



# Investor Presentation

## 2011 Third Quarter

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

A&F cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by management or spokespeople of A&F involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the Company's control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," and similar expressions may identify forward-looking statements. Except as may be required by applicable law, we assume no obligation to publicly update or revise our forward-looking statements. The factors included in the disclosure under the heading "FORWARD-LOOKING STATEMENTS AND RISK FACTORS" in "ITEM 1A. RISK FACTORS" of A&F's Annual Report on Form 10-K for the fiscal year ended January 29, 2011, in some cases have affected and in the future could affect the Company's financial performance and could cause actual results for the 2011 fiscal year and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this presentation or otherwise made by management.

## **OTHER INFORMATION**

All dollar and share amounts are in 000's unless otherwise stated. Sub-totals and totals may not foot due to rounding.

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# Q3 P&L Summary

|                             | Unaudited    |                   | Unaudited  |                   |
|-----------------------------|--------------|-------------------|------------|-------------------|
|                             | 2011         | % of<br>Net Sales | 2010       | % of<br>Net Sales |
| Net Sales                   | \$ 1,075,856 | 100.0%            | \$ 885,778 | 100.0%            |
| Cost of Goods Sold          | 429,334      | 39.9%             | 321,346    | 36.3%             |
| Gross Profit                | 646,522      | 60.1%             | 564,432    | 63.7%             |
| Operating Expense           | 569,527      | 52.9%             | 487,747    | 55.1%             |
| Other Operating Income, Net | (2,855)      | -0.3%             | (1,692)    | -0.2%             |
| Operating Income            | 79,850       | 7.4%              | 78,377     | 8.8%              |
| Interest Expense, Net       | 533          | 0.0%              | 671        | 0.1%              |
| Income Before Taxes         | 79,317       | 7.4%              | 77,706     | 8.8%              |
| Tax Expense                 | 28,412       | 2.6%              | 27,666     | 3.1%              |
| Net Income                  | \$ 50,905    | 4.7%              | \$ 50,040  | 5.6%              |

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# Year-To-Date P&L Summary

|                                                        | Unaudited    |                   | Unaudited    |                   |
|--------------------------------------------------------|--------------|-------------------|--------------|-------------------|
|                                                        | 2011         | % of<br>Net Sales | 2010         | % of<br>Net Sales |
| Net Sales                                              | \$ 2,829,292 | 100.0%            | \$ 2,319,381 | 100.0%            |
| Cost of Goods Sold                                     | 1,056,067    | 37.3%             | 838,186      | 36.1%             |
| Gross Profit                                           | 1,773,225    | 62.7%             | 1,481,195    | 63.9%             |
| Operating Expense <sup>(1)</sup>                       | 1,611,601    | 57.0%             | 1,398,477    | 60.3%             |
| Other Operating Income, Net                            | (4,146)      | -0.1%             | (4,507)      | -0.2%             |
| Operating Income                                       | 165,770      | 5.9%              | 87,225       | 3.8%              |
| Interest Expense, Net                                  | 2,469        | 0.1%              | 2,303        | 0.1%              |
| Income from Continuing Operations Before Taxes         | 163,301      | 5.8%              | 84,922       | 3.7%              |
| Tax Expense from Continuing Operations                 | 56,019       | 2.0%              | 27,232       | 1.2%              |
| Net Income from Continuing Operations                  | 107,282      | 3.8%              | 57,690       | 2.5%              |
| Net Income from Discontinued Operations <sup>(2)</sup> | 796          | 0.0%              | -            | - %               |
| Net Income                                             | \$ 108,078   | 3.8%              | \$ 57,690    | 2.5%              |

(1) 2010 includes pre-tax asset impairment charges of \$2.2 million (0.1% of net sales) related to store closures

(2) Net income from discontinued operations relates to the settlement of outstanding lease obligations

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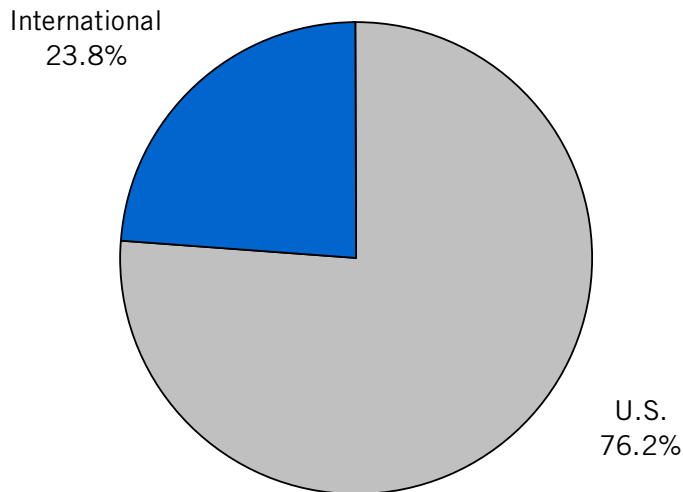
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# Sales Analysis Versus Prior Year

## Q3

|                                |       |
|--------------------------------|-------|
| Total Sales                    | + 21% |
| Total U.S. Sales               | + 14% |
| Total International Sales      | + 56% |
| DTC Sales                      | + 41% |
| <b>Comparable Store Sales:</b> |       |
| Total Company                  | + 7%  |
| Abercrombie & Fitch            | + 4%  |
| abercrombie kids               | + 6%  |
| Hollister                      | + 8%  |

## Sales Mix



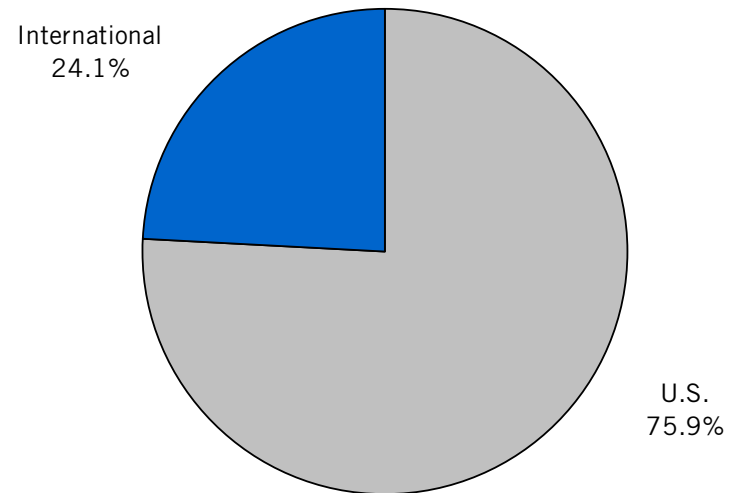
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## Year-to-Date

|                                |       |
|--------------------------------|-------|
| Total Sales                    | + 22% |
| Total U.S. Sales               | + 13% |
| Total International Sales      | + 64% |
| DTC Sales                      | + 34% |
| <b>Comparable Store Sales:</b> |       |
| Total Company                  | + 8%  |
| Abercrombie & Fitch            | + 5%  |
| abercrombie kids               | + 8%  |
| Hollister                      | + 10% |

## Sales Mix



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# Sales Growth Contribution

|                                           | Growth<br>Contribution |              | Growth<br>Contribution |              |
|-------------------------------------------|------------------------|--------------|------------------------|--------------|
|                                           | Third Quarter          | %            | Year-To-Date           | %            |
| <b>2010 Net Sales</b>                     | <b>\$ 885,778</b>      |              | <b>\$ 2,319,381</b>    |              |
| Foreign Exchange Impact <sup>(1)</sup>    | 4,893                  | 0.6%         | 22,491                 | 1.0%         |
| Comparable Stores                         | 52,850                 | 6.0%         | 169,174                | 7.3%         |
| DTC                                       | 37,949                 | 4.3%         | 84,131                 | 3.6%         |
| Non-Comparable Stores, Net <sup>(2)</sup> | 94,386                 | 10.7%        | 234,116                | 10.1%        |
| <b>2011 Net Sales</b>                     | <b>\$ 1,075,856</b>    | <b>21.5%</b> | <b>\$ 2,829,293</b>    | <b>22.0%</b> |

<sup>(1)</sup> Represents the impact of converting prior year sales at current year rates

<sup>(2)</sup> New stores, net of closures; plus net effect of third party sell-off

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# Operating Expense

|                                     | 2011                | % of<br>Net Sales | 2010                | % of<br>Net Sales | △ bps <sup>(3)</sup> |
|-------------------------------------|---------------------|-------------------|---------------------|-------------------|----------------------|
| <b>Third Quarter</b>                |                     |                   |                     |                   |                      |
| Store Occupancy <sup>(1)</sup>      | \$ 177,812          | 16.5%             | \$ 165,077          | 18.6%             | (210)                |
| All Other <sup>(2)</sup>            | 283,871             | 26.4%             | 220,058             | 24.8%             | 160                  |
| Stores and Distribution             | 461,683             | 42.9%             | 385,135             | 43.5%             | (60)                 |
| Marketing, General & Administrative | 107,844             | 10.0%             | 102,612             | 11.6%             | (160)                |
| <b>TOTAL</b>                        | <b>\$ 569,527</b>   | <b>52.9%</b>      | <b>\$ 487,747</b>   | <b>55.1%</b>      | <b>(220)</b>         |
| <b>Year-To-Date</b>                 |                     |                   |                     |                   |                      |
| Store Occupancy <sup>(1)(4)</sup>   | \$ 518,708          | 18.3%             | \$ 485,538          | 20.9%             | (260)                |
| All Other <sup>(2)</sup>            | 767,401             | 27.1%             | 618,489             | 26.7%             | 40                   |
| Stores and Distribution             | 1,286,108           | 45.5%             | 1,104,027           | 47.6%             | (210)                |
| Marketing, General & Administrative | 325,493             | 11.5%             | 294,450             | 12.7%             | (120)                |
| <b>TOTAL</b>                        | <b>\$ 1,611,601</b> | <b>57.0%</b>      | <b>\$ 1,398,477</b> | <b>60.3%</b>      | <b>(330)</b>         |

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

(2) Includes selling payroll, store management and support, other store expense, DTC, and distribution center costs

(3) Rounded based on reported percentages

(4) 2010 includes pre-tax asset impairment charges of \$2.2 million related to store closures (0.1% of net sales for the YTD)

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# Inventory Analysis

|                                 | <b>As of<br/>October 29, 2011</b> | <b>As of<br/>October 30, 2010</b> | <b>% <math>\Delta</math></b> |
|---------------------------------|-----------------------------------|-----------------------------------|------------------------------|
| <b>Inventory on<br/>Hand</b>    | <b>\$ 552,846</b>                 | <b>\$ 437,702</b>                 | <b>+ 26.3%</b>               |
| <b>Inventory in<br/>Transit</b> | <b>\$ 126,495</b>                 | <b>\$ 74,120</b>                  | <b>+ 70.7%</b>               |
| <b>Total Inventory</b>          | <b>\$ 679,341</b>                 | <b>\$ 511,822</b>                 | <b>+ 32.7%</b>               |

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# Share Repurchases

|       | FY 2011               |           |                 | FY 2010               |           |                 |
|-------|-----------------------|-----------|-----------------|-----------------------|-----------|-----------------|
|       | Shares<br>Repurchased | Cost      | Average<br>Cost | Shares<br>Repurchased | Cost      | Average<br>Cost |
| Q1    | 428.8                 | \$ 25,469 | \$ 59.40        | -                     | -         | -               |
| Q2    | 950.1                 | \$ 64,399 | \$ 67.78        | -                     | -         | -               |
| Q3    | 150.0                 | \$ 8,835  | \$ 58.90        | 669.1                 | \$ 29,207 | \$ 43.65        |
| Q4    | -                     | -         | -               | 912.6                 | \$ 46,951 | \$ 51.45        |
| TOTAL | 1,528.9               | \$ 98,703 | \$ 64.56        | 1,581.7               | \$ 76,158 | \$ 48.15        |

Remaining shares authorized for future repurchase 8,236

Shares outstanding \* 87,158

\* As of fiscal quarter end

# Liquidity

|                               | As of<br>October 29, 2011 | As of<br>October 30, 2010 |
|-------------------------------|---------------------------|---------------------------|
| Cash and Cash Equivalents     | \$ 488,341                | \$ 593,291                |
| Credit Agreement:             |                           |                           |
| Borrowings                    | \$ -                      | \$ 57,192                 |
| Outstanding Letters of Credit | \$ 63                     | \$ 10,607                 |
| "Net" Cash Position           | \$ 488,278                | \$ 525,492                |

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# Q4 Outlook

- **Gross Margin:** Similar erosion to Q3
- **Store Occupancy:** Mid \$180 millions
- **All Other Stores and Distribution:**  
Approximately flat as a percentage of sales to last year; includes accelerated depreciation of distribution center
- **Marketing, General and Administrative:**  
Approximately flat in dollar terms to last year
- **Expense guidance excludes potential impairment charges and other potential charges associated with additional store closures or other underperforming real estate**



# International Hollister Store Count - Cumulative

|                  | ----- Year End ----- |          |           |           | Q3 End    |
|------------------|----------------------|----------|-----------|-----------|-----------|
|                  | 2007                 | 2008     | 2009      | 2010      | 2011      |
| <b>Hollister</b> |                      |          |           |           |           |
| Canada           | 3                    | 6        | 6         | 9         | 12        |
| UK               |                      | 3        | 10        | 19        | 24        |
| Germany          |                      |          | 1         | 4         | 10        |
| Italy            |                      |          | 1         | 3         | 5         |
| Spain            |                      |          |           | 3         | 5         |
| Belgium          |                      |          |           |           | 2         |
| Sweden           |                      |          |           |           | 2         |
| Ireland          |                      |          |           |           | 1         |
| France           |                      |          |           |           | 1         |
| Hong Kong        |                      |          |           |           | 1         |
| <b>TOTAL</b>     | <b>3</b>             | <b>9</b> | <b>18</b> | <b>38</b> | <b>63</b> |



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# Q3 International Hollister Store Openings

| Center           | City                  | Date     |
|------------------|-----------------------|----------|
| Festival Walk    | Kowloon, Hong Kong    | 8/18/11  |
| Halifax          | Halifax, Canada       | 8/20/11  |
| Alstertal        | Hamburg, Germany      | 8/25/11  |
| Nova Eventis     | Leipzig, Germany      | 8/25/11  |
| Altmarkt Galerie | Dresden, Germany      | 9/8/11   |
| Stratford City   | London, UK            | 9/13/11  |
| Oracle           | Reading, UK           | 9/15/11  |
| Thier Galerie    | Dortmund, Germany     | 9/15/11  |
| Gallerian        | Stockholm, Sweden     | 9/22/11  |
| Plaza Norte 2    | Madrid, Spain         | 9/23/11  |
| Bramalea         | Brampton, Canada      | 9/29/11  |
| Carre Senart     | Lieusaint, France     | 9/29/11  |
| Marineda City    | La Coruna, Spain      | 9/29/11  |
| Wijnegem         | Antwerp, Belgium      | 9/29/11  |
| Arndale          | Manchester, UK        | 10/21/11 |
| Braehead         | Glasgow, UK           | 10/22/11 |
| Campania         | Naples, Italy         | 10/25/11 |
| Southgate        | Bath, UK              | 10/27/11 |
| Waasland         | Sint-Niklaas, Belgium | 10/27/11 |



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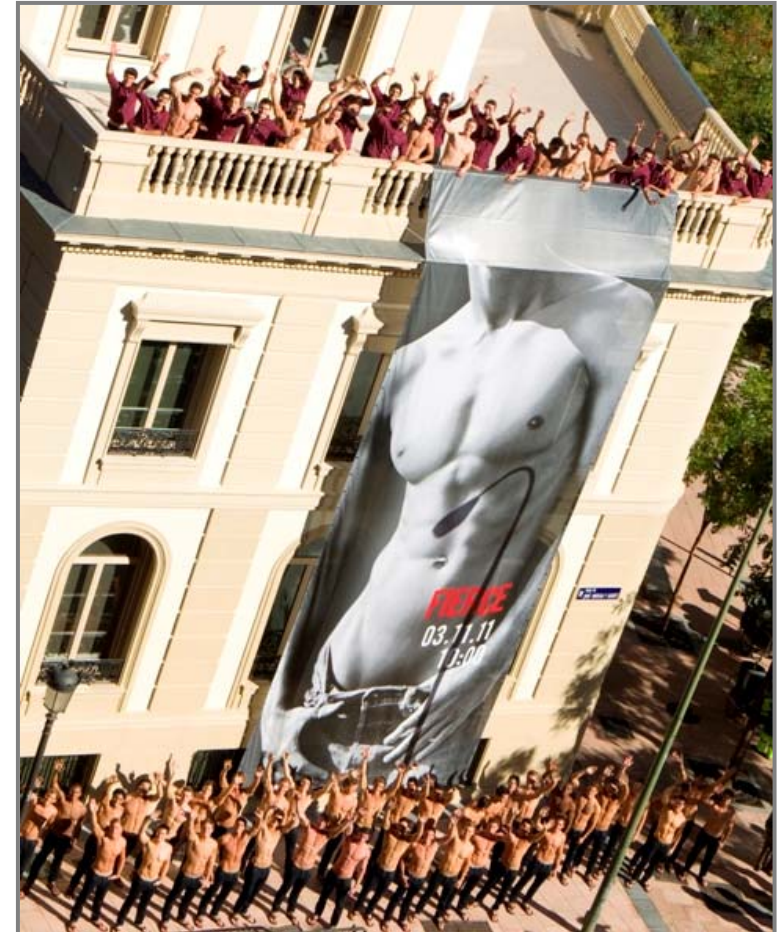
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# Confirmed Flagship Openings

| City       | Timing         | Type       |
|------------|----------------|------------|
| Madrid     | Opened 11/3/11 | A&F        |
| Dusseldorf | December 2011  | A&F / kids |
| Brussels   | December 2011  | A&F        |
| Singapore  | December 2011  | A&F        |
| Hamburg    | Spring 2012    | A&F        |
| Hong Kong  | Summer 2012    | A&F        |
| Munich     | Fall 2012      | A&F / kids |
| Amsterdam  | Fall 2012      | A&F / kids |



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# Appendix: EPS (Unaudited)

|                                                          | Q3      |         | Year-To-Date        |                     |
|----------------------------------------------------------|---------|---------|---------------------|---------------------|
|                                                          | 2011    | 2010    | 2011 <sup>(1)</sup> | 2010 <sup>(2)</sup> |
| <b>Net Income Per Share from Continuing Operations</b>   |         |         |                     |                     |
| Basic                                                    | \$ 0.59 | \$ 0.57 | \$ 1.23             | \$ 0.65             |
| Diluted                                                  | \$ 0.57 | \$ 0.56 | \$ 1.19             | \$ 0.64             |
| <b>Net Income Per Share from Discontinued Operations</b> |         |         |                     |                     |
| Basic                                                    | \$ -    | \$ -    | \$ 0.01             | \$ -                |
| Diluted                                                  | \$ -    | \$ -    | \$ 0.01             | \$ -                |
| <b>Net Income Per Share</b>                              |         |         |                     |                     |
| Basic                                                    | \$ 0.59 | \$ 0.57 | \$ 1.24             | \$ 0.65             |
| Diluted                                                  | \$ 0.57 | \$ 0.56 | \$ 1.20             | \$ 0.64             |
| <b>Weighted-Average Shares Outstanding</b>               |         |         |                     |                     |
| Basic                                                    | 86,962  | 88,236  | 87,170              | 88,184              |
| Diluted                                                  | 89,707  | 90,069  | 90,167              | 89,731              |

(1) Net income from discontinued operations relates to the settlement of outstanding lease obligations

(2) 2010 includes pre-tax asset impairment charges of \$2.2 million related to store closures

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# Appendix: Q3 Store Count Activity

## ALL BRANDS\*

|                  | Total | US    | Canada | Europe | Asia |
|------------------|-------|-------|--------|--------|------|
| Start of Q3 2011 | 1,073 | 1,014 | 17     | 40     | 2    |
| Openings         | 19    | -     | 2      | 16     | 1    |
| Closings         | -     | -     | -      | -      | -    |
| End of Q3 2011   | 1,092 | 1,014 | 19     | 56     | 3    |

## abercrombie kids

|                  | Total | US  | Canada | Europe | Asia |
|------------------|-------|-----|--------|--------|------|
| Start of Q3 2011 | 183   | 179 | 3      | 1      | -    |
| Openings         | -     | -   | -      | -      | -    |
| Closings         | -     | -   | -      | -      | -    |
| End of Q3 2011   | 183   | 179 | 3      | 1      | -    |

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|                  | Total | US  | Canada | Europe | Asia |
|------------------|-------|-----|--------|--------|------|
| Start of Q3 2011 | 326   | 316 | 4      | 4      | 2    |
| Openings         | -     | -   | -      | -      | -    |
| Closings         | -     | -   | -      | -      | -    |
| End of Q3 2011   | 326   | 316 | 4      | 4      | 2    |

## Hollister Co.

|                  | Total | US  | Canada | Europe | Asia |
|------------------|-------|-----|--------|--------|------|
| Start of Q3 2011 | 545   | 501 | 10     | 34     | -    |
| Openings         | 19    | -   | 2      | 16     | 1    |
| Closings         | -     | -   | -      | -      | -    |
| End of Q3 2011   | 564   | 501 | 12     | 50     | 1    |

\* End of Q3 2011 includes 19 Gilly Hicks stores, including one in Europe

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# Appendix: Year-To-Date Store Count Activity

## ALL BRANDS\*

|                | Total | US    | Canada | Europe | Asia |
|----------------|-------|-------|--------|--------|------|
| Start of 2011  | 1,069 | 1,017 | 16     | 34     | 2    |
| Openings       | 26    | -     | 3      | 22     | 1    |
| Closings       | (3)   | (3)   | -      | -      | -    |
| End of Q3 2011 | 1,092 | 1,014 | 19     | 56     | 3    |

## abercrombie kids

|                | Total | US  | Canada | Europe | Asia |
|----------------|-------|-----|--------|--------|------|
| Start of 2011  | 185   | 181 | 3      | 1      | -    |
| Openings       | -     | -   | -      | -      | -    |
| Closings       | (2)   | (2) | -      | -      | -    |
| End of Q3 2011 | 183   | 179 | 3      | 1      | -    |

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|                | Total | US  | Canada | Europe | Asia |
|----------------|-------|-----|--------|--------|------|
| Start of 2011  | 325   | 316 | 4      | 3      | 2    |
| Openings       | 1     | -   | -      | 1      | -    |
| Closings       | -     | -   | -      | -      | -    |
| End of Q3 2011 | 326   | 316 | 4      | 4      | 2    |

## Hollister Co.

|                | Total | US  | Canada | Europe | Asia |
|----------------|-------|-----|--------|--------|------|
| Start of 2011  | 540   | 502 | 9      | 29     | -    |
| Openings       | 25    | -   | 3      | 21     | 1    |
| Closings       | (1)   | (1) | -      | -      | -    |
| End of Q3 2011 | 564   | 501 | 12     | 50     | 1    |

\* End of Q3 2011 includes 19 Gilly Hicks stores, including one in Europe

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