ANN INC.
Form 425
July 10, 2015

Filed by Ascena Retail Group, Inc.

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Pursuant to Rule 425 of the Securities Act of 1933

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Subject Company: ANN INC.

Commission File No.: 1-10738

Date: July 10, 2015

Ascena Retail Group, Inc. intends to use the following lender presentation to conduct meetings with prospective term loan lenders.

Lenders Presentation
Public Version
July 10, 2015

Important Information
In
connection
with
the
proposed
transaction,

ascena
retail
group,
inc.
(ascena)
filed
with
the
SEC
a
registration
statement
on Form S-4 that includes a proxy statement of ANN INC. (ANN) that also constitutes a prospectus of ascena. Investors and security holders are urged to read the definitive proxy statement / final prospectus and other relevant documents filed with the SEC, when they become available, because they will contain important information about the proposed transaction. Investors and security holders may obtain free copies of these documents, when they become available, and other documents filed with the SEC at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the SEC by ascena by contacting ascena Investor Relations at (551) 777-6895, or by e-mail at ascenainvestorrelations@ascenaretail.com. Investors and security holders may obtain free copies of the documents filed with the SEC by ANN by contacting ANN Investor Relations at (212) 541-3300 ext. 3598, or by e-mail at investor_relations@anninc.com.

ascena and ANN and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about ascena s directors and executive officers is available in ascena s proxy statement for its 2014 Annual Meeting of Stockholders filed with the SEC on November 3, 2014. Information about directors and executive officers of ANN is available in the proxy statement for the 2015 Annual Meeting of Stockholders of ANN filed with the SEC on April 2, 2015. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the definitive proxy statement / final prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the definitive proxy statement / final prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free final copies of these documents from ascena or ANN using the sources indicated above.

This document and the information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

Disclaimer
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In addition to historical information, this document contains forward-looking statements within the meaning of Section 27A of U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which ascena and ANN operate and beliefs of and assumptions made by ascena management and ANN management, involv uncertainties that could significantly affect the financial results of ascena or ANN or the combined company. Words such as

expects, anticipates, intends, plans, believes, seeks, estimates, variations of such words and similar expres are intended to identify such forward-looking statements, which generally are not historical in nature. Such forward-looking statements include, but are not limited to, statements about the benefits of the transaction involving ascena and ANN, including future financial and operating results, the combined company s plans, objectives, ratings, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future including statements relating to creating value for stockholders, integrating ascena and ANN, providing stockholders with a mo attractive currency, and the expected timetable for completing the proposed transaction are forward-looking statements. The statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumption we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. For example, these forward-looking statements coul be affected by factors including, without limitation, risks associated with the ability to consummate the merger and the timing o the closing of the merger; the ability to successfully integrate our operations and employees; the ability to realize anticipated benefits and synergies of the transaction; the potential impact of the announcement of the transaction or consummation of the transaction on relationships, including with employees, credit rating agencies, customers and competitors; the ability to retain key personnel; the ability to achieve performance targets; changes in financial markets, interest rates and foreign currency exchange rates; negative rating agency actions; and those additional risks and factors discussed in reports filed with the SEC by ascena and ANN from time to time, including those discussed under the heading Risk Factors in their respective most recen filed reports on Form 10-K and 10-Q. Neither ascena nor ANN undertakes any duty to update any forward-looking statements contained herein.

The ascena financial information included herein has been adjusted to exclude certain one-time items such as acquisition-relate integration and restructuring expenses, accelerated depreciation of fixed assets and costs related to inventory purchase accounting adjustments arising from the acquisition of Charming Shoppes, Inc. ascena believes that all such expenses are not indicative of ascena s underlying operating performance. In addition, this presentation makes reference to the financial performance measure of earnings before interest, taxes, depreciation and amortization, as adjusted for the previously mentione items (Adjusted EBITDA). ascena considers Adjusted EBITDA to be useful to investors because it believes that it is an important indicator of ascena s operational strength. Reference is made to ascena s Current Report on Form 10-Q for the fisc quarter ended April 25, 2015 and its Annual Report on Form 10-K for the fiscal year ended July 26, 2014 for a full discussion o use of Adjusted EBITDA and a reconciliation of adjusted, non-GAAP financial measures to the most directly comparable GAA financial measures.

Presenters
David Jaffe
ascena, Chief Executive Officer
Robb Giammatteo
ascena, Chief Financial Officer
Heather Plutino
ascena, Treasurer

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Agenda

Transaction Summary

Acquisition Rationale

ascena

Overview

ANN Overview

Key Credit Highlights

Historical Financials
Public Q&A
5

Transaction Summary

(1) Based on the closing price of ascena stock on May 15, 2015.

(2) Please see Adjusted EBITDA reconciliation on page 57 and synergy and cost savings overview on pages 15-16.

On May 17, 2015, ascena
retail group (the Company or ascena) entered into a definitive agreement to
acquire ANN INC. (ANN)

Upon closing, ANN stockholders will receive $37.34 in cash and 0.68 of a share of ascena common stock in exchange for each share of ANN common stock, implying a total value per share of $47.00 (1)

Enterprise Value represents 7.7x multiple of ANN s FY 2014 Adjusted EBITDA excluding total identified cost opportunities and 4.0x FY 2014 Adjusted EBITDA including total identified cost opportunities (2)

ascena is a leading specialty retailer offering clothing, shoes and accessories for women under the Justice, Lane Bryant, dressbarn, maurices and Catherines brands

ANN is a leading national specialty retailer of women s apparel, shoes and accessories, sold primarily under the Ann Taylor and LOFT brands

Upon completion of the acquisition, ascena will be the third largest specialty apparel retail company and the largest focused on women s apparel, with seven diverse brands that service women of all ages, sizes and demographics

The transaction will be financed with a combination of cash on the balance sheet, debt and stock

Funded debt financing will consist of an expected draw of less than $200 million under the Company s ABL and a $1.8 billion Senior Secured Term Loan B

The transaction is likely to close in 2H 2015 (expected to be in August)

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Transaction Summary
Attractive Credit Profile with Moderate Leverage and Significant Equity Value
(1)
Adjustment reflects $203 million of ANN cash (after conforming adjustments) less $150 million balance sheet cash used. Pro f
(2)
As of May 15, 2015, consistent with the S-4 filing.
(3)

ascena
Adjusted
EBITDA
based
on
LTM
period
ended
April
25,
2015.
ANN
Adjusted
EBITDA
based
on
LTM
period
ended
May
2,
2015.
Please
see
page
57
for
more
detail.
(4)
Pro forma ANN transaction cost synergies expected to be fully realized by the end of fiscal year 2018. Please refer to pages 15
(5)
ANN publicly identified cost savings reflect $50 million in incremental annualized gross margin from sourcing initiatives expe
ANN s SG&A Optimization Program expected to be realized by December 2016.
With market capitalization of $2.3 billion
(2)
+ $451 million ascena equity issued
(2)
, equity value represents
~60% of total capitalization
Lease adjusted leverage of 3.5x based on 5x combined rent expense of $766 million (per Moody s new
methodology)
Sources and Uses
Sources
Uses
Balance Sheet Cash
(1)
$
150
ANN Equity Purchase Price

$
2,194
ABL Revolver ($600mm)
143
Refinance ascena Revolver
155
Senior Secured Term Loan B
1,800
Change of Control Payments
85
ascena Equity Issued
(2)
451
Transaction and Financing Costs
110
Total Sources
$
2,544
Total Uses
$
2,544
Pro Forma Debt Capitalization as of April 2015
Actual
ascena
Adj.
Pro Forma
Amount
x Adj. EBITDA
Cash and Cash Equivalents
(1)
$
222
$
53
$
275
ABL Revolver ($600mm)
155
(12)
143
Senior Secured Term Loan B
-

1,800
1,800
Total Debt
$
155
$
1,943

2.2
x
Net Debt
$(67)
$
1,668
1.9
x
ascena Adjusted EBITDA
(3)
$
402
ANN Adjusted EBITDA
(3)
260
Pro Forma ANN Transaction Synergies
(4)
150
ANN Identified Cost Savings
(5)
85
Pro Forma Adjusted EBITDA
$
896
7

Indicative Terms and Structure
Senior Secured Term Loan B
Terms
Senior Secured Term Loan B
Borrower
ascena
retail group, inc.

(the Company)
Security
First priority lien on all assets, except for ABL Collateral, and capital stock held by the Borrower and Guarantors
Second priority lien on all ABL collateral
Guarantors
All existing and future direct or indirect wholly-owned U.S. restricted subsidiaries of the Borrower
Amount
$1,800 million
Maturity
7 years
Indicative Pricing
TBD
Corporate Credit Ratings
Ba2 / BB
Tranche Credit Ratings
Ba2 / BB+
LIBOR Floor
TBD
OID
TBD
Incremental Facility
$700 million general incremental basket, with additional amount subject to closing date secured net leverage
Incremental facility subject to 50 bps MFN; 12 month MFN sunset
Amortization
1% per annum with a bullet at maturity
Financial
Covenants
None
Optional Prepayments
All prepayments at par, except 101 soft call for 6 months
Mandatory
Repayments
100% of Asset Sales and Net Insurance Proceeds, 100% of Non-Permitted Debt Incurrence, 50% of Excess Cash Flow Sweep
step-downs subject to a leverage based grid
Negative Covenants
Usual
and
customary
for
similar
types
of
facilities,
including
incurrence
of
debt,
limitations
on
liens,

fundamental
changes,
distributions,
investments (with exceptions for permitted acquisitions), transactions with affiliates, asset sales, mergers, restricted payments (
customary available amount builder basket), with customary thresholds, exceptions and baskets
8

Indicative Terms and Structure
Asset-Based Revolving Credit Facility
Terms
ABL Revolving
Credit Facility
Borrower
ascena

retail group, inc.
(the Company)
Security
Perfected first priority lien on all receivables, inventory and cash (the ABL Collateral)
Second priority lien on all non-ABL Collateral
Guarantors
All existing and future direct or indirect wholly-owned U.S. restricted subsidiaries of the Borrower
Amount
$600 million
Maturity
5 years
Indicative Pricing
L + 125
150 bps, based on excess availability
Undrawn
Fee
20
25 bps unused fee on undrawn portion of ABL Revolver
Borrowing Base
Substantially similar to the existing Borrowing Base, including:

90% of the appraised net orderly liquidation value of eligible inventory (eligible in-transit inventory capped at 30% of Facility)
seasonal step-up to 92.5% for any single 90 day period within any calendar year at the Company s discretion, plus

90% of eligible credit cards receivable, less

Customary and appropriate reserves
Incremental Facility
$200 million
L/C
Sublimit
$350 million with $100 million for SLC
Financial
Covenants
Springing Fixed Charge Coverage Ratio of 1.0 to 1.0, triggered when excess availability is less than the greater of (x) 10% of I
Limit and (y) $45 million for 3 consecutive business days
Negative
Covenants
Customary for facilities of this type, including limitation on liens, indebtedness, restricted payments, investments, acquisitions
dividends, exceptions to be agreed
Reporting
Financial
Statements:
Quarterly;
Springing
to
monthly
when
availability
is

less
than
the
greater
of
15%
of
Loan
Limit
and
$65
million
(until availability is equal to or greater than the greater of 17.5% of Loan Limit and $75 million for 30 consecutive days)
Borrowing Base: Quarterly; Springing to monthly when loans are outstanding or L/C exposure exceeds $60 million; Springing if availability less than the greater of $60 million and 12.5% of Loan Limit
Field Exam & Inventory Appraisal: No annual exams and appraisals required if borrowings outstanding and L/Cs are less than the Facility at all times; 2x per year if Availability is less than the greater of $85 million and 17.5%; otherwise 1x per year
9

July 2015
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31

Transaction Timeline

July 14, 2015
Bank meeting

July
28, 2015
Commitments
due

July
29, 2015
Pricing and allocation

Week
of
August
17
th
Expected close of acquisition and financing

Timetable of Events

August 2015

S
M
T
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7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
Bank Holiday
September 2015
S
M
T
W
T
F
S
1
2
3

4
5
6
7
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10
11
12
13
14
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11
11
Key Credit Highlights
1
Largest specialty apparel retailer focused exclusively on the female consumer
Strong, well-defined brand equity
Increased diversification provided by a growing portfolio of brands

ascena operating model and acquisition experience mitigate integration risk
Recently completed capital investments have created best-in-class shared services platform and improved margins
Experienced management team
2
3
4
5
7
Strong free cash flow generation with a focus on deleveraging
6

Acquisition Rationale

13
Youthful
Mature
Powerful, Diversified Portfolio of Brands Focused
on Women of all Ages, Sizes and Demographics
Customer
Demographic

Apparel and accessories designed to match the energetic lifestyle of tween girls

Plus-size fashionable apparel with a moderate price range

Hometown retailer offering up-to-date fashion including both a core and plus-size offering

Career & casual fashions for the working woman

Plus-size classic apparel and accessories for wear-to-work and casual lifestyles

Polished, modern feminine classics for every generation of working women

Modern, feminine and versatile clothing for a wide range of women; focuses on everyday fashion

Store Count

997

770

940

830
381
360
674
Pro forma for the acquisition, ascena s portfolio will have six $1 billion differentiated brands

14
Creates one of the largest and most diversified specialty apparel retail companies
2
4
Financially compelling transaction
3
Significant synergy value creation

Combination is expected to generate significant cash flow, while both maintaining prudent levels of capital expenditures and enabling rapid deleveraging
Modest leverage with significant equity value representing approximately 60% of pro forma capitalization
Estimated annual cost opportunities of $235 million, including approximately $150 million in ANN transaction synergies and $85 million in ANN identified cost savings
All actions to achieve the transaction synergies are planned to be taken within 24 months after close
Collaboration and shared best practices support greater efficiency / performance
Preeminent specialty apparel retail company focused exclusively on women provides enhanced access to best-of-breed talent and career opportunities
Over 4,950 stores in North America with $7.4 billion of combined LTM Net Sales and $896 million of combined LTM
Adjusted
EBITDA
(including
total
identified
cost
opportunities)
(1)
Over 65,000 associates, approximately 96% of whom are women
Highly complementary organizations and management teams
1
Strong fit creates a well-balanced and diversified portfolio of brands with minimal overlap
Leverages ascena s strong shared-services platform capabilities and infrastructure investment
Leverages ANN s deep omni-channel knowledge base
Combination of Leading Specialty Apparel Retail
Companies
(1)
Please see Adjusted EBITDA reconciliation on page 57 for more detail.

15
FY 16
FY 17
FY 18
Non-Merchandise Procurement
Financially Compelling Transaction
$235 Million Total Identified Cost Opportunities

Distribution and
Fulfillment
Transportation
Sourcing
Other
$150 million of identified cost
synergies with all actions to be taken
within 24 months after close and full
amounts realized in third full year after
close
Synergy capture requires
approximately $35-40 million of capital
expenditures
ANN s Sourcing Initiatives expected to generate at least $50 million in incremental annualized gross margin by December 2017
ANN s SG&A Optimization Program is expected to generate ongoing annual savings of $35 million by December 2016
$150 million of ANN Transaction Synergies
$85 million of ANN Cost Savings
Note:
July
fiscal
year
end.
$
in
millions.
$10
$20
$80
$90
$150
Cumulative
Expected
Synergies:

16
16
Overview of ANN Transaction Synergies
$150 Million of Identified Cost Synergies
Extend existing ascena contract rates across ANN volume
Leverage increased volume at origin to drive full container shipment
Increase packaging productivity through reduced cross dock

Transportation
Leverage scale and consolidate suppliers across multiple areas, including IT support contracts, facilities, marketing collateral, transportation contracts, and general services and supplies
Non-Merchandise
Procurement
Optimize combined supply base and leverage increased scale
Sourcing
Newly
designed,
highly
efficient
D.C.
in
Etna
serving
all
ascena
stores
Newly designed, highly efficient e-commerce facility in Greencastle serving all ascena
e-commerce business
Leverage daily delivery and increased allocation capability across ANN volume
Distribution and
Fulfillment
Other
Elimination of ANN public company costs
Elimination of duplicate functions and roles
Leveraging best practices across functional areas to minimize operating expenses

ascena Company Overview

18
18
1940s
1960s
1980s
2000
2005

2009
2011
2012
1931:
First maurices
store opens in
Duluth, MN
1983:
DBRN began
trading on NASDAQ
1962: First dressbarn
store opens in
Stamford, CT
1987: Limited Too (now
Justice) is created by
The Limited, Inc.
2009:
dressbarn
acquires Justice
2005: dressbarn
acquires maurices
2011:
ascena
retail group, inc.
becomes the successor reporting
company to The Dress Barn, Inc.
2015
2012: ascena
acquires Charming
Shoppes, Inc.
2015: ascena
enters into
definitive
agreement to
acquire ANN INC.
1900s
1960: First Catherines
store opens in
Memphis, TN
1900: First Lane
Bryant store opens
in New York, NY
Corporate History

19
19
Justice Brand Overview
Pure Play Tween Fashion Specialty Store
Merchandise Mix
997 Store Locations
Offers fashionable apparel to 5-12 year old tween girls in an

energetic environment
A market share leader in a $7 billion+ addressable market
Products include hottest tween fashions in jeans, shorts, dresses, skirts and school uniforms
Stores concentrated in high traffic malls and strip centers
Headquartered in New Albany, OH
Malls:
56%
Strips:
22%
Outlets:
11%
Lifestyle Centers:
10%
Apparel
68%
Lifestyle
11%
Accessories
10%
Intimates
8%
Footwear
4%
Core
30%
Fashion
50%
Over the
Top
20%

20
Justice Brand Overview
Brand Strategy and Key Operating Metrics
Strategy
New pricing and promotional cadence focused on aggressive opening price points and narrow but powerful category promotions

Style Buys
everyday low price items with
aggressive ticket prices set equal to the out the door
price of key competitors

Frequent, narrow rotating promotional events across
the fashion assortment

Fully aligned store and ecommerce channel
promotions, reflecting omni-channel operating
philosophy
Integrated communication strategy around value and trust
Comp
Sales
7.8 %
8.2 %
3.0 %
(3.9) %
N/A
Store
Count
902
942
971
997
997
Operating Income and Margin ($ in millions)
Net Sales ($ in millions)
Transitional Stabilization Activity
In March, Justice hired Brian Lynch, a turnaround veteran
with over 35 years of industry experience at Ann Taylor and
the Gap, to be the new President of Justice
De-risk business through 20%+ reduction in inventory and
accelerate turn rate
Align inventory levels to new promotional strategy
Refine merchandise mix to increase focus on everyday and
core fashion assortment
Reduce level of embellishment to deliver key product
aesthetic (fabric, wash, quality) while reducing product cost
(1)
Operating income includes fully allocated costs.
$1,150
$1,307
$1,407
$1,384
$1,321
FY2011
FY2012
FY2013

FY2014
LTM Apr-15
$ 129
$ 172
$ 188
$ 103
$ 26
11.2%
13.2%
13.4%
7.4%
2.0%
FY2011
FY2012
FY2013
FY2014
LTM Apr-15
20
(1)

21
21
Lane Bryant Brand Overview
Plus-Size
Fashionable
Apparel

All
Women
Deserve
Great
Fashion
Merchandise Mix
770 Store Locations
Caters to women ranging in age from 25 to 45 years old in sizes
14
28 through private labels Lane Bryant, Cacique, Livi Active,
and 6
th
& Lane as well as designer collaborations
Widely recognized brand name in women s specialty fashion
Assortment includes intimate apparel, wear-to-work, casual
sportswear, accessories, select footwear and social occasion
apparel as well as activewear under its recently launched Livi
Active brand
Stores concentrated in strip centers and high traffic malls
Headquartered in Columbus, OH
Strips:
51%
Malls:
25%
Outlets:
15%
Lifestyle Centers:
8%
Casual
33%
Wear-to-
Work
18%
Emerging
9%
Accessories
6%
Intimates
34%
Fashion
44%
Core
50%
Accessories
6%

22
22
Lane Bryant Brand Overview
Brand Strategy and Key Operating Metrics
Strategy
Key revenue drivers

Omni-channel

Activewear (Livi Active) and knits

Cacique intimates
Operating leverage opportunities

Promotional effectiveness

Sourcing / speed

Cost structure
Develop new / enhance existing marketing programs

Re-anchor brand equity in fashion, fit, and lifestyle relevance

Increase cross-shopping between apparel customers and Cacique intimates while expanding and acquiring new customers
Improve fleet productivity through location repositioning and omni-channel interaction
Operating Income and Margin ($ in millions)
(2)
Comp
Sales
2.9 %
1.6 %
3.0 %
N/A
Store
Count
805
788
771
770
Net Sales ($ in millions)
(1)
(1)
FY
2012
net
sales
represent
full
year
of
sales
of
which

$120
million
is
included
in
ascena
historical
results.
(2)
Operating income includes fully allocated costs.
$1,028
$1,050
$1,080
$1,088
FY2012
FY2013
FY2014
LTM Apr-15
($10)
$(10)
$(3)
$(14)
(8.4)%
(0.9)%
(0.2)%
(1.3)%
FY2012
FY2013
FY2014
LTM Apr-15

23
23
maurices Brand Overview
Small
Market
Fashion
Destination

Simply
the
Best
Hometown
Specialty
Retailer
Merchandise Mix
940 Store Locations
Up-to-date casual, career and dressy fashion designed to appeal
to females ages 20-35 in missy and plus-size
Net promoter score over 85%
Proprietary label covers casual clothing, career wear, dressy
apparel, activewear and accessories
Stores concentrated in smaller and metro fringe markets
(approximately 25,000 to 150,000 people)
Headquartered in Duluth, MN
Strips:
57%
Malls:
36%
Outlets:
5%
Lifestyle Centers:
2%
Casual
Denim
56%
Wear-to
Work
11%
Plus
20%
Accessories
13%
Fashion
64%
Core
26%
Trendy
10%

24
24
maurices Brand Overview
Brand Strategy and Key Operating Metrics
Strategy
Key revenue drivers

Omni-channel

PLUS assortment expansion
Operating leverage opportunities

Internal sourcing penetration

Differentiated product developed by the new internal design / product development teams
Develop new / enhance existing marketing programs

Enhance brand expansion strategy and refine customer acquisition models

Improve prospecting, marketplace expansion, and search optimization initiatives to drive increased traffic
Comp
Sales
10.2 %
1.6 %
2.5 %
1.1 %
N/A
Store
Count
784
832
877
922
940
Operating
Income
and
Margin
($
in
millions)
(1)
Net Sales ($ in millions)
(1)
Operating income includes fully allocated costs.
(2)
FY 2014 operating income and margin exclude a $13 million impairment charge taken in Q4 2014.
(2)
$776
$853
$918
$971
$1,034

FY2011
FY2012
FY2013
FY2014
LTM Apr-15
$ 105
$ 103
$ 108
$ 102
$ 118
13.5%
12.0%
11.7%
10.5%
11.4%
FY2011
FY2012
FY2013
FY2014
LTM Apr-15

25
25
Career
&
Casual
Fashion
for

the
Working
Woman

Inspiring
Women
to
Look
&
Feel
Beautiful
Merchandise Mix
830 Store Locations
Offers private label and contemporary fashions at great value to women in their mid-30s to mid-50s
Positively trending net promoter scores since 2013
Provides moderate-to-better quality career, special occasion, casual fashion in missy, petites, and plus sizes
Stores located primarily in strip shopping centers in major trading and high-density markets, and in surrounding suburban areas
Headquartered in Mahwah, NJ
dressbarn Brand Overview
Strips:
73%
Outlets:
20%
Malls:
7%
Career
34%
Casual
37%
Dresses
19%
10%
Updated
60%
Classic
25%
Core
15%
Non-Apparel

26
26
dressbarn Brand Overview
Brand Strategy and Key Operating Metrics
Strategy
Key revenue drivers

Omni-channel; accelerate e-commerce

Dresses (DRESSBAR)

Knits

Casual bottoms
Operating leverage opportunities

Internal sourcing penetration

Inventory management

Design / product development
Develop new / enhance existing marketing programs

Leverage DRESSBAR launch

Drive engagement and retention through
SMARTgirl targeting
Drive store productivity by optimizing existing fleet and
new prototype roll-out
Comp
Sales
1.6 %
3.4 %
(2.1) %
(0.8) %
N/A
Store
Count
830
827
826
820
830
Net Sales ($ in millions)
(1)
Operating income includes fully allocated costs.
Operating Income and Margin ($ in millions)
(1)
$987
$1,038
$1,021
$1,022
$1,028
FY2011
FY2012
FY2013
FY2014

LTM Apr-15
$ 68
$ 53
$ 32
$ 39
$ 28
6.9%
5.1%
3.1%
3.9%
2.7%
FY2011
FY2012
FY2013
FY2014
LTM Apr-15

27
27
Catherines Brand Overview
Plus-Size
Classic
Apparel

To
serve
the
lifestyle
and
fit
needs
of
women
size
18+
Merchandise Mix
381 Store Locations
Carries plus-size apparel for all occasions for customers generally 45 years or older
Known for offering full range of plus sizes (16-34 and 0X-5X) and particularly known for extended sizes (28-34)
Offers current and updated apparel wardrobe options, covering customers casual and wear-to-work needs; also carries a full line of intimate apparel, footwear, and accessories
Retail stores primarily located in strip shopping centers
Headquartered in Bensalem, PA
Strips:
84%
Malls:
14%
Outlets:
1%
Lifestyle Centers:
1%
Updated
60%
Core
25%
Fashion
15%
Casual
52%
Wear-to-Work
17%
Intimates
15%
Other
16%

28
Catherines Brand Overview
Brand Strategy and Key Operating Metrics
Strategy
Net Sales ($ in millions)
(1)
Key revenue drivers / expanded assortment

Activewear

Dresses

Footwear

Black Label

Swimwear
Increase engagement through fashion execution and novelty
Grow and reposition store fleet
Focus marketing activity on direct mail events and Catherines Cash bounceback coupons
Operating Income and Margin ($ in millions)
(2)
Comp
Sales
10.7 %
9.3 %
7.5 %
N/A
Store
Count
422
397
386
381
(1)
FY
2012
net
sales
represent
full
year
of
sales
of
which
$36
million
is
included
in
ascena
historical
results.
(2)

Operating income includes fully allocated costs.
$304
$319
$332
$345
FY2012
FY2013
FY2014
LTM Apr-15
($4)
$ 17
$ 24
$ 29
(11.1)%
5.3%
7.3%
8.4%
FY2012
FY2013
FY2014
LTM Apr-15
28

29
29
Revenue Growth
SSS
Growth
(1)
8 %

5 %
(3) %
0 %
9 %
6 %
5 %
0 %
(2) %
N/A
Note: Based on ascena fiscal year ending July. maurices acquired in January 2005, Justice acquired in November 2009, Lane I
Catherines based on full year of sales for FY12. Excludes ANN.
(1)
SSS growth represents store comparable sales.
4.6 %
12- 14 CAGR
2.5 %
2.9 %
6.7 %
(0.7) %
Store
Count
1,339
1,428
1,503
1,559
2,477
2,516
3,828
3,859
3,896
3,918
$876
$935
$888
$906
$982
$987
$1,038
$1,021
$1,022
$1,028
$424
$492
$557
$588
$681
$776
$853
$918
$971

$1,034
$712
$1,150
$1,307
$1,407
$1,384
$1,321
$120
$1,050
$1,080
$1,088
$36
$319
$332
$345
$1,300
$1,427
$1,445
$1,494
$2,375
$2,914
$3,353
$4,715
$4,791
$4,816
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
FY14
LTM Apr-15
dressbarn
maurices
Justice
Lane Bryant
Catherines

30
E-Commerce Penetration
(1)
E-commerce growth represents growth from YTD April 2014 to YTD April 2015.
10.9 %
18.9 %
9.6 %

4.5 %
15.3 %
Justice
Lane
Bryant
maurices
dressbarn
Catherines
E-commerce
Growth
(1)
12.5%
14.2%
31.0%
5.4%
19.6%
E-commerce Penetration By Brand
YTD April 2015 full year e-commerce penetration of 11% is up ~300bp vs. FY 2013 for consolidated ascena
ascena continues to make investments to enhance its world class omni-channel capabilities

In-store associate ordering system

In-house e-commerce fulfillment

Customer-facing brand site re-platform

Distributed order management
30

ANN Business Overview

32
32
Overview of ANN
Fashion
Polished, professional, sophisticated
Stylish, casual, relaxed
LTM Apr Net

Sales
($ in millions)
$ 944
$ 1,596
Store Count
242 full-line
118 factory
360 total
546 full-line
128 outlet
674 total
Note: Store count as of May 2, 2015. LOFT net sales and store count include Lou & Grey. Lou & Grey is an exploratory brand

33
33
ANN Corporate History
1950s
1970s
1990s
2000

2004
2007
2006
2012
1954: First Ann
Taylor opens in New
Haven, CT
1991: Ann Taylor goes
public (NYSE: ANN)
and has 220 locations
by the end of the year
1977: Ann Taylor
opens New York City
Flagship on 57
th
street
2000:
AnnTaylor.com
launches
2006: Ann Taylor
LOFT becomes a
billion dollar brand
2004:
AnnTaylorLOFT.com
launches
2015: ANN INC.
enters into definitive
agreement to be
acquired by ascena
Retail Group
2015
2012: Ann Taylor
opens its first
international store
in Toronto, Canada.
2013
2013: Ann Taylor
launches
international
shipping to 100+
countries
1998: Ann Taylor LOFT
opens its first store
2009
2009: Ann Taylor
LOFT changes
name to LOFT

34
34
Ann Taylor Brand Overview
Ann Taylor is polished, modern feminine classics with an iconic style point of view for every aspect of her life
Customer Characterizations
Note: ANN fiscal year ends January. LTM period represents twelve months ended May 2, 2015.
Ann Taylor Brand Sales ($ in millions)

Comp %
(23.8) %
18.7 %
5.2 %
1.1 %
1.1 %
(2.2) %
N/A
Store Count
$771
$864
$908
$945
$960
$953
$944
2009A
2010A
2011A
2012A
2013A
2014A
LTM
Apr-15
291
266
280
275
268
245
242
92
92
99
101
108
116
118
383
358
379
376
376
361
360
2009A
2010A
2011A
2012A
2013A

2014A
LTM
Apr-15
Ann Taylor Stores
Ann Taylor Factory

35
35
LOFT Brand Overview
LOFT offers modern, feminine and versatile clothing for a wide range of women
Customer Characterizations
Note: ANN fiscal year ends January. LTM period represents twelve months ended May 2, 2015.
(1)

LOFT Stores includes 5 standalone Lou & Grey stores in 2014 and 6 standalone Lou & Grey stores in LTM April 2015.
LOFT Brand Sales ($ in millions)
Comp %
(11.9) %
5.0 %
8.0 %
4.8 %
3.0 %
(1.7) %
N/A
Store Count
(1)
506
502
500
512
539
542
546
18
36
74
96
110
127
128
524
538
574
608
649
669
674
2009A
2010A
2011A
2012A
2013A
2014A
LTM
Apr-15
LOFT Stores
LOFT Outlet
$1,057
$1,117
$1,305
$1,430
$1,534
$1,581
$1,596

2009A
2010A
2011A
2012A
2013A
2014A
LTM
Apr-15

36
36
ANN services customers with a single, channel-agnostic view of inventory and customer-specific preferences

Omni-channel database centrally stores online and
offline transactions, offering visibility into client transactions

across brands / channels

Robust inventory management engine with capability to order in store and ship from another store, buy online and ship from a store, and buy anywhere and return anywhere

All Ann Taylor and LOFT stores now have endless aisle capability, which give customers seamless access to online inventory from the store

Enhanced mobile capability launched at both brands in the third quarter of fiscal 2014 drove ~50% increase in mobile conversion rates
ANN s dynamic analytical models allow for segmentations of client file highlighting paths to maximize ROI

Ability to track and prospect high-value customers and optimize marketing acquisition, cultivation, and retention programs

Ability to analyze clients propensity to purchase certain categories, quantify risk of editing categories, and surface assortment opportunities

Capabilities to assist with planning and advise on store openings, closing, and retention of omni-channel customers
Leading Omni-Channel Strategy with Best in Class
Customer Relationship Management
Omni-channel clients spend an average of
over 3x single channel clients
Greater
than
3x
Online

37
37
Strategic Initiatives
Ann Taylor:

Drive tops business by offering a more balanced assortment across silhouettes, color choices, and end use

Utilize test and chase strategies and increase product pipeline speed to deliver fashion newness and drive full price sell-through

Enhance fit and versatility throughout the assortment to address multiple wear occasions

LOFT:

Drive dramatic growth in the tops category by balancing mix of fabrication, increasing the fashion component, and adding diversity of style and silhouette

Engage clients across multiple channels to increase brand awareness, traffic, and retention

Increase Sales Productivity via Brand Initiatives

Improve Operating Margin

Continue to evolve inventory management approach

Expand merchandise test and chase strategy to increase quick response capabilities

Leverage best-in-class CRM and customer insights to improve marketing and merchandising effectiveness

Continue to expand and leverage leading omni-channel capabilities

Optimize organizational cost structure

Continue to utilize low cost and scalable shared services platform

Continue to optimize the real estate portfolio for profitability

38
38
Revenue Growth by Brand
Comp
Sales
Growth
4.5 %

(2.2) %
(13.4) %
(17.4) %
10.7 %
6.8 %
3.3 %
2.3 %
(1.9) %
N/A
Note: Reflects ANN s fiscal year ended January. Other sales represents non-merchandise sales.
12- 14 CAGR
5.1 %
0.4 %
Store
Count
869
929
935
907
896
953
984
1,025
1,030
1,034
3.3 %
$913
$867
$689
$771
$864
$908
$945
$960
$953
$944
$1,146
$1,174
$1,088
$1,057
$1,117
$1,305
$1,430
$1,534
$1,581
$1,596
$ 284
$ 356
$ 417
$2,343

$2,397
$2,195
$1,829
$1,980
$2,212
$2,376
$2,493
$2,533
$2,541
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
FY14
LTM
Apr-15
Ann Taylor
LOFT
Other

39
39
Lou & Grey Strategic Overview
Lou & Grey offers a casual, effortless aesthetic, combining comfort with style in a way that resonates with how women are dressing today
Currently available in LOFT stores

Leverages LOFT s existing and growing customer base to promote the Lou & Grey offerings
6 standalone stores open as of May 2, 2015

Opened first proof-of-concept store in Westport, CT in April 2014

Locations include Boston, Chicago, Atlanta, San Jose, Raleigh and Pasadena

Majority of clients are completely new to ANN INC.
Curates the Lou & Grey assortment with third-party merchandise, including jewelry, organic beauty products, books and shoes from other brands
Source: Andrea Brizzi Photography

Key Credit Highlights

41
41
Key Credit Highlights
1
Largest specialty apparel retailer focused exclusively on the female consumer
Strong, well-defined brand equity
Increased diversification provided by a growing portfolio of brands

ascena operating model and acquisition experience mitigate integration risk
Recently completed capital investments have created best-in-class shared services platform and improved margins
Experienced management team
2
3
4
5
7
Strong free cash flow generation with a focus on deleveraging
6

42
42
Largest Specialty Apparel Retailer Focused Exclusively
on the Female Consumer
1
LTM Net Sales ($ in millions)
Third largest specialty retail brand and most diversified women s apparel retail brand

Note: LTM Net Sales represents net sales as of latest public filing.
16,318
11,575
7,356
4,816
3,631
3,376
3,336
2,687
2,570
2,541
2,207
1,839
1,836
1,756
1,153
1,100
923
483
427
419
$ 0
$ 2,000
$ 4,000
$ 6,000
$ 8,000
$ 10,000
$ 12,000
$ 14,000
$ 16,000
$ 18,000

43
43
Increased Diversification Provided by a Growing
Portfolio of Brands
Combined company has seven core brands that cater to women of all sizes, ages and demographics
Six brands generate $1 billion or more in annual sales
2

LTM Apr-15 Revenue -
$7,356 million
LTM Apr-15 Store Count -
4,952 total stores
LTM Apr-15 Operating Income
(1)
-
$304 million
(1)
Lane Bryant s LTM April 2015 operating income was $(14.1) million. ANN INC. does not report operating income separatel
Ann Taylor
13%
LOFT
22%
Justice
18%
dressbarn
14%
Lane Bryant
15%
maurices
14%
Catherines
5%
Ann Taylor
7%
Loft
14%
Justice
20%
Lane Bryant
16%
maurices
19%
dressbarn
17%
Catherines
8%
Ann Taylor
LOFT
43%
+
Justice
7%
maurices
33%
dressbarn
9%
Catherines
9%

44
44
Increased Diversification Provided by a Growing
Portfolio of Brands
Last
twelve
quarters

comparable
stores
growth
by
brand
(1)
Last
twelve
quarters
consolidated
comparable
stores
growth
(1)
2
Volatility of comps is dampened by portfolio effect of brands
Note:
Weighted
average
comparable
sales
growth
calculated
using
ascena s
quarterly
comparable
store
sales
and
ANN s
quarterly
comparable
store
sales
weighted
by
total
revenue.
(1)
ANN s quarterly comparable stores growth calendarized to ascena s July fiscal year end.
0.9%
(1.3)%
3.6%
2.5%
1.6%
(1.9)%
(2.3)%
(2.8)%
0.9%

(1.3)%
4Q12
1Q13
2Q13
3Q13
4Q13
1Q14
2Q14
3Q14
4Q14
1Q15
2Q15
3Q15
Weighted Average Comparable Stores Growth
Trailing Twelve Month Average
(15)%
(10)%
(5)%
0%
5%
10%
15%
4Q12
1Q13
2Q13
3Q13
4Q13
1Q14
2Q14
3Q14
4Q14
1Q15
2Q15
3Q15
3.7%
4.1%
Ann Taylor
Loft
Justice
Lane Bryant
maurices
dressbarn
Catherines

45
45
Strong, Well-Defined Brand Equity
3
Iconic specialty brand
serving the professional,
modern woman across

generations
Market share leader in
women s specialty
apparel, focused on
casual, relaxed apparel
Mind share leader amongst
tween girls
Fashionable plus-size
apparel for the 25-45 year
old woman
Fashion destination
offering missy and plus-
sizes for 20-35 year old
women in small-
and mid-
sized markets
Career and casual
fashions in missy and
plus-sizes at great value
for the working woman
Classic career and everyday
fashion plus-size apparel for
45+ year old women
Highly desirable
brands each
resonating with its
target consumer

46
46
ascena Operating Model and Acquisition
Experience Mitigate Integration Risk
4
Full leadership team, including president,
and heads of finance and HR

Ownership of supply chain and central IT
Runs all non-customer-facing back office
activities
Partners with brands on
development of strategic
plan and financial
architecture
Responsible for capital
allocation decisions
Full leadership teams, including president and heads of planning,
merchandising, marketing, finance, stores, real estate, and HR
Responsible for all customer-facing activity, development of
brand-specific financial architecture, and execution against
seasonal earnings growth targets

47
47
ascena Operating Model and Acquisition
Experience Mitigate Integration Risk
4
Target
Acquired

Date Acquired	Equity Purchase Price (1)	Revenue Acquired	Revenue Acquired as % of ASNA (2)	Current LTM Revenue
January 2005	$329 million	$349 million (LTM 11/04)	46%	$1,034 million
November 2009	$335 million	$996 million (LTM 10/09)	65%	$1,321 million
June 2012	$1,028 million	$1,290 million (Catherines + Lane Bryant, LTM 1/12)	42%	$1,433 million (Catherines + Lane Bryant)
2H 2015	$2,194 million	$2,541 million	53%	$2,541 million

Note: Current LTM as of April 2015.
(1)

Excludes the assumption of debt, includes cash acquired.
(2)
Percentage
based
on
LTM
ascena
revenue
at
time
of
transaction.
We view ANN as an excellent strategic fit with limited overlap and believe stated ~$150M of synergies (within 3 years after closing), as well as significant year-1 accretion, are achievable and may prove conservative
-SunTrust Research Report (May 2015)
We believe new entity will combine best of both retailers leveraging ANN's 1) superior omni-channel offering, 2) exposure to higher HHI & 3) fashion leadership in women's specialty retail, while leveraging ASNA's strength in 1) shared services infrastructure & 2) mgmt.'s detailed experience in M&A.
-Cowen Research Report (May 2015)
Favorable Third Party Response
to ANN Acquisition
The deal makes ascena one of the most dominant players in women s clothing. Adding the stylish Ann Taylor to the portfolio brings a deep customer base of suburban working women ..[ascena] now has a reach into key every-women demographics
-Time Magazine (June 2015)

48
48
Recently Completed Capital Investments Have Created
Best-in-Class Shared Services Platform and Improved
Margins
FY 13
FY 14

FY 15
FY 16
Etna Distribution Center
Greencastle Fulfillment Center
Oracle Point of Sale
Oracle Retail Merchandising System
Oracle Financials
World class productivity / largest North American case automated storage and retrieval system
Flexibility to adjust delivery frequency (daily vs. weekly)
Highly scalable
Significant cost per unit savings
Next day fulfillment
Highly scalable
5

Total Capital Investment:	$135M
Annual Synergy:	$50M
Cash-on-cash-IRR:	32%
Total Capital Investment:	$55M
Annual Synergy:	$15M
Cash-on-cash-IRR:	10%

49
5
Multiple
DC
Footprint
($
/

unit)

Pre-Etna
Etna
All Brands
Current State
Third Party Fulfillment Rates ($ / unit)

Pre-Greencastle
Internal Fulfillment

All Brands
Target Rate
Etna Distribution Center is Delivering World Class Productivity to All Brands
Greencastle Fulfillment Center is Expected to Deliver Significant Productivity Gains
Recently Completed Capital Investments Have Created
Best-in-Class Shared Services Platform and Improved
Margins
Note: Includes transportation / shipping costs.
$0.18
$0.38
$0.27
$0.31
$0.37
$0.20
$0.00
$0.10
$0.20
$0.30
$0.40
Savings
per
Unit
$0.07
Pre-transition
avg. $0.27
$2.56
$2.46
$3.99
$3.25
$2.74
$1.69
$0.00
$1.00
$2.00
$3.00
$4.00
Savings
per
Unit

$1.09
Pre-transition
avg. $2.78

50
Strong Free Cash Flow Generation with a Focus
on Deleveraging
6
Bridge from Pro Forma LTM Apr 2015 Adjusted EBITDA to FCF
~40% Free Cash Flow Conversion
Management is focused on deleveraging and ultimately targets a debt free balance sheet

No historical or planned dividend payouts or share repurchases
$359
$402
$250
$260
$100
$235
$896
$91
$96
Adjusted EBITDA
Normalized Capital
Expenditures
Pro Forma
Cash Interest Expense
Pro Forma
Cash Taxes
(38% tax rate)
Pro Forma
Free Cash Flow
ascena
ANN
Total Cost Opportunities
~19% of
Funded
Note: Excludes changes in working capital which are estimated to be nominal. Approximately $50 million of pro forma free ca
million of incremental tax for repatriation. LTM ascena Adjusted EBITDA based on period ended April 25, 2015 and LTM AN
EBITDA reconciliation on page 57.

51
51
7
Experienced Management Team
Senior Manager
Title
Years in Industry

Years with Company
Elliot S. Jaffe
Co-founder / Chairman of Board,
ascena
63
53
David Jaffe
President and CEO, ascena
30
23
John Sullivan
President
and
COO,
ascena
Shared
Services Group
33
4
Robb Giammatteo
CFO, ascena
15
2
Heather Plutino
Treasurer, ascena
19
8
Kay Krill
President and CEO, ANN INC.
38
21
Gary Muto
President, ANN INC. Brands
34
7
Michael Nicholson
COO / CFO, ANN INC.
15
8
Brian Lynch
President and CEO, Justice
36
1
Linda Heasley
President
and CEO, Lane Bryant
22
3
George Goldfarb
President,

maurices
30
30
Jeff Gerstel
President,
dressbarn
23
9
Brett Schneider
Co-leader and CFO, Catherines
19
19
Joan Munnelly
Co-leader and CMO, Catherines
40
5

Historical Financials

53
Combined Historical Financials
July Fiscal Year End
Revenue
Gross Margin
(1)
Capital Expenditures

(3)
Adjusted EBITDA
(2)
%
margin
55.7 %
55.6 %
54.9 %
54.8 %
54.6 %
53.9 %
%
margin
11.5 %
12.5 %
12.3 %
10.7 %
9.7 %
9.0 %
(1)
Gross
margin
represents
each
standalone
company s
definition
of
gross
margin.
ascena s
gross
margin
reflects
non-GAAP
gross
margin.
(2)
Please see Adjusted EBITDA reconciliation on page 57.
(3)
ascena
LTM April 2015 capital expenditures exclude approximately $21 million of accrual adjustments.
Note: Each year shown as FYE July with ANN financials calendarized for July year end. LTM ascena based on period ended A
$2,375
$2,914
$3,353
$4,715
$4,791
$4,816
$1,891

$2,102
$2,286
$2,433
$2,520
$2,541
$4,266
$5,016
$5,639
$7,148
$7,311
$7,356
2010
2011
2012
2013
2014
LTM Apr-15
$1,315
$1,628
$1,847
$2,597
$2,660
$2,680
$1,060
$1,162
$1,251
$1,322
$1,328
$1,288
$2,375
$2,790
$3,099
$3,920
$3,988
$3,969
2010
2011
2012
2013
2014
LTM Apr-15
$65
$102
$150
$291
$478
$322
$31
$104
$117

$148
$137
$100
$96
$206
$267
$439
$614
$422
2010
2011
2012
2013
2014
LTM Apr-15
$297
$392
$439
$496
$438
$402
$193
$237
$254
$266
$268
$260
$490
$629
$693
$761
$707
$661
2010
2011
2012
2013
2014
LTM Apr-15
ascena
ANN

54
54
Historical Capital Expenditures Breakdown
ascena s
significant transformational capital expenditures from 2013 to LTM 2015 developed capability in shared services, which will facilitate absorption of ANN volume into the supply chain
Ongoing pro forma capital expenditures are approximately $350 million, including stores-related spend, IT

and
corporate;
roughly
75%
of
capital
expenditures
will
support
the
store
fleet
(1)
(1)
Excludes capital expenditures related to the integration of the ANN acquisition, which are anticipated to be $35-40 million.
(2)
ascena
LTM April 2015 capital expenditures exclude approximately $21 million of accrual adjustments.
Note: Each year shown as FYE July with ANN financials calendarized for July year end. LTM ascena based on period ended A
FY 2013
FY 2014
LTM Apr-15 ²
ascena Capital Expenditures:
Stores
$
167
$
220
$
188
IT
18
30
7
Total Brands Capital Expenditures
$
185
$
250
$
195
Corporate IT Capital Expenditures
$
10
$
21
$
13
IT
$

20
$
35
$
41
DC
51
63
21
dressbarn and ascena Corporate Offices in Mahwah, NJ
20
48
2
Shared Services Offices in Etna, OH
-
20
4
AGS Sourcing Offices in Hong Kong
-
15
1
maurices Corporate Offices in Duluth, MN
-
10
17
Total Transformational Capital Expenditures
$
91
$
191
$
86
E-commerce Project Capital Expenditures
$
0
$
0
$
28
Other Capital Expenditures
$
5
$
16
$
0
Total ascena Capital Expenditures
$
291
$

478
$
322
ANN Capital Expenditures:
Total ANN Capital Expenditures
$
148
$
137
$
100
Total Pro Forma Capital Expenditures
$
439
$
614
$
422

Public Q&A

Appendix

57
57
Adjusted EBITDA Reconciliation
2010
2011
2012
2013

2014
LTM Apr-15
ANN Reported Operating Income
$
73
$
139
$
156
$
162
$
140
$
125
(+) D&A
100
94
93
103
111
110
Reported EBITDA
$
172
$
233
$
249
$
266
$
251
$
235
(+) Pre-tax restructuring charge
5

5

6

-

17

6

(+) Pre-tax charge associated with closure of stores
-

-

-

-

-

5

(+) Asset impairment charge
15

-

-

-

-

-

(+) Incremental air freight costs in response to west coast port situation
-

-

-

-

-

13

ANN Adjusted EBITDA
$
193
$
237
$
254
$
266
$
268
$
260

2010
2011
2012
2013
2014
LTM Apr-15 [1]
ascena Reported Operating Income
$
218
$
290
$
293
$
265
$
211
$
140
(+) D&A
72
90
107
176
194
212
Reported EBITDA
$
289
$
380
$
400
$
441
$
404
$
352
(+) Non-recurring inventory purchase accounting adjustments
-

-

14

20

-

-

(+) Acquisition-related, integration & restructuring costs
7

12

25

35

34

28

(+) Impairment of intangible assets
-

-

-

-

-

13

(+) Incremental air freight costs in response to west coast port situation
-

-

-

-

-

7

(+) One-time costs related to the scheduled closure of Brothers
-

-

-

-

-

2

ascena Adjusted EBITDA
$
297
$
392
$
439
$
496
$
438
$
402
Pro Forma Adjusted EBITDA
$
490
$
629
$
693
$
761
$
707
$
661
Pro Forma ANN Transaction Synergies
150

ANN Identified Cost Savings
85

Pro Forma Adjusted EBITDA (including total cost opportunities)
$
896
(1)
Historical ascena
SEC filings did not include adjustments for impairment of intangible assets or incremental air freight costs.
Note:
Each
year
shown
as
FYE
July
with

ANN
financials
calendarized
for
July
year
end.
LTM
ascena
based
on
period
ended
April
25,
2015
and
LTM
ANN
based
on
period
ended
May
2,
2015.