

Abercrombie & Fitch (Denmark) ApS

**c/o Harbourhouse Sundkrogsgade 21
2100 Copenhagen Ø**

Central Business Registration No: 31178975

Annual report 2015/16

The Annual General Meeting adopted the annual report on 21.06.2016

Chairman of the General Meeting



Name: Boris Djordjevic

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Entity details

Entity

Abercrombie & Fitch (Denmark) ApS
c/o Harbourhouse Sundkrogsgade 21
2100 Copenhagen Ø

Central Business Registration No: 31178975
Registered in: Copenhagen
Financial year: 01.02.2015 - 31.01.2016

Executive Board

Boris Djordjevic
Robert Everett Bostrom

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Abercrombie & Fitch (Denmark) ApS for the financial year 01.02.2015 - 31.01.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.01.2016 and of the results of its operations for the financial year 01.02.2015 - 31.01.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

21.06.2016

Executive Board



Boris Djordjevic

Robert Everett Bostrom

Independent auditor's report

To the Shareholders of Abercrombie & Fitch (Denmark) ApS.

Report on the Financial Statements

We have audited the Financial Statements of Abercrombie & Fitch (Denmark) ApS for the financial year 1 February 2015 – 31 January 2016, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

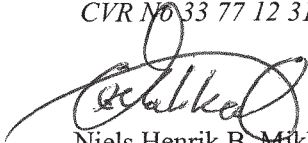
Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 January 2016 and of the results of the Company operations for the financial year 1 February 2015 - 31 January 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Copenhagen, 21 June 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31



Niels Henrik B. Mikkelsen
State Authorised Public Accountant

Management commentary

Primary activities

Abercrombie & Fitch (Denmark) ApS is a specialty retailer that operates a store selling casual sportswear apparel, including knit and woven shirts, graphic t-shirts, fleece, jeans and woven pants, shorts, sweaters and outerwear, personal care products and accessories for men and women under the Abercrombie and Fitch brand through its flagship store in Copenhagen.

Development in activities and finances

The Company began its retail operations at its Copenhagen location on 4 November 2010. The results for 2015/2016 are considered satisfactory.

Profit for 2015/2016 was 3.6 million DKK as compared to profit of 1.2 million DKK for 2014/2015 and of 2.8 million DKK for 2013/2014.

Assets as of 31 January 2016 were 44.7 million DKK compared to 64.6 million DKK and 93.6 million DKK as of 31 January 2015 and 31 January 2014, respectively. Total assets included 23.3 million DKK of property and equipment as of 31 January 2016 compared to 30.2 million DKK and 37.6 million DKK as of 31 January 2015 and 31 January 2014, respectively. Equity as of 31 January 2016 was 36.0 million DKK compared to 50.8 million DKK and 84.7 million DKK as of 31 January 2015 and 31 January 2014, respectively.

Uncertainty relating to recognition and measurement

Abercrombie & Fitch (Denmark) ApS has no areas where there is material uncertainty in recognition and measurement, other than what's disclosed in the paragraph related to principal risks and uncertainties.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances that have impacted recognition and measurement.

Principal risks and uncertainties

The following factors could affect our financial performance and could cause actual results to differ materially from those expressed or implied in any of the forward-looking statements:

- changes in global economic and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits, could have a material adverse effect on our business, results of operations and liquidity;
- our inability to anticipate customer demand and changing fashion trends and to manage our inventory commensurately could adversely impact our sales levels and profitability;

Management commentary

Principal risks and uncertainties (continued)

- our market share may be negatively impacted by increasing competition and pricing pressures from companies with brands or merchandise competitive with ours;
- our ultimate parent company, Abercrombie & Fitch Co., has suspended the search for a new Chief Executive Officer and the continuance of the interim governance structure may create uncertainty;
- our inability to successfully implement our strategic plans could have a negative impact on our growth and profitability;
- our failure to protect our reputation could have a material adverse effect on our brands;
- our business could suffer if our information technology systems are disrupted or cease to operate effectively;
- we may be exposed to risks and costs associated with cyber-attacks, credit card fraud and identity theft that would cause us to incur unexpected expenses and reputation loss;
- our ability to attract customers to our stores depends, in part, on the success of the shopping malls or area attractions that our stores are located in or around;
- we rely on the experience and skills of Abercrombie & Fitch Co.'s senior executive officers, the loss of whom could have a material adverse effect on our business;
- our litigation exposure could have a material adverse effect on our financial condition and results of operations;
- our inability or failure to adequately protect our trademarks could have a negative impact on our brand image and limit our ability to penetrate new markets;
- fluctuations in our tax obligations and effective tax rate may result in volatility in our operating results;
- extreme weather conditions and the seasonal nature of our business may cause net sales to fluctuate and negatively impact our results of operations;
- our facilities, systems and stores are vulnerable to natural disasters, pandemic disease and other unexpected events, any of which could result in an interruption to our business and adversely affect our operating results;
- the impact of war or acts of terrorism could have a material adverse effect on our operating results and financial condition;
- changes in the regulatory or compliance landscape could adversely affect our business and results of operations; and,
- compliance with changing regulations and standards for accounting, corporate governance and public disclosure could adversely affect our business, results of operations and reported financial results.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Expected development in 2016

There are no significant changes planned in the Company's operations in the foreseeable future.

Accounting policies

Reporting class

In accordance with size criteria provided by the Danish FSA, beginning in the fiscal year ended 31 January 2016, the Company reports as a class B entity (small). Apart from the change in size, accounting policies applied in these financial statements are consistent with those applied last year.

The annual Report for 2015/2016 is presented in DKK '000.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Accounting policies (continued)

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of goods for resale is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed. The Company also reserves for sales returns through estimates based on historical experience.

With reference to section 32 of the Danish Financial Statement Act, revenue has not been disclosed in the Annual Report.

Other operating income and expenses

Other operating income comprises income of a secondary nature as viewed in relation to the Company's primary activities, including gains and losses on the sale of property and equipment.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions for Company staff.

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses relating to property and equipment comprise amortization, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing. There have not been impairment losses recognized to date on the property and equipment.

Other financial income

Other financial income comprises interest income, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme.

Other financial expenses

Other financial expenses comprise interest expenses, including payables and transactions in foreign currencies, amortization of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme.

Accounting policies (continued)

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement for the portion attributable to the profit for the year and recognized directly in equity for the portion attributable to equity.

Balance sheet

Property and equipment

Other fixtures, fittings and equipment are measured at cost less accumulated depreciation and impairment losses. The Company owns no land.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is taken on the basis of the following estimated useful lives of the assets:

- Other fixtures, fittings and equipment 3-10 years
- Leasehold improvements 4-10 years

Property and equipment are written down to the lower of recoverable amount or carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventory

Inventory is measured at the lower of cost or market using weighted average cost method. Cost of goods for resale consists of purchase price plus delivery costs. The net realizable value of inventory is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Accounting policies (continued)

Prepayments

Prepayments consist of incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise asset retirement obligation and other payables.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

A provision is made for goods estimated to be returned based on historical experience.

Operating leases

Lease payments on operating leases are recognized on a cash basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

Deferred income

Deferred income consists of received income for recognition in subsequent financial years. Deferred income is measured at historical value.

Dividend

There was no dividend distribution proposed by management for the year.

Income statement

	Notes	2015/16 DKK'000	2014/15 DKK'000
Gross profit		38.102	41.612
Staff costs	1	(11.564)	(14.565)
Wages and salaries		(10.675)	(13.512)
Pensions		(704)	(882)
Other social security costs		(185)	(171)
Depreciation		(6.936)	(7.347)
Other operating expenses		(16.026)	(16.085)
Operating profit		3.576	3.615
Other financial income	3	104	137
Other financial expenses		(1.698)	(1.242)
Profit from ordinary activities before tax		1.982	2.510
Tax on profit from ordinary activities	2	(1.624)	1.332
Profit for the year		3.606	1.178
Proposed distribution of profit			
Retained earnings		3.606	(17.322)
Dividend distribution		-	18.500
Net profit for the year		3.606	1.178

Balance sheet

	Notes	31.01.2016 DKK'000	31.01.2015 DKK'000
Other fixtures, fittings and equipment		5.911	8.776
Leasehold improvements		17.377	21.469
Property and equipment	4	<u>23.288</u>	<u>30.245</u>
Deferred tax assets	6	3.097	-
Fixed asset investments		<u>3.097</u>	<u>-</u>
Fixed assets		<u>26.385</u>	<u>30.245</u>
Goods for resale		3.593	4.343
Inventory		<u>3.593</u>	<u>4.343</u>
Receivables from group enterprises		1.456	100
Other receivables		784	770
Prepayments		1.231	1.193
Receivables		<u>3.471</u>	<u>2.063</u>
Cash		<u>11.234</u>	<u>27.925</u>
Current assets		<u>18.298</u>	<u>34.331</u>
Assets		<u>44.683</u>	<u>64.576</u>

Balance sheet	Notes	31.01.2016 DKK'000	31.01.2015 DKK'000
Contributed capital	5	2.500	2.500
Retained earnings		33.452	29.846
Proposed dividend		-	18.500
Equity		35.952	50.846
Other provisions		1.544	1.544
Provisions		1.544	1.544
Trade payables		60	113
Payable to group enterprises		22	4.707
Income taxes		1.473	1.331
Other payables		2.754	2.787
Deferred income		2.878	3.248
Current liabilities other than provisions		7.187	12.186
Liabilities other than provisions		7.187	12.186
Equity and liabilities		44.683	64.576
Future rental and lease commitments	7		
Related parties with control	8		

Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividend	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Equity beginning of year	2.500	29.846	18.500	50.846
Profit for the year	-	3.606	-	3.606
Dividend paid	-	-	(18.500)	(18.500)
Equity end of year	2.500	33.452	-	35.952

	2015/16	2014/15	2013/14	2012/13	2011/12
	DKK	DKK	DKK	DKK	DKK
	'000	'000	'000	'000	'000
Changes in contributed capital					
Contributed capital beginning of year	2.500	2.500	2.500	2.500	2.500
Contributed capital end of year	2.500	2.500	2.500	2.500	2.500

Notes

1. Staff costs

	<u>2015/16</u> DKK'000	<u>2014/15</u> DKK'000
Salaries and wages	10.675	13.512
Pension costs	704	882
Other social security costs	185	171
	<u>11.564</u>	<u>14.565</u>

The Executive Board has not received remuneration during financial years 2015/16 and 2014/15.

	<u>2015/16</u>	<u>2014/15</u>
Average number of full-time employees	<u>32</u>	<u>42</u>

2. Tax on profit for the period

	<u>2015/16</u> DKK'000	<u>2014/15</u> DKK'000
Current tax	1.473	1.332
Change in deferred tax	(3.097)	-
	<u>(1.624)</u>	<u>1.332</u>

3. Other financial income

	<u>2015/16</u> DKK'000	<u>2014/15</u> DKK'000
Financial income	104	137
	<u>104</u>	<u>137</u>

Notes (continued)

4. Property and equipment	Leasehold improvements DKK'000	Other fixtures, fittings and equipment DKK'000
Cost beginning of year	40.864	22.074
Additions	-	3
Disposals	-	(85)
Other	20	(20)
Cost end of year	40.884	21.972
Depreciation beginning of year	(19.395)	(13.298)
Depreciation for the year	(4.112)	(2.824)
Reversals relating to disposals	-	61
Depreciation end of year	(23.507)	(16.061)
Carrying amount end of year, net	17.377	5.911

	Number of shares	Par value DKK	Nominal value DKK'000
5. Contributed capital			
Ordinary shares	2.500	1.000,00	2.500
	2.500		2.500

	31.01.2016 DKK'000	31.01.2015 DKK'000
6. Deferred tax		
Deferred tax asset resulting from temporary differences in fixed assets, prepayments and provisions	3.331	-
Deferred tax liability resulting from temporary differences in fixed assets, prepayments and provisions	(234)	-
	3.097	-

	31.01.2016 DKK'000	31.01.2015 DKK'000
7. Future rental and lease commitments		
Future commitments under rental agreement or leases until expiry	56.430	62.956

Notes (continued)

8. Related parties with control

The immediate Parent Company is Abercrombie & Fitch Europe SAGL, Switzerland. The Company's ultimate Parent Company, which prepares consolidated financial statements into which the Company is incorporated as a subsidiary, is Abercrombie & Fitch Co..

The consolidated financial statements of Abercrombie & Fitch Co. can be obtained at the following address:
Abercrombie & Fitch Co.
6301 Fitch Path
New Albany, OH
USA