (IT) functions include point-of-sale equipment, merchandise and non-merchandise procurement and business and accounting management.

In order to address the Year 2000 issue, the Company has developed a Year 2000 plan that focuses on three areas: IT systems, facilities and distribution equipment and vendor relations. The plan includes five stages, including (i) awareness, (ii) assessment, (iii) renovation, (iv) validation and (v) implementation. In addition to renovation of legacy systems, new financial software packages are being implemented. The Company is using both internal and external resources to complete its Year 2000 initiatives.

Year 2000 remediation of existing systems and implementation of new systems, including validation and implementation, is expected to be substantially complete by the end of the first fiscal quarter.

The Company procures its merchandise and supplies from a vast network of vendors located both within and outside the United States. The Company has identified key vendors and suppliers and made inquiries prior to the end of fiscal year 1998 to determine their Year 2000 compliance status. The Company is currently assessing the responses from these vendors and suppliers and is looking to obtain appropriate assurances from these vendors regarding their Year 2000 compliance status.

The Company also utilizes various facilities, distribution equipment and transportation and logistic services from The Limited and is in the process of assessing their Year 2000 compliance status.

The Company believes that the most likely worst case scenario is that there will be some minor disruption of systems that will affect the supply and distribution channels on a short-term basis rather than impacting the Company in the long-term. The Company is in the process of developing contingency plans, such as alternative sourcing, and identifying the necessary actions that would need to be taken if critical systems or service providers were not Year 2000 compliant. Given the uncertainty as to the exact nature and extent of problems that may arise, the Company's contingency planning will focus on minimizing any significant disruptions by committing resources to respond to specific problems that may arise. At the present time, the Company is not aware of any Year 2000 issues that it expects might materially affect its products, services, competitive position or financial performance. However, despite the Company's significant efforts to make its systems and facilities Year 2000 compliant, the ability of third party service providers, vendors and certain other third parties, including governmental entities and utility companies to be Year 2000 compliant is beyond the Company's control. Accordingly, the Company can give no assurances that the failure of systems of other companies on which the Company's systems rely or that the failure of key suppliers or other third parties to comply with Year 2000 requirements will not have a material adverse effect on the Company.

Total expenditures related to remediation, testing, conversion, replacement and upgrading system applications are not expected to exceed \$4.0 million. Of the total, approximately \$1.0 million will be expenses associated with remediation and testing of existing systems. 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. As of January 30, 1999, the Company has incurred expenses of approximately \$3.7 million, consisting of internal staff costs as well as outside consulting and other expenditures. In 1998, a significant amount of total internal staff resources were directed towards Year 2000 projects. In 1999, internal resources and costs are not expected to change significantly but will be redirected from Year 2000 projects to other Company initiatives.

RELATIONSHIP WITH THE LIMITED

Subsequent to the Exchange Offer (see Note 1 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. At the end of fiscal year 1998, the Company had hired associates with the appropriate expertise or contracted with outside parties to replace those services provided by The Limited which expire in May 1999. 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 five percent of such amounts.

The Company does not anticipate that costs associated with the services provided by The Limited, which expire in May 2001, or costs incurred to replace the services currently provided by The Limited will have a material adverse impact on its financial condition.

IMPACT OF INFLATION

The Company's results of operations and financial condition are presented based upon historical cost. While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, the Company believes that the effects of inflation, if any, on its results of operations and financial condition have been minor.

ADOPTION OF ACCOUNTING STANDARDS

In March 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". The SOP requires that certain external costs, internal payroll and payroll related costs be capitalized during the application development stage of a software development project and amortized over the software's useful life. The Company will adopt the SOP in the first quarter of 1999. The Company does not anticipate the adoption of this SOP will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. Previously the Company has expensed all software costs.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

The Company cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Report or made by management of the Company involve risks and uncertainties and are subject to change based on various important factors. The foregoing statements as to costs and dates relating to the Year 2000 effort are forward-looking and are based on the Company's best estimates that may be updated as additional information becomes available. The Company's forward-looking statements are also based on assumptions about many important factors, including the technical skills of employees and independent contractors, the representations and preparedness of third parties, the failure of vendors to deliver merchandise or perform services required by the Company and the collateral effects of the Year 2000 issues on the Company's business partners and customers. While the Company believes its assumptions are reasonable, it cautions that it is impossible to predict the impact of certain factors that could cause actual costs or timetables to differ materially from the expected results. In addition to Year 2000 issues, the following factors, among others, in some cases have affected and in the future could affect the Company's financial performance and actual results and could cause actual results for 1999 and beyond to differ materially from those expressed or implied in any such forward-looking statements: 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 at appropriate terms, ability to develop new merchandise and ability to hire and train associates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

ABERCROMBIE & FITCH CO.

CONSOLIDATED STATEMENTS OF INCOME

(Thousands except per share amounts)

	1998	1997	1996
	-----	-----	-----
NET SALES	\$815,804	\$521,617	\$335,372
Costs of Goods Sold, Occupancy and Buying Costs	471,853	320,537	211,606
	-----	-----	-----
GROSS INCOME	343,951	201,080	123,766
General, Administrative and Store Operating Expenses	176,993	116,955	77,773
	-----	-----	-----
OPERATING INCOME	166,958	84,125	45,993
Interest (Income)/Expense, Net	(3,144)	3,583	4,919
	-----	-----	-----
INCOME BEFORE INCOME TAXES	170,102	80,542	41,074
Provision for Income Taxes	68,040	32,220	16,400
	-----	-----	-----
NET INCOME	\$102,062	\$48,322	\$24,674
	=====	=====	=====
NET INCOME PER SHARE:			
BASIC	\$1.98	\$.95	\$.54
	=====	=====	=====
DILUTED	\$1.92	\$.94	\$.54
	=====	=====	=====

The accompanying Notes are an integral part of these Consolidated Financial Statements.

ABERCROMBIE & FITCH CO.
CONSOLIDATED BALANCE SHEETS

(Thousands)

	January 30, 1999	January 31, 1998
	-----	-----
ASSETS		
- - - - -		
CURRENT ASSETS:		
Cash and Equivalents	\$163,564	\$42,667
Accounts Receivable	4,101	1,695
Inventories	43,992	33,927
Store Supplies	5,887	5,592
Receivable from The Limited	--	23,785
Other	691	1,296
	-----	-----
TOTAL CURRENT ASSETS	218,235	108,962
PROPERTY AND EQUIPMENT, NET	89,558	70,517
DEFERRED INCOME TAXES	10,737	3,759
OTHER ASSETS	631	--
	-----	-----
TOTAL ASSETS	\$319,161	\$183,238
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
- - - - -		
CURRENT LIABILITIES:		
Accounts Payable	\$24,759	\$15,968
Accrued Expenses	63,882	35,143
Income Taxes Payable	33,587	15,851
	-----	-----
TOTAL CURRENT LIABILITIES	122,228	66,962
LONG-TERM DEBT	--	50,000
OTHER LONG-TERM LIABILITIES	10,828	7,501
SHAREHOLDERS' EQUITY:		
Common Stock	517	511
Paid-In Capital	144,142	117,972
Retained Earnings (Deficit)	43,131	(58,931)
	-----	-----
Less: Treasury Stock, at Average Cost	187,790	59,552
	(1,685)	(777)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	186,105	58,775
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$319,161	\$183,238
	=====	=====

The accompanying Notes are an integral part of these Consolidated Financial Statements.

ABERCROMBIE & FITCH CO.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)

(Thousands)

	Common Stock			Retained Earnings (Deficit)	Treasury Stock, at Average Cost	Total Shareholders' Equity (Deficit)
	Shares Outstanding	Par Value	Paid-In Capital			
BALANCE, FEBRUARY 3, 1996	43,000	--	\$ 305	\$ (22,927)	--	\$(22,622)
Transfer of Equity to Debt (\$50,000 Long-Term Debt and \$32,000 Short-Term Borrowings)	--	--	--	(82,000)	--	(82,000)
Cash Dividend to The Limited Prior to Initial Public Offering	--	--	--	(27,000)	--	(27,000)
Sale of Common Stock in Initial Public Offering	8,050	\$511	117,667	--	--	118,178
Net Income	--	--	--	24,674	--	24,674
Other	--	--	8	--	--	8
BALANCE, FEBRUARY 1, 1997	51,050	\$511	\$117,980	\$(107,253)	--	\$ 11,238
Purchase of Treasury Stock	(50)	--	--	--	\$ (929)	(929)
Net Income	--	--	--	48,322	--	48,322
Stock Options, Restricted Stock and Other	9	--	(8)	--	152	144
BALANCE, JANUARY 31, 1998	51,009	\$511	\$117,972	\$ (58,931)	\$(777)	\$ 58,775
Purchase of Treasury Stock	(245)	--	--	--	(11,240)	(11,240)
Net Income	--	--	--	102,062	--	102,062
Issuance of Common Stock	600	6	25,875	--	--	25,881
Stock Options, Restricted Stock and Other	43	--	295	--	10,332	10,627
BALANCE, JANUARY 30, 1999	51,407	\$517	\$144,142	\$ 43,131	\$ (1,685)	\$186,105

The accompanying Notes are an integral part of these Consolidated Financial Statements.

ABERCROMBIE & FITCH CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)	1998	1997	1996
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$102,062	\$ 48,322	\$ 24,674
Impact of Other Operating Activities on Cash Flows			
Depreciation and Amortization	20,946	16,342	11,759
Noncash Charge for Deferred Compensation	11,497	6,219	--
Change in Assets and Liabilities:			
Inventories	(10,065)	1,016	(4,555)
Accounts Payable and Accrued Expenses	37,530	22,309	9,943
Income Taxes	10,758	4,606	4,218
Other Assets and Liabilities	355	1,381	797
	-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	173,083	100,195	46,836
	-----	-----	-----
CASH USED FOR INVESTING ACTIVITIES			
Capital Expenditures	(41,876)	(29,486)	(24,323)
	-----	-----	-----
FINANCING ACTIVITIES			
Settlement of Balance with The Limited	23,785	--	--
Increase (Decrease) in Receivable from The Limited	--	(29,202)	18,988
Dividend Paid to The Limited	--	--	(27,000)
Net Proceeds from Issuance of Common Stock	25,875	--	118,178
Proceeds from Credit Agreement	--	--	150,000
Repayment of Credit Agreement	--	--	(150,000)
Repayment of Trademark Obligations	--	--	(32,000)
Repayment of Debt to The Limited	--	--	(91,000)
Repayment of Working Capital Note	--	--	(8,616)
Repayment of Long-Term Debt	(50,000)	--	--
Purchase of Treasury Stock	(11,240)	(929)	--
Other Changes in Shareholders' Equity	1,270	144	8
	-----	-----	-----
NET CASH USED FOR FINANCING ACTIVITIES	(10,310)	(29,987)	(21,442)
	-----	-----	-----
NET INCREASE IN CASH AND EQUIVALENTS	120,897	40,722	1,071
Cash and Equivalents, Beginning of Year	42,667	1,945	874
	-----	-----	-----
CASH AND EQUIVALENTS, END OF YEAR	\$163,564	\$ 42,667	\$ 1,945
	=====	=====	=====

In 1996, non cash financing activities included the distribution of a note representing preexisting obligations of the Company's operating subsidiary in respect of certain trademarks in the amount of \$32 million by the Company's trademark subsidiary to The Limited, distribution of the \$50 million in long-term debt and the conversion of \$8.6 million of debt to The Limited into a working capital note.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

ABERCROMBIE & FITCH CO.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Abercrombie & Fitch Co. (the "Company") was incorporated on June 26, 1996, and on July 15, 1996 acquired the stock of Abercrombie & Fitch Holdings, the parent company of the Abercrombie & Fitch business, and A&F Trademark, Inc., in exchange for 43 million shares of Class B common stock issued to The Limited, Inc. ("The Limited"). The Company is a specialty retailer of high quality, casual apparel for men, women and kids with an active, youthful lifestyle. The business was established in 1892 and subsequently acquired by The Limited in 1988.

An initial public offering (the "Offering") of 8.05 million shares of the Company's Class A common stock, including the sale of 1.05 million shares pursuant to the exercise by the underwriters of their options to purchase additional shares, was consummated on October 1, 1996. The net proceeds received by the Company from the Offering, approximating \$118.2 million, and cash from operations were used to repay the borrowings under a \$150 million credit agreement. As a result of the Offering, 84.2% of the outstanding common stock of the Company was owned by The Limited, until the completion of a tax-free exchange offer (the "Exchange Offer") on May 19, 1998, to establish the Company as an independent company.

In the Exchange Offer, 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. 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.

The accompanying consolidated financial statements include the historical financial statements of, and transactions applicable to the Company and its subsidiaries and reflect the assets, liabilities, results of operations and cash flows on a historical cost basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

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

FISCAL YEAR

The Company's fiscal year ends on the Saturday closest to January 31. Fiscal years are designated in the financial statements and notes by the calendar year in which the fiscal year commences. The results for fiscal years 1998, 1997 and 1996 represent the fifty-two week periods ended January 30, 1999, January 31, 1998 and February 1, 1997.

CASH AND EQUIVALENTS

Cash and equivalents include amounts on deposit with financial institutions and investments with maturities of less than 90 days.

INVENTORIES

Inventories are principally valued at the lower of average cost or market, on a first-in first-out basis, utilizing the retail method.

STORE SUPPLIES

The initial inventory of supplies for new stores including, but not limited to, hangers, signage, security tags and point-of-sale supplies are capitalized at the store opening date. Subsequent shipments are expensed except for new merchandise presentation programs which are capitalized.

PROPERTY AND EQUIPMENT

Depreciation and amortization of property and equipment are computed for financial reporting purposes on a straight-line basis, using service lives ranging principally from 10-15 years for leasehold improvements and 3-10 years for other property and equipment. Beneficial leaseholds represent the present value of the excess of fair market rent over contractual rent of existing stores at the 1988 purchase of the Company by The Limited and are being amortized over the lives of the related leases. The cost of assets sold or retired and the related accumulated depreciation or amortization are removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments that extend service lives are capitalized. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that full recoverability is questionable. Factors used in the valuation include, but are not limited to, management's plans for future operations, recent operating results and projected cash flows.

INCOME TAXES

Income taxes are calculated in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," which requires the use of the liability method. Deferred tax assets and liabilities are recognized based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates in effect in the years in which those temporary differences are expected to reverse. Under SFAS No. 109, the effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

Prior to the Exchange Offer, the Company was included in The Limited's consolidated federal and certain state income tax groups for income tax reporting purposes and was 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. Subsequent to the Exchange Offer, the Company began filing its tax returns on a separate basis.

SHAREHOLDERS' EQUITY

At January 30, 1999, there were 150 million of \$.01 par value Class A common shares authorized, of which 51.4 million and 8.01 million shares were outstanding at January 30, 1999 and January 31, 1998 and 150 million of \$.01 par value Class B common shares authorized, of which 43 million shares were issued and outstanding at January 31, 1998. In addition, 15 million of \$.01 par value preferred shares were authorized, none of which have been issued.

Holders of Class A common stock generally have identical rights to holders of Class B common stock, except that holders of Class A common stock are entitled to one vote per share while holders of Class B common stock are entitled to three votes per share on all matters submitted to a vote of shareholders.

REVENUE RECOGNITION

Sales are recorded upon purchase by customers.

CATALOGUE AND ADVERTISING COSTS

Costs related to the A&F QUARTERLY, a catalogue/magazine, primarily consist of catalogue production and mailing costs and are expensed as incurred. Advertising costs consist of in-store photographs and advertising in selected national publications and are expensed when the photographs or publications first appear. Catalogue and advertising costs amounted to \$24.9 million in 1998, \$13.7 million in 1997 and \$4.1 million in 1996.

STORE PREOPENING EXPENSES

Preopening expenses related to new store openings are charged to operations as incurred.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The recorded values of current assets and current liabilities, including accounts receivable and accounts payable, approximate fair value due to the short maturity and because the average interest rate approximates current market origination rates.

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturity. The estimated fair value of the Company's long-term debt at January 31, 1998 was \$52.2 million.

EARNINGS PER SHARE

Net income per share is computed in accordance with SFAS No. 128, "Earnings Per Share," which the Company adopted in the fourth quarter of 1997. Net income per basic share is computed based on the weighted average number of outstanding common shares. Net income per diluted share includes the weighted average effect of dilutive stock options and restricted stock. The common stock issued to The Limited (43 million Class B shares) in connection with the incorporation of the Company is assumed to have been outstanding for 1997 and 1996.

Weighted Average Common Shares Outstanding (thousands):

	1998	1997	1996
Common shares issued	51,650	51,050	45,749
Treasury shares	(108)	(39)	--
Basic shares	51,542	51,011	45,749
Dilutive effect of options and restricted shares	1,559	467	11
Diluted shares	53,101	51,478	45,760

Options to purchase 228,000 and 240,000 shares of common stock were outstanding at year-end 1997 and 1996 but were not included in the computation of net income per diluted share because the options' exercise price was greater than the average market price of the common shares.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Since actual results may differ from those estimates, the Company revises its estimates and assumptions as new information becomes available.

RECLASSIFICATIONS

Certain amounts have been reclassified to conform with current year presentation.

3. PROPERTY AND EQUIPMENT

Property and equipment, at cost, consisted of (thousands):

	1998	1997
Furniture, fixtures and equipment	\$126,091	\$104,671
Beneficial leaseholds	7,349	7,349
Leasehold improvements	16,450	11,615
Construction in progress	2,728	365
Total	\$152,618	\$124,000
Less: accumulated depreciation and amortization	63,060	53,483
Property and equipment, net	\$89,558	\$70,517

4. LEASED FACILITIES AND COMMITMENTS

Annual store rent is comprised of a fixed minimum amount, plus contingent rent based on a percentage of sales exceeding a stipulated amount. Store lease terms generally require additional payments covering taxes, common area costs and certain other expenses. Rent expense for 1998, 1997 and 1996 included charges from The Limited and its subsidiaries for space under formal agreements that approximate market rates.

A summary of rent expense follows (thousands):

	1998	1997	1996
	-----	-----	-----
Store rent:			
Fixed minimum	\$42,774	\$34,402	\$24,599
Contingent	6,382	2,138	1,620
	-----	-----	-----
Total store rent	\$49,156	\$36,540	\$26,219
Buildings, equipment and other	1,814	1,400	1,229
	-----	-----	-----
Total rent expense	\$50,970	\$37,940	\$27,448
	=====	=====	=====

At January 30, 1999, the Company was committed to noncancelable leases with remaining terms of one to fifteen years. These commitments include store leases with initial terms ranging primarily from ten to fifteen years and offices and a distribution center leased from an affiliate of The Limited with a term of three years from the date of the Exchange Offer. A summary of minimum rent commitments under noncancelable leases follows (thousands):

1999	\$ 48,924
2000	50,243
2001	49,824
2002	49,488
2003	48,284
Thereafter	181,661

5. ACCRUED EXPENSES

Accrued expenses consisted of the following (thousands):

	1998	1997
	-----	-----
Rent and landlord charges	\$13,368	\$8,105
Compensation and benefits	9,800	8,357
Catalogue and advertising costs	8,701	4,012
Interest	-	986
Taxes, other than income	3,634	1,827
Other	28,379	11,856
	=====	=====
Total	\$63,882	\$35,143
	=====	=====

6. INCOME TAXES

The provision for income taxes consisted of (thousands):

	1998	1997	1996
	-----	-----	-----
Currently Payable:			
Federal	\$ 65,270	\$29,040	\$16,001
State	14,682	6,450	3,646
	-----	-----	-----
	\$ 79,952	\$35,490	\$19,647
	-----	-----	-----
Deferred:			
Federal	(9,530)	(2,620)	(2,601)
State	(2,382)	(650)	(646)
	-----	-----	-----
	\$(11,912)	\$(3,270)	\$(3,247)
	-----	-----	-----
Total provision	\$ 68,040	\$32,220	\$16,400
	=====	=====	=====

A reconciliation between the statutory Federal income tax rate and the effective income tax rate follows:

	1998	1997	1996
	-----	-----	-----
Federal income tax rate	35.0%	35.0%	35.0%
State income tax, net of Federal income tax effect	4.7%	4.7%	4.7%
Other items, net	0.3%	0.3%	0.2%
	-----	-----	-----
Total	40.0%	40.0%	39.9%
	=====	=====	=====

Income taxes payable included net current deferred tax assets of \$9.0 million and \$4.1 million at January 30, 1999 and January 31, 1998.

Subsequent to the Exchange Offer, the Company began filing its tax returns on a separate basis. Prior to the Exchange Offer, income tax obligations were treated as having been settled through the intercompany accounts as if the Company was filing its income tax returns on a separate company basis. Amounts paid to The Limited totaled \$27.4 million, \$27.6 million and \$10.6 million in 1998, 1997 and 1996. Subsequent to the Exchange Offer, the Company made tax payments directly to taxing authorities. Such amounts totaled \$31.7 million in 1998.

The effect of temporary differences which gives rise to net deferred income tax assets was as follows (thousands):

	1998	1997
	-----	-----
Deferred Compensation	\$ 8,711	\$1,198
Property and Equipment	1,446	1,496
Rent	2,341	1,507
Accrued expenses	4,008	2,667
Inventory	2,093	972
Other, net	1,168	54
	-----	-----
Total deferred income taxes	\$19,767	\$7,894
	=====	=====

No valuation allowance has been provided for deferred tax assets because management believes that it is more likely than not that the full amount of the net deferred tax assets will be realized in the future.

7. LONG-TERM DEBT

The Company entered into a \$150 million syndicated 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 bank agent's "Alternate Base Rate", a LIBO Rate or a rate submitted under a bidding process. Facility fees payable under the Agreement are based on the Company's ratio (the "leverage ratio") of the sum of total debt plus 800% of forward minimum rent commitments to trailing four-quarters EBITDAR and currently accrues at .275% of the committed amount per annum. The Agreement contains limitations on debt, liens, restricted payments (including dividends), mergers and acquisitions, sale-leaseback transactions, investments, acquisitions, hedging transactions and transactions with affiliates and financial covenants requiring a minimum ratio of EBITDAR to interest expense and minimum rent and a maximum leverage ratio. No amounts were outstanding under the Agreement at January 30, 1999.

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.

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

8. RELATED PARTY TRANSACTIONS

Prior to the Exchange Offer, transactions between the Company and The Limited and its subsidiaries and affiliates principally consisted of the following:

- Merchandise purchases
- Real estate management and leasing
- Capital expenditures
- Inbound and outbound transportation
- Corporate services

Information with regard to these transactions through the completion of the Exchange Offer is as follows:

Significant purchases were made from Mast, a wholly-owned subsidiary of The Limited. Purchases were also made from Gryphon, an indirect subsidiary of The Limited. Mast is a contract manufacturer and apparel importer, while Gryphon is a developer of fragrance and personal care products and also a contract manufacturer. Prices were negotiated on a competitive basis by merchants of the Company with Mast, Gryphon and the manufacturers.

The Company's real estate operations, including all aspects of lease negotiations and ongoing dealings with landlords and developers, were handled centrally by the Real Estate Division of The Limited ("Real Estate Division"). Real Estate Division expenses were allocated to the Company

based on the number of new and remodeled store construction projects and open selling square feet.

The Company's store design and construction operations were coordinated centrally by the Store Planning Division of The Limited ("Store Planning Division"). The Store Planning Division facilitated the design and construction of the stores and upon completion transferred the stores to the Company at actual cost. Store Planning Division expenses were charged to the Company based on a combination of new and remodeled store construction projects and open selling square feet.

The Company's inbound and outbound transportation expenses were managed centrally by Limited Distribution Services ("LDS"), a wholly-owned subsidiary of The Limited. Inbound freight was charged to the Company based on actual receipts, while outbound freight was charged on a percentage of cartons shipped basis.

The Limited provided certain services to the Company including, among other things, aircraft, tax, treasury, legal, corporate secretary, accounting, auditing, corporate development, risk management, associate benefit plan administration, human resource and compensation, government affairs and public relation services. Identifiable costs were charged directly to the Company. All other services-related costs not specifically attributable to the business were allocated to the Company based upon a percentage of sales.

Prior to the Exchange Offer, the Company participated in The Limited's centralized cash management system whereby cash received from operations was transferred to The Limited's centralized cash accounts and cash disbursements were funded from the centralized cash accounts on a daily basis. Prior to the initial capitalization of the Company, the intercompany cash management account was noninterest bearing. After the initial capitalization of the Company on July 11, 1996, the intercompany cash management account became an interest earning asset or interest bearing liability of the Company depending upon the level of cash receipts and disbursements. Interest on the intercompany cash management account was calculated based on 30-day commercial paper rates for "AA" rated companies as reported in the Federal Reserve's H.15 statistical release. The average outstanding balance of the noninterest bearing intercompany payable to The Limited in the twenty-six week period ending August 3, 1996 approximated \$64.5 million. A summary of the intercompany payment activity during the noninterest bearing period follows:

	Twenty-six weeks ended August 3, 1996

Balance at beginning of period	\$ 86,045
Mast and Gryphon purchases	23,178
Other transactions with related parties	9,667
Centralized cash management	(16,417)
Settlement of current period income taxes	5,700
Payment to The Limited	(91,000)
Conversion to Working Capital Note	(8,616)

Balance at end of period	\$ 8,557
	=====

The Company was charged rent expense, common area maintenance charges and utilities for stores shared with other consolidated subsidiaries of The Limited. The charges were based on square footage and represented the proportionate share of the underlying leases with third parties.

The Company was also charged rent expense and utilities for the distribution and home office space occupied (which approximated fair market value).

For the period prior to the Exchange Offer, the Company and The Limited entered into intercompany agreements that established the provision of services in accordance with the terms described above. The prices charged to the Company for services provided under these agreements may have been higher or lower than prices that would have been charged by third parties. It is not practicable, therefore, to estimate what these costs would have been if The Limited had not provided these services and the Company was required to purchase these services from outsiders or develop internal expertise. Management believes the charges and allocations described above are fair and reasonable.

The following table summarizes the related party transactions between the Company and The Limited and its subsidiaries, for the years indicated. Fiscal year 1998 reflects activity through the completion of the Exchange Offer.

	1998	Thousands 1997	1996
	-----	-----	-----
Mast and Gryphon purchases	\$20,176	\$ 89,892	\$61,776
Capital expenditures	3,199	27,012	20,839
Inbound and outbound transportation	2,280	5,524	3,326
Corporate charges	2,671	6,857	3,989
Store leases and other occupancy, net	561	1,184	1,509
Distribution center, IT and home office expenses	2,217	3,102	2,696
Centrally managed benefits	1,524	3,596	3,136
Interest charges, net	4	3,583	2,190
	=====	=====	=====
	\$32,632	\$140,750	\$99,461
	=====	=====	=====

The Company's proprietary credit card processing is performed by Alliance Data Systems which is approximately 31% owned by The Limited.

Subsequent to the Exchange Offer, 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 are generally the costs and expenses incurred by The Limited plus five percent of such amounts. At the end of fiscal year 1998, the Company had hired associates with the appropriate expertise or contracted with outside parties to replace those services provided by The Limited which expire in May 1999.

The Company does not anticipate that costs associated with the remaining service agreements provided by The Limited which expire in May 2001 or costs incurred to replace the services currently provided by The Limited will have a material adverse impact on its financial condition.

Shahid & Company, Inc. has provided advertising and design services for the Company since 1995. Sam N. Shahid Jr., who serves on the Board of Directors for the Company, has been President and Creative Director of Shahid & Company, Inc. since 1993. Fees paid to Shahid & Company, Inc. for services provided during fiscal year 1998 were approximately \$1.2 million.

9. STOCK OPTIONS AND RESTRICTED STOCK

Under the Company's stock plan, associates may be granted up to a total of 5.5 million restricted shares and options to purchase the Company's common stock at the market price on the date of grant. In 1998, associates of the Company were granted approximately 2.0 million options, with vesting periods ranging from four to six years. A total of 66,000 shares were issued to non-associate directors in 1998, all of which vest over four years. All options have a maximum term of ten years.

The Company adopted the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation," effective with the 1996 financial statements, but elected to continue to measure compensation expense in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense for stock options has been recognized. If compensation expense had been determined based on the estimated fair value of options granted in 1998, 1997 and 1996, consistent with the methodology in SFAS No. 123, the pro forma effect on net income and net income per diluted share would have been a reduction of approximately \$6.1 million or \$.11 per share in 1998 and \$1.7 million or \$.03 per share in 1997. In 1996, the pro forma effect would have had no impact on net income and net income per diluted share. The weighted-average fair value of all options granted during fiscal 1998, 1997 and 1996 was \$19.59, \$8.50 and \$6.67. The fair value of each option was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions for 1998, 1997 and 1996: no expected dividends, price volatility of 40% in 1998 and 35% in 1997 and 1996, risk-free interest rates of 5.5%, 6.0% and 6.25%, assumed forfeiture rates of 10% and expected lives of 5 years in 1998 and 1996 and 6.5 years in 1997.

The pro forma effect on net income for 1998, 1997 and 1996 is not representative of the pro forma effect on net income in future years because it takes into consideration pro forma compensation expense related only to those grants made subsequent to the Company's initial public offering.

Stock Options Outstanding at January 30, 1999

Options Outstanding				Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercisable Price
\$13 - \$25	1,618,000	8.1	\$16.05	169,000	\$16.09
\$26 - \$37	381,000	8.9	\$31.09	25,000	\$30.71
\$38 - \$49	1,785,000	9.5	\$46.08	--	--
=====	=====	=====	=====	=====	=====
\$13 - \$49	3,784,000	8.8	\$31.73	194,000	\$17.97
=====	=====	=====	=====	=====	=====

A summary of option activity for 1998, 1997 and 1996 follows:

	1998		1997		1996	
	Shares	Weighted Average Option Price	Shares	Weighted Average Option Price	Shares	Weighted Average Option Price
Outstanding at beginning of year	1,884,000	\$17.81	240,000	\$16.00	--	--
Granted	1,985,000	44.93	1,669,000	18.03	240,000	\$16.00
Exercised	(30,000)	17.98	(4,000)	16.00	--	--
Canceled	(55,000)	38.79	(21,000)	16.00	--	--
Outstanding at end of year	3,784,000	\$31.73	1,884,000	\$17.81	240,000	\$16.00
Options exercisable at year-end	194,000	\$17.97	35,000	\$16.00	--	--

A total of 70,000 and 547,000 restricted shares were granted in 1998 and 1997, with a total market value at grant date of \$2.7 million and \$8.7 million. The restricted stock grants generally vest either on a graduated scale over four years or 100% at the end of a fixed vesting period, principally five years. The market value of restricted stock is being amortized as compensation expense over the vesting period, generally four to five years. Compensation expenses related to restricted stock awards amounted to \$11.5 million, \$6.2 million and \$0.5 million in 1998, 1997 and 1996. Long-term liabilities at fiscal year-end 1998 and 1997 included \$8.7 million and \$6.2 million of compensation expense relating to restricted stock.

10. RETIREMENT BENEFITS

The Company participates in a qualified defined contribution retirement plan and a nonqualified supplemental retirement plan. Participation in the qualified plan is available to all associates who have completed 1,000 or more hours of service with the Company during certain 12-month periods and attained the age of 21. Participation in the nonqualified plan is subject to service and compensation requirements. The Company's contributions to these plans are based on a percentage of associates' eligible annual compensation. The cost of these plans was \$760 thousand in 1998, \$558 thousand in 1997 and \$472 thousand in 1996.

11. QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial results for 1998 and 1997 follow
(thousands except per share amounts):

Quarter	First	Second	Third	Fourth
1998				
Net sales	\$134,230	\$147,127	\$229,869	\$304,578
Gross income	49,211	55,194	89,444	150,102
Net income	6,308	10,598	24,943	60,213
Net income per basic share	\$.12	\$.21	\$.48	\$1.17
Net income per diluted share	\$.12	\$.20	\$.47	\$1.12
1997				
Net sales	\$ 74,316	\$ 86,640	\$148,516	\$212,145
Gross income	23,941	27,786	52,990	96,363
Net income	565	2,053	10,403	35,301
Net income per basic share	\$.01	\$.04	\$.20	\$.69
Net income per diluted share	\$.01	\$.04	\$.20	\$.68

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Shareholders of Abercrombie & Fitch Co.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholders' equity (deficit), and cash flows present fairly, in all material respects, the consolidated financial position of Abercrombie & Fitch Co. and its subsidiaries at January 30, 1999 and January 31, 1998, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 30, 1999 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these consolidated statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Columbus, Ohio
February 16, 1999

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information regarding directors of the Company is set forth under the captions "ELECTION OF DIRECTORS - Nominees and Directors", "- Business Experience", "- Information Concerning the Board of Directors" and "- Security Ownership of Directors and Management" in the Company's proxy statement for the Annual Meeting of Stockholders to be held on May 20, 1999 (the "Proxy Statement") and is incorporated herein by reference. Information regarding executive officers of the Company is set forth under the captions "ELECTION OF DIRECTORS - Business Experience", "- Executive Officers" and "- Security Ownership of Directors and Management" and "EXECUTIVE COMPENSATION - Employment Agreements with Certain Executive Officers" in the Proxy Statement and is incorporated herein by reference. In addition, information regarding executive officers of the Company is included in this Annual Report on Form 10-K under the caption "SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT" in Part I and is incorporated herein by reference. No information is required to be disclosed under Item 40.5 of Regulation S-K.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is set forth under the caption "EXECUTIVE COMPENSATION" in the Proxy Statement and is incorporated herein by reference. Such incorporation by reference shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a)(8) of Regulation S-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information regarding the security ownership of certain beneficial owners and management is set forth under the captions "PRINCIPAL HOLDER'S OF SHARES" and "ELECTION OF DIRECTORS - Security Ownership of Directors and Management" in the Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information regarding certain relationships and related transactions is set forth under the captions "ELECTION OF DIRECTORS - Business Experience" and "RELATIONSHIP AND TRANSACTIONS WITH THE LIMITED" in the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)(1) List of Financial Statements.

The following consolidated financial statements of Abercrombie & Fitch Co. and subsidiaries and the related notes are filed as a part of this report pursuant to ITEM 8:

Consolidated Statements of Income for the fiscal years ended January 30, 1999, January 31, 1998 and February 1, 1997.

Consolidated Balance Sheets as of January 30, 1999 and January 31, 1998.

Consolidated Statements of Shareholders' Equity (Deficit) for the fiscal years ended January 30, 1999, January 31, 1998 and February 1, 1997.

Consolidated Statements of Cash Flows for the fiscal years ended January 30, 1999, January 31, 1998 and February 1, 1997.

Notes to Consolidated Financial Statements.

Report of Independent Accountants.

(a)(2) List of Financial Statement Schedules.

All schedules are omitted because the required information is either presented in the financial statements or notes thereto, or is not applicable, required or material.

(a)(3) List of Exhibits.

3. Articles of Incorporation and Bylaws.

- 3.1. Amended and Restated Certificate of Incorporation of the Company as filed with the Delaware Secretary of State on August 27, 1996, 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. Certificate of Designation of Series A Participating Cumulative Preferred Stock of the Company as filed with the Delaware Secretary of State on July 21, 1998.
- 3.3. 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. 33-38231) (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.
- 4.3. Rights Agreement dated as of July 16, 1998 between Abercrombie & Fitch Co. and First Chicago Trust Company of New York, incorporated by reference to Exhibit 1 to the Company's Registration Statement on Form 8-A dated July 21, 1998.
- 4.4. Amendment No. 1 to Rights Agreement dated as of April 21, 1999 between Abercrombie & Fitch Co. and First Chicago Trust Company of New York, incorporated by reference to Exhibit 2 to the Company's Amendment No. 1 to Form 8-A dated April 23, 1999.

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. 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 1998.
- 10.3. 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Plan for Non-Associate Directors incorporated by reference to Exhibit B to the Company's Proxy Statement dated May 29, 1998.
- 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 incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 2, 1998.
- 10.8. Amended and Restated Services Agreement dated as of May 19, 1998 between The Limited, Inc. and the Company incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 2, 1998.

- 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 incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 2, 1998.
- 10.12. Employment Agreement by and between the Company and Charles W. Martin dated December 5, 1997.
- 10.13. Description of Arrangement between Diane Chang and the Company.
- 10.14. Abercrombie & Fitch, Inc. Directors' Deferred Compensation Plan.
21. Subsidiaries of the Registrant.
23. Consent of Independent Accountants.
24. Powers of Attorney.
27. Financial Data Schedule.
99. Annual Report on Form 11-K of the Abercrombie & Fitch Co. Savings and Retirement Plan.
- (b) Reports on Form 8-K.

None
- (c) Exhibits.

The exhibits to this report are listed in section (a)(3) of Item 14 above.
- (d) Financial Statement Schedules.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: April 1, 1999

ABERCROMBIE & FITCH CO.

By /s/ SETH R. JOHNSON

Seth R. Johnson,
Vice President - Chief Financial Officer
Principal Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on April 1, 1999:

Signature -----	Title -----
/s/ MICHAEL S. JEFFRIES* ----- Michael S. Jeffries	Chairman of the Board of Directors and Chief Executive Officer
/s/ SETH R. JOHNSON ----- Seth R. Johnson	Vice President - Chief Financial Officer
/s/ GEORGE FOOS* ----- George Foos	Director
/s/ RUSSELL M. GERTMENIAN* ----- Russell M. Gertmenian	Director
/s/ JOHN A. GOLDEN* ----- John A. Golden	Director
/s/ JOHN W. KESSLER* ----- John W. Kessler	Director
/s/ SAM N. SHAHID* ----- Sam N. Shahid	Director

*The undersigned, by signing his name hereto, does hereby sign this report on behalf of each of the above-indicated directors of the registrant pursuant to powers of attorney executed by such directors.

By /s/ SETH R. JOHNSON

Seth R. Johnson
Attorney-in-fact

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JANUARY 30, 1999

ABERCROMBIE & FITCH, CO.
(exact name of Registrant as specified in its charter)

FINANCIAL STATEMENT SCHEDULES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JANUARY 30, 1999

ABERCROMBIE & FITCH CO.
(exact name of Registrant as specified in its charter)

EXHIBITS

EXHIBIT INDEX

Exhibit No. -----	Document -----
3.2	Certificate of Designation of Series A Participating Cumulative Preferred Stock of the Company as filed with the Delaware Secretary of State on July 21, 1998.
10.12.	Employment Agreement by and between the Company and Charles W. Martin dated December 5, 1997.
10.13.	Description of Arrangement between Diane Chang and the Company.
10.14.	Abercrombie & Fitch, Inc. Directors' Deferred Compensation Plan.
21	Subsidiaries of the Registrant.
23	Consent of Independent Accountants.
24	Powers of Attorney.
27	Financial Data Schedule.
99	Annual Report on Form 11-K of the Abercrombie & Fitch Co. Savings and Retirement Plan.

Exhibit 3.2

Certificate of Designation of Series A Participating Cumulative Preferred Stock of Abercrombie & Fitch Co. as filed with the Delaware Secretary of State on July 21, 1998

CERTIFICATE OF DESIGNATION
OF
SERIES A PARTICIPATING CUMULATIVE
PREFERRED STOCK

OF

ABERCROMBIE & FITCH CO.

Pursuant to Section 151 of the
General Corporation Law of the
State of Delaware

We, Michael S. Jeffries, President and Chief Executive Officer and Seth R. Johnson, Vice President--Chief Financial Officer of Abercrombie and Fitch Co., a corporation organized and existing under the General Corporation Law of the State of Delaware ("Delaware Law"), in accordance with the provisions thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation of the Corporation, the Board of Directors on July 16, 1998, adopted the following resolution creating a series of Preferred Stock in the amount and having the designation, voting powers, preferences and relative, participating, optional and other special rights and qualifications, limitations and restrictions thereof as follows:

SECTION 1. Designation and Number of Shares. The shares of such series shall be designated as "Series A Participating Cumulative Preferred Stock" (the "Series A Preferred Stock"), and the number of shares constituting such series shall be 100,000. Such number of shares of the Series A Preferred Stock may be increased or decreased by resolution of the Board of Directors; provided that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares issuable upon exercise or conversion of outstanding rights, options or other securities issued by the Corporation.

SECTION 2. Dividends and Distributions.

(a) The holders of shares of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the third Monday of February, May, August and November of each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of any share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) \$1.00 and (ii) subject to the provision for adjustment hereinafter set forth, 1000 times the aggregate per share amount of all cash dividends or other distributions and 1000 times the aggregate per share amount of all non-cash dividends or other distributions

(other than (A) a dividend payable in shares of Class A Common Stock, par value \$0.01 per share, of the Corporation (the "Common Stock") or (B) a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise)), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. If the Corporation shall at any time after July 16, 1998 (the "Rights Declaration Date") pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause 2(a)(ii) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph 2(a) above immediately after it declares a dividend or distribution on the Common Stock (other than as described in clauses 2(a)(ii)(A) and 2(a)(ii)(B) above); provided that if no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date (or, with respect to the first Quarterly Dividend Payment Date, the period between the first issuance of any share or fraction of a share of Series A Preferred Stock and such first Quarterly Dividend Payment Date), a dividend of \$1.00 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issuance of such shares of Series A Preferred Stock, unless the date of issue of such shares is on or before the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue and be cumulative from the date of issue of such shares, or unless the date of issue is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and on or before such Quarterly Dividend Payment Date, in which case dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall not be more than 60 days prior to the date fixed for the payment thereof.

SECTION 3. Voting Rights. In addition to any other voting rights required by law, the holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 1000 votes on all matters submitted to a vote of stockholders of the Corporation. If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as a single class on all matters submitted to a vote of stockholders of the Corporation.

(c) (i) If at any time dividends on any Series A Preferred Stock shall be in arrears in an amount equal to six quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock and any other series of Preferred Stock then entitled as a class to elect directors, voting together as a single class, irrespective of series, shall have the right to elect two Directors.

(ii) During any default period, such voting right of the holders of Series A Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph 3(c)(iii) hereof or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of 10% in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of holders of Common Stock shall not affect the exercise by holders of Preferred Stock of such voting right. At any meeting at which holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two Directors or, if such right is exercised at an annual meeting, to elect two Directors. If the number which may be so elected at any special meeting does not amount to the required number, the

size of the Board of Directors will be automatically increased without any action on the part of the holders of Preferred Stock as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or *pari passu* with the Series A Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than 10% of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of special meeting of holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph 3(c)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than 10% of the total number of shares of Preferred Stock outstanding, irrespective of series. Notwithstanding the provisions of this paragraph 3(c)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph 3(c)(ii) hereof) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. Reference in this paragraph 3(c) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall

terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or bylaws irrespective of any increase made pursuant to the provisions of paragraph 3(c)(ii) hereof (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or bylaws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(d) The Certificate of Incorporation of the Corporation shall not be amended in any manner (whether by merger or otherwise) so as to adversely affect the powers, preferences or special rights of the Series A Preferred Stock without the affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred Stock, voting separately as a class.

(e) Except as otherwise provided herein, holders of Series A Preferred Stock shall have no special voting rights, and their consent shall not be required for taking any corporate action.

SECTION 4. Certain Restrictions.

(a) Whenever quarterly dividend or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on outstanding shares of Series A Preferred Stock shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, or make any other distributions on, any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends on, or make any other distributions on, any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such other parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem, purchase or otherwise acquire for value any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock; provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem, purchase or otherwise acquire for value any shares of Series A Preferred Stock, or any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the

Board of Directors) to all holders of Series A Preferred Stock and all such other parity stock upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for value any shares of stock of the Corporation unless the Corporation could, under paragraph 4(a), purchase or otherwise acquire such shares at such time and in such manner.

SECTION 5. Reacquired Shares. Any shares of Series A Preferred Stock redeemed, purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock without designation as to series and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors as permitted by the Certificate of Incorporation or as otherwise permitted under Delaware Law.

SECTION 6. Liquidation, Dissolution and Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received \$1.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment; provided that the holders of shares of Series A preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount to be distributed per share to holders of Common Stock, or (2) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such other parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

SECTION 7. Consolidation, Merger, Etc. If the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash or any other property, then in any such case the shares of Series A Preferred Stock shall at the same time be similarly exchanged for or changed into an amount per share, subject to the provision for adjustment

hereinafter set forth, equal to 1000 times the aggregate amount of stock, securities, cash or any other property, as the case may be, into which or for which each share of Common Stock is changed or exchanged. If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

SECTION 8. No Redemption. The Series A Preferred Stock shall not be redeemable.

SECTION 9. Rank. The Series A Preferred Stock shall rank junior (as to dividends and upon liquidation, dissolution and winding up) to all other series of the Corporation's preferred stock except any series that specifically provides that such series shall rank junior to the Series A Preferred Stock.

SECTION 10. Fractional Shares. Series A Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate this 21st day of July, 1998.

/s/ Michael S. Jeffries

Michael S. Jeffries
President & Chief Executive Officer

/s/ Seth Johnson

Seth Johnson
Vice President and
Chief Financial Officer

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of December 5, 1997, by and between Abercrombie & Fitch, Co., a Delaware company (the "Company"), and Charles W. Martin (the "Executive") (hereinafter collectively referred to as "the parties").

WHEREAS, the Executive has heretofore been employed as Vice President - Men's Design of the Company, and is experienced in all phases of its business and possesses an intimate knowledge of the business and affairs of the Company and its policies, procedures, methods and personnel; and

WHEREAS, the Company has determined that it is essential and in its best interests to retain the services of key management personnel and to ensure their continued dedication and efforts; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Board") has determined that it is in the best interest of the Company to secure the continued services and employment of the Executive and the Executive is willing to render such services on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the parties contained herein, the parties hereby agree as follows:

1. Term. The initial term of employment under this Agreement shall be for the period commencing on the date hereof (the "Commencement Date") and ending on the sixth anniversary of the Commencement Date (the "Initial Term"); provided, however, that upon the expiration of the Initial Term, this Agreement shall be automatically extended for a period of one year, unless either the Company or the Executive shall have given written notice to the other at least ninety (90) days prior thereto that the term of this agreement shall not be so extended.

2. Employment

(a) Position. The Executive shall be employed as the Vice President - Men's Design of the Company, or such other position of reasonably comparable or greater status and responsibilities as may be determined by the Board with any division, subsidiary or affiliate of the Company. The Executive shall perform the duties, undertake the responsibilities and

exercise the authority customarily performed, undertaken and exercised by persons employed in a similar executive capacity. The Executive shall report to the President and Chief Executive Officer of the Company, or other designee as appointed by the Chairman.

(b) Obligations. The Executive agrees to devote his full business time and attention to the business and affairs of the Company. The foregoing, however, shall not preclude the Executive from serving on corporate, civil or charitable boards or committees or managing personal investments, so long as such activities do not interfere with the performance of the Executive's responsibilities hereunder.

3. Base Salary. The Company agrees to pay or cause to be paid to the Executive during the term of this Agreement a base salary at the rate of \$300,000. This base salary will be subject to annual review and may be increased from time to time by the Board considering factors such as the executive's responsibilities, compensation of similar executives within the Company and in other companies, performance of the executive and other pertinent factors (herein referred to as the "Base Salary"). Such Base Salary shall be payable in accordance with the Company's customary practices applicable to its executives.

4. Equity Compensation. The Company shall grant to the Executive rights to acquire 75,000 shares of the Company's common stock pursuant to the terms of the agreements attached hereto as Exhibit A.

5. Employee Benefits. The Executive shall be entitled to participate in all employee benefit plans, practices and programs maintained by the Company and made available to senior executives generally and as may be in effect from time to time. The Executive's participation in such plans, practices and programs shall be on the same basis and terms as are applicable to senior executives of the Company generally.

6. Bonus. The Executive shall be entitled to participate in the Company's applicable incentive compensation plan on such terms and conditions as may be determined from time to time by the Board.

7. Other Benefits.

(a) Life Insurance. During the term of this Agreement, the Company shall be entitled to maintain a "key person" term life insurance policy on the life of the Executive,

the proceeds of which shall be payable to the Company or its designees. The Executive agrees to undergo any reasonable physical examination and other procedures as may be necessary to maintain such policy.

(b) Expenses. Subject to applicable Company policies, the Executive shall be entitled to receive prompt reimbursement of all expenses reasonably incurred by him in connection with the performance of his duties hereunder or for promoting, pursuing or otherwise furthering the business or interests of the Company.

(c) Office and Facilities. The Executive shall be provided with an appropriate office and with such secretarial and other support facilities as are commensurate with the Executive's status with the Company and adequate for the performance of those duties hereunder.

8. Vacation. The Executive shall be entitled to annual vacation in accordance with the policies as periodically established by the Board for similarly situated executives of the Company.

9. Termination. The Executive's employment hereunder may be terminated under the following circumstances:

(a) Disability. The Company shall be entitled to terminate the Executive's employment after having established the Executive's Disability. For purposes of this Agreement, "Disability" means a physical or mental infirmity which impairs the Executive's ability to substantially perform those duties under this Agreement for a period of at least six (6) months in any 12 month calendar period as determined in accordance with The Limited, Inc. Long-Term Disability Plan.

(b) Cause. The Company shall be entitled to terminate the Executive's employment for "Cause" without prior written notice. For purposes of this Agreement, "Cause" shall mean that the Executive (1) willfully failed to perform those duties with the Company (other than a failure resulting from the Executive's incapacity due to physical or mental illness); or (2) has plead "guilt" or "no contest" to or has been convicted of an act which is defined as a felony under federal or state law; or (3) engaged in willful misconduct in bad faith which could reasonably be expected to materially harm the Company's business or its reputation.

The Executive shall be given written notice by the Board of termination for Cause, such notice to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Cause is based. The Executive shall be entitled to a hearing before the Board or a committee thereof established for such purpose and to be accompanied by legal counsel. Such hearing shall be held within 15 days of notice to the Company by the Executive, provided the Executive requests such hearing within 30 days of the written notice from the Board of the termination for Cause.

(c) Termination by the Executive. The Executive may terminate employment hereunder for "Good Reason" by delivering to the Company (1) a Preliminary Notice of Good Reason (as defined below), and (2) not earlier than thirty (30) days from the deliver of such Preliminary Notice, a Notice of Termination. For purposes of this Agreement, "Good Reason" means (i) the failure to continue the Executive as Vice President - Men's Design of the Company or such other capacity as contemplated by Section 2 hereof; (ii) the assignment to the Executive of any duties materially inconsistent with the Executive's positions, duties, authority, responsibilities and reporting requirements as set forth in Section 2 hereof; (iii) a reduction in or a material delay in payment of the Executive's total cash compensation and benefits from those required to be provided in accordance with the provisions of this Agreement; (iv) the Company, the Board or any person controlling the Company requires the Executive to be based outside of the United States, other than on travel reasonably required to carry out the Executive's obligations under the Agreement or (v) the failure of the Company to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company within 15 days after a merger, consolidation, sale or similar transaction; provided, however, that "Good Reason" shall not include (A) acts not taken in bad faith which are cured by the Company in all respects not later than thirty (30) days from the date of receipt by the Company of a written notice from the Executive identifying in reasonable detail the act or acts constituting "Good Reason" (a "Preliminary Notice of Good Reason") or (B) acts taken by the Company by reason of the Executive's physical or mental infirmity which impairs the Executive's ability to substantially perform the duties under this Agreement. A Preliminary Notice of Good Reason shall not, by itself, constitute a Notice of Termination.

(d) Notice of Termination. Subject to Section 9(b), any purported termination by the Company or by the

Executive shall be communicated by a written Notice of Termination to the other two weeks prior to the Termination Date (as defined below). For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. For purposes of this agreement, no such purported termination of employment shall be effective without such Notice of Termination.

(e) Termination Date, Etc. "Termination Date" shall mean in the case of the Executive's death, the date of death, or in all other cases, the date specified in the Notice of Termination, provided, however, that if the Executive's employment is terminated by the Company due to Disability, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to the Executive.

10. Compensation Upon Termination.

(a) If during the term of this Agreement (including any extensions thereof), the Executive's employment is terminated by the Company for Cause, by reason of the Executive's death or if the Executive gives written notice not to extend the term of this Agreement, the Company's sole obligation hereunder shall be to pay the Executive the following amounts earned hereunder but not paid as of the Termination Date: (i) Base Salary, (ii) reimbursement for any and all monies advanced or expenses incurred pursuant to Section 7(b) through the Termination Date, and (iii) any earned compensation which the Executive had previously deferred (including any interest earned or credited thereon) (collectively, "Accrued Compensation"). The Executive's entitlement to any other benefits shall be determined in accordance with the Company's employee benefit plans then in effect.

(b) If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, the Company's sole obligation hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive the Base Salary for a period of one (1) year following the Termination Date.

(c) If the Executive's employment is terminated by the Company by reason of the Executive's Disability, the Company's sole obligation hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) The Company shall continue to pay the Executive 100% of the Base Salary for the first twelve months following the Termination Date, 80% of the Base Salary for the second twelve months following the Termination Date, and 60% of the Base Salary for the third twelve months following the Termination Date; provided, however, that such Base Salary shall be reduced by the amount of any benefits the Executive receives by reason of his Disability under the Company's relevant disability plan or plans; and

(iii) if the Executive is disabled beyond thirty-six (36) months, the Company shall continue to pay the Executive 60% of Base Salary up to a maximum of \$250,000 per year for the period of the Executive's Disability, as defined in the Company's relevant disability plans; provided, however, that such payments shall be reduced by the amount of any benefits the Executive receives by reason of his Disability under the Company's relevant disability plan or plans.

(d) If the Executive's employment is terminated by reason of the Company's written notice to the Executive of its decision not to extend the term of this Agreement as contemplated in Section 1 hereof, the Company's sole obligation hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation; and

(ii) the Company shall continue to pay the Executive the Base Salary for a period of one (1) year following the expiration of such term.

(e) During the period the Executive is receiving salary continuation pursuant to Section 10(b)(ii), 10(c)(ii) or 10(d)(ii) hereof, the Company shall, at its expense, provide to

the Executive and the Executive's beneficiaries medical and dental benefits substantially similar in the aggregate to those provided to the Executive immediately prior to the date of the Executive's termination of employment; provided, however, that the Company's obligation with respect to the foregoing benefits shall be reduced to the extent that the Executive or the Executive's beneficiaries obtains any such benefits pursuant to a subsequent employer's benefit plans.

(f) The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation provided to the Executive in any subsequent employment.

11. Employee Covenants.

(a) Unauthorized Disclosure. The Executive shall not, during the term of this Agreement and thereafter, make any Unauthorized Disclosure. For purposes of this Agreement, "Unauthorized Disclosure" shall mean disclosure by the Executive without the prior written consent of the Board to any person, other than an employee of the Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of duties as an executive of the Company or as may be legally required, of any information relating to the business or prospects of the Company (including, but not limited to, any confidential information with respect to any of the Company's customers, products, methods of distribution, strategies, business and marketing plans and business policies and practices): provided, however, that such term shall not include the use or disclosure by the Executive, without consent, of any information known generally to the public (other than as a result of disclosure by the Executive in violation of this Section 11(a)). This confidentiality covenant has no temporal, geographical or territorial restriction.

(b) Non-Competition. During the Non-Competition Period described below, the Executive shall not, directly or indirectly, without the prior written consent of the Company, own, manage, operate, join, control, be employed by, consult with or participate in the ownership, management, operation or control of, or be connected with (as a stockholder, partner, or otherwise), any business, individual, partner, firm, corporation, or other entity that competes, directly or indirectly, with the Company or any division, subsidiary or affiliate of the Company; provided, however, that the "beneficial ownership" by the Executive after termination of employment with the Company,

either individually or as a member of a "group," as such terms are used in Rule 13d of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of not more than two percent (2%) of the voting stock of any publicly held corporation shall not be a violation of Section 11 of this Agreement.

The "Non-Competition Period" means the period the Executive is employed by the Company plus one (1) year from the Termination Date if the Executive's employment is terminated (i) by the Company for any reason, (ii) by the Executive for any reason, or (iii) by reason of either the Company's or the Executive's decision not to extend the term of this Agreement as contemplated by Section 1 hereof.

(c) Non-Solicitation. During the No-Raid Period described below, the Executive shall not, either directly or indirectly, alone or in conjunction with another party, interfere with or harm, or attempt to interfere with or harm, the relationship of the Company, its subsidiaries and/or affiliates, with any person who at any time was an employee, customer or supplier of the Company, its subsidiaries and/or affiliates or otherwise had a business relationship with the Company, its subsidiaries and/or affiliates.

The "No-Raid Period" means the period the Executive is employed by the Company plus one (1) year from the Termination Date if the Executive's employment is terminated (i) by the Company for any reason except by reason of the Executive's Disability, (ii) by the Executive for any reason, or (iii) by reason of either the Company's or the Executive's decision not to extend the term of this Agreement as contemplated by Section 1 hereof.

(d) Remedies. The Executive agrees that any breach of the terms of this Section 11 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons and/or entities acting for and/or with the Executive, without having to prove damages, and to all costs and expenses, including reasonable attorneys' fees and costs, in addition to any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available

remedies for any breach or threatened breach hereof, including but not limited to the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants not to compete and solicit are reasonable and the Company would not have entered into this Agreement but for the inclusion of such covenants herein. Should a court determine, however, that any provision of the covenants is unreasonable, either in period of time, geographical area, or otherwise, the parties hereto agree that the covenant should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable.

The provisions of this Section 11 shall survive any termination of this Agreement, and the existence of any claim or cause of action by the Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements of this Section 11; provided, however, that this paragraph shall not, in and of itself, preclude the Executive from defending himself against the enforceability of the covenants and agreements of this Section 11.

12. Limitation of Payments.

(a) Gross-Up Payment. In the event it shall be determined that any payment or distribution of any type to or for the benefit of the Executive, by the Company, any of its affiliates, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder) or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments"), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments (not including any Gross-Up Payment).

13. Employee Representation. The Executive expressly represents and warrants to the Company that the Executive is not

a party to any contract or agreement and is not otherwise obligated in any way, and is not subject to any rules or regulations, whether governmentally imposed or otherwise, which will or may restrict in any way the Executive's ability to fully perform the Executive's duties and responsibilities under this Agreement.

14. Successors and Assigns.

(a) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns and the Company shall require any successor or assign to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. The term "the Company" as used herein shall include any such successors and assigns to the Company's business and/or assets. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring or otherwise succeeding to, directly or indirectly, all or substantially all the assets and business of the Company (including this Agreement) whether by operation of law or otherwise.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Executive, the Executive's beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall issue to the benefit of and be enforceable by the Executive's legal personal representative.

15. Arbitration. Except with respect to the remedies set forth in Section 11(d) hereof, if in the event of any controversy or claim between the Company or any of its affiliates and the Executive arising out of or relating to this Agreement, either party delivers to the other party a written demand for arbitration of a controversy or claim then such claim or controversy shall be submitted to binding arbitration. The binding arbitration shall be administered by the American Arbitration Association under its Commercial Arbitration Rules. The arbitration shall take place in Columbus, Ohio. Each of the Company and the Executive shall appoint one person to act as an arbitrator, and a third arbitrator shall be chosen by the first two arbitrators (such three arbitrators, the "Panel"). The Panel shall have no authority to award punitive damages against the Company or the Executive. The arbitrator shall have no authority to add to, alter, amend or refuse to enforce any portion of the disputed agreements. The Company and the Executive each waive

any right to a jury trial or to petition for stay in any action or proceeding of any kind arising out of or relating to this Agreement.

16. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or upon receipt if overnight delivery service or facsimile is used, addressed as follows:

To the Executive:

- - - - -

Charles W. Martin
7640 N. Goodrich Square
New Albany, Ohio 43054

To the Company:

- - - - -

Abercrombie & Fitch Co.
Four Limited Parkway
Reynoldsburg, Ohio 43230
Attn: Secretary

With a Copy to:

- - - - -

The Limited, Inc.
2 Limited Parkway
Columbus, Ohio 43230
Attn: Secretary

17. Settlement of Claims. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.

18. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or

compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

19. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Ohio without giving effect to the conflict of law principles thereof.

20. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has executed this Agreement as of the day and year first above written.

ABERCROMBIE & FITCH, CO.

By: /s/ Leslie H. Wexner

Name: Leslie H. Wexner
Title: Chairman of the Board

/s/ Charles W. Martin

Charles W. Martin

DESCRIPTION OF ARRANGEMENT
BETWEEN DIANE CHANG AND
ABERCROMBIE & FITCH CO.

Diane Chang became Vice President-Sourcing of Abercrombie & Fitch Co. (the "Company") on May 11, 1998. In connection with its employment of Ms. Chang, the Company agreed to continue Ms. Chang's base salary for a period of 24 months, subject to her earlier employment, if her employment with the Company were terminated on or before May 11, 1999.

ABERCROMBIE & FITCH, INC.

DIRECTORS' DEFERRED COMPENSATION PLAN

Section 1. PURPOSE - The Company desires and intends to recognize the value to the Company and its Affiliates of the past and present services of its Directors, to encourage their continued service to the Company and its Affiliates and to be able to attract and retain superior Directors by adopting and implementing this Plan to provide such Directors an opportunity to defer compensation otherwise payable to them from the Company and/or Affiliate. In addition, the Company desires to allow such Directors an opportunity to invest in the Common Shares of the Company by providing that amounts deferred under this Plan will be used to purchase such Common Shares.

Section 2. CERTAIN DEFINITIONS - The following terms will have the meanings provided below.

"Additions" means the credits applied to Deferred Compensation Accounts as provided in Section 4 hereof.

"Adjustment Date" means the last business day of each calendar month.

"Affiliate" means any organization or entity which, together with the Company, is a member of a controlled group of corporations or of a commonly controlled group of trades or businesses [as defined in Sections 414(b) and (c) of the Code], or of an affiliated service group [as defined in Code Section 414(m)] or other organization described in Code Section 414(o).

"Annual Retainer" means, with respect to any calendar year or other period, the retainer which, absent an election to defer hereunder, would be payable to a Participant for services rendered to the Board or its committees during those pay periods beginning in the given calendar year or other period.

"Beneficiary" means the person or persons designated in writing as such and filed with the Company at any time by a Participant. Any such designation may be withdrawn or changed in writing (without the consent of the Beneficiary), but only the last designation on file with the Company shall be effective.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as may be amended from time to time.

"Common Shares" means the common shares of the Company, par value \$.01.

"Company" means Abercrombie. & Fitch, Inc., a Delaware corporation, and any successor entity.

"Deferred Compensation Account" means the separate Deferred Compensation Account established for each Participant pursuant to Section 4 of the Plan.

"Director" means any director of the Company who receives compensation from the Company for his services as a director.

"Effective Date" means October 1, 1998, provided that the Plan is approved by at least a majority vote of the members of the Board at a regularly scheduled meeting of the Board within thirty (30) days following such date.

"Eligible Compensation" means, to the extent applicable to any given Participant, the Annual Retainer and all Meeting Fees. The extent to which a given Participant may defer a given component of Eligible Compensation shall be based upon such Participant's eligibility to receive the given component of Eligible Compensation (as determined under applicable agreements and pay practices of the Company or applicable Affiliate) and the provisions and limitations applicable to the given component as provided under this Plan.

"Fair Market Value" of the Common Shares means the most recent closing price of the Common Shares on any national securities exchange on which the Common Shares are then listed.

"Meeting Fees" means, with respect to any calendar year or other period, the fees for attendance at meetings of the Board or its committees (exclusive of expenses) which, absent an election to defer hereunder, would be payable to a Participant during those pay periods beginning in the given calendar year or other period.

"Participant" has the meaning specified in Section 3 of the Plan.

"Plan" means the Abercrombie. & Fitch, Inc. Directors' Deferred Compensation Plan, as reflected in this document, as the same may be amended from time to time after the Effective Date.

"Plan Administrator" means the Company.

"Plan Year" means the calendar year.

"Trust" means the trust fund that, in the discretion of the Company, may be established for purposes of segregating certain assets of the Company for payment of benefits hereunder as the same may be amended from time to time. Such Trust may be irrevocable, but the assets thereof shall, at all times, remain the property of the Company subject to the claims of the Company's creditors.

Section 3. PARTICIPANTS

Each Director on the Effective Date shall be designated by the Company as eligible for participation in the Plan on the Effective Date. Each individual who becomes a Director after the Effective Date shall be designated by the Company as eligible for participation in the Plan as of the later of the date on which he becomes a Director or the date specified by the Board. A Participant shall continue to participate in the Plan until his status as a Participant is terminated by either a complete distribution of his Deferred Compensation Account pursuant to the terms of the Plan, by written directive of the Company or by revocation of his Deferral Notice.

Section 4. DEFERRED COMPENSATION ACCOUNTS

A. Establishment of Deferred Compensation Accounts. The Company will establish a Deferred Compensation Account for each Participant.

B. Election of Participant. With respect to each Plan Year, a Participant may elect to have all or a portion (stated in increments of 25 percent) of his Eligible Compensation which is to be paid to him by the Company for the Plan Year in question allocated to his Deferred Compensation Account and paid on a deferred basis pursuant to the terms of the Plan. To exercise such an election for any Plan Year, within thirty (30) days prior to the commencement of the Plan Year, the Participant must advise the Company of his election, in writing, on a form prescribed by the Company (each, a "Deferral Notice"). Notwithstanding the preceding sentence, in the first year of the Plan, a Participant may complete a Deferral Notice at any time within thirty (30) days following the Effective Date. Such Deferral Notice shall apply only to Eligible Compensation payable to, or earned by, the Participant after the date on which the Deferral Notice is received by the Company. To the extent that a Participant completes a Deferral Notice in accordance with the provisions of this paragraph, such Deferral Notice shall remain in effect for future Plan Years until changed or revoked by the Participant.

C. Company Contributions. Each time a Deferral Notice is submitted to the Company in accordance with Section 4.B. above, during the next Plan Year, the Company will allocate to the Participant's Deferred Compensation Account the percentage of Eligible Compensation, specified in the Deferral Notice. Any amounts so allocated by the Company are called "Company Contributions."

D. Adjustment of Account Balances. As of each Adjustment Date, the amount credited to the Deferred Compensation Account of each Participant shall be divided by the then Fair Market Value of the Common Shares. Upon completion of this calculation, each Deferred Compensation Account shall be credited with the resulting number of whole Common Shares and any remaining amounts shall continue to be credited to the Deferred Compensation Account until converted to whole Common Shares at a future Adjustment Date. The Deferred Compensation Account of each Participant shall be credited with cash dividends on the Common Shares at the times and equal in amount to the cash dividends actually paid with respect to Common Shares on

and after the date credited to the Deferred Compensation Account. At the following Adjustment Date, the amount of cash dividends credited to each Deferred Compensation Account (and any other amounts then credited to such account) shall be divided by the then Fair Market Value of the Common Shares; and the Deferred Compensation Account of each Participant shall be credited with the resulting number of whole Common Shares and any remaining amounts shall continue to be credited to the Deferred Compensation Account until converted to whole Common Shares at a future Adjustment Date. The Plan Administrator may prescribe any reasonable method or procedure for the accounting of Additions.

E. Stock Adjustments. The number of Common Shares in the Deferred Compensation Account of each Participant shall be adjusted from time to time to reflect stock splits, stock dividends or other changes in the Common Shares resulting from a change in the Company's capital structure.

F. Participant's Rights in Accounts. A Participant's only right with respect to his Deferred Compensation Account (and amounts allocated thereto) will be to receive payments in accordance with the provisions of Section 5 of the Plan.

Section 5. PAYMENT OF DEFERRED BENEFITS

A. Time of Payment. Distribution of a Participant's Deferred Compensation Account shall be made within thirty (30) days of the earlier of (i) the date specified by the Participant in the Deferral Notice delivered to the Plan Administrator at the time the deferral election is made; or (ii) the date of the Participant's termination of service as a Director due to resignation, retirement, death or otherwise.

B. Method of Distribution. A Participant's Deferred Compensation Account shall be distributed to the Participant in a single lump sum transfer of the whole Common Shares (plus cash representing the value of fractional shares).

C. Hardship Distributions. Prior to the time a Participant's Deferred Compensation Account becomes payable, the Plan Administrator, in its sole discretion, may elect to distribute all or a portion of the whole Common Shares (plus any cash not then converted to Common Shares) credited to such account in the event such Participant requests a distribution due to severe financial hardship. For purposes of this Plan, severe financial hardship shall be deemed to exist in the event the Plan Administrator determines that a Participant needs a distribution to meet immediate and heavy financial needs resulting from a sudden or unexpected illness or accident of the Participant or a member of the Participant's family, loss of the Participant's property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. A distribution based on financial hardship shall not exceed the smaller of (i) number of whole Common Shares (plus cash not then converted to Common Shares) credited to the Participant's Deferred Compensation Account or (ii) the cash plus the number of whole Common Shares credited to the Participant's Deferred Compensation

Account with a Fair Market Value (determined as of the date of distribution) equal to the amount needed to meet the financial hardship.

D. Designation of Beneficiary. Upon the death of a Participant prior to the distribution of his Deferred Compensation Account, such Deferred Compensation Account shall be paid to the Beneficiary designated by the Participant. If there is no designated Beneficiary or no designated Beneficiary surviving at a Participant's death, payment of the Participant's Deferred Compensation Account shall be made to the Participant's estate.

E. Taxes. In the event any taxes are required by law to be withheld or paid from any payments made pursuant to the Plan, the Plan Administrator shall deduct such amounts from such payments and shall transmit the withheld amounts to the appropriate taxing authority.

Section 6. ASSIGNMENT OR ALIENATION - The right of a Participant, Beneficiary or any other person to the payment of a benefit under this Plan may not be assigned, transferred, pledged or encumbered except by Will or by the laws of descent and distribution.

Section 7. PLAN ADMINISTRATION - The Plan Administrator will have the right to interpret and construe the Plan and to determine all questions of eligibility and of status, rights and benefits of Participants and all other persons claiming benefits under the Plan. In all such interpretations and constructions, the Plan Administrator's determination will be based upon uniform rules and practices applied in a nondiscriminatory manner and will be binding upon all persons affected thereby. Subject to the provisions of Section 8 below, any decision by the Plan Administrator with respect to any such matters will be final and binding on all parties. The Plan Administrator will have absolute discretion in carrying out its responsibilities under this Section 7.

Section 8. CLAIMS PROCEDURE

A. Filing Claims. Any Participant or Beneficiary entitled to benefits under the Plan will file a claim request with the Plan Administrator.

B. Notification to Claimant. If a claim request is wholly or partially denied, the Plan Administrator will furnish to the claimant a notice of the decision within ninety (90) days in writing and in a manner calculated to be understood by the claimant, which notice will contain the following information:

- (i) the specific reason or reasons for the denial;
- (ii) specific reference to pertinent Plan provisions upon which the denial is based;

- (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (iv) an explanation of the Plan's claims review procedure describing the steps to be taken by a claimant who wishes to submit his claims for review.

C. Review Procedure. A claimant or his authorized representative may, with respect to any denied claim:

- (i) request a review upon a written application filed within sixty (60) days after receipt by the claimant of written notice of the denial of his claim;
- (ii) review pertinent documents; and
- (iii) submit issues and comments in writing.

Any request or submission will be in writing and will be directed to the Plan Administrator (or its designee). The Plan Administrator (or its designee) will have the sole responsibility for the review of any denied claim and will take all steps appropriate in the light of its findings.

D. Decision on Review. The Plan Administrator (or its designee) will render a decision upon review. If special circumstances (such as the need to hold a hearing on any matter pertaining to the denied claim) warrant additional time, the decision will be rendered as soon as possible, but not later than one hundred twenty (120) days after receipt of the request for review. Written notice of any such extension will be furnished to the claimant prior to the commencement of the extension. The decision on review will be in writing and will include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent provisions of the Plan on which the decision is based. If the decision on review is not furnished to the claimant within the time limits prescribed above, the claim will be deemed denied on review.

Section 9. UNSECURED AND UNFUNDED OBLIGATION - Notwithstanding any provision herein to the contrary, the benefits offered under the Plan shall constitute an unfunded, unsecured promise by the Company to pay benefits determined hereunder which are accrued by Participants while such Participants are Directors. No provision shall at any time be made with respect to segregating any assets of the Company for payment of any benefits hereunder, except to the extent that the Company, in its discretion, establishes a Trust for such purpose. To the extent any benefits provided under the Plan are actually paid from a Trust, neither the Company nor any Affiliate shall have any further obligation therefor, but to the extent not so paid, such benefits shall remain the obligations of, and shall be paid by, the Company. No Participant, Beneficiary or any other person shall have any interest in any particular assets of the Company or any Affiliate by reason of the right to receive a benefit under the Plan and any such Participant, Beneficiary or other person shall have only the rights of a general unsecured creditor of the Company with

respect to any rights under the Plan. Nothing contained in the Plan shall constitute a guaranty by the Company, any Affiliate or any other entity or person that the assets of the Company will be sufficient to pay any benefit hereunder. All expenses and fees incurred in the administration of the Plan and of any Trust shall be paid by the Company, provided that, in the event that a Trust is established, at the direction of the Company, such expenses and fees shall be paid from the Trust, provided that such amounts are not paid by the Company or an Affiliate.

Section 10. AMENDMENT AND TERMINATION OF THE PLAN - The Company reserves the right, by a resolution of the Board, to amend the Plan at any time, and from time to time, in any manner which it deems desirable. The Company also reserves the right, by a resolution of the Board, to terminate this Plan at any time without providing any advance notice to any Participant; and in the event of any Plan termination, the Company reserves the right to then distribute all amounts allocated to Participants' Deferred Compensation Accounts. However, no amendment to or termination of the Plan will adversely affect the benefit that any Participant has accrued under the Plan on the later of (i) the effective date of that amendment or, if applicable, the effective date of Plan termination or (ii) the date that the amendment is adopted or, if applicable, the date that the Plan is terminated.

Section 11. BINDING UPON SUCCESSORS - The Plan shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Participants and their heirs, executors, administrators and legal representatives. In the event of the merger or consolidation of the Company with or into any other corporation, or in the event substantially all of the assets of the Company shall be transferred to another corporation, the successor corporation resulting from the merger or consolidation, or the transferee of such assets, as the case may be, shall, as a condition to the consummation of the merger, consolidation or transfer, assume the obligations of the Company hereunder and shall be substituted for the Company hereunder.

Section 12. NO GUARANTEE OF PLAN PERMANENCY - This Plan does not contain any guarantee of provisions for continued service on the Board to any Director or Participant nor is it guaranteed by the Company to be a permanent plan.

Section 13. GENDER - Any reference in the Plan made in the masculine pronoun shall apply to both men and women.

Section 14. INCAPACITY OF RECIPIENT - In the event that a Participant or Beneficiary is declared incompetent and a guardian, conservator or other person legally charged with the care of his person or of his estate is appointed, any benefits under the Plan to which such Participant or Beneficiary is entitled shall be paid to such guardian, conservator or other person legally charged with the care of his person or his estate. Except as provided hereinabove, when the Plan Administrator, in its sole discretion, determines that a Participant or Beneficiary is unable to

manage his financial affairs, the Plan Administrator may, but shall not be required to, direct the Company to make distribution(s) to any one or more of the spouse, lineal ascendants or descendants or other closest living relatives of such Participant or Beneficiary who demonstrates to the satisfaction of the Plan Administrator the propriety of making such distribution(s). Any payment made under this Section 14 shall be in complete discharge of any liability under the Plan for such payment. The Plan Administrator shall not be required to see to the application of any such distribution made to any person.

Section 15. GOVERNING LAW - This Plan shall be construed in accordance with and governed by the laws of the State of Delaware.

Section 16. INABILITY TO LOCATE PARTICIPANT OR BENEFICIARY Each Participant is obliged to keep the Plan Administrator apprised of his or her current mailing address and that of his or her Beneficiary. The Plan Administrator's obligation to search for any Participant or Beneficiary is limited to sending a registered or certified letter to the Participant's or Beneficiary's last known address. Any amounts credited to the Deferred Compensation Account of any Participant or Beneficiary that does not present himself to the Plan Administrator will be forfeited no later than 12 months after that benefit otherwise would have been payable. However, this forfeited benefit will be restored and paid if the Plan Administrator subsequently receives a claim for benefits which is approved under the procedures described in Section 8.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by a duly authorized officer as of the Effective Date.

ABERCROMBIE. & FITCH, INC.

By:

Its:

ABERCROMBIE. & FITCH, INC.
DIRECTOR DEFERRED COMPENSATION PLAN

DEFERRAL NOTICE

Name: -----

Soc. Sec. No.: -----

Date of Birth: -----

1. ELECTION TO DEFER.

In accordance with the provisions of the Abercrombie. & Fitch, Inc. Director Deferred Compensation Plan (the "Plan"), I hereby elect to defer _____ percent (i.e., 25%, 50%, 75% or 100%) of the Eligible Compensation (as defined in the Plan) payable to me for services as a Director of Abercrombie. & Fitch, Inc., or any of its Affiliates. This election supersedes any prior deferral election made by me and shall remain in effect until terminated or otherwise amended.

2. DISTRIBUTION ELECTION.

I hereby elect to receive distribution of my Deferred Compensation Account in the Plan within 30 days of my termination as a Director or, if earlier, within 30 days of _____.

3. METHOD OF PAYMENT.

I hereby acknowledge that I will receive the distribution of my Deferred Compensation Account in the Plan in a single lump sum distribution of the Common Shares (plus cash) credited to my Deferred Compensation Account.

4. DESIGNATION OF BENEFICIARY.

I hereby designate _____ as my primary Beneficiary and _____ as my contingent Beneficiary(ies) to receive any amounts payable under the Plan in the event of my death.

5. ACKNOWLEDGMENT.

I hereby acknowledge that (i) my election to defer my Eligible Compensation under the Plan is irrevocable with respect to amounts which are deferred under the Plan and shall remain in effect until terminated or modified, (ii) the Plan is unfunded and is maintained primarily for the purpose of providing deferred compensation to Directors and that I have no rights or claims to receive amounts

credited to my Deferred Compensation Account other than those specifically granted by the terms of the Plan, and (iii) I am solely responsible for ensuring that the Plan Administrator's files contain my current mailing address and that of my Beneficiary.

Date

Signature

Name (please print)

SUBSIDIARIES OF THE REGISTRANT

Subsidiaries (a)
-----Jurisdiction
of Incorporation
-----Abercrombie & Fitch Service Corporation (b)
Abercrombie & Fitch Stores, Inc. (b)Delaware
Delaware

- (a) The names of certain subsidiaries are omitted since such unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of January 30, 1999.
- (b) Wholly-owned subsidiary of Abercrombie & Fitch Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Abercrombie & Fitch Co. on Form S-8, Registration Nos. 333-15941, 333-15943, 333-15945, 333-60189 and 333-60203 of our report dated February 16, 1999, on our audits of the consolidated financial statements of Abercrombie & Fitch Co. and Subsidiaries as of January 30, 1999 and January 31, 1998, and for the fiscal years ended January 30, 1999, January 31, 1998 and February 1, 1997, which report is included in this Annual Report on Form 10-K.

PricewaterhouseCoopers LLP

Columbus, Ohio
April 22, 1999

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
ABERCROMBIE & FITCH CO.

The undersigned officer and/or director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its 1998 fiscal year under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Michael S. Jeffries and Seth R. Johnson, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 1st day of April, 1999.

/s/ MICHAEL S. JEFFRIES

Michael S. Jeffries

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
ABERCROMBIE & FITCH CO.

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EXECUTED as of the 1st day of April, 1999.

/s/ SETH R. JOHNSON

Seth R. Johnson

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
ABERCROMBIE & FITCH CO.

The undersigned officer and/or director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its 1998 fiscal year under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Michael S. Jeffries and Seth R. Johnson, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 1st day of April, 1999.

/s/ GEORGE FOOS

George Foos

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
ABERCROMBIE & FITCH CO.

The undersigned officer and/or director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its 1998 fiscal year under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Michael S. Jeffries and Seth R. Johnson, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 1st day of April, 1999.

/s/ RUSSELL M. GERTMENIAN

Russell M. Gertmenian

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
ABERCROMBIE & FITCH CO.

The undersigned officer and/or director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its 1998 fiscal year under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Michael S. Jeffries and Seth R. Johnson, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 1st day of April, 1999.

/s/ JOHN A. GOLDEN

John A. Golden

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
ABERCROMBIE & FITCH CO.

The undersigned officer and/or director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its 1998 fiscal year under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Michael S. Jeffries and Seth R. Johnson, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 1st day of April, 1999.

/s/ JOHN W. KESSLER

John W. Kessler

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
ABERCROMBIE & FITCH, CO.

The undersigned officer and/or director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its 1998 fiscal year under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Michael S. Jeffries and Seth R. Johnson, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 1st day of April, 1999.

/s/ SAM N. SHAHID

Sam N. Shahid

This schedule contains summary financial information extracted from the Consolidated Financial Statements of Abercrombie & Fitch Co. and Subsidiaries for the year ended January 30, 1999 and is qualified in its entirety by reference to such financial statements.

1,000

YEAR		
	JAN-30-1999	
	FEB-01-1998	
	JAN-30-1999	163,564
		0
		4,101
		0
		43,992
	218,235	152,618
	63,060	
	319,161	
122,228		0
0		0
		517
		185,588
319,161		815,804
	815,804	471,853
		471,853
	176,993	0
	(3,144)	170,102
	102,062	68,040
		0
		0
		0
	102,062	
	1.98	
	1.92	

[Ary, Earman and Roepcke Letterhead]

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Abercrombie & Fitch Co. and the
Plan Administrator of the Abercrombie
& Fitch Co. Savings and Retirement Plan:

We have audited the accompanying statement of net assets available for benefits of the Abercrombie & Fitch Co. Savings and Retirement Plan as of December 31, 1998, and the related statement of changes in net assets available for benefits for the period July 1, 1998 (effective date) to December 31, 1998. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1998, and the changes in net assets available for benefits for the period July 1, 1998 (effective date) to December 31, 1998, in conformity with generally accepted accounting principles.

Our audit were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of investments held for investment purposes, and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Ary, Earman and Roepcke

Columbus, Ohio,
February 11, 1999.

2929 Kenny Road, Suite 280, Columbus, Ohio 43221 (614)459-3868 FAX (614)459-0219

ABERCROMBIE & FITCH CO. SAVINGS AND RETIREMENT PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1998

	TOTAL	Fixed Income Fund	Index-500 Fund	U.S. Growth Fund	Wellington Fund	Abercrombie & Fitch Stock Fund	Limited Stock Fund	Intimate Brands Stock Fund
ASSETS								
Investments, at Fair Value:								
Determined by Quoted Market Price:								
Shares of Registered Investment Company:								
Vanguard Retirement Savings Trust Fund	\$1,551,434	\$1,551,434	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vanguard Index Trust - 500 Portfolio	1,912,549	-	1,912,549	-	-	-	-	-
Vanguard U.S. Growth Portfolio	2,386,076	-	-	2,386,076	-	-	-	-
Vanguard Wellington Fund	357,837	-	-	-	357,837	-	-	-
Common Stock:								
Abercrombie & Fitch Co.	660,381	-	-	-	-	660,381	-	-
The Limited, Inc.	1,124,400	-	-	-	-	-	1,124,400	-
Intimate Brands, Inc.	62,020	-	-	-	-	-	-	62,020
At Estimated Fair Value:								
Common Collective Trust	1,096	1,096	-	-	-	-	-	-
Total Investments	8,055,793	1,552,530	1,912,549	2,386,076	357,837	660,381	1,124,400	62,020
Contribution Receivable from Employers	798,352	338,195	177,467	191,631	58,355	32,704	-	-
Receivable from Employers for Withheld Participants' Contributions	51,069	8,763	16,187	16,901	5,921	3,297	-	-
Fund Transfers	-	18,220	-	-	-	-	(9,414)	(8,806)
Total Assets	8,905,214	1,917,708	2,106,203	2,594,608	422,113	696,382	1,114,986	53,214
LIABILITIES								
Administrative Fees Payable	1,919	456	464	582	93	4	305	15
Total Liabilities	1,919	456	464	582	93	4	305	15
NET ASSETS AVAILABLE FOR BENEFITS	\$8,903,295	\$1,917,252	\$2,105,739	\$2,594,026	\$422,020	\$696,378	\$1,114,681	\$53,199

The accompanying notes are an integral part of this financial statement.

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ABERCROMBIE & FITCH CO. SAVINGS AND RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE PERIOD JULY 1, 1998 (EFFECTIVE DATE) TO DECEMBER 31, 1998

	Total	Fixed Income Fund	Index-500 Fund	U.S. Growth Fund	Wellington Fund	Abercrombie & Fitch Stock Fund	Limited Stock Fund	Brands Stock Fund
Investment Income:								
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 345,094	\$ -	\$ 145,176	\$ 128,532	\$(24,555)	\$246,204	\$ (155,036)	\$ 4,773
Mutual Funds' Earnings	258,864	50,706	21,882	149,018	37,258	-	-	-
Dividends	10,559	-	-	-	-	-	9,989	570
Common Collective Trust Earnings	405	405	-	-	-	-	-	-
Total Investment Income (Loss)	614,922	51,111	167,058	277,550	12,703	246,204	(145,047)	5,343
Contributions:								
Employers	939,578	368,404	221,620	237,369	74,582	37,603	-	-
Participants	563,986	126,983	188,331	195,402	35,731	17,539	-	-
Total Contributions	1,503,564	495,387	409,951	432,771	110,313	55,142	-	-
Interfund Transfers	-	(9,198)	(2,464)	29,102	(3,013)	13,388	(18,882)	(8,933)
Administrative Expense	(1,919)	(456)	(464)	(582)	(93)	(4)	(305)	(15)
Benefits to Participants	(293,873)	(155,062)	(50,815)	(59,972)	(22,080)	(536)	(5,108)	(300)
Increase (Decrease) in Net Assets Available for Benefits	1,822,694	381,782	523,266	678,869	97,830	314,194	(169,342)	(3,905)
Transfer of Net Assets Available for Benefits from Former Plan	7,080,601	1,535,470	1,582,473	1,915,157	324,190	382,184	1,284,023	57,104
Ending Net Assets Available for Benefits	\$8,903,295	\$1,917,252	\$2,105,739	\$2,594,026	\$422,020	\$696,378	\$1,114,681	\$53,199

The accompanying notes are an integral part of this financial statement.

ABERCROMBIE & FITCH CO. SAVINGS AND RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

(1) DESCRIPTION OF THE PLAN

General

The Abercrombie & Fitch Co. Savings and Retirement Plan (the "Plan") is a defined contribution plan covering certain employees of Abercrombie & Fitch Co. (the "Employer") who are at least 21 years of age and have completed 1,000 or more hours of service during their first consecutive twelve months of employment or any calendar year beginning in or after their first consecutive twelve months of employment.

The Limited, Inc. owned 84.2% of the outstanding Common Stock of Abercrombie & Fitch Co. until the completion of a tax-free exchange offer (the "Exchange Offer") on May 19, 1998, establishing the Employer as an independent company. Subsequent to the Exchange Offer the net assets available for benefits allocated to the employees of the Employer were transferred to the Plan.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended.

Contributions

Employer Contributions:

The Employer may provide a non-service related retirement contribution of 4% of annual compensation up to the Social Security wage base and 7% of annual compensation after that and a service related retirement contribution of 1% of annual compensation for participants who have completed five or more years of vesting service as of the last day of the Plan year. Participants who complete 500 hours of service during the Plan year and are participants on the last day of the Plan year are eligible. The annual compensation of each participant taken into account under the Plan is limited to the maximum amount permitted under Section 401(a)(17) of the Internal Revenue Code. The annual compensation limit for the Plan year ended December 31, 1998, was \$160,000.

The Employer may provide a matching contribution of 100% of the participant's voluntary contributions up to 3% of the participant's total annual compensation.

Participant Voluntary Contributions:

A participant may elect to make a voluntary tax-deferred contribution of 1% to 6% of his or her annual compensation up to the maximum permitted under Section 402(g) of the Internal Revenue Code adjusted annually (\$10,000 at December 31, 1998). This voluntary tax-deferred contribution may be limited by Section 401(k) of the Internal Revenue Code.

Vesting

A participant is fully and immediately vested for voluntary and rollover contributions and is credited with a year of vesting service in the Employer's contributions for each Plan year that they are credited with at least 500 hours of service. A summary of vesting percentages in the Employer's contributions follows:

Years of Vested Service	Percentage
-----	-----
Less than 3 years	0%
3 years	20
4 years	40
5 years	60
6 years	80
7 years	100

Payment of Benefits

The full value of participants' accounts becomes payable upon retirement, disability, or death. Upon termination of employment for any other reason participants' accounts, to the extent vested, become payable. Those participants with vested account balances greater than \$5,000 have the option of leaving their accounts invested in the Plan until age 65. All benefits will be paid as a lump-sum distribution. Those participants holding shares of Employer securities will have the option of receiving such amounts in whole shares of Employer securities and cash for any fractional shares. Participants have the option of having their benefit paid directly to an eligible retirement plan specified by the participant.

A participant who is fully vested in his or her account and who has participated in the Plan for at least seven years may obtain an in-service withdrawal from their account based on the percentage amounts designated by the Plan. A participant may also request a hardship distribution due to an immediate and heavy financial need based on the terms of the Plan.

Amounts Allocated Participants Withdrawn from the Plan

The vested portion of net assets available for benefits allocated to participants withdrawn from the plan as of December 31, 1998, is set forth below:

	1998

Fixed Income Fund	\$ -
Index-500 Fund	1,554
U.S. Growth Fund	10,015
Wellington Fund	-
Abercrombie & Fitch Stock Fund	-
Limited Stock Fund	-
Intimate Brands Stock Fund	-

	\$11,569
	=====

Forfeitures

Forfeitures are used to reduce the Employer's required contributions. Utilized forfeitures for 1998, is set forth below:

	1998

Fixed Income Fund	\$123,080
Index-500 Fund	47,949
U.S. Growth Fund	41,045
Wellington Fund	12,117
Abercrombie & Fitch Stock Fund	247
Limited Stock Fund	-
Intimate Brands Stock Fund	-

	\$224,438
	=====

Tax Determination

The Plan is in the process of obtaining a determination letter from the Internal Revenue Service. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code. Accordingly, the following Federal income tax rules will apply to the Plan:

Voluntary tax-deferred contributions made under the Plan by a participant and contributions made by the Employer to participant accounts are generally not taxable until such amounts are distributed.

The participants are not subject to Federal income tax on interest, dividends, or gains in their particular accounts until distributed.

The foregoing is only a brief summary of certain tax implications and applies only to Federal tax regulations currently in effect.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting. Assets of the Plan are valued at fair value. The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these estimates.

Income Recognition

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment Valuation

Mutual funds are stated at fair value as determined by quoted market prices, which represents the net asset value of shares held by the Plan at year end. Common stock is valued as determined by quoted market price.

Net Appreciation (Depreciation) in Fair Value of Investments

Net realized and unrealized appreciation (depreciation) is recorded in the accompanying statement of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments.

Brokerage fees are added to the acquisition costs of assets purchased and subtracted from the proceeds of assets sold.

Administrative Expenses

Certain expenses incurred in connection with the general administration of the Plan are paid by the Plan and are recorded in the accompanying statement of changes in net assets.

Benefit Payments

Benefits are recorded when paid.

(3) INVESTMENTS

The Plan's investments are held by The Chase Manhattan Bank, trustee. Investments that represent 5 percent or more of the Plan's net assets are separately identified.

	1998

Investments at Fair Value as Determined by	
Quoted Market Price:	
Shares of Registered Investment Companies:	
Vanguard Retirement Savings Trust Fund	\$1,551,434
Vanguard Index 500 Portfolio Fund	1,912,549
Vanguard World Fund, U.S. Growth Portfolio	2,386,076
Other	357,837
Common Stock:	
Abercrombie & Fitch Co.	660,381
The Limited, Inc.	1,124,400
Other	62,020

	8,054,697
Estimated Fair Value:	
Common Collective Trust	1,096

Total Investments	\$8,055,793
	=====

During the period July 1, 1998 (effective date) to December 31, 1998 the Plan's investments (including investments bought, sold, delivered to participants, and held during the period) appreciated in value by \$345,094 as follows:

Investments at Fair Value as Determined by	
Quoted Market Price:	
Shares of Registered Investment Companies	\$249,153
Common Stock	95,941

Net Change in Fair Value	345,094
Investments at Estimated Fair Value:	
Common Collective Trust	-

Net Change in Fair Value	\$345,094
	=====

Contributions under the Plan are invested in one of five investment funds: (1) the Fixed Income Fund, which is invested in the Vanguard Retirement Savings Trust Fund, (2) the Index-500 Fund, which is invested in the Vanguard Index - 500 Portfolio, (3) the U.S. Growth Fund, which is invested in the Vanguard U.S. Growth Portfolio, (4) the Wellington Fund, which is invested in the Vanguard Wellington Fund, and (5) Abercrombie & Fitch Co. Stock Fund, which is invested in the common stock of Abercrombie & Fitch Co., a Delaware corporation.

The accounts of participants who were covered by The Limited, Inc.'s plan and had their accounts invested in the common stock of The Limited, Inc. or Intimate Brands, Inc., were permitted to transfer their shares to the Plan if they so elected. These shares are held in the respective stock fund to which no additional contributions may be made.

Participants' voluntary and Employer's contributions may be invested in any one or more of the funds, at the election of the participant.

Participants' may make or change an investment direction as of the first day of any month of the Plan year.

(4) PLAN ADMINISTRATION

The Plan is administered by a Committee, the members of which are appointed by the Board of Directors of the Employer.

(5) PLAN TERMINATION

Although the Employer has not expressed any intent to do so, the Employer has the right under the Plan to discontinue their contributions at any time. Abercrombie & Fitch Co. has the right at any time, by action of its Board of Directors, to terminate the Plan subject to provisions of ERISA. Upon Plan termination or partial termination, participants will become fully vested in their accounts.

(6) RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	1998

Net Assets Available for Benefits Per the Financial Statements	\$8,903,295
Amounts Allocated to Withdrawing Participants	(11,569)

Net Assets Available for Benefits Per Form 5500	\$8,891,726 =====

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500:

	1998

Benefits Paid to Participants Per the Financial Statements	\$293,873
Amounts allocated to Withdrawing Participants: At December 31, 1998	11,569

Benefits Paid to Participants Per Form 5500	\$305,442 =====

Amounts allocated to withdrawing participants are recorded on Form 5500 for benefit claims that have been processed and approved for payment prior to December 31 but not yet paid as of that date.

SCHEDULE I

ABERCROMBIE & FITCH CO. SAVINGS AND RETIREMENT PLAN

EIN #31-1228829 PLAN #001

ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 1998

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
* Abercrombie & Fitch Co.	9,334 Shares of common Stock, Class A, Par Value \$0.01	\$ 163,556	\$ 660,381
The Limited, Inc.	38,606 Shares of Common Stock, Par Value \$0.50	481,322	1,124,400
Intimate Brands, Inc.	2,076 Shares of Common Stock, Class A	47,238	62,020
The Vanguard Group	1,551,434 Shares of Vanguard Retirement Savings Trust Fund	1,551,434	1,551,434
The Vanguard Group	16,775 Shares of Vanguard Index 500 Portfolio Fund	1,186,938	1,912,549
The Vanguard Group	62,969 Shares of Vanguard World Fund, U.S. Growth Portfolio	1,612,091	2,386,076
The Vanguard Group	12,192 Shares of Vanguard Wellington Fund	347,737	357,837
* Chase Manhattan Bank	1,096 Shares of Chase Manhattan Bank Enhanced Cash Investment Fund, a Common/Collective Trust, 7 Day Net annualized Yield on 12/31/98 of 5.48%	1,096	1,096

(*) Represents a party in interest

The accompanying notes are an integral part of this schedule.

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ABERCROMBIE & FITCH CO. SAVINGS AND RETIREMENT PLAN

EIN #31-1228829 PLAN #001

ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS

FOR THE PERIOD JULY 1, 1998 (EFFECTIVE DATE) TO DECEMBER 31, 1998

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred With Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
* Abercrombie & Fitch Co.	Abercrombie & Fitch Common Stock	\$ 36,001	\$ 4,008	\$ -	\$ -	\$ 1,377	\$ 36,001 4,008	\$ 2,631
Intimate Brands, Inc.	Intimate Brands, Inc. Common Stock	574	638	-	-	409	574 638	229
The Limited, Inc.	The Limited, Inc. Common Stock	10,034	13,997	-	-	6,485	10,034 13,997	7,512
The Vanguard Group	Vanguard Retirement Savings Trust Fund	214,528	187,542	-	-	187,542	214,528 187,542	-
The Vanguard Group	Vanguard Index 500 Portfolio Fund	275,780	70,227	-	-	48,549	275,780 70,227	21,678
The Vanguard Group	Vanguard World Fund, U.S. Growth Portfolio	427,239	64,141	-	-	44,067	427,239 64,141	20,074
The Vanguard Group	Vanguard Wellington Fund	94,300	28,590	-	-	26,733	94,300 28,590	1,857
* Chase Manhattan Bank	Chase Manhattan Bank Enhanced Cash Investment Fund	443,546	442,450	-	-	442,450	443,546 442,450	-

(*)Represents a party in interest

The accompanying notes are an integral part of this schedule.

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ARY, EARMAN AND ROEPCKE
Certified Public Accountants

Consent of Ary, Earman & Roepcke, CPA's, Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-60203), pertaining to the Abercrombie & Fitch Co. Savings and Retirement Plan, and in the related Prospectus, our report dated February 11, 1999, with respect to the financial statements and schedules of the Abercrombie & Fitch Co. Savings and Retirement Plan included in this Annual Report (Form 11-K) for the period July 1, 1998 (effective date) to December 31, 1998.

ARY, EARMAN AND ROEPCKE, CPA'S

/s/ Ary, Earman and Roepcke

Columbus, Ohio
April 22, 1999