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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): March 21, 2017**

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**LANDS' END, INC.**

**(Exact Name of Registrant as Specified in its Charter)**

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| <b>Delaware</b><br><br><b>(State or Other Jurisdiction of<br/>Incorporation)</b> | <b>001-09769</b><br><br><b>(Commission File Number)</b> | <b>36-2512786</b><br><br><b>(IRS Employer<br/>Identification No.)</b> |
|--|---|---|

|   |                                   |
|---|-----------------------------------|
| <b>1 Lands' End Lane</b><br><b>Dodgeville, Wisconsin</b><br><b>(Address of Principal Executive Offices)</b> | <b>53595</b><br><b>(Zip Code)</b> |
|---|-----------------------------------|

**Registrant's telephone number, including area code: (608) 935-9341**

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (See General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

Lands' End, Inc. (the "Company") is furnishing herewith a press release issued on March 21, 2017 as Exhibit 99.1, which is included herein. This press release was issued to report the Company's fourth quarter 2016 and full year 2016 results.

Any website address referred to in this report (including exhibits) is included for reference only and is not intended to be an active hyperlink. The information contained on any such website is not a part of this report and is not incorporated by reference in this report.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u>                                     |
|-----------------------|--|
| 99.1                  | Press Release of Lands' End, Inc. dated March 21, 2017 |

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LANDS' END, INC.

By: /s/ James F. Gooch

Date: March 21, 2017

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James F. Gooch

Title: Executive Vice President, Chief Operating Officer/Chief  
Financial Officer and Treasurer (Principal Financial Officer)

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## EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u>                                     |
|--------------------|--|
| 99.1               | Press Release of Lands' End, Inc. dated March 21, 2017 |

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## Lands' End Announces Fourth Quarter and Fiscal 2016 Results

**DODGEVILLE, Wis., March 21, 2017** (GLOBE NEWSWIRE) - Lands' End, Inc. (NASDAQ: LE) today announced financial results for the fourth quarter and fiscal year ended January 27, 2017.

### Fourth Quarter Fiscal 2016 Highlights:

- Net revenue for fourth quarter 2016 was \$458.8 million as compared to \$473.5 million in the fourth quarter last year. Direct segment net revenue decreased 2.6% to \$398.5 million, as compared to the same period last year. Retail segment net revenue decreased 6.3% to \$60.3 million, as compared to the same period last year, primarily due to fewer Lands' End Shops at Sears and a 1.7% decrease in same store sales.
- Gross margin for fourth quarter 2016 was 38.6% as compared to 42.0% in the fourth quarter last year. During the quarter, the Company wrote down \$2.3 million of prior-season inventory from the Company's Canvas by Lands' End brand, which had a 50 basis point negative impact on gross margin.
- Net loss for fourth quarter 2016 was \$94.8 million, or \$2.96 per share, compared to a net loss of \$39.5 million, or \$1.23 per share in the fourth quarter of fiscal 2015.
- Adjusted net income<sup>(1)</sup> for fourth quarter 2016, excluding a \$173.0 million (\$107.8 million after-tax) non-cash impairment charge related to the write-down of the Lands' End trade name, an indefinite-lived intangible asset, was \$13.0 million, or \$0.41 per share. For the fourth quarter of fiscal 2015, Adjusted net income<sup>(1)</sup>, excluding a \$98.3 million (\$62.0 million after-tax) non-cash impairment charge related to the write-down of the Lands' End trade name was \$22.6 million, or \$0.71 per share.
- Adjusted EBITDA<sup>(2)</sup> was \$30.7 million for fourth quarter 2016 compared to \$48.1 million for fourth quarter fiscal 2015.

### Full Year Fiscal 2016 Highlights:

- Net revenue for fiscal 2016 was \$1.34 billion as compared to \$1.42 billion in fiscal 2015. Direct segment net revenue decreased 5.4% to \$1.15 billion. Retail segment net revenue decreased 8.9% to \$186.4 million due to a 6.0% decrease in same store sales and a reduction in the number of Lands' End Shops at Sears.
  - Gross margin for fiscal 2016 was 43.2% this year as compared to 46.0% last year. During the third and fourth quarters of fiscal 2016, the Company wrote down a total of \$6.7 million of prior-season inventory from the Company's Canvas by Lands' End brand, which had a 50 basis point negative impact on gross margin.
  - Net loss for fiscal 2016 was \$109.8 million, or \$3.43 per share, as compared to net loss of \$19.5 million, or \$0.61 per share, for the same period last year. Net loss for fiscal 2016 also included \$1.2 million in non-recurring personnel costs, net of reversals, primarily related to the departure of the Company's former Chief Executive Officer.
  - Adjusted net loss<sup>(1)</sup> for fiscal 2016, excluding a \$173.0 million (\$107.8 million after-tax) non-cash impairment charge related to the Lands' End trade name and the final reversal of the product recall accrual (\$0.2 million), was \$2.1 million, or \$0.06 per share. Adjusted net income<sup>(1)</sup>, excluding a \$98.3 million (\$62.0 million after-tax) non-cash impairment charge related to the write-down of the Lands' End trade name and the \$3.4 million (\$2.1 million after-tax) benefit from the reversal of a product recall accrual, was \$40.4 million, or \$1.26 per share for fiscal 2015.
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- Adjusted EBITDA<sup>(2)</sup> for fiscal 2016 was \$39.8 million compared to \$107.3 million in fiscal 2015.

Jerome Griffith, Chief Executive Officer, stated, "We saw sequential improvement in our fourth quarter results, attributable to recent initiatives across merchandising, marketing and e-commerce. In order to drive long-term success, we need to strengthen our competitive position and develop and execute a strategic plan that leverages our iconic brand heritage, as well as our well-established e-commerce platform. To that end, we will create enhanced product assortments, develop and communicate a clear and consistent brand identity across channels, and better leverage our distribution channels. Overall, we will be focused on enhancing the business in ways that will drive growth, profitability and shareholder value over the long-term."

### **Balance Sheet and Cash Flow Highlights**

Cash and cash equivalents were \$213.1 million as of January 27, 2017, compared to \$228.4 million as of January 29, 2016. Net cash provided by operations was \$23.7 million for fiscal 2016, compared to net cash provided by operations of \$35.9 million for the same period last year.

Inventory decreased 1.2% to \$325.3 million as of January 27, 2017, from \$329.2 million as of January 29, 2016.

The Company had \$155.3 million of availability under its asset-based senior secured credit facility and had \$490.0 million of Long-term debt, net as of January 27, 2017.

### **Conference Call**

The company will host a conference call on Tuesday, March 21, 2017 at 8:00 a.m. ET to review its fourth quarter and fiscal year financial results and related matters. The call may be accessed through the Investor Relations section of the Company's website at <http://investors.landsend.com>.

### **About Lands' End, Inc.**

**Lands' End, Inc. (NASDAQ: LE)** is a leading multi-channel retailer of clothing, accessories, footwear and home products. We offer products through catalogs, online at [www.landsend.com](http://www.landsend.com) and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears® and standalone Lands' End Stores. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and seek to deliver timeless style for men, women, kids and the home.

### **Forward-Looking Statements**

Results are unaudited. This press release contains forward-looking statements, including statements about our strategies and our opportunities for growth. Forward-looking statements are based upon the current beliefs and expectations of our management and are subject to assumptions, uncertainties and significant risks that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements include, without limitation, information concerning our future financial performance, business strategy, plans, goals and objectives. There can be no assurance that any of our initiatives will be successful. The following additional factors, among others, could cause our actual results, performance, and achievements to differ from those described in the forward-looking statements: our ability to offer merchandise and services that customers want to purchase, including a product assortment with improved fit and quality, changes in customer preference from our branded merchandise; customers' use of our digital platform, including customer acceptance of our efforts to enhance our e-commerce websites; customer response to direct mail catalogs and digital/social media marketing efforts; the success of our efforts to improve catalog quality and optimize catalog productivity; the success of our overall marketing strategies, some of which, if successful, may not produce positive results in the short term; the success of our efforts to optimize promotions to drive sales and maximize gross margin dollars; our maintenance of a robust customer list; our dependence on information technology and a failure of information technology systems, including with respect to our e-commerce operations, or an inability to upgrade or adapt our systems; the success of

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our ERP implementation; the success of our efforts to grow and expand into new markets and channels; fluctuations and increases in costs of raw materials; impairment of our relationships with our vendors; our failure to maintain the security of customer, employee or company information; our failure to compete effectively in the apparel industry; the performance of our "store within a store" business; if Sears Holdings Corporation ("Sears Holdings") sells or disposes of its retail stores, including pursuant to the recapture rights granted to Seritage Growth Properties and other parties or if its retail business does not attract customers or does not adequately provide services to the Lands' End Shops at Sears; legal, regulatory, economic and political risks associated with international trade and those markets in which we conduct business and source our merchandise; our failure to protect or preserve the image of our brands and our intellectual property rights; increases in postage, paper and printing costs; failure by third parties who provide us with services in connection with certain aspects of our business to perform their obligations; our failure to timely and effectively obtain shipments of products from our vendors and deliver merchandise to our customers; reliance on promotions and markdowns to encourage customer purchases; our failure to efficiently manage inventory levels; unseasonal or severe weather conditions; the seasonal nature of our business; the adverse effect on our reputation if our independent vendors do not use ethical business practices or comply with applicable laws and regulations; assessments for additional state taxes; our exposure to periodic litigation and other regulatory proceedings, including with respect to product liability claims; incurrence of charges due to impairment of goodwill, other intangible assets and long-lived assets; our failure to retain our executive management team and to attract qualified new personnel; the impact on our business of adverse worldwide economic and market conditions, including economic factors that negatively impact consumer spending on discretionary items; the inability of our past performance generally, as reflected on our historical financial statements, to be indicative of our future performance; the impact of increased costs due to a decrease in our purchasing power following our separation from Sears Holdings ("Separation") and other losses of benefits associated with being a subsidiary of Sears Holdings; the failure of Sears Holdings or its subsidiaries to perform under various transaction agreements or our failure to have necessary systems and services in place when certain of the transaction agreements expire; potential indemnification liabilities to Sears Holdings pursuant to the separation and distribution agreement; our agreements related to the Separation and certain agreements related to our continuing relationship with Sears Holdings were negotiated while we were a subsidiary of Sears Holdings and we may have received better terms from an unaffiliated third party; our inability to engage in certain corporate transactions after the Separation; the ability of our principal shareholders to exert substantial influence over us; adverse effects of the Separation on our business; potential liabilities under fraudulent conveyance and transfer laws and legal capital requirements; declines in our stock price due to the eligibility of a number of our shares of common stock for future sale; our inability to pay dividends; stockholders' percentage ownership in Lands' End may be diluted in the future and other risks, uncertainties and factors discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended January 29, 2016 and other filings with the SEC. We intend the forward-looking statements to speak only as of the time made and do not undertake to update or revise them as more information becomes available, except as required by law.

## CONTACTS

Lands' End, Inc.  
James Gooch  
Chief Operating Officer and Chief Financial Officer  
(608) 935-9341

Investor Relations:  
ICR, Inc.  
Jean Fontana  
(646) 277-1214  
Jean.Fontana@icrinc.com

*-Financial Tables Follow-*

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**LANDS' END, INC.**  
**Consolidated Balance Sheets**  
**(Unaudited)**

| <i>(in thousands, except share data)</i>   | January 27,<br>2017 | January 29,<br>2016 |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Current assets   |                     |                     |
| Cash and cash equivalents  | \$ 213,108          | \$ 228,368          |
| Restricted cash  | 3,300               | 3,300               |
| Accounts receivable, net   | 39,284              | 32,061              |
| Inventories, net   | 325,314             | 329,203             |
| Prepaid expenses and other current assets  | 26,394              | 23,618              |
| <b>Total current assets</b>  | <b>607,400</b>      | <b>616,550</b>      |
| Property and equipment, net  | 122,836             | 109,831             |
| Goodwill   | 110,000             | 110,000             |
| Intangible asset, net  | 257,000             | 430,000             |
| Other assets   | 17,155              | 15,145              |
| <b>Total assets</b>  | <b>\$ 1,114,391</b> | <b>\$ 1,281,526</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                     |                     |
| Current liabilities  |                     |                     |
| Accounts payable   | \$ 162,408          | \$ 146,097          |
| Other current liabilities  | 86,446              | 83,992              |
| <b>Total current liabilities</b>   | <b>248,854</b>      | <b>230,089</b>      |
| Long-term debt, net  | 490,043             | 493,838             |
| Long-term deferred tax liabilities   | 90,467              | 157,252             |
| Other liabilities  | 13,615              | 15,838              |
| <b>Total liabilities</b>   | <b>842,979</b>      | <b>897,017</b>      |
| Commitments and contingencies  |                     |                     |
| <b>Stockholders' equity</b>  |                     |                     |
| Common stock, par value \$0.01- authorized: 480,000,000 shares; issued and outstanding: 32,029,359, 31,991,668, respectively | 320                 | 320                 |
| Additional paid-in capital   | 343,971             | 344,244             |
| Retained earnings  | (60,453)            | 49,329              |
| Accumulated other comprehensive loss   | (12,426)            | (9,384)             |
| <b>Total stockholders' equity</b>  | <b>271,412</b>      | <b>384,509</b>      |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>  | <b>\$ 1,114,391</b> | <b>\$ 1,281,526</b> |



**LANDS' END, INC.**  
**Consolidated Statements of Operations**  
**(Unaudited)**

| <i>(in thousands except per share data)</i>                   | 13 Weeks Ended     |                    | 52 Weeks Ended      |                    |
|---|--------------------|--------------------|---------------------|--------------------|
|   | January 27, 2017   | January 29, 2016   | January 27, 2017    | January 29, 2016   |
| <b>REVENUES</b>   |                    |                    |                     |                    |
| Net revenue   | \$ 458,841         | \$ 473,543         | \$ 1,335,760        | \$ 1,419,778       |
| Cost of sales (excluding depreciation and amortization)       | 281,906            | 274,433            | 759,352             | 767,189            |
| <b>Gross profit</b>   | 176,935            | 199,110            | 576,408             | 652,589            |
| Selling and administrative                                    | 146,285            | 151,040            | 536,576             | 545,301            |
| Depreciation and amortization                                 | 5,584              | 4,525              | 19,003              | 17,399             |
| Intangible asset impairment                                   | 173,000            | 98,300             | 173,000             | 98,300             |
| Other operating expense (income), net                         | 500                | 39                 | 460                 | (3,327)            |
| Operating loss  | (148,434)          | (54,794)           | (152,631)           | (5,084)            |
| Interest expense  | 6,137              | 6,211              | 24,630              | 24,826             |
| Other expense (income), net                                   | 3,032              | (461)              | 1,619               | (671)              |
| Loss before income taxes                                      | (157,603)          | (60,544)           | (178,880)           | (29,239)           |
| Income tax benefit  | (62,782)           | (21,086)           | (69,098)            | (9,691)            |
| <b>NET LOSS</b>   | <b>\$ (94,821)</b> | <b>\$ (39,458)</b> | <b>\$ (109,782)</b> | <b>\$ (19,548)</b> |
| <b>NET LOSS PER COMMON SHARE ATTRIBUTABLE TO STOCKHOLDERS</b> |                    |                    |                     |                    |
| Basic:  | \$ (2.96)          | \$ (1.23)          | \$ (3.43)           | \$ (0.61)          |
| Diluted:  | \$ (2.96)          | \$ (1.23)          | \$ (3.43)           | \$ (0.61)          |
| Basic weighted average common shares outstanding              | 32,029             | 31,992             | 32,021              | 31,979             |
| Diluted weighted average common shares outstanding            | 32,029             | 31,992             | 32,021              | 31,979             |

### Use and Definition of Non-GAAP Financial Measures

<sup>1</sup>Adjusted net income (loss) and Adjusted earnings per share - As a result of the intangible asset impairment and the impacts of product recall, the Company is presenting a reconciliation of Net income and Earnings per share determined in accordance with accounting principles generally accepted in the United States (“GAAP”) to Adjusted Net income and Adjusted Earnings per share which excludes the impact of the intangible asset impairment and the product recall.

<sup>2</sup>Adjusted EBITDA - In addition to our Net income, for purposes of evaluating operating performance, we use an Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), which is adjusted to exclude certain significant items as set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our business, as well as for executive compensation metrics, for comparable periods. Adjusted EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as it excludes a number of important cash and non-cash recurring items.

<sup>3</sup>The sum of net income (loss) and adjustments per diluted common share may not equal the Adjusted earnings per share due to rounding.

While Adjusted net income (loss)<sup>1</sup>, Adjusted earnings (loss) per share<sup>1</sup> and Adjusted EBITDA<sup>2</sup> are non-GAAP measurements, management believes that they are important indicators of operating performance, and useful to investors, because:

- EBITDA excludes the effects of financings, investing activities and tax structure by eliminating the effects of interest, depreciation and income tax costs, and
    - For the 13 and 52 weeks ended January 27, 2017 and January 29, 2016, we exclude the loss on disposal of property and equipment as management considers the gains or losses on disposal of assets to result from investing decisions rather than ongoing operations.
  - Other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results. We have adjusted our results for these items to make our statements more comparable and therefore more useful to investors as the items are not representative of our ongoing operations.
    - For the 13 and 52 weeks ended January 27, 2017 and January 29, 2016 we exclude the impairment of our indefinite-lived trade name asset as this is a non-cash charge that is an unusual event that affects the comparability of our financial results.
    - For the 52 weeks ended January 27, 2017 and January 29, 2016, an amount of a previously recorded recall was reversed due to lower than estimated customer return rates for the recalled products despite our efforts to contact impacted customers. These are unusual events that affect the comparability of our financial results.
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**Reconciliation of Non-GAAP Financial Information to GAAP  
(Unaudited)**

| <i>(in thousands except per share data)</i>               | 13 Weeks Ended   |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
|   | January 27, 2017 |                  | January 29, 2016 |                  |
|   | Amount           | per Common Share | Amount           | per Common Share |
| Net loss  | \$ (94,821)      | \$ (2.96)        | \$ (39,458)      | \$ (1.23)        |
| Intangible asset impairment, net of tax                   | 107,831          | 3.37             | 62,017           | 1.94             |
| Adjusted net income and earnings per share <sup>(1)</sup> | <u>\$ 13,010</u> | <u>\$ 0.41</u>   | <u>\$ 22,559</u> | <u>\$ 0.71</u>   |

| <i>(in thousands except per share data)</i>   | 52 Weeks Ended    |                  |                  |                  |
|---|-------------------|------------------|------------------|------------------|
|   | January 27, 2017  |                  | January 29, 2016 |                  |
|   | Amount            | per Common Share | Amount           | per Common Share |
| Net loss  | \$ (109,782)      | \$ (3.43)        | \$ (19,548)      | \$ (0.61)        |
| Intangible asset impairment, net of tax   | 107,831           | 3.37             | 62,017           | 1.94             |
| Product recall, net of tax  | (125)             | —                | (2,063)          | (0.06)           |
| Adjusted net (loss) income and (loss) earnings per share <sup>(1)</sup><br><sup>(3)</sup> | <u>\$ (2,076)</u> | <u>\$ (0.06)</u> | <u>\$ 40,406</u> | <u>\$ 1.26</u>   |

| <i>(in thousands)</i>                      | 13 Weeks Ended   |                   |                  |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | January 27, 2017 |                   | January 29, 2016 |                   |
|  | \$'s             | % of<br>Net Sales | \$'s             | % of<br>Net Sales |
| Net loss                                   | \$ (94,821)      | (20.7)%           | \$ (39,458)      | (8.3)%            |
| Income tax benefit                         | (62,782)         | (13.7)%           | (21,086)         | (4.5)%            |
| Other expense (income), net                | 3,032            | 0.7 %             | (461)            | (0.1)%            |
| Interest expense                           | 6,137            | 1.3 %             | 6,211            | 1.3 %             |
| Operating loss                             | (148,434)        | (32.3)%           | (54,794)         | (11.6)%           |
| Intangible asset impairment                | 173,000          | 37.7 %            | 98,300           | 20.8 %            |
| Depreciation and amortization              | 5,584            | 1.2 %             | 4,525            | 1.0 %             |
| Loss on disposal of property and equipment | 500              | 0.1 %             | 39               | — %               |
| Adjusted EBITDA <sup>(2)</sup>             | <u>\$ 30,650</u> | <u>6.7 %</u>      | <u>\$ 48,070</u> | <u>10.2 %</u>     |

|  | 52 Weeks Ended   |                   |                  |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | January 27, 2017 |                   | January 29, 2016 |                   |
|  | \$'s             | % of<br>Net Sales | \$'s             | % of<br>Net Sales |
| <i>(in thousands)</i>                      |                  |                   |                  |                   |
| Net loss                                   | \$ (109,782)     | (8.2)%            | \$ (19,548)      | (1.4)%            |
| Income tax benefit                         | (69,098)         | (5.2)%            | (9,691)          | (0.7)%            |
| Other expense (income), net                | 1,619            | 0.1 %             | (671)            | — %               |
| Interest expense                           | 24,630           | 1.8 %             | 24,826           | 1.7 %             |
| Operating loss                             | (152,631)        | (11.4)%           | (5,084)          | (0.4)%            |
| Intangible asset impairment                | 173,000          | 13.0 %            | 98,300           | 6.9 %             |
| Depreciation and amortization              | 19,003           | 1.4 %             | 17,399           | 1.2 %             |
| Product recall                             | (212)            | — %               | (3,371)          | (0.2)%            |
| Loss on disposal of property and equipment | 672              | 0.1 %             | 44               | — %               |
| Adjusted EBITDA <sup>(2)</sup>             | \$ 39,832        | 3.0 %             | \$ 107,288       | 7.4 %             |

**LANDS' END, INC.**  
**Consolidated and Combined Statements of Cash Flows**  
**for Fiscal Years Ended**  
**(Unaudited)**

| <i>(in thousands)</i>   | January 27,<br>2017 | January 29,<br>2016 |
|---|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                     |                     |
| Net loss  | \$ (109,782)        | \$ (19,548)         |
| Adjustments to reconcile net loss to net cash provided by operating activities: |                     |                     |
| Depreciation and amortization   | 19,003              | 17,399              |
| Intangible asset impairment   | 173,000             | 98,300              |
| Product recall  | (212)               | (3,371)             |
| Amortization of debt issuance costs   | 1,712               | 1,741               |
| Loss on disposal of property and equipment                                      | 672                 | 44                  |
| Stock-based compensation  | 2,230               | 2,395               |
| Deferred income taxes   | (67,253)            | (22,670)            |
| Change in operating assets and liabilities:                                     |                     |                     |
| Inventories   | 755                 | (29,819)            |
| Accounts payable  | 16,951              | 10,005              |
| Other operating assets  | (12,356)            | 3,462               |
| Other operating liabilities   | (1,027)             | (22,047)            |
| Net cash provided by operating activities                                       | <u>23,693</u>       | <u>35,891</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |                     |                     |
| Proceeds from sale of property and equipment                                    | 47                  | —                   |
| Purchases of property and equipment   | (33,319)            | (22,224)            |
| Net cash used in investing activities   | <u>(33,272)</u>     | <u>(22,224)</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                     |                     |
| Payments on term loan facility  | (5,150)             | (5,150)             |
| Net cash used in financing activities   | <u>(5,150)</u>      | <u>(5,150)</u>      |
| Effects of exchange rate changes on cash  | (531)               | (1,603)             |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>                     | <u>(15,260)</u>     | <u>6,914</u>        |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>                             | <u>228,368</u>      | <u>221,454</u>      |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>                                   | <u>\$ 213,108</u>   | <u>\$ 228,368</u>   |
| <b>SUPPLEMENTAL INFORMATION:</b>  |                     |                     |
| Supplemental Cash Flow Data:  |                     |                     |
| Unpaid liability to acquire property and equipment                              | \$ 8,419            | \$ 8,182            |
| Income taxes paid   | \$ 3,653            | \$ 23,991           |
| Interest paid   | \$ 22,484           | \$ 22,690           |

Financial information by segment is presented in the following tables for the 13 and 52 weeks ended January 27, 2017 and January 29, 2016.

| <i>(in thousands)</i> | 13 Weeks Ended    |                   | 52 Weeks Ended      |                     |
|-----------------------|-------------------|-------------------|---------------------|---------------------|
|                       | January 27, 2017  | January 29, 2016  | January 27, 2017    | January 29, 2016    |
| Net revenue           |                   |                   |                     |                     |
| Direct                | \$ 398,489        | \$ 409,107        | \$ 1,149,149        | \$ 1,214,993        |
| Retail                | 60,314            | 64,400            | 186,390             | 204,566             |
| Corporate/ other      | 38                | 36                | 221                 | 219                 |
| Total Net revenue     | <u>\$ 458,841</u> | <u>\$ 473,543</u> | <u>\$ 1,335,760</u> | <u>\$ 1,419,778</u> |

| <i>(in thousands)</i>                | 13 Weeks Ended   |                  | 52 Weeks Ended   |                   |
|--------------------------------------|------------------|------------------|------------------|-------------------|
|                                      | January 27, 2017 | January 29, 2016 | January 27, 2017 | January 29, 2016  |
| Adjusted EBITDA <sup>(2)</sup> :     |                  |                  |                  |                   |
| Direct                               | \$ 37,065        | \$ 56,620        | \$ 78,582        | \$ 141,936        |
| Retail                               | 1,503            | 387              | (5,560)          | (520)             |
| Corporate/ other                     | (7,918)          | (8,937)          | (33,190)         | (34,128)          |
| Total Adjusted EBITDA <sup>(2)</sup> | <u>\$ 30,650</u> | <u>\$ 48,070</u> | <u>\$ 39,832</u> | <u>\$ 107,288</u> |