

Ascena Retail Group, Inc.
Form 11-K
January 27, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended July 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-11736

A. *(Full title of the Plan)*

Ascena Retail Group, Inc. 401(k)

Savings Plan

B. (Name of issuer of the securities held pursuant to the Plan)

Ascena Retail Group, Inc.

(Address of principal executive office)

933 MacArthur Boulevard

Mahwah, New Jersey 07430

551-777-6700

ASCENA RETAIL GROUP, INC. 401(k) SAVINGS PLAN

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All other supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of the Plan Committee and Participants of

Ascena Retail Group, Inc. 401(k) Savings Plan

We have audited the accompanying statements of net assets available for benefits of Ascena Retail Group, Inc. 401(k) Savings Plan (the "Plan") as of July 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended July 31, 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Ascena Retail Group, Inc. 401(k) Savings Plan as of July 31, 2014 and 2013, and the changes in net assets available for benefits for the year ended July 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of delinquent participant contributions and schedule of assets (held at end of year) as of or for the year ended July 31, 2014 are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ CohnReznick LLP

Roseland, New Jersey
January 27, 2015

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ASCENA RETAIL GROUP, INC. 401(k) SAVINGS PLAN**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
JULY 31, 2014 AND 2013**

| | 2014 | 2013 |
|--|-----------------------|-----------------------|
| ASSETS: | | |
| Participant directed investments at fair value: | | |
| Mutual funds | \$— | \$ 134,290,603 |
| Common/collective trust | — | 14,616,604 |
| Ascena Retail Group, Inc. Unitized Stock Fund | — | 11,057,537 |
| Total investments at fair value | — | 159,964,744 |
| Due from brokers (Note 1) | 182,256,385 | — |
| Notes receivable from participants | 6,102,502 | 5,199,364 |
| Total assets | 188,358,887 | 165,164,108 |
| LIABILITIES: | | |
| Excess contributions payable | 7,664 | 120,202 |
| Net assets reflecting investments at fair value | 188,351,223 | 165,043,906 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | — | (274,993) |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 188,351,223 | \$ 164,768,913 |

See notes to financial statements.

ASCENA RETAIL GROUP, INC. 401(k) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED JULY 31, 2014

ADDITIONS:

Contributions:

| | |
|-----------------------|---------------|
| Participants | \$ 15,103,254 |
| Employer | 4,862,317 |
| Participant rollovers | 950,177 |

| | |
|---------------------|------------|
| Total contributions | 20,915,748 |
|---------------------|------------|

Investment income:

| | |
|---|-----------|
| Net appreciation in fair value of investments | 9,941,899 |
| Interest and dividends | 5,612,303 |

| | |
|-------------------------|------------|
| Total investment income | 15,554,202 |
|-------------------------|------------|

| | |
|---|---------|
| Interest income from notes receivable from participants | 227,082 |
|---|---------|

| | |
|-----------------|------------|
| Total additions | 36,697,032 |
|-----------------|------------|

DEDUCTIONS:

| | |
|-------------------------------|------------|
| Benefits paid to participants | 12,924,007 |
| Administrative expenses | 190,715 |

| | |
|------------------|------------|
| Total deductions | 13,114,722 |
|------------------|------------|

| | |
|---|------------|
| NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS | 23,582,310 |
|---|------------|

NET ASSETS AVAILABLE FOR BENEFITS:

| | |
|-------------------|-------------|
| Beginning of year | 164,768,913 |
|-------------------|-------------|

| | |
|-------------|----------------|
| End of year | \$ 188,351,223 |
|-------------|----------------|

See notes to financial statements.

ASCENA RETAIL GROUP, INC. 401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF JULY 31, 2014 AND 2013 AND FOR THE YEAR ENDED JULY 31, 2014

1. DESCRIPTION OF THE PLAN

The following description of Ascena Retail Group, Inc. 401(k) Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information of the Plan's provisions.

General-The Plan is a defined contribution plan covering substantially all of the employees of Ascena Retail Group, Inc. and its participating affiliates (the "Company") who have one year of service and have attained the age of 21. Voya Institutional Plan Services, LLC (formerly known as ING Institutional Plan Services, LLC) has been the record keeper of the Plan and State Street Bank has been the trustee of the Plan since August 1, 2006. In a resolution dated June 4, 2014, the Plan Sponsor terminated Voya Institutional Plan Services, LLC as the record keeper of the Plan and State Street Bank as the trustee of the Plan and appointed Mass Mutual Retirement Services as record keeper and Reliance Trust Company as trustee of the Plan, all of which became effective as of August 1, 2014. In connection with these changes, on July 31, 2014 Plan investments in the amount of \$182,256,385 were liquidated from State Street Bank and transferred to Reliance Trust Company. The transaction is reflected as a receivable due from brokers as of July 31, 2014.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions-Each year, participants may elect to contribute up to 75% of their annual pre-tax compensation, as defined in the Plan, subject to certain Internal Revenue Code ("IRC") limitations. Participants who have attained the age of 50 before the end of the calendar year are eligible to make catch-up contributions to the Plan as of January 1st of that year. Each year, the Company may make a discretionary matching contribution to the Plan based on the quarterly compensation that a participant contributes to the Plan. The Company's discretionary matching contribution was 50% of the participant's contributions for each payroll period up to 5% of compensation. During the year ended July 31, 2014, the Company's matching contributions totaled \$4,862,317. Additional amounts may be contributed at the discretion of the Company's Board of Directors. No such additional discretionary contributions were made for the year ended July 31, 2014. Participants may also roll over amounts representing distributions from other qualified defined benefit and defined contribution plans.

Participant Accounts-Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Company's matching contribution, and allocations of Company discretionary contributions and Plan earnings, and charged with withdrawals and an allocation of Plan losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investments-Participants direct the investment of their contributions into various investment options offered by the Plan. Company contributions are automatically invested in accordance with the participants' allocation.

Vesting-Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service.

Matching Contributions

| Years of Service | Percent Vested | |
|------------------|----------------|---|
| Less than 3 | 0 | % |
| 3 or more | 100 | % |

Discretionary Profit Sharing Contributions

| Years of Service | Percent Vested | |
|------------------|----------------|---|
| 1 | 20 | % |
| 2 | 40 | % |
| 3 | 60 | % |
| 4 | 80 | % |
| 5 | 100 | % |

Notes Receivable from Participants-Participants may borrow from their fund accounts up to a maximum of \$50,000 (reduced by the excess of the highest outstanding balance of loans over the last 12 months, over the outstanding balance of the loans on the date of the loan) or 50 percent of the present value of non-forfeitable accrued benefit of the participant, whichever is less. Loans must be at least \$500. Generally, the term of the loan may not exceed five years. However, if the loan is for the purchase of a participant's principal residence, the Plan administrator may permit a longer term. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates at the time funds are borrowed as determined quarterly by the Plan administrator. Principal and interest is repaid ratably through payroll deductions.

Payment of Benefits-Upon termination of service due to death, disability, retirement or for other reasons, a participant or a beneficiary of the deceased may elect to receive a single lump-sum payment or partial withdrawals of at least \$500, equal to the value of the participant's vested interest in his or her account.

Forfeited Accounts-At July 31, 2014 and 2013, forfeited nonvested accounts totaled \$214,610 and \$412,970, respectively. These accounts may be used to reduce future employer contributions, pursuant to the Plan document. For the year ended July 31, 2014, \$399,001 was used from forfeited nonvested accounts to reduce employer contributions.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting-The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (“US GAAP”).

Use of Estimates- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates and assumptions.

Risks and Uncertainties-The Plan utilizes various investment instruments, including The Ascena Retail Group, Inc. Unitized Stock Fund, mutual funds and a common/collective trust (“CCT”). Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, Plan management believes it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements and participant account balances.

Investment Valuation and Income Recognition-The Plan’s investments are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The majority of the Plan’s investments in mutual funds are valued based on quoted market prices. The Ascena Retail Group, Inc. Unitized Stock Fund is valued at unit values which are determined by dividing the fund’s net assets at fair value by its units outstanding at the valuation dates.

The Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust III for MetLife Group Annuity Contract No. 25554 is a CCT. The CCT primarily owns investment contracts that invest in conventional, synthetic and separate account investment contracts (collectively “contracts”) issued by life insurance companies, banks and other financial institutions. The contracts are valued at contract value, which represents invested principal plus accrued interest thereon. In determining contract value, the fund manager considers such factors as the benefit responsiveness of the contracts, the ability of the parties to the contracts to perform in accordance with the terms of the contracts and the likelihood of default by the issuer of an investment security (Note 6). In accordance with US GAAP, the statement of net assets available for benefits presents The Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust III for MetLife Group Annuity Contract No. 25554, which invests primarily in benefit-responsive investment contracts, at fair value as well as an additional line showing an adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in assets available for benefits is presented at contract value basis. Contract value represents contributions made under the fund, plus earnings, less participant withdrawals. The fair value of the investments in the CCT is determined by the fund’s trustee based on the fair value of the underlying securities within the fund, which represent the Net Asset Value (“NAV”) of shares held by the Plan at year end.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are reflected as a reduction on net appreciation in fair value of investments.

Expenses-Certain administrative expenses are paid by the Plan or Plan sponsor as provided in the Plan document. Expenses paid by the Plan sponsor are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Payment of Benefits-Benefit payments to participants are recorded upon distribution. There were no amounts due to participants who elected to withdraw from the Plan as of July 31, 2014 and 2013.

During the year ended July 31, 2014 certain loans in the amount of \$16,770 were distributed to participants for tax purposes in the form of deemed distributions. These amounts were included in benefits paid to participants on the statement of changes in assets available for benefits.

Notes Receivable from Participants-Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of July 31, 2014 or 2013. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Excess Contributions Payable - Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service (“IRS”) are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2014 excess contributions to the applicable participants prior to October 15, 2014.

3. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value under US GAAP, establishes a framework for measuring fair value and enhances disclosures about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

The following provides a description of the three levels of inputs that may be used to measure fair value under ASC 820, the types of plan investments that fall under each category, and the valuation methodologies used to measure these investments at fair value. There have been no changes in the methodologies used at July 31, 2013 and during the year ended July 31, 2014.

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Mutual Funds:

These investments are public investment securities valued using the NAV provided by State Street Bank. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is quoted in an active market.

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Common/Collective Trust, SSgA S&P 500 Index Fund and The Ascena Retail Group, Inc. Unitized Stock Fund:

The fair value of the investment in the CCT is determined by the fund's trustee. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying securities within the fund less its liabilities.

The investment in SSgA S&P 500 Index Fund is a public investment security valued using the NAV provided by State Street Bank, which is used as a practical expedient to estimate fair value. The NAV is quoted on a private market that is not active; however, the unit price is based on the underlying investments which are traded on an active market.

The investment in The Ascena Retail Group, Inc. Unitized Stock Fund is carried at fair value based primarily on the closing price of Ascena Retail Group, Inc. stock on NASDAQ. Investments in Ascena Retail Group, Inc. Unitized Stock Fund are stated at estimated fair values, which have been determined based on unit values. Unit values are determined by dividing the fund's net assets at fair value by its units outstanding at the valuation dates. The unit values of Ascena Retail Group, Inc. Unitized Stock Fund was \$17.82 on July 31, 2013.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The asset or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The table below segregates all financial assets as of July 31, 2013 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level with in the fair value hierarchy based on the inputs used to determine the fair value at the measurement date. In accordance with the update to ASC 820, the table below includes the major categorization for debt and equity securities on the basis of the nature and risk of the investments at July 31, 2013:

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|---------------|---------|----------------|
| Ascena Retail Group, Inc. Unitized Stock Fund | | \$ 11,057,537 | | \$ 11,057,537 |
| Mutual funds: | | | | |
| Target date funds | \$ 30,247,050 | | | 30,247,050 |
| Growth funds | 16,912,574 | | | 16,912,574 |
| Index fund | | 12,871,969 | | 12,871,969 |
| Bond fund | 8,175,230 | | | 8,175,230 |
| Small cap funds | 1,870,303 | | | 1,870,303 |
| Mid cap funds | 28,531,075 | | | 28,531,075 |
| Large cap funds | 17,218,868 | | | 17,218,868 |
| Other funds | 18,463,534 | | | 18,463,534 |
| Total mutual funds | 121,418,634 | 12,871,969 | | 134,290,603 |
| Common/collective trust - The Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust III for MetLife Group Annuity Contract No. 25554 | | 14,616,604 | | 14,616,604 |
| Total assets at fair value | \$ 121,418,634 | \$ 38,546,110 | \$ — | \$ 159,964,744 |

The valuation methods as described in Note 2 and above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables present the Plan's investments with a reported NAV at July 31, 2013:

| | 2013 | | | |
|---|--------------|---------------------|--|--------------------------|
| | Fair Value | Unfunded Commitment | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
| The Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust III for MetLife Group Annuity Contract No. 25554 | \$14,616,604 | n/a | Daily | 60 Day |
| SSgA S&P 500 Index Fund | 12,871,969 | n/a | Daily | 1 Day |
| Total | \$27,488,573 | | | |

The Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust III for MetLife Group Annuity Contract No. 25554:

The CCT, through its investment in the group annuity contract, simulates the performance of a guaranteed investment contract through an issuer's guarantee of a specific interest rate and portfolio of financial instruments that are owned by the issuer, MetLife.

SSgA S&P 500 Index Fund:

The investment objective of the SSgA S&P 500 Index Fund is to approximate as closely as practicable, before expenses, the performance of the S&P 500 Index over the long-term, while providing participants the ability to purchase and redeem units on an "as of" basis.

4. INVESTMENTS

The Plan's investments that represented five percent or more of the Plan's net assets available for benefits as of July 31, 2014 and 2013 are as follows:

2014 2013

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| | |
|---|-------------------|
| SSgA S&P 500 Index Fund, 852,166 shares | \$ — \$12,871,969 |
| American Century Disciplined Growth, 565,103 shares | — 9,335,499 |
| Columbia Acorn Fund Class Z, 409,059 shares | — 14,439,792 |
| American Funds EuroPacific Growth Fund, 305,495 shares | — 13,142,374 |
| T. Rowe Price Retirement Income 2030 R, 443,808 shares | — 9,253,393 |
| T. Rowe Price Retirement Income 2040 R, 590,756 shares | — 12,600,816 |
| The Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust III for MetLife Group Annuity Contract No. 25554, 870,228 shares (1) | — 14,616,604 |
| Goldman Sachs Mid Cap Value Fund, 174,526 shares | — 8,258,572 |
| Ascena Retail Group, Inc. Unitized Stock Fund, 620,577 shares | — 11,057,537 |
| JP Morgan Equity Income A, 1,412,540 shares | — 17,218,868 |

(1) The investment in The Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust III for MetLife Group Annuity Contract No. 25554 at contract value amounted to \$14,341,611 as of July 31, 2013.

During the year ended July 31, 2014, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

| | |
|---|---------------|
| Ascena Retail Group, Inc. Unitized Stock Fund | \$(1,648,530) |
| SSgA S&P 500 Index Fund | 2,224,824 |
| American Funds Bond Fund of America | 148,245 |
| JP Morgan Equity Income A | 1,632,014 |
| American Century Disciplined Growth | 1,230,944 |
| Goldman Sachs Mid Cap Value Fund | 4,663 |
| ING MidCap Opportunities Port S | 472,178 |
| Allianz NJF Small Cap Value Fund | 18,179 |
| Columbia Acorn Fund Class Z | 43,537 |
| American Funds EuroPacific Growth Fund | 1,828,297 |
| Columbia US Treasury Index Z | (46,337) |
| T. Rowe Price Retirement Income R | 391,619 |
| T. Rowe Price Retirement 2010 R | 66,704 |
| T. Rowe Price Retirement 2020 R | 579,388 |
| T. Rowe Price Retirement 2030 R | 1,144,016 |
| T. Rowe Price Retirement 2040 R | 1,638,792 |
| T. Rowe Price Retirement 2050 R | 213,366 |
| Net appreciation in fair value of investments | \$9,941,899 |

5. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments were shares of mutual funds managed by State Street Bank, the trustee of the Plan and Voya Institutional Plan Services, LLC, the record keeper of the Plan. The Plan made a direct payment to the third party administrator of \$190,715 which was not covered by revenue sharing. The Plan sponsor pays directly any other fees related to the Plan operations. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund.

At July 31, 2013, the Plan held 620,577 shares of unitized stock of the Company, the sponsoring employer, with a cost basis of \$6,188,322. During the year ended July 31, 2014, the Plan recorded no dividend income from the Ascena Retail Group, Inc. Unitized Stock Fund. As of January 31, 2014, a participant's ability to invest additional contributions into the Ascena Retail Group, Inc. Unitized Stock Fund was frozen.

Certain employees and officers of the Company, who may also be participants in the Plan, perform administrative services to the Plan at no cost to the Plan.

6. INVESTMENT IN THE Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust III for MetLife Group Annuity Contract No. 25554

The Plan includes an investment option to participants in a CCT. The CCT invests in a group annuity contract (“GAC”) which includes underlying assets that are held in a trust owned by MetLife. The contract provides that participants execute Plan transactions at contract value. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals. The investment is stated at fair value as reported by MetLife and adjusted to contract value on the statement of net assets available for benefits. The GAC’s fair value equals the fluctuating value of the separate account of the assets backing the contract. The Plan’s fair value of the investment equals the Plan’s guaranteed value times the ratio of the GAC’s guaranteed value to the GAC’s fair value.

The crediting interest rate was 2.16% and 2.31% for the years ended July 31, 2014 and 2013, respectively. The average yield was 3.07% and (1.85%) for the years ended July 31, 2014 and 2013, respectively. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk or the contract issuer or otherwise. MetLife will guarantee principal and accrued interest, based on crediting interest rates, for participant-initiated withdrawals as long as the contract remains active. Interest is credited to the contract at interest rates that reflect the performance of the underlying portfolio. MetLife will reset the rate quarterly, by amortizing the difference between the market value of the portfolio and the guaranteed value over the weighted average duration of the fund’s investments.

Participants will receive the principal and accrued earnings credited to their accounts on withdrawal for allowed events. These events include transfers to other Plan investment options, and payments because of retirement, termination of employment, disability, death and in-service withdrawals as permitted by the Plan. Certain events, such as Plan termination or a Plan merger initiated by the Plan sponsor, may limit the ability of the Plan to transact at contract value. The Plan sponsor does not believe any events that may limit the ability of the Plan to transact at contract value are probable.

7. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100 percent vested in their accounts.

8. FEDERAL INCOME TAX STATUS

The IRS has determined and informed the Company by letter dated February 24, 2012 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Company and the Plan administrator believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

US GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examination for years prior to 2011.

9. EXCESS CONTRIBUTIONS PAYABLE

As of July 31, 2014, the Plan had recorded excess contributions payable of \$7,664 related to the failed average deferral percentage for the 2014 Plan year. As of July 31, 2014, refunds payable to highly compensated employees included employee contributions of \$7,161, as increased for related investments gains of \$503. As of July 31, 2013, the Plan had recorded excess contributions payable of \$120,202 related to the failed average deferral percentage for the 2013 Plan year. As of July 31, 2013, refunds payable to highly compensated employees included employee contributions of \$104,138, as increased for related investments gains of \$16,064.

10. RECONCILIATION TO FORM 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to Form 5500 as of July 31, 2013:

| | 2013 |
|--|----------------|
| Statement of net assets available for benefits: | |
| Net assets available for benefits per the financial statements | \$ 164,768,913 |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | 274,993 |
| Net assets available for benefits per Form 5500 | \$ 165,043,906 |

The following is a reconciliation of the Plan's net increase in net assets available for benefits reported per the financial statements to Form 5500 for the year ended July 31, 2014:

| | |
|--|---------------|
| Statement of changes in assets available for benefits: | |
| Net increase in net assets available for benefits per the financial statements | \$ 23,582,310 |
| Change in adjustment from contract value to fair value for fully benefit-responsive investment contracts | (274,993) |
| Net increase in net assets available for benefits per Form 5500 | \$ 23,307,317 |

11. DELINQUENT PARTICIPANT CONTRIBUTIONS:

As reported on the supplemental schedule of delinquent participant contributions (Schedule H, Part IV, Line 4a), certain Plan contributions were not remitted to the trust within the time frame specified by the Department of Labor's Regulation 29 (CFR 2510.3-102), thus constituting nonexempt transactions between the Plan and the Company for the year ended July 31, 2014. The delinquent participant contributions were fully corrected by July 31, 2014 outside the Voluntary Fiduciary Correction Program ("VFCP") in accordance with VFCP guidelines.

12. SUBSEQUENT EVENTS:

Effective as of August 1, 2014, the Plan changed its fiscal year end to December 31. Also, effective as of January 1, 2015 the Plan has elected to become a safe harbor plan.

Subsequent to the Plan year end, the following Plan provisions were implemented: Participants may elect to contribute up to the legal maximums with no plan level restrictions; participants are eligible for Roth deferrals as an additional deferral option; and upon termination of service due to death, disability, retirement or for other reasons, a participant or a beneficiary of the deceased may elect to receive a lump-sum payment or partial withdraws with no minimum as well as installment payments.

** * * * *

**ASCENA RETAIL GROUP, INC. 401(k) SAVINGS PLAN EIN # 30-0641353
PLAN NO: 002**

**FORM 5500, SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
(Schedule H, Part IV, Line 4a)
FOR THE YEAR ENDED JULY 31, 2014**

| Participant Contributions Transferred Late to the Plan | Check Here if Late Participant Loan Repayments are Included | Total that Constitute Nonexempt Prohibited Transactions | | Contributions Pending Correction in VFCP | Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51 |
|---|---|---|--|--|--|
| | | Contributions Not Corrected | Contributions Corrected Outside VFCP | | |
| \$ 248 | — | — | \$ 248 | — | — |

See Report of Independent Registered Public Accounting Firm.

**ASCENA RETAIL GROUP, INC. 401(k) SAVINGS PLAN EIN # 30-0641353
PLAN NO: 002**

FORM 5500, SCHEDULE H, PART IV, LINE 4i

**SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF JULY 31, 2014**

| (b) Identity of Issue, Borrower, Lessor or Similar Party (a) | (c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (d) Cost** | (e) Current Value |
|---|---|-------------------|------------------------------|
| * Participant loans | Interest rates ranging from 4.25% to 12% with maturity dates from periods after July 31, 2014 to November 9, 2035 and secured by participant account balances | | \$6,102,502 |
| | | | \$6,102,502 |

*Party-in-interest

**Cost basis is not required for participant directed investments and therefore is not included.

See Report of Independent Registered Public Accounting Firm.

ASCENA RETAIL GROUP, INC. 401(k) SAVINGS PLAN

SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

Ascena Retail Group, Inc. 401(k) Savings Plan

(Name of the Plan)

/s/Ernest LaPorte
Ernest LaPorte
Senior Vice President and Chief Accounting Officer
Ascena Retail Group, Inc.

January 27, 2015