

**Abercrombie & Fitch Co.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share data)  
(Unaudited)

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	November 3, 2018	% of Net Sales	October 28, 2017	% of Net Sales
Net sales	\$ 861,194	100.0 %	\$ 859,112	100.0 %
Cost of sales, exclusive of depreciation and amortization	333,375	38.7 %	332,485	38.7 %
Gross profit	527,819	61.3 %	526,627	61.3 %
Stores and distribution expense	371,859	43.2 %	375,944	43.8 %
Marketing, general and administrative expense	117,181	13.6 %	124,533	14.5 %
Asset impairment	656	0.1 %	3,480	0.4 %
Other operating income, net	(1,557)	(0.2)%	(70)	0.0 %
Operating income	39,680	4.6 %	22,740	2.6 %
Interest expense, net	2,857	0.3 %	4,571	0.5 %
Income before income taxes	36,823	4.3 %	18,169	2.1 %
Income tax expense	12,047	1.4 %	7,553	0.9 %
Net income	24,776	2.9 %	10,616	1.2 %
Less: Net income attributable to noncontrolling interests	857	0.1 %	541	0.1 %
Net income attributable to Abercrombie & Fitch Co.	<u>\$ 23,919</u>	2.8 %	<u>\$ 10,075</u>	1.2 %

Net income per share attributable to Abercrombie & Fitch Co.:

Basic	\$ 0.36	\$ 0.15
Diluted	\$ 0.35	\$ 0.15

Weighted-average shares outstanding:

Basic	66,818	68,512
Diluted	68,308	69,425

**Abercrombie & Fitch Co.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share data)  
(Unaudited)

	Thirty-nine Weeks Ended		Thirty-nine Weeks Ended	
	November 3, 2018	% of Net Sales	October 28, 2017	% of Net Sales
Net sales	\$ 2,434,507	100.0 %	\$ 2,299,532	100.0 %
Cost of sales, exclusive of depreciation and amortization	957,448	39.3 %	913,085	39.7 %
Gross profit	1,477,059	60.7 %	1,386,447	60.3 %
Stores and distribution expense	1,107,566	45.5 %	1,105,168	48.1 %
Marketing, general and administrative expense	365,961	15.0 %	343,779	14.9 %
Asset impairment	10,383	0.4 %	10,345	0.4 %
Other operating income, net	(4,551)	(0.2)%	(4,555)	(0.2)%
Operating loss	(2,300)	(0.1)%	(68,290)	(3.0)%
Interest expense, net	8,898	0.4 %	12,780	0.6 %
Loss before income taxes	(11,198)	(0.5)%	(81,070)	(3.5)%
Income tax expense (benefit)	8,358	0.3 %	(16,062)	(0.7)%
Net loss	(19,556)	(0.8)%	(65,008)	(2.8)%
Less: Net income attributable to noncontrolling interests	2,839	0.1 %	2,108	0.1 %
Net loss attributable to Abercrombie & Fitch Co.	<u>\$ (22,395)</u>	(0.9)%	<u>\$ (67,116)</u>	(2.9)%

Net loss per share attributable to Abercrombie & Fitch Co.:

Basic	\$ (0.33)	\$ (0.98)
Diluted	\$ (0.33)	\$ (0.98)

Weighted-average shares outstanding:

Basic	67,775	68,347
Diluted	67,775	68,347

**Abercrombie & Fitch Co.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)  
(Unaudited)

	<u>November 3, 2018</u>	<u>February 3, 2018</u>	<u>October 28, 2017</u>
<b>ASSETS</b>			
Current assets:			
Cash and equivalents	\$ 520,523	\$ 675,558	\$ 459,293
Receivables	87,714	79,724	78,554
Inventories	572,173	424,393	570,484
Other current assets	109,888	84,863	68,903
Total current assets	1,290,298	1,264,538	1,177,234
Property and equipment, net	684,527	738,182	767,930
Other assets	308,244	322,972	352,737
<b>TOTAL ASSETS</b>	<u>\$ 2,283,069</u>	<u>\$ 2,325,692</u>	<u>\$ 2,297,901</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 266,933	\$ 168,868	\$ 248,963
Accrued expenses	293,410	308,601	292,479
Short-term portion of deferred lease credits	19,465	19,751	19,314
Income taxes payable	10,360	10,326	6,189
Total current liabilities	590,168	507,546	566,945
Long-term liabilities:			
Long-term portion of deferred lease credits	\$ 79,667	\$ 75,648	\$ 74,782
Long-term portion of borrowings, net	250,142	249,686	263,910
Leasehold financing obligations	46,081	50,653	48,082
Other liabilities	182,721	189,688	174,023
Total long-term liabilities	558,611	565,675	560,797
Total Abercrombie & Fitch Co. stockholders' equity	1,124,470	1,242,379	1,160,760
Noncontrolling interests	9,820	10,092	9,399
Total stockholders' equity	1,134,290	1,252,471	1,170,159
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 2,283,069</u>	<u>\$ 2,325,692</u>	<u>\$ 2,297,901</u>

## REPORTING AND USE OF GAAP AND NON-GAAP MEASURES

The company believes that each of the non-GAAP financial measures presented in this news release are useful to investors as they provide a measure of the company's operating performance excluding the effect of certain items which the company believes do not reflect its future operating outlook, and therefore supplement investors' understanding of comparability of operations across periods. Management used these non-GAAP financial measures during the periods presented to assess the company's performance and to develop expectations for future operating performance. The company also provides certain financial information on a constant currency basis to enhance investors' understanding of underlying business trends and operating performance, by removing the impact of foreign currency exchange rate fluctuations. The effect from foreign currency, calculated on a constant currency basis, is determined by applying current period exchange rates to prior year results and is net of the year-over-year impact from hedging. The per diluted share effect from foreign currency is calculated using a 27% tax rate. In addition, the company provides comparable sales, defined as the aggregate of: (1) year-over-year sales for stores that have been open as the same brand at least one year and whose square footage has not been expanded or reduced by more than 20% within the past year, with prior year's net sales converted at the current year's foreign currency exchange rate to remove the impact of foreign currency rate fluctuation, and (2) year-over-year direct-to-consumer sales with prior year's net sales converted at the current year's foreign currency exchange rate to remove the impact of foreign currency rate fluctuation. Due to the calendar shift in fiscal 2018, resulting from the 53rd week in fiscal 2017, comparable sales for the fiscal 2018 quarterly periods ended May 5, 2018, August 4, 2018, November 3, 2018 and February 2, 2019 are compared to the 13 weeks ended May 6, 2017, August 5, 2017, November 4, 2017 and February 3, 2018, respectively. The impact on net sales from the calendar shift, resulting from the loss of fiscal 2017's 53rd week, is the difference between net sales for the 13 weeks ended May 6, 2017, August 5, 2017, November 4, 2017 and February 3, 2018 and reported net sales for the fiscal quarters ended April 29, 2017, July 29, 2017, October 28, 2017 and February 3, 2018, respectively. Non-GAAP financial measures should be used supplemental to, and not as an alternative to, the company's GAAP financial results, and may not be calculated in the same manner as similar measures presented by other companies.

**Abercrombie & Fitch Co.**  
**Schedule of Non-GAAP Financial Measures**  
**Thirteen Weeks Ended November 3, 2018**  
**(in thousands, except per share data)**  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded items	Adjusted non-GAAP
Marketing, general and administrative <sup>(2)</sup>	\$ 117,181	\$ (3,005)	\$ 120,186
Operating income	39,680	3,005	36,675
Income before income taxes	36,823	3,005	33,818
Income tax expense <sup>(3)</sup>	12,047	1,469	10,578
Net income attributable to Abercrombie & Fitch Co.	\$ 23,919	\$ 1,536	\$ 22,383
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.35	\$ 0.02	\$ 0.33
Diluted weighted-average shares outstanding:	68,308		68,308

<sup>(1)</sup> "GAAP" refers to accounting principles generally accepted in the United States of America.

<sup>(2)</sup> Excluded items consist of benefits of \$3.0 million related to an update to previously accrued legal charges in connection with a class action settlement, which received final court approval in the fourth quarter of fiscal 2018.

<sup>(3)</sup> Excluded items consist of discrete net tax charges of \$0.4 million related to the Tax Cuts and Jobs Act of 2017, and the tax effect of excluded items, calculated as the difference between the tax provision on a GAAP basis and an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Schedule of Non-GAAP Financial Measures**  
**Thirteen Weeks Ended October 28, 2017**  
**(in thousands, except per share data)**  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded items	Adjusted non-GAAP
Marketing, general and administrative expense <sup>(2)</sup>	\$ 124,553	\$ 11,070	\$ 113,463
Asset impairment <sup>(3)</sup>	3,480	3,480	—
Operating income	22,740	(14,550)	37,290
Income before income taxes	18,169	(14,550)	32,719
Income tax expense <sup>(4)</sup>	7,553	(4,117)	11,670
Net income attributable to Abercrombie & Fitch Co.	\$ 10,075	\$ (10,433)	\$ 20,508
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.15	\$ (0.15)	\$ 0.30
Diluted weighted-average shares outstanding:	69,425		69,425

<sup>(1)</sup> "GAAP" refers to accounting principles generally accepted in the United States of America.

<sup>(2)</sup> Excluded items consist of legal charges of \$11.1 million in connection with a proposed settlement of two related class actions, which received final court approval in the fourth quarter of fiscal 2018.

<sup>(3)</sup> Excluded items consist of charges of \$3.5 million related to the impairment of store assets whose carrying value exceeded fair value.

<sup>(4)</sup> The tax effect of excluded items is calculated as the difference between the tax provision on a GAAP basis and an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Schedule of Non-GAAP Financial Measures**  
**Thirty-nine Weeks Ended November 3, 2018**  
(in thousands, except per share data)  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded items	Adjusted non-GAAP
Marketing, general and administrative expense <sup>(2)</sup>	\$ 365,961	\$ 2,595	\$ 363,366
Asset impairment <sup>(3)</sup>	10,383	8,671	1,712
Operating (loss) income	(2,300)	(11,266)	8,966
(Loss) income before income taxes	(11,198)	(11,266)	68
Income tax expense <sup>(4)</sup>	8,358	(719)	9,077
Net loss attributable to Abercrombie & Fitch Co.	\$ (22,395)	\$ (10,547)	\$ (11,848)
Net loss per diluted share attributable to Abercrombie & Fitch Co.	\$ (0.33)	\$ (0.16)	\$ (0.17)
Diluted weighted-average shares outstanding:	67,775		67,775

<sup>(1)</sup> "GAAP" refers to accounting principles generally accepted in the United States of America.

<sup>(2)</sup> Excluded items consist of charges of \$5.6 million and benefits of \$3.0 million, each updating previously accrued legal charges in connection with class action settlements, which received final court approval in the fourth quarter of fiscal 2018.

<sup>(3)</sup> Excluded items consist of asset impairment charges of \$8.7 million related to store assets whose carrying value exceeded fair value.

<sup>(4)</sup> Excluded items consist of discrete net tax charges of \$2.4 million related to the Tax Cuts and Jobs Act of 2017, and the tax effect of excluded items, calculated as the difference between the tax provision on a GAAP basis and an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Schedule of Non-GAAP Financial Measures**  
**Thirty-nine Weeks Ended October 28, 2017**  
(in thousands, except per share data)  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded items	Adjusted non-GAAP
Marketing, general and administrative expense <sup>(2)</sup>	\$ 343,779	\$ 11,070	\$ 332,709
Asset impairment <sup>(3)</sup>	10,345	9,615	730
Operating loss	(68,290)	(20,685)	(47,605)
Loss before income taxes	(81,070)	(20,685)	(60,385)
Income tax benefit <sup>(4)</sup>	(16,062)	(5,727)	(10,335)
Net loss attributable to Abercrombie & Fitch Co.	\$ (67,116)	\$ (14,958)	\$ (52,158)
Net loss per diluted share attributable to Abercrombie & Fitch Co.	\$ (0.98)	\$ (0.22)	\$ (0.76)
Diluted weighted-average shares outstanding:	68,347		68,347

<sup>(1)</sup> "GAAP" refers to accounting principles generally accepted in the United States of America.

<sup>(2)</sup> Excluded items consist of legal charges of \$11.1 million in connection with a proposed settlement of two related class actions, which received final court approval in the fourth quarter of fiscal 2018.

<sup>(3)</sup> Excluded items consist of charges of \$9.6 million related to the impairment of store assets whose carrying value exceeded fair value.

<sup>(4)</sup> The tax effect of excluded items is the difference between the tax provision calculated on a GAAP basis and an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.  
Store Count Activity**

**Thirteen Weeks Ended November 3, 2018**

	Hollister <sup>(1)</sup>		Abercrombie <sup>(2)</sup>		Total	
	United States	International	United States	International	United States	International
August 4, 2018	396	144	283	47	679	191
New	4	3	3	1	7	4
Closed	—	—	(2)	—	(2)	—
November 3, 2018	<u>400</u>	<u>147</u>	<u>284</u>	<u>48</u>	<u>684</u>	<u>195</u>

**Thirty-nine Weeks Ended November 3, 2018**

	Hollister <sup>(1)</sup>		Abercrombie <sup>(2)</sup>		Total	
	United States	International	United States	International	United States	International
February 3, 2018	394	144	285	45	679	189
New	6	3	4	3	10	6
Closed	—	—	(5)	—	(5)	—
November 3, 2018	<u>400</u>	<u>147</u>	<u>284</u>	<u>48</u>	<u>684</u>	<u>195</u>

<sup>(1)</sup> Excludes eight international franchise stores as of November 3, 2018, seven international franchise stores as of August 4, 2018 and five international franchise stores as of February 3, 2018.

<sup>(2)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands. Locations with abercrombie kids carveouts within Abercrombie & Fitch stores are represented as a single store count. Excludes six international franchise stores as of each of November 3, 2018 and August 4, 2018, and four international franchise stores as of February 3, 2018.

Abercrombie & Fitch Co.  
Financial Information  
(Unaudited)  
(in thousands, except per share data and store data)

	Fiscal 2017 <sup>(1)</sup>							Fiscal 2018			YTD	
	2014	2015	2016	Q1	Q2	Q3	Q4	2017	Q1	Q2		Q3
Net sales	\$ 3,744,030	\$ 3,518,680	\$ 3,326,740	\$ 661,099	\$ 779,321	\$ 859,112	\$ 1,193,158	\$ 3,492,690	\$ 730,899	\$ 842,414	\$ 861,194	\$ 2,434,507
Cost of sales, exclusive of depreciation and amortization	1,430,460	1,361,137	1,298,172	262,174	318,426	332,485	495,763	1,408,848	288,554	335,519	333,375	957,448
Gross profit	2,313,570	2,157,543	2,028,568	398,925	460,895	526,627	697,395	2,083,842	442,345	506,895	527,819	1,477,059
Stores and distribution expense	1,703,051	1,604,214	1,578,460	359,929	369,295	375,944	437,257	1,542,425	361,155	374,552	371,859	1,107,566
Marketing, general and administrative expense	458,820	470,321	453,202	109,893	109,353	124,533	128,135	471,914	124,897	123,883	117,181	365,961
Restructuring charge (benefit)	8,431	(1,598)	—	—	—	—	—	—	—	—	—	—
Asset impairment	44,988	18,209	7,930	730	6,135	3,480	4,046	14,391	1,056	8,671	656	10,383
Other operating income, net	(15,239)	(6,441)	(26,212)	(1,686)	(2,799)	(70)	(12,383)	(16,938)	(2,560)	(434)	(1,557)	(4,551)
Operating income (loss)	113,519	72,838	15,188	(69,941)	(21,089)	22,740	140,340	72,050	(42,203)	223	39,680	(2,300)
Interest expense, net	14,365	18,248	18,666	4,120	4,089	4,571	4,109	16,889	3,018	3,023	2,857	8,898
Income (loss) before income taxes	99,154	54,590	(3,478)	(74,061)	(25,178)	18,169	136,231	55,161	(45,221)	(2,800)	36,823	(11,198)
Income tax expense (benefit)	47,333	16,031	(11,196)	(13,052)	(10,563)	7,553	60,698	44,636	(3,713)	24	12,047	8,358
Net income (loss)	51,821	38,559	7,718	(61,009)	(14,615)	10,616	75,533	10,525	(41,508)	(2,824)	24,776	(19,556)
Less: Net income attributable to noncontrolling interests	—	2,983	3,762	691	876	541	1,323	3,431	953	1,029	857	2,839
Net income (loss) attributable to Abercrombie & Fitch Co.	\$ 51,821	\$ 35,576	\$ 3,956	\$ (61,700)	\$ (15,491)	\$ 10,075	\$ 74,210	\$ 7,094	\$ (42,461)	\$ (3,853)	\$ 23,919	\$ (22,395)

	2014	2015	2016	Fiscal 2017 <sup>(1)</sup>				2017	Fiscal 2018			YTD
				Q1	Q2	Q3	Q4		Q1	Q2	Q3	
Net income (loss) per share attributable to Abercrombie & Fitch Co.:												
Basic	\$ 0.72	\$ 0.52	\$ 0.06	\$ (0.91)	\$ (0.23)	\$ 0.15	\$ 1.08	\$ 0.10	\$ (0.62)	\$ (0.06)	\$ 0.36	\$ (0.33)
Diluted	\$ 0.71	\$ 0.51	\$ 0.06	\$ (0.91)	\$ (0.23)	\$ 0.15	\$ 1.05	\$ 0.10	\$ (0.62)	\$ (0.06)	\$ 0.35	\$ (0.33)
Weighted-average shares outstanding:												
Basic	71,785	68,880	67,878	68,073	68,456	68,512	68,523	68,391	68,500	68,008	66,818	67,775
Diluted	72,937	69,417	68,284	68,073	68,456	69,425	70,357	69,403	68,500	68,008	68,308	67,775
Hollister comparable sales	(10)%	0 %	0 %	3 %	5 %	8 %	11%	8 %	6%	4%	4%	4%
Abercrombie comparable sales <sup>(2)</sup>	(5)%	(6)%	(11)%	(10)%	(7)%	(2)%	5%	(2)%	3%	2%	1%	2%
Comparable sales <sup>(3)</sup>	(8)%	(3)%	(5)%	(3)%	(1)%	4 %	9%	3 %	5%	3%	3%	3%
Shares outstanding	69,352	67,348	67,758	68,012	68,092	68,116	68,195	68,195	67,816	66,975	65,843	65,843
Number of stores - end of period <sup>(4)</sup>	969	932	898	893	891	889	868	868	869	870	879	879
Gross square feet - end of period	7,517	7,292	7,007	6,939	6,908	6,880	6,710	6,710	6,710	6,694	6,719	6,719

<sup>(1)</sup> Fiscal 2017 was a fifty-three week year.

<sup>(2)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands.

<sup>(3)</sup> Comparable sales are calculated on a constant currency basis and exclude revenue other than store and online sales. Due to the 53<sup>rd</sup> week in fiscal 2017, fourth quarter of fiscal 2017 comparable sales are compared to the fourteen week period ended February 4, 2017, first quarter of fiscal 2018 comparable sales are compared to the thirteen week period ended May 6, 2017, second quarter of fiscal 2018 comparable sales are compared to the thirteen week period ended August 5, 2017 and third quarter of fiscal 2018 comparable sales are compared to the thirteen week period ended November 4, 2017.

<sup>(4)</sup> Prior period store counts have been restated to count multi-brand outlet stores as a single store.