

BUSINESS STRATEGIES

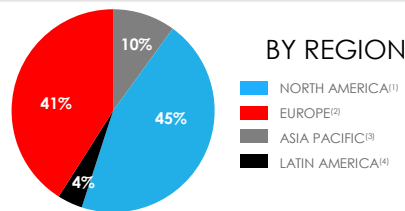
- Enhancing global brand relevance, with marketing campaigns and consumer engagement initiatives designed to drive growth and reflect *Tommy Hilfiger's* accessible luxury positioning and classic American cool aesthetic.
- Category expansion, particularly within womenswear and accessories, men's tailored clothing and underwear.
- Continuing regional expansion, particularly in Asia Pacific.
- Digitization of *Tommy Hilfiger*, from showrooms to stores and online experiences.
- Evolving our supply chain, including through our speed to market initiatives, to drive efficiencies and other benefits.
- Be premium in everything we do.

FINANCIAL HISTORY

(\$ IN MILLIONS)	2014	2015	2016
TOTAL REVENUES	\$3,582	\$3,370	\$3,511
REVENUE GROWTH	4%	(6%)	4%
2016 CONSTANT CURRENCY REVENUE GROWTH*	-	-	5%
EBIT*	\$509	\$402	\$391
EBIT MARGIN*	14.2%	11.9%	11.1%
2016 CONSTANT CURRENCY EBIT MARGIN*	-	-	13.4%

* EBIT figures exclude certain amounts that were deemed to be non-recurring or non-operational. Constant currency figures exclude the impact of foreign currency. See back of page for GAAP to non-GAAP reconciliations.

2016 GLOBAL RETAIL SALES



(1) Includes the U.S., Canada and Mexico.
 (2) Includes the Middle East and Africa.
 (3) Includes Australia and New Zealand.
 (4) Includes Central and South America and the Caribbean.

PRODUCT CATEGORIES

HILFIGER COLLECTION



TOMMY HILFIGER TAILORED



TOMMY HILFIGER



HILFIGER DENIM



DESCRIPTION

The pinnacle of the *Tommy Hilfiger* product offerings, blending the brand's Americana styling with contemporary influences. The collection targets 25 to 40 year-old consumers and includes designs that premiere on the runway during New York Fashion Week.

Targeting 25 to 40 year-olds, this line reflects the brand's American menswear heritage in elevated, sophisticated styles that are suitable for more formal occasions. From structured suiting to more relaxed tailoring, classics are modernized with precision fit, premium fabrics, updated cuts, rich colors and luxe details executed with the brand's signature twist.

Our core line embodies the brand's classic American cool spirit with a broad selection of designs across 25+ categories, including men's, women's and kids' sportswear, footwear and accessories. With a focus on 25 to 40 year-olds, *Tommy Hilfiger* celebrates the essence of classic American style with a fresh, modern twist inspired by pop culture.

Targeting the 18 to 30 year-old denim-oriented consumer, the line focuses on premium denim separates, footwear, bags, accessories, eyewear and fragrance. *Tommy Jeans* capsule collection launched in 2016 in North America and Europe.

NORTH AMERICA⁽¹⁾

~240 STORES



EUROPE⁽²⁾

~800 STORES



ASIA PACIFIC⁽³⁾

~605 STORES



LATIN AMERICA⁽⁴⁾

~220 STORES



DIGITAL



COMMERCE

(OWNED & THIRD PARTY)

(OWNED & THIRD PARTY)

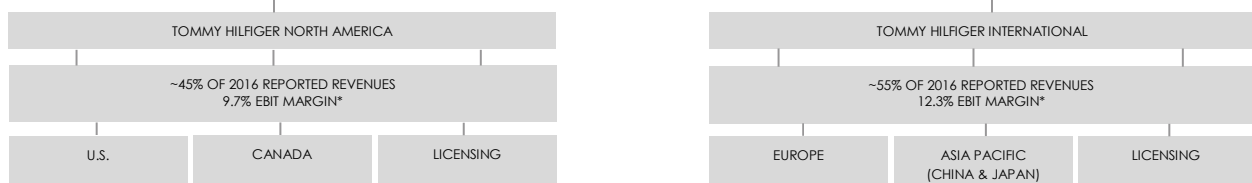
(OWNED & THIRD PARTY)

(OWNED & THIRD PARTY)

(1) Includes the U.S., Canada and Mexico; (2) Includes the Middle East and Africa. Includes concession locations and franchisee and distributor stores; (3) Includes Australia and New Zealand. Includes concession, franchisee and licensee stores; (4) Includes Central and South America and the Caribbean. All locations are licensee stores.

ORGANIZATION CHART

TOMMY HILFIGER DIRECTLY OPERATED BUSINESSES



* Excludes certain amounts deemed non-recurring or non-operational. See back of page for GAAP to non-GAAP reconciliations.

GAAP TO NON – GAAP RECONCILIATIONS

(\$ IN MILLIONS)

		REVENUES RECONCILIATION		
		REVENUES	FOREIGN EXCHANGE IMPACT	CONSTANT CURRENCY REVENUES
2016	TOMMY HILFIGER NORTH AMERICA	\$1,563		
2016	TOMMY HILFIGER INTERNATIONAL	\$1,948		
2016	TOTAL TOMMY HILFIGER	\$3,511	(\$43)	\$3,554
2015	TOTAL TOMMY HILFIGER	\$3,370		
2014	TOTAL TOMMY HILFIGER	\$3,582		

		EBIT RECONCILIATIONS						
		GAAP EBIT	ADJUSTMENTS	NON-GAAP EBIT	FOREIGN EXCHANGE IMPACT	CONSTANT CURRENCY EBIT	NON-GAAP EBIT%	CONSTANT CURRENCY EBIT%
2016 ⁽¹⁾	TOMMY HILFIGER NORTH AMERICA	\$136	(\$15)	\$151			9.7%	
2016 ⁽²⁾	TOMMY HILFIGER INTERNATIONAL	\$328	\$88	\$240			12.3%	
2016 ⁽³⁾	TOTAL TOMMY HILFIGER	\$464	\$73	\$391	(\$85)	\$476	11.1%	13.4%
2015 ⁽⁴⁾	TOTAL TOMMY HILFIGER	\$399	(\$3)	\$402			11.9%	
2014 ⁽⁵⁾	TOTAL TOMMY HILFIGER	\$504	(\$5)	\$509			14.2%	

(1) ADJUSTMENTS FOR 2016 REPRESENT THE ELIMINATION OF (i) THE COSTS INCURRED IN CONNECTION WITH THE LICENSING TO G-III APPAREL GROUP, LTD. OF THE TOMMY HILFIGER WOMENSWEAR WHOLESALE BUSINESS IN THE U.S AND CANADA (THE "G-III LICENSE"), WHICH RESULTED IN THE DISCONTINUATION OF OUR DIRECTLY OPERATED TOMMY HILFIGER NORTH AMERICA WOMENSWEAR WHOLESALE BUSINESS IN 2016 AND (ii) THE COSTS INCURRED IN CONNECTION WITH THE EARLY TERMINATION OF THE LICENSE AGREEMENT FOR THE TOMMY HILFIGER MEN'S TAILORED CLOTHING BUSINESS IN NORTH AMERICA (THE "TH MEN'S TAILORED LICENSE TERMINATION") IN ORDER TO CONSOLIDATE UNDER A DIFFERENT LICENSEE THE MEN'S TAILORED BUSINESSES FOR ALL BRANDS IN NORTH AMERICA.

(2) ADJUSTMENTS FOR 2016 REPRESENT THE ELIMINATION OF (i) THE NONCASH GAIN RECORDED TO WRITE-UP OUR EQUITY INVESTMENT IN TH ASIA, LTD. ("TH CHINA"), OUR FORMER JOINT VENTURE FOR TOMMY HILFIGER IN CHINA, TO FAIR VALUE IN CONNECTION WITH THE ACQUISITION OF THE 55% INTEREST THAT WE DID NOT ALREADY OWN (THE "TH CHINA ACQUISITION"); (ii) THE ONE-TIME COSTS RECORDED ON OUR EQUITY INVESTMENT IN TH CHINA PRIOR TO THE TH CHINA ACQUISITION CLOSING; (iii) THE COSTS INCURRED IN CONNECTION WITH THE TH CHINA ACQUISITION, PRIMARILY CONSISTING OF NONCASH VALUATION ADJUSTMENTS AND AMORTIZATION OF SHORT-LIVED ASSETS; AND (iv) THE GAIN RECORDED IN CONNECTION WITH A PAYMENT MADE TO US TO EXIT A TOMMY HILFIGER FLAGSHIP STORE IN EUROPE.

(3) ADJUSTMENTS FOR 2016 REPRESENT THE ELIMINATION OF (i) THE COSTS INCURRED IN CONNECTION WITH THE G-III LICENSE; (ii) THE COSTS INCURRED IN CONNECTION WITH THE TH MEN'S TAILORED LICENSE TERMINATION; (iii) THE NONCASH GAIN RECORDED TO WRITE-UP OUR EQUITY INVESTMENT IN TH CHINA TO FAIR VALUE IN CONNECTION WITH THE TH CHINA ACQUISITION; (iv) THE ONE-TIME COSTS RECORDED ON OUR EQUITY INVESTMENT IN TH CHINA PRIOR TO THE TH CHINA ACQUISITION CLOSING; (v) THE COSTS INCURRED IN CONNECTION WITH THE TH CHINA ACQUISITION, PRIMARILY CONSISTING OF NONCASH VALUATION ADJUSTMENTS AND AMORTIZATION OF SHORT-LIVED ASSETS; AND (vi) THE GAIN RECORDED IN CONNECTION WITH A PAYMENT MADE TO US TO EXIT A TOMMY HILFIGER FLAGSHIP STORE IN EUROPE.

(4) ADJUSTMENTS FOR 2015 REPRESENT THE ELIMINATION OF THE COSTS INCURRED IN CONNECTION WITH THE G-III LICENSE.

(5) ADJUSTMENTS FOR 2014 REPRESENT THE ELIMINATION OF (i) THE COSTS INCURRED IN CONNECTION WITH THE EXIT FROM A DISCONTINUED PRODUCT LINE IN THE TOMMY HILFIGER JAPAN BUSINESS AND (ii) THE IMPAIRMENT OF CERTAIN TOMMY HILFIGER STORES IN NORTH AMERICA.