

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

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	January 30, 2016	% of Net Sales	January 31, 2015	% of Net Sales
	(Unaudited)		(Unaudited)	
Net sales	\$ 1,112,930	100.0%	\$ 1,119,544	100.0 %
Cost of sales, exclusive of depreciation and amortization	436,585	39.2%	437,659	39.1 %
Gross profit	676,345	60.8%	681,885	60.9 %
Stores and distribution expense	430,441	38.7%	445,629	39.8 %
Marketing, general and administrative expense	125,244	11.3%	119,225	10.6 %
Restructuring charge	—	—%	2,378	0.2 %
Asset impairment	—	—%	28,282	2.5 %
Other operating loss (income), net	577	0.1%	(5,795)	(0.5)%
Operating income	120,083	10.8%	92,166	8.2 %
Interest expense, net	4,456	0.4%	4,776	0.4 %
Income before taxes	115,627	10.4%	87,390	7.8 %
Tax expense	56,719	5.1%	43,002	3.8 %
Net income	58,908	5.3%	44,388	4.0 %
Less: Net income attributable to noncontrolling interests	1,167	0.1%	—	— %
Net income attributable to Abercrombie & Fitch Co.	<u>\$ 57,741</u>	<u>5.2%</u>	<u>\$ 44,388</u>	<u>4.0 %</u>
Net income per share attributable to Abercrombie & Fitch Co.:				
Basic	\$ 0.86		\$ 0.64	
Diluted	\$ 0.85		\$ 0.63	
Weighted-average shares outstanding:				
Basic	67,432		69,409	
Diluted	68,243		70,136	

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

	Fifty-Two Weeks Ended		Fifty-Two Weeks Ended	
	January 30, 2016	% of Net Sales	January 31, 2015	% of Net Sales
	(Unaudited)		(Unaudited)	
Net sales	\$ 3,518,680	100.0 %	\$ 3,744,030	100.0 %
Cost of sales, exclusive of depreciation and amortization	1,361,137	38.7 %	1,430,460	38.2 %
Gross profit	2,157,543	61.3 %	2,313,570	61.8 %
Stores and distribution expense	1,604,214	45.6 %	1,703,051	45.5 %
Marketing, general and administrative expense	470,321	13.4 %	458,820	12.3 %
Restructuring (benefit) charge	(1,598)	— %	8,431	0.2 %
Asset impairment	18,209	0.5 %	44,988	1.2 %
Other operating income, net	(6,441)	(0.2)%	(15,239)	(0.4)%
Operating income	72,838	2.1 %	113,519	3.0 %
Interest expense, net	18,248	0.5 %	14,365	0.4 %
Income before taxes	54,590	1.6 %	99,154	2.6 %
Tax expense	16,031	0.5 %	47,333	1.3 %
Net Income	38,559	1.1 %	51,821	1.4 %
Less: Net income attributable to noncontrolling interests	2,983	0.1 %	—	— %
Net income attributable to Abercrombie & Fitch Co.	<u>\$ 35,576</u>	<u>1.0 %</u>	<u>\$ 51,821</u>	<u>1.4 %</u>
Net income per share attributable to Abercrombie & Fitch Co.:				
Basic	\$ 0.52		\$ 0.72	
Diluted	\$ 0.51		\$ 0.71	
Weighted-average shares outstanding:				
Basic	68,880		71,785	
Diluted	69,417		72,937	

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

	<b>January 30, 2016</b>	<b>January 31, 2015</b>
	<b>(Unaudited)</b>	
<u>ASSETS</u>		
Current assets:		
Cash and equivalents	\$ 588,578	\$ 520,708
Receivables	56,868	52,910
Inventories, net	436,701	460,794
Deferred income taxes, net	—	13,986
Other current assets	96,833	116,574
Total current assets	1,178,980	1,164,972
Property and equipment, net	894,178	967,001
Other assets	359,881	373,194
<b>TOTAL ASSETS</b>	<b>\$ 2,433,039</b>	<b>\$ 2,505,167</b>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 184,175	\$ 141,685
Accrued expenses	321,237	282,736
Short-term portion of deferred lease credits	23,303	26,629
Income taxes payable	5,988	32,804
Short-term portion of borrowings, net	—	2,102
Total current liabilities	534,703	485,956
Long-term liabilities:		
Long-term portion of deferred lease credits	89,256	106,393
Long-term portion of borrowings, net	286,235	291,310
Leasehold financing obligations	47,440	50,521
Other liabilities	179,683	181,286
Total long-term liabilities	602,614	629,510
Total Abercrombie & Fitch Co. stockholders' equity	1,291,063	1,389,701
Noncontrolling interests	4,659	—
Total stockholders' equity	1,295,722	1,389,701
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 2,433,039</b>	<b>\$ 2,505,167</b>

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

The company believes that the non-GAAP financial measures presented in this news release are useful to investors as they provide the ability to measure the company's operating performance as compared to historical periods excluding the effect of certain items which the company believes do not reflect its future operating outlook. Management used these non-GAAP financial measures during the periods presented to assess the company's performance, to make decisions about how to allocate resources and to develop expectations for future operating performance. In addition, the company provides certain financial information on a constant currency basis to enhance investors' understanding of underlying business trends and operating performance. The effect from foreign currency, calculated on a constant currency basis, is determined by applying current period exchange rate to prior year results and is net of the year-over-year impact from hedging. Non-GAAP financial measures should be used in conjunction with, not as an alternative to, the company's GAAP financial results.

**Abercrombie & Fitch Co.**  
**Schedule of Adjusted Non-GAAP Financial Measures**  
**Thirteen Weeks Ended January 30, 2016**  
**(in thousands, except per share data)**  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded Items	Adjusted Non-GAAP
Gross profit <sup>(2)</sup>	\$ 676,345	\$ (1,020)	\$ 675,325
Other operating loss (income), net <sup>(3)</sup>	577	2,211	(1,634)
Operating income	120,083	1,191	121,274
Income before taxes	115,627	1,191	116,818
Tax expense <sup>(4)</sup>	56,719	(14,775)	41,944
Net income attributable to Abercrombie & Fitch Co.	\$ 57,741	\$ 15,966	\$ 73,707
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.85	\$ 0.23	\$ 1.08

<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 \$1.0 million related to higher than expected recovery in inventory previously written-down.

<sup>(3)</sup> Excluded Items consist of charges of \$2.2 million related to a release of a cumulative translation adjustment as the company substantially completed the liquidation of its Australian operations.

<sup>(4)</sup> The tax effect of excluded items is computed as the difference between tax expense on a GAAP basis and tax expense on an adjusted non-GAAP basis, which was impacted by a disproportionate effect from jurisdictional earnings mix and changes in the annual effective tax rate relative to the prior quarter estimated rate.

**Abercrombie & Fitch Co.**  
**Schedule of Adjusted Non-GAAP Financial Measures**  
**Fifty-Two Weeks Ended January 30, 2016**  
**(in thousands, except per share data)**  
**(Unaudited)**

	<b>GAAP<sup>(1)</sup></b>	<b>Excluded Items</b>	<b>Adjusted Non-GAAP</b>
Gross profit <sup>(2)</sup>	\$ 2,157,543	\$ 20,647	\$ 2,178,190
Stores and distribution expense <sup>(3)</sup>	1,604,214	6,665	1,597,549
Marketing, general and administrative expense <sup>(4)</sup>	470,321	17,523	452,798
Restructuring benefit <sup>(5)</sup>	(1,598)	(1,598)	—
Asset impairment <sup>(6)</sup>	18,209	18,209	—
Other operating income, net <sup>(7)</sup>	(6,441)	2,211	(8,652)
Operating income	72,838	63,657	136,495
Income before taxes	54,590	63,657	118,247
Tax expense <sup>(8)</sup>	16,031	21,186	37,217
Net income attributable to Abercrombie & Fitch Co.	\$ 35,576	\$ 42,471	\$ 78,047
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.51	\$ 0.61	\$ 1.12

<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 \$20.6 million related to an inventory write-down, net of recoveries.

<sup>(3)</sup> Excluded Items consist of charges of \$4.2 million related to accelerated depreciation and disposal costs associated with a decision to discontinue the use of certain store fixtures, \$1.8 million related to lease termination and store closure costs and \$0.7 million related to the company's profit improvement initiative.

<sup>(4)</sup> Excluded Items consist of charges of \$15.8 million related to legal settlement charges and \$1.8 million related to the company's profit improvement initiative.

<sup>(5)</sup> Excluded Items consist of benefits of \$1.6 million related to the Gilly Hicks brand.

<sup>(6)</sup> Excluded Items consist of charges of \$12.1 million related to stores whose asset carrying value exceeded fair value, \$4.5 million related to the discontinued use of certain store fixtures and \$1.6 million related to a company owned aircraft.

<sup>(7)</sup> Excluded Items consist of charges of \$2.2 million related to a release of a cumulative translation adjustment as the company substantially completed the liquidation of its Australian operations.

<sup>(8)</sup> The tax effect of excluded items is computed as the difference between tax expense on a GAAP basis and tax expense on an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Schedule of Adjusted Non-GAAP Financial Measures**  
**Thirteen Weeks Ended January 31, 2015**  
**(in thousands, except per share data)**  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded Items	Adjusted Non-GAAP
Stores and distribution expense <sup>(2)</sup>	\$ 445,629	\$ 3,970	\$ 441,659
Marketing, general and administrative expense <sup>(3)</sup>	119,225	5,295	113,930
Restructuring charges <sup>(4)</sup>	2,378	2,378	—
Asset impairment <sup>(5)</sup>	28,282	28,282	—
Operating income	92,166	39,925	132,091
Income before taxes	87,390	39,925	127,315
Tax expense <sup>(6)</sup>	43,002	3,493	46,495
Net income attributable to Abercrombie & Fitch Co.	\$ 44,388	\$ 36,432	\$ 80,820
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.63	\$ 0.52	\$ 1.15

<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 \$3.4 million related to lease termination and store closure costs and \$0.6 million related to the company's profit improvement initiative.

<sup>(3)</sup> Excluded Items consist of charges of \$5.2 million related to CEO transition costs and \$0.1 million related to the company's profit improvement initiative and certain governance matters.

<sup>(4)</sup> Excluded Items consist of charges of \$2.4 million related to the Gilly Hicks brand.

<sup>(5)</sup> Excluded Items consist of charges of \$17.0 million related to the impairment of store assets whose carrying value exceeded fair value, primarily associated with 4 Abercrombie & Fitch stores, 4 abercrombie kids stores and 9 Hollister stores and \$11.3 million related to the write down of a Company aircraft to estimated net sales value.

<sup>(6)</sup> The tax effect of excluded items is computed as the difference between tax expense on a GAAP basis and tax expense on an adjusted non-GAAP basis.

**Abercrombie & Fitch Co.**  
**Schedule of Adjusted Non-GAAP Financial Measures**  
**Fifty-Two Weeks Ended January 31, 2015**  
**(in thousands, except per share data)**  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded Items	Adjusted Non-GAAP
Stores and distribution expense <sup>(2)</sup>	\$ 1,703,051	\$ 8,335	\$ 1,694,716
Marketing, general and administrative expense <sup>(3)</sup>	458,820	16,420	442,400
Restructuring charges <sup>(4)</sup>	8,431	8,431	—
Asset impairment <sup>(5)</sup>	44,988	44,988	—
Operating income	113,519	78,174	191,693
Income before taxes	99,154	78,174	177,328
Tax expense <sup>(6)</sup>	47,333	17,686	65,019
Net income attributable to Abercrombie & Fitch Co.	\$ 51,821	\$ 60,488	\$ 112,309
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.71	\$ 0.83	\$ 1.54

<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 related to lease termination and store closure costs and \$2.7 million related to related to the company's profit improvement initiative.

<sup>(3)</sup> Excluded Items consist of charges of \$7.5 million related to the legal, advisory and other costs associated with certain corporate governance matters, \$5.2 million related to CEO transition costs and \$3.8 million related to the company's profit improvement initiative.

<sup>(4)</sup> Excluded Items consist of charges of \$8.4 million related to restructuring of the Gilly Hicks brand.

<sup>(5)</sup> Excluded Items consist of charges of \$33.7 million related to the impairment of store assets whose carrying value exceeded fair value, primarily associated with 7 Abercrombie & Fitch stores, 27 abercrombie kids stores and 17 Hollister stores and \$11.3 million related to the write down of a Company owned aircraft to estimated net sales value.

<sup>(6)</sup> The tax effect of excluded items is computed as the difference between tax expense on a GAAP basis and tax expense on an adjusted non-GAAP basis.

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

	<b>Abercrombie <sup>(1)</sup></b>		<b>Hollister <sup>(2)</sup></b>		<b>Total</b>	
	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>
<b><u>Thirteen Weeks Ended January 30, 2016:</u></b>						
October 31, 2015	359	36	431	139	790	175
New	2	3	—	2	2	5
Closed	(21)	—	(17)	(2)	(38)	(2)
January 30, 2016	<u>340</u>	<u>39</u>	<u>414</u>	<u>139</u>	<u>754</u>	<u>178</u>

**Fifty-Two Weeks Ended January 30, 2016:**

January 31, 2015	361	32	433	135	794	167
New	13	7	2	8	15	15
Closed	(34)	—	(21)	(4)	(55)	(4)
January 30, 2016	<u>340</u>	<u>39</u>	<u>414</u>	<u>139</u>	<u>754</u>	<u>178</u>

<sup>(1)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands. Abercrombie & Fitch locations with abercrombie kids carveouts are represented as a single store count. Excludes one international franchise store as of January 30, 2016.

<sup>(2)</sup> Excludes two international franchise stores as of January 30, 2016.