



OUR  
CORE  
PURPOSE  
IS **HER**



# WE ARE A FAMILY OF BRANDS THAT RESPECTS AND SERVES WOMEN AND GIRLS.

ascena's unique portfolio of fashion brands is dedicated to helping women and girls put their most confident selves forward every day.

Our brand leaders are entrepreneurs committed to serving our customers. Our mission is to cultivate an emotional connection with the women and girls we serve.

ascena values innovation, collaboration and agility. We operate with integrity and in a socially responsible manner. We are passionate about giving back to the causes that are meaningful to women and girls.



ANN TAYLOR



LOFT



LOU GREY



Justice



LANE BRYANT



maurices

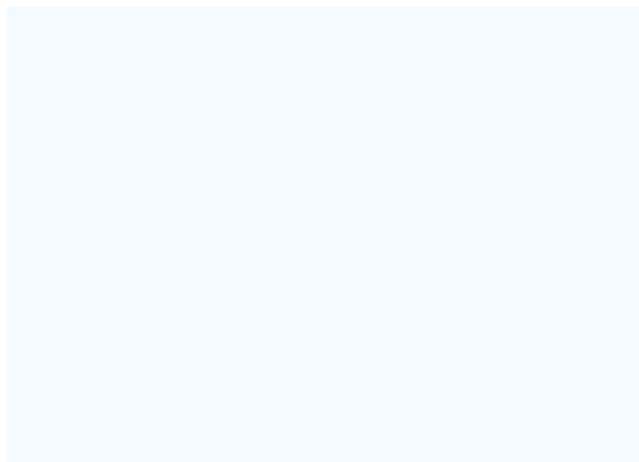


dressbarn



CATHERINES

AT ASCENA,  
WE MAKE  
WOMEN'S  
BRANDS  
BETTER.



### FISCAL YEAR 2016

Fiscal Year 2016 represented another year of rapidly changing customer expectations and an increasingly dynamic competitive environment. While always important, speed, value, and fashion execution are increasingly key strategic points of differentiation for successful retailers. We, like many in the specialty apparel sector, are looking inward to examine and improve core processes and capabilities. We are working toward fundamental changes we believe will maintain a healthy, sustainable business model. To that end, we have embarked on a journey to transform our business in a way that increases customer intimacy, drives synergies through our shared services platform, and refines our operating model to drive long term value creation.

While our financial performance in fiscal 2016 did not meet our expectations, we made important progress on key catalysts in our business that set the foundation for our longer term success. I'll reflect on four catalysts in particular: the integration of ANN INC., the rollout of our omni-channel platform, the turnaround of Justice, and our enterprise transformation work.

We are very pleased with the progress of the ANN INC. integration, which is progressing ahead of plan. We realized approximately \$55 million in deal synergies and cost savings in fiscal 2016, close to

\$20 million more than what we had planned due to acceleration of integration activity. This summer, our brand services group and ANN INC. team partnered to successfully transition LOFT and Ann Taylor into ascena's Greencastle ecommerce fulfillment center. All ascena brands are operating out of this facility less than one year into the integration, and we have begun to realize associated synergies. We have very good line of sight to all key integration projects, and remain confident we will realize the combined \$235 million in cost savings and deal synergies that we articulated when we announced the ANN INC. acquisition last year.

### WE ARE THE LARGEST WOMEN'S ONLY DOMESTIC SPECIALTY RETAILER OPERATING A DIVERSE PORTFOLIO OF EIGHT ICONIC BRANDS

We evolved our omni-channel platform this year, which represents the culmination of a major, three-year enterprise project. This new platform positions our brands to respond to increasing customer service expectations. Justice was the first legacy ascena brand to roll out our new ship-from-store capability, and initial demand growth is significantly exceeding our expectations. We will roll this capability out across the remaining legacy ascena brands throughout fiscal 2017, and expect to have all brands up on our internal web platform with ship-from-store capability by mid-calendar 2017.



  
**ascena**  
RETAIL GROUP INC.



The turnaround of Justice has progressed in line with our expectations. Fiscal 2016 was a year of stabilization for Justice as the team executed a decisive pivot toward a much healthier approach to its brand and business. Under a talented new leadership team, the brand's focus has shifted from an unhealthy reliance on promotion to leveraging a holistic understanding of our tween girl and her lifestyle. The Justice team has aggressively refined its merchandising aesthetic, with a focus on multiple lifestyle categories. They have significantly enhanced their marketing capability, with a core purpose around 'every girl, every day'.

## OUR UNIQUE PLATFORM AS A DECENTRALIZED HOLDING COMPANY SUPPORTED BY A BRAND SERVICES PLATFORM, HAS ALLOWED US TO REALIZE THE BENEFITS OF ENTREPRENEURIAL, CUSTOMER-FOCUSED BRANDS

Justice has also delivered significant working capital improvement through lower inventory levels that support their new selling model. We've seen the customer respond well to the brand's value proposition – delivering compelling fashion offerings at a value price point, in an environment that is all about our girl. We're excited about the customer-facing initiatives Justice has planned as we move forward from stabilization in fiscal 2016 back toward organic growth.

Finally, we have moved into the execution phase of our enterprise transformation work with our recently announced operating model change. maurices and dressbarn will be run by one segment CEO, responsible for delivering on customer expectations in our value fashion segment. Similarly, Lane Bryant and Catherines will be run by one segment CEO, responsible for delivering on customer expectations in our plus fashion segment. We believe that by coordinating brand activity and focus, that we can bring more successful product and service solutions to each target consumer segment. Ann Taylor, LOFT, and Lou & Grey will continue to be operated together under our premium fashion segment and Justice will operate independently as our kids fashion segment. We are dedicated to streamlining all aspects of our business to enable our transformation into a more agile enterprise that can smoothly navigate the rapid changing dynamics of our sector.

Regarding our financial performance, Fiscal 2016 was mixed across our portfolio. Negative store traffic trends worsened in the back half of the year, continuing a four year secular decline. This made for broadly challenging comparable store sales results. For the full year, comparable sales were down 4% though roughly half the decline was caused by the planned transitional conditions at Justice as the brand executed its turnaround. Significant non-recurring costs related to integration and purchase accounting expenses for the ANN INC. acquisition resulted in a GAAP loss from continuing operations for the year. Excluding these items, adjusted income from continuing operations was \$119 million, up 22% to the prior year, driven primarily by the addition of ANN INC. to our portfolio.

As we move into Fiscal 2017, we recognize the importance of strong execution, particularly in an environment where traffic is weak and customer behavior remains inconsistent. While our operating model is evolving, our underlying strategy remains focused on delivering value to our brands through a highly efficient shared services platform, allowing our brand teams to deliver unmatched levels of value, fashion, and experience to their respective customer segments.

Through our enterprise transformation work, we plan to drive efficiency and effectiveness in non-customer facing areas to allow additional investment and focus in key functions such as merchandising, marketing, and store operations to deliver a differentiated customer experience. Our new omni-channel platform capability will also allow us to improve customer experience by engaging our customer on her terms – where and when she wants. We continue to work aggressively to capture deal synergies and cost savings related to our acquisition of ANN INC., and expect full run rate realization of these savings by the end of our 2018 fiscal year.

We thank our stockholders and suppliers for their continued support, and 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.

WE BELIEVE WE ARE MAKING THE RIGHT INVESTMENTS IN OUR BUSINESS TO POSITION OURSELVES WELL FOR THE FUTURE AND ARE EXCITED BY THE OPPORTUNITIES ACROSS ALL OF OUR BRANDS.



*David R. Jaffe*

DAVID JAFFE  
President &  
Chief Executive Officer



*Elliot S. Jaffe*

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



## ANN TAYLOR



### LIVING OUR PURPOSE

For over 60 years, we have been inspired by the strength and beauty of a woman's real life. As that life becomes even richer with purpose and people who matter, it's also become more demanding, with more to accomplish and less time.

That's why we build her a wardrobe of possibilities. For the big days and everyday, from her work life to life's work, we want her to feel she has everything to wear—and that this gives her the inspiration and confidence to do what she loves. We design clothing and experiences that are relevant to where she is right now and wherever she is going next—creating an aspirational place to be her best self.

#ThisIsAnn

AT ANN TAYLOR, WE ELEVATE  
THE EVERYDAY, EVERY DAY.





# LOFT

## LIVING OUR PURPOSE

At LOFT, we believe in personal style and finding the effortless looks that let you be you.

Since 1998, we've created unbreakable bonds with our customers by empowering and redefining what it means to be a woman today. We celebrate each woman's individuality, and believe her style is as personal to her as the details in her daily life—and our clothes reflect that truth.

We design versatile everyday essentials and attainable trend pieces for a wide range of women with one common style goal: to feel confident wherever the day takes them and to live in what they love. We believe in personal style and finding the looks that let you be you.

#loveloft



WE BELIEVE IN  
PERSONAL STYLE  
AND FINDING THE  
LOOKS THAT LET  
YOU BE YOU



LOU & GREY



LIVING OUR PURPOSE

Lou & Grey is for women with wanderlust who value style and comfort equally—feel at home, wherever you are.

A laid-back approach to dressing lets her live life on her own terms. We're her go-to traveling attire; her yoga class uniform; her all-weekend ensemble; her post-work comfy outfit. We can be anything and everything, because we're letting her live life on her terms. We are constantly looking around us, open to all forms of inspiration. Who we partner with helps define our journey, from product collaborations with up and coming talent or designing exclusive collections with brands we love. This spirit of discovery adds joy to what we do and creates a welcoming atmosphere.

#louandgrey

A LAID-BACK APPROACH TO DRESSING LETS HER LIVE LIFE ON HER OWN TERMS.





Justice™

#### LIVING OUR PURPOSE

To enhance a tween girl's self-esteem by providing her the hottest fashion and lifestyle products, in a unique, fun, interactive environment—all at a great value for mom!

Justice is the premiere fashion destination for all tween girls. At Justice, we know that every girl is awesome. She is the inspiration behind everything we do. We love that she pours her heart into reaching her goals. We celebrate her inner shine and are proud that she shares it with friends, family and her community.

It only makes the world around her brighter. That's the awesome spirit we call Live Justice! Our standout collections are designed to reflect her awesome talents, her many moods and her sense of fun as she strives to Live Active, Smart, Together, Creatively, Positively and Connected every day. We're proud to bring her an everything-for-her destination at more than 900 Justice stores across the country or online at [shopjustice.com](http://shopjustice.com).

#livejustice



AT JUSTICE, WE  
KNOW THAT EVERY  
GIRL IS AWESOME.  
SHE IS THE  
INSPIRATION  
BEHIND EVERY-  
THING WE DO.





## LANE BRYANT



### LIVING OUR PURPOSE

Lane Bryant is committed to changing the way women see themselves in the world and the way the world sees women.

We carry forward the mission of our founder, Lena Bryant, to provide her with inspired fashion and membership in a joyful community. We truly understand that all women deserve to be seen and celebrated “equally” in fashion, in advertising, in media and throughout the world. Through our intimates brand, Cacique, we give her the best foundation products in the industry allowing her to express her confident and sexy self from the inside out.

With LIVI Active, we give her high quality/high performance active wear that respects her involved and vibrant lifestyle. With our Designer Collaborations, Sportswear and Accessories we support her desire to express her powerful and on-trend individuality. And, in over 770 stores and on lanebryant.com, we give her experiences that allow her to shed the labels and be seen and celebrated as a woman—Her size, *not Plus-size*.

#thisbody

WE ARE COMMITTED TO CHANGING  
THE WAY WOMEN SEE THEMSELVES IN  
THE WORLD AND THE WAY THE WORLD  
SEES WOMEN.





## maurices

### LIVING OUR PURPOSE

A hometown specialty retailer, maurices sheds a light on the unexpected creativity and individuality of small town style by elevating the true magic of hometowns as the epicenters of style and inspiration across North America.

Based on a philosophy that encompasses style, community and everyday life, we outfit our customers' small town lives. From workday to weekend, mothers to daughters and with prices and sizes that are inclusive for every woman, maurices has roots—and stores—in places where fashion is still fun at every age.

maurices is a hometown gem. For women who know it, it's a beloved destination they feel total affection for. And the feeling is mutual. For the rest of the world, maurices is the kind of place you discover, and fall in love with. Dressing real women living real lives in small towns everywhere in over 990 stores across North America or online at [maurices.com](https://maurices.com), we encourage you to [#discovermaurices](https://twitter.com/discovermaurices).



WE INSPIRE  
WOMEN TO  
LOOK AND FEEL  
GREAT — JUST  
AS THEY ARE.



dressbarn <sup>est.1962</sup>



LIVING OUR PURPOSE

Since 1962, dressbarn has offered women a multi-branded boutique where the 40ish woman could shop, browse and bring a little confidence home with great fashion at a smart price.

We pride ourselves on being a central resource in women's lives. We are the only place she trusts to give her great value and confidence, that interprets the latest trends specifically for her: her needs, her wants, her body, her time, her active lifestyle and her desire for self-expressions. It is all developed, designed and curated with her in mind. And only her.

#labelmeconfident

WITH THE MISSION OF INSPIRING WOMEN TO LOOK AND FEEL BEAUTIFUL, DRESSBARN OFFERS WOMEN FASHION AND VALUE FOR WHEREVER LIFE TAKES HER.





## CATHERINES

### LIVING OUR PURPOSE

In 1960, the first Catherines store opened in Memphis, offering style and a sense of belonging to plus size women whose fashion choices were limited. Today, Catherines embraces the same sense of community on which it was founded. Guided by our brand promise, “We Fit You Beautifully”, we engage, connect, inform and inspire the women we serve. We believe in what’s new and what’s next. Our goal is to “wow” and surprise her with fresh, relevant assortments. We see the world from her point of view. She wants comfort, fit and value as well as great style. And we deliver it all, serving as her friend, confidant and fashion authority.



#catherinesstyle

AT CATHERINES, WE INSPIRE WOMEN TO FEEL STYLISH, BEAUTIFUL AND CONFIDENT, PROVIDING EXCLUSIVE PRODUCT FOR SIZES 16–34.



THROUGH COLLABORATION WITH OUR BRAND PARTNERS, ASCENA'S BRAND SERVICES PLATFORM PROVIDES INNOVATIVE SOLUTIONS THAT ENABLES OUR BRANDS TO SERVE WOMEN AND GIRLS.



OUR BRAND SERVICES PROVIDE SUPPORT TO OUR CUSTOMERS BY:

- Supporting our brands to create great experiences for our customers through world-class omni-channel capabilities
- Providing high quality merchandise to our brands through a maximized global hybrid sourcing network
- Ensuring merchandise is in our stores and in our customers' hands when she wants it through world-class distribution and logistics networks
- Driving transformational retail infrastructure capabilities with exceptional talent, innovative technology solutions and economies of scale



# ACROSS ASCENA, WE HAVE A PASSION TO MAKE A MEANINGFUL DIFFERENCE IN THE LIFE OF OTHERS.

Within ascena and its family of brands there is a rich history of giving. This is demonstrated through ascena Cares, which embodies the extraordinary philanthropic efforts within the organization. ascena and its brands have contributed over \$100 million towards causes that benefit women and children, and the communities where they live.

Whether through collective partnerships or individual brand outreach efforts, ascena is a family of brands that respects and serves women and girls and is dedicated to making a positive impact on their lives.



Roslyn S. Jaffe Award Winners  
From left: Janna Wagner & Jessica Sager (All Our Kin), Simone Bernstein (Volunteem Nation), Mrs. Roslyn S. Jaffe, Soledad O'Brien, and Kelly Fair (Polished Pebbles)

## 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.

## 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 associates and their dependents who are attending a post-secondary institute. Since the program was started, we have helped over 700 students pursue a higher education.

## CRISIS RELIEF



The impact that a disaster such as a flood, tornado or 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 the needs of associates and those who need it the most.

## A FAMILY OF BRANDS THAT RESPECTS AND SERVES WOMEN AND GIRLS

ascena's family of brands are proud supporters of organizations such as, The Breast Cancer Research Foundation, St. Jude Children's Research Hospital, Nationwide Children's Hospital, The American Cancer Society and Dress for Success.

## 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 2016, we awarded over \$320,000 in grants to 330 associates.

## ROSLYN S. JAFFE INITIATIVE



### ROSLYN S. JAFFE AWARDS

The Company is proud to sponsor the Roslyn S. Jaffe Awards, which gives financial grants to social entrepreneurs focused on helping women and children, specifically in the areas of health, education, social reform and self-esteem.

2016 is our third 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.

Since its inception, \$475,000 in grants have been awarded. Recipients have applied their grants to increase the scope and reach of their charitable organizations. In 2016 the Roslyn S. Jaffe Alumni Network was established to widen the network and generate further change.

For more information on the initiative, program and winners, visit [www.jaffeawards.com](http://www.jaffeawards.com)



## 2016 FINANCIAL HIGHLIGHTS

(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

OPERATING RESULTS	2016	2015	2014
Net Sales	\$6,995.4	\$4,802.9	\$4,790.6
Operating Income (Loss)	93.8	(234.9)	210.8
Net (Loss) Income (A)	(11.9)	(236.8)	138.2
Net (Loss) Income as a Percent of Net Sales (A)	(0.2)%	(4.9)%	2.9%
Net (Loss) Income per Common Share - Diluted (A)	\$(0.06)	\$(1.46)	\$0.84
Adjusted EBITDA (B)	637.4	374.1	438.4
Adjusted Net Income (A)(B)	119.2	98.1	164.8
Adjusted Net Income as a Percent of Net Sales (A)(B)	1.7%	2.0%	3.4%
Adjusted Net Income per Common Share - Diluted (A)(B)	\$0.60	\$0.59	\$1.00

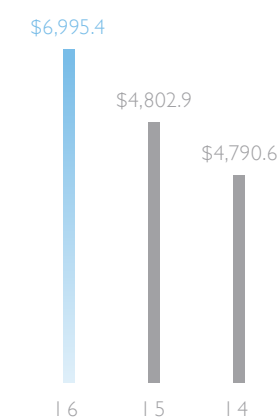
  

FINANCIAL POSITION	2016	2015	2014
Cash and Cash Equivalents	\$371.8	\$240.6	\$156.9
Working Capital	226.3	232.2	291.7
Total Assets	5,506.3	2,906.2	3,118.6
Total Debt	1,648.5	106.5	166.8
Total Equity	\$1,863.3	\$1,518.1	\$1,737.7
Number of stores at end of fiscal period	4,906	3,895	3,896
Total Gross Square Footage (in millions)	26.9	21.2	21.2

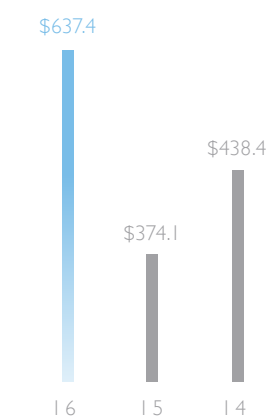
(A) Represents net income from continuing operations.

(B) Excludes certain expenses which Management believes are not indicative of the Company's underlying operating performance. Refer to our Current Report on Form 8-K dated September 19, 2016 and 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 measures.

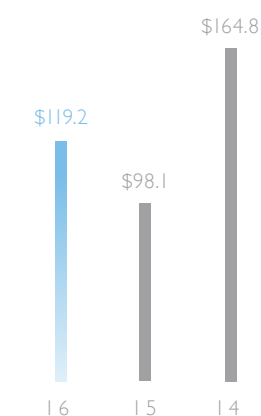
NET SALES  
dollars in millions



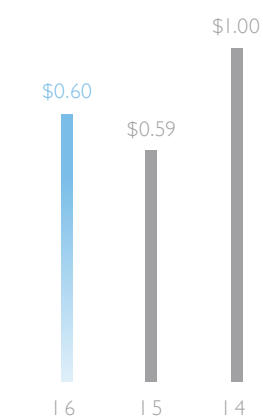
ADJUSTED EBITDA (B)  
dollars in millions



ADJUSTED NET INCOME (A)(B)  
dollars in millions



ADJUSTED EARNINGS PER SHARE (A)(B)  
diluted



(A) Represents net income from continuing operations.

(B) Excludes certain expenses which Management believes are not indicative of the Company's underlying operating performance. Refer to our Current Report on Form 8-K dated September 19, 2016 and 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 measures.



#### BOARD OF 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

RANDY L. PEARCE (1)(2)  
Lead Independent Director

KATIE J. BAYNE (3)  
Senior Vice President, Global Sparkling Brands,  
The Coca-Cola Company

CATHERINE E. BUGGELN (2)(3)  
Retail and Brand Consultant

STEVEN L. KIRSHENBAUM  
Senior Partner, Proskauer Rose LLP

KAY KRILL  
Director, Breast Cancer Research Foundation

CHUCK RUBIN (1)(2)  
Chief Executive Officer & Chairman of the Board,  
The Michaels Companies, Inc.

LINDA YACCARINO  
Chairwoman, Advertising, Sales and Client Partnerships  
NBCUniversal, Inc.

#### ASCENA LEADERSHIP TEAM

DAVID JAFFE  
President & Chief Executive Officer

ROBB GIAMMATTEO  
Executive Vice President, Chief Financial Officer

JOHN PERSHING  
Executive Vice President,  
Chief Human Resources Officer

DUANE D. HOLLOWAY  
Executive Vice President, General Counsel

BRIAN LYNCH  
Chief Operating Officer

GARY MUTO  
Chief Executive Officer, Premium Fashion Segment  
(Ann Taylor, LOFT and Lou & Grey)

LINDA HEASLEY  
Chief Executive Officer, Plus Fashion Segment  
(Lane Bryant and Catherines)

GEORGE GOLDFARB  
Chief Executive Officer, Value Fashion Segment  
(maurices and dressbarn)

LECE LOHR  
President, Kids Fashion Segment  
(Justice)

#### THE ANNUAL MEETING

The Annual Meeting of Stockholders  
of the Company will be held:  
Thursday, December 8, 2016  
3:00pm

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](http://ascenaretail.com/investors.jsp)  
A copy of the Company's Annual Report  
on Form 10-K for the fiscal year ended  
July 30, 2016, 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

AT ASCENA,  
WE MAKE  
WOMEN'S  
BRANDS  
BETTER.

ascena  
RETAIL GROUP INC.





dressbarn

maurices

Justice

LANEBRYANT

CATHERINES

ANN TAYLOR

LOFT

LOU & GREY

[ascenaretail.com](http://ascenaretail.com)

This annual report is printed on FSC-certified paper ensuring that it comes from a responsibly managed forest. The printer of this annual report is certified by the Sustainable Green Printing Partnership ensuring that sustainable best practices guided the printing process.