



Abercrombie & Fitch

HOLLISTER Co.

abercrombie

RUEHL

Four Iconic Businesses

One “BRAND”



18 – 22

The Abercrombie & Fitch brand personifies the privileged All-American collegiate lifestyle. A timeless juxtaposition of the Ivy League and the great outdoors.



14 – 18

Hollister Co. is based on the spirit and adventure of Southern California. It is passionate, inspired, and always original.



7 – 14

The abercrombie brand portrays the privileged All-American prep school lifestyle. East Coast classic heritage with a fun, spirited, wholesome American attitude.



22 – 35

A history of quality goods mixed with the rich cultural and social history of the Ruehl family in New York creates a vivid background to perpetuate the RUEHL brand.

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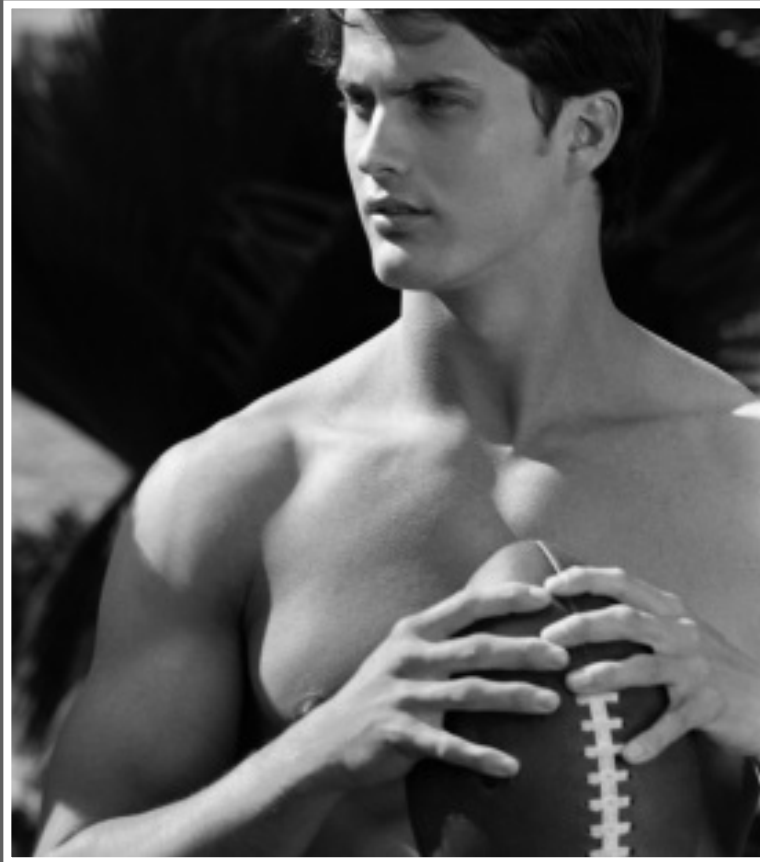
RUEHL

First Quarter Financial Performance



- Net Sales increased 13% to \$742.4 million
- Total direct-to-consumer net sales increased 43%
- Net Retail Sales approximately \$500 per gross square foot trailing twelve months
- Comparable store sales declined 4% for the quarter
- Net Income increased 7% to \$60.1 million

Driving Consistent Bottom-line Results



- Continued focus on building aspirational positioning of the brands
- Investing to drive top-line and incremental investments
- Continued roll-out of existing concepts
- International expansion
- Development of new concept

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Initiatives to Drive Top-Line

- FY 2006 - Invested \$40M in store refresh to existing Abercrombie & Fitch, abercrombie and Hollister Stores
- FY 2007 - Plan to invest \$60M as follows:
 - \$40M upgrade projects include new floors, sound systems and fixtures
 - \$10M to add louvers and new signage
 - \$10M to add video walls to Hollister
 - During Q1 upgraded 40 of 160 stores slated for 2007 upgrade projects – on track



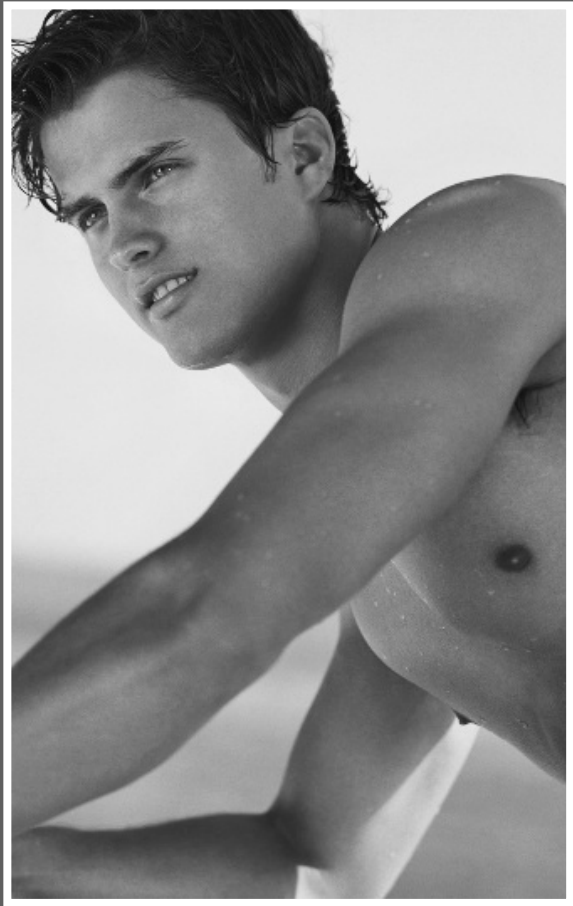
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Initiatives to Drive Top-Line



- Home Office Infrastructure
 - Opened new distribution center (DC2) on campus; accommodates additional 800 new stores
- Innovative Design Center (IDC)
 - Dedicated team uses more than 100 wash, quality assurance, lab and graphics machines
 - Produce design packages – “recipes” for vendor production (saves time and expense in the development process)

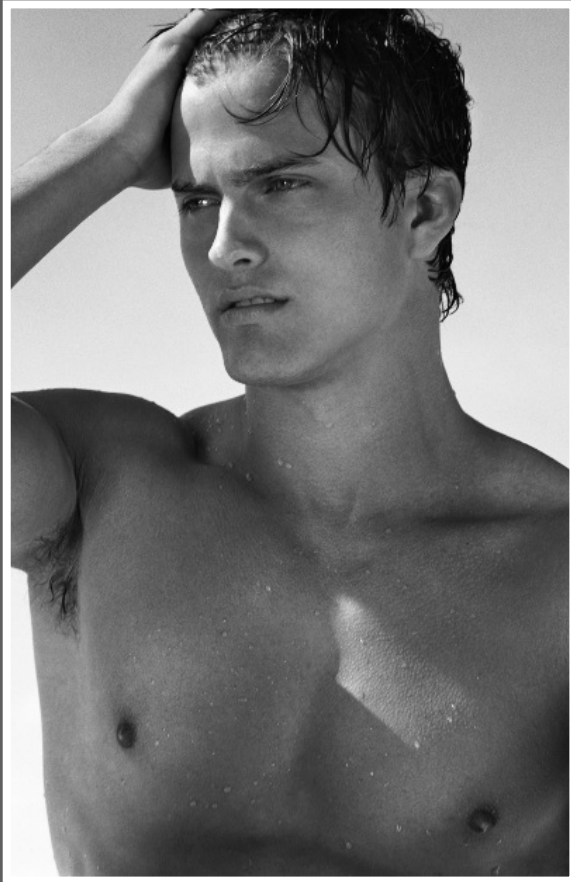
Initiatives to Drive Bottom-Line: Improve Productivity and Drive Efficiencies

- 1) FY 2007 - approximately \$40 million budgeted for IT investment
- 2) Currently implementing Core Retail Merchandising System
 - Intended to deliver streamlined functionality and better data access
 - Spend less time maintaining systems; more time being creative
- 3) Additional initiatives include: store systems, logistics systems, allocation, planning and forecasting



Strategies for Growth

Continued Store Growth Across All Brands



	Q1 FY 2007	US Potential
Abercrombie & Fitch	355	400
abercrombie	180	275
HOLLISTER Co.	396	800
RUEHL	16	250
<i>Fifth Concept</i>	0	+
	947	1,725+

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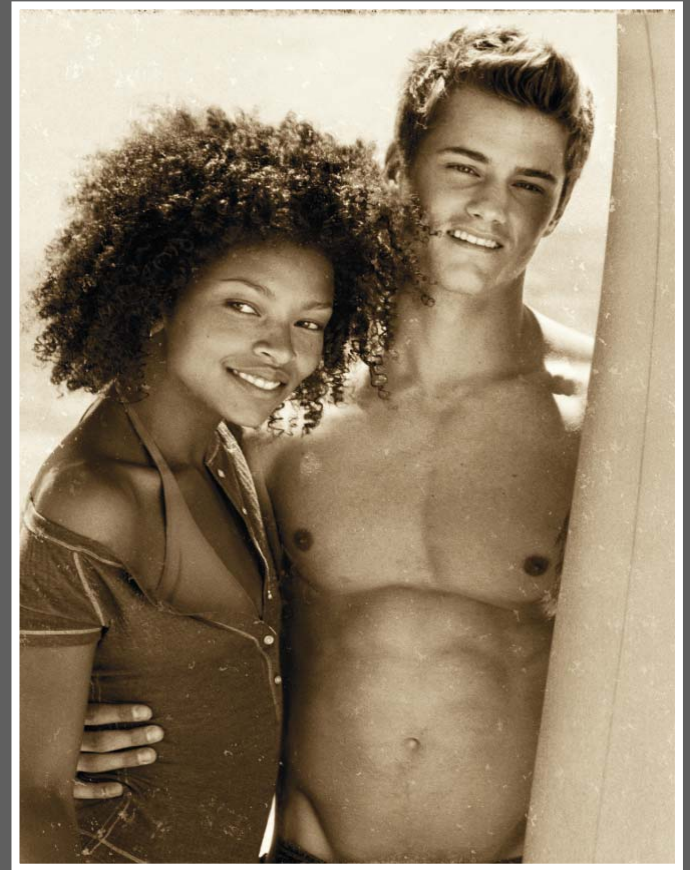
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International - Canada

- Three Abercrombie & Fitch and three Hollister stores operating in Toronto and Edmonton
- The six stores generate approx. 3 times more sales per sq. ft. and 4-wall profit of the avg. US store
- Currently assessing additional opportunities in Vancouver, Calgary, and Ottawa
- Planning to roll out the kids business, abercrombie, with two stores planned to open in 2008 in Toronto at the Eaton Centre and Sherway Gardens



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International – United Kingdom



- London flagship opened March 22, 2007
- Initial performance exceeding expectations from a sales per foot and four-wall margin basis
- Tracking to generate higher sales per selling foot and four-wall profit margin than Fifth Avenue Flagship
- London Flagship opening boosted brand awareness; A&F UK web business increased 100% and abercrombie, the kids business, increased 285% during the first quarter versus last year

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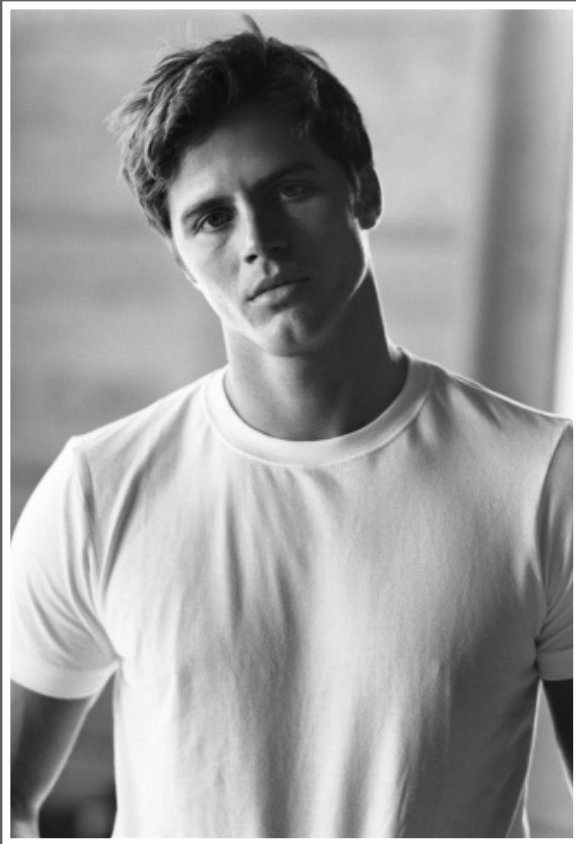
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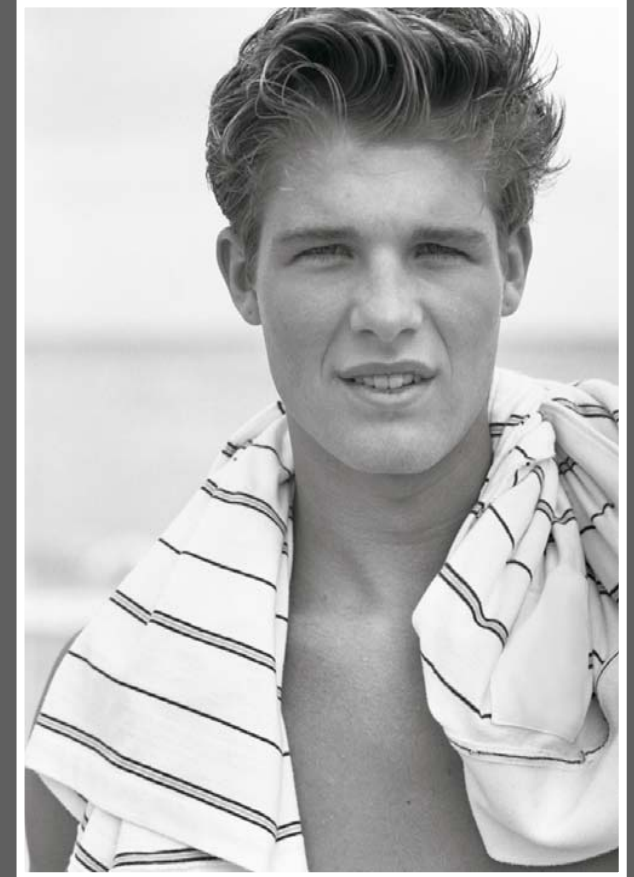
Improving Four-Wall Performance



- Average store generated over \$3.2M in sales in 2006
- Transactions per store increased 16% in Q1
- Targeting gross margin parity and profitability by FYE 2007
- New prototype: 7,200 square feet versus initial prototype of 9,500 square feet, one level versus initial prototype of two levels
- Adjustment makes it easier to secure prime real estate locations and reduce construction costs
- New stores include prime real estate (Fashion Show in Las Vegas and Natick Mall in Boston)

New Concept

- Introduce Fifth Concept in January 2008
- Seven new stores in Spring 2008
- Assembled strong and talented development team
- Business has been in development phase for two years
- Invested \$7.5 M in 2006
- Investing \$12M - \$15M in 2007
- Very excited about the business; great potential



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