



## **ascena retail group Receives Court Approval of “First Day” Motions to Support Business Operations**

July 24, 2020

*Ann Taylor, LOFT, Lane Bryant, Justice and Lou & Grey Continuing to Serve Customers with Compelling Fashion Assortments and an Exceptional Shopping Experience*

MAHWAH, N.J., July 24, 2020 (GLOBE NEWSWIRE) -- ascena retail group, inc. (Nasdaq: ASNA) and certain of its subsidiaries (collectively, “ascena” or the “Company”) today announced that, on July 23, 2020, it received approvals from the United States Bankruptcy Court for the Eastern District of Virginia (the “Court”) for its “First Day” motions related to the Company’s voluntary Chapter 11 petitions filed on July 23, 2020.

Among other approvals, the Court granted ascena approval for the Company to access and use its more than \$430 million in cash collateral. In addition, the Court has authorized the Company to meet necessary obligations and fulfill its duties during the restructuring process, including authority to continue payment of employee wages and benefits, honor certain customer and vendor commitments and otherwise manage its day-to-day operations as usual.

The Court also approved procedures for store closing sales, including all Catherines stores, a significant number of Justice stores and a select number of Ann Taylor, LOFT, Lane Bryant and Lou & Grey stores. The Company will continue to operate its Ann Taylor, LOFT, Lane Bryant, Justice and Lou & Grey brands through a reduced number of retail stores and online.

Gary Muto, Chief Executive Officer of ascena stated, “We are pleased to have received prompt approval of these First Day motions, which will enable us to continue providing our associates with wages and benefits, maintain our outstanding relationship with our vendor community and serve our customers across our brand portfolio with fashion, inspiration and meaningful experiences every day. We are appreciative of the strong support from our lenders to help mark a new start for our company. By entering into a comprehensive plan to deleverage our balance sheet, right-size our operations and inject new capital into the business, we will be better positioned to deliver profitable growth of our iconic brands and drive value for all of our stakeholders.”

As previously announced, ascena entered into a restructuring support agreement (“RSA”) with over 68% of its secured term lenders. The RSA contemplates agreed-upon terms for a pre-arranged financial restructuring plan (the “Plan”) that is expected to significantly reduce ascena’s debt by approximately \$1 billion.

The Company will seek authorization at its second day hearing to access the \$150 million in a new money term loan from the Company’s existing lenders. This financing, combined with cash on hand and cash flow generated by the Company’s ongoing operations, is expected to be sufficient to meet ascena’s operational and restructuring needs.

### **Additional Information**

Additional resources for customers and other stakeholders, and other information on ascena’s financial restructuring, can be accessed by visiting the Company’s restructuring website at <https://www.ascenaretail.com/restructuring/>. Court filings and other documents related to the Chapter 11 process are available at <http://cases.primeclerk.com/ascena>, by calling the Company’s claims agent, Prime Clerk, toll-free at (877) 930-4319 (toll free) or (347) 899-4594 (international) or sending an email to [ascenainfo@primeclerk.com](mailto:ascenainfo@primeclerk.com).

Kirkland & Ellis LLP is serving as legal counsel to the Company and Alvarez and Marsal Holdings, LLC is serving as restructuring advisor. Guggenheim Securities, LLC is serving as the Company’s financial advisor.

### **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 segment (Ann Taylor, LOFT, and Lou & Grey), Plus Fashion segment (Lane Bryant, Catherines and Cacique) 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](http://ascenaretail.com), [AnnTaylor.com](http://AnnTaylor.com), [factory.anntaylor.com](http://factory.anntaylor.com), [LOFT.com](http://LOFT.com), [outlet.loft.com](http://outlet.loft.com), [louandgrey.com](http://louandgrey.com), [lanebryant.com](http://lanebryant.com), [Catherines.com](http://Catherines.com), and [shopjustice.com](http://shopjustice.com).

### **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," or similar words. Forward-looking statements are based only on the Company's current assumptions and views of future events and financial performance. They are subject to known and unknown risks and uncertainties, many of which are outside of the Company's control that may cause the Company's actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited to, risks attendant to the bankruptcy process, including the Company's ability to obtain approval from the Court with respect to motions or other requests made to the Court throughout the course of the Chapter 11 petitions (the "Chapter 11 Cases"), including with respect to any proposed debtor-in-possession financing; the ability of the Company to negotiate, develop, confirm and consummate a plan of reorganization; the effects of the Chapter 11 Cases, including increased legal and other professional costs necessary to execute the Company's reorganization, on the Company's liquidity (including the availability of operating capital during the pendency of the Chapter 11 Cases), results of operations or business prospects; the length of time that the Company will operate under Chapter 11 protection; risks associated with third-party motions in the Chapter 11 Cases; conditions to which any debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside the Company's control; more stringent or costly payment terms and/or the decision by a significant number of vendors not to sell the Company merchandise on a timely basis or at all; the Company's ability to attract, motivate and retain key executives and other personnel; risks associated with the COVID-19 pandemic (including any resurgence) and actions we have taken in response thereto; general economic conditions that adversely impact consumer spending; disruptions at ports used to import the Company's products; increases in the price of raw materials, labor or energy and transportation costs; the Company's ability to anticipate and respond to changing fashion trends and customer preferences in a timely manner; the Company's ability to maintain its brand image; the impact of cost reduction initiatives; the Company's ability to successfully achieve its business strategies; and changes in U.S. trade policies and trade restrictions, as well as other factors described in the Company's most recent Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. 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.

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