Abercrombie & Fitch

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CHAIRMAN'S LETTER

The year 2000 was clearly a tough one for most retailers. While it was also a tough year for us, it was successful. It was successful in that we:

- continued to improve our bottom line
- repositioned and recognized great improvements in our women's business
- successfully tested and announced the roll out of our newest concept, Hollister Co.
- added over 100 new stores
- opened our new distribution center and neared completion of our home office.

Even in a challenging retail environment, I'm pleased we improved our earnings and demonstrated our strong commitment to protecting and improving our bottom line. Our EPS increased 12% and operating profit was nearly 21% of sales, one of the highest in the industry.

During the year we made major progress in repositioning our women's business. Our focus on a sexy, feminine look has connected with the customer and we are now starting to generate strong women's comp store increases. We also have huge potential to broaden our merchandise assortment in women's. During 2000 we successfully introduced women's underwear/ lingerie and gymwear, and we see these new classifications continuing to grow very rapidly. The quick turnaround of the women's business demonstrates the strength of our brand. The customer clearly wants Abercrombie & Fitch and responds positively when we have the right fashion.

Although we had a difficult year in the men's business it remains one of the most productive businesses in specialty retail. I'm very optimistic about our men's potential for back-to-school and Christmas 2001.

Our newest concept, Hollister continues to surpass expectations. This West Coast oriented concept for high school age guys and girls has beaten all our sales estimates and I expect huge growth from this brand in the future. Now remember, this is a totally new brand launched without any advertising or marketing support.

The brands continue to grow very rapidly. We aggressively opened 104 new stores in 2000: 50 Abercrombie & Fitch stores; 49 abercrombie stores and 5 Hollister stores. Our e-commerce site attracts over 1 million unique visitors a month and continues to grow at a brisk pace. A&FTV and MP3 continue to offer fun and interesting content for our target customer. On-line shopping offers most items you'll find in the stores and we're continually enhancing the site so that it's easier to use. In 2000 we successfully began to sell kids merchandise over the Internet and more than tripled our adult e-commerce business.

A&F has never been in a better growth position. We will continue to grow our store base in 2001 and are targeting 50 Abercrombie & Fitch stores and 60 abercrombie stores. Hollister will begin to roll out in earnest this year with around 20 new stores.

Our new distribution center is up and running and all of us in the home office are extremely excited about our imminent move to our new headquarters. The layout and design of our new campus is an extension of our brands. The atmosphere will be very positive and allow us to attract talented people.

This is an exciting time. I am more enthusiastic about this business than ever, and I'm confident that we have the right strategies and the right team in place to fortify Abercrombie & Fitch's position as the dominant lifestyle brand.

Mike

Michael S. Jeffries
Chairman and Chief Executive Officer

Abercrombie & Fitch

FINANCIAL SUMMARY

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

Fiscal Year	2000*	1999	1998	1997	1996	1995*	1994
Summary of Operations							
Net Sales	$1,237,604	$1,030,858	$805,180	$513,109	$329,800	$232,415	$163,156
Gross Income	$ 509,375	$ 450,383	$331,354	$191,890	$118,194	$ 76,550	$ 54,513
Operating Income	$ 253,652	$ 242,064	$166,958	$ 84,125	$ 45,993	$ 23,798	$ 13,751
Operating Income as a Percentage of Sales	20.5%	23.5%	20.7%	16.4%	13.9%	10.2%	8.4%
Net Income	$ 158,133	$ 149,604	$102,062	$ 48,322	$ 24,674	$ 14,298	$ 8,251
Net Income as a Percentage of Sales	12.8%	14.5%	12.7%	9.4%	7.5%	6.2%	5.1%
Per Share Results (1)							
Net Income Per Basic Share	$ 1.58	$ 1.45	$ .99	$ .47	$ .27	$ .17	$ .10
Net Income Per Diluted Share	$ 1.55	$ 1.39	$ .96	$ .47	$ .27	$ .17	$ .10
Weighted Average Diluted Shares Outstanding	102,156	107,641	106,202	102,956	91,520	86,000	86,000
Other Financial Information							
Total Assets	$ 587,516	$ 458,166	$319,161	$183,238	$105,761	$ 87,693	$ 58,018
Return on Average Assets	30%	38%	41%	33%	26%	20%	15%
Capital Expenditures	$ 153,481	$ 73,377	$ 37,483	$ 29,486	$ 24,323	$ 24,526	$ 12,603
Long-Term Debt	–	–	–	$ 50,000	$ 50,000	–	–
Shareholders' Equity (Deficit)	$ 422,700	$ 311,094	$186,105	$ 58,775	$ 11,238	$ (22,622)	$ (37,070)
Comparable Store Sales Increase (Decrease)	(7%)	10%	35%	21%	13%	5%	15%
Retail Sales Per Average Gross Square Foot	$ 474	$ 505	$ 476	$ 370	$ 301	$ 286	$ 280
Stores and Associates at End of Year							
Total Number of Stores Open	354	250	196	156	127	100	67
Gross Square Feet	2,849,000	2,174,000	1,791,000	1,522,000	1,229,000	962,000	665,000
Number of Associates	13,900	11,300	9,500	6,700	4,900	3,000	2,300

**Fifty-three week fiscal year.*

(1) Per share amounts have been restated to reflect the two-for-one stock split on A&F's Class A Common Stock, distributed on June 15, 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS Net sales for the fourth quarter of the 2000 fiscal year were $439.4 million, an increase of 21% from $363.7 million for the fourth quarter a year ago. Operating income was $124.1 million compared to $125.3 million last year. Net income per diluted share was $.76, up 4% from $.73 last year.

Net sales for the 2000 fiscal year increased 20% to $1.24 billion from $1.03 billion last year. Operating income for the year increased 5% to $253.7 million from $242.1 million in 1999. Net income per diluted share was $1.55 compared to $1.39 a year ago, an increase of 12%.

FINANCIAL SUMMARY The following summarized financial data compares the 2000 fiscal year to the comparable periods for 1999 and 1998:

	2000	1999	1998	% Change 2000-1999	% Change 1999-1998
Net sales (millions)	$1,237.6	$1,030.9	$805.2	20%	28%
Increase (decrease) in comparable store sales	(7%)	10%	35%		
Retail sales increase attributable to new and remodeled stores, magazine, catalogue and web site	27%	18%	22%		
Retail sales per average gross square foot	$ 474	$ 505	$ 476	(6%)	6%
Retail sales per average store (thousands)	$3,944	$4,487	$4,484	(12%)	–
Average store size at year-end (gross square feet)	8,047	8,695	9,140	(7%)	(5%)
Gross square feet at year-end (thousands)	2,849	2,174	1,791	31%	21%
Number of stores:					
Beginning of year	250	196	156		
Opened	104	54	41		
Closed	–	–	(1)		
End of year	354	250	196		

NET SALES Fourth quarter 2000 net sales increased 21% to $439.4 million from $363.7 million in 1999. The increase was due to the addition of new stores offset by a 9% decline in comparable store sales. The decline in comparable store sales, based on a 14 week quarter for both 2000 and 1999, was primarily due to comparable store sales decreases in the men's graphic tees and pants departments. Comparable store sales were positive in the women's business for the quarter based on strong increases in the sweaters, denim and outerwear departments. The Company's catalogue, the A&F Quarterly (a catalogue/magazine) and the Company's web sites accounted for 5.0% of net sales in the fourth quarter of 2000 as compared to 3.8% in 1999.

Net sales for the fourth quarter of 1999 increased 21% to $363.7 million from $300.1 million in 1998. The increase was primarily due to the addition of new stores and a comparable store sales increase of 3%. Comparable store increases were driven by men's pants and knits while the women's knit business was very strong. The Company's catalogue, the A&F Quarterly and the Company's web site accounted for 3.8% of net sales in the fourth quarter of 1999 as compared to 2.2% in 1998.

Net sales for the 2000 fiscal year increased 20% to $1.24 billion from $1.03 billion in 1999. The sales increase was attributable to the addition of 104 stores offset by a 7% comparable store sales decrease. The decline in comparable store sales, based on a 53 week fiscal year for both 2000 and 1999, was across both the men's and women's businesses. During the year, the assortment in each business was repositioned to be more balanced and less focused on graphics and included items at key opening price points. The Company's catalogue, the A&F Quarterly and the Company's web sites represented 3.8% of 2000 net sales compared to 2.9% last year.

Net sales for the 1999 fiscal year increased 28% to $1.03 billion from $805.2 million in 1998. Sales growth resulted from a comparable store sales increase of 10% and the addition of 54 new stores. Comparable store sales increases were driven by both men's and women's knits and pants. Net retail sales per gross square foot for the Company increased 6%, principally from an increase in the number of transactions per store. The Company's catalogue, the A&F Quarterly and the Company's web site represented 2.9% of 1999 net sales compared to 2.0% of 1998 net sales.

GROSS INCOME For the fourth quarter of 2000, gross income, expressed as a percentage of net sales, decreased to 46.2% from 50.9% for the same period in 1999. The decrease was attributable to lower merchandise margins (representing gross income before the deduction of buying and occupancy costs) due to lower initial markups (IMU) and higher markdowns. The IMU was affected by both a change in sales mix and the planned strategy of offering lower opening price points in key product classifications.

Gross income, expressed as a percentage of net sales, increased to 50.9% for the fourth quarter of 1999 from 48.3% for the same period in 1998. The increase was attributable to higher merchandise margins, resulting from higher IMU, and improved control of store inventory shrinkage and merchandise freight costs. The Company also achieved some leverage in buying

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and occupancy costs, expressed as a percentage of net sales.

For the year, the gross income rate decreased to 41.2% in 2000 from 43.7% in 1999. The decrease was attributable to lower merchandise margins, primarily due to lower IMU caused by both a change in sales mix and the planned strategy of offering lower opening price points in key product classifications.

In 1999, the gross income rate increased to 43.7% from 41.2% in 1998. Merchandise margins, expressed as a percentage of net sales, increased due to slightly higher IMU across most merchandise categories. In addition, buying and occupancy costs, expressed as a percentage of net sales, declined slightly due to leverage achieved from comparable store sales increases. The Company also improved the gross income rate through reduced freight costs and enhanced store inventory control procedures which reduced shrink cost.

GENERAL, ADMINISTRATIVE AND STORE OPERATING EXPENSES General, administrative and store operating expenses, expressed as a percentage of net sales, were 17.9% in the fourth quarter of 2000 and 16.4% in the comparable period in 1999. The increase in the percentage was primarily due to the inability to leverage fixed expenses as a result of the decrease in comparable store sales. The increase was also due to planned one-time expenses related to the Company's move to a new home office and distribution center. The increases were offset by tightly controlled headcount additions, travel expenses, store payroll hours, outside services and compensation expense related to management bonuses.

General, administrative and store operating expenses, expressed as a percentage of net sales, were 16.4% in the fourth quarter of 1999 as compared to 15.4% for the same period in 1998. The increase in the percentage was primarily due to a change in the accounting for gift certificates and gift cards. This was partially offset by lower compensation expenses related to management bonuses and restricted share grants awarded to key executives of the Company. Additionally, the Company did not incur expenses related to service agreements with The Limited, Inc. that expired prior to the fourth quarter of 1999 and emphasized tighter expense control in travel, relocation and legal expenses.

General, administrative and store operating expenses for the year, expressed as a percentage of net sales, were 20.7%, 20.2% and 20.4% in 2000, 1999 and 1998, respectively. The rate has increased in 2000 primarily due to the inability to leverage fixed expenses as a result of the decrease in comparable store sales. The increase was partially offset by the Company's continued focus on discretionary expense controls. The 1999 improvement was due to the control of expenses and favorable leveraging of expenses due to higher comparable store sales.

OPERATING INCOME Operating income, expressed as a percentage of net sales, was 28.2% and 20.5% for the fourth quarter and fiscal year of 2000, respectively, compared to 34.5% and 23.5% for the same periods in 1999. The decline in operating income as a percentage of sales in these periods is primarily a result of lower gross income percentages. Higher general, administrative and store operating expenses also added to the decrease in the operating income percentage of net sales.

Operating income, expressed as a percentage of net sales, was 34.5% and 23.5% for the fourth quarter and fiscal year of 1999, respectively, compared to 32.9% and 20.7% for the same periods in 1998. The improvement was the result of higher gross income coupled with lower general, administrative and store operating expenses, expressed as a percentage of net sales. Sales volume and gross income increased at a faster rate than general, administrative and store operating expenses due to the Company's emphasis on cost controls.

INTEREST INCOME/EXPENSE Net interest income was $2.5 million in the fourth quarter of 2000 and $7.8 million for all of 2000 compared with net interest income of $2.5 million and $7.3 million for the corresponding periods last year. Net interest income in 2000 and 1999 was primarily from short-term investments.

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

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

	2000	1999	1998
Working capital	$149,000	$162,351	$ 95,890
Capitalization:			
Shareholders' equity	$422,700	$311,094	$186,105

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

	2000	1999	1998
Current ratio (current assets divided by current liabilities)	1.96	2.18	1.78
Cash flow to capital investment (net cash provided by operating activities divided by capital expenditures)	99%	208%	451%

Net cash provided by operating activities totaled $151.2 million, $152.8 million and $169.0 million for 2000, 1999 and 1998, respectively. Cash was provided primarily by current year net income adjusted for depreciation and amortization, and increased accounts payable and accrued expenses needed to support the growth in inventories. Cash was used primarily to fund inventory purchases required to support the addition of new stores and the investment in new women's categories, including underwear, gymwear and fragrances. The inventory increase is also due to the timing of spring deliveries as a result of the 2000 fiscal year having 53 weeks. Additionally, cash used for income taxes increased due to the timing of income tax payments.

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 primarily for capital expenditures related to new and remodeled stores (net of construction allowances) and the construction costs of the new office and distribution center. In 2000 and 1999, investing activities also included maturities and purchases of marketable securities.

Financing activities during 2000 and 1999 consisted primarily of the repurchase of 3,550,000 shares and 1,510,000 shares, respectively, of A&F's Class A Common Stock pursuant to previously authorized stock repurchase programs. A&F is authorized to repurchase up to an additional 2,450,000 shares under the current repurchase program.

In 1998, financing activities consisted primarily of the repayment of $50 million long-term debt to The Limited. This occurred through the issuance of 1.2 million shares of Class A Common Stock to The Limited with the remaining balance paid with cash from operations. Additionally, settlement of the intercompany balance between the Company and The Limited occurred on May 19, 1998. During 1998, A&F also repurchased 490 thousand shares of Class A Common Stock.

CAPITAL EXPENDITURES Capital expenditures, primarily for new and remodeled stores and the construction of a new office and distribution center, totaled $153.5 million, $73.4 million and $37.5 million for 2000, 1999 and 1998, respectively. Additionally, the noncash accrual for construction in progress totaled $9.5 million, $10.4 million and $4.4 million in 2000, 1999 and 1998, respectively. Expenditures related to the new office and distribution center accounted for $92.3 million of total capital expenditures in 2000, of which $12.9 million was noncash accrual for construction in progress.

The Company anticipates spending $105 to $115 million in 2001 for capital expenditures, of which $85 to $95 million will be for new stores, remodeling and/or expansion of existing stores and related improvements. The balance of capital expenditures will chiefly be related to the construction of the new home office and distribution center. The distribution center was completed in February 2001 and the home office was completed in April 2001. The Company intends to add approximately 825,000 gross square feet in 2001, which will represent a 29% increase over year-end 2000. It is anticipated the increase will result from the addition of approximately 50 new Abercrombie & Fitch stores, 60 abercrombie stores and 20 Hollister Co. stores.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for Abercrombie & Fitch stores opened in 2001 will approximate $600,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately $300,000 per store.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for abercrombie stores opened in 2001 will approximate $500,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately $150,000 per store.

The Company is in the early stages of developing Hollister Co. As a result, current average costs for leasehold improvements, furniture and fixtures and inventory purchases are not representative of future costs.

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

RELATIONSHIP WITH THE LIMITED Effective May 19, 1998, The Limited, Inc. ("The Limited") completed a tax-free exchange offer to establish A&F as an independent company. Subsequent to the exchange offer (see Note 1 to the Consolidated Financial Statements), A&F and The Limited entered into various service agreements for terms ranging from one to three years. A&F hired associates with the appropriate expertise or contracted with outside parties to replace those services which expired in May 1999. Service agreements were also entered into for the continued use by the Company of its distribution and home office space and transportation and logistic services. The distribution space agreement terminates in April 2001. The home office space service agreement expires in May 2001. The agreement for transportation and logistic services will also expire in May 2001, although most of these services have already been transitioned to the Company. The cost of these services generally is equal to The Limited's cost in providing the relevant services plus 5% of such costs.

The Company does not anticipate that costs incurred to replace the services provided by The Limited will have a material adverse impact on its financial condition.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," subsequently amended and clarified by SFAS No. 138, is effective for the Company's 2001 fiscal year. It requires that derivative instruments be recorded at fair value and that changes in their fair value be recognized in current earnings unless specific hedging criteria are met. The adoption of this standard had no impact on the Company's financial position or results of operations.

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

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 A&F cautions that any forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Report 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 2001 and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this Form 10-K or otherwise made by management: changes in consumer spending patterns, consumer preferences and overall economic conditions, the impact of competition and pricing, changes in weather patterns, political stability, currency and exchange risks and changes in existing or potential duties, tariffs or quotas, availability of suitable store locations at appropriate terms, ability to develop new merchandise and ability to hire and train associates.

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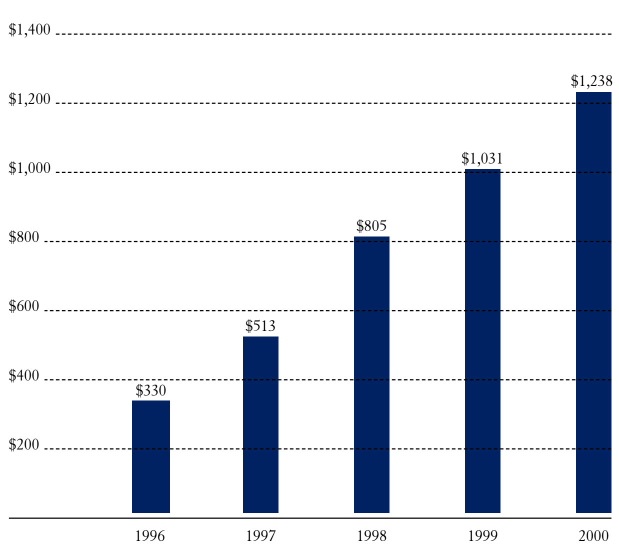
CONSOLIDATED STATEMENTS OF INCOME

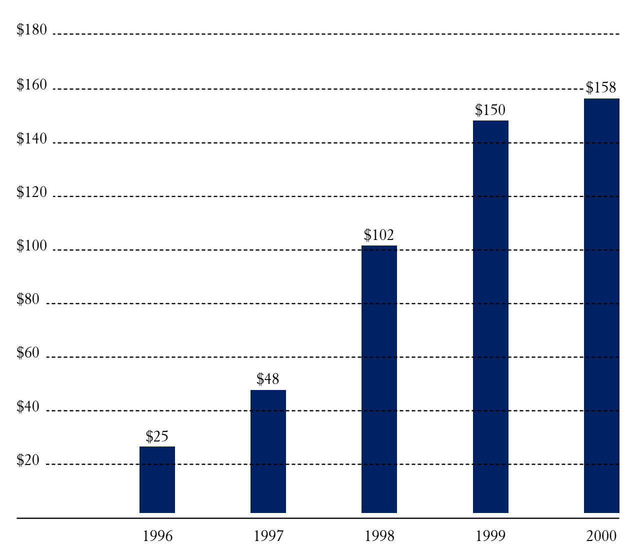
(Thousands except per share amounts)	2000	1999	1998
Net Sales	$1,237,604	$1,030,858	$805,180
Cost of Goods Sold, Occupancy and Buying Costs	728,229	580,475	473,826
Gross Income	509,375	450,383	331,354
General, Administrative and Store Operating Expenses	255,723	208,319	164,396
Operating Income	253,652	242,064	166,958
Interest Income, Net	(7,801)	(7,270)	(3,144)
Income Before Income Taxes	261,453	249,334	170,102
Provision for Income Taxes	103,320	99,730	68,040
Net Income	$ 158,133	$ 149,604	$102,062
Net Income Per Share:			
Basic	$ 1.58	$ 1.45	$ .99
Diluted	$ 1.55	$ 1.39	$ .96

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

Net Sales ($ in Millions)



Net Income ($ in Millions)



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CONSOLIDATED BALANCE SHEETS

(Thousands)	February 3, 2001	January 29, 2000
Assets		
Current Assets		
Cash and Equivalents	$137,581	$147,908
Marketable Securities	–	45,601
Receivables	15,829	11,447
Inventories	120,997	75,262
Store Supplies	17,817	11,674
Other	11,338	8,325
Total Current Assets	303,562	300,217
Property and Equipment, Net	278,785	146,403
Deferred Income Taxes	4,788	11,060
Other Assets	381	486
Total Assets	$587,516	$458,166
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts Payable	$ 33,942	$ 18,714
Accrued Expenses	101,302	85,373
Income Taxes Payable	19,318	33,779
Total Current Liabilities	154,562	137,866
Other Long-Term Liabilities	10,254	9,206
Shareholders' Equity		
Common Stock	1,033	1,033
Paid-In Capital	136,490	147,305
Retained Earnings	350,868	192,735
	488,391	341,073
Less: Treasury Stock, at Average Cost	(65,691)	(29,979)
Total Shareholders' Equity	422,700	311,094
Total Liabilities and Shareholders' Equity	$587,516	$458,166

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

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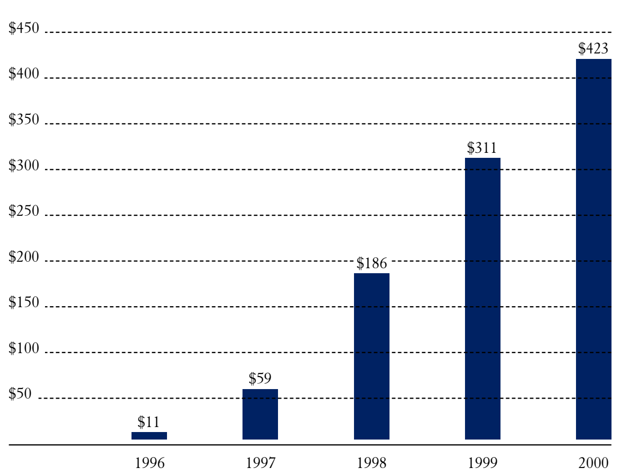
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

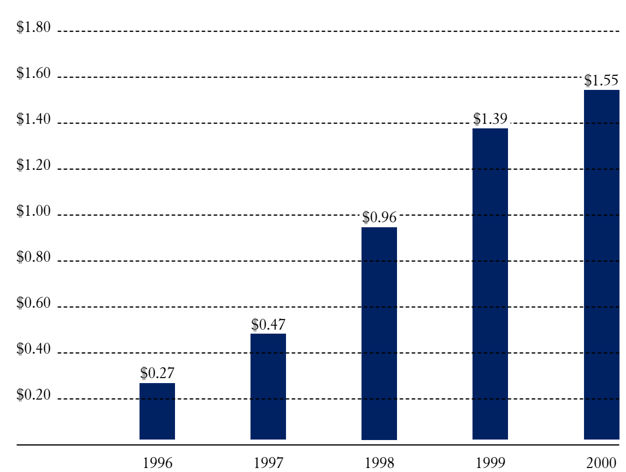
(Thousands)	Common Stock: Shares Outstanding	Common Stock: Par Value	Paid-In Capital	Retained Earnings (Deficit)	Treasury Stock, at Average Cost	Total Shareholders' Equity
Balance, January 31, 1998	102,018	$1,022	$117,461	$(58,931)	$ (777)	$ 58,775
Purchase of Treasury Stock	(490)	–	–	–	(11,240)	(11,240)
Net Income	–	–	–	102,062	–	102,062
Issuance of Common Stock	1,200	11	25,870	–	–	25,881
Tax Benefit from Exercise of Stock Options and Vesting of Restricted Stock	–	–	329	–	–	329
Stock Options, Restricted Stock and Other	86	–	(34)	–	10,332	10,298
Balance, January 30, 1999	102,814	$1,033	$143,626	$ 43,131	$ (1,685)	$186,105
Purchase of Treasury Stock	(1,510)	–	–	–	(50,856)	(50,856)
Net Income	–	–	–	149,604	–	149,604
Tax Benefit from Exercise of Stock Options and Vesting of Restricted Stock	–	–	9,389	–	–	9,389
Stock Options, Restricted Stock and Other	700	–	(5,710)	–	22,562	16,852
Balance, January 29, 2000	102,004	$1,033	$147,305	$192,735	$(29,979)	$311,094
Purchase of Treasury Stock	(3,550)	–	–	–	(43,929)	(43,929)
Net Income	–	–	–	158,133	–	158,133
Tax Benefit from Exercise of Stock Options and Vesting of Restricted Stock	–	–	462	–	–	462
Stock Options, Restricted Stock and Other	342	–	(11,277)	–	8,217	(3,060)
Balance, February 3, 2001	98,796	$1,033	$136,490	$350,868	$(65,691)	$422,700

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

Shareholders' Equity ($ in Millions)



Earnings Per Diluted Share



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CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)	2000	1999	1998
Operating Activities			
Net Income	$158,133	$149,604	$102,062
Impact of Other Operating Activities on Cash Flows			
Depreciation and Amortization	30,731	27,721	20,946
Noncash Charge for Deferred Compensation	4,340	5,212	11,497
Change in Assets and Liabilities			
Inventories	(45,735)	(31,270)	(10,065)
Accounts Payable and Accrued Expenses	21,626	4,999	33,137
Income Taxes	(8,420)	9,258	11,087
Other Assets and Liabilities	(9,486)	(12,773)	355
Net Cash Provided by Operating Activities	151,189	152,751	169,019
Investing Activities			
Capital Expenditures	(153,481)	(73,377)	(37,483)
Proceeds from Maturities of Marketable Securities	45,601	11,332	–
Purchase of Marketable Securities	–	(56,933)	–
Note Receivable	(3,000)	(1,500)	–
Net Cash Used for Investing Activities	(110,880)	(120,478)	(37,483)
Financing Activities			
Settlement of Balance with The Limited	–	–	23,785
Net Proceeds from Issuance of Common Stock	–	–	25,875
Repayment of Long-Term Debt	–	–	(50,000)
Purchase of Treasury Stock	(43,929)	(50,856)	(11,240)
Other Changes in Shareholders' Equity	(6,707)	2,927	941
Net Cash Used for Financing Activities	(50,636)	(47,929)	(10,639)
Net Increase/(Decrease) in Cash and Equivalents	(10,327)	(15,656)	120,897
Cash and Equivalents, Beginning of Year	147,908	163,564	42,667
Cash and Equivalents, End of Year	$137,581	$147,908	$163,564
Significant Noncash Investing Activities			
Accrual for Construction in Progress	$ 9,531	$ 10,447	$ 4,393

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION Abercrombie & Fitch Co. ("A&F") was incorporated on June 26, 1996, and on July 15, 1996, acquired the stock of Abercrombie & Fitch Holdings, the parent company of the Abercrombie & Fitch business, and A&F Trademark, Inc., in exchange for 43 million shares of Class B Common Stock issued to The Limited, Inc. ("The Limited"). 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 business was established in 1892 and subsequently acquired by The Limited in 1988.

An initial public offering (the "Offering") of 16.1 million shares of A&F's Class A Common Stock, including the sale of 2.1 million shares pursuant to the exercise by the underwriters of their options to purchase additional shares, was consummated on October 1, 1996. The net proceeds received by A&F from the Offering, approximating $118.2 million, and cash from operations were used to repay the borrowings under a $150 million credit agreement. As a result of the Offering, 84.2% of the outstanding common stock of A&F was owned by The Limited, until the completion of a tax-free exchange offer (the "Exchange Offer") on May 19, 1998, to establish A&F as an independent company.

In the Exchange Offer, The Limited accepted 94,150,104 shares of its common stock that were exchanged at a ratio of .86 of a share of A&F stock for each Limited share. On June 1, 1998, The Limited effected a pro rata spin-off to its shareholders of its remaining 6,230,910 A&F shares. Limited shareholders of record at the close of trading on May 29, 1998 received .027346 of a share of A&F stock for each Limited share owned at that time.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FISCAL YEAR The Company's fiscal year ends on the Saturday closest to January 31. Fiscal years are designated in the financial statements and notes by the calendar year in which the fiscal year commences. The results for fiscal year 2000 represent the fifty-three week period ended February 3, 2001. The results for fiscal years 1999 and 1998 represent the fifty-two week periods ended January 29, 2000 and January 30, 1999.

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

MARKETABLE SECURITIES All investments with original maturities of greater than 90 days are accounted for in accordance with Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The Company determines the appropriate classification at the time of purchase. At January 29, 2000, the Company held investments in marketable securities which were classified as held to maturity based on the Company's positive intent and ability to hold the securities to maturity. All securities held by the Company at January 29, 2000 were corporate debt securities which matured within one year and were stated at amortized cost which approximated market value.

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

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

PROPERTY AND EQUIPMENT Depreciation and amortization of property and equipment are computed for financial reporting purposes on a straight-line basis, using service lives ranging principally from 10-15 years for leasehold improvements and 3-10 years for other property and equipment. Beneficial leaseholds represent the present value of the excess of fair market rent over contractual rent of existing stores at the 1988 purchase of the

Abercrombie & Fitch business by The Limited and are being amortized over the lives of the related leases. The cost of assets sold or retired and the related accumulated depreciation or amortization are removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments that extend service lives are capitalized. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that full recoverability is questionable. Factors used in the valuation include, but are not limited to, management's plans for future operations, recent operating results and projected cash flows.

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

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

Prior to the Exchange Offer, the Company was included in The Limited's consolidated federal and certain state income tax groups for income tax reporting purposes and was responsible for its proportionate share of income taxes calculated upon its federal taxable income at a current estimate of the Company's annual effective tax rate. Subsequent to the Exchange Offer, the Company began filing its tax returns on a separate basis.

SHAREHOLDERS' EQUITY The Board of Directors declared a two-for-one stock split on A&F's Class A Common Stock, distributed on June 15, 1999 to shareholders of record at the close of business on May 25, 1999. All share and per share amounts in the accompanying consolidated financial statements for all periods have been restated to reflect the stock split.

At February 3, 2001, there were 150 million shares of $.01 par value Class A Common Stock authorized, of which 98.8 million and 102.0 million shares were outstanding at February 3, 2001 and January 29, 2000, respectively, and 106.4 million shares of $.01 par value Class B Common Stock authorized, none of which were outstanding at February 3, 2001 or January 29, 2000. In addition, 15 million shares of $.01 par value Preferred Stock were authorized, none of which have been issued. See Note 13 for information about Preferred Stock Purchase Rights.

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

REVENUE RECOGNITION The Company recognizes retail sales at the time the customer takes possession of the merchandise and purchases are paid for via cash, credit card or gift certificate and gift card redemption. Catalogue and e-commerce sales are recorded upon shipment of merchandise. Amounts relating to shipping and handling billed to customers in a sale transaction are classified as revenue and the related costs are classified as cost of goods sold. Employee discounts are classified as a reduction of revenue.

CATALOGUE AND ADVERTISING COSTS Costs related to the A&F Quarterly, a catalogue/magazine, primarily consist of catalogue production and mailing costs and are expensed as incurred. Advertising costs consist of in-store photographs and advertising in selected national publications and are expensed when the photographs or publications first appear. Catalogue and advertising costs amounted to $30.4 million in 2000, $30.3 million in 1999 and $24.9 million in 1998.

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

FAIR VALUE OF FINANCIAL INSTRUMENTS The recorded values of current assets and current liabilities, including receivables, marketable securities and accounts payable, approximate fair value due to the short maturity and because the average interest rate approximates current market origination rates.

EARNINGS PER SHARE Net income per share is computed in accordance with SFAS No. 128, "Earnings Per Share." Net income per basic share is computed based on the weighted average number of outstanding shares of common stock. Net income per diluted share includes the weighted average effect of dilutive stock options and restricted shares.

Weighted Average Shares Outstanding (thousands):

	2000	1999	1998
Shares of common stock issued	103,300	103,300	103,300
Treasury shares	(3,239)	(429)	(216)
Basic shares	100,061	102,871	103,084
Dilutive effect of options and restricted shares	2,095	4,770	3,118
Diluted shares	102,156	107,641	106,202

Options to purchase 7,875,000 and 5,690,000 shares of Class A Common Stock were outstanding at year-end 2000 and 1999 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. At year-end 1998, no anti-dilutive options were outstanding.

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

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

3. ADOPTION OF ACCOUNTING STANDARDS In the fourth quarter 2000, the Company adopted Emerging Issues Task Force ("EITF") No. 00-10 "Accounting for Shipping and Handling Fees and Costs" which changed its classification for shipping revenue. The Company also changed its classification for direct shipping expenses for shipments to customers to cost of goods sold and for employee discounts to a reduction of revenue. All other fulfillment costs are included in General, Administrative and Store Operating Expenses. Previously, shipping revenues, certain shipping expenses and employee discounts were included in General, Administrative and Store Operating Expenses. Prior periods' financial statements presented for comparative purposes have been reclassified to comply with these classification guidelines. These reclassifications did not have an impact on net income.

The Company has adopted Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements." SAB No. 101 provides the Securities and Exchange Commission's views in applying generally accepted accounting principles to selected revenue recognition issues. The adoption of SAB No. 101 did not have a material effect on the Company's results of operations, cash flows or financial position.

4. PROPERTY AND EQUIPMENT Property and equipment, at cost, consisted of (thousands):

	2000	1999
Land	$ 14,007	$ 14,007
Furniture, fixtures and equipment	212,674	158,753
Beneficial leaseholds	7,349	7,349
Leasehold improvements	31,613	19,572
Construction in progress	118,553	26,100
Total	$384,196	$225,781
Less: accumulated depreciation and amortization	105,411	79,378
Property and equipment, net	$278,785	$146,403

5. LEASED FACILITIES AND COMMITMENTS Annual store rent is comprised of a fixed minimum amount, plus contingent rent based on a percentage of sales exceeding a stipulated amount. Store lease terms generally require additional payments covering taxes, common area costs and certain other expenses. Rent expense for 1998 included charges from The Limited and its subsidiaries for space under formal agreements that approximated market rates. A summary of rent expense follows (thousands):

	2000	1999	1998
Store rent:			
Fixed minimum	$65,716	$51,086	$42,774
Contingent	7,079	8,246	6,382
Total store rent	$72,795	$59,332	$49,156
Buildings, equipment and other	2,777	2,574	1,814
Total rent expense	$75,572	$61,906	$50,970

At February 3, 2001, the Company was committed to noncancelable leases with remaining terms of one to thirteen years. These commitments include store leases with initial terms ranging primarily from ten to fifteen years and offices and a distribution center leased from an affiliate of The Limited with a term of three years from the date of the Exchange Offer. A summary of minimum rent commitments under noncancelable leases follows (thousands):

2001	$80,082	2004	81,060
2002	83,014	2005	78,089
2003	81,672	Thereafter	251,391

6. ACCRUED EXPENSES Accrued expenses consisted of the following (thousands):

	2000	1999
Accrual for construction in progress	$ 24,371	$ 14,840
Rent and landlord charges	15,634	15,282
Compensation and benefits	11,771	11,588
Deferred revenue	11,636	8,482
Catalogue and advertising costs	7,818	7,005
Taxes, other than income	5,102	4,507
Other	24,970	23,669
Total	$101,302	$ 85,373

7. INCOME TAXES The provision for income taxes consisted of (thousands):

	2000	1999	1998
Currently payable:			
Federal	$ 80,856	$ 84,335	$65,778
State	18,403	20,251	14,809
	$ 99,259	$104,586	$80,587
Deferred:			
Federal	2,814	(3,885)	(10,038)
State	1,247	(971)	(2,509)
	$ 4,061	$ (4,856)	$(12,547)
Total provision	$103,320	$ 99,730	$68,040

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

	2000	1999	1998
Federal income tax rate	35.0%	35.0%	35.0%
State income tax, net of Federal income tax effect	4.1%	4.6%	4.7%
Other items, net	0.4%	0.4%	0.3%
Total	39.5%	40.0%	40.0%

Income taxes payable included net current deferred tax assets of $14.7 million and $14.2 million at February 3, 2001 and January 29, 2000, respectively.

Subsequent to the Exchange Offer, the Company began filing its tax returns on a separate basis and made tax payments directly to taxing authorities. Prior to the Exchange Offer, the Company was included in the consolidated federal and certain state income tax groups of The Limited for income tax purposes. Under this arrangement, the Company was responsible for and paid The Limited its proportionate share of income taxes, calculated upon its separate taxable income at the estimated annual effective tax rate. Amounts paid to The Limited totaled $829 thousand, $9.1 million and $27.4 million in 2000, 1999 and 1998, respectively. Amounts paid directly to taxing authorities were $111.7 million, $81.1 million and $31.7 million in 2000, 1999 and 1998, respectively.

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

	2000	1999
Deferred tax assets:		
Deferred compensation	$ 8,311	$ 9,333
Property and equipment	–	1,478
Rent	2,414	2,565
Accrued expenses	8,144	10,230
Inventory	2,767	1,650
Total deferred tax assets	21,636	25,256
Deferred tax liabilities:		
Property and equipment	(2,146)	–
Net deferred income tax assets	$19,490	$25,256

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

8. LONG-TERM DEBT The Company entered into a $150 million syndicated unsecured credit agreement (the "Agreement"), on April 30, 1998 (the "Effective Date"). Borrowings outstanding under the Agreement are due April 30, 2003. The Agreement has several borrowing options, including interest rates that are based on the bank agent's "Alternate Base Rate," a LIBO Rate or a rate submitted under a bidding process. Facility fees payable under the Agreement are based on the Company's ratio (the "leverage ratio") of the sum of total debt plus 800% of forward minimum rent commitments to trailing four-quarters EBITDAR and currently accrues at .225% of the committed amount per annum. The Agreement contains limitations on debt, liens, restricted payments (including dividends), mergers and acquisitions, sale-leaseback transactions, investments, acquisitions, hedging transactions and transactions with affiliates. It also contains financial covenants requiring a minimum ratio of EBITDAR to interest expense and minimum rent and a maximum leverage ratio. No amounts were outstanding under the Agreement at February 3, 2001 and January 29, 2000.

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

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

Subsequent to the Exchange Offer, A&F negotiated arms-length terms with the merchandise and service suppliers that are Limited subsidiaries. A&F and The Limited also entered into various service agreements for terms ranging from one to three years. A&F hired associates with the appropriate expertise or contracted with outside parties to replace those services which expired in May 1999. Service agreements were also entered into for the continued use by the Company of its distribution and home office space and transportation and logistic services. The agreement for use of distribution space terminates in April 2001. The agreement for use of home office space expires in May 2001. The agreement for transportation and logistics services will also expire in May 2001, although most services have already been transitioned to the Company. The cost of these services generally is equal to The Limited's cost in providing the relevant services plus 5% of such costs.

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

The following table summarizes the related party transactions between the Company and The Limited and its subsidiaries, for fiscal year 1998. The amounts below reflect activity through the completion of the Exchange Offer.

(Thousands)	1998
Mast and Gryphon purchases	$20,176
Capital expenditures	3,199
Inbound and outbound transportation	2,280
Corporate charges	2,671
Store leases and other occupancy, net	561
Distribution center, IT and home office expenses	2,217
Centrally managed benefits	1,524
Interest charges, net	4
	$32,632

The Company does not anticipate that costs incurred to replace the services currently provided by The Limited will have a material adverse impact on its financial condition.

Shahid & Company, Inc. has provided advertising and design services for the Company since 1995. Sam N. Shahid Jr., who serves on 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 fiscal years 2000, 1999 and 1998 were approximately $1.7 million, $1.4 million and $1.2 million, respectively.

On August 28, 2000, A&F loaned $4.5 million to its Chairman of the Board, a major shareholder of A&F, pursuant to the terms of a replacement promissory note, which provides that such amount is due and payable on May 18, 2001 together with interest at the rate of 6.5% per annum. This note constitutes a replacement of, and substitute for, the promissory notes dated March 1, 2000 and May 19, 2000 in the amounts of $1.5 million and $3.0 million, respectively, which were cancelled.

10. STOCK OPTIONS AND RESTRICTED SHARES Under A&F's stock plans, associates and non-associate directors may be granted up to a total of 16.3 million restricted shares and options to purchase A&F's common stock at the market price on the date of grant. In 2000, associates of the Company were granted approximately 1.4 million options, with vesting periods from four to five years. A total of 30,000 options were granted to non-associate directors in 2000, all of which vest over four years. All options have a maximum term of ten years.

The Company adopted the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation," in 1996, but elected to continue to measure compensation expense in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense for stock options has been recognized. If compensation expense had been determined based on the estimated fair value of options granted in 2000, 1999 and 1998, consistent with the methodology in SFAS No. 123, the pro forma effect on net income and net income per diluted share would have been a reduction of approximately $20.0 million or $.20 per share in 2000, $18.5 million or $.17 per share in 1999 and $6.1 million or $.06 per share in 1998. The weighted-average fair value of all options granted during fiscal 2000, 1999 and 1998 was $8.90, $23.34 and $9.89, respectively. The fair value of each option was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions for 2000, 1999 and 1998: no expected dividends; price volatility of 50% in 2000, 45% in 1999 and 40% in 1998; risk-free interest rates of 6.2%, 6.0% and 5.5% in 2000, 1999 and 1998, respectively; assumed forfeiture rates of 10%; and expected lives of 5 years in 2000, 6.5 years in 1999 and 5 years in 1998.

The pro forma effect on net income for 2000, 1999 and 1998 is not representative of the pro forma effect on net income in future years because it takes into consideration pro forma compensation expense related only to those grants made subsequent to the Offering.

Options Outstanding at February 3, 2001

	Options Outstanding				Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price		Number Exercisable	Weighted Average Exercisable Price
$8-$23	5,004,000	7.2	$13.17		1,496,000	$10.82
$23-$38	2,821,000	7.8	$25.85		590,000	$26.36
$38-$52	5,169,000	8.4	$43.55		78,000	$40.70
$8-$52	12,994,000	7.8	$28.01		2,164,000	$16.13

A summary of option activity for 1998, 1999 and 2000 follows:

Stock Option Activity

	Number of Shares	Weighted Average Option Price
1998		
Outstanding at beginning of year	3,768,000	$ 8.91
Granted	3,970,000	22.47
Exercised	(60,000)	8.99
Canceled	(110,000)	19.40
Outstanding at end of year	7,568,000	$15.87
Options exercisable at year-end	388,000	$ 8.99
1999		
Outstanding at beginning of year	7,568,000	$15.87
Granted	5,794,000	42.90
Exercised	(337,000)	9.39
Canceled	(216,000)	25.25
Outstanding at end of year	12,809,000	$28.03
Options exercisable at year-end	556,000	$ 9.85
2000		
Outstanding at beginning of year	12,809,000	$28.03
Granted	1,414,000	17.25
Exercised	(193,000)	14.57
Canceled	(1,036,000)	16.06
Outstanding at end of year	12,994,000	$28.01
Options exercisable at year-end	2,164,000	$16.13

A total of 102,000 restricted shares were granted in 2000, with a total market value at grant date of $2.3 million. A total of 140,000 restricted shares were granted in both 1999 and 1998, with a total market value at grant date of $5.4 million and $2.7 million, respectively. The restricted share grants generally vest either on a graduated scale over four years or 100% at the end of a fixed vesting period, principally five years. The market value of restricted shares is being amortized as compensation expense over the vesting period, generally four to five years. Compensation expenses related to restricted share awards amounted to $4.3 million, $5.2 million and $11.5 million in 2000, 1999 and 1998, respectively. Long-term liabilities at fiscal year-end 1998 included $8.7 million of compensation expense relating to restricted shares.

11. RETIREMENT BENEFITS The Company participates in a qualified defined contribution retirement plan and a non-qualified supplemental retirement plan. Participation in the qualified plan is available to all associates who have completed 1,000 or more hours of service with the Company during certain 12-month periods and attained the age of 21. Participation in the nonqualified plan is subject to service and compensation requirements. The Company's contributions to these plans are based on a percentage of associates' eligible annual compensation. The cost of these plans was $3.0 million in 2000, $2.6 million in 1999 and $2.0 million in 1998.

12. 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.

13. PREFERRED STOCK PURCHASE RIGHTS On July 16, 1998, A&F's Board of Directors declared a dividend of .50 of a Series A Participating Cumulative Preferred Stock Purchase Right (Right) for each outstanding share of Class A Common Stock, par value $.01 per share (Common Stock), of A&F. The dividend was paid to shareholders of record on July 28, 1998. Shares of Common Stock issued after July 28, 1998 and prior to the Distribution Date described below will be issued with .50 Right attached. Under certain conditions, each whole Right may be exercised to purchase one one-thousandth of a share of Series A Participating Cumulative Preferred Stock at an initial price of $250. The Rights initially will be attached to the shares of Common Stock. The Rights will separate from the Common Stock and a Distribution Date will occur upon the earlier of 10 business days after a public announcement that a person or group has acquired beneficial ownership of 20% or more of A&F's outstanding shares of Common Stock and become an "Acquiring Person" (Share Acquisition Date) or 10 business days (or such later date as the Board shall determine before any person has become an Acquiring Person) after commencement of a tender or exchange offer which would result in a person or group beneficially owning 20% or more of A&F's outstanding Common Stock. The Rights are not exercisable until the Distribution Date.

In the event that any person becomes an Acquiring Person, each holder of a Right (other than the Acquiring Person and certain affiliated persons) will be entitled to purchase, upon exercise of the Right, shares of Common Stock having a market value two times the exercise price of the Right. At any time after any person becomes an Acquiring Person (but before any person becomes the beneficial owner of 50% or more of the outstanding shares), A&F's Board of Directors may exchange all or part of the Rights (other than Rights beneficially owned by an Acquiring Person and certain affiliated persons) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right. In the event that, at any time following the Share Acquisition Date, A&F is acquired in a merger or other business combination transaction in which A&F is not the surviving corporation, the Common Stock is exchanged for other securities or assets or 50% or more of A&F's assets or earning power is sold or transferred, the holder of a Right will be entitled to buy, for the exercise price of the Rights, the number of shares of Common Stock of the acquiring company which at the time of such transaction will have a market value of two times the exercise price of the Right.

The Rights, which do not have any voting rights, expire on July 16, 2008, and may be redeemed by A&F at a price of $.01 per whole Right at any time before a person becomes an Acquiring Person.

Rights holders have no rights as a shareholder of A&F, including the right to vote and to receive dividends.

14. QUARTERLY FINANCIAL DATA (UNAUDITED) Summarized quarterly financial results for 2000 and 1999 follow (thousands except per share amounts):

2000 Quarter	First (1)	Second (1)	Third (1)	Fourth
Net sales	$205,006	$229,031	$364,122	$439,445
Gross income	75,403	87,765	143,283	202,924
Net income	16,163	21,163	43,592	77,215
Net income per basic share	$.16	$.21	$.44	$.78
Net income per diluted share	$.16	$.21	$.43	$.76

1999 Quarter	First (1)	Second (1)	Third (1)	Fourth (1)
Net sales	$186,427	$196,227	$284,510	$363,694
Gross income	69,368	77,346	118,600	185,069
Net income	14,963	18,858	39,059	76,724
Net income per basic share	$.14	$.18	$.38	$.75
Net income per diluted share	$.14	$.17	$.36	$.73

(1) Net sales and gross income for 1999 and the first three quarters of 2000 reflect the reclassification of shipping and handling revenues and costs and employee discounts (see Note 3).

MARKET PRICE INFORMATION The following is a summary of A&F's sales price as reported on the New York Stock Exchange ("ANF") for the 2000 and 1999 fiscal years:

	Sales Price	
	High	Low
2000 Fiscal Year		
4th Quarter	$31.31	$14.75
3rd Quarter	$26.56	$15.31
2nd Quarter	$16.69	$ 8.00
1st Quarter	$24.50	$10.06
1999 Fiscal Year		
4th Quarter	$32.56	$19.56
3rd Quarter	$43.25	$21.00
2nd Quarter	$49.69	$36.50
1st Quarter	$50.75	$35.25

Per share amounts have been restated to reflect the two-for-one stock split on A&F's Class A Common Stock, distributed on June 15, 1999 to shareholders of record at the close of business on May 25, 1999.

A&F has not paid dividends on its shares of Class A Common Stock in the past and does not presently plan to pay dividends on the shares. It is presently anticipated that earnings will be retained and reinvested to support the growth of the Company's business. The payment of any future dividends on shares will be determined by the A&F Board of Directors in light of conditions then existing, including earnings, financial condition and capital requirements, restrictions in financing agreements, business conditions and other factors.

On February 3, 2001, there were approximately 7,000 shareholders of record. However, when including active associates who participate in A&F's stock purchase plan, associates who own shares through A&F sponsored retirement plans and others holding shares in broker accounts under street name, A&F estimates the shareholder base at approximately 65,000.

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF ABERCROMBIE & FITCH:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of Abercrombie & Fitch and its subsidiaries at February 3, 2001 and January 29, 2000, and the results of their operations and their cash flows for each of the three fiscal years in the period ended February 3, 2001 (on pages 18 to 29) in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Columbus, Ohio
February 20, 2001

CORPORATE INFORMATION

Abercrombie & Fitch
6301 Fitch Path, New Albany, Ohio 43054
(614) 283-6500
www.abercrombie.com

ANNUAL MEETING

The Annual Meeting of Shareholders is scheduled for
10:00 A.M., Thursday, May 30, 2001 at Hyatt Capital Square at Columbus City Center,
Legislative Rooms A & B, 75 E. State Street, Columbus, Ohio 43215.

STOCK EXCHANGE LISTING

New York Stock Exchange (Trading Symbol "ANF"),
commonly listed in newspapers as AberFit.

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP, Columbus, Ohio

INVESTOR RELATIONS

For further information on Abercrombie & Fitch, additional copies of this report,
Form 10-K or other financial information, contact:
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Columbus, Ohio 43218
You may also contact us by sending an e-mail to Investor_Relations@abercrombie.com
or by visiting the Investor Relations section of the Company's web site.

STOCK TRANSFER AGENT, REGISTRAR AND DIVIDEND AGENT

First Chicago Trust Company of New York, a division of EquiServe
P.O. Box 2500, Jersey City, New Jersey 07303.

ABERCROMBIE & FITCH

Initial Public Offering: September 26, 1996
Number of Associates: 13,900
Approximate Shareholder Base: 65,000

CORPORATE OFFICERS

MICHAEL S. JEFFRIES
Chairman and Chief Executive Officer

SETH R. JOHNSON
Executive Vice President - Chief Operating Officer

RAYMOND C. ATTANASIO
Senior Vice President - General Merchandise Manager for
Abercrombie & Fitch Men's and Boys'

DIANE CHANG
Senior Vice President - Sourcing

DAVID L. LEINO
Senior Vice President - Stores

LESLEE K. O'NEILL
Senior Vice President - Planning and Allocation

WESLEY S. McDONALD
Vice President - Chief Financial Officer

BOARD OF DIRECTORS

MICHAEL S. JEFFRIES
Chairman and Chief Executive Officer

RUSSELL M. GERTMENIAN
Partner, Vorys, Sater, Seymour and Pease LLP

JOHN A. GOLDEN
Retired Partner, Goldman, Sachs & Company

ARCHIE M. GRIFFIN
Associate Director of Athletics, The Ohio State University

SETH R. JOHNSON
Executive Vice President - Chief Operating Officer

JOHN W. KESSLER
Chairman, The New Albany Company

SAMUEL N. SHAHID, JR.
President/Creative Director, Shahid & Company, Inc.

KATHRYN D. SULLIVAN, Ph.D.
President and Chief Executive Officer, COSI Columbus

Design: Shahid & Company Photography: Bruce Weber Printing: Superior Graphics