



GROWING TOGETHER

OUR PATH TO SUCCESS

2015 Annual Report



Justice



LANE BRYANT



maurices



dressbarn est. 1962



CATHERINES



FISCAL YEAR 2015

was a year of transition and transformation at ascena. One that saw significant maturation of our shared services capability, the start of a turnaround at Justice, and the acquisition of ANN INC., which has transformed ascena into the third largest domestic specialty retailer, and the largest focused exclusively on the female consumer.



FROM AN ENTERPRISE PROJECT

standpoint, we achieved two key milestones during the year – we completed the transition of all five of our brands into our Greencastle ecommerce fulfillment center, and we successfully transitioned our merchandising, store systems, and financial systems at Lane Bryant and Catherines onto our enterprise platform. The completion of these projects marks the end of the remaining transformational activity related to the Charming acquisition, and prepares us well for integration activity related to our ANN INC. acquisition.

Fiscal 2015 financial performance was mixed across our portfolio, with very strong performance at maurices and Catherines, and acceleration of the Lane Bryant business in the Spring season, offset by challenging conditions at dressbarn and a full reset at Justice. Traffic trends continue to be challenging with Fiscal 2015 representing the third consecutive year of negative traffic across our portfolio. For the full year, our total enterprise comparable sales were down 1%, with the decline caused by transitional conditions at Justice as we exited non-performing merchandise, and introduced our new selling model for back-to-school. Excluding Justice, combined comparable sales were up 2%.

Significant non-recurring costs related to goodwill impairment at Lane Bryant, litigation at Justice, and integration expenses for the ANN INC. acquisition resulted in a loss from continuing operations for the year. Excluding these non-recurring costs, income from continuing operations was \$98 million, down 40% to the prior year, with the decline caused primarily by conditions at our Justice brand, reflecting the impact of an inventory overhang and the transition to a new, less promotional selling model.

Moving into Fiscal 2016, our operating model remains the same – to deliver value to our brands through a highly efficient shared services platform, and to allow our brand teams to concentrate on their respective customer segments to deliver

unmatched levels of value and fashion. We feel good about the direction of each of our brands, and are very excited to have welcomed Ann Taylor, LOFT, and Lou & Grey to our portfolio. Our brands will continue to realize cost efficiencies from our Greencastle fulfillment center throughout the coming year, with all five brands operating in this center as of April of this past year. Our shared services group is aggressively working to capture the \$150 million in identified synergies related to our acquisition of ANN INC., with expected full realization of this synergy run rate by the end of our 2018 fiscal year. We continue to expect the ANN INC. acquisition to be a highly accretive investment for our shareholders, and we look forward to sharing best practices from both organizations as we continue to work through integration planning.

On the strategic front, we remain highly focused on development of our omni-channel platform. We expect our omni-channel rollout to begin later this fiscal year, and are excited about the opportunity to leverage in-house knowledge at our ANN brands, which have been operating on an omni-channel platform for several years. The bulk of our omni-channel project investment is behind us, and we believe we will see significant financial benefits over time as we are able to offer our customer a seamless shopping experience.

Execution on fundamentals is essential for long-term success, as we expect challenging macro conditions to continue. Our brands remain highly focused on controllable factors – strong merchandising execution, effective customer engagement, and disciplined inventory and expense management. We continue to differentiate our operating model through ongoing development of our best-in-class shared services platform. We began Fiscal 2016 with all of our initial transformational projects behind us, and we are now focused on integration of the ANN INC. brands into our scalable back-end, and development of world-class omni-channel capabilities.



Justice

Our Justice business is coming off its second straight difficult year, with operating income down significantly from Fiscal 2014. While we remain the market share leader amongst specialty retailers in the tween category, we needed to execute a complete turnaround, inclusive of a new management team, a refined merchandise aesthetic, and an all new marketing and promotion strategy. Total comp performance was down 10% for the year as we transitioned the customer off brand erosive, everyday total store promotions. We are pleased with the results we have seen during back-to-school selling, and believe the turnaround is progressing in line with our expectations.



Lane Bryant

For the year, Lane Bryant combined comp performance was up 2%. We saw business accelerate during the Spring season, where adjusted operating margin was up significantly over the prior year, reflecting better merchandising execution, as well as strategic pricing and promotional changes. The brand finished the year with a significant operating loss, caused by a non-cash, non-recurring goodwill impairment. Excluding this impairment, the brand operated at a breakeven level, and we are encouraged by performance coming out of the Spring season.



maurices

maurices had a record year, with operating income performance up over 40% to last year. Our combined 5% comp performance for the year reflected strong merchandising execution, delivery of "on-trend" fashion and an integrated, omni-channel marketing experience. We continued to increase our design and sourcing capability, approaching 30% penetration heading into the Fall season. Returns on our 40 new stores exceeded expectations, our digital momentum continued exceeding 30% growth, and we successfully grew our customer database.



IN CLOSING, FISCAL 2015 WAS A BUILDING YEAR FOR ASCENA,

which saw significant progress in development of capability supporting future growth. Our investments in our shared services platform have positioned us well for the integration of ANN INC., and we are looking to fully integrating Ann Taylor, LOFT, and Lou & Grey into our portfolio. As we move into Fiscal 2016, we are excited by the opportunities we have across all of our brands, and look forward to demonstrating the strength of our operating model.

We thank our stockholders and suppliers for their continued support, as well as our talented team members and associates for their dedication and commitment. 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 increased profits to our stockholders.

dressbarn

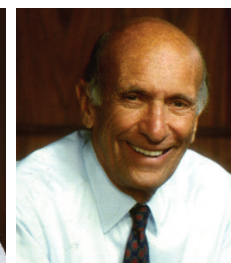
dressbarn had a disappointing year, caused by merchandising execution challenges in the Spring season. Combined comp performance was down 1% for the year, but the business decelerated from Fall, where we saw the first positive comp performance since Fiscal 2013. Although the Spring season was a disappointment, we were encouraged by the launch of DRESSBAR, which enhanced our segment leadership in the dress category.

Catherines

Catherines continued to perform well, with operating income growth of almost 30% from Fiscal 2014. Combined comp performance was up 5% for the year. We have seen 17 straight quarters of combined comp growth as we continue to deliver newness and fashion to an underserved customer segment.



DAVID JAFFE
President and
Chief Executive
Officer



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



Justic

WE'RE GROWING

BY APPEALING TO "EVERY GIRL, EVERY DAY"

- Building our assortments to address diverse Girl Profiles.
- Increasing versatility and wearability through a redefined Fashion Pyramid.
- Training associates to serve as Style Advisors, customizing the experience and the looks to make every girl feel great.
- Enhancing the store experience to appeal to a broader lifestyle and customer need.

BY RESTORING MOM'S VALUE PERCEPTION

- Lowering our ticket across all categories to position us more competitively.
- Offering compelling value across our assortment in the form of competitively priced, prominently-featured Style Buys.
- Respecting key category and occasion shopping periods through the targeted use of promotions.

BY PUTTING FASHION FIRST IN ALL WE DO

- Presenting trend-right styles interpreted for tween girls in our stores, in our catalog, and in our digital touchpoints.
- Showcasing our Justice outfits with how-to-wear-it displays and with related styles merchandised in distinct fashion shops.
- Shifting the message from price to fashion in all of our commerce and marketing channels.

BY FOCUSING ON MARGIN IMPROVEMENT

- Tightening inventory levels and implementing a chase process to maximize unit selling in high-performing styles.
- Demonstrating restraint in our use of promotions, eliminating deep discounts and unproductive bounce-back programs.
- Aggressively managing product costs while maintaining high product quality.



WE'RE GROWING

FASHION LEADERSHIP IN APPAREL

- Through the continuation of designer collaborations, improved fashion trend stories, and the growth of important sub-brands like Livi Active and 6th & Lane.
- By leveraging loyalty-building, "Best At" categories pants and denim while driving incremental growth in knits, woven tops, ready-to-wear, and new ecommerce exclusive offerings.

CACIQUE MARKET SHARE GAINS

- Through market-leading innovation in bras and increasing brand awareness and cross-shopping by apparel customers.

CUSTOMER ACQUISITION AND REFINED PROMOTIONAL STRATEGY

- Investments focused on new and inactive customers and through strong and interruptive brand campaigns like #ImNoAngel and #PlusIsEqual, using elevated creative content.
- Targeted reductions to promotional activity that restore the brand's emphasis on fashion and contribute to significant margin expansion.

REPOSITIONING OF THE STORE FLEET

- With a new, modern store design and a market-based approach to optimally positioning stores while investing in new locations and renovations.





NE BRYANT



mauric

WE'RE GROWING

DOMINANT FASHION POSITIONING DRIVEN BY SPEED AND INNOVATION

- Grow NYC Design and Trend Studio.
- Increase Plus penetration through expanded distribution and offering.

MARGIN GROWTH

- Increase direct sourced penetration, leveraging ascena Global Sourcing.

ROLLOUT 40 - 50 NEW STORES

ENHANCE OMNI-CHANNEL EXPERIENCE

- Launch new ATG platform.
- Launch new mobile site.
- Launch ship-from-store.

CUSTOMER DATABASE GROWTH

- Launch new loyalty program.
- Launch brand campaign.



es



WE'RE GROWING

OUR FASHION RELEVANCY THROUGH

- Elevating the look, fit, quality and value of our assortment.
- Broadening our exclusive offerings through proprietary design and sourcing.
- Expanding DRESSBAR, our celebration of the dress, with expanded Fall and Spring offerings.

OUR BRAND RELEVANCY THROUGH

- Spreading the word through Fall and Spring brand campaigns targeting customer acquisition.
- Launching a new ecommerce platform and responsive mobile site in Spring to improve our on-line experience and continue building digital content and awareness.
- Leveraging data analytics to strengthen customer insights and refine our direct mail strategy.

OUR EXPERIENCE THROUGH

- Expanding our omni-channel focus.
- Reaching new customers through our store outreach programs.
- Continuing to reposition the fleet, and testing a new smaller store prototype.
- Continuing to deliver a unique and special shopping experience.





est. 1962

ressbarn



CATHERIN

WE'RE GROWING

PRODUCT OFFERINGS

- Focusing on fit, comfort and fashion.
- Strengthening our casual sportswear and emerging businesses.
- Offering ecommerce exclusive product.

CUSTOMER ACQUISITION

- Targeted offers.
- Digital acquisition.

REAL ESTATE PRODUCTIVITY

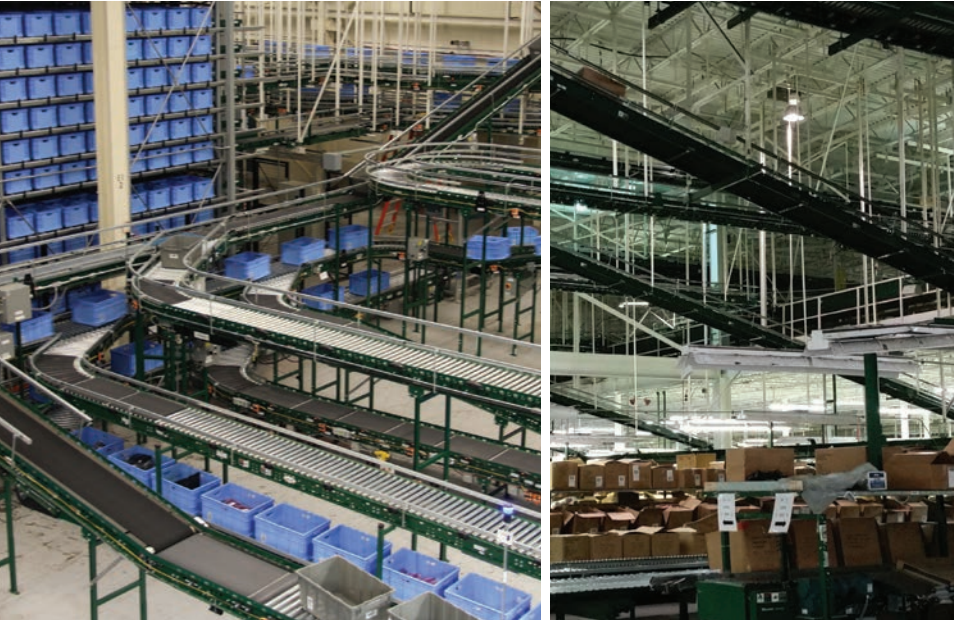
- Enhancing the customer experience with great product and service.



ES[®]



ascena
shared services group



WE'RE GROWING

By leveraging cost, capability, and speed, the ascena Shared Services Group provides our brands with efficient operating services that enable our strategic vision.

THE SHARED SERVICES GROUP HAS BEEN HIGHLY FOCUSED ON:

- Developing world-class omni-channel capabilities that improve the customers' experience.
- Maximizing our global hybrid sourcing network to provide high quality product.
- Optimizing our world-class distribution and logistics networks for speed and cost efficiency.
- Driving transformational retail infrastructure capabilities with leading talent and technology.



ascena
retail group inc.



ascena
shared services group



Empowering Women & Children To Be Their Best



MATCHING GIFTS: Our associates make a difference every day. With their gift of time or money, they have the power to change a life. Our Matching Gifts program offers a dollar-for-dollar match for time or money donated and creates positive change, one associate at a time.

ACROSS ASCENA, we have a passion to make a meaningful difference in the lives of others. Our rich heritage has been one of giving without expectation. This difference is captured in our philanthropic mission: Empowering Women and Children to be their Best.

We accomplish our mission by supporting programs focused on women and children's empowerment in the areas of health/wellness, education, self-esteem and social issues.

In addition to **ascena Cares**, each brand has developed a strong philanthropic emphasis which supports women and children's empowerment issues that are important to their customers and associates. The brands within the ascena family have contributed over \$4 million to various non-profit organizations such as the American Cancer Society, the St. Jude Thanks and Giving Campaign®, Dress for Success and The United Way. The signature programs offered through **ascena Cares** include:



CRISIS RELIEF: The impact that a disaster such as a flood, tornado, wildfire has on our communities can be extensive and far-reaching. We are committed to the communities we serve and when disasters happen, we partner with relief agencies to support needs.



THE ASSOCIATE SCHOLARSHIP PROGRAM: We believe in the importance of education. Together, our brands, the Jaffe Family Foundation and the ascena Foundation offer an annual scholarship program that supports our associates and their dependents who are attending a post-secondary institute. Since the program was started, we have helped over 600 students attend school.



DIMES FROM THE HEART: Dimes from the Heart is a short-term emergency assistance fund that allows our associates to apply for a grant when an unexpected need arises. During Fiscal 2015, we awarded over \$200,000 in grants to over 200 associates.



ROSLYN S. JAFFE
AWARDS

THE ROSLYN S. JAFFE AWARDS: 2015 is our second year of the Roslyn S. Jaffe Awards. Roslyn Jaffe, co-founder of dressbarn, has a motto: "when life gives you lemons, make lemonade." This award celebrates that spirit by recognizing everyday heroes who are making the world a better place for women and children. Last year, three winners received grants in the amount of \$150,000. These recipients have applied their grants to increase the scope and reach of their charitable organizations.

In our second year, we received over 2000 applications and awarded grants to three deserving organizations, and their founders. The grant recipients were celebrated at a luncheon in NYC, hosted by Soledad O'Brien in October, 2015. We are looking forward to the awards again in 2016.

FOR MORE INFORMATION ON THE PROGRAM AND WINNERS, VISIT WWW.JAFFEAWARDS.COM.

2015 FINANCIAL HIGHLIGHTS

(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

Operating Results	2015	2014	2013
Net Sales	\$4,802.9	\$4,790.6	\$4,714.9
Operating (Loss) Income	(234.9)	210.8	265.3
Adjusted Operating Income ^(A)	162.4	253.4	334.0
Net (Loss) Income ^(B)	(236.8)	138.2	155.2
Adjusted Net Income ^{(A) (B)}	98.1	164.8	204.2
Net (Loss) Income as a Percent of Net Sales ^(B)	(4.9%)	2.9%	3.3%
Adjusted Income as a Percent of Net Sales ^{(A) (B)}	2.0%	3.4%	4.3%
Net (Loss) Income per Common Share-Diluted ^(B)	(\$1.46)	\$0.84	\$0.95
Adjusted Income per Common Share-Diluted ^{(A) (B)}	\$0.59	\$1.00	\$1.25

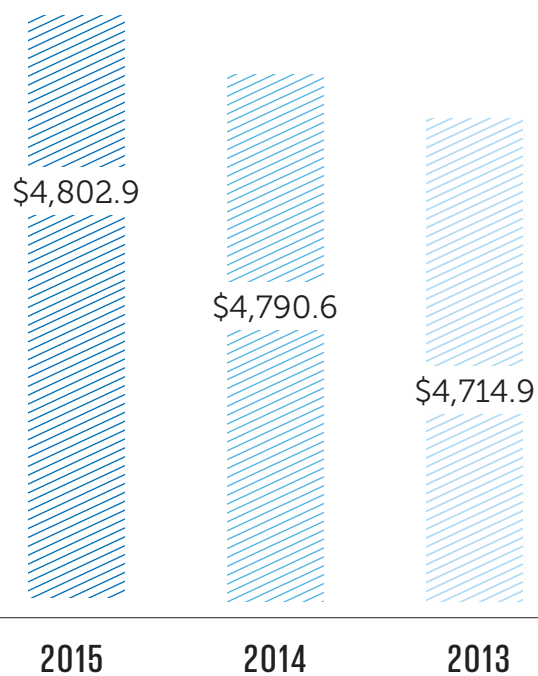
Financial Position	2015	2014	2013
Working Capital	\$232.2	\$291.7	\$306.3
Total Assets	2,915.7	3,123.8	2,871.7
Total Equity	1,518.1	1,737.7	1,556.4
Number of stores at end of fiscal period	3,895	3,896	3,859
Total Gross Footage (in millions)	21.2	21.2	21.0

^(A) Excludes certain expenses which Management believes are not indicative of the Company's underlying operating performance. Refer to our Annual Report on Form 10-K for the fiscal year ended July 25, 2015 and our Current Report on Form 8-K dated September 16, 2015 for a full reconciliation and discussion of these non-GAAP financial measures to the closest comparable GAAP measure.

^(B) Represents net income from continuing operations.

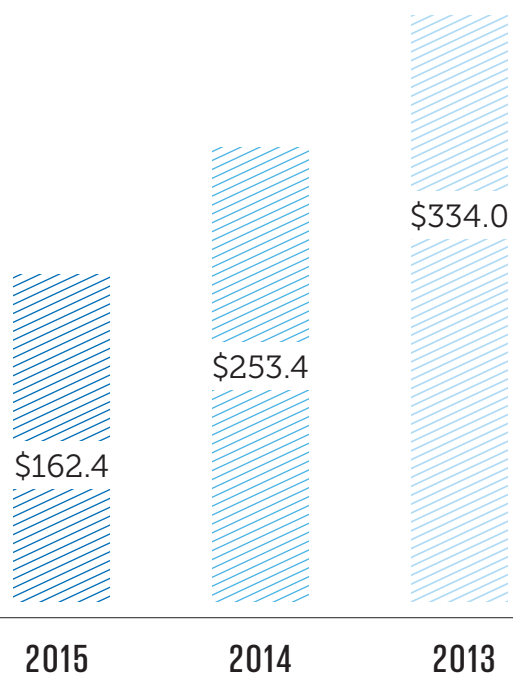
Net Sales

DOLLARS IN MILLIONS



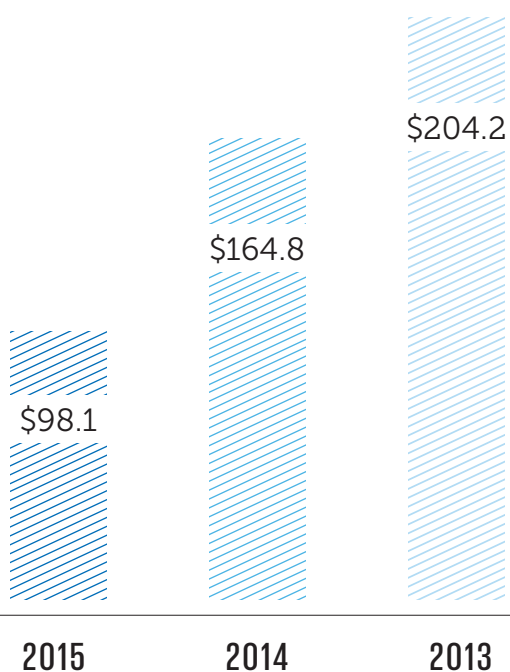
Adjusted Operating Income ^(A)

DOLLARS IN MILLIONS



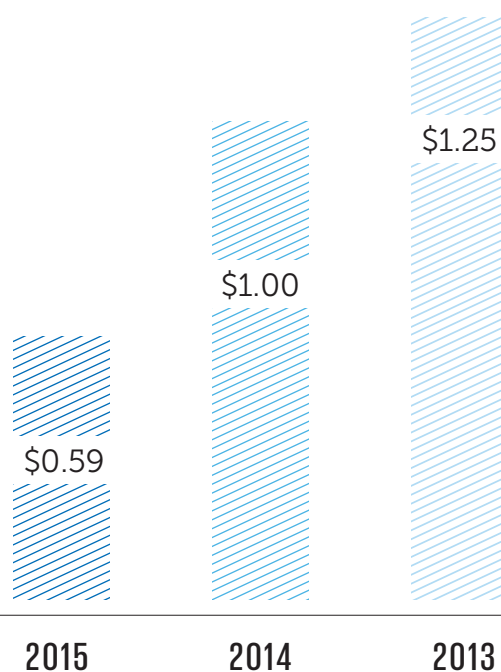
Adjusted Net Income ^{(A)(B)}

DOLLARS IN MILLIONS



Adjusted Earnings Per Share ^{(A)(B)}

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DIRECTORS, OFFICERS & KEY MANAGEMENT

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

KLAUS EPPLER (3)

Pensioned Partner, Proskauer LLP

RANDY L. PEARCE (1,2)

Lead Independent Director

(1) Member, Compensation and Stock Incentive Committee

(2) Member, Audit Committee

(3) Member, Nominating and Corporate Governance Committee

ascena Retail Group, Inc.

ELLIOT S. JAFFE

Co-Founder & Non-Executive Chairman

DAVID JAFFE

President & Chief Executive Officer

JOHN PERSHING

EVP, Chief Human Resources Officer

ROBB GIAMMATTEO

EVP, Chief Financial Officer

ERNEST LAPORTE

SVP, Chief Accounting Officer

JOHN SULLIVAN

President & Chief Operating Officer, ascena Shared Services Group

DAVID L. JOHNS

SVP, Chief Information Officer

TOM CALDERWOOD

SVP, Corporate Tax

RONNIE ROBINSON

President, ascena Global Sourcing

STEVE DALEY

SVP, Supply Chain

JEFF LISS

SVP, Operational Transformation & Digital Services

NYLA BENSON

SVP, Human Resources

KIRK SIMME

SVP, Credit

Justice

BRIAN LYNCH

President & Chief Executive Officer

LECE LOHR

EVP, Chief Merchandising Officer

BRIAN ROGERS

SVP, Human Resources

CHRIS KAIGHN

SVP, Stores & Store Operations

ALAN HOCHMAN

SVP, Real Estate & Store Planning

CATRIONA VAN DYCK

SVP, Planning & Allocation

JASON JUDD

VP, Chief Financial Officer

LISA WEGMANN

VP, Strategic Initiatives

Lane Bryant

LINDA HEASLEY

President & Chief Executive Officer

LOU ANN BETT

EVP, Chief Merchandising Officer

BRIAN BEITLER

EVP, Chief Marketing Officer

MARCY SCHAFFIR

SVP, Merchandising Manager

THERESA SULLIVAN

SVP, Human Resources

SANDRA TILLET

SVP, Stores & Store Operations

JEFFREY PARISIAN

SVP, Real Estate

SCOTT GLASER

SVP, Chief Financial Officer

NICK HAFFER

VP, Planning & Allocation

STEFAN VON ZASTROW

VP, New Business Development & Strategy

Maurices

GEORGE GOLDFARB

President & Chief Executive Officer

ERIN STERN

EVP, Chief Merchandising Officer

SUE ROSS

EVP, Human Resources

ALI WING

EVP, Chief Marketing Officer & eCommerce

MIKE HERRICK

SVP, Planning & Allocation

NEIL MCPHAIL

SVP, Stores

BRIAN THUN

SVP, Chief Financial Officer

JEFF HOLMES

SVP, Real Estate & Store Planning

Dressbarn

JEFF GERSTEL

President & Chief Executive Officer

JUDI LANGLEY

EVP, Chief Merchandising Officer

LORI WAGNER

Chief Marketing Officer & EVP, Digital Commerce

CHERYL STEVENS

SVP, Human Resources

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

BRETT SCHNEIDER

President

JOAN MUNNELLY

EVP, Chief Merchandising Officer

STEPHANIE NANZ

VP, Planning & Allocation

CHIP MARDIS

VP, Human Resources

SUSAN REIMAN

VP, Stores

BRAD ORLOFF

VP, Marketing

MARK MUELLER

VP, Real Estate

JOE LONG

VP, Chief Financial Officer

CORPORATE INFORMATION

The Annual Meeting

The Annual Meeting of Stockholders of the Company will be held:

Thursday, December 10, 2015,
3:30 p.m.
Stage Street Café, dressbarn
933 MacArthur Boulevard
Mahwah, NJ 07430

Form 10-K

To view this annual report online, including our Annual Report on form 10-K, visit ascenaretail.com/investors.jsp. A copy of the Company's Annual Report on Form 10-K for the fiscal year ended July 25, 2015, will be provided, without charge, 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

