



## **Engaged Capital Nominates Five Highly Qualified Candidates for the Board of Abercrombie & Fitch**

NEWPORT BEACH, Calif., February 20, 2014 (BUSINESS WIRE) -- Engaged Capital ("Engaged"), an investment firm specializing in small and mid-cap North American equities and stockholder of Abercrombie & Fitch Co. ("Abercrombie", "ANF" or the "Company") (ANF: NYSE), announced today that it has nominated:

- Alexander P. Brick, former Chief Executive Officer of Specialty Retail Group
- Robert D. Huth, former Chief Executive Officer of David's Bridal
- Michael W. Kramer, former Chief Operating Officer of J.C. Penney
- Diane L. Neal, former Chief Executive Officer of Bath & Body Works
- Glenn W. Welling, CIO & Managing Member of Engaged Capital

for election to the board of directors (the "Board") of Abercrombie at the upcoming 2014 Annual Meeting of Stockholders. These nominees collectively bring decades of retail and brand experience, a proven ability to execute, financial acumen, and true independence from Abercrombie, the Board, and management team.

Engaged Capital believes that despite recent incremental governance improvements, enacted only after substantial pressure from stockholders, the Board still lacks a majority of qualified, independent and accountable voices.

"We need a Board of independent leaders who can set a new direction for Abercrombie," said Glenn W. Welling, CIO & Managing Member of Engaged Capital. "For far too long, stockholders have suffered under the failed leadership of a Board that has lacked the independence necessary to properly act as our fiduciaries."

Abercrombie's incumbent directors have a well-established track record of failing investors by approving wasteful capital spending, enriching management at the expense of stockholders, and showing a complete disregard for succession planning. The Board's blatant disregard for stockholders culminated most recently in the premature extension of Mr. Jeffries' lucrative employment contract only days after receiving Engaged's letter to the Board on December 3, 2013 (available at <http://www.engagedcapital.com/news.html>) and before speaking with any of Abercrombie's largest stockholders.

While the recent addition of three new directors and the appointment of an independent Chairman represent positive steps, Engaged notes that the Board still retains all nine incumbent directors, two of whom are not independent by the Company's own admission. "We believe the addition of our highly qualified candidates alongside the Company's newly appointed directors can only increase the objectivity and independence of the Board," said Mr. Welling.

“In the near future, Abercrombie’s directors must make several major decisions, including a plan for CEO succession, the hiring of brand presidents, and the selection of a new chief financial officer. Given the importance of these tasks, we cannot let responsibility for these critical decisions remain in the hands of nine incumbent directors who have failed the Company and its stockholders so spectacularly for years,” continued Mr. Welling.

Additionally, Engaged notes that this public nomination follows the failure of weeks of private outreach to the Board to arrive at a negotiated settlement. Engaged believes this is yet another example of the incumbent directors’ unwillingness to put the interests of the Company and stockholders ahead of their own pecuniary interests.

“We have been, and continue to be, open to engaging in discussions with the Board to determine if we can reach a mutually agreeable resolution without the need for a costly and disruptive election contest. Unfortunately, rather than work constructively with us to reconstitute the Board with our highly-qualified nominees, the Board has instead demonstrated its readiness to spend stockholder capital on self-preservation and trying to defend its indefensible incumbent directors – directors whom lack the skills, experience, and independence necessary to drive the changes so desperately needed at Abercrombie. This irrational behavior reveals that, despite recent additions, the Board’s decisions continue to reflect the will of the nine incumbent directors,” said Mr. Welling.

If elected, Engaged Capital’s nominees are committed to ensuring that the reconstituted Board finally acts in the best interest of its stockholders. Mr. Welling commented, “We would look forward to working with the Company’s three newly appointed directors to bring an era of accountability to Abercrombie. I am confident that the stewardship of new, independent directors will substantially improve the Board and help unlock the full value of Abercrombie’s iconic brands.”

**Alexander P. Brick**, age 55, is a senior advisor to the Lewis Trust Group, owner of River Island, a retail chain with approximately 300 stores across the UK, Ireland, Asia, the Middle East and Europe known for its stylish and affordable fashion. Prior to joining the Lewis Trust Group in June 2012, Mr. Brick was the Chairman and Chief Executive Officer of Gordon Brothers Europe, which is the trading name of Gordon Brothers International, LLC, a wholly owned subsidiary of Gordon Brothers Group LLC (“Gordon Brothers Group”), a global advisory, restructuring and investment firm specializing in the retail, consumer products, industrial and real estate sectors, from March 2009 to May 2012, where he was responsible for leading the expansion of Gordon Brothers Group throughout Europe. From 1983 until 2005, Mr. Brick served as Chief Executive Officer of Specialty Retail Group, one of the UK’s well-known specialist menswear retailers, which includes a number of well-known High Street brand names including “Suits You”, “Racing Green”, “Young’s Hire” and “Chester Barrie”. Mr. Brick also previously served on the board of the British Council of Shopping Centers (BCSC) for seven years. He began his career as a chartered accountant. In addition, Mr. Brick is active in numerous community organizations and is currently Chairman of the Everyman Media Group. He received his BA in Economics and Accounting from The University of London. Mr. Brick’s extensive experience serving in senior executive positions and managerial roles, particularly in

the apparel retail industry in Europe, coupled with his financial expertise well qualifies him for service on the Board.

**Robert D. Huth**, age 68, served as President and Chief Executive Officer of David's Bridal, a leading national specialty retailer of bridal apparel and accessories, from 1999 until March 2013. David's Bridal was sold to Clayton, Dubilier and Rice, LLC, a private equity firm, in October 2012. Previously, Mr. Huth served as the President and Chief Operating Officer of David's Bridal from 1995 to 1999 and also served as a member of its Board of Directors from 1995 to March 2013. Mr. Huth is credited with transitioning David's Bridal from an entrepreneurially managed, marginally profitable family business into a national specialty retail chain. Prior to David's Bridal, Mr. Huth served as Executive Vice President, Chief Financial and Administrative Officer, a member of the Board of Directors, and a member of the Executive and Operating Committees of Melville Corporation (n/k/a CVS Caremark Corporation), a NYSE listed specialty retailer in the health and beauty aid, apparel, footwear, toys and household furnishings segments, including CVS, Marshall's, Linens 'n Things and Footstar, from 1987 to 1995. From 1981 to 1987, Mr. Huth was a Partner at the accounting firm KPMG Peat Marwick where he led audit engagements serving as the Audit Partner for clients in the retail, wholesale and real estate leasing practices. Mr. Huth has served as a member of the Board of Directors of Special Occasion Limited since 2012 and previously served as a member of the Boards of Directors of Skinstore.com, one of the leading online beauty retailers worldwide, from 2006 to 2008, and Stage Stores, Inc. (NYSE:SSI), a department store company specializing in retailing brand name clothing, accessories, cosmetics and footwear, from 1997 to 2000. Mr. Huth earned his B.A. in Accounting from Fairleigh Dickinson University and earned his M.B.A. in Accounting & Finance from Pace University. Mr. Huth's expertise as an executive in the retail industry, a member of numerous public company boards, along with his extensive financial background including his time as an Audit partner at a leading accounting firm, will enable him to provide effective oversight of the Company as a director.

**Michael W. Kramer**, age 49, is currently the Co-owner and Operator of SPIN! Neapolitan Pizza ("SPIN!"), a fast casual Neapolitan style restaurant with company and franchise owned stores operating in the states of California, Missouri, and Kansas. Mr. Kramer became co-owner of SPIN! in August of 2013. Previously, Mr. Kramer served as the Chief Operating Officer of J.C. Penney Company, Inc. (NYSE:JCP), one of the nation's largest apparel and home furnishing retailers, from December 2011 until April 2013, where he was responsible for Store Operations, Finance, Purchasing, Information Technology, and Planning & Allocation. During that time, Mr. Kramer also served on the Board of Directors of Martha Stewart Living Omnimedia, Inc. (NYSE:MSO), an integrated media and merchandising company. From 2008 until November 2011, Mr. Kramer served as President and Chief Executive Officer of Kellwood Company, a designer, manufacturer and marketer of premier fashion brands across a broad range of consumer lifestyles including Rebecca Taylor, David Meister, Sag Harbor, Briggs NY, Jolt, My Michelle, and XOXO. Prior to that, Mr. Kramer served as Executive Vice-President and Chief Financial Officer of Abercrombie & Fitch from 2005 until 2008, and as Vice-President and Chief Financial Officer of Apple Retail for Apple Inc. (NASDAQ:APPL), an American multinational corporation headquartered in Cupertino, California that designs, develops, and sells consumer electronics, computer software and personal computers, from 2001 to 2005. Prior to that, Mr. Kramer was the Vice-President, Assistant Corporate Controller of Gateway, Inc., a global

hardware and software wholesaler and retailer, from 2000 to 2001, and Controller and Acting Chief Financial Officer, Lane Bryant Division of the Limited Inc., a major fashion retailer based in Columbus, Ohio, from 1998 to 2000. Previously, Mr. Kramer held key financial leadership roles with Einstein Noah Bagel Corporation as Chief Financial Officer and Pizza Hut, Inc., a subsidiary of PepsiCo, Inc., as Director, Financial Services. He also previously served as a Supervising Senior at KPMG Peat Marwick and on the Board of Directors of Giggle, a retail chain for babies and infants, from 2009 to 2012. Mr. Kramer is a Certified Public Accountant and a member of the Missouri Society of Certified Public Accountants. He earned his Bachelor of Business Administration degree in Accounting from Kansas State University. Mr. Kramer's more than two decades of senior management experience in the retail industry, his service on multiple public company boards and his track record of building highly innovative organizations focused on emerging consumer trends and markets will make him a valuable member of the Board.

**Diane L. Neal**, age 57, currently provides consulting services and serves on the Board of Directors of Fossil, Inc. (n/k/a Fossil Group, Inc.) (NASDAQ: FOSL), a global design, marketing and distribution company that specializes in consumer fashion accessories, a position she has held since February 2012, where she currently serves as a member of the Compensation Committee and Nominating and Corporate Governance Committee. Previously, Ms. Neal served as Chief Executive Officer ("CEO") of Bath & Body Works, a national retailer of personal care products, from June 2007 until her resignation in July 2011 to relocate to San Francisco for personal reasons. Ms. Neal joined Bath & Body Works in November 2006 as President and Chief Operating Officer and held those positions until her promotion to CEO in June 2007. Prior to joining Bath & Body Works, Ms. Neal served as President of the Outlet Division for Gap Inc. (NYSE:GPS), a leading global specialty retailer, where she was responsible for the outlet business for all three Gap Inc. brands – Old Navy, Gap and Banana Republic. Prior to joining Gap Inc., Ms. Neal spent 22 years with Target Corp. in multiple divisions, including Dayton's Department Stores (now Macy's), Mervyn's, Target Sourcing Services and Target Stores. During her career with Target Corp., Ms. Neal spent 16 years at Target Stores, where she held multiple positions and responsibilities, including merchandising, planning, distribution, and sourcing. She was promoted to President of Mervyn's in 2001 and served in that capacity until 2004, when she joined Gap Inc. Ms. Neal also currently serves on the Boards of Directors of two private companies, Giggle, a retail chain for babies and infants, and Soft Surroundings, a retailer of women's clothing. She earned her BS degree from Michigan State University and served as President of the alumni advisory board for the college of Communication Arts and Sciences, from 2010 through 2013. Ms. Neal's extensive leadership experience as the CEO of a large retail organization and her substantial experience in merchandising, retailing and operations across multiple leading brands as well as her public company board experience makes her a highly qualified director.

**Glenn W. Welling**, age 43, is the Founder and Chief Investment Officer of Engaged Capital, a California based investment firm and registered advisor with the SEC focused on investing in small and mid-cap North American equities. Prior to founding Engaged Capital in February 2012, Mr. Welling was Principal and Managing Director at Relational Investors LLC ("Relational"), a \$6 billion activist equity fund and registered investment adviser with the SEC,

from June 2008 to October 2011 and served as its consultant from October 2011 until April 2012. Mr. Welling managed Relational's consumer, healthcare and utility investments and was responsible for investment selection, strategic development and catalyzing change at Relational's portfolio companies. Prior to Relational and from February 2002 to May 2008, Mr. Welling was a Managing Director at Credit Suisse Group AG ("Credit Suisse") (NYSE:CS), a leading global financial services company, where he was the Global Head of the Investment Banking Department's Advisory Businesses, which included The Buy-Side Insights (HOLT) Group, Financial Strategy Group and Ratings Advisory Group. Previously, Mr. Welling served as Partner and Managing Director of HOLT Value Associates L.P. ("HOLT"), a then leading provider of independent research and valuation services to asset managers, from October 1999 until January 2002 when HOLT was acquired by Credit Suisse. Prior to HOLT, he was the Managing Director of Valud U.S., a financial software and training company, and senior manager at A.T. Kearney, one of the world's largest global management consulting firms. Mr. Welling also teaches executive education courses at The Wharton School of Business and is a frequent speaker at finance and investing conferences. He graduated from The Wharton School of the University of Pennsylvania where he currently serves as the Chairman of the school's tennis program and as a member of the Wharton School's Executive Education Board. Mr. Welling's senior executive experience as an investor, consultant, and investment banker at Credit Suisse advising senior executives and boards of directors in developing strategies that will increase the value of their companies along with his expertise in improving governance structures including developing executive compensation plans that align pay with performance, will enable him to provide effective oversight of the Company as a member of the Board.

**About Engaged Capital:** Engaged Capital, LLC, ("Engaged Capital") was established in 2012 by a group of professionals with significant experience in activist investing in North America and was seeded by Grosvenor Capital Management, L.P., one of the oldest and largest global alternative investment managers. Engaged Capital is a limited liability company owned by its principals and formed to create long-term shareholder value by bringing an owner's perspective to the managements and boards of under-valued public companies. Engaged Capital manages both a long-only and long/short North American equity fund. Engaged Capital's efforts and resources are dedicated to a single investment style, "Constructive Activism" with a focus on delivering superior, long-term, risk-adjusted returns for investors. Engaged Capital is based in Newport Beach, California.

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