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Ashley Stewart seeks reorganization under Chapter 11

New Jersey-based retail chain positioned for a sale

March 10, 2014 (Secaucus, NJ) – Ashley Stewart filed a voluntary petition under Chapter 11 on Monday, March 10 that will allow the company to restructure and continue its revitalized merchandising, digital and e-commerce strategies that have been successfully re-engaging its loyal core customers and attracting new customers.

Ashley Stewart filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court in Newark, New Jersey. Ashley Stewart said it will work with stakeholders to implement a restructuring plan, which likely will result in a sale of substantially all of its assets as a going concern to one of the financial or strategic buyers that either have already submitted a Letter of Intent or have indicated intent to do so.

“We are encouraged to see that several entities from both the financial and apparel industries have expressed interest in Ashley Stewart,” said Michael Abate, Senior Vice President of Finance, Treasurer and Secretary of Ashley Stewart. “The plus-size market is poised for increased growth and the Ashley Stewart shopper is in the prized 25-55 age demographic, when women are at the height of their earning power. We have a very loyal customer base that cares deeply about our brand.”

In 2012, Ashley Stewart’s revenue and profitability declined due to a number of factors that have since been corrected. Throughout the past six months, the new senior management team has streamlined the company’s costs and refocused both the company’s merchandizing and e-commerce strategies to better serve their core customer.

Customer engagement on all social media platforms has grown at a rapid pace, evidenced by repeat sales in all 50 states and 200 international markets through the Ashley Stewart website. Through digital commerce, the company is accessing markets that were previously inaccessible.

All signs point to the new focus as generating success. The Ashley Stewart shopper has positively responded to the improved quality of merchandise offered, the renewed emphasis on customer service and the ability to purchase a complete wardrobe in a fashion-forward style.

“This filing was a necessary step to get Ashley Stewart positioned on the right path for success. Unfortunately this will mean the closing of 27 underperforming stores throughout the country which are not strategically aligned with the going concern business,” said Abate.

Ashley Stewart is represented by Curtis, Mallet-Prevost, Colt & Mosle LLP and its financial advisor is PricewaterhouseCoopers LLC.

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About Ashley Stewart

Since the early 1990's, Ashley Stewart has been offering inspiring, fashion-forward clothing for curvy women. The always-stunning fashions and welcoming staff make this premiere omni-channel retailer a necessary destination both in stores and on-line. Ashley Stewart lives up to its reputation of uncompromising style, flattering fit, and consistently exception value.

Headquartered in Secaucus, New Jersey, Ashley Stewart has 168 stores across 24 states, Washington, D.C. and the United States Virgin Islands. Approximately 1,750 full-time and part-time employees help make Ashley Stewart the ultimate destination for trend-savvy, curvy and confident women. The Ashley Stewart digital commerce site www.ashleystewart.com and its social media channels convey the same brand experience found in its stores.