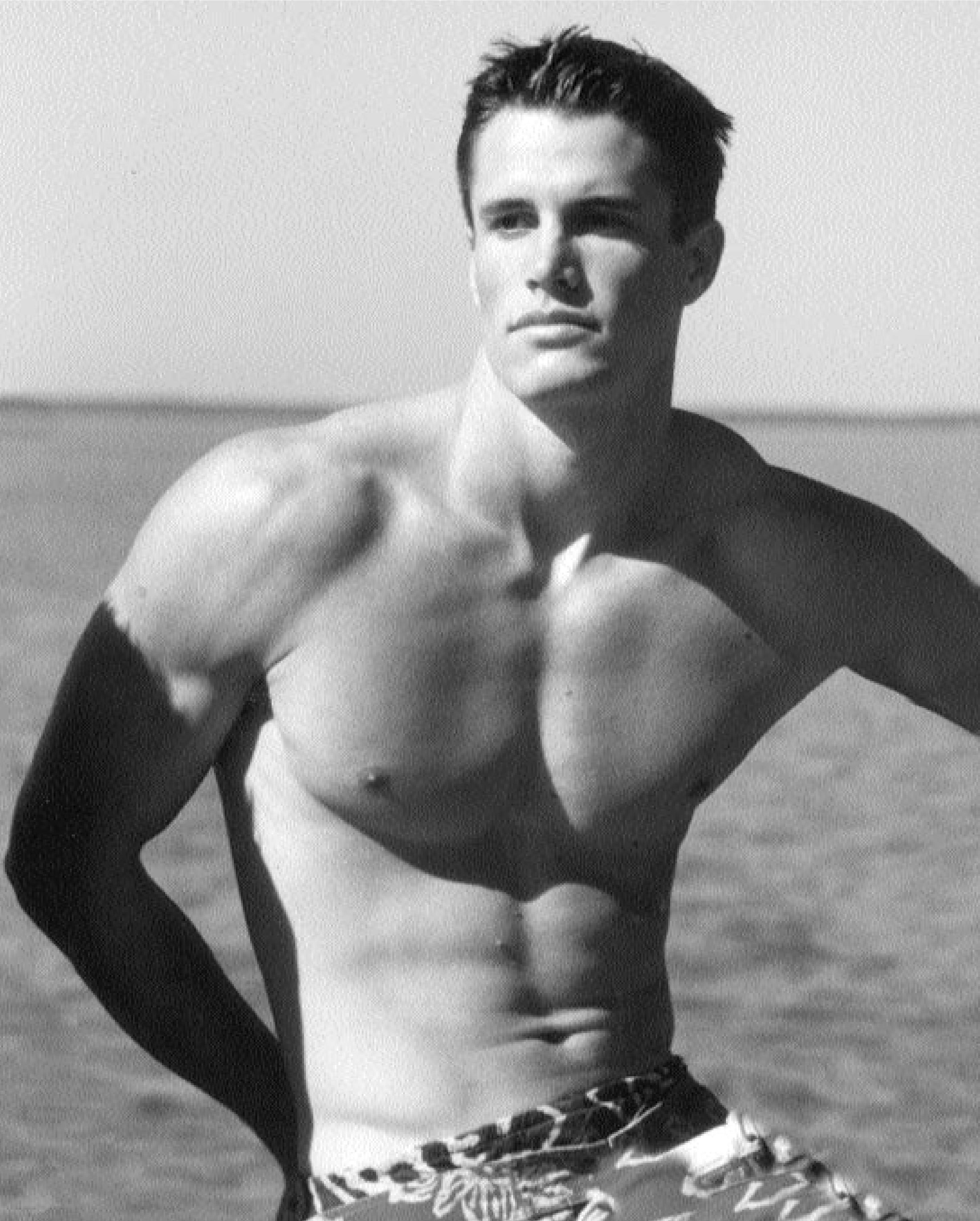



ABERCROMBIE AND FITCH
33

Abercrombie & Fitch

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CHAIRMAN'S LETTER

It's been amazing to see Abercrombie & Fitch grow from a small upstart in 1992 to its current position among the retail industry leaders. Each phase of growth has presented unique challenges—our current position is no different. We passed a billion dollars in sales in '99, our EPS increased 45%, and our operating profit reached 23.2% of sales, probably the highest in the industry. We opened 54 new stores and a band wrote a hit song about girls who wear A&F.

After so much continuous success, how do we keep the momentum going? We understand that the retail industry and the 18-22 year-old market we target are fickle. Fads, trends and hit songs come and go. That's why in 2000 A&F is being managed to avoid the over-exposure and overload that can lead to brand saturation. The A&F label is our most critical asset and must be managed for long-term, sustainable growth. If we stay real and work to be innovative, the Abercrombie brand will continue to provide stability, opportunity, growth and profits.

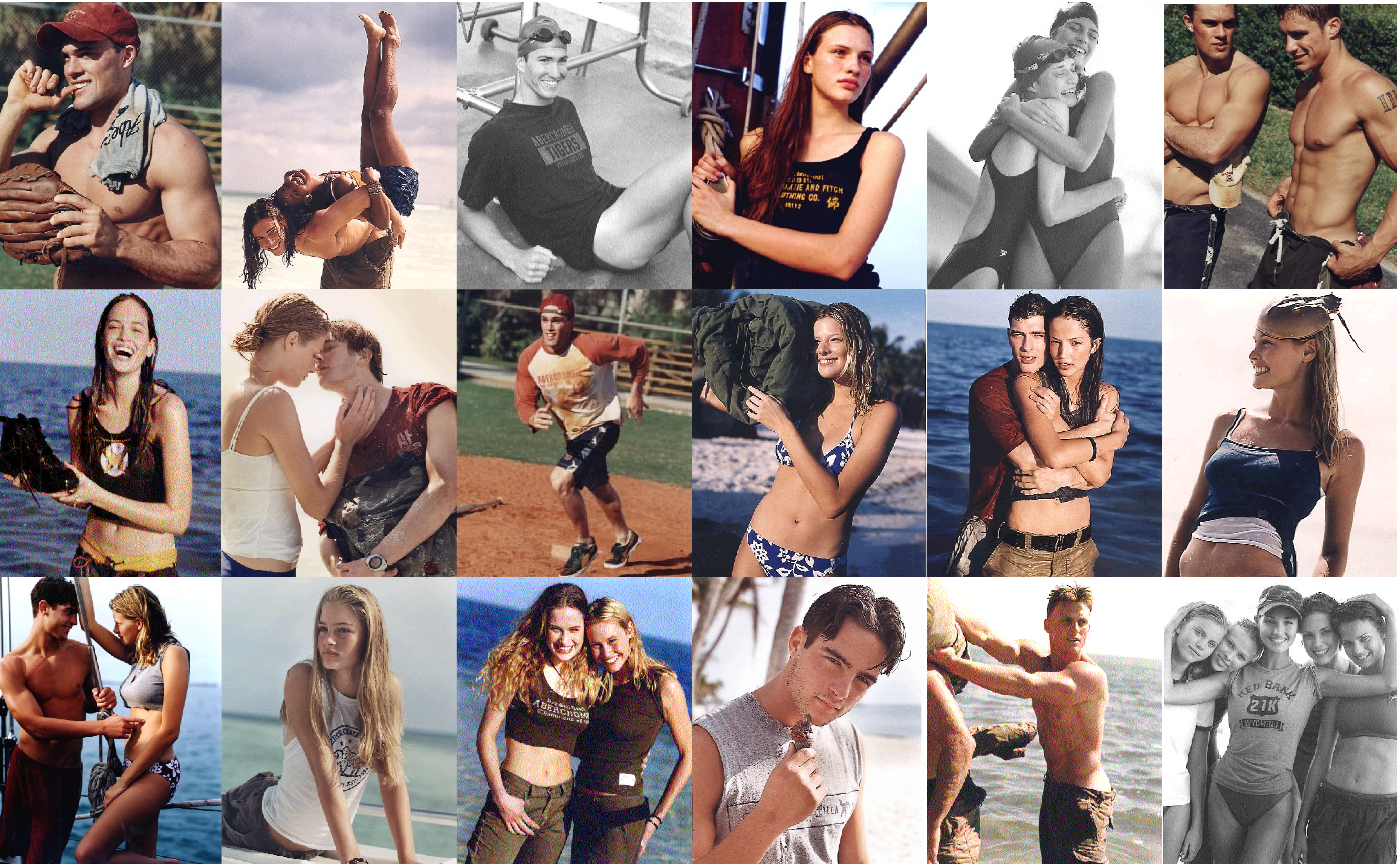
I'm convinced that the authenticity of the Abercrombie brand has enabled our growth and success—to our customers the brand continues to be relevant and aspirational. A&FTV is our new internet-only program and a good example of our focus on innovative, relevant marketing. The program is hosted by kids who work in our stores and features anything and everything that relates to college living.

But brands cannot expect long term success from marketing alone, which is why we continue to focus our attention on the basics of running a retail business. Producing the absolute highest quality goods defines much of who we are. We are also working to ensure that the quality our consumers find in our clothing carries into the experiences they have in our stores, with our catalogs and magazine and online. In short, we want to make sure our customers are happy with A&F on every level.

In spite of our tremendous and rapid success, I feel strongly that Abercrombie & Fitch has unbelievable growth potential—the core A&F brand is a dynamic, growth business and will continue to be hugely profitable. abercrombie, our kid's business, is still in its relative infancy and is primed for steady expansion. New concepts like the one we will launch this summer will fuel the company's already explosive growth opportunities. These opportunities combined with our focus on the basics of running a smart retail business will ensure continued success in 2000 and beyond.

MIKE

Michael S. Jeffries
Chairman and Chief Executive Officer


ABERCROMBIE
TIGERS
RED BANK
21K
WYOMING

Abercrombie & Fitch Co.

FINANCIAL SUMMARY

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

Fiscal Year	1999	1998	1997	1996	1995*	1994	1993
Summary of Operations							
Net Sales	$1,042,056	$815,804	$521,617	$335,372	$235,659	$165,463	$110,952
Gross Income	$ 465,583	$343,951	$201,080	$123,766	$ 79,794	$ 56,820	$ 30,562
Operating Income (Loss)	$ 242,064	$166,958	$ 84,125	$ 45,993	$ 23,798	$ 13,751	$ (4,064)
Operating Income (Loss) as a Percentage of Sales	23.2%	20.5%	16.1%	13.7%	10.1%	8.3%	(3.7%)
Net Income (Loss)	$ 149,604	$102,062	$ 48,322	$ 24,674	$ 14,298	$ 8,251	$ (2,464)
Net Income (Loss) as a Percentage of Sales	14.4%	12.5%	9.3%	7.4%	6.1%	5.0%	(2.2%)
Per Share Results (1)							
Net Income (Loss) Per Basic Share	$ 1.45	$ .99	$ .47	$ .27	$ .17	$ .10	$ (.03)
Net Income (Loss) Per Diluted Share	$ 1.39	$ .96	$ .47	$ .27	$ .17	$ .10	$ (.03)
Weighted Average Diluted Shares Outstanding	107,641	106,202	102,956	91,520	86,000	86,000	86,000
Other Financial Information							
Total Assets	$ 458,166	$319,161	$183,238	$105,761	$ 87,693	$ 58,018	$ 48,882
Return on Average Assets	38%	41%	33%	26%	20%	15%	(4%)
Capital Expenditures	$ 83,824	$ 41,876	$ 29,486	$ 24,323	$ 24,526	$ 12,603	$ 4,694
Long-Term Debt	–	–	$ 50,000	$ 50,000	–	–	–
Shareholders' Equity (Deficit)	$ 311,094	$186,105	$ 58,775	$ 11,238	$(22,622)	$(37,070)	$(45,341)
Comparable Store Sales Increase	10%	35%	21%	13%	5%	15%	6%
Retail Sales Per Average Gross Square Foot	$ 512	$ 483	$ 376	$ 306	$ 290	$ 284	$ 243
Stores and Associates at End of Year							
Total Number of Stores Open	250	196	156	127	100	67	49
Gross Square Feet	2,174,000	1,791,000	1,522,000	1,229,000	962,000	665,000	499,000
Number of Associates	11,300	9,500	6,700	4,900	3,000	2,300	1,300

**Fifty-three week fiscal year.*

(1) Per share amounts reflect the two-for-one stock split on the Company's Class A Common Stock, paid on June 15, 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS Net sales for the fourth quarter were $367.9 million, an increase of 21% from $304.6 million for the fourth quarter a year ago. Operating income was $125.3 million, up 27% compared to $98.7 million last year. Net income per diluted share was $.73, up 30% from $.56 last year.

Net sales for the fiscal year ended January 29, 2000, increased 28% to $1.04 billion from $815.8 million last year. Operating income for the year increased 45% to $242.1 million from $167.0 million in 1998. Net income per diluted share was $1.39 compared to $.96 a year ago, an increase of 45%.

FINANCIAL SUMMARY The following summarized financial data compares the 1999 fiscal year to the comparable periods for 1998 and 1997:

	1999	1998	1997	% Change 1999-1998	% Change 1998-1997
Net sales (millions)	$1,042.1	$815.8	$521.6	28%	56%
Increase in comparable store sales	10%	35%	21%		
Retail sales increase attributable to new and remodeled stores, magazine, catalogue and website	18%	21%	34%		
Retail sales per average gross square foot	$ 512	$ 483	$ 376	6%	28%
Retail sales per average store (thousands)	$4,550	$4,551	$3,653	–	25%
Average store size at year-end (gross square feet)	8,695	9,140	9,755	(5%)	(6%)
Gross square feet at year-end (thousands)	2,174	1,791	1,522	21%	18%
Number of stores					
Beginning of year	196	156	127		
Opened	54	41	30		
Closed	–	(1)	(1)		
End of year	250	196	156		

NET SALES Net sales for the fourth quarter of 1999 increased 21% to $367.9 million from $304.6 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, a catalogue/magazine, and the Company's website accounted for 3.4% of net sales in the fourth quarter of 1999 as compared to 2.0 % last year.

Fourth quarter 1998 net sales as compared to net sales for the fourth quarter 1997 increased 44% to $304.6 million, due to a 26% increase in comparable store sales and sales attributable to new and remodeled stores. Comparable store sales increases were strong in both the men's and women's businesses and across all geographic regions of the country. The A&F Quarterly accounted for 2.0% of net sales in the fourth quarter of 1998 as compared to 1.7% in 1997.

Net sales for 1999 increased 28% to $1.04 billion from $815.8 million a year ago. 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 website represented 2.6% of 1999 net sales compared to 1.8% last year.

Net sales for 1998 increased 56% to $815.8 million over the same period in 1997. The sales increase was attributable to the net addition of 40 stores and a 35% comparable store sales increase. Comparable store sales increases were equally strong in both men's and women's businesses and their performance strength was broadly based across all major merchandise categories. Net retail sales per gross square foot for the Company increased 28%, driven principally by an increase in the number of transactions per store.

GROSS INCOME Gross income, expressed as a percentage of net sales, increased to 51.9% for the fourth quarter of 1999 from 49.3% for the same period in 1998. The increase was attributable to higher merchandise margins (representing gross income before the deduction of buying and occupancy costs), resulting from higher initial markups (IMU), and improved control of store inventory shrinkage and merchandise freight costs. The Company also achieved some leverage in buying and occupancy costs, expressed as a percentage of net sales.

For the fourth quarter of 1998, gross income, expressed as a percentage of net sales, increased to 49.3% from 45.4% for the same period in 1997. The increase was attributable to significant leverage in buying and occupancy costs, expressed as a percentage of net sales associated with increased comparable store sales. Merchandise margins improved primarily due to a lower markdown rate as the Company efficiently managed inventories.

For the year, the gross income rate increased to 44.7% in 1999 from 42.2% 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.

In 1998, the gross income rate increased to 42.2% from 38.5% in 1997. The improvement was the result of higher merchandise margins, expressed as a percentage of net sales due to higher IMU across most major merchandise categories and a lower markdown rate. In addition, buying and occupancy costs, expressed as a percentage of net sales, declined due to leverage achieved from comparable store sales increases.

Abercrombie & Fitch Co.

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 1999 and 16.9% in the comparable period in 1998. The increase in the rate was primarily due to a change in the accounting for gift certificates. Excluding the impact of the accounting change, the rate would have improved compared to last year primarily due to lower compensation expenses related to management bonuses and restricted stock 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 21.4%, 21.7% and 22.4% in 1999, 1998 and 1997. The improvement during the three-year period resulted from management's continued emphasis on expense control and favorable leveraging of expenses due to higher sales volume. The 1998 improvement was offset by compensation expense associated with restricted stock grants of approximately $11.5 million.

OPERATING INCOME Operating income, expressed as a percentage of net sales, was 34.1%, 32.4% and 27.9% for the fourth quarter of 1999, 1998 and 1997 and 23.2%, 20.5% and 16.1% for fiscal years 1999, 1998 and 1997. 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 have increased at a faster rate than general, administrative and store operating expenses as the Company continues to emphasize cost controls.

INTEREST INCOME/EXPENSE Net interest income was $2.5 million in the fourth quarter of 1999 and $7.3 million for all of 1999 compared with net interest income of $1.6 million and $3.1 million for the corresponding periods last year. Net interest income in 1999 and 1998 was primarily from short-term investments. Net interest expense in 1997 included $975 thousand per quarter associated with $50 million of long-term debt that was repaid during the first quarter of 1998, offset by interest income on short-term investments.

FINANCIAL CONDITION The Company's continuing growth in operating 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):

	1999	1998	1997
Working capital	$162,351	$ 95,890	$ 42,000
Capitalization:			
Long-term debt	–	–	$ 50,000
Shareholders' equity	$311,094	$186,105	58,775
Total capitalization	$311,094	$186,105	$108,775

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

	1999	1998	1997
Current ratio (current assets divided by current liabilities)	2.18	1.78	1.63
Debt-to-capitalization ratio (long-term debt divided by total capitalization)	n/a	n/a	46%
Cash flow to capital investment (net cash provided by operating activities divided by capital expenditures)	183%	413%	340%

n/a=not applicable

Net cash provided by operating activities totaled $153.8 million, $173.1 million and $100.2 million for 1999, 1998 and 1997.

In 1999, net cash provided by operating activities was largely due to current year net income. Cash requirements for inventory increased $31.3 million during 1999. The increase in inventory was necessary to support the growth in sales as well as increased investment in non-seasonal "locker stock" items (primarily tee shirts). The inventory increase also reflects the early delivery of a portion of Spring receipts to reduce the potential risk related to Year 2000 issues. Accounts payable and accrued expenses increased primarily due to the increase in the liability for the estimated costs to complete the construction of new stores and the change in the accounting for gift certificates (as described in Note 14 to the Consolidated Financial Statements).

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

Investing activities were for capital expenditures, which are primarily for new and remodeled stores, and for purchases of short-term marketable securities.

Financing activities in 1999 consisted of the repurchase of 1.5 million shares of the Company's Class A Common Stock pursuant to a previously authorized stock repurchase program.

On February 14, 2000, the Board of Directors authorized the repurchase of up to 6.0 million shares of the Company's Class A Common Stock for general corporate purposes.

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, the Company also repurchased 490 thousand shares of Class A Common Stock.

CAPITAL EXPENDITURES Capital expenditures, primarily for new and remodeled stores, amounted to $83.8 million, $41.9 million and $29.5 million for 1999, 1998 and 1997.

During the year, the Company opened 32 Abercrombie & Fitch stores and 22 abercrombie stores.

The Company anticipates spending $150 to $160 million in 2000 for capital expenditures, of which $60 to $70 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 a new office and distribution center which is expected to be completed in early 2001. During 1999, the Company spent approximately $27 million on the new home office and distribution center. The Company intends to add approximately 560,000 gross square feet in 2000, which will represent a 26% increase over year-end 1999. It is anticipated the increase will result from the addition of approximately 45 new Abercrombie & Fitch stores, 40 abercrombie stores and the remodeling and/or expansion of four stores. Additionally, the Company plans to open five new concept stores in 2000.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for Abercrombie & Fitch stores opened in 2000 will approximate $650,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately $300,000 per store.

The average size of the abercrombie stores is approximately 4,400 gross square feet and the average cost for leasehold improvements and furniture and fixtures will be approximately $450,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately $150,000 per store.

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.

INFORMATION SYSTEMS AND "YEAR 2000" COMPLIANCE The Year 2000 issue arose primarily from computer programs which only have a two-digit date field, rather than four, to define the applicable year of business transactions. Because such computer programs are unable to properly interpret dates beyond the year 1999, a systems failure or other computer errors could have ensued. The Company relies on computer-based technology and utilizes a variety of proprietary and third party hardware and software. The Company's critical information technology (IT) functions include point-of-sale equipment, merchandise and non-merchandise procurement and business and accounting management. The Company also procures its merchandise, supplies and certain services from a vast network of vendors located both within and outside the United States.

At the present time, the Company has not experienced, nor is it aware of any Year 2000 issues that might materially affect its products, services, competitive position or financial performance. At July 31, 1999, the Company had incurred substantially all expenses relating to the Year 2000 issue, consisting of internal staff costs as well as outside consulting and other expenditures. Total expenditures related to remediation, testing, conversion, replacement and upgrading system applications were approximately $4.0 million. Of the total, approximately $1.0 million were expenses associated with remediation and testing of existing systems. In 1999 and 1998, a significant amount of total internal staff resources were directed toward Year 2000 projects. Subsequent to the completion of Year 2000 remediation of existing systems and implementation of new systems, internal resources and costs have not changed significantly but have been redirected from Year 2000 projects to other Company initiatives.

RELATIONSHIP WITH THE LIMITED Effective May 19, 1998, The Limited completed a tax-free exchange offer to establish the Company as an independent company. Subsequent to the Exchange Offer (see Note 1 to the Consolidated Financial Statements), the Company and The Limited entered into various service agreements for terms ranging from one to three years. The Company has hired associates with the appropriate expertise or contracted with outside parties to replace those services provided by The Limited 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. These agreements expire in May 2001. The cost of these services generally is equal to the costs and expenses incurred by The Limited plus five percent of such amounts.

The Company does not anticipate that costs associated with the services provided by The Limited, which expire in May 2001, or costs incurred to replace the services currently provided by The Limited will have a material adverse impact on its financial condition.

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 The Company cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Report or made by management of the Company 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 could cause actual results for 2000 and beyond to differ materially from those expressed or implied in any such forward-looking statements: 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.

Abercrombie & Fitch Co.

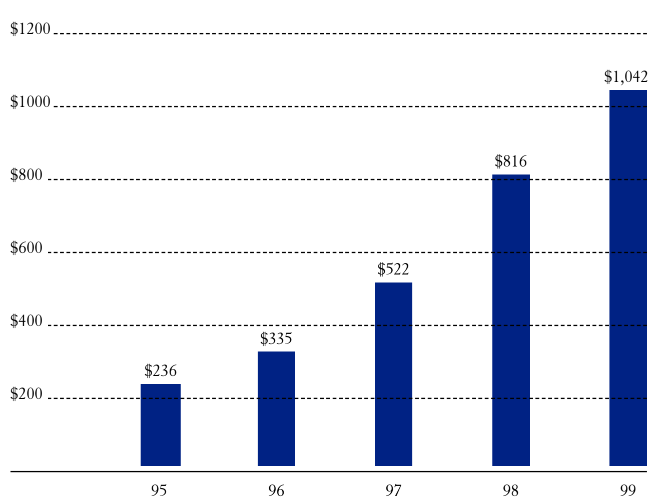
Abercrombie & Fitch Co.

CONSOLIDATED STATEMENTS OF INCOME

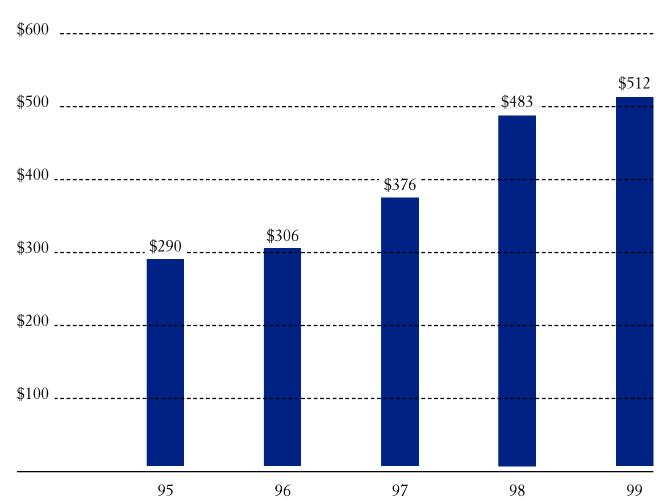
(Thousands except per share amounts)	1999	1998	1997
Net Sales	$1,042,056	$815,804	$521,617
Cost of Goods Sold, Occupancy and Buying Costs	576,473	471,853	320,537
Gross Income	465,583	343,951	201,080
General, Administrative and Store Operating Expenses	223,519	176,993	116,955
Operating Income	242,064	166,958	84,125
Interest (Income)/ Expense, Net	(7,270)	(3,144)	3,583
Income Before Income Taxes	249,334	170,102	80,542
Provision for Income Taxes	99,730	68,040	32,220
Net Income	$ 149,604	$102,062	$ 48,322
Net Income Per Share:			
Basic	$ 1.45	$ .99	$ .47
Diluted	$ 1.39	$ .96	$ .47

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

Net Sales ($ in Millions)



Sales per Gross Square Foot



Abercrombie & Fitch Co.

CONSOLIDATED BALANCE SHEETS

(Thousands)	January 29, 2000	January 30, 1999
Assets		
Current Assets		
Cash and Equivalents	$147,908	$163,564
Marketable Securities	45,601	–
Accounts Receivable	11,447	4,101
Inventories	75,262	43,992
Other	19,999	6,578
Total Current Assets	300,217	218,235
Property and Equipment, Net	146,403	89,558
Deferred Income Taxes	11,060	10,854
Other Assets	486	631
Total Assets	$458,166	$319,278
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts Payable	$ 18,714	$ 24,759
Accrued Expenses	85,373	63,882
Income Taxes Payable	33,779	33,704
Total Current Liabilities	137,866	122,345
Other Long-Term Liabilities	9,206	10,828
Shareholders' Equity		
Common Stock	1,033	1,033
Paid-In Capital	147,305	143,626
Retained Earnings	192,735	43,131
	341,073	187,790
Less: Treasury Stock, at Average Cost	(29,979)	(1,685)
Total Shareholders' Equity	311,094	186,105
Total Liabilities and Shareholders' Equity	$458,166	$319,278

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

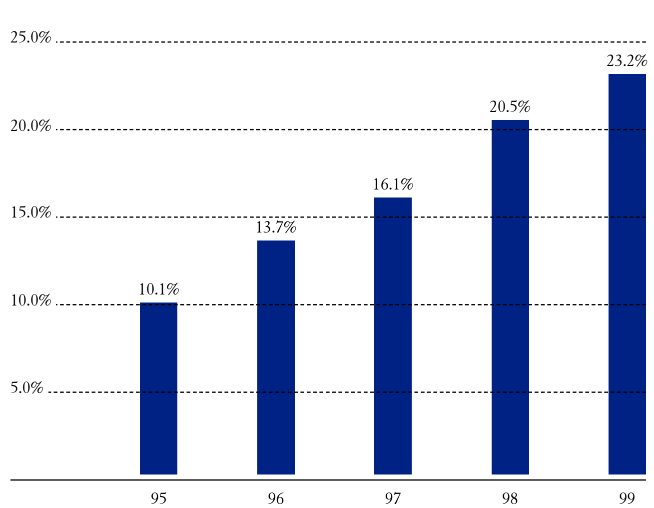
Abercrombie & Fitch Co.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

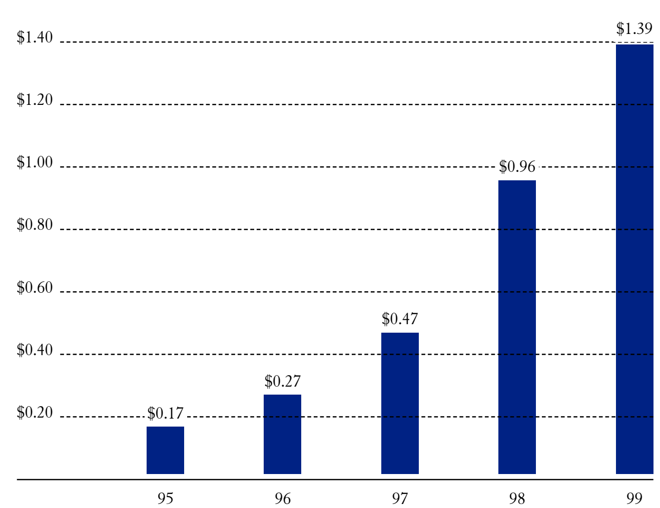
(Thousands)	Common Stock: Shares Outstanding	Common Stock: Par Value	Paid-In Capital	Retained Earnings (Deficit)	Treasury Stock, at Average Cost	Total Shareholders' Equity
Balance, February 1, 1997	102,100	$1,022	$117,469	$(107,253)	–	$ 11,238
Purchase of Treasury Stock	(100)	–	–	–	$ (929)	(929)
Net Income	–	–	–	48,322	–	48,322
Stock Options, Restricted Stock and Other	18	–	(8)	–	152	144
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
Stock Options, Restricted Stock and Other	86	–	295	–	10,332	10,627
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
Stock Options, Restricted Stock and Other	700	–	3,679	–	22,562	26,241
Balance, January 29, 2000	102,004	$1,033	$147,305	$ 192,735	$(29,979)	$ 311,094

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

Operating Income (%)



Earning Per Diluted Share



Abercrombie & Fitch Co.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)	1999	1998	1997
Cash Flows from Operating Activities			
Net Income	$149,604	$102,062	$ 48,322
Impact of Other Operating Activities on Cash Flows			
Depreciation and Amortization	27,721	20,946	16,342
Non Cash Charge for Deferred Compensation	5,212	11,497	6,219
Change in Assets and Liabilities			
Inventories	(31,270)	(10,065)	1,016
Accounts Payable and Accrued Expenses	15,446	37,530	22,309
Income Taxes	(131)	10,758	4,606
Other Assets and Liabilities	(12,773)	355	1,381
Net Cash Provided by Operating Activities	153,809	173,083	100,195
Investing Activities			
Capital Expenditures	(83,824)	(41,876)	(29,486)
Proceeds from Maturities of Marketable Securities	11,332	–	–
Purchase of Marketable Securities	(56,933)	–	–
Note Receivable	(1,500)	–	–
Net Cash Used for Investing Activities	(130,925)	(41,876)	(29,486)
Financing Activities			
Settlement of Balance with The Limited	–	23,785	–
Decrease in Receivable from The Limited	–	–	(29,202)
Net Proceeds from Issuance of Common Stock	–	25,875	–
Repayment of Long-Term Debt	–	(50,000)	–
Purchase of Treasury Stock	(50,856)	(11,240)	(929)
Other Changes in Shareholders' Equity	12,316	1,270	144
Net Cash Used for Financing Activities	(38,540)	(10,310)	(29,987)
Net Increase/(Decrease) in Cash and Equivalents	(15,656)	120,897	40,722
Cash and Equivalents, Beginning of Year	163,564	42,667	1,945
Cash and Equivalents, End of Year	$147,908	$163,564	$ 42,667

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION Abercrombie & Fitch Co. (the "Company") 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"). 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 the Company'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 the Company 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 the Company was owned by The Limited, until the completion of a tax-free exchange offer (the "Exchange Offer") on May 19, 1998, to establish the Company 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 Abercrombie & Fitch 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 Abercrombie & Fitch shares. Limited shareholders of record at the close of trading on May 29, 1998 received .027346 of a share of Abercrombie & Fitch stock for each Limited share owned at that time.

The accompanying consolidated financial statements include the historical financial statements of, and transactions applicable to the Company 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 the Company 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 years 1999, 1998 and 1997 represent the fifty-two week periods ended January 29, 2000, January 30, 1999 and January 31, 1998.

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 are corporate debt securities which mature within one year and are stated at amortized cost which approximates 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 Company 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 the Company's Class A Common Stock, paid 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 January 29, 2000, there were 150 million shares of $.01 par value Class A Common Stock authorized, of which 102.0 million and 102.8 million shares were outstanding at January 29, 2000 and January 30, 1999 and 106.4 million shares of $.01 par value Class B Common Stock authorized, none of which were outstanding at January 29, 2000 or January 30, 1999. In addition, 15 million shares of $.01 par value Preferred Stock were authorized, none of which have been issued.

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 redemption. Catalogue and e-commerce sales are recorded upon shipment of merchandise.

In the fourth quarter of 1999, the Company changed its accounting for gift certificates. Under the new method, the Company establishes a liability upon the sale of a gift certificate. The liability is reduced when the gift certificate is redeemed and the customer takes possession of the merchandise. The information in Note 14 provides the impact of the accounting change for the first three quarters of 1999. The accounting change was not material to prior year results.

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 $30.3 million in 1999, $24.9 million in 1998 and $13.7 million in 1997.

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 accounts receivable, marketable securities and accounts payable, approximate fair value due to the short maturity and because the average interest rate approximates current market origination rates.

Abercrombie & Fitch Co.

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. The common stock issued to The Limited (43 million Class B shares) in connection with the incorporation of the Company is assumed to have been outstanding for 1997.

Weighted Average Shares Outstanding (thousands):

	1999	1998	1997
Shares of common stock issued	103,300	103,300	102,100
Treasury shares	(429)	(216)	(78)
Basic shares	102,871	103,084	102,022
Dilutive effect of options and restricted shares	4,770	3,118	934
Diluted shares	107,641	106,202	102,956

Options to purchase 5,690,000 and 456,000 shares of Class A Common Stock were outstanding at year-end 1999 and 1997 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.

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

	1999	1998
Land	$ 14,007	–
Furniture, fixtures and equipment	158,753	$126,091
Beneficial leaseholds	7,349	7,349
Leasehold improvements	19,572	16,450
Construction in progress	26,100	2,728
Total	$225,781	$152,618
Less: accumulated depreciation and amortization	79,378	63,060
Property and equipment, net	$146,403	$ 89,558

4. 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 and 1997 included charges from The Limited and its subsidiaries for space under formal agreements that approximate market rates. A summary of rent expense follows (thousands):

	1999	1998	1997
Store rent:			
Fixed minimum	$51,086	$42,774	$34,402
Contingent	8,246	6,382	2,138
Total store rent	$59,332	$49,156	$36,540
Buildings, equipment and other	2,574	1,814	1,400
Total rent expense	$61,906	$50,970	$37,940

At January 29, 2000, the Company was committed to noncancelable leases with remaining terms of one to fifteen 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):

2000	$62,765	2003	$ 62,377
2001	63,991	2004	61,706
2002	63,646	Thereafter	205,857

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

	1999	1998
Rent and landlord charges	$15,282	$13,368
Estimated cost to complete store construction	14,840	4,393
Compensation and benefits	11,588	9,800
Deferred revenue	8,482	–
Catalogue and advertising costs	7,005	8,701
Taxes, other than income	4,507	3,634
Other	23,669	23,986
Total	$85,373	$63,882

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

	1999	1998	1997
Currently payable:			
Federal	$ 84,335	$65,778	$29,040
State	20,251	14,809	6,450
	$104,586	$80,587	$35,490
Deferred:			
Federal	(3,885)	(10,038)	(2,620)
State	(971)	(2,509)	(650)
	$ (4,856)	$(12,547)	$ (3,270)
Total provision	$ 99,730	$68,040	$32,220

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

	1999	1998	1997
Federal income tax rate	35.0%	35.0%	35.0%
State income tax, net of Federal income tax effect	4.6%	4.7%	4.7%
Other items, net	0.4%	0.3%	0.3%
Total	40.0%	40.0%	40.0%

Income taxes payable included net current deferred tax assets of $14.2 million and $9.5 million at January 29, 2000 and January 30, 1999.

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 $9.1 million, $27.4 million and $27.6 million in 1999, 1998 and 1997. Amounts paid directly to taxing authorities were $81.1 million and $31.7 million in 1999 and 1998.

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

	1999	1998
Deferred compensation	$ 9,333	$ 9,228
Property and equipment	1,478	1,849
Rent	2,565	2,341
Accrued expenses	10,230	4,008
Inventory	1,650	2,093
Other, net	–	882
Total deferred income taxes	$25,256	$20,401

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.

7. 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 .275% 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 and 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 January 29, 2000 and January 30, 1999.

During the first quarter of 1998, the Company repaid a $50 million long-term note owed to The Limited with $24,125,000 in cash and by issuing 1.2 million shares of Class A Common Stock at a price of $21.563 per share.

8. 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, the Company negotiated arms-length terms with the merchandise and service suppliers that are Limited subsidiaries. The Company and The Limited also entered into various service agreements for terms ranging from one to three years. The Company has 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. These agreements expire in May 2001. The cost of these services generally is equal to The Limited's cost in providing the relevant services plus five percent of such costs.

For the periods prior to the Exchange Offer, the Company 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 the years prior to the Exchange Offer. Fiscal year 1998 reflects activity through the completion of the Exchange Offer.

(Thousands)	1998	1997
Mast and Gryphon purchases	$20,176	$89,892
Capital expenditures	3,199	27,012
Inbound and outbound transportation	2,280	5,524
Corporate charges	2,671	6,857
Store leases and other occupancy, net	561	1,184
Distribution center, IT and home office expenses	2,217	3,102
Centrally managed benefits	1,524	3,596
Interest charges, net	4	3,583
	$32,632	$140,750

The Company does not anticipate that costs associated with the remaining services provided by The Limited under agreements which expire in May 2001 or costs incurred to replace the services currently provided by The Limited will have a material adverse impact on its financial condition.

In November 1999, the Company loaned the amount of $1.5 million to its Chairman of the Board, a major shareholder of the Company, pursuant to the terms of a promissory note, which provides that such amount is due and payable May 31, 2000 together with interest at the rate of 6.5% per annum.

Shahid & Company, Inc. has provided advertising and design services for the Company since 1995. Sam N. Shahid Jr., who serves on the Board of Directors for the Company, has been President and Creative Director of Shahid & Company, Inc. since 1993. Fees paid to Shahid & Company, Inc. for services provided during fiscal years 1999 and 1998 were approximately $1.4 million and $1.2 million respectively.

9. STOCK OPTIONS AND RESTRICTED SHARES Under the Company'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 the Company's common stock at the market price on the date of grant. In 1999, associates of the Company were granted approximately 5.8 million options, with vesting periods ranging from four to seven years. A total of 36,000 options were granted to non-associate directors in 1999, 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 1999, 1998 and 1997, 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 $18.5 million or $.17 per share in 1999, $6.1 million or $.06 per share in 1998 and $1.7 million or $.02 per share in 1997. The weighted-average fair value of all options granted during fiscal 1999, 1998 and 1997 was $23.34, $9.89 and $4.25. The fair value of each option was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions for 1999, 1998 and 1997: no expected dividends, price volatility of 45% in 1999, 40% in 1998 and 35% in 1997, risk-free interest rates of 6.0%, 5.5% and 6.0% in 1999, 1998 and 1997, respectively, assumed forfeiture rates of 10% and expected lives of 6.5 years in 1999, 5 years in 1998 and 6.5 years in 1997.

The pro forma effect on net income for 1999, 1998 and 1997 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 Company's initial public offering.

Stock Options Outstanding at January 29, 2000

	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-$22	4,842,000	7.6	$12.63		549,000	$ 9.67
$23-$37	2,793,000	8.7	$25.96		7,000	$24.16
$38-$52	5,174,000	9.4	$43.55		–	–
$8-$52	12,809,000	8.6	$28.03		556,000	$ 9.85

A summary of option activity for 1997, 1998 and 1999 follows:

Stock Option Activity

	Number of Shares	Weighted Average Option Price
1997		
Outstanding at beginning of year	480,000	$8.00
Granted	3,338,000	9.02
Exercised	(8,000)	8.00
Canceled	(42,000)	8.00
Outstanding at end of year	3,768,000	$8.91
Options exercisable at year-end	70,000	$8.00
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

A total of 140,000 restricted shares were granted in 1999, with a total market value at grant date of $5.4 million. In 1998 and 1997, a total of 140,000 and 1,094,000 restricted shares were granted, with a total market value at grant date of $2.7 million and $8.7 million. 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 $5.2 million, $11.5 million and $6.2 million in 1999, 1998 and 1997. Long-term liabilities at fiscal year-end 1998 included $8.7 million of compensation expense relating to restricted shares.

10. RETIREMENT BENEFITS The Company participates in a qualified defined contribution retirement plan and a nonqualified 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 $1.4 million in 1999, $760 thousand in 1998 and $558 thousand in 1997.

11. 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.

12. PREFERRED STOCK PURCHASE RIGHTS On July 16, 1998, the Company'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 the Company. 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 the Company's outstanding shares of Common Stock and become an "Aquiring Person" (Share Acquisition Date) or 10 business days (or such later date as the Board shall determine before any person has become an Aquiring Person) after commencement of a tender or exchange offer which would result in a person or group beneficially owning 20% or more of the Company's outstanding Common Stock. The Rights are not exercisable until the Distribution Date.

In the event that any person becomes an Aquiring Person, each holder of a Right (other than the Aquiring 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 Aquiring Person (but before any person becomes the beneficial owner of 50% or more of the outstanding shares), the Company's Board of Directors may exchange all or part of the Rights (other than Rights beneficially owned by an Aquiring 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, the Company is acquired in a merger or other business combination transaction in which the Company is not the surviving corporation, the Common Stock is exchanged for other securities or assets, or 50% or more of the Company'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 the Company at a price of $.01 per Right at any time before a person becomes an Acquiring Person.

Rights holders have no rights as a stockholder of the Company, including the right to vote and to receive dividends.

13. SUBSEQUENT EVENT (UNAUDITED) In March 2000, the Company loaned the amount of $1.5 million to its Chairman of the Board, a major shareholder of the Company, pursuant to the terms of a promissory note, which provides that such amount is due and payable August 28, 2000, together with interest at the rate of 6.5% per annum.

14. QUARTERLY FINANCIAL DATA (UNAUDITED) Summarized quarterly financial results for 1999 and 1998 follow (thousands except per share amounts):

1999 Quarter	First (1)	Second (1)	Third (1)	Fourth
Net sales	$188,294	$198,895	$286,983	$367,884
Gross income	71,904	80,721	121,886	191,072
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

1998 Quarter	First	Second	Third	Fourth
Net sales	$134,230	$147,127	$229,869	$304,578
Gross income	49,211	55,194	89,444	150,102
Net income	6,308	10,598	24,943	60,213
Net income per basic share	$.06	$.10	$.24	$.59
Net income per diluted share	$.06	$.10	$.24	$.56

(1) During the fourth quarter of 1999, the Company changed its accounting for gift certificates. Under the new method, the Company establishes a liability upon the sale of a gift certificate. The liability is reduced when the gift certificate is redeemed and the customer takes possession of the merchandise. The impact of this change is not significant to the prior year results. The change was retroactively applied to the first three quarters of 1999. Net income and net income per diluted share as previously reported were $12,506 and $.12; $18,448 and $.17; and $38,947 and $.36 for the first, second and third quarters of 1999.

MARKET PRICE INFORMATION The following is a summary of the Company's sales price as reported on the New York Stock Exchange ("ANF") for the 1999 and 1998 fiscal years:

	Sales Price	
	High	Low
1999 Fiscal Year		
4th Quarter	$32 9/16	$19 9/16
3rd Quarter	$43 1/4	$21
2nd Quarter	$49 11/16	$36 1/2
1st Quarter	$50 3/4	$35 1/4
1998 Fiscal Year		
4th Quarter	$38 9/16	$20 3/16
3rd Quarter	$27 3/4	$14 3/4
2nd Quarter	$25	$19 11/16
1st Quarter	$23 3/4	$15 5/32

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

The Company 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 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 January 29, 2000, there were approximately 7,000 shareholders of record. However, when including active associates who participate in the Company's stock purchase plan, associates who own shares through Company sponsored retirement plans and others holding shares in broker accounts under street name, the Company estimates the shareholder base at approximately 80,000.

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF ABERCROMBIE & FITCH CO.

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 Co. and its subsidiaries at January 29, 2000 and January 30, 1999, and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 29, 2000 (on pages 18 to 19) 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 15, 2000

Abercrombie & Fitch Co.

CORPORATE INFORMATION

Abercrombie & Fitch
Four Limited Parkway East, Reynoldsburg, Ohio 43068
(614) 577-6500
www.abercrombie.com

ANNUAL MEETING

The Annual Meeting of Shareholders is scheduled for
10:00 A.M., Thursday, May 18, 2000 at Abercrombie & Fitch,
Four Limited Parkway East, Reynoldsburg, Ohio 43068.

STOCK EXCHANGE LISTING

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

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP, Columbus, Ohio 43215.

10-K REPORT

A copy of Form 10-K is available without charge upon written request to
Investor Relations & Corporate Communications,
Abercrombie & Fitch, Four Limited Parkway East, Reynoldsburg, Ohio 43068.

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.

INFORMATION REQUESTS

Please call (614) 577-6500 or write
Investor Relations & Corporate Communications
at the Corporate Offices address listed above.

ABERCROMBIE & FITCH

Initial Public Offering: September 26, 1996
Number of Associates: 11,300
Approximate Shareholder Base: 80,000

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 - Human Resources

DIANE CHANG
Senior Vice President - Sourcing

DAVID L. LEINO
Senior Vice President - Stores

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

BOARD OF DIRECTORS

MICHAEL S. JEFFRIES
Chairman and Chief Executive Officer

GEORGE FOOS
Management Consultant

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

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

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.

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


DESIRE
DRIVE
DETERMINATION
12
ABERCROMBIE
AND FITCH
9
ABERCROMBIE
AND FITCH