



2014
ANNUAL REPORT



GROWING TOGETHER

our path to success

Justice & BROTHERS. LANE BRYANT maurices dressbarn CATHERINES



Fiscal Year 2014 was a building year for Ascena, and we continued to make strides to pull each of our brands onto our more capable, efficient and fully integrated platform. We continued to transform our operations to better align shared services, create synergy, improve efficiency and position the Company for sustainable, profitable growth. We made very good progress in each of these areas and, at the same time, we worked hard to address the challenging retail environment that has been felt across our industry.

This year, our most significant integration project was to optimize our distribution infrastructure.

We expanded our retail distribution center in Etna, Ohio, and transitioned our Catherines and Lane Bryant brands into it in early Spring. All five brands are now operating in this facility, with our final brand, maurices, having just completed its transition in September. We also commenced fulfillment operations out of our new e-commerce distribution center in Greencastle, Indiana in June. We leveraged the combined volume of these two facilities to drive cost savings through negotiation of new freight contracts. Our consolidation into these state-of-the-art facilities puts us on a clear path to annual synergy savings of approximately \$50 million, a run rate we expect to reach in mid-calendar year 2015.

Our Fiscal 2014 financial performance reflects the ongoing transition to our new operating platform and includes significant non-recurring costs (i.e. integration expenses) and an increase in non-cash depreciation expense which comes in advance of the benefits and cost savings to come from related infrastructure investments. Our results also reflect a retail environment characterized by soft traffic, a lack of item-driven merchandise trends and continued pressure on our consumers' discretionary spending.

For the full year, we had flat total comparable sales performance, including both the store and e-commerce channels. Income from continuing operations was down 11% to \$138M. The decline in income from operations was primarily caused by performance at our Justice brand, which faced continued headwinds in



ELLIOT S. JAFFE
Co-Founder and
Non-Executive Chairman



DAVID JAFFE
President and
Chief Executive Officer



the tween market and increased markdowns required to achieve year-end inventory targets.

Moving into Fiscal 2015, we plan to increasingly focus on EBITDA as an important indicator of our underlying financial performance because it normalizes for major changes in non-cash depreciation and effective tax rate that will unfavorably impact our performance during this period of transition.

We expect each of our brands to see clear benefits in cost and improved focus in their respective organizations as we complete the implementation of our shared services structure. This platform is designed to enable our teams to concentrate on our customers and to deliver unmatched levels of value and fashion. At the brand level, our teams will be able to devote increased



attention to the customer-facing functions that define their identities, expand their market opportunity and drive their business forward.

We continue to see the lines between retail channels blurring, and we plan to address this by providing a seamless customer experience, through omnichannel shopping. Our consumer shops at the mall and online and researches her purchases before she makes them. Embracing an omnichannel philosophy helps ensure our consumer has a positive experience, regardless of how she chooses to shop with us.

We remain deeply engaged in the areas of our business that we can control. This kind of focus is essential, as the tough retail environment has clearly underlined. We are working to plan effectively, tightly manage inventory, optimize our merchandising assortments and deploy appropriate promotional strategies. A strong, tactical approach to market conditions continues to be necessary as we address near-term challenges while making progress on our long-term, platform-oriented strategy. We continue to work toward a future that will provide tremendous value for our customers and our shareholders.



Justice

Our **Justice** business is coming off a challenging year, with operating income down significantly from

Fiscal 2013. While we remain the market share leader in the tween category, we needed to utilize a higher level of markdowns to clear inventory through the year. Total comp performance was down 4% for the year, but should improve with new merchandising and marketing strategies, including reduction of the number of store-wide promotions in favor of a more targeted approach to our best customers. For the year, we opened 49 stores, including 12 in Canada, and closed 23 stores.



Lane Bryant

Lane Bryant finished the year with a moderate operating loss, but performance was significantly improved compared to Fiscal 2013. For the year, total comp performance was up 3%. Cacique intimates continued to perform well, and our activewear category yielded double-digit growth. Entering Fiscal 2015, we are planning continued strong growth in our active and wear-to-work categories. We are also introducing our 6th & Lane Collection, which expands the top of our private-label fashion pyramid. On store development, we opened 36 new stores and closed 53 stores as part of our continuing strategy to reposition our fleet.

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maurices

maurices operating income performance was down compared to last year, primarily due to a one-time non-cash impairment related to the exit of one of the brand's private labels coupled with significant investments made in the brand's buying and product-development functions to support future growth. Total comp performance for the year was up 1% driven by strong e-commerce activity. We continue to deliver an elevated level of fashion to the brand and are introducing maurices InMotion, new activewear collection, in the coming year. We also have continued our efforts to deepen our direct-sourcing strategy, approaching 20% by the close of Fiscal 2014. During the year, we opened 55 stores, including 12 in Canada, and closed 10 stores.



dressbarn

This year, **dressbarn** operating income grew 30%, driven by effective inventory management and gross margin improvement. While our total comp performance was down 1% for the year, the decline was caused by a lower level of clearance selling in the back half of the year. Full-price selling was up nicely, and over the course of the year, we refined our merchandising and served our customers well. We continue to reposition our fleet for future growth, having opened 34 stores and closed 40.



Catherines

Catherines continues to perform well, with operating income growth of over 100% from Fiscal 2013. Our total comp performance for the year was up 8%, with both e-commerce and store channel gains. We have seen 13 straight quarters of comp growth. Inventory flow strategies supported key floorsets and ensured seasonal wear-now product was in stock throughout key transitional periods. This merchandising strategy delivered higher sales and improved inventory turns and margins. Through the year, we continue to be very pleased with the progress Catherines is making in terms of sales and profit growth. We ended the year with 386 stores in our fleet.

We thank our stockholders and suppliers for their continued support, as well as our talented team members and associates for their dedication and execution on our continued infrastructure projects. We remain confident that the unique and scalable model we are creating positions us well to better serve our customers, enhance our business and deliver sustainable growth and profits to our stockholders.

Justice & BROTHERS.

We're growing

our addressable tween market

- through introduction of size 5 in Justice & Brothers
- the expansion of our Brothers brick and mortar presence, which is targeted to be in 250 total stores by year end fiscal 2015

e-commerce

- through enhanced customer engagement and analytics
- leveraging social-media tools
- expanding online exclusive merchandise

more focused in our promotional cadence by

- focusing on our most loyal customers
- providing opportunities to acquire new customers







LANE BRYANT

We're growing

And changing the conversation in plus-size apparel through

fashion leadership

through the launch of designer collaborations, our 6th & Lane collection and elevated creative content

assortment distortions

reestablishing authority in wear-to-work, launching the Livi Active brand and expanding e-commerce exclusive offerings

repositioning of the store fleet

with a new, modern store design and a market-based approach to positioning stores optimally for our customer

customer acquisition

through reallocation/expansion of marketing spend focused on new and inactive customers and expanded use of digital media







maurices

We're growing

product offerings with

- elevated fashion
- curated collections
- the launch of maurices inMOTION™, our new active lifestyle brand

margin improvement through

increased direct sourcing

brand awareness through

omnichannel focus

customer insight through

increased use of data intelligence

market share by

supporting success in emerging markets



Sizes 1–24



dressbarn

est. 1962

We're growing

our target customer by

- elevating the quality, aesthetic, differentiation and value of our assortments
- expanding exclusive product offerings through the growth of design, product development and direct sourcing capabilities

traffic and relevancy through

- introduction of dressbar online in spring, designer collaboration in dresses offered in-store and online, and investments in marketing to drive customer acquisition
- improvements in store productivity
- continued repositioning of the fleet





CATHERINES®

We're growing

- our casual sportswear businesses
- successes in accessories and intimate apparel
- emerging business in activewear and black label
- customer retention and reactivation through digital acquisition and targeted offers
- omnichannel integration, improved user experience and online exclusives
- real estate productivity with improved product assortment, targeted marketing and upgraded talent







ascena
shared services group

The Ascena Shared Services Group provides efficient operating services for each of our brands while transforming critical business capabilities to enable our strategic vision.

At Ascena Shared Services we're growing

- by developing world-class omnichannel capabilities
- by maximizing our global product-sourcing network
- by optimizing the newly completed distribution and logistics networks
- by driving synergy savings through technology and organizational talent







Giving almost \$7 million annually to empower women and children to be their best.

Our philanthropic mission is to empower women and children to feel good about themselves. We accomplish our mission by supporting programs that involve women and children's empowerment issues in the areas of health/wellness, education, self-esteem and social issues.



Brand Giving

PERFORMANCE IN FY 2014

One Community at a Time

We are committed to making a difference in the communities we serve. In addition to Ascena Cares, each brand and our Shared Services Group (SSG) customizes their own approach to giving back. Our brands/SSG make a meaningful difference in their communities by serving a wide range of nonprofits and organizations, particularly those which are dedicated to women and children's empowerment.



Dimes From the Heart

PERFORMANCE IN FY 2014

Total Number of Grants Given: 245

Making a Difference With Dimes

Dimes From the Heart is an emergency assistance fund that allows our associates to apply for a grant when they are in need. During FY 2014, we awarded nearly \$300,000 in grants and had 10,000 associates contribute to the fund.

"Thank you so much for the Dimes grant after my house fire. It means so much to me to work for a company that TRULY cares."



Crisis Relief

When Bad Things Happen to Good People

We know the impact something like a fire, tornado, chemical spill or flood can have on our customers and associates. We are committed to the communities we serve and when disasters happen, we partner with local communities to help make a difference.



Matching Gifts

Matching Gifts

Our associates make a difference every day. With their gift of time or money, our associates have the power to change a life. The Matching Gifts program makes even more change possible.



PERFORMANCE IN FY 2014

The Roslyn S. Jaffe Awards

2014 marks the first year of the Roslyn S. Jaffe Awards. Roslyn Jaffe, co-founder of dressbarn in 1962, had a motto: "When life gives you lemons, make lemonade." This award, in her honor, offers sizable grants to everyday heroes who are making the world a better place for women and children.

In the first year alone, more than 1,000 applications were submitted! The applicants were reviewed by members representing the brands/SSG as well as an esteemed external selection committee.

Winners were celebrated during a luncheon in October in NYC hosted by Soledad O'Brien. We will launch the awards again in FY 2015.



Associate Scholarship Program

PERFORMANCE IN FY 2014

Total Scholarships Awarded: 45

A Bright Future

We believe in the importance of education. Our brands, the Jaffe Family Foundation and the Ascena Foundation, offer a scholarship program that benefits our associates and their high-school senior or college dependents.

Since the program was started in 1997, we have helped more than 500 students go to college.

For more information, visit www.ascenacares.com

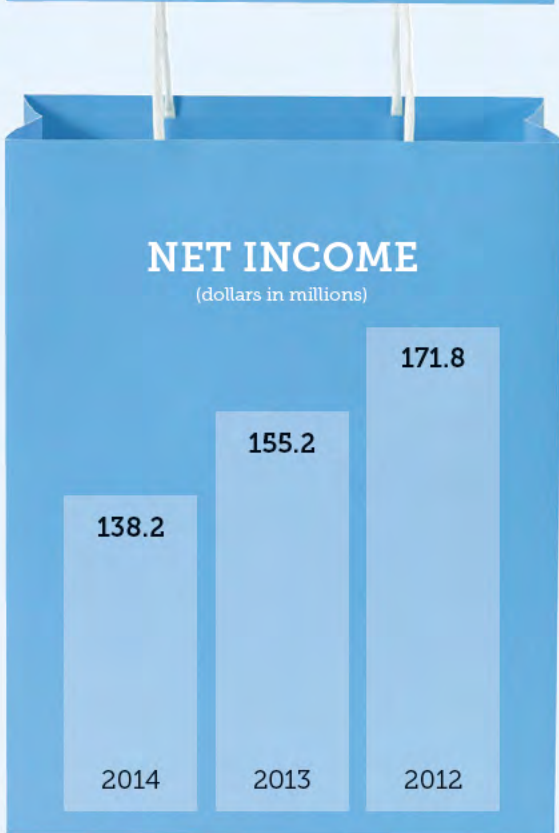
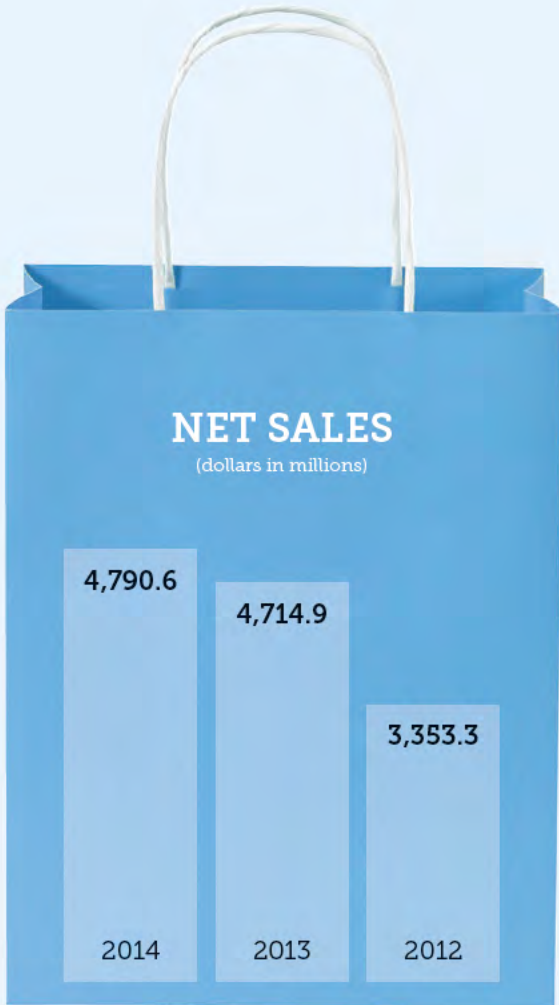
2014 Financial Highlights

(dollars in millions, except per-share amounts)

OPERATING RESULTS	2014	2013	2012
Net sales	\$4,790.6	\$4,714.9	\$3,353.3
Operating income	210.8	265.3	292.6
Net income*	138.2	155.2	171.8
Net income as a percent of net sales*	2.9%	3.3%	5.1%
Net income per common share - diluted*	\$0.84	\$0.95	\$1.08

FINANCIAL POSITION	2014	2013	2012
Working capital	\$291.7	\$306.3	\$325.6
Total assets	3,123.8	2,871.7	2,807.1
Total equity	1,737.7	1,556.4	1,340.9
Number of stores at end of fiscal period	3,896	3,859	3,828
Total gross square footage (in millions)	21.2	21.0	20.8

*Represents net income from continuing operations only.



DIRECTORS, OFFICERS AND KEY MANAGEMENT

¹ Member, Compensation and Stock Incentive Committee

² Member, Audit Committee

³ Member, Nominating Committee

DIRECTORS

Elliot S. Jaffe

Co-Founder & Non-Executive Chairman

David Jaffe

President & Chief Executive Officer

Roslyn S. Jaffe

Co-Founder, Secretary & Director Emeritus for Life

Kate Buggeln^{1,2}

Governing Board, Business Council for Peace

John Usdan^{1,2,3}

President, Midwood Management Corporation

Michael W. Rayden

President & Chief Executive Officer, Justice

Klaus Eppler³

Pensioned Partner, Proskauer Rose LLP

Randy L. Pearce^{1,2}

President, Regis Corporation (Retired)

ASCENA RETAIL GROUP, INC.

Elliot S. Jaffe

Co-Founder & Non-Executive Chairman

David Jaffe

President & Chief Executive Officer

John Sullivan

EVP, Chief Operating Officer

Ronnie Robinson

President, Ascena Global Sourcing

Ernest LaPorte

SVP, Chief Accounting Officer

David L. Johns

SVP, Chief Information Officer

Gene Wexler

SVP, General Counsel

Robb Giammatteo

SVP, Financial Planning & Investor Relations

Steve Daley

SVP, Distribution Services

Jeffrey Liss

SVP, Digital Services

Kirk Simme

SVP, Credit

John Lee

SVP, Controller & Chief Accounting Officer, Charming Shoppes

JUSTICE

Michael W. Rayden

President & Chief Executive Officer

Scott Bracale

President, Agency

Rolando de Aguiar

EVP, Chief Financial Officer

Lece Lohr

EVP, Chief Merchandising Officer

Alan Hochman

SVP, Real Estate & Store Planning

Chris Kaighn

SVP, Stores & Store Operations

Brian Rogers

SVP, Human Resources

Christine Williams

SVP, Planning & Allocation

LANE BRYANT

Linda Heasley

President & Chief Executive Officer

Lou Ann Bett

EVP, Chief Merchandising Officer

Scott Glaser

SVP, Chief Financial Officer

Theresa Sullivan

SVP, Human Resources

Sandra Tillet

SVP, Stores, Cacique

Jeffrey Parisian

SVP, Real Estate

Stefan von Zastrow

VP, New Business Development & Strategy

George Hanson

VP, E-Commerce

MAURICES

George Goldfarb

Brand President

Erin Stern

EVP, Chief Merchandising Officer

Sue Ross

EVP, Human Resources

Ali Wing

Chief Marketing Officer, EVP of Digital Commerce

Mike Herrick

SVP, Planning & Allocation

Neil McPhail

SVP, Stores

Brian Thun

SVP, Chief Financial Officer

DRESSBARN

Jeff Gerstel

Brand President

Judi Langley

EVP, Chief Merchandising Officer

John Pershing

EVP, Human Resources

Lori Wagner

EVP, Chief Marketing Officer & E-Commerce

Gil Dennis

SVP, Stores

Robin Gray

SVP, Planning & Allocation

Ben Moore

SVP, Store Development

Elise Jaffe

SVP, Real Estate

Raana Zia

SVP, Chief Financial Officer

CATHERINES

Joan Munnelly

SVP, Co-Leader & Chief Merchandising Officer

Brett Schneider

SVP, Co-Leader & Finance & Operations

Chip Mardis

VP, Human Resources

Kate McKee-Weist

VP, Design/Product Development

Brad Orloff

VP, Marketing

Susan Reiman

VP, Stores

Joe Long

VP, Finance

Robert Egan

VP, DMM

Adrienne Shelton

VP, DMM

Stephanie Nanz

VP, Planning & Allocation

Mark Mueller

VP, Real Estate

Corporate Information

THE ANNUAL MEETING

The Annual Meeting of Stockholders of the Company will be held:
Thursday, December 11, 2014, 3:30 p.m.
Stage Street Café, dressbarn
933 MacArthur Boulevard
Mahwah, NJ 07430

FORM 10-K

To view this annual report online visit ascenaretail.com. A copy of the Company's Annual Report on Form 10-K for the fiscal year ended July 26, 2014, will be provided to stockholders upon written request to:

Investor Relations
Ascena Retail Group, Inc.
933 MacArthur Boulevard
Mahwah, NJ 07430

TRANSFER AGENT & REGISTRAR

(for registered stockholders)

Communications concerning stockholder records, the transfer of shares, lost certificates or change of address should be directed to:

American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219

Beneficial Stockholders (shares held by your broker in the name of the brokerage house) should direct questions to their broker.

INDEPENDENT COUNSEL

Proskauer Rose LLP
Eleven Times Square
New York, NY 10036

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
100 Kimball Drive
Parsippany, NJ 07054

