

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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

For the quarterly period ended May 3, 2003

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.)

6301 Fitch Path, New Albany, OH

43054

-----  
(Address of principal executive offices)

-----  
(Zip Code)

Registrant's telephone number, including area code (614) 283-6500

Not Applicable

-----  
(Former name, former address and former fiscal year, if changed since last  
report.)

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

Indicate by check mark whether the registrant is an accelerated filer (as  
defined by Rule 12b-2 of the Exchange Act). Yes  [No]

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

Class A Common Stock

Outstanding at May 30, 2003

-----  
\$.01 Par Value

-----  
97,638,333 Shares

ABERCROMBIE & FITCH CO.

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## PART I - FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

## ABERCROMBIE &amp; FITCH

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Thousands except per share amounts)

(Unaudited)

	Thirteen Weeks Ended	
	May 3, 2003	May 4, 2002
	-----	-----
NET SALES	\$ 346,722	\$ 312,792
Cost of Goods Sold, Occupancy and Buying Costs	218,534	198,363
	-----	-----
GROSS INCOME	128,188	114,429
General, Administrative and Store Operating Expenses	87,898	77,442
	-----	-----
OPERATING INCOME	40,290	36,987
Interest Income, Net	(991)	(872)
	-----	-----
INCOME BEFORE INCOME TAXES	41,281	37,859
Provision for Income Taxes	15,730	14,570
	-----	-----
NET INCOME	\$ 25,551	\$ 23,289
	=====	=====
NET INCOME PER SHARE:		
BASIC	\$ 0.26	\$ 0.24
	=====	=====
DILUTED	\$ 0.26	\$ 0.23
	=====	=====
WEIGHTED-AVERAGE SHARES OUTSTANDING:		
BASIC	97,634	99,023
	=====	=====
DILUTED	99,835	102,130
	=====	=====

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

ABERCROMBIE & FITCH

CONDENSED CONSOLIDATED BALANCE SHEETS

(Thousands)

	May 3, 2003 ----- (Unaudited)	February 1, 2003 -----
ASSETS		
CURRENT ASSETS:		
Cash and Equivalents	\$ 409,924	\$ 391,035
Marketable Securities	-	10,000
Receivables	7,550	10,462
Inventories	145,719	144,218
Store Supplies	26,462	25,671
Other	19,562	19,770
	-----	-----
TOTAL CURRENT ASSETS	609,217	601,156
PROPERTY AND EQUIPMENT, NET	408,759	392,941
OTHER ASSETS	665	725
	-----	-----
TOTAL ASSETS	\$ 1,018,641 =====	\$ 994,822 =====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable	\$ 40,535	\$ 50,153
Accrued Expenses	136,011	120,438
Income Taxes Payable	17,890	40,879
	-----	-----
TOTAL CURRENT LIABILITIES	194,436	211,470
DEFERRED INCOME TAXES	23,715	20,781
OTHER LONG-TERM LIABILITIES	13,432	13,044
SHAREHOLDERS' EQUITY:		
Class A Common Stock - \$.01 par value: 150,000,000 shares authorized, 98,003,864 and 97,268,877 shares outstanding at May 3, 2003 and February 1, 2003, respectively	1,033	1,033
Paid-In Capital	144,100	142,577
Retained Earnings	740,026	714,475
	-----	-----
Less: Treasury Stock, at Average Cost	885,159 (98,101)	858,085 (108,558)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	787,058	749,527
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,018,641 =====	\$ 994,822 =====

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

ABERCROMBIE & FITCH

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)

(Unaudited)

	Thirteen Weeks Ended	
	May 3, 2003	May 4, 2002
	-----	-----
OPERATING ACTIVITIES:		
Net income	\$ 25,551	\$ 23,289
Impact of Other Operating Activities on Cash Flows:		
Depreciation and Amortization	15,896	12,389
Noncash Charge for Deferred Compensation	1,282	580
Changes in Assets and Liabilities:		
Inventories	(1,501)	(8,290)
Accounts Payable and Accrued Expenses	(6,941)	3,849
Income Taxes	(16,937)	(5,599)
Other Assets and Liabilities	(1,734)	2,844
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	15,616	29,062
	-----	-----
INVESTING ACTIVITIES:		
Capital Expenditures	(16,374)	(25,265)
Proceeds from Maturities of Marketable Securities	10,000	56,220
	-----	-----
NET CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES	(6,374)	30,955
	-----	-----
FINANCING ACTIVITIES:		
Stock Option Exercises and Other	9,647	(1,704)
	-----	-----
NET INCREASE IN CASH AND EQUIVALENTS	18,889	58,313
Cash and Equivalents, Beginning of Year	391,035	167,664
	-----	-----
CASH AND EQUIVALENTS, END OF PERIOD	\$ 409,924	\$ 225,977
	=====	=====
SIGNIFICANT NONCASH INVESTING ACTIVITIES:		
Construction Allowance Receivables	\$ 4,226	\$ 10,519
	=====	=====
Accrual for Construction in Progress	\$ 23,509	\$ 30,112
	=====	=====

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

ABERCROMBIE & FITCH

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

Abercrombie & Fitch Co. ("A&F"), through its subsidiaries (collectively, A&F and its subsidiaries are referred to as "Abercrombie & Fitch" or the "Company"), is a specialty retailer of high quality, casual apparel for men, women and kids with an active, youthful lifestyle.

The condensed consolidated financial statements include the accounts of A&F. All significant intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements as of May 3, 2003 and for the thirteen week periods ended May 3, 2003 and May 4, 2002 are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2003 (the "2002 fiscal year"). In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments (which are of a normal recurring nature) necessary to present fairly the financial position and results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations for a full fiscal year.

The condensed consolidated financial statements as of May 3, 2003 and for the thirteen week periods ended May 3, 2003 and May 4, 2002 included herein have been reviewed by the independent accounting firm of PricewaterhouseCoopers LLP and the report of such firm follows the notes to condensed consolidated financial statements. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 (the "Act") for its report on the condensed consolidated financial statements because that report is not a "report" within the meaning of Sections 7 and 11 of the Act.

2. ADOPTION OF ACCOUNTING STANDARDS

Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations," was effective February 2, 2003 for the Company. The standard requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related obligation for its recorded amount or the entity incurs a gain or loss upon settlement. Because costs associated with exiting leased properties at the end of lease terms are minimal, the adoption of SFAS No. 143 had no impact on the Company's results of operations or its financial position.

SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an Amendment of FASB No. 123," was issued on December 31, 2002. Pursuant to this standard, companies that chose to adopt the accounting provisions of FASB Statement No. 123, "Accounting for Stock-Based Compensation," were permitted to select from three transition methods (prospective, modified prospective and retroactive restatement).

Companies that chose not to adopt the accounting provisions of SFAS No. 123 were affected by the new disclosure requirements of SFAS No. 148. The new interim disclosure provisions are effective for the first quarter of 2003 and have been adopted by the Company (see Note 3).

3. STOCK-BASED COMPENSATION

The Company reports stock-based compensation through the disclosure-only requirements of SFAS No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an Amendment to FASB No. 123," but elects to measure compensation expense using the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense for options has been recognized as all options are granted at fair market value at the grant date. The Company does recognize compensation expense related to restricted share awards. If compensation expense in the first quarters of 2003 and 2002 related to options had been determined based on the estimated fair value of options granted, consistent with the methodology in SFAS No. 123, the pro forma effect on net income and net income per basic and diluted share would have been as follows:

(Thousands except per share amounts)

	Thirteen Weeks Ended	
	May 3, 2003	May 4, 2002
	-----	-----
Net income:		
As reported	\$ 25,551	\$ 23,289
Stock-based compensation expense included in reported net income, net of tax	794	357
Stock-based compensation expense determined under fair value based method, net of tax(1)	(6,355)	(6,498)
	-----	-----
Pro forma	\$ 19,990	\$ 17,147
	=====	=====
Basic earnings per share:		
As reported	\$ 0.26	\$ 0.24
Pro forma	\$ 0.20	\$ 0.17
Diluted earnings per share:		
As reported	\$ 0.26	\$ 0.23
Pro forma	\$ 0.20	\$ 0.17

(1) Includes stock-based compensation expense related to restricted share awards actually recognized in earnings in each period presented.

The pro forma effect on net income for the first quarters of 2003 and 2002 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 May 19, 1998.



The weighted-average fair value of all options granted during the first quarter of 2003 and fiscal 2002 was \$13.91 and \$12.07, respectively. The fair value of each option was estimated using the Black-Scholes option-pricing model, which is included in the pro forma results above. For purposes of the valuation, the following weighted-average assumptions were used: no expected dividends in 2003 and 2002; price volatility of 63% in 2003 and 53% in 2002; risk-free interest rates of 2.9% in 2003 and 4.3% in 2002; assumed forfeiture rates of 23% and 15% in 2003 and 2002; and expected lives of 4 years in 2003 and 2002.

4. EARNINGS PER SHARE

Weighted-Average Shares Outstanding (in thousands):

	Thirteen Weeks Ended	
	May 3, 2003	May 4, 2002
	-----	-----
Shares of Class A Common Stock issued	103,300	103,300
Treasury shares	(5,666)	(4,277)
	-----	-----
Basic shares	97,634	99,023
Dilutive effect of options and restricted shares	2,201	3,107
	-----	-----
Diluted shares	99,835	102,130
	=====	=====

Options to purchase 5,762,000 and 6,102,000 shares of Class A Common Stock were outstanding at May 3, 2003 and May 4, 2002, respectively, but were not included in the computation of net income per diluted share because the options' exercise prices were greater than the average market price of the underlying shares.

5. INVENTORIES

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

6. PROPERTY AND EQUIPMENT, NET

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

	May 3, 2003	February 1, 2003
	-----	-----
Property and equipment, at cost	\$ 615,179	\$ 585,642
Accumulated depreciation and amortization	(206,420)	(192,701)
	-----	-----
Property and equipment, net	\$ 408,759	\$ 392,941
	=====	=====

7. INCOME TAXES

The provision for income taxes is based on the current estimate of the annual effective tax rate. Income taxes paid during the thirteen weeks ended May 3, 2003 and May 4, 2002 approximated \$33.0 million and \$20.2 million, respectively.

8. LONG-TERM DEBT

The Company entered into a \$250 million syndicated unsecured credit agreement (the "New Credit Agreement") on November 14, 2002 to replace both a \$150 million syndicated unsecured credit agreement (the "Old Credit Agreement") and a separate \$75 million facility for the issuance of trade letters of credit. The primary purposes of the New Credit Agreement are for trade and stand-by letters of credit and working capital. The New Credit Agreement is due to expire on November 14, 2005. The New Credit Agreement has several borrowing options, including interest rates that are based on the agent bank's "Alternative Base Rate," or a LIBO Rate. Facility fees payable under the New Credit 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 EBITDAR for the trailing four-fiscal-quarter period and currently accrues at .225% of the committed amounts per annum. The New Credit Agreement contains limitations on indebtedness, liens, sale-leaseback transactions, significant corporate changes including mergers and acquisitions with third parties, investments, restricted payments (including dividends and stock repurchases), hedging transactions and transactions with affiliates. The New Credit Agreement also contains financial covenants requiring a minimum ratio of EBITDAR for the trailing four-fiscal-quarter period to the sum of interest expense and minimum rent for such period, as well as a maximum leverage ratio.

Letters of credit totaling approximately \$39.1 million were outstanding under the New Credit Agreement at May 3, 2003. Letters of credit totaling approximately \$34.8 million were outstanding under the \$75 million facility for the issuance of trade letters of credit at May 4, 2002. No borrowings were outstanding under the New Credit Agreement at May 3, 2003 or under the Old Credit Agreement at May 4, 2002.

9. RELATED PARTY TRANSACTIONS

Shahid & Company, Inc. has provided advertising and design services for the Company since 1995. Sam N. Shahid, Jr., who serves on A&F's Board of Directors, has been President and Creative Director of Shahid & Company, Inc. since 1993. Fees paid to Shahid & Company, Inc. for services provided during the thirteen weeks ended May 3, 2003 and May 4, 2002 were approximately \$.5 million in both periods.

10. CONTINGENCIES

The Company is involved in a number of legal proceedings. Although it is not possible to predict with any certainty the eventual outcome of any legal proceedings, it is the opinion of management that the ultimate resolution of these matters will not have a material impact on the Company's results of operations, cash flows or financial position.

The Company has standby letters of credit in the amount of \$4.7 million that expire during the 2003 fiscal year but automatically renew for a period of one year. The beneficiary, a merchandise supplier, has the right to draw upon the standby letters of credit if the Company has authorized or filed a voluntary petition into bankruptcy. To date, the beneficiary has not drawn upon the standby letters of credit.

The Company enters into agreements with professional services firms, in the ordinary course of business and, in most agreements, indemnifies these firms from any harm. There is no financial impact on the Company related to these indemnifications.

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have reviewed the accompanying condensed consolidated balance sheet of Abercrombie & Fitch Co. (the "Company") and its subsidiaries as of May 3, 2003 and the related condensed consolidated statements of income for each of the thirteen-week periods ended May 3, 2003 and May 4, 2002 and the condensed consolidated statements of cash flows for the thirteen-week periods ended May 3, 2003 and May 4, 2002. These interim financial statements are the responsibility of the Company's management.

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

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

We previously audited in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of February 1, 2003, and the related consolidated statements of income, of shareholders' equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 18, 2003 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of February 1, 2003, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP  
Columbus, Ohio  
May 13, 2003

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

RESULTS OF OPERATIONS

During the first quarter of the 2003 fiscal year, net sales increased 11% to \$346.7 million from \$312.8 million in the first quarter of 2002. Operating income improved to \$40.3 million in the first quarter of 2003 from \$37.0 million in the first quarter of 2002. A&F recorded its 43rd consecutive comparable quarter of record earnings as net income increased to \$25.6 million in the first quarter of 2003 as compared to \$23.3 million in the first quarter of 2002. Earnings per diluted share were \$.26 in the first quarter of 2003 compared to \$.23 in the first quarter of 2002.

The following data represent the amounts shown in the Company's condensed consolidated statements of income for the first quarter of the 2003 and 2002 fiscal years expressed as a percentage of net sales:

	Thirteen Weeks Ended	
	May 3, 2003	May 4, 2002
	-----	-----
NET SALES	100.0%	100.0%
Cost of Goods Sold, Occupancy and Buying Costs	63.0	63.4
	-----	-----
GROSS INCOME	37.0	36.6
General, Administrative and Store Operating Expenses	25.4	24.8
	-----	-----
OPERATING INCOME	11.6	11.8
Interest Income, Net	(0.3)	(0.3)
	-----	-----
INCOME BEFORE INCOME TAXES	11.9	12.1
Provision for Income Taxes	4.5	4.7
	-----	-----
NET INCOME	7.4%	7.4%
	=====	=====

Financial Summary

The following summarized financial and statistical data compares the thirteen week period ended May 3, 2003 to the comparable fiscal 2002 period:

	THIRTEEN WEEKS ENDED MAY 3, 2003 -----	THIRTEEN WEEKS ENDED MAY 4, 2002 -----	% CHANGE -----
Increase (decrease) in comparable store sales	(6)%	(6)%	
Retail sales increase attributable to new and remodeled stores, magazine, catalogue and Web sites	17%	25%	
Retail sales per average gross square foot	\$ 76	\$ 80	(5)%
Retail sales per average store (thousands)	\$ 551	\$ 593	(7)%
Average store size at end of quarter (gross square feet)	7,296	7,440	(2)%
Gross square feet at end of quarter (thousands)	4,392	3,772	16%
Number of Stores and Gross Square Feet by Concept:			
Abercrombie & Fitch:			
Stores at beginning of period	340	309	
Opened	3	4	
Closed	(1)	(2)	
	-----	-----	
Stores at end of period	342	311	
Gross square feet (thousands)	3,053	2,815	
	=====	=====	
abercrombie:			
Stores at beginning of period	164	148	
Opened	1	5	
Closed	-	-	
	-----	-----	
Stores at end of period	165	153	
Gross square feet (thousands)	731	683	
	=====	=====	
Hollister Co.:			
Stores at beginning of period	93	34	
Opened	2	10	
Closed	-	(1)	
	-----	-----	
Stores at end of period	95	43	
Gross square feet (thousands)	608	274	
	=====	=====	

## Net Sales

Net sales for the first quarter of 2003 increased 11% to \$346.7 million from \$312.8 million for the first quarter of 2002. The increase was due to the addition of new stores offset by a 6% decline in comparable store sales ("comps"), defined as sales in stores that have been open for at least one year.

By merchandise concept, comps for the quarter were as follows: Abercrombie & Fitch's comps declined slightly above the Company's average, with womens posting a positive comp and mens a negative comp. Comps for the kids' business, abercrombie, were similar to the adult business with girls posting a positive comp in the mid-single digits during the quarter and boys a negative comp. Comps in Hollister were double-digit positive and both girls and guys were positive.

By regions, comps were strongest in the West and weakest in the Midwest.

Given continued uncertainty in the economy, the Company entered the first quarter of fiscal 2003 maintaining a conservative approach to managing the business. This strategy was designed to protect both the bottom line and the aspirational quality of the brands. Overall, the Company took a much less aggressive approach to promotions compared to the first quarter of 2002.

From a merchandising standpoint, womens continued to outperform mens. Key classifications in womens during the quarter included pants, skirts, shorts and woven shirts. Mens continued to be difficult and there remained no solid fashion trend industry-wide. However, woven shirts and graphic t-shirts performed well during the quarter in mens.

In the kids' business, knit tops, woven tops, skirts and shorts performed very well in girls. Boys continued to be difficult.

In Hollister, girls continued to be more significant than guys, representing approximately 69% of the overall business. For the quarter, the best performing girls' classifications were woven shirts, knit tops, skirts and pants. In guys, woven shirts, graphic t-shirts, shorts and accessories performed best.

Sales in the adult and kids e-commerce business grew by approximately 14% during the first quarter of fiscal 2003 as compared to 2002. The Company remains on track to add a Hollister e-commerce business for back-to-school 2003. The direct business (which includes the Company's catalogue, the A&F Quarterly (a catalogue/magazine) and the Company's Web sites) accounted for 4.7% and 5.3% of net sales in the first quarter of each 2003 and 2002, respectively.

## Gross Income

The gross income rate (gross income divided by net sales) for the first quarter of fiscal year 2003 was 37.0%, up 40 basis points from last year's rate of 36.6%. The increase in gross income rate resulted largely from an increase in initial markup (IMU) and a lower markdown rate, partially offset by an increase in buying and occupancy costs, as a percent of sales.

Continued progress in sourcing has been an important factor in improving the IMU in all three

concepts. The Company continued to make progress increasing the IMU in Hollister, where IMU improved over 500 basis points versus the first quarter of 2002.

The markdown rate was lower for the first quarter of 2003 than the first quarter of 2002 due to the Company's decision to have fewer in-store promotions and to not anniversary first quarter 2002's direct mail promotions.

The increase in buying and occupancy costs, as a percent of net sales, reflected the inability to leverage fixed costs such as rent, depreciation and other real estate related charges due to a comp store decrease.

The Company ended the first quarter of 2003 with inventories up 7% per gross square foot versus the first quarter of 2002 at cost.

#### General, Administrative and Store Operating Expenses

The first quarter 2003 general, administrative and store operating expense rate (general, administrative and store operating expenses divided by net sales) was 25.4% compared to 24.8% in the first quarter of 2002. The increase in rate, versus 2002, resulted primarily from an increase in store expenses as a percentage of net sales due to the inability to leverage payroll due to lower sales per average store.

During the first quarter of 2003, store payroll hours were reduced by 1% per average Abercrombie & Fitch adult store but increased by 1% per average kids store. Store payroll hours were increased in Hollister reflecting the strong increase in volume per store. The control of payroll hours helped mitigate the effect of negative comps on the store expense rate.

Efficiencies were recognized in the distribution center and in the direct business. During the first quarter of fiscal 2003, productivity, as measured in units processed per labor hour in the distribution center, was 38% higher than the first quarter of 2002. This improvement was on top of a 50% improvement in the first quarter of 2002 compared to the first quarter of 2001. For the quarter, more units were processed than the comparable period in 2002 with 24% fewer labor hours.

In the first quarter of 2003, fulfillment costs per order in the direct business were down by over 30% compared to the first quarter of 2002.

#### Operating Income

The operating income rate (operating income divided by net sales) was 11.6% for the first quarter of fiscal 2003 compared to 11.8% for the same period in 2002. The decline is primarily due to higher general, administrative and store operating expenses partially offset by the gross income rate increase.

#### Interest Income and Income Tax Expense

First quarter net interest income was \$1.0 million in 2003 as compared with net interest income of \$0.9 million for the comparable period in 2002.



The effective tax rate for the first quarter of 2003 was 38.1% as compared to 38.5% for 2002's comparable period. The reduction in the rate was primarily due to greater use of tax-free investments in the first quarter of 2003 as compared to the first quarter of 2002.

## FINANCIAL CONDITION

### Liquidity and Capital Resources

Cash provided by operating activities provides the resources to support operations, including projected growth, seasonal requirements and capital expenditures. A summary of the Company's working capital position and capitalization follows (thousands):

	May 3, 2003 -----	February 1, 2003 -----
Working capital	\$ 414,781 =====	\$ 389,686 =====
Capitalization:		
Shareholders' equity	\$ 787,058 =====	\$ 749,527 =====

Net cash provided by operating activities, the Company's primary source of liquidity, totaled \$15.6 million for the thirteen weeks ended May 3, 2003 versus \$29.1 million in the comparable period of 2002. Cash was provided primarily by current year net income adjusted for depreciation and amortization.

Uses of cash primarily consisted of increased cash outflows in income taxes payable and accounts payable and accrued expenses.

The use of cash related to income taxes was due to the change in methodology used to make estimated tax payments during 2002. This change affected the timing of payments relating to 2002. This was partially offset by an increase in deferred income taxes during the quarter primarily due to differences in tax and book depreciation methods.

A use of cash also resulted from the decrease in accounts payable, which was primarily due to the timing of payments. This was partially offset by increases in accrued expenses, such as payroll and property taxes, related primarily to the growth in the store base.

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

Cash outflows for investing activities were for capital expenditures (see the discussion in the "Capital Expenditures" section below) related primarily to new stores. Cash inflows from investing activities consisted of maturities of marketable securities. As of May 3, 2003, the Company held no marketable securities with original maturities of greater than 90 days.

Financing activities consisted primarily of stock option exercises and restricted stock issuances. No shares were repurchased during the first quarter of 2003 or 2002. As of May 3, 2003, A&F was authorized to repurchase up to 5,000,000 shares under the current stock repurchase program.

In the first quarter of 2002, the Company had available a \$150 million syndicated unsecured credit agreement (the "Old Credit Agreement"). The Company also had a \$75 million facility for trade letters of credit.

Effective November 14, 2002, the Company entered into a new \$250 million syndicated unsecured credit agreement (the "New Credit Agreement"), which replaced both the Old Credit Agreement and the trade letter of credit facility. Additional details regarding the New Credit Agreement can be found in the Notes to Condensed Consolidated Financial Statements (Note 8).

Letters of credit totaling approximately \$39.1 million were outstanding under the New Credit Agreement at May 3, 2003. Letters of credit totaling approximately \$34.8 million were outstanding under the trade letter of credit facility at May 4, 2002. No borrowings were outstanding under either the New Credit Agreement at May 3, 2003 or the Old Credit Agreement at May 4, 2002.

The Company has standby letters of credit in the amount of \$4.7 million that expire during the 2003 fiscal year but automatically renew for a period of one year. The beneficiary, a merchandise supplier, has the right to draw upon the standby letters of credit if the Company has authorized or filed a voluntary petition into bankruptcy. To date, the beneficiary has not drawn upon the standby letters of credit.

#### Store Count and Gross Square Feet

Store count and gross square footage by concept were as follows:

	May 3, 2003		May 4, 2002	
	Number of Stores	Gross Square Feet (thousands)	Number of Stores	Gross Square Feet (thousands)
Abercrombie & Fitch	342	3,053	311	2,815
abercrombie	165	731	153	683
Hollister Co.	95	608	43	274
	---	----	---	----
Total	602	4,392	507	3,772
	===	=====	===	=====

#### Capital Expenditures

The cash outlay for capital expenditures totaled \$16.4 million and \$25.3 million for the thirteen weeks ended May 3, 2003 and May 4, 2002, respectively. The noncash accrual for construction in progress increased \$10.8 million in the first quarter of 2003 and \$4.8 million in the first quarter of 2002. Capital expenditures related to new stores, including the noncash accrual for construction in progress, accounted for approximately \$16 million during the first quarter of 2003. The balance of capital expenditures related primarily to improvements in the distribution center and information technology expenditures for a new point of sale system.

The Company anticipates spending \$120 to \$130 million in 2003 for capital expenditures, of which \$70 to \$80 million will be for new stores construction. The balance of capital expenditures primarily relates to infrastructure investments. The Company intends to add approximately 726,000 gross square feet in 2003, which will represent a 17% increase over year-end 2002. It is anticipated the increase will result from the addition of approximately 20 new Abercrombie & Fitch stores, 10 new abercrombie stores and 80 new Hollister Co. stores.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for Abercrombie & Fitch stores to be opened in 2003 will approximate \$630,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately \$330,000 per store.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for abercrombie stores to be opened in 2003 will approximate \$485,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately \$130,000 per store.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for Hollister Co. stores to be opened in 2003 will approximate \$650,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately \$230,000 per store.

The Company expects that substantially all future capital expenditures will be funded with cash from operations. In addition, the Company has \$250 million available (less outstanding letters of credit) under its credit agreement to support operations.

#### Critical Accounting Policies and Estimates

The Company's significant and critical accounting policies and estimates can be found in the Notes to Consolidated Financial Statements contained in A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2003 (Note 2). Additionally, the Company believes that the following policies are critical to the portrayal of the Company's financial condition and results of operations for interim periods.

**Inventory Valuation** - Inventory valuation at the end of the first and third quarters reflects adjustments for inventory markdowns and shrinkage estimates for the total selling season.

**Income Taxes** - At the end of each interim period, the Company makes its best estimate of the base effective tax rate expected to be applicable for the full fiscal year. This base rate is adjusted on a quarterly basis for the effect of the tax-free investments.

#### Recently Adopted Accounting Pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations," was effective February 2, 2003 for the Company. The standard requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is a cost by increasing the carrying amount of the related long-lived asset.

Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related obligation for its recorded amount or the entity incurs a gain or loss upon settlement. Because costs associated with exiting leased properties at the end of lease terms are minimal, the adoption of SFAS No. 143 had no impact on the Company's results of operations or its financial position.

SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an Amendment of FASB No. 123," was issued on December 31, 2002. Pursuant to this standard, companies that chose to adopt the accounting provisions of FASB Statement No. 123, "Accounting for Stock-Based Compensation," were permitted to select from three transition methods (prospective, modified prospective and retroactive restatement).

Companies that chose not to adopt the accounting provisions of SFAS No. 123 were affected by the new disclosure requirements of SFAS No. 148. The new interim disclosure provisions are effective for the first quarter of 2003 and have been adopted by the Company (Note 3).

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 Form 10-Q or made by management of A&F involve risks and uncertainties and are subject to change based on various important factors. 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 2003 and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this Form 10-Q or otherwise made by management: changes in consumer spending patterns and consumer preferences; the effects of political and economic events and conditions domestically and in foreign jurisdictions in which the Company operates, including, but not limited to, acts of terrorism or war; the impact of competition and pricing; changes in weather patterns; market price of key raw materials; ability to source product from its global supplier base; 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, train and retain associates.

### Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk of A&F's financial instruments as of May 3, 2003 has not significantly changed since February 1, 2003. A&F's market risk profile as of February 1, 2003 is disclosed in Item 7A - Quantitative and Qualitative Disclosures about Market Risk of A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2003.

#### ITEM 4. CONTROLS AND PROCEDURES

Within the 90-day period prior to the filing of this report, A&F management, including the Chief Executive Officer and the Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the date of that evaluation to ensure that material information relating to the Company is made known to them, particularly during the period for which this Quarterly Report on Form 10-Q has been prepared. There have been no significant changes in internal controls, or in other factors that could significantly affect internal controls, subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company is a defendant in lawsuits arising in the ordinary course of business.

On January 13, 1999, a complaint was filed against many national retailers in the United States District Court for the Central District of California. The complaint (1) purported to be filed on behalf of a class of unnamed garment workers, (2) related to labor practices allegedly employed on the island of Saipan, Commonwealth of the Northern Mariana Islands, by apparel manufacturers unrelated to the Company, some of which have sold goods to the Company, and (3) sought injunctive, unspecified monetary damages and other relief. On September 29, 1999, the action was transferred to the United States District Court for the District of Hawaii. Thereafter, the plaintiffs moved for leave to amend their complaint to add A&F and others as additional defendants. That motion was granted and, on April 28, 2000, an amended complaint was filed which added A&F and others as defendants, but did not otherwise substantively alter either the claims alleged or the relief sought by the plaintiffs. A&F joined with other retailer defendants in moving to dismiss the amended complaint. Certain of the other defendants also moved to transfer the action to Saipan. On June 23, 2000, the District Court of Hawaii ordered the case to be transferred to the United States District Court for the Northern Mariana Islands. Plaintiffs filed a Petition for Writ of Mandamus challenging the transfer and on March 22, 2001, the Ninth Circuit Court of Appeals issued an order denying the Petition for Writ of Mandamus, thus allowing the case to be transferred to the United States District Court for the Northern Mariana Islands. The defendants' motion to dismiss the first amended complaint for failure to state a claim upon which relief can be granted was denied in part and granted in part on November 26, 2001. As to the partial granting of the motion, the Court also granted the plaintiffs leave to amend to cure any pleading defects in a second amended complaint. Plaintiffs filed their motion for class certification on December 13, 2001 and their second amended complaint, which added neither new parties nor claims but realleged claims previously dismissed, on December 17, 2001. The motion for class certification was heard on February 14, 2002. The motion for preliminary approval of settlement as to certain other retailer defendants was also heard the same date. A motion to dismiss the second amended complaint was heard on March 19, 2002. On May 10, 2002, the Court granted in part and denied in part the motion to dismiss the second amended complaint as to the remaining RICO claim and granted the motion to dismiss the second amended complaint as to the Common Law Peonage claim, the Anti-Peonage statutory claim, and the Alien Tort Claims Act claim. Plaintiffs were given leave to file a third amended complaint. The motions for class certification and preliminary approval of settlement as to certain other retailer defendants were also granted. A third amended complaint was filed on July 25, 2002. On April 24, 2003, the United States District Court for the Northern Mariana Islands entered a Final Judgment and Order of Dismissal approving settlement and dismissing the action against the Company with prejudice.

A&F is aware of 20 actions that have been filed against A&F and certain of its officers and directors on behalf of a purported, but as yet uncertified, class of shareholders who purchased A&F's Class A Common Stock between October 8, 1999 and October 13, 1999. These 20 actions have been filed in the United States District Courts for the Southern District of New York and the Southern District of Ohio, Eastern Division, alleging violations of the federal securities laws and seeking unspecified damages. On April 12, 2000, the Judicial Panel on Multidistrict Litigation issued a Transfer Order transferring the 20 pending actions to the Southern District of New York for consolidated pretrial proceedings under the caption *In re Abercrombie & Fitch*

Securities Litigation. On November 16, 2000, the Court signed an Order appointing the Hicks Group, a group of seven unrelated investors in A&F's securities, as lead plaintiff, and appointing lead counsel in the consolidated action. On December 14, 2000, plaintiffs filed a Consolidated Amended Class Action Complaint (the "Amended Complaint") in which they did not name as defendants Lazard Freres & Co. and Todd Slater, who had formerly been named as defendants in certain of the 20 complaints. A&F and other defendants filed motions to dismiss the Amended Complaint on February 14, 2001.

A&F is aware of three actions that have been filed where a purported class of employees and former employees of the Company allege that the Company required its associates to wear a "uniform" which in two of the three actions is allegedly in violation of California law. These two complaints were served on February 4, 2003 and February 10, 2003 in the Superior Courts of San Francisco County and Los Angeles County, respectively. In the third action, which was filed in the United States District Court for the Western District of Pennsylvania on March 14, 2003, the "uniform," which when purchased, allegedly drove associates' wages below the federal minimum wage. In each claim, the plaintiff, on behalf of his or her class, seeks injunctive relief and economic, liquidated damages in an unspecified amount.

A&F believes that the actions against it are without merit and intends to defend vigorously against them. However, A&F does not believe it is feasible to predict the outcome of these proceedings. The timing of the final resolution of these proceedings is also uncertain.

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

On May 22, 2003, A&F held its annual meeting of shareholders at Abercrombie & Fitch Headquarters, 6301 Fitch Path, New Albany, Ohio. At such meeting, Messrs. Michael S. Jeffries and John W. Kessler were re-elected to A&F's Board of Directors, each to serve for a three-year term expiring in 2006. The vote on the election of directors was as follows:

	For -----	Withheld -----	Broker Non-Votes -----
Michael S. Jeffries	85,303,761	5,968,222	0
John W. Kessler	55,832,297	35,512,526	0

The following individuals also continue to serve on the Board of Directors: Messrs. Russell M. Gertmenian, John A. Golden, Archie M. Griffin, Seth R. Johnson and Sam N. Shahid, Jr. and Ms. Kathryn D. Sullivan, Ph.D.

Item 5. OTHER INFORMATION

The Abercrombie & Fitch Co. Savings and Retirement Plan (the "401(k) Plan") was subject to a "blackout period," as defined in Regulation BTR - Blackout Trading Restriction, because of the transfer in the administration of the 401(k) Plan from Merrill Lynch to Fidelity Investments. The blackout period commenced on April 4, 2003 (at 4:00 p.m. EST) and ended May 5, 2003. During the blackout period, participants in the 401(k) Plan were unable to change the amount of their payroll deductions, request distributions or modify their investment elections.

The shares of Class A Common Stock of A&F, which constitute the only outstanding equity securities of A&F, were subject to the blackout period. A&F's executive officers and directors were subject to the trading prohibitions imposed by Section 306(a) of the Sarbanes-Oxley Act of

2002 in respect of the Class A Common Stock (and derivative securities related to the Class A Common Stock).

The person designated by A&F to respond to inquiries about the blackout period was Scott Sterling, Sr. Director of Compensation and Benefits, c/o Abercrombie & Fitch Co., 6301 Fitch Path, New Albany, Ohio 43054, telephone number (614) 283-6831.

Because A&F was involved in determining the blackout period, no notification was required to be given of the blackout period from the administrator of the 401(k) Plan to A&F, as required by Section 101(i)(2)(E) of the Employment Retirement Income Security Act of 1974.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3. Certificate of Incorporation and Bylaws.

- 3.1 Amended and Restated Certificate of Incorporation of A&F as filed with the Delaware Secretary of State on August 27, 1996, incorporated herein by reference to Exhibit 3.1 to A&F's Quarterly Report on Form 10-Q for the quarter ended November 2, 1996. (File No. 1-12107)
- 3.2 Certificate of Designation of Series A Participating Cumulative Preferred Stock of A&F as filed with the Delaware Secretary of State on July 21, 1998, incorporated herein by reference to Exhibit 3.2 to A&F's Annual Report on Form 10-K for the year ended January 30, 1999. (File No. 1-12107)
- 3.3 Certificate of Decrease of Shares Designated as Class B Common Stock of A&F as filed with the Delaware Secretary of State on July 30, 1999, incorporated herein by reference to Exhibit 3.3 to A&F's Quarterly Report on Form 10-Q for the quarter ended July 31, 1999. (File No. 1-12107)
- 3.4 Amended and Restated Bylaws of A&F, effective January 31, 2002, incorporated herein by reference to Exhibit 3.4 to A&F's Annual Report on Form 10-K for the year ended February 2, 2002. (File No. 1-12107)

4. Instruments Defining the Rights of Security Holders.

- 4.1 Credit Agreement, dated as of November 14, 2002, among Abercrombie & Fitch Management Co., as Borrower, Abercrombie & Fitch Co., as Guarantor, the Lenders party thereto, and National City Bank, as Administrative Agent and Lead Arranger (the "Credit Agreement"), incorporated herein by reference to Exhibit 4.1 to A&F's Current Report on Form 8-K dated November 26, 2002. (File No. 1-12107)
- 4.2 Guarantee Agreement, dated as of November 14, 2002, among Abercrombie & Fitch Co., each direct and indirect domestic subsidiary of Abercrombie & Fitch Co. other than Abercrombie & Fitch Management Co., and National City Bank, as Administrative Agent for the Lenders party to the Credit Agreement, incorporated herein by reference to Exhibit 4.2 to A&F's Current Report on Form 8-K dated November 26, 2002. (File No. 1-12107)
- 4.3 Rights Agreement, dated as of July 16, 1998, between A&F and First Chicago Trust Company of New York, as Rights Agent, incorporated herein



by reference to Exhibit 1 to A&F's Registration Statement on Form 8-A dated July 21, 1998. (File No. 1-12107)

- 4.4 Amendment No. 1 to Rights Agreement, dated as of April 21, 1999, between A&F and First Chicago Trust Company of New York, as Rights Agent, incorporated herein by reference to Exhibit 2 to A&F's Amendment No. 1 to Form 8-A dated April 23, 1999. (File No. 1-12107)
- 4.5 Certificate of adjustment of number of Rights associated with each share of Class A Common Stock, dated May 27, 1999, incorporated herein by reference to Exhibit 4.6 to A&F's Quarterly Report on Form 10-Q for the quarter ended July 31, 1999. (File No. 1-12107)
- 4.6 Appointment and Acceptance of Successor Rights Agent, effective as of the opening of business on October 8, 2001, between A&F and National City Bank, incorporated herein by reference to Exhibit 4.6 to A&F's Quarterly Report on Form 10-Q for the quarter ended August 4, 2001. (File No. 1-12107)

10. Material Contracts.

- 10.1 Abercrombie & Fitch Co. Incentive Compensation Performance Plan, incorporated herein by reference to Exhibit 10.1 to A&F's Quarterly Report on Form 10-Q for the quarter ended May 4, 2002. (File No. 1-12107)
- 10.2 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan (reflects amendments through December 7, 1999 and the two-for-one stock split distributed June 15, 1999 to stockholders of record on May 25, 1999), incorporated herein by reference to Exhibit 10.2 to A&F's Annual Report on Form 10-K for the year ended January 29, 2000. (File No. 1-12107)
- 10.3 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Plan for Non-Associate Directors (reflects amendments through January 30, 2003 and the two-for-one stock split distributed June 15, 1999 to stockholders of record on May 25, 1999), incorporated herein by reference to Exhibit 10.3 to A&F's Annual Report on Form 10-K for the year ended February 1, 2003. (File No. 1-12107)
- 10.4 Abercrombie & Fitch Co. 2002 Stock Plan for Associates (as amended and restated May 22, 2003).
- 10.5 Amended and Restated Employment Agreement, dated as of January 30, 2003, by and between Abercrombie & Fitch Co. and Michael S. Jeffries, including as Exhibit A thereto the Supplemental Executive Retirement Plan effective February 2, 2003, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated February 11, 2003. (File No. 1-12107)
- 10.6 Employment Agreement by and between A&F and Seth R. Johnson dated as of December 5, 1997, incorporated herein by reference to Exhibit 10.10 to A&F's Amendment No. 4 to Form S-4 Registration Statement filed on April 14, 1998 (Registration No. 333-46423).
- 10.7 Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (as amended and restated May 22, 2003).

- 10.8 Abercrombie & Fitch Nonqualified Savings and Supplemental Retirement Plan (formerly known as the Abercrombie & Fitch Co. Supplemental Retirement Plan), as amended and restated effective January 1, 2001, incorporated herein by reference to Exhibit 10.9 to A&F's Annual Report on Form 10-K for the year ended February 1, 2003. (File No. 1-12107)
- 10.9 Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors.

- 15. Letter re: Unaudited Interim Financial Information to Securities and Exchange Commission re: Inclusion of Report of Independent Accountants.
- 99.1 Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Title 18, United States Code, Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K.

On February 12, 2003, A&F furnished information to the SEC on a Current Report on Form 8-K dated February 11, 2003, reporting under "Item 9. Regulation FD Disclosure," that on January 30, 2003, A&F had entered into an Amended and Restated Employment Agreement with Michael S. Jeffries, the Chairman and Chief Executive Officer of A&F.

On May 8, 2003, A&F furnished information to the SEC on a Current Report on Form 8-K dated May 8, 2003, reporting under "Item 9. Regulation FD Disclosure," that on May 8, 2003, A&F issued a new release reporting net sales for the four-week period ended May 3, 2003 and the fiscal year-to-date.

On May 13, 2003, A&F furnished information to the SEC on a Current Report on Form 8-K dated May 13, 2003, reporting under "Item 9. Regulation FD Disclosure," (which information was also deemed provided under "Item 12. Results of Operations and Financial Condition") that on May 13, 2003, A&F issued a news release reporting earnings for the fiscal quarter ended May 3, 2003.

SIGNATURES

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

ABERCROMBIE & FITCH CO.  
(Registrant)

By /S/ Wesley S. McDonald

-----  
Wesley S. McDonald,  
Vice President and Chief  
Financial Officer\*

Date: June 12, 2003

\* Mr. McDonald has been duly authorized to sign on behalf of the Registrant as its principal financial officer.

CERTIFICATIONS

I, Michael S. Jeffries, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Abercrombie & Fitch Co.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 12, 2003

/S/ Michael S. Jeffries

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Printed Name: Michael S. Jeffries

Title: Chairman and Chief Executive Officer

I, Wesley S. McDonald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Abercrombie & Fitch Co.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 12, 2003

/s/ Wesley S. McDonald

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Printed Name: Wesley S. McDonald  
Title: Vice President - Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Document
10.4	Abercrombie & Fitch Co. 2002 Stock Plan for Associates (as amended and restated May 22, 2003).
10.7	Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (as amended and restated May 22, 2003).
10.9	Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors.
15	Letter re: Unaudited Interim Financial Information to Securities and Exchange Commission re: Inclusion of Report of Independent Accountants.
99.1	Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Title 18, United States Code, Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

ABERCROMBIE & FITCH CO.  
2002 STOCK PLAN FOR ASSOCIATES  
(as amended and restated May 22, 2003)

1. PURPOSE

The purpose of the Abercrombie & Fitch Co. 2002 Stock Plan for Associates (the "Plan") is to promote the interests of Abercrombie & Fitch Co. (the "Company") and its stockholders by allowing the Company to attract and retain the best available associates for itself and its subsidiaries and to encourage the highest level of performance by such associates. The Plan is expected to contribute to the attainment of these objectives by offering eligible associates the opportunity to acquire shares of Class A Common Stock, par value \$0.01 per share ("Shares"), of the Company, and other rights with respect to Shares of the Company and to thereby provide them with incentives to put forth maximum efforts for the success of the Company and its subsidiaries. Eligible associates may be granted options to purchase Shares of the Company, Shares which are restricted as provided in Section 6 of this Plan ("Restricted Shares") and stock units, each representing the right to receive one Share as described in Section 7 of this Plan ("Stock Units").

2. ADMINISTRATION

The Plan shall be administered by a committee (the "Committee") appointed by the Company's Board of Directors (the "Board") and consisting of not less than two (2) members of the Board. Subject to the provisions of the Plan, the Committee shall be authorized to interpret the Plan; to establish, amend and rescind any rules and regulations relating to the Plan; and to make all determinations necessary or advisable for the administration of the Plan. In addition, subject to the provisions of the Plan, the Committee shall have the power and authority (a) to grant options and to determine the eligible associates to whom such options will be granted, the purchase price of the Shares covered by each option, the term of each option, the number of Shares covered by each option, the vesting schedule applicable to each option and such other terms and conditions pertaining to each option as the Committee may deem appropriate; (b) to grant Restricted Shares and to determine the eligible associates to whom such Restricted Shares will be granted, the number of Restricted Shares covered by each grant, the duration of the restricted period applicable to the Restricted Shares and such other terms, conditions and restrictions applicable to each grant of Restricted Shares as the Committee may deem appropriate; and (c) to grant Stock Units and to determine the eligible associates to whom such Stock Units will be granted, the number of Stock Units covered by each grant, the vesting schedule applicable to each Stock Unit and such other terms and conditions pertaining to each Stock Unit as the Committee may deem appropriate. The determinations of the Committee in the administration of the Plan, as described herein, shall be final and conclusive. Any officer of the Company shall be authorized to implement the Plan in accordance with its terms and to take such actions of a ministerial nature as shall be necessary to effectuate the intent and purposes thereof. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware.

3. ELIGIBILITY

The class of individuals eligible to receive grants of options, Restricted Shares and/or Stock Units (collectively, "Awards") under the Plan, shall be associates of the Company or its subsidiaries ("Eligible Associates"). Any holder of an Award granted under the Plan shall hereinafter be referred to as a "Participant."

4. SHARES SUBJECT TO THE PLAN

(a) Subject to adjustment as provided in Section 9, the maximum number of Shares that may be delivered to Participants and their beneficiaries under the Plan shall be 7,000,000 Shares. The Shares to be delivered under the Plan may consist of either Shares currently held or Shares subsequently acquired by the Company as treasury Shares, including Shares purchased in the open market or in private transactions.

(b) In the event that prior to the date the Plan shall terminate in accordance with Section 12, any Award granted under the Plan expires unexercised or unvested or is terminated, surrendered or cancelled without the delivery of Shares, or any Restricted Shares are forfeited back to the Company, then the Shares subject to such Award may be made available for subsequent Awards under the terms of the Plan. To the extent that any Shares covered by an Award are not delivered to a Participant or beneficiary because the Award is settled in cash or used to satisfy any applicable tax withholding obligation, such Shares shall not be deemed to have been delivered for purposes of determining the maximum number of Shares available for delivery under this Plan. If the exercise price of any option granted under the Plan is satisfied by tendering already owned Shares to the Company (either by actual delivery or by attestation), only the number of Shares issued net of the Shares tendered shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery under this Plan.

5. GRANT, TERMS AND CONDITIONS OF OPTIONS

(a) The Committee, in its sole discretion, shall select from among the Eligible Associates the individuals to whom options to purchase Shares are to be granted under this Plan. Options shall be granted in such form and upon such terms and conditions, as the Committee shall from time to time determine.

(b) The options granted under this Plan shall be nonstatutory stock options not intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and shall have the following terms and conditions:

(i) Exercise Price. The purchase price per Share deliverable upon the exercise of each option shall be 100% of the Fair Market Value per Share on the date the option is granted. For purposes of this Plan, Fair Market Value shall be the "closing price" of the Shares as reported on the principal exchange on or through which the Shares are listed or traded for the date in question, or if there were no sales on such date, the most recent prior date on which there were sales.

(ii) Exercisability and Term of Options. Each option granted under the Plan shall become exercisable pursuant to a vesting schedule, as determined by the Committee, to be included in the option agreement described in paragraph (vi). Subject to the provisions of Sections 5(c) and 5(d), once vested and exercisable, each option granted under the Plan shall remain exercisable until the earlier of (A) ten years from the date of grant and (B) the expiration of the period described in paragraph (iv) below.

(iii) Exercise and Payment. An option granted under this Plan may be exercised, in whole or in part, at such time or times as the Committee shall determine. The Committee may, in its discretion, accelerate the exercisability of any option at any time. Options may be exercised by a Participant by giving written notice to any individual or individuals designated from time to time by the Committee stating the number of Shares with respect to which the option is being exercised and tendering payment therefor. The Committee shall develop procedures through which a Participant may pay an option's exercise price, including tendering Shares the Participant already owns, either by actual delivery of the previously acquired Shares or by attestation, valued at the Fair Market Value of the Shares on the exercise date, as partial or full payment of the exercise price. As soon as reasonably practicable following such exercise, the Shares purchased shall be registered in the name of the Participant.



(iv) Termination of Service as Eligible Associate. Subject to the provisions of Sections 5(c) and 5(d), upon termination of a Participant's service as an associate of the Company and its subsidiaries for any reason, all outstanding options held by such Participant, to the extent then vested and exercisable, shall remain exercisable in whole or in part for the time period specified in the agreement described in paragraph (vi) or otherwise provided at any time by the Committee; provided that in no event shall the options be exercisable after the tenth anniversary of the date of their grant.

(v) Nontransferability of Options. No option may be assigned, alienated, pledged, attached, sold or otherwise transferred, encumbered or disposed of by a Participant otherwise than by will or the laws of descent and distribution, and during the lifetime of the Participant to whom an option is granted, it may be exercised only by the Participant or by the Participant's guardian or legal representative. Notwithstanding the foregoing, options may be transferred pursuant to a qualified domestic relations order, as defined in Section 414(p) of the Code or any successor provision.

(vi) Option Agreement. Each option granted under this Plan shall be evidenced by an agreement with the Company which shall contain the terms and conditions of the option and shall otherwise be consistent with the provisions of this Plan.

(c) Death of Participant. Notwithstanding the provisions of paragraphs (ii) and (iv) of Section 5(b) of this Plan, if a Participant should die while employed by the Company or one of its subsidiaries or within three months after the termination of such employment, all outstanding options held by such Participant (whether or not then exercisable by their terms) shall become immediately vested and exercisable in full by the Participant's estate or by the person who acquires the right to exercise such options upon the Participant's death by bequest or inheritance. Such exercise may occur at any time within one year after the date of the Participant's death or such other period as the Committee may at any time determine, provided that in no event shall any option of a deceased Participant be exercisable after the tenth anniversary of the date of its grant.

(d) Total Disability of Participant. Notwithstanding the provisions of paragraphs (ii) and (iv) of Section 5(b) of this Plan, if a Participant's employment with the Company and its subsidiaries ceases as a result of the Participant's becoming totally disabled, all outstanding options held by such Participant (whether or not then exercisable by their terms) shall become immediately vested and exercisable in full. Such exercise may occur at any time during the first nine months that the Participant receives benefits under the Abercrombie & Fitch Co. Long-Term Disability Program or any successor plan or program (the "Disability Plan"); provided that, in no event shall the options of a totally disabled Participant be exercisable after the tenth anniversary of the date of their grant. For purposes of this Plan, "total disability" shall have the definition set forth in the Disability Plan, which definition is hereby incorporated by reference.

(e) Change of Control. Upon the occurrence of a Change of Control, all outstanding options held by Participants (whether or not then exercisable by their terms) shall become immediately vested and exercisable in full. For purposes of this Plan, the term "Change of Control" shall mean, unless otherwise defined in an Award agreement, an occurrence of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A under the Securities Exchange Act of 1934 (the "Exchange Act") or any successor rule or regulation. Without limiting the inclusiveness of the definition in the preceding sentence, a Change of Control of the Company shall be deemed to have occurred as of the first day that any one or more of the following conditions is satisfied: (i) any person is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act or any successor rule or regulation), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities and such person would be deemed an

"Acquiring Person" for purposes of the Rights Agreement dated as of July 16, 1998, as amended (the "Rights Agreement"), to which the Company and National City Bank, as successor Rights Agent, are parties; or (ii) any of the following occur: (A) any merger or consolidation of the Company, other than a merger or consolidation in which the voting securities of the Company immediately prior to the merger or consolidation continue to represent (either by remaining outstanding or by being converted into securities of the surviving entity) 80% or more of the combined voting power of the Company or surviving entity immediately after the merger or consolidation with another entity; (B) any sale, exchange, lease, mortgage, pledge, transfer or other disposition (in a single transaction or a series of related transactions) of assets or earning power aggregating more than 50% of the assets or earning power of the Company and its subsidiaries on a consolidated basis; (C) any complete liquidation or dissolution of the Company; (D) any reorganization, reverse stock split or recapitalization of the Company that would result in a Change of Control as otherwise defined in this Plan; or (E) any transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

#### 6. GRANT, TERMS AND CONDITIONS OF RESTRICTED SHARES

(a) The Committee, in its sole discretion, shall select from among the Eligible Associates the individuals to whom Restricted Shares are to be granted under this Plan. Restricted Shares shall be granted subject to such restrictions, conditions and other terms as the Committee shall from time to time determine. At the time a grant of Restricted Shares is made, the Committee shall determine the duration of the period (the "Restricted Period") during which, and the conditions under which, the Restricted Shares shall vest and no longer be subject to forfeiture to the Company. The Committee may, in its discretion, at the time a grant of Restricted Shares is made, prescribe restrictions in addition to or other than the expiration of the Restricted Period, including the satisfaction of corporate or individual performance objectives which may be applicable to all or any portion of the Restricted Shares.

(b) The Restricted Shares granted under this Plan shall have the following terms and conditions:

(i) Nontransferability of Restricted Shares. Restricted Shares may not be assigned, alienated, pledged, attached, sold or otherwise transferred, encumbered or disposed of during the applicable Restricted Period or prior to the satisfaction of any other restrictions prescribed by the Committee with respect to such Restricted Shares. Notwithstanding the foregoing, Restricted Shares may be transferred pursuant to a qualified domestic relations order, as defined in Section 414(p) of the Code or any successor provision.

(ii) Termination of Service as Eligible Associate. Except as the Committee may at any time provide, any Restricted Shares granted to a Participant pursuant to this Plan shall be forfeited if the Participant terminates employment with the Company and its subsidiaries for any reason other than death or total disability prior to the expiration or termination of the applicable Restricted Period and the satisfaction of any other conditions applicable to such Restricted Shares. Upon such forfeiture, the Chief Operating Officer, the Chief Financial Officer or the Secretary of the Company shall cause the Restricted Shares that are forfeited to the Company to be either cancelled or retained as treasury Shares. If a Participant shall die while employed by the Company or any of its subsidiaries or if a Participant's employment with the Company and its subsidiaries ceases as a result of the Participant's becoming totally disabled, all restrictions and conditions applicable to the Restricted Shares held by the Participant shall immediately lapse. Upon the retirement of a Participant, the Committee may, in its sole discretion, shorten or terminate the Restricted Period or waive any other restrictions or conditions applicable to all or a portion of the Restricted Shares granted to such Participant.

(iii) Change of Control. Upon the occurrence of a Change of Control, all restrictions and conditions applicable to the Restricted Shares held by Participants shall immediately lapse.

(iv) Award Agreement. Each grant of Restricted Shares under this Plan shall be evidenced by an agreement with the Company which shall contain the terms and conditions of the Restricted Shares and shall otherwise be consistent with the provisions of this Plan.

(c) If the Committee deems it necessary or appropriate, the Company may issue, in the name of each Participant to whom Restricted Shares have been granted, one or more stock certificates representing the total number of Restricted Shares granted to the Participant; provided that such stock certificates bear an appropriate legend or other restriction on transfer. The Chief Operating Officer, the Chief Financial Officer or the Secretary of the Company shall hold such stock certificates, properly endorsed for transfer, for the Participant's benefit until such time as the Restricted Shares are forfeited to the Company, or the applicable Restricted Period expires and any other conditions applicable to the Restricted Shares are satisfied.

(d) Except as determined by the Committee either at the time Restricted Shares are granted or at any time thereafter prior to the lapse of the applicable restrictions, holders of Restricted Shares shall not have the right to vote such Restricted Shares or the right to receive any dividends with respect to such Restricted Shares. All distributions, if any, received by a Participant with respect to Restricted Shares as a result of any split-up, distribution, combination of shares, or other similar transaction affecting the Shares, shall be subject to the restrictions of this Section 6.

(e) Upon the expiration or termination of the applicable Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the restrictions applicable to the Restricted Shares shall lapse and a stock certificate for or other appropriate documentation evidencing the number of Restricted Shares with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions, to the Eligible Associate or the Eligible Associate's beneficiary or estate, as the case may be.

## 7. GRANT, TERMS AND CONDITIONS OF STOCK UNITS

(a) The Committee, in its sole discretion, shall select from among the Eligible Associates the individuals to whom Stock Units are to be granted under this Plan. Each Stock Unit shall represent the right to receive one Share. At the time a grant of a Stock Unit is made, the Committee shall determine the conditions under which such Stock Unit shall vest and the Share covered thereby delivered to the holder of the Stock Unit.

(b) The Stock Units granted under this Plan shall have the following terms and conditions:

(i) Nontransferability of Stock Units. No Stock Units may be assigned, alienated, pledged, attached, sold or otherwise transferred, encumbered or disposed of by a Participant otherwise than by will or the laws of descent and distribution. Notwithstanding the foregoing, Stock Units may be transferred pursuant to a qualified domestic relations order, as defined in Section 414(p) of the Code or any successor provision.

(ii) Termination of Service as Eligible Associate. Except as the Committee may at any time provide, upon termination of a Participant's service as an associate of the Company and its subsidiaries for any reason other than death or total disability, all outstanding Stock Units held by such Participant which shall not have vested shall be forfeited by the Participant.

(iii) Death of Participant. If a Participant should die while employed by the Company or one of its subsidiaries, all outstanding Stock Units held by such Participant (whether or not then vested by their terms) shall become immediately vested in full and the Shares subject thereto deliverable to the Participant's estate or the person who acquires the right to receive such Shares upon the Participant's death by bequest or inheritance.

(iv) Total Disability of Participant. If a Participant's employment with the Company and its subsidiaries ceases as a result of the Participant's becoming totally disabled, all outstanding Stock Units held by such Participant (whether or not then vested by their terms) shall become immediately vested in full and the Shares subject thereto deliverable to the Participant.

(v) Change of Control. Upon the occurrence of a Change of Control, all outstanding Stock Units held by Participants (whether or not then vested by their terms) shall become immediately vested in full and the Shares subject thereto deliverable to the Participants.

(vi) Award Agreement. Each Stock Unit granted under this Plan shall be evidenced by an agreement with the Company which shall contain the terms and conditions of the Stock Unit and shall otherwise be consistent with the provisions of this Plan.

#### 8. TAX WITHHOLDING

(a) The Company will withhold from other amounts owed to a Participant, or require the Participant to remit to the Company, an amount sufficient to satisfy any applicable federal, state and local withholding tax requirements on any Award under the Plan, exercise or cancellation of an Award or purchase of Shares. If any such amounts are not to be withheld from other payments due to the Participant, the Company will defer the issuance of Shares until the earlier of:

- (i) Thirty days after the settlement date; or
- (ii) The date the Participant remits the required amount.

(b) If the Company has been unable to satisfy any tax withholding obligations which the Company may have pursuant to Section 8(a) above, in its discretion, the Committee may allow a Participant to elect, subject to conditions the Committee establishes, to reimburse the Company for this tax withholding obligation through one or more of the following methods:

(i) By having Shares otherwise issuable under the Plan withheld by the Company (but only to the extent of the minimum amount that must be withheld to comply with applicable state, federal and local income, employment and wage tax laws);

- (ii) By delivering to the Company previously acquired Shares;
- (iii) By remitting cash to the Company; or
- (iv) By remitting a personal check immediately payable to the Company.

#### 9. ADJUSTMENT AND CHANGES IN SHARES

If, after the Effective Date, there is a Share dividend or Share split, recapitalization (including payment of an extraordinary dividend), merger, consolidation, combination, spin-off, distribution of assets to stockholders, exchange of shares, or other similar corporate change affecting the Shares, the Committee shall appropriately adjust (a) the aggregate number of Shares available for Awards under the Plan or subject to outstanding Awards, (b) the respective exercise price, number of Shares and other limitations applicable to outstanding Awards, and (c) any other factors, limits or terms affecting any outstanding Awards.

#### 10. PLAN AMENDMENT AND TERMINATION

The Board may suspend, terminate, modify or amend the Plan at any time, as it shall deem advisable or to conform to any change in any law or regulation applicable thereto; provided that no such action shall be taken without stockholder approval to the extent stockholder approval is required to satisfy applicable requirements imposed by (a) Rule 16b-3 under the Exchange Act, or any successor rule or regulation; (b) applicable requirements of the Code; or (c) the rules of any exchange on or through which the Shares are then listed or traded. If the Plan is terminated, the terms of the Plan shall, notwithstanding such termination, continue to apply to Awards granted prior to such termination. No suspension, termination, modification or amendment of the Plan may, without the consent of the Participant to whom an Award shall theretofore have been granted, adversely affect the rights of such Participant under such Award.

#### 11. APPLICABLE LAW AND REGISTRATION

The grant of Awards and the issuance of Shares shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. Notwithstanding the foregoing, no Shares shall be issued under the Plan unless the Company is satisfied that such issuance will be in compliance with applicable



federal and state securities laws. Shares issued under the Plan may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any exchange on or through which the Shares are then listed or traded, or any applicable federal or state securities law. The Committee may cause a legend or legends to be placed on any certificates evidencing the Shares to make appropriate reference to restrictions within the scope of this Section 11 or other provisions of the Plan.

12. EFFECTIVE DATE AND DURATION OF PLAN

This Plan became effective on January 31, 2002 (the "Effective Date"). The Plan shall terminate on the day preceding the tenth anniversary of the Effective Date, unless the Plan is extended or terminated at an earlier date by the Board or is terminated by exhaustion of the Shares available for issuance hereunder.

ABERCROMBIE & FITCH CO.  
DIRECTORS' DEFERRED COMPENSATION PLAN  
(as amended and restated May 22, 2003)

Section 1. PURPOSE - The Company desires and intends to recognize the value to the Company of the past and present services of its Directors, to encourage their continued service to the Company 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. 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 may 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.

"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 shares of Class A Common Stock, par value \$.01, of the Company.

"Company" means Abercrombie & Fitch Co., 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 or her 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, Meeting Fees, and stock-based incentives, including stock options, restricted stock and stock units relating to Common Shares. 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) 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 or through which the Common Shares are then listed or traded.

"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 Co. 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 Chief Financial Officer of the Company.

"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 or she becomes a Director or the date specified by the Board. A Participant shall continue to participate in the Plan until his or her status as a Participant is terminated by either a complete distribution of his or her Deferred Compensation Account pursuant to the terms of the Plan, by written directive of the Company or by revocation of his or her 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. To the extent authorized by the Plan Administrator, a Participant may elect to have all or a portion of his or her Eligible Compensation which is to be paid to him or her by the Company allocated to his or her Deferred Compensation Account and paid on a deferred basis pursuant to the terms of the Plan. To exercise such an election, the Participant must advise the Company of his or her election, in writing, on a form and within the time period prescribed by the Plan Administrator (each, a "Deferral Notice"). 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.

C. Company Contributions. As of the date any Eligible Compensation would have otherwise been payable absent the filing of a Deferral Notice, the Company will allocate to the Participant's Deferred Compensation Account the amount of Eligible Compensation specified in the Deferral Notice. Any amounts so allocated by the Company are called "Company Contributions."

D. Adjustment of Account Balances. Stock-based incentives deferred pursuant to the Plan shall be credited to a Participant's Deferred Compensation Account as Common Shares. As of the date any amount of Eligible Compensation otherwise payable in cash is credited to a Participant's Deferred Compensation Account, such amount 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 Common Shares (carried to three decimals). 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. The amount of cash dividends credited to each Deferred Compensation 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 Common Shares (carried to three decimals). 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 or her 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 in accordance with a Payment Election Form delivered by the Participant to the Plan Administrator. The Plan Administrator may, in his or her discretion, permit a Participant to elect a further deferral of amounts credited to his or her Deferred Compensation Account by delivering a later Payment Election Form; provided that, unless otherwise approved by the Plan Administrator, any election to further defer amounts credited to a Participant's Deferred Compensation Account must be made at least one year prior to the date such amounts would otherwise be payable.

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 any fractional share), or in such number of annual installments (not to exceed 10) as may be elected by the Participant in accordance with a Payment Election Form delivered to the Plan Administrator.

C. Hardship Distributions. Prior to the time a Participant's Deferred Compensation Account becomes payable, the Plan Administrator, in his or her sole discretion, may elect to distribute all or a portion of the whole Common Shares (plus cash representing the value of any fractional share) 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) the number of whole Common Shares (plus cash representing the value of any fractional share) credited to the Participant's Deferred Compensation Account or (ii) 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 or her 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 his or her 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 or her claims for review.

C. Review Procedure. A claimant or his or her 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 or her 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 his or her designee). The Plan Administrator (or his or her designee) will have the sole responsibility for the review of any denied claim and will take all steps appropriate in the light of the Plan Administrator's findings.

D. Decision on Review. The Plan Administrator (or his or her 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, the Company shall not 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 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 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.

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 or her person or of his or her 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 his or her sole discretion, determines that a Participant or Beneficiary is unable to manage his or her 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 or herself 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 CO.

By: \_\_\_\_\_

Its: \_\_\_\_\_

ABERCROMBIE & FITCH CO.  
DIRECTORS' DEFERRED COMPENSATION PLAN

DEFERRAL NOTICE - ANNUAL RETAINER AND MEETING FEES

Name: \_\_\_\_\_

Soc. Sec. No.: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

1. ELECTION TO DEFER.

In accordance with the provisions of the Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (the "Plan"), I hereby elect to defer \_\_\_\_\_ percent (i.e., 25%, 50%, 75% or 100%) of the Annual Retainer and Meeting Fees payable to me for services as a Director of Abercrombie & Fitch Co. in respect of fiscal year quarters commencing after the date of this Deferral Notice. 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 in accordance with a Payment Election Form filed separately with the Plan Administrator.

3. 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.

4. ACKNOWLEDGMENT.

I hereby acknowledge that (i) my election to defer my Annual Retainer and Meeting Fees 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)

ABERCROMBIE & FITCH CO.  
DIRECTORS' DEFERRED COMPENSATION PLAN

DEFERRAL NOTICE - STOCK UNITS

Name: \_\_\_\_\_

Soc. Sec. No.: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

1. ELECTION TO DEFER.

In accordance with the provisions of the Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (the "Plan"), I hereby elect to defer \_\_\_\_\_ percent (i.e., 25%, 50%, 75% or 100%) of the Common Shares (rounded to the nearest whole share) payable to me pursuant to Stock Units awarded under the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors for services as a Director of Abercrombie & Fitch Co., provided such Stock Units are scheduled to vest at least six months after the date of this Deferral Notice. 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 in accordance with a Payment Election Form filed separately with the Plan Administrator.

3. 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.

4. ACKNOWLEDGMENT.

I hereby acknowledge that (i) my election to defer my Common Shares 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)

ABERCROMBIE & FITCH CO.  
DIRECTORS' DEFERRED COMPENSATION PLAN

PAYMENT ELECTION FORM

This Payment Election Form sets forth my election as to the timing of payment of the value of my Deferred Compensation Account pursuant to the Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (the "Plan"), subject to the provisions, definition of terms, and conditions of the Plan which are incorporated herein by reference.

This payment election will apply uniformly to all deferral sources (i.e., Annual Retainer, Meeting Fees, and stock-based incentives).

This payment election will supersede any previous payment election forms that I have submitted with respect to the Plan.

The payment election date may be revised to a later date by completing a new Payment Election Form no later than one year prior to the most recently designated settlement date.

MY PERIOD OF DEFERRAL WITH RESPECT TO AMOUNTS ELECTIVELY DEFERRED UNDER THE PLAN SHALL EXPIRE AT THE EARLIEST TIME SPECIFIED BELOW (complete any that apply):

Upon my termination of service as a Director of the Company, in which case I elect to receive settlement of my Deferred Compensation Account by (check one):

\_\_\_\_\_ Lump sum settlement in January after such event; or

\_\_\_\_\_ Commencement of \_\_\_\_\_ annual installment payments in January after such event (up to 10 installment payments permitted).

or

In January of \_\_\_\_\_ (year), in which case I elect to receive settlement of my Deferred Compensation Account by (check one):

\_\_\_\_\_ Lump sum settlement in January of such year; or

\_\_\_\_\_ Commencement of \_\_\_\_\_ annual installment payments in January of such year (up to 10 installment payments permitted).

Irrespective of the above elections with respect to the timing of payments, all amounts credited to my Deferred Compensation Account will be paid out in a single lump sum in the event of my termination of service as a Director of the Company prior to attaining age 65, or in the event of a Change of Control (as defined in the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors).



ABERCROMBIE & FITCH CO.  
DIRECTORS' DEFERRED COMPENSATION PLAN

PAYMENT ELECTION FORM

ACKNOWLEDGEMENT BY PARTICIPANT

SIGNATURE OF PARTICIPANT \_\_\_\_\_

PRINTED NAME \_\_\_\_\_

SOCIAL SECURITY NUMBER \_\_\_\_\_

DATE \_\_\_\_\_

AGREEMENT OF ABERCROMBIE & FITCH CO.

Abercrombie & Fitch Co. hereby agrees that this Payment Election Form is valid and that the Director who executed this Payment Election Form is a Participant in the Plan in accordance with the terms thereof.

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

DATE RECEIVED \_\_\_\_\_

ABERCROMBIE & FITCH CO.  
2003 STOCK PLAN FOR NON-ASSOCIATE DIRECTORS

1. PURPOSE

The purpose of the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors (the "Plan") is to promote the interests of Abercrombie & Fitch Co. (the "Company") and its stockholders by allowing the Company to attract and retain the services of outstanding non-associate directors upon whose judgment, interest and special efforts the successful conduct of the Company's business is largely dependent and to encourage the highest level of participation by such directors. The Plan is expected to contribute to the attainment of these objectives by increasing the proprietary interest of the non-associate directors in the growth and performance of the Company through the grant to such directors of options to purchase shares of Class A Common Stock, par value \$0.01 per share ("Shares"), of the Company, the grant to such directors of Shares which are restricted as provided in Section 6 of this Plan ("Restricted Shares") and the grant to such directors of stock units, each representing the right to receive one Share, as described in Section 7 of this Plan ("Stock Units").

2. ADMINISTRATION

The Plan shall be administered by the Company's Board of Directors (the "Board"). Subject to the provisions of the Plan, the Board shall be authorized to interpret the Plan; to establish, amend and rescind any rules and regulations relating to the Plan; and to make all determinations necessary or advisable for the administration of the Plan. The determinations of the Board in the administration of the Plan, as described herein, shall be final and conclusive. Each of the Chief Operating Officer, the Chief Financial Officer and the Secretary of the Company shall be authorized to implement the Plan in accordance with its terms and to take such actions of a ministerial nature as shall be necessary to effectuate the intent and purposes of the Plan. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware.

3. ELIGIBILITY

The class of individuals eligible to receive grants of options, Restricted Shares and Stock Units (collectively, "Awards") under the Plan, shall be directors of the Company who are not associates of the Company or any of its affiliates ("Eligible Directors"). Any holder of an Award granted under the Plan shall hereinafter be referred to as a "Participant".

4. SHARES SUBJECT TO THE PLAN

(a) Subject to adjustment as provided in Section 9, the maximum number of Shares that may be delivered to Participants and their beneficiaries under the Plan shall be 550,000 Shares. Any Shares distributable in respect of "Eligible Compensation" allocated to the accounts of Eligible Directors under the Abercrombie & Fitch Co. Directors' Deferred Compensation Plan on or after the Effective Date of this Plan shall also be deemed to have been delivered under this Plan. The Shares to be delivered under the Plan may consist of either Shares currently held or Shares subsequently acquired by the Company as treasury Shares, including Shares purchased in the open market or in private transactions.

(b) In the event that prior to the date the Plan shall terminate in accordance with Section 12, any Award granted under the Plan expires unexercised or unvested or is terminated, surrendered or cancelled without the delivery of Shares, or any Restricted Shares are forfeited back to the Company, then the Shares subject to such Award may be made available for subsequent Awards under the terms of the Plan. To the extent that any Shares covered by an Award are not delivered

to a Participant or beneficiary because the Award is settled in cash or used to satisfy any applicable tax withholding obligation, such Shares shall not be deemed to have been delivered for purposes of determining the maximum number of Shares available for delivery under this Plan. If the exercise price of any option granted under the Plan is satisfied by tendering already owned Shares to the Company (either by actual delivery or by attestation), only the number of Shares issued net of the Shares tendered shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery under this Plan.

#### 5. GRANT, TERMS AND CONDITIONS OF OPTIONS

(a) On the first business day of each of the second fiscal quarter and the fourth fiscal quarter of each fiscal year of the Company, beginning after the Effective Date, each individual then serving as an Eligible Director shall be granted an option to purchase 2,500 Shares. Each option granted in accordance with this Section 5(a) shall vest and become exercisable in full on the first anniversary of the date of grant, provided the holder of such option is an Eligible Director on such anniversary.

(b) The Board may from time to time grant options under the Plan to the Eligible Directors, in addition to those nondiscretionary options granted in accordance with Section 5(a) of this Plan, subject to such restrictions, conditions and other terms as the Board may determine. The Board shall have the authority to determine the Eligible Director(s) to whom a discretionary option is to be granted, the date of grant of each such option, the number of Shares covered by each such option and the date or dates when each such option shall become exercisable.

(c) The options granted under this Plan shall be nonstatutory stock options not intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and shall have the following terms and conditions:

(i) **Exercise Price.** The purchase price per Share deliverable upon the exercise of each option shall be 100% of the Fair Market Value per Share on the date the option is granted. For purposes of this Plan, Fair Market Value shall be the "closing price" of the Shares as reported on the principal exchange on or through which the Shares are listed or traded for the date in question, or if there were no sales of the Shares on such date, the most recent prior date on which there were sales.

(ii) **Payment for Options.** Options may be exercised by a Participant by giving written notice to any individual or individuals designated from time to time by the Board stating the number of Shares with respect to which the option is being exercised and tendering payment therefor. The Board shall develop procedures through which a Participant may pay an option's exercise price, including tendering Shares the Participant already owns, either by actual delivery of the previously acquired Shares or by attestation, valued at the Fair Market Value of the Shares on the exercise date, as partial or full payment of the exercise price.

(iii) **Term of Options.** Once vested and exercisable, each option granted to a Participant under the Plan shall remain exercisable until the earlier of (1) the tenth anniversary of the date of grant and (2) the expiration of the applicable period described in paragraph (iv) and Sections 5(d) and 5(e) below.

(iv) **Termination of Service as Eligible Director.** Upon termination of a Participant's service as a director of the Company for any reason other than death or total disability, all outstanding options held by such Participant, to the extent then vested and exercisable, shall remain exercisable in whole or in part for a period of one year from the date upon which the Participant ceases to be a director of the Company; provided that in no event shall any option remain exercisable beyond the period provided for in paragraph (iii) above.

(v) **Nontransferability of Options.** No option may be assigned, alienated, pledged, attached, sold or otherwise transferred, encumbered or disposed of by a Participant otherwise than by will

or the laws of descent and distribution, and during the lifetime of the Participant to whom an option is granted, it may be exercised only by the Participant or by the Participant's guardian or legal representative. Notwithstanding the foregoing, options may be transferred pursuant to a qualified domestic relations order, as defined in Section 414(p) of the Code or any successor provision.

(vi) Option Agreement. Each option granted under this Plan shall be evidenced by an agreement with the Company which shall contain the terms and conditions of the option and shall otherwise be consistent with the provisions of this Plan.

(d) Death of Participant. If a Participant should die while serving as a director of the Company, all outstanding options held by such Participant (whether or not then exercisable by their terms) shall become immediately vested and exercisable in full by the Participant's estate or by the person who acquires the right to exercise such options upon the Participant's death by bequest or inheritance. Such exercise may occur at any time within one year after the date of the Participant's death; provided that in no event shall any option of a deceased Participant remain exercisable beyond the period provided for in paragraph (iii) of Section 5(c) of this Plan.

(e) Total Disability of Participant. If a Participant's service as a director of the Company ceases as a result of the Participant's becoming totally disabled, all outstanding options held by such Participant (whether or not then exercisable by their terms) shall become immediately vested and exercisable in full. Such exercise may occur at any time within one year after the Participant has been determined to be totally disabled; provided that in no event shall any option of a totally disabled Participant remain exercisable beyond the period provided for in paragraph (iii) of Section 5(c) of this Plan. A Participant shall be considered to be totally disabled for purposes of this Plan if the Participant has been unable, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity for a period of 180 days after the commencement of such impairment and such condition, in the opinion of a physician selected by the Company and reasonably acceptable to the Participant or the Participant's legal representative, is total and permanent.

(f) Change of Control. Upon the occurrence of a Change of Control, all outstanding options held by Participants (whether or not then exercisable by their terms) shall become immediately vested and exercisable in full. For purposes of this Plan, the term "Change of Control" shall mean, unless otherwise defined in an Award agreement, an occurrence of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A issued under the Securities Exchange Act of 1934 (the "Exchange Act") or any successor rule or regulation. Without limiting the inclusiveness of the definition in the preceding sentence, a Change of Control of the Company shall be deemed to have occurred as of the first day that any one or more of the following conditions is satisfied: (i) any person is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act or any successor rule or regulation), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities and such person would be deemed an "Acquiring Person" for purposes of the Rights Agreement dated as of July 16, 1998, as amended (the "Rights Agreement"), to which the Company and National City Bank, as successor Rights Agent, are parties; or (ii) any of the following occur: (A) any merger or consolidation of the Company, other than a merger or consolidation in which the voting securities of the Company immediately prior to the merger or consolidation continue to represent (either by remaining outstanding or by being converted into securities of the surviving entity) 80% or more of the combined voting power of the Company or surviving entity immediately after the merger or consolidation with another entity; (B) any sale, exchange, lease, mortgage, pledge, transfer or other disposition (in a single transaction or a series of related transactions) of assets or earning

power aggregating more than 50% of the assets or earning power of the Company on a consolidated basis; (C) any complete liquidation or dissolution of the Company; (D) any reorganization, reverse stock split or recapitalization of the Company that would result in a Change of Control as otherwise defined in this Plan; or (E) any transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

## 6. GRANT, TERMS AND CONDITIONS OF RESTRICTED SHARES

(a) The Board may from time to time grant Restricted Shares under the Plan to Eligible Directors, subject to such restrictions, conditions and other terms as the Board may determine. At the time a grant of Restricted Shares is made, the Board shall determine the duration of the period (the "Restricted Period") during which, and the conditions under which, the Restricted Shares shall vest and no longer be subject to forfeiture to the Company. The Board may, in its discretion, at the time a grant of Restricted Shares is made, prescribe restrictions in addition to or other than the expiration of the Restricted Period.

(b) The Restricted Shares granted under this Plan shall have the following terms and conditions:

(i) Nontransferability of Restricted Shares. Restricted Shares may not be assigned, alienated, pledged, attached, sold or otherwise transferred, encumbered or disposed of during the applicable Restricted Period or prior to the satisfaction of any other restrictions prescribed by the Board with respect to such Restricted Shares. Notwithstanding the foregoing, Restricted Shares may be transferred pursuant to a qualified domestic relations order, as defined in Section 414(p) of the Code or any successor provision.

(ii) Termination of Service as Eligible Director. Any Restricted Shares granted to a Participant pursuant to this Plan shall be forfeited if the Participant terminates service as a director of the Company for any reason other than death or total disability prior to the expiration or termination of the applicable Restricted Period and the satisfaction of any other conditions applicable to such Restricted Shares. Upon such forfeiture, the Chief Operating Officer, the Chief Financial Officer or the Secretary of the Company shall cause the Restricted Shares that are forfeited to the Company to be either cancelled or retained as treasury Shares. If a Participant shall die while serving as a director or if a Participant's service as a director of the Company ceases as a result of the Participant's becoming totally disabled, all restrictions and conditions applicable to the Restricted Shares held by the Participant shall immediately lapse.

(iii) Change of Control. Upon the occurrence of a Change of Control, all restrictions and conditions applicable to the Restricted Shares held by Participants shall immediately lapse.

(iv) Award Agreement. Each grant of Restricted Shares under this Plan shall be evidenced by an agreement with the Company which shall contain the terms and conditions of the Restricted Shares and shall otherwise be consistent with the provisions of this Plan.

(c) If the Board deems it necessary or appropriate, the Company may issue, in the name of each Participant to whom Restricted Shares have been granted, one or more stock certificates representing the total number of Restricted Shares granted to the Participant; provided that such stock certificates bear an appropriate legend or other restriction on transfer. The Chief Operating Officer, the Chief Financial Officer or the Secretary of the Company shall hold such stock certificates, properly endorsed for transfer, for the Participant's benefit until such time as the Restricted Shares are forfeited to the Company, or the applicable Restricted Period expires and any other conditions applicable to the Restricted Shares are satisfied.

(d) Holders of Restricted Shares shall not have the right to vote such Restricted Shares or the right to receive any dividends with respect to such Restricted Shares. All distributions, if any, received by a Participant with respect to Restricted Shares as a result of any split-up, distribution, combination of shares, or other similar transaction affecting the Shares, shall be subject to the

restrictions of this Section 6.

(e) Upon the expiration or termination of the applicable Restricted Period and the satisfaction of any other conditions prescribed by the Board, the restrictions applicable to the Restricted Shares shall lapse and a stock certificate for or other appropriate documentation evidencing the number of Restricted Shares with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions, to the Eligible Director or the Eligible Director's beneficiary or estate, as the case may be.

#### 7. GRANT, TERMS AND CONDITIONS OF STOCK UNITS

(a) On the first business day of each fiscal year of the Company, beginning after the Effective Date, each individual then serving as an Eligible Director shall be granted Stock Units representing the right to receive that number of Shares which shall be equal to the number determined by dividing (i) \$60,000 by (ii) the average of the closing sale price of a Share on the principal exchange on or through which the Shares are then listed or traded, during the period of 20 trading days immediately preceding the date of grant of the Stock Units (each trading day being a day on which actual trades of Shares occur). Each Stock Unit shall represent the right to receive one Share. Each Stock Unit granted in accordance with this Section 7(a) shall vest in full on the first anniversary of the date of grant, provided the holder of such Stock Unit is an Eligible Director on such anniversary, and the Share covered thereby deliverable to the holder of the Stock Unit as soon as reasonably practicable after the vesting date.

(b) The Board may from time to time grant Stock Units under the Plan to Eligible Directors, in addition to those nondiscretionary Stock Units granted in accordance with Section 7(a) of the Plan, representing the right to receive one Share of the Company in respect of each Stock Unit so granted. At the time a grant of a Stock Unit is made, the Board shall determine the conditions under which such Stock Unit shall vest and the Share covered thereby delivered to the holder of the Stock Unit.

(c) The Stock Units granted under this Plan shall have the following terms and conditions:

(i) Nontransferability of Stock Units. No Stock Units may be assigned, alienated, pledged, attached, sold or otherwise transferred, encumbered or disposed of by a Participant otherwise than by will or the laws of descent and distribution. Notwithstanding the foregoing, Stock Units may be transferred pursuant to a qualified domestic relations order, as defined in Section 414(p) of the Code or any successor provision.

(ii) Termination of Service as Eligible Director. Upon termination of a Participant's service as a director of the Company for any reason other than death or total disability, all outstanding Stock Units held by such Participant which shall not have vested shall be forfeited by the Participant.

(iii) Death of Participant. If a Participant should die while serving as a director of the Company, all outstanding Stock Units held by such Participant (whether or not then vested by their terms) shall become immediately vested in full and the Shares subject thereto deliverable to the Participant's estate or the person who acquires the right to receive such Shares upon the Participant's death by bequest or inheritance.

(iv) Total Disability of Participant. If a Participant's service as a director of the Company ceases as a result of the Participant's becoming totally disabled, all outstanding Stock Units held by such Participant (whether or not then vested by their terms) shall become immediately vested in full and the Shares subject thereto deliverable to the Participant.

(v) Change of Control. Upon the occurrence of a Change of Control, all outstanding Stock Units held by Participants (whether or not then vested by their terms) shall become immediately vested in full and the Shares subject thereto deliverable to the Participants.

(vi) Award Agreement. Each Stock Unit granted under this Plan shall be evidenced by an

agreement with the Company which shall contain the terms and conditions of the Stock Unit and shall otherwise be consistent with the provisions of this Plan.

#### 8. TAX WITHHOLDING

(a) The Company shall withhold from other amounts owed to a Participant, or require the Participant to remit to the Company, an amount sufficient to satisfy any applicable federal, state and local withholding tax requirements on any Award under the Plan, exercise or cancellation of an Award or purchase of Shares. If any such amounts are not to be withheld from other payments due to the Participant (or if there are no other payments due to the Participant), the Company will defer the issuance of Shares until the earlier of:

- (i) Thirty days after the settlement date; or
- (ii) The date the Participant remits the required amount.

(b) If the Company has been unable to satisfy any tax withholding obligation which the Company may have pursuant to Section 8(a) above, in its discretion, the Board may allow a Participant to elect, subject to conditions the Board establishes, to reimburse the Company for this tax withholding obligation through one or more of the following methods:

- (i) By having Shares otherwise issuable under the Plan withheld by the Company (but only to the extent of the minimum amount that must be withheld to comply with applicable state, federal and local income, employment and wage tax laws);
- (ii) By delivering to the Company previously acquired Shares;
- (iii) By remitting cash to the Company; or
- (iv) By remitting a personal check immediately payable to the Company.

#### 9. ADJUSTMENT AND CHANGES IN SHARES

If, after the Effective Date, there is a Share dividend or Share split, recapitalization (including payment of an extraordinary dividend), merger, consolidation, combination, spin-off, distribution of assets to stockholders, exchange of shares, or other similar corporate change affecting the Shares, the Board shall appropriately adjust (a) the aggregate number of Shares available for Awards under the Plan or subject to outstanding Awards, (b) the respective exercise price, number of Shares and other limitations applicable to outstanding or subsequently issuable Awards, and (c) any other factors, limits or terms affecting any outstanding or subsequently issuable Awards.

#### 10. PLAN AMENDMENT AND TERMINATION

The Board may terminate, suspend or amend the Plan at any time without stockholder approval except to the extent that stockholder approval is required to satisfy applicable requirements imposed by (a) Rule 16b-3 under the Exchange Act, or any successor rule or regulation; (b) applicable requirements of the Code; or (c) the rules of any exchange on or through which the Shares are then listed or traded. If the Plan is terminated, the terms of the Plan, notwithstanding such termination, shall continue to apply to Awards granted prior to such termination. No termination, suspension or amendment of the Plan may, without the consent of the Participant to whom an Award shall theretofore have been granted, adversely affect the rights of such Participant under such Award.

#### 11. APPLICABLE LAW AND REGISTRATION

The grant of Awards and the issuance of Shares shall be subject to all applicable laws, rules and regulations, and to such approvals of any governmental agencies or exchanges as may be required. Notwithstanding the foregoing, no Shares shall be issued under the Plan unless the Company is satisfied that such issuance will be in compliance with applicable federal and state securities laws. Shares issued under the Plan may be subject to such stop transfer orders and other restrictions as the Board may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any exchange on or through which the

Shares are then listed or traded, or any applicable federal or state securities law. The Board may cause a legend or legends to be placed on any certificates issued under the Plan to make appropriate reference to restrictions within the scope of this Section 11 or other provisions of the Plan.

12. EFFECTIVE DATE AND DURATION OF PLAN

The Plan shall become effective on the date of the adoption of the Plan by the Board ("Effective Date"). Subject to the provisions of Section 10, the Plan shall continue until the tenth anniversary of the Effective Date unless the Plan is terminated by exhaustion of the Shares available for issuance under the Plan.



June 12, 2003

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Commissioners:

We are aware that our report dated May 13, 2003 on our review of interim financial information of Abercrombie & Fitch Co. (the "Company") as of and for the period ended May 3, 2003 and included in the Company's quarterly report on Form 10-Q for the quarter then ended is incorporated by reference in its Registration Statements on Form S-8, Registration Nos. 333-15941, 333-15943, 333-15945, 333-60189, 333-81373, 333-60203, and 333-100079.

Very truly yours,

/s/ PricewaterhouseCoopers LLP  
Columbus, Ohio

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER PURSUANT TO TITLE 18, UNITED  
STATES CODE, SECTION 1350, AS ADOPTED PURSUANT  
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Abercrombie & Fitch Co. (the "Company") on Form 10-Q for the period ended May 3, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael S. Jeffries, Chairman and Chief Executive Officer of the Company, certify, pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ Michael S. Jeffries \*

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Print Name: Michael S. Jeffries  
Title: Chairman and Chief Executive Officer  
Date: June 12, 2003

In connection with the Quarterly Report of Abercrombie & Fitch Co. (the "Company") on Form 10-Q for the period ended May 3, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wesley S. McDonald, Vice President - Chief Financial Officer of the Company, certify, pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ Wesley S. McDonald \*

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Print Name: Wesley S. McDonald  
Title: Vice President - Chief Financial Officer  
Date: June 12, 2003

\* A signed original of this written statement required by Section 906 has been provided to Abercrombie & Fitch Co. and will be retained by Abercrombie & Fitch Co. and furnished to the Securities and Exchange Commission or its staff upon request.