



ascena retail group Comments on S&P Global Ratings Report

March 12, 2020

MAHWAH, N.J., March 12, 2020 (GLOBE NEWSWIRE) -- ascena retail group, inc. (Nasdaq: ASNA) ("ascena" or the "Company") today issued the following statement in response to the recent report from S&P Global Ratings ("S&P") relating to the Company:

As previously stated publicly, the ascena Board and management team continue to take proactive actions designed to optimize the Company's balance sheet. Bankruptcy is not being considered. The Company remains in full compliance with all of its obligations under its financing agreements and intends to remain so.

The rating change initiated by S&P today is a technical action pertaining to ascena's debt repurchase activity and is unrelated to its financial or operational performance, or strategic path forward. The debt repurchases are associated with the Company's balance sheet optimization efforts. As noted in the S&P report, S&P expects the issuer rating change to be temporary and that the rating would be raised to the low 'CCC' category range after their reevaluation. This rating change is not expected to impact the Company's ability to meet future obligations.

As noted when the Company reported its results for the second quarter of fiscal 2020, ascena is operating a business with significant liquidity, with over \$600 million in cash and revolver availability as of the end of the second quarter. The Company's ongoing progress on its strategic and cost reduction objectives was reflected in operating income that surpassed its guidance for the second quarter of fiscal 2020 due to the combined impact of better-than-expected gross margin performance and continued cost reduction efforts across the business.

As ascena navigates through the current macroeconomic environment, the Company is proceeding with a clear focus on Premium, Plus and Kids segments by executing strategies that are designed to ensure long-term relevance and differentiation of the Company's brands and ultimately drive the long-term value of the business.

Forward-Looking Statements

Certain statements made within this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially. Forward-looking statements are statements related to future, not past, events, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "estimate," "forecast," "target," "preliminary," or "range," and include, without limitation, the Company's outlook for the third quarter and full year of Fiscal 2020, and risks associated with the ability to achieve a successful outcome for its portfolio brands and to otherwise achieve its business strategies. The Company does not undertake to publicly update or review its forward-looking statements even if experience or future changes make it clear that its projected results expressed or implied will not be achieved. Detailed information concerning a number of factors that could cause actual results to differ materially from the information contained herein is readily available in the Company's most recent Annual Report on Form 10-K.

About ascena retail group, inc.

ascena retail group, inc. (Nasdaq: ASNA) is a national specialty retailer offering apparel, shoes, and accessories for women under the Premium Fashion (Ann Taylor, LOFT, and Lou & Grey) and Plus Fashion (Lane Bryant, Catherines and Cacique) segments, and for tween girls under the Kids Fashion segment (Justice). ascena retail group, inc. through its retail brands operates ecommerce websites and approximately 2,800 stores throughout the United States, Canada and Puerto Rico.

For more information about ascena retail group, inc. visit: ascenaretail.com, AnnTaylor.com, factory.anntaylor.com, LOFT.com, outlet.loft.com, louandgrey.com, lanebryant.com, Catherines.com, and shopjustice.com.

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