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ABERCROMBIE & FITCH CO /DE/
Form 10-Q/A
April 12, 2005

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

FORM 10-Q/A
(AMENDMENT NO. 1)

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

For the quarterly period ended October 30, 2004

OR

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

For the transition period from _____ to _____

Commission file number 1-12107

ABERCROMBIE & FITCH CO.

(Exact name of registrant as specified in its charter)

Delaware

31-1469076

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

6301 Fitch Path, New Albany, OH

43054

(Address of principal executive offices)

(Zip Code)

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

Not Applicable

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

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

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

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

Class A Common Stock

Outstanding at December 3, 2004

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\$.01 Par Value

87,149,083 Shares

EXPLANATORY NOTE

This Amendment No. 1 to this Quarterly Report on Form 10-Q/A ("Form 10-Q/A") is being filed in order to correct the previously issued condensed consolidated financial statements of Abercrombie & Fitch Co. (the "Company") for the quarterly period ended October 30, 2004, initially filed with the Securities and Exchange Commission (the "SEC") on December 9, 2004 (the "Original Filing"). The corrections are to properly account for landlord construction allowances in accordance with Statement of Financial Accounting Standards No.13, "Accounting for Leases" and Financial Accounting Standards Board Technical Bulletin No. 88-1, "Issues Relating to Accounting for Leases"; and rent holidays in accordance with Financial Accounting Standards Board Technical Bulletin No. 85-3, "Accounting for Operating Leases with Scheduled Rent Increases." See Note 2: "Restatement and Reclassification of Financial Statements" under Notes to Condensed Consolidated Financial Statements included in Item 1, "Financial Statements" of this Form 10-Q/A for additional discussion and a summary of the effect of these changes on the Company's condensed consolidated financial statements as of October 30, 2004 and January 31, 2004 and for the interim periods ended October 30, 2004 and November 1, 2003.

This Form 10-Q/A amends and restates only Items 1, 2 and 4 of Part I and Item 6 of Part II of the Original Filing to reflect the effects of this restatement of our financial statements for the period presented or as deemed necessary in connection with the completion of restated financial statements. The remaining Items contained within this Amendment No. 1 on Form 10-Q/A consist of all other Items originally contained on Form 10-Q for the fiscal quarter ended October 30, 2004. These remaining Items are not amended hereby, but are included for the convenience of the reader. Except for the forgoing amended information, this Form 10-Q/A continues to describe conditions as of the date of the Original Filing, and we have not updated the disclosures contained herein to reflect events that occurred at a later date.

In connection with the preparation of this Form 10-Q/A, the Company concluded that it was appropriate to classify our investments in auction rate securities as marketable securities. Previously, such investments had been classified as cash and equivalents. Accordingly, we have revised the classification to report these investments as marketable securities on the consolidated balance sheets as of October 30, 2004 and January 31, 2004. The Company has also made corresponding adjustments to the consolidated statements of cash flows for the thirty-nine weeks ended October 30, 2004 and November 1, 2003, to reflect the gross purchases and sales of these investments as investing activities rather than as a component of cash and equivalents. See Note 2: "Restatement and Reclassification of Financial Statements" under Notes to Condensed Consolidated Financial Statements included in Item 1, "Financial Statements" of this Form 10-Q/A for additional discussion on the effects of the change in classification.

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ABERCROMBIE & FITCH CO.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ABERCROMBIE & FITCH

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Thousands except per share amounts)

(Unaudited)

| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
|-----------|------------------------|---------------------|-------------------------|---------------------|
| | October 30, 2004 | November 1, 2003 | October 30, 2004 | November 1, 2003 |
| | (Restated, See Note 2) | | | |
| NET SALES | \$ 520,724 | \$ 444,979 | \$ 1,333,999 | \$ 1,147,421 |

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| | | | | |
|---|-----------|-----------|------------|------------|
| Cost of Goods Sold, Occupancy and Buying Costs | 294,187 | 261,986 | 760,830 | 692,000 |
| GROSS INCOME | 226,537 | 182,993 | 573,169 | 455,421 |
| General, Administrative and Store Operating Expenses | 164,559 | 102,415 | 395,709 | 279,030 |
| OPERATING INCOME | 61,978 | 80,578 | 177,460 | 176,391 |
| Interest Income, Net | (1,574) | (757) | (3,919) | (2,610) |
| INCOME BEFORE INCOME TAXES | 63,552 | 81,335 | 181,379 | 179,001 |
| Provision for Income Taxes | 23,641 | 31,401 | 69,263 | 68,754 |
| NET INCOME | \$ 39,911 | \$ 49,934 | \$ 112,116 | \$ 110,247 |
| NET INCOME PER SHARE: | | | | |
| BASIC | \$ 0.43 | \$ 0.52 | \$ 1.19 | \$ 1.14 |
| DILUTED | \$ 0.42 | \$ 0.50 | \$ 1.16 | \$ 1.10 |
| WEIGHTED-AVERAGE SHARES OUTSTANDING: | | | | |
| BASIC | 93,449 | 96,407 | 94,490 | 97,076 |
| DILUTED | 95,351 | 99,102 | 96,522 | 100,095 |
| DIVIDENDS PER SHARE | \$ 0.13 | \$ 0.00 | \$ 0.50 | \$ 0.00 |

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

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ABERCROMBIE & FITCH

CONDENSED CONSOLIDATED BALANCE SHEETS

(Thousands)

(Unaudited)

October 30, January 31,
2004 2004

(Restated, See Note 2)

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ASSETS

CURRENT ASSETS:

| | | |
|-----------------------------|--------------|--------------|
| Cash and Equivalents | \$ 74,591 | \$ 56,373 |
| Marketable Securities | 368,815 | 464,700 |
| Receivables | 20,027 | 7,197 |
| Inventories | 209,002 | 170,703 |
| Store Supplies | 35,432 | 29,993 |
| Other | 28,531 | 23,689 |
| | ----- | ----- |
| TOTAL CURRENT ASSETS | 736,398 | 752,655 |
| PROPERTY AND EQUIPMENT, NET | 684,784 | 630,022 |
| OTHER ASSETS | 7,840 | 552 |
| | ----- | ----- |
| TOTAL ASSETS | \$ 1,429,022 | \$ 1,383,229 |
| | ===== | ===== |

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

| | | |
|--|--------------|--------------|
| Accounts Payable & Outstanding Checks | \$ 138,740 | \$ 91,364 |
| Accrued Expenses | 227,722 | 163,389 |
| Deferred Lease Credits | 30,939 | 26,627 |
| Income Taxes Payable | 13,756 | 29,692 |
| | ----- | ----- |
| TOTAL CURRENT LIABILITIES | 411,157 | 311,072 |
| DEFERRED INCOME TAXES | 42,638 | 31,236 |
| LONG-TERM DEFERRED LEASE CREDITS | 165,626 | 154,768 |
| OTHER LONG-TERM LIABILITIES | 32,135 | 28,388 |
| SHAREHOLDERS' EQUITY: | | |
| Class A Common Stock - \$.01 par value: | | |
| 150,000,000 shares authorized and | | |
| 103,300,000 shares issued at October | | |
| 30, 2004 and January 31, 2004, | | |
| respectively | 1,033 | 1,033 |
| Paid-In Capital | 141,656 | 139,139 |
| Retained Earnings | 971,336 | 906,085 |
| | ----- | ----- |
| | 1,114,025 | 1,046,257 |
| Less: Treasury Stock, at Average Cost, | | |
| 12,744,016 and 8,692,501 shares at | | |
| October 30, 2004 and January 31, 2004, | | |
| respectively | (336,559) | (188,492) |
| | ----- | ----- |
| TOTAL SHAREHOLDERS' EQUITY | 777,466 | 857,765 |
| | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 1,429,022 | \$ 1,383,229 |
| | ===== | ===== |

The accompanying notes are an integral part of these condensed consolidated

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financial statements.

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ABERCROMBIE & FITCH

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)

(Unaudited)

| | Thirty-Nine Weeks Ended | |
|---|-------------------------|---------------------|
| | October 30, 2004 | November 1, 2003 |
| | (Restated, | See Noted) |
| OPERATING ACTIVITIES: | | |
| Net Income | \$ 112,116 | \$ 110,247 |
| Impact of Other Operating Activities on Cash Flows: | | |
| Depreciation and Amortization | 76,989 | 64,480 |
| Amortization of Deferred Lease Credits | (22,546) | (18,095) |
| Loss on Retirement of Property and Equipment | 2,553 | - |
| Non-cash Charge for Deferred Compensation | 7,670 | 4,083 |
| Deferred Taxes | (9,983) | 11,731 |
| Lessor Construction Allowances | 35,028 | 36,122 |
| Changes in Assets and Liabilities: | | |
| Inventories | (31,147) | (49,875) |
| Accounts Payable and Accrued Expenses | 91,689 | 22,043 |
| Income Taxes | 17,285 | (7,340) |
| Other Assets and Liabilities | (24,492) | 167 |
| | ----- | ----- |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 255,162 | 173,563 |
| | ----- | ----- |
| INVESTING ACTIVITIES: | | |
| Capital Expenditures Including Capital Lease Obligations | (141,071) | (119,753) |
| Purchases of Marketable Securities | (3,630,880) | (2,731,842) |
| Proceeds from Sale of Marketable Securities | 3,726,765 | 2,776,096 |
| | ----- | ----- |
| NET CASH USED FOR INVESTING ACTIVITIES | (45,186) | (75,499) |
| | ----- | ----- |
| FINANCING ACTIVITIES: | | |
| Change in Cash Overdraft | 8,518 | (1,686) |
| Stock Option Exercises and Other | 33,162 | 18,162 |
| Purchases of Treasury Stock | (197,892) | (68,746) |
| Dividends Paid | (35,546) | - |
| | ----- | ----- |

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| | | |
|--|---------------|---------------|
| NET CASH USED FOR FINANCING ACTIVITIES | (191,758) | (52,270) |
| | ----- | ----- |
| NET INCREASE IN CASH AND EQUIVALENTS | 18,218 | 45,794 |
| Cash and Equivalents, Beginning of Year | 56,373 | 43,355 |
| | ----- | ----- |
| CASH AND EQUIVALENTS, END OF PERIOD | \$ 74,591 | \$ 89,149 |
| | ===== | ===== |
| SIGNIFICANT NON-CASH INVESTING ACTIVITIES: | | |
| Change in Accrual for Construction in Progress | (\$ 7,295) | \$ 24,921 |
| | ===== | ===== |
| SIGNIFICANT NON-CASH FINANCING ACTIVITIES: | | |
| Declaration of Cash Dividend to be Paid | \$ 11,319 | - |
| | ===== | ===== |

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

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ABERCROMBIE & FITCH

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

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

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

Certain amounts have been reclassified to conform with the current year presentation. The amounts reclassified did not have an effect on the Company's results of operations or shareholders' equity.

The condensed consolidated financial statements as of October 30, 2004 and for the thirteen and thirty-nine week periods ended October 30, 2004 and November 1, 2003 are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in A&F's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004 (the "2003 fiscal year"). In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments (which are of a normal recurring nature) necessary to present fairly the financial position and results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the fiscal year ending January 29, 2005 (the "2004 fiscal year").

The condensed consolidated financial statements as of October 30, 2004 and for the thirteen and thirty-nine week periods ended October 30, 2004 and

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November 1, 2003 included herein have been reviewed by the independent registered public accounting firm of PricewaterhouseCoopers LLP and the report of such firm follows the notes to the condensed consolidated financial statements. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 (the "Act") for its report on the condensed consolidated financial statements because that report is not a "report" within the meaning of Sections 7 and 11 of the Act.

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2. RESTATEMENT AND RECLASSIFICATION OF FINANCIAL STATEMENTS

Subsequent to the issuance of the Company's fiscal 2003 consolidated financial statements, the Company reviewed its accounting practices with respect to leasing transactions and determined that its then-current method of accounting for construction allowances was not in accordance with Statement of Financial Accounting Standards No.13, "Accounting for Leases" and Financial Accounting Standards Board Technical Bulletin No. 88-1, "Issues Relating to Accounting for Leases"; and its then-current method of accounting for rent holidays was not in accordance with Financial Accounting Standards Board Technical Bulletin No. 85-3, "Accounting for Operating Leases with Scheduled Rent Increases." As a result, the Company restated its consolidated financial statements as of January 31, 2004 and February 1, 2003 and for the fiscal years ended January 31, 2004, February 1, 2003 and February 2, 2002; and its consolidated financial statements as of and for the interim periods ended October 30, 2004, July 31, 2004, May 1, 2004, November 1, 2003, August 2, 2003 and May 3, 2003.

Historically, the Company's consolidated balance sheets have reflected the unamortized portion of construction allowances received from landlords of properties leased by the Company for its stores as a reduction of property and equipment instead of as a deferred lease credit. Excluding tax impacts, the effect of the revised accounting for construction allowances requires the Company to increase property and equipment and establish a corresponding deferred lease credit. Further, historically, the Company's consolidated statements of cash flows have reflected construction allowances as a reduction of capital expenditures within investing activities rather than as an increase in deferred lease credits within operating activities. The impact of the revised accounting is to increase both net cash provided by operating activities and net cash used for investing activities by equal amounts.

In addition, the Company has historically recognized the straight line rent expense for leases beginning on the commencement date of the lease rather than on the date the Company takes possession. This approach had the effect of excluding the build-out period of the Company's stores from the calculation of the period over which it expenses rent. The build-out period is generally three to four months prior to store opening date. Excluding tax impacts, the effect of the revised accounting for rent holidays requires the Company to increase accrued expenses and adjust retained earnings on the consolidated balance sheets, as well as correct amortization in cost of goods sold, occupancy and buying costs in the consolidated statements of income.

The cumulative effect of these accounting changes is a reduction of retained earnings of \$11.0 million as of the beginning of fiscal 2001 and decreases to retained earnings of \$2.1 million, \$181 thousand and \$272 thousand as of the end of the fiscal years 2001, 2002 and 2003, respectively.

The following is a summary of the effects of these changes on the Company's consolidated balance sheets as of October 30, 2004 and January 31, 2004, as well as the effect of these changes on the Company's consolidated statements

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of income and cash flows for the fiscal quarter ended October 30, 2004 and November 1, 2003 (thousands, except per share amounts):

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Consolidated Statements of Income

| | As Previously Reported | Adjustments | | As Restated |
|---|---------------------------|-------------|----|-------------|
| | ----- | ----- | | ----- |
| Thirteen weeks ended October 30, 2004 | | | | |
| Cost of Goods Sold, Occupancy and Buying Costs | \$ 293,888 | \$ 299 | \$ | 294,187 |
| Gross Income | 226,836 | (299) | | 226,537 |
| Operating Income | 62,277 | (299) | | 61,978 |
| Income Before Income Taxes | 63,851 | (299) | | 63,552 |
| Provision for Income Taxes | 23,760 | (119) | | 23,641 |
| Net Income | 40,091 | (180) | | 39,911 |
| Net Income Per Share - Basic | \$ 0.43 | \$ - | \$ | 0.43 |
| Net Income Per Share - Diluted | \$ 0.42 | \$ - | \$ | 0.42 |
| Thirty-nine weeks ended October 30, 2004 | | | | |
| Cost of Goods Sold, Occupancy and Buying Costs | \$ 759,987 | \$ 843 | \$ | 760,830 |
| Gross Income | 574,012 | (843) | | 573,169 |
| Operating Income | 178,303 | (843) | | 177,460 |
| Income Before Income Taxes | 182,222 | (843) | | 181,379 |
| Provision for Income Taxes | 69,600 | (337) | | 69,263 |
| Net Income | 112,622 | (506) | | 112,116 |
| Net Income Per Share - Basic | \$ 1.19 | \$ - | \$ | 1.19 |
| Net Income Per Share - Diluted | \$ 1.17 | \$ (0.01) | \$ | 1.16 |
| Thirteen weeks ended November 1, 2003 | | | | |
| Cost of Goods Sold, Occupancy and Buying Costs | \$ 261,114 | \$ 872 | \$ | 261,986 |
| Gross Income | 183,865 | (872) | | 182,993 |
| Operating Income | 81,450 | (872) | | 80,578 |
| Income Before Income Taxes | 82,207 | (872) | | 81,335 |
| Provision for Income Taxes | 31,750 | (349) | | 31,401 |
| Net Income | 50,457 | (523) | | 49,934 |
| Net Income Per Share - Basic | \$ 0.52 | \$ - | \$ | 0.52 |
| Net Income Per Share - Diluted | \$ 0.51 | \$ (0.01) | \$ | 0.50 |
| Thirty-nine weeks ended November 1, 2003 | | | | |
| Cost of Goods Sold, Occupancy and Buying Costs | \$ 691,035 | \$ 965 | \$ | 692,000 |
| Gross Income | 456,386 | (965) | | 455,421 |
| Operating Income | 177,356 | (965) | | 176,391 |
| Income Before Income Taxes | 179,966 | (965) | | 179,001 |
| Provision for Income Taxes | 69,140 | (386) | | 68,754 |
| Net Income | 110,826 | (579) | | 110,247 |
| Net Income Per Share - Basic | \$ 1.14 | \$ - | \$ | 1.14 |
| Net Income Per Share - Diluted | \$ 1.11 | \$ (0.01) | \$ | 1.10 |

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Consolidated Balance Sheets

| | As Previously Reported | Adjustments | As Restated |
|---|---------------------------|-------------|-------------|
| | ----- | ----- | ----- |
| October 30, 2004 | | | |
| Property and Equipment, Net | \$ 484,163 | \$ 200,621 | \$ 684,784 |
| Total Assets | 1,228,401 | 200,621 | 1,429,022 |
| Accrued Expenses | 200,337 | 27,385 | 227,722 |
| Deferred Lease Credits | - | 30,939 | 30,939 |
| Income Taxes Payable | 37,086 | (23,330) | 13,756 |
| Total Current Liabilities | 376,163 | 34,994 | 411,157 |
| Deferred Income Taxes | 28,640 | 13,998 | 42,638 |
| Long-Term Deferred Lease Credits | - | 165,626 | 165,626 |
| Retained Earnings | 985,333 | (13,997) | 971,336 |
| Total Shareholders' Equity | 791,463 | (13,997) | 777,466 |
| Total Liabilities and Shareholders' Equity | 1,228,401 | 200,621 | 1,429,022 |
| | | | |
| January 31, 2004 | | | |
| Property and Equipment, Net | \$ 445,956 | \$ 184,066 | \$ 630,022 |
| Total Assets | 1,199,163 | 184,066 | 1,383,229 |
| Accrued Expenses | 138,232 | 25,157 | 163,389 |
| Deferred Lease Credits | - | 26,627 | 26,627 |
| Income Taxes Payable | 50,406 | (20,714) | 29,692 |
| Total Current Liabilities | 280,002 | 31,070 | 311,072 |
| Deferred Income Taxes | 19,516 | 11,720 | 31,236 |
| Long-Term Deferred Lease Credits | - | 154,768 | 154,768 |
| Retained Earnings | 919,577 | (13,492) | 906,085 |
| Total Shareholders' Equity | 871,257 | (13,492) | 857,765 |
| Total Liabilities and Shareholders' Equity | 1,199,163 | 184,066 | 1,383,229 |

Consolidated Statements of Cash Flows

| | As Previously Reported (1) | Adjustments | As Restated |
|---|-------------------------------|-------------|-------------|
| | ----- | ----- | ----- |
| Thirty-nine weeks ended October 30, 2004 | | | |
| Net Cash Provided by Operating Activities | \$ 220,134 | \$ 35,028 | \$ 255,162 |
| Net Cash Used for Investing Activities | (10,158) | (35,028) | (45,186) |
| | | | |
| Thirty-nine weeks ended November 1, 2003 | | | |
| Net Cash Provided by Operating Activities | \$ 137,441 | \$ 36,122 | \$ 173,563 |
| Net Cash Used for Investing Activities | (39,377) | (36,122) | (75,499) |

(1) The "As Previously Reported" amounts for "Net Cash Used for Investing Activities" have been adjusted to account for the effects of reclassification of certain securities, as discussed below.

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Further, the Company concluded that it was appropriate to classify our investments in auction rate municipal bonds as marketable securities. Previously, such investments had been classified as cash and equivalents. Accordingly, we have revised the classification to report these investments as marketable securities on the consolidated balance sheets as of October 30, 2004 and January 31, 2004. The Company has also made corresponding adjustments to the consolidated statements of cash flows for the thirty-nine weeks ended October 30, 2004 and November 1, 2003, to reflect the gross purchases and sales of these investments as investing activities rather than as a component of cash and equivalents.

As of October 30, 2004 and January 31, 2004, \$368.8 million and \$454.7 million, respectively, of these investments were classified as cash and equivalents on the consolidated balance sheets. These balances are in addition to the marketable securities balances previously reported.

For the thirty-nine weeks ended October 30, 2004 and November 1, 2003, net cash provided by investing activities related to these investments of \$85.9 million and \$34.3 million, respectively, were included in cash and equivalents in our consolidated statements of cash flows. These investing activities related to marketable securities are in addition to those previously reported.

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3. STOCK-BASED COMPENSATION

The Company reports stock-based compensation through the disclosure-only requirements of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an Amendment of FASB Statement No. 123," but elects to measure compensation expense using the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense for options has been recognized as all options are granted at fair market value at the grant date. The Company recognizes compensation expense related to restricted share and stock unit awards. If compensation expense related to options for the thirteen and thirty-nine week periods ended October 30, 2004, and November 1, 2003, respectively, had been determined based on the estimated fair value of options granted, consistent with the methodology in SFAS No. 123, the pro forma effect on net income and net income per basic and diluted share would have been as follows:

(Thousands except per share amounts)

| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
|--|----------------------|---------------------|-------------------------|---------------------|
| | October 30, 2004 | November 1, 2003 | October 30, 2004 | November 1, 2003 |
| Net income: | | | | |
| As reported | \$ 39,911 | \$ 49,934 | \$ 112,116 | \$ 112,116 |
| Stock-based compensation expense included in reported net income, net of tax | 1,424 | 868 | 4,361 | 4,361 |

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| | | | | |
|--|-----------|-----------|-----------|----|
| Stock-based compensation expense determined under fair value based method, net of tax(1) | (6,564) | (6,918) | (19,481) | |
| Pro forma | \$ 34,771 | \$ 43,884 | \$ 96,996 | \$ |
| Basic net income per share: | | | | |
| As reported | \$ 0.43 | \$ 0.52 | \$ 1.19 | \$ |
| Pro forma | \$ 0.37 | \$ 0.46 | \$ 1.03 | \$ |
| Diluted net income per share: | | | | |
| As reported | \$ 0.42 | \$ 0.50 | \$ 1.16 | \$ |
| Pro forma | \$ 0.36 | \$ 0.45 | \$ 1.00 | \$ |

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

The weighted-average fair value of options granted during the third quarter of the 2004 fiscal year and the 2003 fiscal year was \$13.93 and \$14.35, respectively. The fair value of each option, which is included in the pro forma results above, was estimated using the Black-Scholes option-pricing model. For purposes of the valuation, the following weighted-average assumptions were used: a 1.28% dividend yield in 2004 and no dividends in 2003; price volatility of 55.3% in 2004 and 61.7% in 2003; risk-free interest rates of 3.1% in 2004 and 3.2% in 2003; assumed forfeiture rates of 26.4% in 2004 and 23.0% in 2003 and expected lives of four years in 2004 and 2003, respectively.

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4. NET INCOME PER SHARE

Weighted-Average Shares Outstanding (in thousands):

| | Thirteen Weeks Ended | |
|--|----------------------|-------------|
| | October 30, 2004 | November 1, |
| Shares of Class A Common Stock issued | 103,300 | 103,300 |
| Treasury shares | (9,851) | (6,893) |
| Basic shares | 93,449 | 96,407 |
| Dilutive effect of options and restricted shares | 1,902 | 2,695 |
| Diluted shares | 95,351 | 99,102 |

| | Thirty-Nine Weeks Ended | |
|--|-------------------------|-------------|
| | October 30, 2004 | November 1, |

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| | | |
|--|---------|---------|
| Shares of Class A Common Stock issued | 103,300 | 103,300 |
| Treasury shares | (8,810) | (6,224) |
| | ----- | ----- |
| Basic shares | 94,490 | 97,076 |
| Dilutive effect of options and restricted shares | 2,032 | 3,019 |
| | ----- | ----- |
| Diluted shares | 96,522 | 100,095 |
| | ===== | ===== |

Options to purchase 5,639,984 shares of Class A Common Stock during both the thirteen and thirty-nine week periods ended October 30, 2004 and 6,019,000 and 6,005,000 shares of Class A Common Stock during the thirteen and thirty-nine week periods ended November 1, 2003, respectively, were outstanding but were not included in the computation of net income per diluted share because the options' exercise prices were greater than the average market price of the underlying shares.

5. INVENTORIES

Inventories are principally valued at the lower of average cost or market, on a first-in-first-out basis, utilizing the retail method. An initial markup is applied to inventory at cost in order to establish a cost-to-retail ratio. Permanent markdowns, when taken, reduce both the retail and cost components of inventory on hand so as to maintain the already established cost-to-retail relationship.

The fiscal year is comprised of two principal selling seasons: spring (the first and second quarters) and fall (the third and fourth quarters). The Company further reduces inventory at season end by recording an additional markdown reserve using the retail carrying value of inventory from the season just passed. Markdowns on this carryover inventory represent estimated future anticipated selling price declines. Additionally, inventory valuation at the end of the first and third quarters reflects adjustments for inventory markdowns for the total season. Further, as part of inventory valuation, inventory shrinkage estimates are made based on historical trends, which reduce the inventory value for lost or stolen items.

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The inventory reserve for markdowns and valuations was \$25.5 million, \$5.5 million and \$17.2 million at October 30, 2004, January 31, 2004 and November 1, 2003, respectively. The shrink reserve was \$3.6 million, \$3.3 million and \$4.3 million at October 30, 2004, January 31, 2004 and November 1, 2003, respectively. The inventory valuations at January 31, 2004, reflect adjustments for inventory markdowns for the end of the season.

6. PROPERTY AND EQUIPMENT, NET

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

| | |
|-------------|-------------|
| October 30, | January 31, |
| 2004 | 2004 |
| ----- | ----- |

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| | | |
|---|--------------|------------|
| Property and equipment, at cost | \$ 1,071,444 | \$ 961,817 |
| Accumulated depreciation and amortization | (386,660) | (331,795) |
| | ----- | ----- |
| Property and equipment, net | \$ 684,784 | \$ 630,022 |
| | ===== | ===== |

7. INCOME TAXES

The provision for income taxes is based on the current estimate of the annual effective tax rate. Income taxes paid during the thirty-nine weeks ended October 30, 2004 and November 1, 2003, approximated \$62.3 million and \$64.7 million, respectively.

8. LONG-TERM DEBT

The Company entered into a \$250 million syndicated unsecured credit agreement (the "Credit Agreement") on November 14, 2002. The primary purposes of the Credit Agreement are for trade and stand-by letters of credit and working capital. The Credit Agreement is due to expire on November 14, 2005. The Credit Agreement has several borrowing options, including interest rates that are based on the agent bank's "Alternate Base Rate," or a LIBOR Rate. Facility fees payable under the Credit Agreement are based on the Company's ratio (the "leverage ratio") of the sum of total debt plus 800% of forward minimum rent commitments to consolidated EBITDAR for the trailing four-fiscal-quarter period and currently accrues at .225% of the committed amounts per annum. The Credit Agreement contains limitations on indebtedness, liens, sale-leaseback transactions, significant corporate changes including mergers and acquisitions with third parties, investments, restricted payments (including dividends and stock repurchases), hedging transactions and transactions with affiliates. The Credit Agreement also contains financial covenants requiring a minimum ratio, on a consolidated basis, of EBITDAR for the trailing four-fiscal-quarter period to the sum of interest expense and minimum rent for such period, as well as a maximum leverage ratio.

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On September 15, 2004, the Company entered into a Second Amendment in respect of the Credit Agreement in order to permit additional share repurchases. The Second Amendment allows the Company to repurchase shares of A&F Class A Common Stock for cash in any amount so long as no loans (as defined in the Credit Agreement) have been made pursuant to the Credit Agreement. If loans have at any time been made, the Company may repurchase shares of A&F Class A Common Stock (i) in any fiscal year, in an aggregate amount not in excess of 40% of "consolidated net income" (as defined in the Credit Agreement) for the immediately preceding fiscal year less the aggregate amount of any repurchases made in such fiscal year pursuant to clause (ii) below, plus (ii) an aggregate cumulative amount of \$250,000,000 less the aggregate cumulative amount of any repurchases made pursuant to clause (i) above and any repurchases made after September 15, 2004 and prior to the making of loans pursuant to the Credit Agreement. Letters of credit are not considered to be "loans" for purposes of the Credit Agreement.

On November 8, 2004, the Company executed a letter of intent to enter into an amended credit agreement that will replace the Credit Agreement (see Note 11).

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Letters of credit totaling approximately \$66.8 million and \$62.3 million were outstanding under the Credit Agreement at October 30, 2004 and at November 1, 2003, respectively. No loans were outstanding under the Credit Agreement at October 30, 2004 or at November 1, 2003.

9. RELATED PARTY TRANSACTIONS

Shahid & Company, Inc. has provided advertising and design services for the Company since 1995. Sam N. Shahid, Jr., who serves on A&F's Board of Directors, has been President and Creative Director of Shahid & Company, Inc. since 1993. Fees paid to Shahid & Company, Inc. for services provided during the thirteen and thirty-nine week periods ended October 30, 2004, were approximately \$700 thousand and \$1.9 million, respectively. For services provided during the thirteen and thirty-nine week periods ended November 1, 2003, the fees paid to Shahid & Company, Inc. were approximately \$500 thousand and \$1.5 million, respectively. The amounts do not include reimbursements to Shahid & Company, Inc. for expenses incurred while performing these services.

10. CONTINGENCIES

The Company is involved in a number of legal proceedings that arise out of, and are incidental to, the conduct of its business.

In 2003, five actions were filed under various states' laws on behalf of purported classes of employees and former employees of the Company alleging that the Company required its associates to wear and pay for a "uniform" in violation of applicable law. Two of the actions have been ordered coordinated. In each case, the plaintiff, on behalf of his or her purported class, seeks injunctive relief and unspecified amounts of economic and liquidated damages. For certain of the cases, the parties are in the process of discovery. In one case, the Company has filed a motion to dismiss; while in all other cases, answers have been filed. Two of those cases have been stayed, and the plaintiffs in those cases have been joined in the action described immediately below.

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In 2003, an action was filed in the U.S. District Court for the Western District of Pennsylvania, in which the plaintiff alleges that the "uniform," when purchased, drove associates' wages below the federal minimum wage. The complaint purports to state a collective action on behalf of part-time associates under the Fair Labor Standards Act. Recently, the plaintiff amended the complaint and added new named plaintiffs, asserting claims under the laws of six states as well as the Fair Labor Standards Act. The parties are in the process of settling this case and two of the five state court cases described in the immediately preceding paragraph (see Note 12).

As previously mentioned, three of the above-described cases are in the process of being settled. The Company does not believe it is feasible to predict the outcome of the other legal proceedings described above and intends to vigorously defend against each of them. The timing of the final resolution of each of these proceedings is also uncertain. Accordingly, the Company cannot estimate a range of potential loss, if any, for any of these legal proceedings.

In each of 2003 and 2002, one action was filed against the Company involving overtime compensation. In each action, the plaintiffs, on behalf of their respective purported class, seek injunctive relief and unspecified amounts of economic and liquidated damages. The Company has

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filed a motion to dismiss in one of the cases. In the other case, the parties are in the process of discovery, and the trial court has ordered a class of store managers in California certified for limited purposes.

In 2003, one lawsuit was filed in the U.S. District Court for the Northern District of California on behalf of a purported class alleged to be discriminated against in hiring or employment decisions due to race and/or national origin. The plaintiffs in this lawsuit sought, on behalf of their purported class, injunctive relief and unspecified amounts of economic, compensatory and punitive damages. On November 8, 2004, the Company signed a consent decree settling this lawsuit and two related class action employment discrimination lawsuits (see Note 12).

The Company accrues amounts related to legal matters if reasonably estimable and reviews these amounts at least quarterly. During the first quarter of fiscal 2004, the Company recorded an \$8.0 million charge (net of expected proceeds of \$10 million from insurance) resulting from an increase in expected defense costs related to the purported class action employment discrimination lawsuit described in the preceding paragraph. The monetary terms of the consent decree are described in Note 12.

The Company has standby letters of credit in the amount of \$4.7 million that are set to expire during the fourth quarter of the fiscal year ending January 28, 2006 (the "2005 fiscal year"). The beneficiary, a merchandise supplier, has the right to draw upon the standby letters of credit if the Company has authorized or filed a voluntary petition in bankruptcy. To date, the beneficiary has not drawn upon the standby letters of credit.

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

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11. SUBSEQUENT EVENTS

On November 8, 2004, the Company executed a commitment letter in respect of a contemplated amended and restated credit agreement, (the "Amended Credit Agreement"). The Amended Credit Agreement will mature five years from the date of executing the definitive Amended Credit Agreement. The commitment letter contemplates that the facility fees payable under the Amended Credit Agreement will be based on the Company's ratio (the "leverage ratio") of the sum of total debt plus 600% of forward minimum rent commitments to consolidated EBITDAR for the trailing four-fiscal-quarter period and the facility fees are projected to accrue at .175% of the committed amounts per annum. The remaining terms are expected to be largely similar to the current Credit Agreement (see Note 9).

In addition to the class action employment discrimination lawsuit described in Note 11, two other class action employment discrimination lawsuits have been filed in the U.S. District Court for the Northern District of California, both on November 8, 2004. One alleges gender (female) discrimination in hiring or employment decisions and seeks, on behalf of the purported class, injunctive relief and unspecified amounts of economic, compensatory and punitive damages. The other was brought by the Equal Employment Opportunity Commission (the "EEOC") alleging race, ethnicity, and gender (female) discrimination in hiring or employment decisions. The EEOC complaint seeks injunctive relief and, on behalf of the purported class, unspecified amounts of economic, compensatory and

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punitive damages. On November 8, 2004, the Company signed a consent decree settling these three related class action discrimination lawsuits, subject to judicial review and approval. The monetary terms of the consent decree provide that the Company will set aside \$40.0 million to pay to the class, approximately \$7.5 million for attorneys' fees, and approximately \$2.5 million for monitoring and administrative costs to carry out the settlement. As a result, the Company accrued a non-recurring charge of \$32.9 million, which was included in general, administrative and store operating expenses for the thirteen weeks ended October 30, 2004. This is in addition to amounts accrued during the first quarter of fiscal 2004 when the Company recorded an \$8.0 million charge (net of expected proceeds of \$10 million from insurance) resulting from an increase in expected defense costs related to the Gonzalez case. The preliminary approval order was signed by Judge Susan Illston of the U.S. District Court for the Northern District of California on November 16, 2004, and that order scheduled a final fairness and approval hearing for April 14, 2005.

Also on November 9, 2004, A&F announced that the Board of Directors had authorized the extension of A&F's stock repurchase program to permit the repurchase of an additional 6 million shares of A&F Class A Common Stock.

On November 17, 2004, the court hearing the action filed in the U.S. District Court for the Western District of Pennsylvania gave final approval of the settlement. The settlement resolves all claims of hourly employees in the states of Colorado, Connecticut, Illinois, Minnesota, New Jersey and Pennsylvania under their respective state laws and their claims under the Fair Labor Standards Act. The settlement did not have a material impact to the consolidated financial statements.

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Report of Independent Registered Public Accounting Firm

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

We have reviewed the accompanying restated condensed consolidated balance sheet of Abercrombie & Fitch Co. and its subsidiaries as of October 30, 2004, and the related restated condensed consolidated statements of income for each of the thirteen and thirty-nine week periods ended October 30, 2004 and November 1, 2003 and the restated condensed consolidated statements of cash flows for the thirty-nine week periods ended October 30, 2004 and November 1, 2003. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

We previously audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of January 31, 2004, and the related consolidated statements of income, of

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shareholders' equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 17, 2004, except for Note 2, as to which the date is April 4, 2005 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 31, 2004, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

Columbus, Ohio
December 2, 2004, except for Note 2, as to which
the date is April 4, 2005

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

RESTATEMENT AND RECLASSIFICATION OF FINANCIAL STATEMENTS

Subsequent to the issuance of the Company's fiscal 2003 consolidated financial statements, the Company reviewed its accounting practices with respect to leasing transactions and determined that its then-current method of accounting for construction allowances was not in accordance with Statement of Financial Accounting Standards No. 13, "Accounting for Leases" and Financial Accounting Standards Board Technical Bulletin No. 88-1, "Issues Relating to Accounting for Leases"; and its then-current method of accounting for rent holidays was not in accordance with Financial Accounting Standards Board Technical Bulletin No. 85-3, "Accounting for Operating Leases with Scheduled Rent Increases." As a result, the Company restated its consolidated financial statements as of January 31, 2004 and February 1, 2003 and for the fiscal years ended January 31, 2004, February 1, 2003 and February 2, 2002; and its consolidated financial statements as of and for the interim periods ended October 30, 2004, July 31, 2004, May 1, 2004, November 1, 2003, August 2, 2003 and May 3, 2003.

Historically, the Company's consolidated balance sheets have reflected the unamortized portion of construction allowances received from landlords of properties leased by the Company for its stores as a reduction of property and equipment instead of as a deferred lease credit. Excluding tax impacts, the effect of the revised accounting for construction allowances requires the Company to increase property and equipment and establish a corresponding deferred lease credit. Further, historically, the Company's consolidated statements of cash flows have reflected construction allowances as a reduction of capital expenditures within investing activities rather than as an increase in deferred lease credits within operating activities. The impact of the revised accounting is to increase both net cash provided by operating activities and net cash used for investing activities by equal amounts.

Also, historically, the Company had recognized the straight line rent expense for leases beginning on the commencement date of the lease rather than on the date when the Company takes possession, which had the effect of excluding the build-out period of its stores from the calculation of the period over which it expenses rent. The build-out period is generally three to four months prior to store opening date. Excluding tax impacts, the effect of the revised accounting for rent holidays requires the Company to increase accrued expenses and adjust retained earnings on the consolidated balance sheets, as well as correct amortization in cost of goods sold, occupancy and buying costs in the consolidated statements of income.

The cumulative effect of these accounting changes is a reduction of retained earnings of \$11.0 million as of the beginning of fiscal 2001 and decreases to retained earnings of \$2.1 million, \$181 thousand and \$272 thousand as of the end

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of the fiscal years 2001, 2002 and 2003, respectively.

See Note 2: "Restatement and Reclassification of Financial Statements" under Notes to Condensed Consolidated Financial Statements included in Item 1, "Financial Statements" of this Form 10-Q/A for a summary of the effect of these changes on the Company's consolidated financial statements as of October 30, 2004 and January 31, 2004 and for the fiscal quarters ended October 30, 2004 and November 1, 2003. The accompanying Management's Discussion and Analysis gives effect to these corrections.

In addition, the Company concluded that it was appropriate to classify our investments in auction rate securities as marketable securities. Previously, such investments had been classified as cash and equivalents. Accordingly, we have revised the classification to report these investments as marketable securities on the consolidated balance sheets as of October 30, 2004 and January 31, 2004. The Company has also made corresponding adjustments to the consolidated statements of cash flows for the thirty-nine weeks ended October 30, 2004 and November 1, 2003, to reflect the gross purchases and sales of these investments as investing activities rather than as a component of cash and equivalents. See Note 2: "Restatement and Reclassification of Financial Statements" under Notes to Condensed Consolidated Financial Statements included in Item 1, "Financial Statements" of this Form 10-Q/A for additional discussion on the effects of the change in classification.

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OVERVIEW

The Company operates four brands: Abercrombie & Fitch, a fashion-oriented casual apparel business directed at men and women with a youthful lifestyle, targeted at 18 to 22 year-old college students; abercrombie, a fashion-oriented casual apparel brand in the tradition of Abercrombie & Fitch style and quality, targeted at 7 to 14 year-old boys and girls; Hollister, a West Coast oriented lifestyle brand targeted at 14 to 17 year-old high school guys and girls, at lower price points than Abercrombie & Fitch; and RUEHL, a fashion-oriented mix of business casual and trend fashion displaying high quality clothing, leather goods, and lifestyle accessories, targeted at 22 to 30 year-old modern-minded, post-college consumers. In addition to predominantly mall-based store locations, Abercrombie & Fitch, abercrombie and Hollister also offer Web sites, where products comparable to those carried at the corresponding stores can be purchased.

RESULTS OF OPERATIONS

During the third quarter of the 2004 fiscal year, net sales increased 17% to \$520.7 million from \$445.0 million in the third quarter of the 2003 fiscal year. Operating income decreased to \$62.0 million in the third quarter of 2004 from \$80.6 million in the third quarter of 2003. Operating income included a one-time accrual of \$32.9 million for the settlement of three related class action employment discrimination lawsuits, which was included in general, administrative and store operating expenses. Net income decreased to \$39.9 million in the third quarter of 2004 compared to \$49.9 million in the third quarter of 2003. Net income per diluted share was \$.42 in the third quarter of 2004 compared to \$.50 in the third quarter of 2003. The settlement accrual, net of the related tax effect, reduced reported net income per fully diluted share in the third quarter of the 2004 fiscal year by \$.22.

The following data represent the amounts shown in the Company's condensed consolidated statements of income for the thirteen and thirty-nine week periods ended October 30, 2004 and November 1, 2003, expressed as a percentage of net sales:

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| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
|---|----------------------|---------------------|-------------------------|------------------|
| | October 30, 2004 | November 1, 2003 | October 30, 2004 | November 2003 |
| NET SALES | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of Goods Sold, Occupancy and Buying Costs | 56.5 | 58.9 | 57.0 | 60.3 |
| GROSS INCOME | 43.5 | 41.1 | 43.0 | 39.7 |
| General, Administrative and Store Operating Expenses | 31.6 | 23.0 | 29.7 | 24.3 |
| OPERATING INCOME | 11.9 | 18.1 | 13.3 | 15.4 |
| Interest Income, Net | (0.3) | (0.2) | (0.3) | (0.2) |
| INCOME BEFORE INCOME TAXES | 12.2 | 18.3 | 13.6 | 15.6 |
| Provision for Income Taxes | 4.5 | 7.1 | 5.2 | 6.0 |
| NET INCOME | 7.7% | 11.2% | 8.4% | 9.6% |

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Financial Summary

The following summarized financial and statistical data compare the thirteen and thirty-nine week periods ended October 30, 2004, to the comparable periods of the 2003 fiscal year:

| | Thirteen Weeks Ended | | | Thirty-Nine |
|--|----------------------|---------------------|-------------|---------------------|
| | October 30, 2004 | November 1, 2003 | % Change | October 30, 2004 |
| Net sales (millions) | \$ 521 | \$ 445 | 17% | \$ 1,334 |
| Increase (decrease) in comparable store sales | 1% | (9)% | | (1)% |
| Retail sales increase attributable to new and remodeled stores, catalogue and Web sites | 16% | 15% | | 17% |
| Retail sales per average gross square foot | \$ 92 | \$ 91 | 1% | \$ 240 |
| Retail sales per average store | | | | |

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| | | | | | | | |
|---|----|--------|----|--------|------|----|--------|
| (thousands) | \$ | 655 | \$ | 659 | (1)% | \$ | 1,712 |
| Average store size at period-end (gross square feet) | | 7,118 | | 7,233 | (2)% | | n/a |
| Gross square feet at period-end (thousands) | | 5,438 | | 4,709 | 15% | | n/a |
| Sales statistics per average store | | | | | | | |
| Number of transactions | | | | | | | |
| Abercrombie & Fitch | | 10,516 | | 11,997 | -12% | | 32,175 |
| abercrombie | | 5,262 | | 5,563 | -5% | | 14,735 |
| Hollister | | 13,597 | | 14,008 | -3% | | 39,679 |
| RUEHL | | 4,171 | | n/a | | | 4,171 |
| Average transaction value | | | | | | | |
| Abercrombie & Fitch | \$ | 74.09 | \$ | 67.50 | 10% | \$ | 65.31 |
| abercrombie | \$ | 63.49 | \$ | 60.51 | 5% | \$ | 55.42 |
| Hollister | \$ | 52.39 | \$ | 48.68 | 8% | \$ | 46.98 |
| RUEHL | \$ | 107.98 | | n/a | | \$ | 107.98 |
| Units per transaction | | | | | | | |
| Abercrombie & Fitch | | 2.17 | | 2.21 | -2% | | 2.26 |
| abercrombie | | 2.78 | | 2.63 | 6% | | 2.75 |
| Hollister | | 2.23 | | 2.19 | 2% | | 2.23 |
| RUEHL | | 2.33 | | n/a | | | 2.33 |
| Average unit value | | | | | | | |
| Abercrombie & Fitch | \$ | 34.14 | \$ | 30.54 | 12% | \$ | 28.90 |
| abercrombie | \$ | 22.84 | \$ | 23.01 | -1% | \$ | 20.15 |
| Hollister | \$ | 23.49 | \$ | 22.23 | 6% | \$ | 21.07 |
| RUEHL | \$ | 46.34 | | n/a | | \$ | 46.34 |

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Current Trends and Outlook

While the Company is pleased with the recent trend improvement in sales and comparable store sales, defined as sales in stores that have been open for at least one year, the Company remains cautious about its outlook for the remainder of the year. The Company's decision not to anniversary holiday promotions this year may impact holiday sales levels. The Company's focus is on building, maintaining and controlling its brands because they express a lifestyle to which their customer aspires. Management believes that this strategy allows the Company to maintain high margins over the long term while driving the Company's growth in sales and profits through the development of new brands. As a result, comparable store sales may decline in the Company's more mature business as the Company strives to maintain its brands' aspirational qualities and high margins.

In order to achieve and maintain the aspirational quality of the brands, the Company is increasing expenditures to maintain and enhance the current store base. Additionally, the Company is increasing its store-based personnel to provide better customer service and reduce levels of inventory shrink. Depending on the sales performance of the Company during the remainder of the fall season, the initiatives may have a short-term impact on the operating margin.

Finally, the Company is hoping to capitalize on its success in international sales through its Web sites by investigating opportunities to enter international markets in the near future. The Company is currently evaluating

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opportunities to enter both the Canadian and European markets by the end of the 2005 fiscal year.

THIRD QUARTER RESULTS

Net Sales

Net sales for the third quarter of 2004 were \$520.7 million, an increase of 17% over last year's third quarter net sales of \$445.0 million. The net sales increase was attributable to the net addition of 113 stores and a 1% comparable store sales increase.

By brand, comparable store sales for the quarter versus the same quarter last year were as follows: Abercrombie & Fitch declined 2% with mens comparable store sales increasing by a high-single digit percentage and womens declining by a high-single digit percentage. In abercrombie, comparable store sales decreased 3% with both girls and boys comparable store sales declining by the same low-single digit percentage. In Hollister, comparable store sales increased by 13% with both guys and girls achieving similar mid-teen digit increases for the quarter.

On a regional basis, comparable store sales results were strongest in the West and Northeast and weakest in the Midwest and South. Stores located in the New York metropolitan area and Southern California had the best comparable store sales performance for the third quarter.

In Abercrombie & Fitch, mens achieved positive comparable store sales during the quarter driven by strong results in denim, woven shirts and polos. Womens had comparable store sales decreases in polos, pants and graphic tees that were not offset by increases in denim and fleece when compared to third quarter 2003.

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In the kids' business, girls comparable store sales increased during the third quarter of 2004 compared to the same quarter last year in knits and denim but these results could not offset decreases in graphic tees and pants. Boys had comparable store sales decreases in conversation tees, pants and fleece. Increases in knits and denim were not sufficient to offset the weaker performing boys categories.

In Hollister, guys achieved stronger comparable store sales than girls. In guys, increases in conversation tees, denim, woven shirts and fleece during the quarter more than offset decreases in knits. In girls, knits, denim, fleece and sweaters had comparable store sales increases; however, graphic tees and pants declined.

The impact of opening three RUEHL stores was immaterial to the Company's total results for the third quarter of the 2004 fiscal year.

Direct to consumer merchandise net sales through the Company's Web sites and catalogue for the third quarter of the 2004 fiscal year were \$27.6 million, an increase of 28.4% over last year's third quarter net sales of \$21.5 million. Shipping and handling revenue for the corresponding periods was \$4.0 million in 2004 and \$2.8 million in 2003. The direct to consumer business accounted for 6.1% of net sales in the third quarter of the 2004 fiscal year compared to 5.5% in the third quarter of fiscal 2003.

Gross Income

The Company's gross income may not be comparable to that of other retailers since all significant costs related to the Company's distribution network,

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excluding direct shipping costs related to the e-commerce and catalogue sales, are included in general, administrative and store operating expenses (see "General, Administrative and Store Operating Expenses" section below).

Gross income for the third quarter of the 2004 fiscal year was \$226.5 million compared to \$183.0 million in the comparable period during the 2003 fiscal year. The gross income rate (gross income divided by net sales) for the third quarter of the 2004 fiscal year was 43.5%, up 240 basis points from last year's rate of 41.1%. The increase in gross income rate resulted largely from an increase in initial markup (IMU). The improvement in IMU during the third quarter was as a result of higher unit retail pricing in Abercrombie & Fitch and Hollister. All three brands had IMU improvements compared to the third quarter of 2003 and are operating at similar margins.

The Company ended the third quarter of the 2004 fiscal year with inventories, at cost, down 15% per gross square foot versus the third quarter of the 2003 fiscal year. The inventory decrease reflects a shift in the timing of deliveries during the quarter coupled with stronger sales this year compared to weaker sales last year.

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General, Administrative and Store Operating Expenses

General, administrative and store operating expenses during the third quarter of the 2004 fiscal year were \$164.6 million compared to \$102.4 million during the same period in the 2003 fiscal year. For the third quarter of the 2004 fiscal year, the general, administrative and store operating expense rate (general, administrative and store operating expenses divided by net sales) was 31.6% compared to 23.0% in the third quarter of the 2003 fiscal year. The increase in rate versus the 2003 comparable period was primarily due to the following: a one-time accrual for the settlement of three related class action employment discrimination lawsuits which represented 630 basis points of the increase and higher store expenses due to an increase in aggregate payroll which represented 160 basis points of the increase. Wage levels, in all three brands, decreased compared to the third quarter of 2003. The decrease in wage levels was due to an increase in part-time hours in order to provide better customer service at the stores.

The distribution center continued to achieve record levels of productivity during the third quarter of the 2004 fiscal year. Productivity, as measured in units processed per labor hour, was 2% higher than the third quarter of the 2003 fiscal year. Costs related to the distribution center, excluding direct shipping costs related to the e-commerce and catalogue sales, included in general, administrative and store operating expenses were \$5.3 million for the third quarter of the 2004 fiscal year compared to \$4.9 million for the third quarter of the 2003 fiscal year.

Operating Income

Operating income for the third quarter of the 2004 fiscal year decreased to \$62.0 million from \$80.6 million in the 2003 fiscal year third quarter, a decrease of 23.1%. The operating income rate (operating income divided by net sales) was 11.9% for the third quarter of the 2004 fiscal year compared to 18.1% for the third quarter of the 2003 fiscal year. The decrease in the operating income during the third quarter of fiscal 2004 was a result of higher general, administrative and store operating expenses during the quarter, partially offset by higher IMU resulting from higher unit retail pricing in Abercrombie & Fitch and Hollister.

Interest Income and Income Tax Expense

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Third quarter net interest income was \$1.6 million in 2004 compared to \$757 thousand last year. The increase in net interest income was due to higher rates during the third quarter of the 2004 fiscal year when compared to the same period in the prior year. The Company continued to invest in tax-free securities. The effective tax rate for the third quarter was 37.2% compared to 38.6% for the 2003 comparable period. The reduction in rate was primarily due to the favorable settlement of state tax matters during the third quarter.

Off-Balance Sheet Arrangements and Contractual Obligations

The Company does not have off-balance sheet arrangements or debt obligations. The contractual obligations of the Company as of October 30, 2004, have not significantly changed from the ones disclosed in A&F's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004. There have been changes in the ordinary course of the Company's business during the quarterly period ended October 30, 2004 in the Company's contractual obligations included within both the "operating leases" category and the "purchase obligations and other" category.

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YEAR-TO-DATE RESULTS

Net Sales

Year-to-date net sales in 2004 were \$1.334 billion, an increase of 16.3% over last year's net sales of \$1.147 billion for the same period. The net sales increase was attributable to the net addition of 113 stores, offset by a 1% comparable store sales decrease.

Year-to-date comparable store sales by merchandise concept were as follows: Abercrombie & Fitch comparable store sales declined 3%, abercrombie comparable stores sales declined 4% and Hollister achieved a 9% comparable store sales increase. The women's business in each brand continued to be more significant than mens. Year-to-date, womens and girls represented over 60% of the net sales for each of the brands. In Abercrombie & Fitch, womens had a mid-single digit decline in comparable store sales year-to-date, while in abercrombie, girls had a low-single digit decline. Hollister girls achieved a high-single digit comparable store sales increase on a year-to-date basis.

For the 2004 year-to-date period, sales per square foot in Hollister stores were approximately 137% of the sales per square foot of Abercrombie & Fitch stores in the same malls compared to 116% for the 2003 year-to-date period.

Direct to consumer merchandise net sales through the Company's Web sites and catalogue for the 2004 year-to-date period were \$70.5 million, an increase of 42.4% over last year's net sales of \$49.5 million for the comparable period. Shipping and handling revenue for the corresponding periods was \$10.1 million in 2004 and \$6.7 million in 2003. The direct to consumer business accounted for 6.0% of net sales compared to 4.9% for the year-to-date periods ended October 30, 2004 and November 1, 2003, respectively.

The impact of opening three RUEHL stores was immaterial to the Company's total results for the year-to-date period of the 2004 fiscal year.

Gross Income

The Company's gross income may not be comparable to that of other retailers since all significant costs related to the Company's distribution network, excluding direct shipping costs related to the e-commerce and catalogue sales,

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are included in general, administrative and store operating expenses (see "General, Administrative and Store Operating Expenses" section below).

Year-to-date gross income increased to \$573.2 million for the 2004 fiscal year from \$455.4 million in the comparable period during the 2003 fiscal year. The gross income rate (gross income divided by net sales) for the period was 43.0%, up 330 basis points from last year's rate of 39.7%. The increase was driven by improvements in IMU across all three brands due to higher average unit retail pricing, especially in Abercrombie & Fitch, which was partially offset by increased markdowns, as a percentage of net sales.

As previously mentioned, improved sourcing has been an important factor in improving IMU in all three concepts. The markdown rate was higher for the 2004 year-to-date period than the comparable period in 2003 due to the Company's strategy of clearing merchandise quickly in order to add more items to the selling floor.

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General, Administrative and Store Operating Expenses

Year-to-date general, administrative and store operating expenses at the end of the third quarter of the 2004 fiscal year were \$395.7 million versus \$279.0 million for the same time period the previous year. The general, administrative and store operating expense rate in 2004 was 29.7% versus 24.3% in 2003. The increased rate in the 2004 year-to-date period was primarily due to higher home office and store expenses. Home office expenses increased largely due to the accrual for the settlement of three related class action employment discrimination lawsuits which represented 310 basis points, higher payroll, higher bonus accruals resulting from improved financial performance during the spring season, and expenses related to the retirement of an executive officer. Store expenses increased due to an increase in aggregate payroll. Wage levels, in all three brands, decreased compared to the comparable period last year. The decrease in wage levels was due to an increase in part-time hours in order to provide better customer service at the stores.

Costs related to the distribution center, excluding direct shipping costs related to the e-commerce and catalogue sales, included in general, administrative and store operating expenses were \$14.2 million and \$13.7 million for the year-to-date periods ended October 30, 2004 and November 1, 2003, respectively.

Operating Income

Year-to-date operating income for the 2004 fiscal year increased to \$177.5 million from \$176.4 million in the 2003 fiscal year comparable period, an increase of 1%. The operating income rate (operating income divided by net sales) was 13.3% for the 2004 year-to-date period compared to 15.4% for the comparable period in the 2003 fiscal year. The decrease was primarily due to the accrual for the settlement of three related class action employment discrimination lawsuits, partially offset by sales increases due to new stores, higher gross margin and increases in average unit retail pricing in all three brands.

Interest Income and Income Tax Expense

Year-to-date net interest income for the 2004 fiscal year was \$3.9 million compared to \$2.6 million for the comparable period in 2003. The increase in net interest income was due to higher rates and higher average cash balances for the year-to-date period of the 2004 fiscal year when compared to the same period of the prior year. The Company continued to invest in tax-free securities. The

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effective tax rate for the 2004 year-to-date period was 38.2% compared to 38.4% for the 2003 comparable period.

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FINANCIAL CONDITION

Liquidity and Capital Resources

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

| | October 30, 2004 ----- | January 31, 2004 ----- |
|----------------------|------------------------------|------------------------------|
| Working capital | \$325,241 ===== | \$441,583 ===== |
| Capitalization: | | |
| Shareholders' equity | \$777,466 ===== | \$857,765 ===== |

Net cash provided by operating activities, the Company's primary source of liquidity, totaled \$255.2 million for the thirty-nine weeks ended October 30, 2004 versus \$173.6 million in the comparable period of 2003. Cash was provided primarily by current year net income adjusted for depreciation and amortization, lessor construction allowances and increases in accounts payable and accrued expenses. Uses of cash primarily consisted of increases in inventories and other assets and liabilities.

Accounts payable increased to support the cost of growth in the number of new stores, the declaration of the third quarter dividend payment and the timing of payments. Accrued expenses also increased for items such as higher legal accruals related to the settlement of three related class action employment discrimination lawsuits, higher payroll, accruals related to the retirement of an executive officer and accruals related to store repairs and maintenance in preparation for the holiday season.

Inventories increased as a result of preparation for the holiday season as well as growth in the store base during the first three quarters of 2004. Other assets and liabilities increased primarily as a result of an increase in accounts receivables related to expected proceeds from an insurance claim pertaining to legal expenses and an increase in supplies as a result of the growth in the store base.

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

Cash outflows for investing activities were for capital expenditures (see the discussion in the "Capital Expenditures" section below) related primarily to new stores and construction in process and purchases of marketable securities. Cash inflows from investing activities consisted of proceeds from the sale of marketable securities. As of October 30, 2004, the Company held \$368.8 million of marketable securities with original maturities of greater than 90 days.

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Financing activities for the thirty-nine week period ended October 30, 2004, consisted of \$33.2 million received in connection with stock option exercises, \$35.5 million for the payment of the quarterly \$0.125 dividends on March 30, 2004, June 22, 2004 and September 21, 2004, respectively, \$197.9 million for the repurchase of A&F's Class A Common Stock and \$8.5 million for cash overdrafts which are outstanding checks reclassified from cash to accounts payable.

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During the third quarter of 2004, the Company repurchased 5.4 million shares of A&F's Class A Common Stock at an average cost of \$33.47 per share for a total of \$179.3 million pursuant to the July 29, 2004 A&F Board of Directors' authorization to repurchase 6 million shares of A&F's Class A Common Stock. On November 8, 2004, A&F's Board of Directors authorized the repurchase of 6 million shares of A&F's Class A Common Stock in addition to the remaining balance of the July 29, 2004 authorization.

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

Letters of credit totaling approximately \$66.8 million and \$62.3 million were outstanding under the current Credit Agreement at October 30, 2004 and November 1, 2003, respectively. No loans were outstanding under the current Credit Agreement on October 30, 2004 or November 1, 2003.

The Company has standby letters of credit in the amount of \$4.7 million that are set to expire during the fourth quarter of the 2005 fiscal year. The beneficiary, a merchandise supplier, has the right to draw upon the standby letters of credit if the Company authorizes or files a voluntary petition in bankruptcy. To date, the beneficiary has not drawn upon the standby letters of credit.

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Store Count and Gross Square Feet

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

| | Thirteen Weeks Ended | | Thirty |
|---|----------------------|---------------------|-------------------|
| | October 30, 2004 | November 1, 2003 | October 3 2004 |
| Number of stores and gross square feet by brand | | | |
| Abercrombie & Fitch: | | | |
| Stores at beginning of period | 359 | 346 | 357 |
| Opened | 6 | 6 | 11 |
| Closed | (2) | - | (5) |
| | ----- | ----- | --- |
| Stores at end of period | 363 | 352 | 363 |
| | ===== | ===== | === |

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| | | | |
|----------------------------------|----------------|----------------|------------|
| Gross square feet (thousands) | 3,191 ===== | 3,128 ===== | |
| abercrombie: | | | |
| Stores at beginning of period | 171 | 167 | 171 |
| Opened | 3 | 3 | 5 |
| Closed | - | - | (2) |
| | ----- | ----- | --- |
| Stores at end of period | 174 ===== | 170 ===== | 174 === |
| Gross square feet (thousands) | 767 ===== | 753 ===== | |
| Hollister: | | | |
| Stores at beginning of period | 197 | 112 | 172 |
| Opened | 27 | 17 | 52 |
| Closed | - | - | - |
| | ----- | ----- | --- |
| Stores at end of period | 224 ===== | 129 ===== | 224 === |
| Gross square feet (thousands) | 1,452 ===== | 828 ===== | |
| RUEHL | | | |
| Stores at beginning of period | - | - | - |
| Opened | 3 | - | 3 |
| Closed | - | - | - |
| | ----- | ----- | --- |
| Stores at end of period | 3 ===== | - ===== | 3 === |
| Gross square feet (thousands) | 28 ===== | - ===== | |

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Capital Expenditures and Landlord Construction Allowances

Capital expenditures totaled \$141.1 million and \$119.8 million for the thirty-nine weeks ended October 30, 2004 and November 1, 2003, respectively. Additionally, the non-cash accrual for construction in progress decreased \$7.3 million and increased \$24.9 million for the thirty-nine week periods ended October 30, 2004, and November 1, 2003, respectively. Capital expenditures related primarily to new store construction, including the non-cash accrual for construction in progress. The balance of capital expenditures related primarily to miscellaneous store remodeling projects.

Construction allowances are an integral part of the decision making process for assessing the viability of new store leases. In making the decision whether to invest in a store location, the Company calculates the estimated future return on its investment based on the cost of construction, less any construction allowances to be received from the landlord. For the thirty-nine week periods ended October 30, 2004, and November 1, 2003, the Company received \$35.0 million and \$36.1 million in construction allowances, respectively. For accounting

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purposes, the Company treats construction allowances as a deferred lease credit which reduces rent expense in accordance with Statement of Financial Accounting Standards No.13, "Accounting for Leases" and Financial Accounting Standards Board Technical Bulletin No. 88-1, "Issues Relating to Accounting for Leases".

The Company anticipates spending \$175.0 million to \$185.0 million in the 2004 fiscal year for capital expenditures, of which \$135.0 million to \$145.0 million will be for new/remodel store construction. The balance of the capital expenditures will primarily relate to home office and distribution center projects and other miscellaneous projects.

The Company intends to have added approximately 700,000 gross square feet of store space in the 2004 fiscal year, which will represent a 14% increase over year-end 2003. It is anticipated that the increase will result from the addition of approximately 12 new Abercrombie & Fitch stores, 9 new abercrombie stores, 85 new Hollister stores and four RUEHL stores by the end of the 2004 fiscal year versus last year. The Company will also have remodeled approximately 15 Abercrombie & Fitch stores by the end of the 2004 fiscal year.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for Abercrombie & Fitch stores opened during the 2004 fiscal year will approximate \$625,000 per store, net of construction allowances. In addition, initial inventory purchases are expected to average approximately \$270,000 per store.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for abercrombie stores opened during the 2004 fiscal year will approximate \$541,000 per store, net of construction allowances. In addition, initial inventory purchases are expected to average approximately \$130,000 per store.

The Company estimates that the average cost for leasehold improvements and furniture and fixtures for Hollister stores opened during the 2004 fiscal year will approximate \$597,000 per store, net of construction allowances. In addition, initial inventory purchases are expected to average approximately \$190,000 per store.

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Although the Company opened three RUEHL stores during the third quarter, it believes that the costs it has incurred to-date for the stores is not representative of the future average cost of opening a store.

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

Critical Accounting Policies and Estimates

The Company's significant and critical accounting policies and estimates can be found in the Notes to Consolidated Financial Statements contained in Item 8 of A&F's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004 (see Note 3). Additionally, the Company believes that the following policies are critical to the portrayal of the Company's financial condition and results of operations for interim periods.

Revenue Recognition - The Company recognizes retail sales at the time the customer takes possession of the merchandise and purchases are paid for, primarily with either cash or credit card. Catalogue and e-commerce sales are recorded upon customer receipt of merchandise. Amounts relating to shipping and

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handling billed to customers in a sale transaction are classified as revenue and the direct shipping costs are classified as cost of goods sold. Employee discounts are classified as a reduction of revenue. The Company reserves for sales returns through estimates based on historical experience and various other assumptions that management believes to be reasonable.

Inventory Valuation - Inventories are principally valued at the lower of average cost or market, on a first-in first-out basis, utilizing the retail method. The retail method of inventory valuation is an averaging technique applied to different categories of inventory. At the Company, the averaging is determined at the stock keeping unit ("SKU") level by averaging all costs for each SKU. An initial markup ("IMU") is applied to inventory at cost in order to establish a cost-to-retail ratio. Permanent markdowns, when taken, reduce both the retail and cost components of inventory on hand so as to maintain the already established cost-to-retail relationship. The use of the retail method and the recording of markdowns effectively values inventory at the lower of cost or market. The Company further reduces inventory at season end by recording an additional markdown reserve using the retail carrying value of inventory from the season just passed. Markdowns on this carryover inventory represent estimated future anticipated selling price declines. Additionally, inventory valuation at the end of the first and third quarters reflects adjustments for inventory markdowns for the total season.

Further, as part of inventory valuation, an inventory shrinkage estimate is made each period that reduces the value of inventory for lost or stolen items. Inherent in the retail method calculation are certain significant judgments and estimates including, among others, initial markup, markdowns and shrinkage, which could significantly impact the ending inventory valuation at cost as well as the resulting gross margins. Management believes that this inventory valuation method is appropriate since it preserves the cost-to-retail relationship in ending inventory.

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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. Inherent in the measurement of deferred balances are certain judgments and interpretations of enacted tax law and published guidance with respect to applicability to the Company's operations. Significant examples of this concept include capitalization policies for various tangible and intangible costs, income and expense recognition and inventory valuation methods. No valuation allowance has been provided for deferred tax assets because management believes the full amount of the net deferred tax assets will be realized in the future. The effective tax rate utilized by the Company reflects management's judgment of the expected tax liabilities within the various taxing jurisdictions.

Contingencies - In the normal course of business, the Company must make continuing estimates of potential future legal obligations and liabilities, which requires the use of management's judgment on the outcome of various issues. Management may also use outside legal advice to assist in the estimating process. However, the ultimate outcome of various legal issues could be different than management estimates, and adjustments may be required.

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Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

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A&F cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Quarterly Report on Form 10-Q/A or made by management of A&F involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the Company's control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," and similar expressions may identify forward-looking statements. The following factors, in addition to those included in the disclosure under the heading "RISK FACTORS" in "ITEM 1. BUSINESS" of A&F's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004, in some cases have affected and in the future could affect the Company's financial performance and could cause actual results for the 2004 fiscal year and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this Quarterly Report on Form 10-Q/A or otherwise made by management:

- changes in consumer spending patterns and consumer preferences;
- the effects of political and economic events and conditions domestically and in foreign jurisdictions in which the Company operates, including, but not limited to, acts of terrorism or war;
- the impact of competition and pricing;
- changes in weather patterns;
- postal rate increases and changes;
- paper and printing costs;
- market price of key raw materials;
- ability to source product from its global supplier base;
- political stability;
- currency and exchange risks and changes in existing or potential duties, tariffs or quotas;
- availability of suitable store locations at appropriate terms;
- ability to develop new merchandise; and
- ability to hire, train and retain associates.

Future economic and industry trends that could potentially impact revenue and profitability are difficult to predict. Therefore, there can be no assurance that the forward-looking statements included in this Quarterly Report on Form 10-Q/A will prove to be accurate. In light of the significant uncertainties in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company, or any other person, that the objectives of the Company will be achieved. The forward-looking statements herein are based on information presently available to the management of the Company. Except as may be required by applicable law, the Company assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

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The market risk of the Company's financial instruments as of October 30, 2004 has not significantly changed since January 31, 2004. The Company's market risk profile as of January 31, 2004 is disclosed in "Item 7A - Quantitative and Qualitative Disclosures about Market Risk" of A&F's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004.

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ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Chairman and Chief Executive Officer and the Senior Vice President - Chief Financial Officer, as appropriate, to allow timely decisions regarding required financial disclosures. Because of inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of disclosure controls and procedures are met.

The Company's management, with the participation of the Chairman and Chief Executive Officer and the Senior Vice President - Chief Financial Officer, conducted an evaluation of the effectiveness of the Company's design and operation of its disclosure controls and procedures as of the end of the period covered by this Form 10-Q/A. The evaluation included consideration of facts and circumstances surrounding corrections of the Company's lease accounting practices. These corrections resulted in the restatement of the Company's consolidated financial statements as of October 30, 2004 and January 31, 2004 and for the interim periods ended October 30, 2004 and November 1, 2003, as described in Note 2: "Restatement and Reclassification of Financial Statements" under Notes to Condensed Consolidated Financial Statements included in Item 1, "Financial Statements" of this Form 10-Q/A. As a result of the restatements and the related material weakness discussed below, the Chief Executive Officer and the Chief Financial Officer concluded that, as of October 30, 2004, the Company's disclosure controls and procedures were not effective at a reasonable level of assurance. Notwithstanding this material weakness discussed below, the Company's management has concluded that the restated consolidated financial statements included in this report present fairly, in all material respects the Company's financial position and results of operations and cash flows for the periods presented in conformity with generally accepted accounting principles.

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of October 30, 2004, the Company's controls over the selection and application of its lease accounting policies related to construction allowances and the recording of rent between the date the Company takes possession of the property and the commencement date of the lease were ineffective to ensure that such leasing transactions were recorded in accordance with generally accepted accounting principles. Specifically, because of the deficiency in the Company's controls over the selection and application of its lease accounting policies, the Company failed to identify and properly classify and account for property and equipment, deferred lease

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credits from landlords, rent expense, depreciation expense and the related impact of these items on cash provided by operating activities and cash used for investing activities in the consolidated statements of cash flows, which resulted in restatements of the Company's consolidated financial statements as of October 30, 2004 and January 31, 2004. Additionally, if the control deficiency is not remediated it could result in a misstatement of the aforementioned financial statement accounts and disclosures that would result in a material misstatement to annual or interim financial statements that would not be prevented or detected. Accordingly, management of the Company has concluded that this control deficiency constitutes a material weakness and that internal controls over financial reporting was not effective as of October 30, 2004.

Changes in Internal Control Over Financial Reporting

In the first quarter of 2005, the Company remediated the material weakness in internal control over financial reporting by correcting its method of accounting for construction allowances and recording of rent between the date the Company takes possession of the property and the commencement date of the lease. The Company implemented controls to ensure that all future leases are reviewed and accounted for in accordance with Statement of Financial Accounting Standards No.13, "Accounting for Leases" and Financial Accounting Standards Board Technical Bulletin No. 88-1, "Issues Relating to Accounting for Leases"; and Financial Accounting Standards Board Technical Bulletin No. 85-3, "Accounting for Operating Leases with Scheduled Rent Increases."

Other than the foregoing, there have been no changes in the Company's internal control over financial reporting that occurred since October 30, 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

A&F is aware of 20 actions that have been filed against A&F and certain of its officers and directors on behalf of a purported, but as yet uncertified, class of shareholders who purchased A&F's Class A Common Stock between October 8, 1999 and October 13, 1999. These 20 actions have been filed in the United States District Courts for the Southern District of New York and the Southern District of Ohio, Eastern Division, alleging violations of the federal securities laws and seeking unspecified damages. On April 12, 2000, the Judicial Panel on Multidistrict Litigation issued a Transfer Order transferring the 20 pending actions to the Southern District of New York for consolidated pretrial proceedings under the caption In re Abercrombie & Fitch Securities Litigation. On November 16, 2000, the Court signed an Order appointing the Hicks Group, a group of seven unrelated investors in A&F's securities, as lead plaintiff, and appointing lead counsel in the consolidated action. On December 14, 2000, plaintiffs filed a Consolidated Amended Class Action Complaint (the "Amended Complaint") in which they did not name as defendants Lazard Freres & Co. and Todd Slater, who had formerly been named as defendants in certain of the 20 complaints. A&F and other defendants filed motions to dismiss the Amended Complaint on February 14, 2001. On November 14, 2003, the motions to dismiss the

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Amended Complaint were denied. On December 2, 2003, A&F moved for reconsideration or reargument of the November 14, 2003 order denying the motions to dismiss. The motions for reconsideration or reargument were fully briefed and submitted to the Court on January 9, 2004. The motions were denied on February 23, 2004.

A&F is aware of six actions that have been filed on behalf of purported classes of employees and former employees of the Company alleging that the Company required its associates to wear and pay for a "uniform" in violation of applicable law. In each case, the plaintiff, on behalf of his or her purported class, seeks injunctive relief and unspecified amounts of economic and liquidated damages. Two of these cases, Jennifer M. Solis v. Abercrombie & Fitch Stores, Inc. and A&F California, LLC and Sarah Stevenson v. Abercrombie & Fitch Co., allege violations of California law and were filed on February 10, 2003 and February 4, 2003 in the California Superior Courts for Los Angeles County and San Francisco County, respectively. An answer was filed in the Solis case on March 26, 2003. Pursuant to a Petition for Coordination, the Solis and the Stevenson cases were coordinated by order issued November 17, 2003. Shelby Port v. Abercrombie & Fitch Stores, Inc., which alleges violations of Washington law, was filed on or about July 18, 2003 in the Washington Superior Court of King County. The defendant filed a motion to dismiss the complaint in the Port case on September 5, 2003. The plaintiff filed an amended complaint on or about August 9, 2004, adding three new named plaintiffs and subsequently filed a second amended complaint on or about October 20, 2004. The defendant filed its answer to the second amended complaint on or about November 19, 2004. The plaintiffs filed a motion to certify a class of employees in the state of Washington on or about November 10, 2004. The defendant intends to oppose that motion. The Company does not believe it is feasible to predict the outcome of the legal proceedings identified in this paragraph and intends to defend vigorously against them. The timing of the final resolution of each of these proceedings is also uncertain. Accordingly, the Company cannot estimate a range of potential loss, if any, for any of these legal proceedings.

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Jadii Mohme v. Abercrombie & Fitch, which alleges violations of Illinois law, was filed on July 18, 2003 in the Illinois Circuit Court of St. Clair County. A first amended complaint was filed in the Mohme case on September 10, 2003 to change the defendant to "Abercrombie & Fitch Stores, Inc." from "Abercrombie & Fitch." An answer to the first amended complaint was filed in the Mohme case on September 26, 2003. Holly Zeman v. Abercrombie & Fitch, which alleges violations of Pennsylvania law, was filed on July 18, 2003 in the Pennsylvania Court of Common Pleas of Allegheny County. A first amended complaint was filed in the Zeman case on September 9, 2003 to change the defendant to "Abercrombie & Fitch Stores, Inc." from "Abercrombie & Fitch." A second amended complaint was filed on November 10, 2003, adding some factual allegations. The defendant filed an answer to the second amended complaint on January 22, 2004. In Michael Gualano v. Abercrombie & Fitch, which was filed in the United States District Court for the Western District of Pennsylvania on March 14, 2003, the plaintiff alleges that the "uniform," when purchased, drove associates' wages below the federal minimum wage. The complaint purports to state a collective action on behalf of part-time associates under the Fair Labor Standards Act. A first amended complaint was filed in the Gualano case on September 9, 2003, to change the defendant to "Abercrombie & Fitch Stores, Inc." from "Abercrombie & Fitch." An answer to the first amended complaint was filed in the Gualano case on or about September 24, 2003. Jadii Mohme and Holly Zeman have stayed their claims in state court and joined their claims with Michael Gualano along with four other named plaintiffs in four other states in a second amended complaint, which the defendant has answered. The parties are in the process of settling these claims. On November 17, 2004, the United States District Court for the Western District of Pennsylvania gave final approval of the settlement, and dismissal of

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the case with prejudice was entered. The Mohme and Zeman cases are in the process of being dismissed with prejudice pursuant to the terms of the settlement. The settlement resolves all claims of hourly employees in the states of Colorado, Connecticut, Illinois, Minnesota, New Jersey and Pennsylvania under their respective state laws and their claims under the Fair Labor Standards Act. The Company does not expect the settlement to be material to the consolidated financial statements.

A&F is aware of two actions that have been filed against the Company involving overtime compensation. In each action, the plaintiffs, on behalf of their respective purported class, seek injunctive relief and unspecified amounts of economic and liquidated damages. In *Bryan T. Kimbell, Individually and on Behalf of All Others Similarly Situated and on Behalf of the Public v. Abercrombie & Fitch Stores, Inc.*, which was filed on July 10, 2002 in the California Superior Court for Los Angeles County, the plaintiffs allege that California general and store managers were entitled to receive overtime pay as "non-exempt" employees under California wage and hour laws. An answer was filed in the Kimbell case on September 4, 2002 and the parties are in the process of discovery. The trial court has ordered a class of store managers in California certified for limited purposes. In *Melissa Mitchell, et al. v. Abercrombie & Fitch Co. and Abercrombie & Fitch Stores, Inc.*, which was filed on June 13, 2003 in the United States District Court for the Southern District of Ohio, the plaintiffs allege that assistant managers and store managers were not paid overtime compensation in violation of the Fair Labor Standards Act and Ohio law. The defendants filed a motion to dismiss the Mitchell case on July 28, 2003. The case was transferred from the Western Division to the Eastern Division of the Southern District of Ohio on April 21, 2004. The plaintiffs filed an amended complaint to add Scott Oros as a named plaintiff on October 28, 2004. The defendants subsequently renewed their motion to dismiss, which is pending.

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The Company does not believe it is feasible to predict the outcome of the legal proceedings described in the immediately preceding paragraph and intends to defend vigorously against them. The timing of the final resolution of each of these proceedings is also uncertain. Accordingly, the Company cannot estimate a range of potential loss, if any, for any of these legal proceedings.

A&F is aware of three actions that have been filed on behalf of a purported class alleged to be discriminated against in hiring or employment decisions due to race, national origin and/or gender. *Eduardo Gonzalez, et al. v. Abercrombie & Fitch Co.* was filed on June 16, 2003 in the United States District Court for the Northern District of California. The plaintiffs subsequently amended their complaint to add A&F California, LLC, Abercrombie & Fitch Stores, Inc. and A&F Ohio, Inc. as defendants. The plaintiffs allege, on behalf of their purported class, that they were discriminated against in hiring and employment decisions due to their race and/or national origin. The plaintiffs seek, on behalf of their purported class, injunctive relief and unspecified amounts of economic, compensatory and punitive damages. A second amended complaint, which added two additional plaintiffs, was filed on or about January 9, 2004. The defendants filed an answer to the second amended complaint on or about January 26, 2004. A third amended complaint was filed June on 10, 2004, restating the original claims and adding two individual, but not class, claims of gender discrimination. The defendants filed an answer on or about June 21, 2004. On November 8, 2004, the plaintiffs filed a fourth amended complaint, adding an additional plaintiff and claims on behalf of those who asserted they were discriminated against in hiring and employment decisions as managers due to their race and/or national origin. On November 11, 2004, the defendants answered the fourth amended complaint. Two other class action employment discrimination lawsuits have been filed in the United States District Court for the Northern District of California, both on November 8, 2004. In *Elizabeth West, et al. v.*

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Abercrombie & Fitch Stores, Inc., et al., the plaintiffs allege gender (female) discrimination in hiring or employment decisions and seek, on behalf of their purported class, injunctive relief and unspecified amounts of economic, compensatory and punitive damages. The other was brought by the Equal Employment Opportunity Commission (the "EEOC") and alleges race, ethnicity and gender (female) discrimination in hiring or employment decisions. The EEOC complaint seeks injunctive relief and, on behalf of the purported class, unspecified amounts of economic, compensatory and punitive damages. On November 8, 2004, the Company signed a consent decree settling these three related class action discrimination lawsuits, subject to judicial review and approval. The monetary terms of the consent decree provide that the Company will set aside \$40.0 million to pay to the class, approximately \$7.5 million for attorneys' fees, and approximately \$2.5 million for monitoring and administrative costs to carry out the settlement. As a result, the Company accrued a non-recurring charge of \$32.9 million, which was included in general, administrative and store operating expenses for the thirteen weeks ended October 30, 2004. This is in addition to amounts accrued during the first quarter of fiscal 2004 when the Company recorded an \$8.0 million charge (net of expected proceeds of \$10 million from insurance) resulting from an increase in expected defense costs related to the Gonzalez case. As part of the consent decree, the Company also agreed to implement a series of programs and initiatives that are designed to achieve greater diversity throughout its stores. The preliminary approval order was signed by Judge Susan Illston of the United States District Court for the Northern District of California on November 16, 2004, and that order scheduled a final fairness and approval hearing for April 14, 2005.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Not applicable

(b) Not applicable

(c) The following table provides information regarding A&F's purchase of its Class A Common Stock during each fiscal month of the quarterly period ended October 30, 2004:

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maxi of Sha Yet b under Progr |
|---------------------------------------|---|------------------------------------|--|---|
| ----- | ----- | ----- | ----- | ----- |
| August 1 through August 28, 2004 | 1,220,000 | \$29.17 | 1,220,000 | 4, |
| August 29 through October 2, 2004 | 1,766,500 | \$32.27 | 1,766,500 | 3, |
| October 3 through October 30, 2004 | 2,370,000 | \$36.56 | 2,370,000 | -- |
| Total | 5,356,500 ===== | \$33.47 ===== | 5,356,500 ===== | == |

(1) The number shown represents, as of the end of each period, the maximum number of shares of Class A Common Stock that may yet be purchased under A&F's publicly announced stock purchase authorizations. On July 29, 2004,

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A&F announced the authorization of the repurchase of 6,000,000 shares of Class A Common Stock. The shares may be purchased from time-to-time, depending on market conditions.

- (2) On November 9, 2004, A&F announced that the Board of Directors had authorized the extension of A&F's stock repurchase program to permit the repurchase of an additional 6,000,000 shares of A&F Class A Common Stock.

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ITEM 5. OTHER INFORMATION

1. Form of Restricted Shares Award Agreement under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan prior to November 28, 2004 -- Attached as Exhibit 10.11 is the form of award agreement that A&F has previously entered into and delivered to grantees of restricted shares under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan. Grantees have included executive officers of A&F.
2. Form of Restricted Shares Award Agreement (No Performance-Based Goals) under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan after November 28, 2004 -- Attached as Exhibit 10.12 is the new form of award agreement to be entered into by A&F in respect of restricted shares to be granted under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan which do not require the satisfaction of performance goals to be earned. The purpose of the new form of award agreement is to provide further information in respect of the grant consistent with the terms of the Plan. As of the date of this Quarterly Report on Form 10-Q/A, no grants have been evidenced by this new form. Grantees may include executive officers of A&F other than Michael S. Jeffries.
3. Form of Restricted Shares Award Agreement (Performance-Based Goals) under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan after November 28, 2004 - Attached as Exhibit 10.13 is the new form of award agreement to be entered into by A&F in respect of restricted shares to be granted under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan which require the satisfaction of performance goals to be earned. The purpose of the new form of award agreement is to provide further information in respect of the grant consistent with the terms of the Plan. As of the date of this Quarterly Report on Form 10-Q/A, no grants have been evidenced by this new form. Grantees may include executive officers of A&F other than Michael S. Jeffries.
4. Form of Stock Option Agreement (Nonstatutory Stock Options) under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan prior to November 28, 2004 -- Attached as Exhibit 10.14 is the form of stock option agreement that A&F has previously entered into and delivered to grantees of nonstatutory stock options under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan. Grantees have included executive officers of A&F.
5. Form of Stock Option Agreement (Nonstatutory Stock Options) under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan November 28, 2004 -- Attached as Exhibit 10.15 is the new form of stock option agreement to be entered into by A&F in respect of nonstatutory stock options granted and to be granted under the

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1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan. The purpose of the new form of stock option agreement is to provide further information in respect of the grant consistent with the terms of the Plan. As of the date of this Quarterly Report on Form 10-Q/A, no grants have been evidenced by this new form other than the one made to Thomas D. Mendenhall, an executive officer of A&F, on November 29, 2004. Future grantees will include executive officers of A&F.

6. Form of Stock Option Agreement under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Plan for Non-Associate Directors -- Attached as Exhibit 10.16 is the form of stock option agreement that A&F has previously entered into and delivered to grantees of nonstatutory stock options under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Plan for Non-Associate Directors. Grantees have included non-employee directors of A&F. No further grants of nonstatutory stock options may be made under this Plan.
7. Form of Restricted Shares Award Agreement under the Abercrombie & Fitch Co. 2002

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Stock Plan for Associates prior to November 28, 2004 -- Attached as Exhibit 10.17 is the form of award agreement that A&F has previously entered into and delivered to grantees of restricted shares under the Abercrombie & Fitch Co. 2002 Stock Plan for Associates. Grantees have included executive officers of A&F.

8. Form of Restricted Shares Award Agreement under the Abercrombie & Fitch Co. 2002 Stock Plan for Associates after November 28, 2004 -- Attached as Exhibit 10.18 is the new form of award agreement to be entered into by A&F in respect of restricted shares granted and to be granted under the Abercrombie & Fitch Co. 2002 Stock Plan for Associates. The purpose of the new form of award agreement is to provide further information in respect of the grant consistent with the terms of the Plan. As of the date of this Quarterly Report on Form 10-Q/A, no grants have been evidenced by this new form other than the one made to Thomas D. Mendenhall, an executive officer of A&F, on November 29, 2004. Future grantees may include executive officers of A&F other than Michael S. Jeffries.
9. Form of Stock Option Agreement (Nonstatutory Stock Options) under the Abercrombie & Fitch Co. 2002 Stock Plan for Associates prior to November 28, 2004 -- Attached as Exhibit 10.19 is the form of stock option agreement that A&F has previously entered into and delivered to grantees of nonstatutory stock options under the Abercrombie & Fitch Co. 2002 Stock Plan for Associates. Grantees have included executive officers of A&F.
10. Form of Stock Option Agreement (Nonstatutory Stock Options) under the Abercrombie & Fitch Co. 2002 Stock Plan for Associates after November 28, 2004 -- Attached as Exhibit 10.20 is the new form of award agreement for nonstatutory stock options to be granted under the Abercrombie & Fitch Co. 2002 Stock Plan for Associates. The purpose of the new form of stock option agreement is to provide further information in respect of the grant consistent with the terms of the Plan. As of the date of this Quarterly Report on Form 10-Q/A, no grants have been evidenced by this new form. Grantees will include executive officers of A&F.
11. Form of Stock Option Agreement under the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors prior to November 28, 2004 -- Attached as Exhibit 10.21 is the form of stock option agreement that A&F

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has previously entered into and delivered to grantees of nonstatutory stock options under the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors. Grantees have included non-employee directors of A&F.

12. Form of Stock Option Agreement under the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors after November 28, 2004 -- Attached as Exhibit 10.22 is the new form of stock option agreement for nonstatutory stock options to be granted under the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors. The purpose of the new form of stock option agreement is to provide further information in respect of the grant consistent with the terms of the Plan. As of the date of this Quarterly Report on Form 10-Q/A, no grants have been evidenced by this new form. Grantees will include non-employee directors of A&F.

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ITEM 6. EXHIBITS

(a) Exhibits

3. Certificate of Incorporation and Bylaws.
 - 3.1 Amended and Restated Certificate of Incorporation of A&F as filed with the Delaware Secretary of State on August 27, 1996, incorporated herein by reference to Exhibit 3.1 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended November 2, 1996. (File No. 1-12107)
 - 3.2 Certificate of Designation of Series A Participating Cumulative Preferred Stock of A&F as filed with the Delaware Secretary of State on July 21, 1998, incorporated herein by reference to Exhibit 3.2 to A&F's Annual Report on Form 10-K for the fiscal year ended January 30, 1999. (File No. 1-12107)
 - 3.3 Certificate of Decrease of Shares Designated as Class B Common Stock of A&F as filed with the Delaware Secretary of State on July 30, 1999, incorporated herein by reference to Exhibit 3.3 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 31, 1999. (File No. 1-12107)
 - 3.4 Amended and Restated Bylaws of A&F, effective January 31, 2002, incorporated herein by reference to Exhibit 3.4 to A&F's Annual Report on Form 10-K for the fiscal year ended February 2, 2002. (File No. 1-12107)
 - 3.5 Certificate regarding adoption of amendment to Section 2.02 of Amended and Restated Bylaws of A&F by Board of Directors on July 10, 2003, incorporated herein by reference to Exhibit 3.5 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended November 1, 2003 (File No. 1-12107)
 - 3.6 Certificate regarding adoption of amendments to Sections 1.02, 1.06, 3.01, 3.05, 4.02, 4.03, 4.04, 4.05, 4.06, 6.01 and 6.02 of Amended and Restated Bylaws of A&F by Board of Directors on May 20, 2004, incorporated herein by reference to Exhibit 3.6 to A&F's Quarterly Report on Form 10-Q/A for the quarterly period ended May 1, 2004 (File No. 1-12107)
 - 3.7 Amended and Restated Bylaws of A&F (reflecting amendments through May 20, 2004) [for SEC reporting compliance purposes

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only], incorporated herein by reference to Exhibit 3.7 to A&F's Quarterly Report on Form 10-Q/A for the quarterly period ended May 1, 2004 (File No. 1-12107)

4. Instruments Defining the Rights of Security Holders.

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

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November 26, 2002. (File No. 1-12107)

- 4.3 First Amendment and Waiver, dated as of January 26, 2004, to the Credit Agreement, dated as of November 14, 2002, among Abercrombie & Fitch Management Co., A&F, the Lenders party thereto and National City Bank, as Administrative Agent, incorporated herein by reference to Exhibit 4.3 to A&F's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004 (File No. 1-12107)
- 4.4 Rights Agreement, dated as of July 16, 1998, between A&F and First Chicago Trust Company of New York, as Rights Agent, incorporated herein by reference to Exhibit 1 to A&F's Registration Statement on Form 8-A dated July 21, 1998. (File No. 1-12107)
- 4.5 Amendment No. 1 to Rights Agreement, dated as of April 21, 1999, between A&F and First Chicago Trust Company of New York, as Rights Agent, incorporated herein by reference to Exhibit 2 to A&F's Amendment No. 1 to Form 8-A dated April 23, 1999. (File No. 1-12107)
- 4.6 Certificate of adjustment of number of Rights associated with each share of Class A Common Stock, dated May 27, 1999, incorporated herein by reference to Exhibit 4.6 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 31, 1999. (File No. 1-12107)
- 4.7 Appointment and Acceptance of Successor Rights Agent, effective as of the opening of business on October 8, 2001, between A&F and National City Bank, incorporated herein by reference to Exhibit 4.6 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended August 4, 2001. (File No. 1-12107)

10. Material Contracts.

- 10.1 Abercrombie & Fitch Co. Incentive Compensation Performance

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Plan, incorporated herein by reference to Exhibit 10.1 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 4, 2002. (File No. 1-12107)

- 10.2 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan (reflects amendments through December 7, 1999 and the two-for-one stock split distributed June 15, 1999 to stockholders of record on May 25, 1999), incorporated herein by reference to Exhibit 10.2 to A&F's Annual Report on Form 10-K for the fiscal year ended January 29, 2000. (File No. 1-12107)
- 10.3 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Plan for Non-Associate Directors (reflects amendments through January 30, 2003 and the two-for-one stock split distributed June 15, 1999 to stockholders of record on May 25, 1999), incorporated herein by reference to Exhibit 10.3 to A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2003. (File No. 1-12107)
- 10.4 Abercrombie & Fitch Co. 2002 Stock Plan for Associates (as amended and restated May 22, 2003), incorporated herein by reference to Exhibit 10.4 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 3, 2003. (File No. 1-12107)
- 10.5 Amended and Restated Employment Agreement, dated as of January 30, 2003, by and between A&F and Michael S. Jeffries, including as Exhibit A

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thereto the Supplemental Executive Retirement Plan (Michael S. Jeffries), effective February 2, 2003, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated February 11, 2003. (File No. 1-12107)

- 10.6 Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (as amended and restated May 22, 2003), incorporated herein by reference to Exhibit 10.7 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 3, 2003. (File No. 1-12107)
- 10.7 Abercrombie & Fitch Nonqualified Savings and Supplemental Retirement Plan (formerly known as the Abercrombie & Fitch Co. Supplemental Retirement Plan), as amended and restated effective January 1, 2001, incorporated herein by reference to Exhibit 10.9 to A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2003. (File No. 1-12107)
- 10.8 Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors, incorporated herein by reference to Exhibit 10.9 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 3, 2003. (File No. 1-12107)
- 10.9 Retirement Agreement, executed on May 20, 2004, by and between Seth R. Johnson and A&F, incorporated herein by reference to Exhibit 10.9 to A&F's Quarterly Report on Form 10-Q/A for the quarterly period ended May 1, 2004 (File No. 1-12107)
- 10.10 Employment Agreement, entered into as of May 17, 2004, by and

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between A&F and Robert S. Singer, including as Exhibit A thereto the Supplemental Executive Retirement Plan II (Robert S. Singer), effective May 17, 2004, incorporated herein by reference to Exhibit 10.10 to A&F's Quarterly Report on Form 10-Q/A for the quarterly period ended May 1, 2004 (File No. 1-12107)

- 10.11 Form of Restricted Shares Award Agreement under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan prior to November 28, 2004
- 10.12 Form of Restricted Shares Award Agreement (No Performance-Based Goals) under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Option and Performance Incentive Plan after November 28, 2004
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- 10.16 Form of Stock Option Agreement under the 1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Plan for Non-Associate Directors

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- 10.17 Form of Restricted Shares Award Agreement under the Abercrombie & Fitch Co. 2002 Stock Plan for Associates prior to November 28, 2004
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- 10.22 Form of Stock Option Agreement under the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors after November 28, 2004

- 15. Letter re: Unaudited Interim Financial Information to Securities and

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Exchange Commission re: Inclusion of Report of Independent Registered Public Accounting Firm.

- 31.1 Rule 13a-14(a)/15d-14(a) Certification (Principal Executive Officer)
- 31.2 Rule 13a-14(a)/15d-14(a) Certification (Principal Financial Officer)
- 32 Section 1350 Certifications (Principal Executive Officer and Principal Financial Officer)

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SIGNATURES

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

ABERCROMBIE & FITCH CO.

Date: April 11, 2005

By /s/ Susan J. Riley

Susan J. Riley,
Senior Vice President - Chief Financial Officer

* Ms. Riley has been duly authorized to sign on behalf of the Registrant as its principal financial officer.

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EXHIBIT INDEX

| Exhibit No. | Document |
|-------------|---|
| ----- | ----- |
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 - *10.22 Form of Stock Option Agreement under the Abercrombie & Fitch Co. 2003 Stock Plan for Non-Associate Directors after November 28, 2004
 - 15 Letter re: Unaudited Interim Financial Information to Securities and Exchange Commission re: Inclusion of Report of Independent Registered Public Accounting Firm
 - 31.1 Rule 13a-14(a)/15d-14(a) Certification (Principal Executive Officer)
 - 31.2 Rule 13a-14(a)/15d-14(a) Certification (Principal Financial Officer)
 - 32 Section 1350 Certifications (Principal Executive Officer and Principal Financial Officer)
- * Exhibit was previously filed with the original filing of the Quarterly Report on Form 10-Q on December 9, 2004