BURLINGTON STORES, INC.

FORM 10-K
(Annual Report)

Filed 03/25/15 for the Period Ending 01/31/15

Address	2006 ROUTE 130 NORTH FLORENCE, NJ 08518
Telephone	(609) 387-7800
CIK	0001579298
Symbol	BURL
SIC Code	5311 - Department Stores
Fiscal Year	02/01

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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended January 31, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________to __________

Commission File Number 001-36107

BURLINGTON STORES, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**80-0895227** **(I.R.S. Employer Identification No.)**
2006 Route 130 North **Burlington, New Jersey** **(Address of Principal Executive Offices)**	**08016** **(Zip Code)**

(609) 387-7800
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock, par value $0.0001 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-Accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant on August 1, 2014, the last business day of the registrant's most recently completed second fiscal quarter, was $1,014,179,815. The aggregate market value was computed by reference to the closing price of the Common Stock on such date.

As of March 13, 2015, 75,254,682 shares of common stock of the registrant were outstanding.

Documents Incorporated By Reference:

Certain provisions of the registrant's definitive proxy statement in connection with its 2015 Annual Meeting of Stockholders, to be filed within 120 days of the close of the registrant's 2014 fiscal year, are incorporated by reference in Part III hereof.

BURLINGTON STORES, INC.
INDEX TO REPORT ON FORM 10-K

FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

Table of Contents

PART I

Item 1. Business

Overview

We are a nationally recognized retailer of high-quality, branded apparel at everyday low prices. We opened our first store in Burlington, New Jersey in 1972, selling primarily coats and outerwear. Since then, we have expanded our store base to 542 stores as of January 31, 2015, inclusive of an internet store, in 44 states and Puerto Rico, and diversified our product categories by offering an extensive selection of in-season, fashion-focused merchandise, including: women's ready-to-wear apparel, menswear, youth apparel, baby, footwear, accessories, home and coats. We acquire a broad selection of desirable, first-quality, current-brand, labeled merchandise directly from nationally recognized manufacturers and other suppliers. For the fiscal year ended January 31, 2015, we generated total revenue of $4,849.6 million, net sales of $4,814.5 million, net income of $66.0 million and Adjusted Net Income and Adjusted EBITDA (as subsequently defined in this Form 10-K) of $138.6 million and $448.1 million, respectively.

As used in this Annual Report, the terms "Company," "we," "us," or "our" refer to Burlington Stores, Inc. and all its subsidiaries. We were organized in 2013 under the name Burlington Holdings, Inc. and currently exist as a Delaware corporation. Our indirect subsidiary, Burlington Coat Factory Warehouse Corporation (BCFWC), was initially organized in 1972 as a New Jersey corporation, was reincorporated in 1983 in Delaware when the company originally became a public company and currently exists as a Delaware corporation. BCFWC became a direct, wholly-owned subsidiary of Burlington Coat Factory Investments Holdings, Inc. in connection with the acquisition of BCFWC on April 13, 2006 by affiliates of Bain Capital Partners, LLC (along with its associated investment funds, or any successor to its investment management business, Bain Capital) in a take private transaction (the Merger Transaction) and became an indirect, wholly-owned subsidiary of ours on February 14, 2013, in connection with our corporate reorganization. We completed an initial public offering of our common stock in October 2013, and Bain Capital ceased owning a majority of our outstanding common stock in October 2014.

Fiscal Year End

We define our fiscal year as the 52 or 53 week period ending on the Saturday closest to January 31. This is an annual report for the 52 week fiscal year ended January 31, 2015 (Fiscal 2014). The fiscal year ended February 1, 2014 (Fiscal 2013) consisted of 52 weeks and the fiscal year ended February 2, 2013 (Fiscal 2012) consisted of 53 weeks.

Our Stores

As of January 31, 2015, we operated 542 stores, inclusive of an internet store. Over 98% of our net sales are derived from stores we operate as Burlington stores (Burlington Stores). We believe that our customers are attracted to our stores principally by the availability of a large assortment of first-quality current brand-name merchandise at everyday low prices.

Burlington Stores offer customers a complete line of value-priced apparel, including: ladies sportswear, menswear, coats, and family footwear, as well as baby furniture, accessories, home décor and gifts. We continue to emphasize our rich heritage of coats and outerwear and we believe that we are viewed as the destination for coat shoppers. Our broad selection provides a wide range of apparel, accessories and furnishing for all ages. We purchase both pre-season and in-season merchandise, allowing us to respond timely to changing market conditions and consumer fashion preferences. Furthermore, we believe Burlington Stores' substantial selection of staple, destination products attracts customers from beyond our local trade areas. We believe these products drive incremental store-traffic and differentiate us from our competitors.

In some of our stores, we grant unaffiliated third parties the right to use designated store space solely for the purpose of selling such third parties' goods, primarily fragrances. During Fiscal 2014, our rental income from all such arrangements aggregated less than 1% of our total revenues. We do not own or have any rights to any trademarks, licenses or other intellectual property used in connection with the brands sold by such unaffiliated third parties.

We believe the breadth of our selection and our ability to successfully operate in stores of varying square footage represent a competitive advantage. Our average store size is approximately 78,000 square feet. We believe that as we continue to reduce our comparable store inventory, we will be able to reduce the square footage of our stores while continuing to maintain our broad assortment. As a result, we believe major landlords frequently seek us as a tenant because the appeal of our apparel merchandise profile attracts a desired customer base. In addition, we have built long-standing relationships with major shopping center developers.

Our store base is geographically diversified with stores located in 44 states and Puerto Rico.

State	Number of Stores	State	Number of Stores	State	Number of Stores
AK	2	KY	4	NV	5
AL	7	LA	9	NY	36
AR	2	MA	14	OH	19
AZ	9	MD	16	OK	3
CA	61	ME	2	OR	4
CO	6	MI	17	PA	30
CT	10	MN	6	PR	12
DE	2	MO	6	RI	4
FL	37	MS	2	SC	5
GA	16	NC	12	TN	7
IA	2	ND	1	TX	52
ID	2	NE	1	UT	3
IL	29	NH	2	VA	17
IN	12	NJ	28	WA	11
KS	6	NM	2	WI	9

Our store sales area is organized by merchandise category with flexibility to quickly expand or contract category offerings in response to changes in consumer preferences. Our typical store features open sight lines, bright overhead lighting and clear signage to promote easy navigation through the store. We highlight the best brands and freshest product in four way fixtures along the aisles with additional merchandise arranged by size in H-racks. We believe our clean, organized merchandise presentation highlights the brands, value, selection and sizing within assortments and promotes a self-service, treasure hunt experience for our customers.

Our store managers are accountable for the sales and profitability of their stores. The store leadership team is comprised of managers and assistant managers. The stores are led by their regional team, consisting of a regional vice president and regional managers in operations, human resources and loss prevention. The regional vice president sets the priorities for the team and ensures the stores are supported in their overall mission to grow sales and profitability.

Store Expansion and Real Estate Strategy

We continue to explore expansion opportunities both within our current market areas and in other regions. We believe that our ability to find satisfactory locations for our stores is essential for the continued growth of our business. The opening of stores generally is contingent upon a number of factors including, but not limited to, the availability of desirable locations with suitable structures and the negotiation of acceptable lease terms. There can be no assurance, however, that we will be able to find suitable locations for new stores or that even if such locations are found and acceptable lease terms are obtained, we will be able to open the number of new stores presently planned.

Table of Contents

We have a proven track record of new store expansion. Our store base has grown from 13 stores in 1980 to 542 stores, inclusive of an internet store, as of January 31, 2015. Assuming that appropriate locations are identified, we believe that we will be able to execute our growth strategy without significantly impacting our current stores. The table below shows our store openings and closings since the beginning of our fiscal year ended February 2, 2013.

	As of February 2, 2013	As of February 1, 2014	As of January 31, 2015
Stores (Beginning of Period)	477	500	521
Stores Opened	25	23	24
Stores Closed	(2)	(2)	(3)
Stores (End of Period)	500	521	542

Distribution and Warehousing

We have two primary distribution centers that ship approximately 92% of merchandise units to our stores. The remaining 8% of merchandise units are drop shipped directly to our stores. The two primary distribution centers, located in Edgewater Park, New Jersey and San Bernardino, California, occupy an aggregate of 1,308,000 square feet and each includes processing and storage capabilities.

In addition, we operate warehousing facilities to support our two primary distribution centers. During Fiscal 2014 we opened two new warehousing facilities and closed two smaller warehousing facilities. The Redlands California facility, opened in June, 2014, is 800,000 square feet and is being used primarily as remote storage for our San Bernardino, California distribution center. The Redlands California facility replaced a smaller 295,000 square foot Redlands facility. The Burlington, New Jersey facility, opened in December, 2014, is 678,000 square feet and is being used primarily as remote storage for our Edgewater Park, New Jersey distribution center. The Burlington, New Jersey facility replaced a smaller 218,000 square foot facility in Cinnaminson, New Jersey.

	Calendar Year Operational	Size (sq. feet)	Leased or Owned
Primary Distribution Centers:			
Edgewater Park, New Jersey	2004	648,000	Owned
San Bernardino, California	2006	660,000	Leased
Warehousing Facilities(1):			
Burlington, New Jersey (Route 130 North)	1987	402,000	Owned
Burlington, New Jersey (Daniels Way)	2014	678,000	Leased
Florence, New Jersey	2013	208,000	Leased
Cinnaminson, New Jersey	2013(2)	218,000	Leased
Redlands, California (Palmetto Ave)	2011(2)	295,000	Leased
Redlands, California (Pioneer Ave)	2014	800,000	Leased

(1) Our warehousing facilities are primarily used as storage/support facilities to service our primary distribution centers. Product stored at these facilities is processed and shipped through our Edgewater Park or San Bernardino distribution centers.
(2) Warehousing activities in these facilities ceased during Fiscal 2014.

We must continue to make investments in storage and processing to support our expected store growth over the next three to five years.

Customer Service

We are committed to providing our customers with an enjoyable shopping experience and strive to make continuous efforts to improve customer service. In training our employees, our goal is to emphasize knowledgeable, friendly customer service and a sense of professional pride. We offer our customers special services to enhance the convenience of their shopping experience, such as professional tailors, a baby gift registry and layaways.

We have empowered our store teams to provide an outstanding customer experience for every customer in every store, every day. We have streamlined processes and will continue to strive to create opportunities for fast and effective customer interactions. Our stores must reflect clean, organized merchandise presentations that highlight the brands, value, and diversity of selection within our assortments.

Our Off-Price Sourcing and Merchandising Model

Our "open to buy" off-price model enables us to provide our customers with products that are nationally branded, fashionable, high quality and priced right. We have an experienced team of General Merchandise Managers, Divisional Merchandise Managers and buyers focused on improving comparable store inventory turnover, inventory age and freshness of merchandise. We purchase merchandise from many suppliers, none of which accounted for more than 2% of our net purchases during Fiscal 2014. We have no long-term purchase commitments or arrangements with any of our suppliers, and believe that we are not dependent on any one supplier. We continue to have good working relationships with our suppliers.

We have designed our merchant organization so that buyers focus primarily on buying, planners focus primarily on planning, and information systems help inform data-driven decisions for both groups. Buyers are in market each week and focus on purchasing great products for great value. We seek to purchase a majority of our merchandise in-season. Buyers spend time interacting face-to-face with new and existing vendors and on continuously evaluating trends in the market to which we believe our customers would respond positively. Our buyers use a Merchant Scorecard that rates products across four key attributes—fashion, quality, brand and price—to help formalize a framework for buying decisions.

Our merchandising model allows us to provide our customers with a wide breadth of product categories. Sales percentage by major product category is as follows:

Category	Fiscal 2014	Fiscal 2013	Fiscal 2012
Women's Ready-to-Wear Apparel	24%	24%	23%
Menswear	20%	19%	20%
Accessories and Footwear	22%	21%	21%
Coats	7%	8%	8%
Youth Apparel/Baby/Home	27%	28%	28%

E-Commerce

We employ an e-commerce strategy currently focused on increasing awareness of the breadth of our merchandise selection, great brands and values, as well as driving traffic to our stores and selling merchandise directly from our website. We execute our strategy through our website and through social media platforms such as Facebook, Twitter and Pinterest. In Fall 2013, we re-launched our website with a significantly upgraded user experience – including improved navigation, shopping functionality and a more modern layout to increase site traffic and conversion rates. This re-launch also included an expansion of the online merchandise assortment to include additional items across women's ready-to-wear apparel, menswear, youth apparel, baby, accessories, home and coats. As a part of this re-launch, we also updated the cross-channel Baby Registry currently serving our Baby Depot customers.

Customer Demographic

Our core customer is the 25-49 year-old woman. The core customer is educated, resides in mid- to large-sized metropolitan areas and is a brand conscious fashion enthusiast. This customer shops for herself, her family, and her home. We appeal to value seeking and fashion conscious customers who are price-driven but enjoy the style and fit of high-quality, branded merchandise.

Marketing and Advertising

We use a variety of broad-based and targeted marketing strategies to efficiently deliver the right message to the targeted audience at the right time. These strategies include national television, direct mail, email, digital marketing, local radio and out-of-home communications. Our broad television broadcast communication and reach is balanced with relevant customer contacts to increase frequency of store visits.

Management Information Systems and Processes

We utilize a combination of primarily industry-standard third party and internally developed information technology and system solutions across our business functions. We continually evaluate and implement business system technology and solutions that enhance the consistency of our execution and improve the scalability of business system functions across a growing store base. We utilize a testing methodology which allows us to evaluate new initiatives across our entire organization and make data-driven decisions that support growth and minimize costs. To date, we have performed tests in store operations, merchandise presentation, advertising and marketing, among other areas.

Competition

The U.S. retail apparel and home furnishings markets are highly fragmented and competitive. We compete for business with department stores, off-price retailers, specialty stores, discount stores, wholesale clubs, and outlet stores. At various times throughout the year, traditional full-price department store chains and specialty shops offer brand-name merchandise at substantial markdowns, which can result in prices approximating those offered by us at our Burlington Stores.

Seasonality

Our business, like that of most retailers, is subject to seasonal influences, with the major portion of sales and income typically realized during the back-to-school and holiday seasons (September through January). Weather is also a contributing factor to the sale of our clothing. Generally, our sales are higher if the weather is cold during the Fall and warm during the early Spring.

Trademarks

We own the trademarks, service marks and tradenames that we use in connection with the operation of our business. Our trademarks include “BCF,” “Burlington,” “Burlington Coat Factory,” “Cohoes,” “Luxury Linens,” “MJM Designer Shoes,” and “Baby Depot.” We consider these trademarks and the accompanying name recognition to be valuable to our business. We believe that our rights to these properties are adequately protected. Our rights in these trademarks endure for as long as they are used.

Employees

As of January 31, 2015, we employed approximately 34,000 people, including part-time and seasonal employees. Our staffing requirements fluctuate during the year as a result of the seasonality of our business. We hire additional employees and increase the hours of part-time employees during seasonal peak selling periods. As of January 31, 2015, employees at two of our stores were subject to collective bargaining agreements.

AVAILABLE INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act). Therefore, we file reports, proxy statements and other information with the Securities and Exchange Commission (SEC). Copies of such reports, proxy statements, and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, DC 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

You can access financial and other information about us in the Investors Relations section of our website, which can be accessed at www.burlingtonstores.com . We make available through our website, free of charge, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed with or furnished to the SEC under Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after electronically filing or furnishing such material to the SEC. The information contained on, or accessible through, our website is not part of this Annual Report on Form 10-K and is therefore not incorporate by reference. The reference to our website address is intended to be an inactive textual reference only.

Item 1A. Risk Factors

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, the industry in which we operate and other matters, as well as management's beliefs and assumptions and other statements regarding matters that are not historical facts. For example, when we use words such as "projects," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "should," "would," "could," "will," "opportunity," "potential" or "may," variations of such words or other words that convey uncertainty of future events or outcomes, we are making forward looking statements within the meaning of Section 27A of the Securities Act of 1933 (Securities Act) and Section 21E of the Exchange Act. Our forward-looking statements are subject to risks and uncertainties. Such statements may include but are not limited to, proposed store openings and closings, proposed capital expenditures, projected financing requirements, proposed developmental projects, projected sales and earnings, our ability to maintain selling margins, and the effect of the adoption of recent accounting pronouncements on our consolidated financial position, results of operations and cash flows. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us include: general economic conditions; competitive factors, including pricing and promotional activities of major competitors; our ability to successfully implement one or more of our strategic initiatives; the availability of desirable store locations on suitable terms; changing consumer preferences and demand; industry trends, including changes in buying, inventory and other business practices by customers; competitive factors, including pricing and promotional activities of major competitors; the availability, selection and purchasing of attractive merchandise on favorable terms; import risks; weather patterns, including, among other things, changes in year-over-year temperatures; our future profitability; our ability to control costs and expenses; unforeseen computer related problems; any unforeseen material loss or casualty; the effect of inflation; an increase in competition within the markets in which we compete; regulatory changes; changes in general and/or regional economic conditions; our relationships with employees; the impact of current and future laws; terrorist attacks, particularly attacks on or within markets in which we operate; natural and man-made disasters, including but not limited to fire, snow and ice storms, flood, hail, hurricanes and earthquakes; our substantial level of indebtedness and related debt-service obligations; restrictions imposed by covenants in our debt agreements; availability of adequate financing; our dependence on vendors for our merchandise; domestic events affecting the delivery of merchandise to our stores; existence of adverse litigation and risks; and each of the factors discussed in this Item 1A, Risk Factors as well as risks discussed elsewhere in this report. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance. The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this report might not occur. Furthermore, we cannot guarantee future results, events, levels of activity, performance or achievements.

Set forth below are certain important risks and uncertainties that could adversely affect our results of operations or financial condition and cause our actual results to differ materially from those expressed in forward-looking statements made by us. Although we believe that we have identified and discussed below the key risk factors affecting our business, there may be additional risks and uncertainties that are not presently known or that are not currently believed to be significant that may adversely affect our performance or financial condition. More detailed information regarding certain risk factors described below is contained in other sections of this report.

Risks Related to Our Business and Our Substantial Indebtedness

General economic conditions and consumer spending affect our business.

Consumer spending habits, including spending for the merchandise that we sell, are affected by, among other things, prevailing global economic conditions, inflation, levels of employment, salaries and wage rates, prevailing interest rates, housing costs, energy costs, commodities pricing, income tax rates and policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns may be influenced by consumers’ disposable income, credit availability and debt levels. An incremental slowdown in the U.S. economy, an uncertain global economic outlook or an expanded credit crisis could adversely affect consumer spending habits resulting in lower net sales and profits than expected on a quarterly or annual basis. Consumer confidence is also affected by the domestic and international political situation. Our financial condition and operations could be impacted by changes in government regulations in areas including, but not limited to, taxes and healthcare. The outbreak or escalation of war, or the occurrence of terrorist acts or other hostilities in or affecting the U.S. could lead to a decrease in spending by consumers. In addition, natural disasters, industrial accidents and acts of war in various parts of the world could have the effect of disrupting supplies and raising prices globally which, in turn, may have adverse effects on the world and U.S. economies and lead to a downturn in consumer confidence and spending.

We face increased competition from other retailers that could adversely affect our business.

The retail sector is highly competitive, and retailers are constantly adjusting their promotional activity and pricing strategies in response to changing conditions. We compete on the basis of a combination of factors, including among others, price, breadth, quality and style of merchandise offered, in-store experience, level of customer service, ability to identify and respond to new and emerging fashion trends, brand image and scalability. We compete with a wide variety of large and small retailers for customers, vendors, suitable store locations and personnel. In order to increase traffic and drive consumer spending in the economic environment of the past several years, competitors, including department stores, mass merchants and specialty apparel stores, have been offering brand-name merchandise at substantial markdowns. Continuation of this trend, or the possible effect on consumer buying patterns that improving economic conditions could have, may cause consumer demand to shift from off-price retailers to other retail categories, which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to continue to meet changes in the competitive environment and to positively differentiate ourselves from our competitors, our results of operations could be adversely affected. Moreover, we do not possess exclusive rights to many of the elements that comprise our product offerings. Our competitors may seek to emulate facets of our business strategy, which could result in a reduction of any competitive advantage or special appeal that we might possess. In addition, most of our products are sold to us on a non-exclusive basis. As a result, our current and future competitors may be able to duplicate or improve on some or all of our product offerings that we believe are important in differentiating our stores. If our competitors were to duplicate or improve on some or all of our in-store experience or product offerings, our competitive position and our business could suffer.

Our results also depend on the successful implementation of several additional strategic initiatives. We may not be able to implement these strategies successfully, on a timely basis, or at all.

We have recently implemented or begun to implement several strategic initiatives designed to transform our business and improve our performance. The success of our recent initiatives is subject to both the risks affecting our business generally and the inherent difficulties associated with implementing these initiatives, and is largely dependent on the skills, experience, and efforts of our management and other associates. We face a number of uncertainties in connection with the successful implementation of these strategic initiatives. Accordingly, there can be no assurance that these strategic initiatives will improve our performance.

Examples of the uncertainties surrounding our strategic initiatives include the following:

- we may lose executives or other key employees with leading roles in implementing the various initiatives;
- our buying, inventory management and supply chain initiatives may fail to yield the results expected;
- our investments in technology and systems may fail to improve efficiency;
- our data-driven testing culture may not result in successful initiatives;
- our sharpened focus on our core female customer may fail to increase sales as expected;
- we may not be able to uniformly implement our in-store experience program;
- our investment in refreshing our store base may not yield commensurate increases in sales; and
- the success of our new store selection in opening high-performing stores may decrease.

Fluctuations in comparable store sales and results of operations could cause our business performance to decline substantially.

Our results of operations for our individual stores have fluctuated in the past and can be expected to continue to fluctuate in the future. Since the beginning of the 35 week transition period beginning on May 31, 2009, the day following the end of our 2009 fiscal year, and ended on January 30, 2010, our quarterly comparable store sales rates have ranged from an increase of 7.8% to a decrease of 7.1%.

Our comparable store sales and results of operations are affected by a variety of factors, including:

- fashion trends;
- calendar shifts of holiday or seasonal periods;
- the effectiveness of our inventory management;
- changes in our merchandise mix;
- weather patterns, including, among other things, changes in year-over-year temperatures;
- availability of suitable real estate locations at desirable prices and our ability to locate them;
- our ability to effectively manage pricing and markdowns;

- changes in general economic conditions and consumer spending patterns;
- our ability to anticipate, understand and meet consumer trends and preferences;
- actions of competitors; and
- the attractiveness of our inventory and stores to customers.

If our future comparable store sales fail to meet expectations, then our cash flow and profitability could decline substantially.

Our growth strategy includes the addition of a significant number of new stores each year. We may not be able to implement this strategy successfully, on a timely basis, or at all.

Our growth largely depends on our ability to successfully open and operate new stores. We intend to continue to open new stores in future years, while refreshing a portion of our existing store base annually. The success of this strategy is dependent upon, among other things, the current retail environment, the identification of suitable markets and sites for store locations, the negotiation of acceptable lease terms, the hiring, training and retention of competent sales personnel, and the effective management of inventory to meet the needs of new and existing stores on a timely basis. Our proposed expansion also will place increased demands on our operational, managerial and administrative resources. These increased demands could cause us to operate our business less effectively, which in turn could cause deterioration in the financial performance of our existing stores. In addition, to the extent that our new store openings are in existing markets, we may experience reduced net sales volumes in existing stores in those markets. We expect to fund our expansion through cash flow from operations and, if necessary, by borrowings under our $600.0 million Second Amended and Restated Credit Agreement, dated as of August 13, 2014 (the ABL Line of Credit); however, if we experience a decline in performance, we may slow or discontinue store openings. We may not be able to execute any of these strategies successfully, on a timely basis, or at all. If we fail to implement these strategies successfully, our financial condition and results of operations would be adversely affected.

Our net sales, operating income and inventory levels fluctuate on a seasonal basis and decreases in sales or margins during our peak seasons could have a disproportionate effect on our overall financial condition and results of operations.

Our net sales and operating income fluctuate seasonally, with a significant portion of our operating income typically realized during the five-month period from September through January. Any decrease in sales or margins during this period could have a disproportionate effect on our financial condition and results of operations. Seasonal fluctuations also affect our inventory levels. We must carry a significant amount of inventory, especially before the holiday season selling period. If we are not successful in selling our inventory, we may have to write down our inventory or sell it at significantly reduced prices or we may not be able to sell such inventory at all, which could have a material adverse effect on our financial condition and results of operations.

Failure to execute our opportunistic buying and inventory management process could adversely affect our business.

We purchase the majority of our inventory opportunistically, with our buyers purchasing close to need. Establishing the “treasure hunt” nature of the off-price buying experience to drive traffic to our stores requires us to offer changing assortments of merchandise in our stores. While opportunistic buying provides our buyers the ability to buy at desirable times and prices, in the quantities we need and into market trends, it places considerable discretion in our buyers, subjecting us to risks related to the pricing, quantity, nature and timing of inventory flowing to our stores. If we are unable to provide frequent replenishment of fresh, high quality, attractively priced merchandise in our stores, it could adversely affect traffic to our stores as well as our sales and margins. We base our purchases of inventory, in part, on our sales forecasts. If our sales forecasts do not match customer demand, we may experience higher inventory levels and need to markdown excess or slow-moving inventory, leading to decreased profit margins, or we may have insufficient inventory to meet customer demand, leading to lost sales, either of which could adversely affect our financial performance. We need to purchase inventory sufficiently below conventional retail to maintain our pricing differential to regular department and specialty store prices and to attract customers and sustain our margins, which we may not achieve at various times and which could adversely affect our results.

We must also properly execute our inventory management strategies by appropriately allocating merchandise among our stores, timely and efficiently distributing inventory to stores, maintaining an appropriate mix and level of inventory in stores, appropriately changing the allocation of floor space of stores among product categories to respond to customer demand and effectively managing pricing and markdowns, and there is no assurance we will be able to do so. Failure to effectively execute our opportunistic inventory buying and inventory management strategies could adversely affect our performance and our relationship with our customers.

Failure to identify customer trends and preferences to meet customer demand could negatively impact our performance.

Because our success depends on our ability to meet customer demand, we work to follow customer trends and preferences on an ongoing basis and to buy inventory in response to those trends and preferences. However, identifying consumer trends and preferences in the diverse product lines and many markets in which we do business and successfully meeting customer demand across those lines and for those markets on a timely basis is challenging. Although our flexible business model allows us to buy close to need and in response to consumer preferences and trends and to expand and contract merchandise categories in response to consumers' changing tastes, we may not do so successfully, which could adversely affect our results.

If we are unable to renew or replace our store leases or enter into leases for new stores on favorable terms, or if one or more of our current leases are terminated prior to the expiration of their stated term and we cannot find suitable alternate locations, our growth and profitability could be negatively impacted.

Most of our current leases expire at various dates after five or ten-year terms, the majority of which are subject to our option to renew such leases for several additional five-year periods. Our ability to renew any expiring lease or, if such lease cannot be renewed, our ability to lease a suitable alternative location, and our ability to enter into leases for new stores on favorable terms will depend on many factors, some of which may not be within our control, such as conditions in the local real estate market, competition for desirable properties and our relationships with current and prospective landlords. If we are unable to renew existing leases or lease suitable alternative locations, or enter into leases for new stores on favorable terms, our growth and profitability may be negatively impacted.

Extreme and/or unseasonable weather conditions could have a significant adverse effect on our business, financial condition and results of operations.

Extreme weather conditions in the areas in which our stores are located could have a material adverse effect on our business, financial condition and results of operations. For example, heavy snowfall or other extreme weather conditions over a prolonged period might make it difficult for our customers or associates to travel to our stores. In addition, unforeseen public health issues, natural disasters such as hurricanes, tornados, floods, earthquakes, and other extreme weather or climate conditions, or a combination of these or other factors, could severely damage or destroy one or more of our stores or facilities located in the affected areas, thereby disrupting our business operations. Any of these events or circumstances could disrupt the operations of one or more of our vendors or one or more of our stores located in the affected areas. Day-to-day operations, particularly our ability to receive products from our vendors or transport products to our stores, could be adversely affected, or we could be required to close stores. As a result, our business could be adversely affected.

Our business is also susceptible to unseasonable weather conditions. For example, extended periods of unseasonably warm temperatures during the fall or winter season or cool weather during the spring or summer season could render a portion of our inventory incompatible with those unseasonable conditions. These prolonged unseasonable weather conditions could adversely affect our business, financial condition and results of operations. In addition, because a significant portion of our net sales historically have occurred during the five-month period from September through January, unseasonably warm weather during these months could have a disproportionately large effect on our business and materially adversely affect our financial condition and results of operations.

We do not have long-term contracts with any of our vendors and if we are unable to purchase suitable merchandise in sufficient quantities at competitive prices, we may be unable to offer a merchandise mix that is attractive to our customers and our sales may be harmed.

The products that we offer are manufactured by third party vendors. Some of our key vendors may limit the number of retail channels they use to sell their merchandise, which may, in limited cases, result in intense competition among retailers to obtain and sell these goods. In addition, nearly all of the brands of our top vendors are sold by competing retailers and some of our top vendors also have their own dedicated retail stores. Moreover, we typically buy products from our vendors on a purchase order basis. We have no long-term purchase contracts with any of our vendors and, therefore, have no contractual assurances of continued supply, pricing or access to products, and any vendor could change the terms upon which they sell to us or discontinue selling to us at any time. If our relationships with our vendors are disrupted, we may not be able to acquire the merchandise we require in sufficient quantities or on terms acceptable to us. Any inability to acquire suitable merchandise would have a negative effect on our business and operating results because we would be missing products from our merchandise mix unless and until alternative supply arrangements were made, resulting in deferred or lost sales. In addition, events that adversely affect our vendors could impair our ability to obtain desired merchandise in sufficient quantities. Such events include difficulties or problems associated with our vendors' business, finances, labor, importation of products, costs, production, insurance and reputation.

Our failure to find store employees who can effectively operate our stores could adversely affect our business.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of store employees, including store managers, who understand and appreciate our corporate culture and customers, and are able to adequately and effectively represent this culture. The store employee turnover rate in the retail industry is generally high. Excessive store employee turnover will result in higher employee costs associated with finding, hiring and training new store employees. Moreover, improvement in general economic conditions may decrease the supply of part-time labor, which constitutes the majority of our store employee base. Our labor costs are subject to many external factors, including unemployment levels, prevailing wage rates, wage increases by our competitors, minimum wage laws, potential collective bargaining arrangements, health insurance costs and other insurance costs and changes in employment and labor legislation or other workplace regulation (including changes in entitlement programs such as health insurance and paid leave programs). Any increase in labor costs may adversely impact our profitability, or, if we fail to pay such higher wages, we could suffer increased employee turnover.

We are also dependent upon temporary personnel to adequately staff our stores and distribution facilities, with heightened dependence during busy periods such as the holiday season and when multiple new stores are opening. There can be no assurance that we will receive adequate assistance from our temporary personnel, or that there will be sufficient sources of suitable temporary personnel to meet our demand. Any such failure to meet our staffing needs or any material increases in employee turnover rates could have a material adverse effect on our business or results of operations.

Our results may be adversely affected by fluctuations in energy prices.

Increases in energy costs may result in an increase in our transportation costs for distribution, utility costs for our stores and costs to purchase our products from suppliers, as well as reductions in the amount of disposable income available to customers and the use of automobiles, thereby reducing traffic to our stores. A sustained rise in energy costs could adversely affect consumer spending and demand for our products and increase our operating costs, both of which could have an adverse effect on our performance.

Parties with whom we do business may be subject to insolvency risks which could negatively impact our liquidity.

Many economic and other factors are outside of our control, including but not limited to commercial credit availability. These factors also affect our vendors who, in many cases, depend upon commercial credit to finance their operations. If they are unable to secure commercial financing, our vendors could seek to change the terms on which they sell to us, which could negatively affect our liquidity. In addition, the inability of vendors to access liquidity, or the insolvency of vendors, could lead to their failure to deliver merchandise to us.

Although we purchase most of our inventory from vendors domestically, apparel production is located primarily overseas.

We do not own or operate any manufacturing facilities. As a result, we are dependent upon the timely receipt of quality merchandise from suppliers and vendors. Factors which affect overseas production could affect our suppliers and vendors and, in turn, our ability to obtain inventory and the price levels at which they may be obtained. Although such factors apply equally to our competitors, factors that cause an increase in merchandise costs or a decrease in supply could lead to generally lower sales and gross margins in the retail industry.

Such factors include:

- political or labor instability in countries where suppliers are located or at foreign and domestic ports which could result in lengthy shipment delays, which, if timed ahead of the Fall and Winter peak selling periods, could materially and adversely affect our ability to stock inventory on a timely basis;
- political or military conflict involving apparel producing countries, which could cause a delay in the transportation of our products to us and an increase in transportation costs;
- heightened terrorism security concerns, which could subject imported goods to additional, more frequent or more thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods;
- disease epidemics, outbreaks and other health related concerns, which could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargoing of goods produced in infected areas;
- natural disasters and industrial accidents, which could have the effect of curtailing production and disrupting supplies;
- increases in labor and production costs in goods-producing countries, which would result in an increase in our inventory costs;
- the migration and development of manufacturers, which can affect where our products are or will be produced;
- fluctuation in our suppliers' local currency against the dollar, which may increase our cost of goods sold; and
- changes in import duties, taxes, charges, quotas, loss of "most favored nation" trading status with the United States for a particular foreign country and trade restrictions (including the United States imposing antidumping or countervailing duty orders, safeguards, remedies or compensation and retaliation due to illegal foreign trade practices).

Any of the foregoing factors, or a combination thereof could have a material adverse effect on our business.

Our business would be disrupted severely if either of our primary distribution centers were to shut down.

During Fiscal 2014, we extended central distribution services to approximately 92% of our merchandise units through our distribution facilities. Our two primary distribution centers are currently located in Edgewater Park, New Jersey and San Bernardino, California. Most of the merchandise we purchase is shipped directly to our distribution centers, where it is prepared for shipment to the appropriate stores. The success of our stores depends on their timely receipt of merchandise. If either of our current primary distribution centers were to shut down or lose significant capacity for any reason, our operations would likely be disrupted. Although in such circumstances our stores are capable of receiving inventory directly from suppliers via drop shipment, we would incur significantly higher costs and a reduced ability to control inventory levels during the time it takes for us to reopen or replace either of our primary distribution centers.

Software used for our management information systems may become obsolete, conflict with the requirements of newer hardware and may cause disruptions in our business.

We rely on our existing management information systems, including some software programs that were developed in-house by our employees, in operating and monitoring all major aspects of our business, including sales, distribution, purchasing, inventory control, merchandising planning and replenishment, as well as various financial systems. If we fail to maintain or update such software to meet the demands of changing business requirements or if we decide to modify or change our hardware and/or operating systems and the software programs that were developed in-house are not compatible with the new hardware or operating systems, disruption to our business may result.

Failure to operate and maintain currently deployed information systems or implement new technologies effectively could disrupt our business or reduce our sales or profitability.

The efficient operation of our business is dependent on our information systems. If an act of God, interference by computer hackers or another event caused our information systems to not function properly, major business disruptions could occur. In particular, we rely on our information systems to effectively manage sales, distribution, merchandise planning and allocation functions. We have some redundant capabilities across our data center in Edgewater, New Jersey, our corporate headquarters campus consisting of two locations in Florence and Burlington, New Jersey, respectively, and at a Disaster Recovery Center located in Chicago, Illinois. If a disaster impacts either corporate location, while it most likely would not fully incapacitate us, our operations could be significantly affected. System redundancy and recovery is targeted to support the most critical aspects of running our business, but our disaster recovery planning may be ineffective, insufficient or inadequate to address all eventualities.

The failure of our information systems and the third party systems we rely on to perform as designed, or our failure to implement and operate them effectively, could disrupt our business or subject us to liability and thereby harm our sales and profitability.

Unauthorized disclosure of sensitive or confidential information, whether through a breach of our computer system or otherwise, could severely hurt our business.

As part of our normal course of business we collect, process and retain sensitive and confidential information from individuals, such as our customers and associates, and we process customer payment card and check information. We rely on commercially available systems, software, tools and monitoring to provide security and oversight for processing, transmission, storage and the protection of confidential information.

Despite the security measures we have in place, our facilities and systems, and those of third parties with which we do business, may be vulnerable to security breaches, acts of vandalism and theft, computer viruses, misplaced or lost data, programming and/or human errors, or other similar events.

Electronic security attacks designed to gain access to sensitive information by breaching mission critical systems of large organizations are constantly evolving, and high profile electronic security breaches leading to unauthorized release of confidential information have occurred recently at a number of major U.S. companies. Computer hackers may attempt to penetrate our computer systems or the systems of third parties with which we do business and, if successful, misappropriate personal information, payment card or check information or confidential business information. In addition, our associates, contractors or third parties with which we do business or to which we outsource business operations may attempt to circumvent our security measures in order to misappropriate such information, and may purposefully or inadvertently cause a breach involving such information. Despite advances in security hardware, software, and encryption technologies, computer hackers are continuously developing new tools and methods that may increase the risk of a breach.

While we continue to invest in the protection of our information technology by implementing and maintaining what we believe are adequate security procedures and controls over financial and other individually identifiable customer, employee and vendor data provided to us, such procedures and controls may not be effective. An electronic security breach in our systems (or in the systems of third parties with which we do business) that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur and have a material adverse effect on our reputation and lead to financial losses from remedial actions, loss of business or potential liability, including possible punitive damages. In addition, as the regulatory environment relating to retailers and other companies' obligation to protect such sensitive data becomes stricter, a material failure on our part to comply with applicable regulations could subject us to fines or other regulatory sanctions and potentially to lawsuits.

Changes in product safety laws may adversely impact our operations.

We are subject to regulations by a variety of state and federal regulatory authorities, including the Consumer Product Safety Commission. The Consumer Product Safety Improvement Act of 2008 (CPSIA) imposes limitations on the permissible amounts of lead and phthalates allowed in children's products. These laws and regulations relate principally to product labeling, licensing requirements, flammability testing, and product safety particularly with respect to products used by children. In the event that we are unable to timely comply with regulatory changes, including those pursuant to the CPSIA, significant fines or penalties could result, which could adversely affect our operations.

Our future growth and profitability could be adversely affected if our advertising and marketing programs are not effective in generating sufficient levels of customer awareness and traffic.

We rely on print and television advertising to increase consumer awareness of our product offerings and pricing to drive store traffic. In addition, we rely and will increasingly rely on other forms of media advertising, including, without limitation, social media and e-marketing. Our future growth and profitability will depend in large part upon the effectiveness and efficiency of our advertising and marketing programs. In order for our advertising and marketing programs to be successful, we must:

- manage advertising and marketing costs effectively in order to maintain acceptable operating margins and return on our marketing investment; and
- convert customer awareness into actual store visits and product purchases.

Our planned advertising and marketing expenditures may not result in increased total or comparable net sales or generate sufficient levels of product awareness. Further, we may not be able to manage our advertising and marketing expenditures on a cost-effective basis. Additionally, some of our competitors may have substantially larger marketing budgets, which may provide them with a competitive advantage over us.

Use of social media may adversely impact our reputation or subject us to fines or other penalties.

There has been a substantial increase in the use of social media platforms and similar devices, including blogs, social media websites, and other forms of internet-based communications, which allow individuals access to a broad audience of consumers and other interested persons. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of theses platforms and devices could adversely impact our reputation or subject us to fines or other penalties.

Consumers value readily available information concerning retailers and their goods and services and often act on such information without further investigation and without regard to its accuracy. Information concerning us may be posted on social media platforms and similar devices at any time and may be adverse to our reputation or business. The harm may be immediate without affording us an opportunity for redress or correction.

The loss of key personnel may disrupt our business and adversely affect our financial results.

We depend on the contributions of key personnel for our future success. Although we have entered into employment agreements with certain executives, we may not be able to retain all of our executive and key employees. These executives and other key employees may be hired by our competitors, some of which have considerably more financial resources than we do. The loss of key personnel, or the inability to hire and retain qualified employees, could adversely affect our business, financial condition and results of operations.

Circumstances limiting our ability to access capital markets could adversely affect our business or financial condition.

Changes in the credit and capital markets, including market disruptions, limited liquidity and interest rate fluctuations, may increase the cost of financing or restrict our access to this potential source of future liquidity. A decrease in the ratings that rating agencies assign to our short and long-term debt may also negatively impact our access to the debt capital markets and increase our cost of borrowing. These circumstances may negatively impact our access to capital markets, which could have a materially adverse impact on our business or financial condition.

There are claims made against us from time to time that can result in litigation or regulatory proceedings which could distract management from our business activities and result in significant liability or damage to our brand image.

We face the risk of litigation and other claims against us from time to time. Litigation and other claims may arise in the ordinary course of our business and include employee claims, commercial disputes, intellectual property issues, product-oriented allegations and slip and fall claims. At times, these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant management time. Litigation and other claims against us could result in unexpected expenses and liability, as well as materially adversely affect our operations and our reputation.

Like many retailers, we have been named in class or collective actions on behalf of various groups alleging violations of federal and state wage and hour and other labor statutes, and alleged violation of consumer and/or privacy protection statutes. In the normal course of business, we are also party to various other lawsuits and regulatory proceedings including, among others, commercial, product, product safety, employee, customer, intellectual property and other claims. Actions against us are in various procedural stages. Many of these proceedings raise factual and legal issues and are subject to uncertainties.

In the matter of *Burlington Coat Factory Song Beverly Cases* which is currently pending in the Superior Court of the State of California, Complex Division, County of Orange (Case No. JCCP No. 4681), plaintiff, on behalf of herself and others similarly situated, alleges that the Company is in violation of the California Civil Code for collecting personal information from customers in connection with the use of credit cards by such customers to pay for merchandise at the Company's stores. At trial held in January 2015, the Superior Court held that the Company was in violation of California law and set May 1, 2015 as the date for a conference to set a date for trial to determine the penalty to be assessed against the Company. The Company is unable to predict the amount of penalty that may be assessed by the court, in excess of the amount accrued, after its consideration of various factors, including, among others, how information was used, how much revenue was derived from the information, what procedures were in place to control the maintenance and dissemination of the information, the duration of the practice to collect information and other relevant factors; however, such penalty assessment could be material. As the state of the law in this area is unsettled and there are conflicting decisions in several cases brought against retailers under the Song Beverly law, the Company has not determined whether it will appeal the determination of the trial court and cannot predict whether an appeal may be successful. However, the Company intends to consider all alternatives including, among others, seeking a stay of proceedings by the trial court while the appellate court is considering an appeal in another case with similar facts, seeking to settle the matter with plaintiffs, seeking an interlocutory appeal in its own case and proceeding to trial on the penalty phase.

Changes in legal and accounting rules and regulations may adversely affect our results of operations.

We are subject to numerous legal and accounting requirements. New accounting rules or regulations and varying interpretations of existing accounting rules or regulations have occurred and may occur in the future, including those related to the convergence of accounting principles generally accepted in the United States of America (GAAP) and International Financial Reporting Standards. Future changes to accounting rules or regulations and failure to comply with laws and regulations could adversely affect our operations and financial results, involve significant expense and divert management's attention and resources from other matters, which in turn could impact our business.

Our substantial indebtedness requires a significant amount of cash. Our ability to generate sufficient cash depends on numerous factors beyond our control, and we may be unable to generate sufficient cash flow to service our debt obligations.

As of January 31, 2015, our total indebtedness was $1,250.4 million, including $1,161.5 million, inclusive of original issue discount, under our $1,200.0 million Senior Secured Term Loan Facility, pursuant to our term loan credit agreement (the Term Loan Credit Agreement) dated as of February 24, 2011, as amended, and $63.3 million under our ABL Line of Credit. Estimated cash required to make minimum debt service payments (including principal and interest) for these debt obligations amounts to approximately $51.7 million for the fiscal year ended January 30, 2016.

Our ability to make payments on and to refinance our debt and to fund planned capital expenditures will depend on our ability to generate cash in the future, which is to some extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we are unable to generate sufficient cash flow to service our debt and meet our other commitments, we will be required to adopt one or more alternatives, such as refinancing all or a portion of our debt, selling material assets or operations or raising additional debt or equity capital. We may not be able to successfully carry out any of these actions on a timely basis, on commercially reasonable terms or at all, or be assured that these actions would be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt agreements, including the ABL Line of Credit and the Term Loan Credit Agreement, may restrict us from affecting any of these alternatives.

If we fail to make scheduled payments on our debt or otherwise fail to comply with our covenants, we would be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable;
- our secured debt lenders could terminate their commitments and commence foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

Our failure to comply with the agreements relating to our outstanding indebtedness, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our results of operations and our financial condition.

If there were an event of default under any of the agreements relating to our outstanding indebtedness, the holders of the defaulted debt could cause all amounts outstanding, with respect to that debt, to be due and payable immediately. Our assets or cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our secured indebtedness, the holders of such debt could proceed against the collateral securing that indebtedness. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments.

Risks Related to Ownership of Our Common Stock

Anti-takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that stockholders might consider favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of the Company more difficult without the approval of our Board of Directors. These provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;
- prohibit stockholder action by written consent, requiring all stockholder actions be taken at a meeting of our stockholders;
- provide that the Board of Directors is expressly authorized to make, alter or repeal our amended and restated bylaws;
- establish advance notice requirements for nominations for elections to our Board of Directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- establish a classified Board of Directors, as a result of which our Board of Directors is divided into three classes, with each class serving for staggered three-year terms, which prevents stockholders from electing an entirely new Board of Directors at an annual meeting;
- limit the ability of stockholders to remove directors;
- prohibit stockholders from calling special meetings of stockholders; and
- require the approval of holders of at least 75% of the outstanding shares of our voting common stock to amend the amended and restated bylaws and certain provisions of the amended and restated certificate of incorporation.

These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the Company, even if doing so would benefit our stockholders. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our by-laws, or (iv) any other action asserting a claim against us that is governed by the internal affairs doctrine.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our certificate of incorporation described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

Because we do not intend to pay cash dividends in the near term, stockholders may not receive any return on investment unless they are able to sell their common stock for a price greater than their purchase price.

The continued operation and expansion of our business will require substantial funding. Accordingly, we do not anticipate that we will pay any cash dividends on shares of our common stock in the near term. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon results of operations, financial condition, contractual restrictions, including those under our ABL Line of Credit and Term Loan Credit Agreement, any potential indebtedness we may incur, restrictions imposed by applicable law and other factors our Board of Directors deems relevant. Accordingly, if stockholders purchase shares of our common stock, realization of a gain on investment will depend on the appreciation of the price of our common stock, which may never occur. Investors seeking cash dividends in the foreseeable future should not purchase our common stock.

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our obligations.

We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash dividends and distributions and other transfers from our subsidiaries to meet our obligations. The deterioration of income from, or other available assets of, our subsidiaries for any reason could limit or impair their ability to pay dividends or other distributions to us.

Item 1B. Unresolved Staff Comments

Not Applicable.

Item 2. Properties

We own the land and/or buildings for 40 of our stores and have leases for 504 of our stores. Most of our store leases expire at various dates after five or ten-year terms, the majority of which are subject to our option to renew such leases for several additional five-year periods. Store leases generally provide for fixed monthly rental payments, plus the payment, in most cases, of real estate taxes and other charges with escalation clauses. In many locations, our store leases contain formulas providing for the payment of additional rent based on sales. Most of our stores are located in malls, strip shopping centers, regional power centers or are freestanding.

We own approximately 97 acres of land in Burlington and Florence, New Jersey on which we have constructed our corporate headquarters campus, which includes our new corporate headquarters, our previous corporate headquarters and our Burlington warehouse facility. We also own approximately 43 acres of land in Edgewater Park, New Jersey on which we have constructed a distribution center and office facility of approximately 648,000 square feet. We also lease a 660,000 square foot distribution facility in San Bernardino, California. We currently lease two additional warehousing facilities for storage/support purposes in New Jersey and California, with a combined square footage of 1,478,000 square feet. We also lease approximately 35,000 square feet of office space in New York City.

The following table identifies the years in which our leases (exclusive of distribution and corporate leased locations), existing at January 31, 2015, expire, showing both expiring leases for which we have no renewal options available and expiring leases for which we have renewal options available. For purposes of this table, only the expiration dates of the current lease term (exclusive of any available options) are identified. Historically, we have been able to renew a large number of our expiring leases each year.

Fiscal Year Ending	Number of Leases Expiring with No Additional Renewal Options	Number of Leases Expiring with Additional Renewal Options
2015—2016	8	85
2017—2018	14	117
2019—2020	10	123
2021—2022	5	43
2023—2024	5	47
Thereafter to 2078	8	39
Total	50	454

Item 3. Legal Proceedings

Like many retailers, the Company has been named in class or collective actions on behalf of various groups alleging violations of federal and state wage and hour and other labor statutes, and alleged violation of state consumer and/or privacy protection statutes. In the normal course of business, we are also party to various other lawsuits and regulatory proceedings including, among others, commercial, product, product safety, employee, customer, intellectual property and other claims. Actions against us are in various procedural stages. Many of these proceedings raise factual and legal issues and are subject to uncertainties.

In the matter of *Burlington Coat Factory Song Beverly Cases* which is currently pending in the Superior Court of the State of California, Complex Division, County of Orange (Case No. JCCP No. 4681), plaintiff, on behalf of herself and others similarly situated, alleges that the Company is in violation of the California Civil Code for collecting personal information from customers in connection with the use of credit cards by such customers to pay for merchandise at the Company's stores. At trial held in January 2015, the Superior Court held that the Company was in violation of California law and set May 1, 2015 as the date for a conference to set a date for trial to determine the penalty to be assessed against the Company. The Company is unable to predict the amount of penalty that may be assessed by the court, in excess of the amount accrued, after its consideration of various factors, including, among others, how information was used, how much revenue was derived from the information, what procedures were in place to control the maintenance and dissemination of the information, the duration of the practice to collect information and other relevant factors; however, such penalty assessment could be material. As the state of the law in this area is unsettled and there are conflicting decisions in several cases brought against retailers under the Song Beverly law, the Company has not determined whether it will appeal the determination of the trial court and cannot predict whether an appeal may be successful. However, the Company intends to consider all alternatives including, among others, seeking a stay of proceedings by the trial court while the appellate court is considering an appeal in another case with similar facts, seeking to settle the matter with plaintiffs, seeking an interlocutory appeal in its own case and proceeding to trial on the penalty phase.

To determine the likelihood of a loss and/or the measurement of any loss can be complex. Consequently, we are unable to estimate the range of reasonably possible loss in excess of amounts accrued. Our assessments are based on estimates and assumptions that have been deemed reasonable by management, but the assessment process relies heavily on estimates and assumptions that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions. The ultimate outcome of the case could have a material adverse effect on the Company's results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock began trading on the New York Stock Exchange under the symbol "BURL" on October 2, 2013. Prior to that time, there was no public market for our common stock. The following table sets forth, for the periods indicated below, the quarterly high and low sales prices per share of our common stock since October 2, 2013.

Fiscal 2013	High	Low
Third Quarter (ending November 2, 2013)	$28.00	$22.61
Fourth Quarter (ending February 1, 2014)	$32.98	$21.54

Fiscal 2014	High	Low
First Quarter (ending May 3, 2014)	$32.55	$23.88
Second Quarter (ending August 2, 2014)	$33.59	$26.77
Third Quarter (ending November 1, 2014)	$42.61	$32.07
Fourth Quarter (ending January 31, 2015)	$52.14	$40.73

Holders

As of March 13, 2015, we had 154 holders of record of our common stock.

Dividends

In February 2013, net proceeds from the offering of $350.0 million aggregate principal amount of Senior Notes due 2018 (Holdco Notes) were used to pay a special cash dividend of $336.0 million to the holders of our Class A common stock and Class L common stock on a pro rata basis. Prior to our initial public offering in October 2013, each outstanding share of our Class A common stock was automatically cancelled and then each outstanding share of our Class L common stock was automatically converted into one share of our Class A common stock. We then effected an 11-for-1 split of our Class A common stock and then reclassified our Class A common stock into common stock.

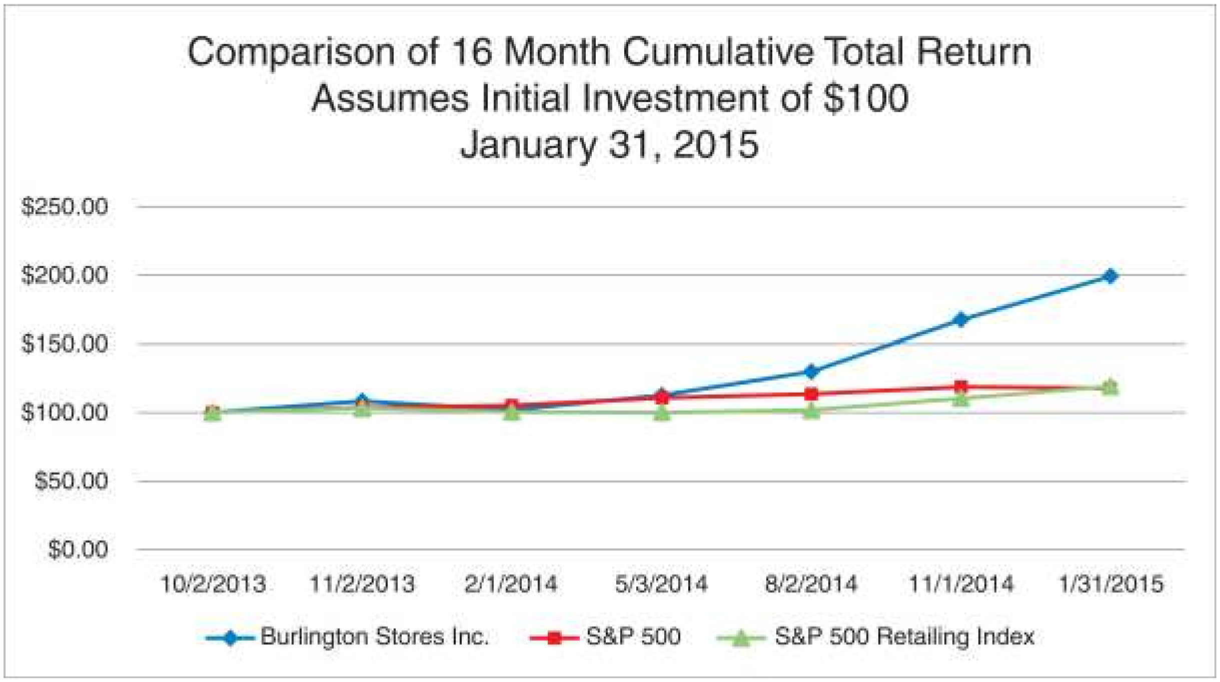
We currently do, and intend to continue to, retain all available funds and any future earnings to fund the development and growth of our business and pay down debt as appropriate. Therefore, at this time, we do not anticipate paying cash dividends in the near term. Our ability to pay dividends on our common stock will be limited by restrictions on the ability of our subsidiaries and us to pay dividends or make distributions under the terms of current and any future agreements governing our indebtedness. Any future determination to pay dividends will be at the discretion of our Board of Directors, subject to compliance with covenants in our current and future agreements governing our indebtedness, and will depend upon our results of operations, financial condition, capital requirements and other factors that our Board of Directors deems relevant.

In addition, since we are a holding company, substantially all of the assets shown on our consolidated balance sheets are held by our subsidiaries. Accordingly, our earnings, cash flow and ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

Stock Performance Graph

The performance graph below and related information shall not be deemed "soliciting material" or to be "filed" with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, (the Exchange Act), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

The following graph compares the cumulative total stockholder return on our common stock from October 2, 2013 (the date our common stock commenced trading on the New York Stock Exchange) through January 31, 2015, with the return on the Standard & Poor's (S&P) 500 Index and the S&P Retailing Index over the same period. This graph assumes an initial investment of $100 and assumes the reinvestment of dividends, if any. Such returns are based on historical results and are not intended to suggest future performance.



	Base Period	Indexed Returns for Quarters Ended					
Company / Index	October 2, 2013	November 2, 2013	February 1, 2014	May 3, 2014	August 2, 2014	November 1, 2014	January 31, 2015
Burlington Stores, Inc.	$ 100.00	$ 108.60	$ 102.28	$112.75	$130.15	$ 167.69	$ 199.48
S&P 500 Index	$ 100.00	$ 104.00	$ 105.24	$111.06	$113.65	$ 119.14	$ 117.78
S&P Retailing Index	$ 100.00	$ 103.32	$ 100.62	$100.42	$101.85	$ 110.66	$ 119.48

Table of Contents

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding our purchases of common stock during the three fiscal months ended January 31, 2015:

Month	Total Number of Shares Purchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
November 2, 2014 through November 29, 2014	—	$ —	*	*
November 30, 2014 through January 3, 2015	—	—	*	*
January 4, 2015 through January 31, 2015	2,142	51.60	*	*
Total	2,142		*	*

* These amounts are not applicable as we do not have a share repurchase program in effect.

(1) Common stock purchased during the three fiscal months ended January 31, 2015 represents shares which were withheld for tax payments due upon the vesting of employee restricted stock awards.

Item 6. Selected Financial Data

The following table presents selected historical consolidated financial data and certain other financial data. The historical consolidated balance sheet data and consolidated statement of operations data for Fiscal 2014, Fiscal 2013 and Fiscal 2012, and for the fiscal years ended January 28, 2012 (Fiscal 2011) and January 29, 2011 (Fiscal 2010) have been derived from our historical audited Consolidated Financial Statements.

The historical consolidated financial data and other financial data presented below should only be read in conjunction with our audited Consolidated Financial Statements (and the related notes thereto) and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, each of which are included elsewhere in this Form 10-K. Our historical consolidated financial data may not be indicative of our future performance.

	Fiscal Year Ended(1)				
	January 29, 2011	January 28, 2012	February 2, 2013	February 1, 2014	January 31, 2015
	(in thousands, except per share data)				
Consolidated Statement of Operations Data:					
Total Revenue	$3,701,089	$3,887,531	$4,165,504	$4,461,987	$4,849,634
Net Income (Loss)	$ 30,998	$ (6,272)	$ 25,301	$ 16,150	$ 65,955
Net Income (Loss) Per Share—Basic:					
Class L Stockholders	$ 21.09	$ 24.58	$ 28.76	$ 31.93	$ —
Common Stockholders	$ (0.15)	$ (0.26)	$ (0.24)	$ (0.26)	$ 0.89
Net Income (Loss) Per Share—Diluted:					
Class L Stockholders	$ 21.09	$ 24.58	$ 28.76	$ 31.93	$ —
Common Stockholders	$ (0.17)	$ (0.28)	$ (0.27)	$ (0.39)	$ 0.87

[Table of Contents](#)

	Fiscal Year Ended(1)				
	January 29, 2011	January 28, 2012	February 2, 2013	February 1, 2014	January 31, 2015
	(in thousands, except per share data)				
Consolidated Balance Sheet Data (end of the period):					
Inventory	644,228	682,260	680,190	720,052	788,708
Total Assets	2,458,008	2,501,143	2,478,082	2,621,092	2,624,569
Long Term Debt	1,358,021	1,605,464	1,335,532	1,369,159	1,249,276
Class L Common Stock(2)	790,755	884,945	1,029,189	—	—
Stockholders' Deficit(3)	(603,242)	(995,890)	(1,109,458)	(150,468)	(65,951)
Other Financial Data:					
Adjusted Net Income(4)	56,081	37,350	59,589	70,239	138,577
Adjusted EBITDA(5)	308,221	315,000	331,964	383,697	448,066
Comparable Store Sales (Decline) Growth(6)	(0.2)%	0.7%	1.2%	4.7%	4.9%
Gross Margin Rate	38.6%	38.7%	38.8%	39.1%	39.7%
Store Payroll as a Percentage of Net Sales(7)	10.1%	9.6%	9.7%	9.1%	8.8%
Cash Flow Increase (Decrease)	5,464	5,450	7,672	89,648	(107,635)
Working Capital(8)	386,196	337,901	104,799	80,604	26,566

(1) Fiscal years ended January 29, 2011, January 28, 2012, February 1, 2014 and January 31, 2015 consisted of 52 weeks. Fiscal year ended February 2, 2013 consisted of 53 weeks.

(2) Prior to our initial public offering, each outstanding share of the Company's Class A common stock was automatically cancelled, each outstanding share of the Company's Class L common stock was automatically converted into one share of the Company's Class A common stock, effected for an 11-for-1 split, and then reclassified into common stock.

(3) In February 2013, we declared a special cash dividend of approximately $336.0 million ($5.89/unit) to our stockholders from the proceeds of the offering of the Holdco Notes, payable to Class A and Class L stockholders on a pro rata basis. In February 2011, in connection with the offering of the Senior Notes by BCFWC and the refinancing of the Senior Secured Term Loan Facility, we declared a special cash dividend of approximately $300.0 million ($5.40 per unit), in the aggregate, payable to Class A and Class L stockholders on a pro rata basis.

(4) We define Adjusted Net Income as net income (loss), exclusive of the following items: (i) net favorable lease amortization; (ii) costs related to debt amendments, Secondary Offerings, termination of Advisory Agreement and other; (iii) stock option modification expense; (iv) loss on extinguishment of debt; (v) impairment charges; (vi) advisory fees; (vii) litigation accruals charged during the fourth quarter of Fiscal 2014 for Song Beverly and (viii) other unusual, non-recurring or extraordinary expenses, losses or charges, all of which are tax effected to arrive at Adjusted Net Income.

(5) We define Adjusted EBITDA as net income (loss), exclusive of (i) interest expense, net, (ii) loss on extinguishment of debt, (iii) income tax expense (benefit), (iv) depreciation and amortization, (v) impairment charges, (vi) advisory fees, (vii) stock option modification expense, (viii) costs related to debt amendments, termination of our Advisory Agreement and other, (iv) other unusual, non-recurring or extraordinary expenses, losses or charges and (v) other unusual, non-recurring or extraordinary expenses, losses or charges.

(6) We define comparable store sales as sales of those stores, including online sales, commencing on the first day of the fiscal month one year after the end of their grand opening activities, which normally conclude within the first two months of operations.

(7) During Fiscal 2014, we changed our definition of store payroll to exclude payroll associated with our loss prevention team. This change aligns our external reporting of store payroll with how the metric is reviewed internally by senior management. Under the previous definition, store payroll as a percentage of net sales was 10.3% during Fiscal 2010, 10.1% during Fiscal 2011, 10.2% during Fiscal 2012, 9.5% during Fiscal 2013 and 9.2% during Fiscal 2014.

(8) We define working capital as current assets (excluding restricted cash) minus current liabilities.

Table of Contents

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For purposes of the following "Management's Discussion and Analysis of Financial Condition and Results of Operations," unless the context requires otherwise, references to "the Company," "we," "our," or "us" refer to Burlington Stores, Inc., and its consolidated subsidiaries. "Parent" refers to Burlington Stores, Inc. alone, "Holdings" refers to Burlington Coat Factory Investments Holdings, Inc., Parent's indirect, wholly-owned subsidiary, and "BCFWC" refers to Burlington Coat Factory Warehouse Corporation, Holdings' direct, wholly-owned subsidiary.

The following discussion summarizes the significant factors affecting our consolidated operating results, financial condition, liquidity and cash flows as of and for the periods presented below. The following discussion and analysis should be read in conjunction with the "Selected Financial Data" and our Consolidated Financial Statements, including the notes thereto, appearing elsewhere in this report.

In addition to historical information, this discussion and analysis contains forward-looking statements based on current expectations that involve risks, uncertainties and assumptions, such as our plans, objectives, expectations, and intentions set forth under the caption entitled "Cautionary Statement Regarding Forward-Looking Statements," which can be found in Item 1A, Risk Factors. Our actual results and the timing of events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Item 1A, Risk Factors and elsewhere in this report.

General

We are a nationally recognized retailer of high-quality, branded apparel at everyday low prices. We opened our first store in Burlington, New Jersey in 1972, selling primarily coats and outerwear. Since then, we have expanded our store base to 542 stores as of January 31, 2015, inclusive of an internet store, in 44 states and Puerto Rico, and diversified our product categories by offering an extensive selection of in-season, fashion-focused merchandise, including: women's ready-to-wear apparel, menswear, youth apparel, baby, footwear, accessories, home and coats. We acquire a broad selection of desirable, first-quality, current-brand, labeled merchandise directly from nationally-recognized manufacturers and other suppliers. For the fiscal year ended January 31, 2015, we generated total revenue of $4,849.6 million, net sales of $4,814.5 million, net income of $66.0 million, Adjusted Net Income and Adjusted EBITDA (as subsequently defined in this Form 10-K) of $138.6 million and $448.1 million, respectively.

Executive Summary

Overview of Fiscal 2014 Operating Results

Highlights from Fiscal 2014 compared with Fiscal 2013 include the following:

- We generated total revenues of $4,849.6 million compared with $4,462.0 million.
- Net sales increased $387.0 million to $4,814.5 million (inclusive of a 4.9% comparable store sales increase).
- Gross margin as a percentage of net sales improved to 39.7% compared with 39.1% which was partially offset by an approximate 40 basis point increase in product sourcing costs which are included in selling, general and administrative expenses.
- Selling, general and administrative expenses as a percentage of net sales increased to 31.6% compared with 31.4%, driven by an increase in our product sourcing costs and by the establishment of a litigation accrual for Song Beverly litigation.
- We were able to refinance our higher-interest rate senior notes with lower-interest rate term loans which led to a loss on the extinguishment of debt of $74.3 million compared with $16.1 million.

- We earned net income of $66.0 million compared with net income of $16.2 million.
- Adjusted Net Income (as subsequently defined in this Form 10-K) improved $68.3 million to $138.6 million.
- Adjusted EBITDA (as subsequently defined in this Form 10-K) increased $64.4 million to $448.1 million.

Debt Transactions

On April 4, 2014, Burlington Holdings, LLC (Holdings LLC) and Burlington Holdings Finance, Inc. (collectively the Issuers) redeemed $58.0 million aggregate principal amount of the $350.0 million aggregate principal amount of Senior Notes due 2018 (Holdco Notes). In connection with this transaction, we recorded a loss on the extinguishment of debt of $3.6 million, representing $1.2 million in redemption premiums and the write off of $1.5 million and $0.9 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item "Loss on Extinguishment of Debt" in our Consolidated Statements of Operations.

On August 13, 2014, we completed the refinancing of our Term Loan Facility, Senior Notes, Holdco Notes and ABL Line of Credit. As a result of these transactions, our Senior Notes and Holdco Notes, with carrying values of $450.0 million and $70.2 million, respectively, were redeemed in full. Additionally, the $830.6 million principal amount of term B-2 loans (Term B-2 Loans) outstanding on our Term Loan Facility were replaced with $1,200.0 million principal amount of term B-3 loans (Term B-3 Loans). Borrowings on our ABL Line of Credit related to these transactions were $217.0 million. In connection with these transactions, we recorded a loss on the extinguishment of debt of $70.3 million during the third quarter of Fiscal 2014, representing $45.1 million in redemption premiums and the write off of $19.5 million and $5.7 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item "Loss on Extinguishment of Debt" in our Consolidated Statements of Operations.

In January 2015, we elected to make a prepayment of $27.0 million on our Term Loan Facility, which offset the mandatory quarterly payments through April 29, 2017. In connection with this transaction, we recognized a non-cash loss on the partial extinguishment of debt of $0.3 million, representing the write off of $0.2 million and $0.1 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

Stockholders Agreement

On March 13, 2014, we, the managers named therein and certain affiliates of Bain Capital (referred to herein as the "investors") entered into an Amended and Restated Stockholders Agreement (the "Amended Agreement"). The Amended Agreement imposes restrictions on the sale of shares of our common stock subject to the Amended Agreement such that (i) all managers other than such managers who are Senior Vice Presidents or above and such other persons designated from time to time by our board of directors as "senior managers," may sell shares of our common stock subject to the Stockholders Agreement to the public, in accordance with applicable securities laws and our insider trading policy, as follows: up to 25% from and after adoption of Amended Agreement (the "Effective Date"), up to 50% from and after six months from the Effective Date, up to 75% from and after nine months from the Effective Date, and without quantity restriction from and after the one year anniversary of the Effective Date; and (ii) senior managers are prohibited from selling shares of our common stock other than in proportion to sales by the investors of our common stock. In accordance with the terms of the Amended Agreement, the foregoing restrictions expired in January 2015 upon the sale by the investors of two-thirds (2/3) of their original holdings of our common stock. The Amended Agreement provides that non-senior managers will (i) be released from the Amended Agreement from and after the first anniversary of the Effective Date, and (ii) not have piggyback registration rights on future registered offerings of our common stock by the investors. Senior managers retain piggyback registration rights.

Initial Public Offering

On October 7, 2013, we completed our initial public offering (the Offering) whereby 15,333,333 shares of common stock were sold to the public. The public offering price of the shares sold in the offering was $17.00 per share. Net proceeds from the offering, after deducting underwriting discounts and commissions and offering expenses (including a transaction fee under the Advisory Agreement (as defined herein) equal to 1% of the gross proceeds of the offering of $2.6 million), were $236.9 million.

Advisory Agreement

In connection with the purchase of the Company by Bain Capital in April of 2006, we entered into an advisory agreement with Bain Capital (the Advisory Agreement) pursuant to which Bain Capital provided management, consulting, financial and other advisory services. The Advisory Agreement had a 10-year initial term, and thereafter was subject to automatic one-year extensions unless the Company or Bain Capital provides written notice of termination, except that the agreement terminated automatically upon an initial public offering or a change of control of the Company. If the Advisory Agreement was terminated early, Bain Capital would be entitled to receive all unpaid fees and unreimbursed out-of-pocket expenses, as well as the present value of the periodic fee that would otherwise have been payable through the end of the 10-year term. The Advisory Agreement was terminated on October 2, 2013 in connection with the Offering. Pursuant to the termination, Bain Capital was paid a fee of $10.1 million which is included in the line item “Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other” in the Company’s Consolidated Statements of Operations. Prior to the termination of the Advisory Agreement, Bain Capital was paid a periodic fee of $1.0 million per fiscal quarter plus reimbursement for reasonable out-of-pocket expenses, and a fee equal to 1% of the transaction value of certain financing, acquisition, disposition or change of control or similar transactions by or involving the Company. During Fiscal 2014, fees paid to Bain Capital, representing reimbursement for out-of-pocket expenses, amounted to $0.2 million. During Fiscal 2013 and Fiscal 2012, fees paid to Bain Capital, primarily representing the quarterly fee, amounted to $2.9 million, exclusive of the termination fee, and $4.3 million, respectively. These amounts are recorded in the line item “Selling, General and Administrative Expenses” in the Company’s Consolidated Statements of Operations.

Secondary Offerings

On May 6, 2014, we closed a secondary public offering of our common stock, in which 12,000,000 shares of common stock were sold by certain of our stockholders. In connection with the May 6, 2014 offering, the selling stockholders granted the underwriters, and the underwriters subsequently exercised, an option to purchase 1,800,000 additional shares of common stock. In addition, on October 10, 2014, December 16, 2014 and January 16, 2015, we closed secondary public offerings of our common stock in which 8,000,000 shares, 8,000,000 shares and 12,500,000 shares of common stock, respectively, were sold by certain of our stockholders. Collectively, these transactions are referred to as the Secondary Offerings. All of the shares sold in the Secondary Offerings were offered by selling stockholders. We did not receive any of the proceeds from the Secondary Offerings. We incurred $1.8 million in costs related to the Secondary Offerings during Fiscal 2014, which are included in the line item “Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other” in our Consolidated Statements of Operations.

Store Openings, Closings and Relocations

During Fiscal 2014, we opened 23 new stores under the name “Burlington Stores” and one new store under the name “MJM Designer Shoes” and closed two Burlington Stores and one MJM Designer Shoes store. We continue to pursue our growth plans and invest in capital projects that meet our financial requirements. During the fiscal year ended January 30, 2016 (Fiscal 2015), we plan to open 25 net new stores.

Ongoing Initiatives for Fiscal 2015

We continue to focus on a number of ongoing initiatives aimed at increasing our overall profitability by improving our comparable store sales trends, increasing total sales growth and reducing expenses. These initiatives include, but are not limited to:

- **Driving Comparable Store Sales Growth.**

We intend to continue to increase comparable store sales through the following initiatives:

- *Continuing to Enhance Execution of the Off-Price Model.* We plan to drive comparable store sales by focusing on product freshness to ensure that we consistently deliver newness to the selling floors. We plan to continue to reduce comparable store inventories which we believe will result in faster inventory turnover. We maintain our ability to leverage our pack-and-hold program which is designed to take advantage of terrific buys of either highly desirable branded product or key seasonal merchandise for the next year. While the amount of goods we purchase on pack-and-hold is purely based on the right opportunities in the marketplace, this continues to be a great avenue to source product. We also intend to use our business intelligence systems to identify sell-through rates by product, capitalize on strong performing categories, identify and buy into new fashion trends and opportunistically acquire products in the marketplace.
- *Sharpening Focus on Our Core Female Customer.* We have focused on better serving our core female customer, a brand-conscious fashion enthusiast, aged 25-49, with an average annual household income of $25,000-$75,000, by improving our product offering, store merchandising and marketing focus on women's ready-to-wear apparel and accessories to capture incremental sales from our core female customer and become a destination for her across all categories. We believe that these efforts will increase the frequency of her visits and her average spend, further improving the comparable store sales performance in women's categories.
- *Continuing to Improve Our Customer Experience.* We have significantly enhanced the store experience and ease of shopping at all of our stores by implementing a comprehensive program focused on offering more brands and styles and simplifying store navigation. We have accomplished this by utilizing clear way-finding signs and distinct product signage, highlighting key brands and new arrivals, improving organization of the floor space, reducing rack density, facilitating quicker checkouts and delivering better customer service. We have made particular improvements in product size visibility, queuing and fitting rooms. To ensure consistent execution of our customer experience priorities, we have improved our store associate training and reorganized and strengthened our field management organization. We have also implemented operational audits to measure performance against clearly articulated operational standards. To date, stores that have achieved superior audit scores have generated materially higher comparable store sales.
- *Increasing Our e-Commerce Sales.* We have been selling to our customers online for more than a decade. We plan to leverage this heritage, along with our renewed focus on e-commerce, to expand our online assortment and utilize e-commerce strategies to drive incremental traffic to our stores.
- *Enhancing Existing Categories and Introducing New Categories.* We have opportunities to expand the depth and breadth of certain existing categories such as ladies' apparel, children's products and housewares and décor for the home, while continuing to remain the destination for coats, and maintaining the flexibility to introduce new categories such as bath and cosmetic merchandise.

- **Expanding and Enhancing Our Retail Store Base.**

We intend to expand and enhance our retail store base through the following initiatives:

- *Adhering to an Opportunistic Yet Disciplined Real Estate Strategy* . We have grown our store base consistently since our founding in 1972, developing more than 99% of our stores organically rather than through acquisition. We believe there is significant opportunity to expand our retail store base in the United States. In line with recent growth, our goal is to open approximately 25 net new stores annually and continue to do so for the foreseeable future.
- *Maintaining Focus on Unit Economics and Returns* . We have adopted a prudent approach to new store openings with a specific focus on achieving attractive unit economics and returns. This focus is demonstrated by the fact that the vast majority of our existing stores had positive Adjusted EBITDA for Fiscal 2014. By focusing on opening stores with attractive unit economics we are able to minimize costs associated with store relocations and closures, achieve attractive returns on capital and continue to grow our margins. We continue to explore the potential for modified store formats to provide incremental growth.
- *Enhancing the Store Experience Through Store Refreshes and Remodels* . Since 2006, 74% of our stores are either new, refreshed, remodeled or relocated. In our refreshed and remodeled stores, we have incorporated new flooring, painting, lighting and graphics, relocated our fitting rooms to maximize productive selling space and made various other improvements as appropriate by location. We continue to invest in store refreshes and remodels on a store-by-store basis where appropriate, taking into consideration the age, sales and profitability of a store, as well as the potential impact to the customer shopping experience.

- **Enhancing Operating Margins.**

We intend to increase our operating margins through the following initiatives:

- *Optimize Markdowns* . We believe that our markdown system allows us to maximize sales and gross margin dollars based on forward-looking sales forecasts, sell-through targets, and exit dates. This allows us to optimize markdowns at the style and color level by store cluster.
- *Enhance Purchasing Power* . We believe that our growth and West Coast buying office provide us with the opportunity to capture incremental buying opportunities and realize economies of scale in our merchandising and non-merchandising purchasing activities.
- *Drive Operating Leverage* . We believe that we will be able to leverage our growing sales over the fixed costs of our business. In addition, we are focused on continuing to improve the efficiency of our corporate and in-store operations. Furthermore, we expect operating costs to grow less rapidly in the future.

Uncertainties and Challenges

As management strives to increase profitability through achieving positive comparable store sales and leveraging productivity initiatives focused on improving the in-store experience, more efficient movement of products from the vendors to the selling floors, and modifying our marketing plans to increase our core customer base and increase our share of our current customers' spending, there are uncertainties and challenges that we face as an off-price retailer of apparel and accessories for men, women and children and home furnishings that could have a material impact on our revenues or income.

General Economic Conditions . Consumer spending habits, including spending for the merchandise that we sell, are affected by, among other things, prevailing global economic conditions, inflation, levels of employment, salaries and wage rates, prevailing interest rates, housing costs, energy costs, commodities pricing, income tax rates and policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns may be influenced by consumers' disposable income, credit availability and debt levels.

An incremental slowdown in the U.S. economy, an uncertain global economic outlook or an expanded credit crisis could adversely affect consumer spending habits resulting in lower net sales and profits than expected on a quarterly or annual basis. Consumer confidence is also affected by the domestic and international political situation. Our financial condition and operations could be impacted by changes in government regulations in areas including, but not limited to, taxes and healthcare. The outbreak or escalation of war, or the occurrence of terrorist acts or other hostilities in or affecting the U.S., could lead to a decrease in spending by consumers. In addition, natural disasters, industrial accidents and acts of war in various parts of the world could have the effect of disrupting supplies and raising prices globally which, in turn, may have adverse effects on the world and U.S. economies and lead to a downturn in consumer confidence and spending.

We closely monitor our net sales, gross margin, expenses and working capital. We have performed scenario planning such that if our net sales decline, we have identified variable costs that could be reduced to partially mitigate the impact of these declines. If we were to experience adverse economic trends and/or if our efforts to counteract the impacts of these trends are not sufficiently effective, there could be a negative impact on our financial performance and position in future fiscal periods.

Competition and Margin Pressure . We believe that in order to remain competitive with off-price retailers and discount stores, we must continue to offer brand-name merchandise at a discount from traditional department stores as well as an assortment of merchandise that is appealing to our customers.

The U.S. retail apparel and home furnishings markets are highly fragmented and competitive. We compete for business with department stores, off-price retailers, specialty stores, discount stores, wholesale clubs, and outlet stores. At various times throughout the year, traditional full-price department store chains and specialty shops offer brand-name merchandise at substantial markdowns, which can result in prices approximating those offered by us at our Burlington Stores. We anticipate that competition will increase in the future. Therefore, we will continue to look for ways to differentiate our stores from those of our competitors.

The U.S. retail industry continues to face increased pressure on margins as overall challenging retail conditions have led consumers to be more value conscious. Our "open to buy" paradigm, in which we purchase both pre-season and in-season merchandise, allows us the flexibility to purchase less pre-season with the balance purchased in-season and opportunistically. It also provides us with the flexibility to shift purchases between suppliers and categories. This enables us to obtain better terms with our suppliers, which we expect to help offset any rising costs of goods.

Changes to import and export laws could have a direct impact on our operating expenses and an indirect impact on consumer prices and we cannot predict any future changes in such laws.

Seasonality of Sales and Weather Conditions . Our sales, like most other retailers, are subject to seasonal influences, with the majority of our sales and net income derived during the months of September through January, which includes the back-to-school and holiday seasons.

Weather continues to be a contributing factor to the sale of our clothing. Generally, our sales are higher if the weather is cold during the Fall and warm during the early Spring. Sales of cold weather clothing are increased by early cold weather during the Fall, while sales of warm weather clothing are improved by early warm weather conditions in the Spring. Although we have diversified our product offerings, we believe traffic to our stores is still driven by weather patterns.

Key Performance Measures

We consider numerous factors in assessing our performance. Key performance measures used by management include Adjusted Net Income, Adjusted EBITDA, comparable store sales, gross margin, inventory, store payroll as a percentage of net sales and liquidity.

Adjusted Net Income and Adjusted EBITDA : Adjusted Net Income and Adjusted EBITDA are non-GAAP financial measures of our performance.

We present Adjusted Net Income and Adjusted EBITDA because we believe they are useful supplemental measures in evaluating the performance of our business and provide greater transparency into our results of operations. In particular, we believe that excluding certain items that may vary substantially in frequency and magnitude from operating income are useful supplemental measures that assist in evaluating our ability to generate earnings and leverage sales and to more readily compare these metrics between past and future periods.

Adjusted Net Income has limitations as an analytical tool, and should not be considered either in isolation or as a substitute for Net Income (Loss) or other data prepared in accordance with GAAP. Some of these limitations include:

- Adjusted Net Income does not reflect the amortization of net favorable leases which are amortized over the life of the lease;
- Adjusted Net Income does not reflect costs related to debt amendments or Secondary Offerings that were expensed during the fiscal periods;
- Adjusted Net Income does not reflect expenses related to our May 2013 stock option modification;
- Adjusted Net Income does not reflect losses on the extinguishment of debt;
- Adjusted Net Income does not reflect impairment charges on long-lived assets;
- Adjusted Net Income does not reflect amounts charged during the fourth quarter of Fiscal 2014 for Song Beverly litigation;
- Adjusted Net Income does not reflect other unusual, non-recurring or extraordinary expenses, losses or charges; and
- Adjusted Net Income does not reflect costs related to the termination of our Advisory Agreement with Bain Capital or the annual advisory fees paid to Bain Capital pursuant to the Advisory Agreement that were expensed during the fiscal periods.

For Fiscal 2014, Adjusted Net Income improved $68.3 million, or 97.3%, to $138.6 million. This improvement was the result of our improved gross margin and a reduction in our interest expense, partially offset by increased costs, primarily selling, general and administrative expenses and income tax expense, net of the tax effect of the adjustments cited above (refer to the sections below entitled “Results of Operations” for further explanation).

For Fiscal 2013, Adjusted Net Income improved $10.7 million, or 17.9%, to $70.2 million. This improvement was the result of our improved gross margin, partially offset by increased costs, primarily selling, general and administrative expenses, interest expense and income tax expense, net of the tax effect of the adjustments cited above (refer to the sections below entitled “Results of Operations” for further explanation).

The following table shows our reconciliation of Net Income to Adjusted Net Income for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

	Fiscal Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
		(in thousands)	
Reconciliation of Net Income to Adjusted Net Income:			
Net Income	$ 65,955	$ 16,150	$ 25,301
Net Favorable Lease Amortization(a)	25,960	29,326	31,292
Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other(b)	2,412	23,026	4,175
Stock Option Modification Expense(c)	2,940	10,418	—
Loss on Extinguishment of Debt(d)	74,347	16,094	2,222
Impairment Charges(e)	2,579	3,180	11,539
Advisory Fees(f)	185	2,909	4,291
Litigation Accrual(g)	9,280	—	—
Tax Effect(h)	(45,081)	(30,864)	(19,231)
Adjusted Net Income	$ 138,577	$ 70,239	$ 59,589

(a) Net favorable lease amortization represents the non-cash amortization expense associated with favorable and unfavorable leases that were recorded as a result of purchase accounting related to the Merger Transaction, and are recorded in the line item “Depreciation and Amortization” in our Consolidated Statements of Operations.

(b) Costs are primarily related to advisory and professional fees associated with Amendments No. 2 and No. 3 to our Term Loan Credit Agreement in February 2013 and May 2013, respectively, as well as fees associated with the termination of our Advisory Agreement with Bain Capital and costs associated with Secondary Offerings during Fiscal 2014.

(c) Represents expenses incurred as a result of our May 2013 stock option modification. Refer to Note 12 to our Consolidated Financial Statements, “Stock-Based Compensation,” for further detail.

(d) Represents losses incurred in accordance with ASC Topic No. 470-50, “Debt Modifications and Extinguishments” (Topic No. 470), related to Amendment No. 3 to our Term Loan Credit Agreement in May 2013, and losses incurred in accordance with ASC Topic No. 405-20, “Extinguishments of Liabilities” (Topic No. 405), related to the partial redemptions of our Holdco Notes in November 2013 and April 2014, our April 2014 and January 2015 excess cash flow payments on our Senior Secured Term Loan Facility and our August 2014 debt refinancing.

(e) Represents impairment charges on long-lived assets.

(f) For Fiscal 2014, amounts represent reimbursement for out-of-pocket expenses that are payable to Bain Capital. For Fiscal 2013 and Fiscal 2012, amounts primarily represent the annual advisory fee of Bain Capital expensed during the fiscal periods in connection with our Advisory Agreement with Bain Capital which was terminated on October 2, 2013. All amounts are recorded in the line item “Selling, General and Administrative Expenses” in our Consolidated Statements of Operations. Refer to Note 18 to our Consolidated Financial Statements, “Related Party Transactions,” for further detail.

(g) Represents amounts charged during the fourth quarter of Fiscal 2014 for Song Beverly litigation as further described in Footnote 17, “Commitments and Contingencies.”

(h) Tax effect is calculated based on the effective tax rates (before discrete items) for the respective periods, adjusted for the tax effect for the tax impact of items (a) through (g).

Adjusted EBITDA has limitations as an analytical tool, and should not be considered either in isolation or as a substitute for net income or other data prepared in accordance with GAAP. Some of these limitations include:

- Adjusted EBITDA does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Adjusted EBITDA does not reflect losses on the extinguishment of debt;
- Adjusted EBITDA does not reflect costs related to debt amendments, Secondary Offerings or fees related to the termination of our Advisory Agreement with Bain Capital that were expensed during the fiscal periods;
- Adjusted EBITDA does not reflect expenses related to our May 2013 stock option modification;
- Adjusted EBITDA does not reflect annual advisory fees paid to Bain Capital that were expensed during the fiscal periods.
- Adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will likely have to be replaced in the future, and Adjusted EBITDA measures do not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not reflect impairment charges on long-lived assets;
- Adjusted EBITDA does not reflect amounts charged during the fourth quarter of Fiscal 2014 for Song Beverly litigation;
- Adjusted EBITDA does not reflect other unusual, non-recurring or extraordinary expenses, losses or charges; and
- Adjusted EBITDA does not reflect our income tax expense or the cash requirements to pay our taxes.

For Fiscal 2014, Adjusted EBITDA increased $64.4 million, or 16.8%, to $448.1 million. For Fiscal 2013, Adjusted EBITDA increased $51.7 million, or 15.6%, to $383.7 million. These improvements in Adjusted EBITDA were the result of our improved gross margin, partially offset by increased selling, general and administrative expenses (refer to the sections below entitled “Results of Operations” for further explanation).

The following table shows our reconciliation of Net Income to Adjusted EBITDA for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

	Fiscal Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
		(in thousands)	
Reconciliation of Net Income to Adjusted EBITDA:			
Net Income	$ 65,955	$ 16,150	$ 25,301
Interest Expense	83,745	127,739	113,927
Interest Income	(38)	(222)	(141)
Loss on Extinguishment of Debt(a)	74,347	16,094	2,222
Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other(b)	2,412	23,026	4,175
Stock Option Modification Expense(c)	2,940	10,418	—
Advisory Fees(d)	185	2,909	4,291
Depreciation and Amortization	167,580	168,195	166,786
Impairment Charges(e)	2,579	3,180	11,539
Litigation Accrual(f)	9,280	—	—
Tax Expense	39,081	16,208	3,864
Adjusted EBITDA	$ 448,066	$ 383,697	$ 331,964

(a) Represents losses incurred in accordance with Topic No. 470 related to Amendment No. 3 to our Term Loan Credit Agreement in May 2013, and losses incurred in accordance with Topic No. 405, related to the partial redemptions of our Holdco Notes in November 2013 and April 2014, our April 2014 and January 2015 excess cash flow payments on our Senior Secured Term Loan Facility and our August 2014 debt refinancing.

(b) Costs are primarily related to advisory and professional fees associated with Amendments No. 2 and No. 3 to our Term Loan Credit Agreement in February 2013 and May 2013, respectively, fees associated with the termination of our Advisory Agreement with Bain Capital and costs associated with Secondary Offerings during Fiscal 2014.

(c) Represents expenses incurred as a result of our May 2013 stock option modification. Refer to Note 12 to our Consolidated Financial Statements, “Stock-Based Compensation,” for further detail.

(d) For Fiscal 2014, amounts represent reimbursement for out-of-pocket expenses that are payable to Bain Capital. For Fiscal 2013 and Fiscal 2012, amounts primarily represent the annual advisory fee of Bain Capital expensed during the fiscal periods in connection with our Advisory Agreement with Bain Capital which was terminated on October 2, 2013. All amounts are recorded in the line item “Selling, General and Administrative Expenses” in our Consolidated Statements of Operations. Refer to Note 18 to our Consolidated Financial Statements, “Related Party Transactions,” for further detail.

(e) Represents impairment charges on long-lived assets.

(f) Represents amounts charged during the fourth quarter of Fiscal 2014 for Song Beverly litigation as further described in Footnote 17, “Commitments and Contingencies.”

Comparable Store Sales . Comparable store sales measure performance of a store during the current reporting period against the performance of the same store in the corresponding period of the previous year. The method of calculating comparable store sales varies across the retail industry. As a result, our definition of comparable store sales may differ from other retailers.

We define comparable store sales as sales of those stores, including our online store, commencing on the first day of the fiscal month one year after the end of their grand opening activities, which normally conclude within the first two months of operations. For Fiscal 2014, Fiscal 2013 and Fiscal 2012, we experienced increases in comparable store sales of 4.9%, 4.7% and 1.2%, respectively. During Fiscal 2012, 36 of our stores were closed for three or more days as a result of Superstorm Sandy. Given the length of time these stores were closed and the impact to their business after re-opening, we have removed these stores from our calculation of comparable stores sales for the month(s) in which the stores were closed for three or more days.

Various factors affect comparable store sales, including, but not limited to, weather conditions, current economic conditions, the timing of our releases of new merchandise and promotional events, the general retail sales environment, consumer preferences and buying trends, changes in sales mix among distribution channels, competition, and the success of marketing programs.

Gross Margin . Gross margin is the difference between net sales and the cost of sales. Our cost of sales and gross margin may not be comparable to those of other entities, since some entities include all of the costs related to their buying and distribution functions, and other costs, in cost of sales. We include certain of these costs in the line items “Selling, General and Administrative Expenses” and “Depreciation and Amortization” in our Consolidated Statements of Operations. We include in our “Cost of Sales” line item all costs of merchandise (net of purchase discounts and certain vendor allowances), inbound freight, distribution center outbound freight and certain merchandise acquisition costs, primarily commissions and import fees. Gross margin as a percentage of net sales during Fiscal 2014 and Fiscal 2013 was 39.7% and 39.1%, respectively. This improvement more than offset the 40 basis point increase in our product sourcing costs which are included in the line item “Selling, General and Administrative Expenses” in our Consolidated Statements of Operations. Gross margin as a percentage of net sales during Fiscal 2012 was 38.8%.

Inventory . Inventory at January 31, 2015 increased $68.6 million to $788.7 million from $720.1 million at February 1, 2014. This increase was primarily driven by our 21 net new stores opened during Fiscal 2014 as well as increased pack and hold inventory. These increases were partially offset by a decrease in average inventory per comparable store of 17.8% as a result of our ongoing initiative to reduce inventory levels, increase inventory turnover and ultimately drive sales.

In order to better serve our customers and maximize sales, we continue to refine our merchandising mix and inventory levels within our stores. By appropriately managing our inventories, we believe we will be better able to deliver a continual flow of fresh merchandise to our customers. We continue to move toward more productive inventories by increasing the amount of current inventory as a percent of total inventory.

Comparable store inventory turnover is a measure that indicates how efficiently inventory is bought and sold. It measures the length of time that we own our inventory. This is significant because usually the longer the inventory is owned, the more likely markdowns may be required to sell the inventory. Comparable store inventory turnover is calculated by dividing comparable store sales by the average comparable store retail value of inventory for the period being measured. The calculation is based on a rolling 13 month average of inventory and the last 12 months' comparable sales. Our comparable store inventory turnover rate (exclusive of warehouse inventory) increased to 4.9 turns per year during Fiscal 2014 compared with 4.0 turns per year during Fiscal 2013.

Store Payroll as a Percentage of Net Sales . Store payroll as a percentage of net sales measures our ability to manage our payroll in accordance with increases or decreases in net sales. The method of calculating store payroll varies across the retail industry. As a result, our store payroll as a percentage of net sales may differ from other retailers. We define store payroll as regular and overtime payroll for all store personnel as well as regional and territory personnel, exclusive of payroll charges related to corporate and warehouse employees. During the first quarter of Fiscal 2014, we changed our definition of store payroll to exclude payroll associated with our loss prevention team. These costs are now included in our product sourcing costs which are included in the line item "Selling, General and Administrative Expenses" in our Consolidated Statements of Operations. This change aligns our external reporting of store payroll with how the metric is reviewed internally by senior management. Under the current definition, store payroll as a percentage of net sales was 8.8% during Fiscal 2014 compared with 9.1% during Fiscal 2013 and 9.7% during Fiscal 2012. Under the previous definition, store payroll as a percentage of net sales was 9.2% during Fiscal 2014 compared with 9.5% during Fiscal 2013 and 10.2% during Fiscal 2012. The improvement in store payroll as a percentage of net sales was primarily driven by the benefit from efficiencies realized in our stores as we continue to simplify operating procedures and improve the execution within store operations.

Liquidity. Liquidity measures our ability to generate cash. Management measures liquidity through cash flow and working capital position. Cash flow is the measure of cash generated from or used in operating, financing, and investing activities. Cash and cash equivalents decreased $107.6 million during Fiscal 2014, resulting in a cash and cash equivalent balance of $25.3 million as of January 31, 2015 compared with an increase in cash and cash equivalents of $89.6 million during Fiscal 2013. The decrease in cash flows from Fiscal 2013 was driven by the net change in our debt obligations during Fiscal 2014 primarily related to our August 2014 refinancing transactions and an increase in our capital expenditures. These decreases in cash flows were partially offset by a reduction in our dividends paid and our improved operating results during Fiscal 2014. Refer to the section below entitled "Liquidity and Capital Resources" for further explanation.

Changes in working capital also impact our cash flows. Working capital equals current assets (exclusive of restricted cash) minus current liabilities. Working capital at January 31, 2015 decreased $54.0 million to $26.6 million from $80.6 million at February 1, 2014. The decrease in working capital was primarily attributable to a decrease in our cash and cash equivalents as discussed above, an increase on our accounts payable resulting from the timing of our inventory purchases and our 21 net new stores opened during Fiscal 2014 and an increase in our legal accruals, partially offset by an increase in our inventories as discussed above and the $58.0 million redemption of our Holdco Notes on April 4, 2014. Refer to the sections below entitled “Results of Operations” for further explanations.

Results of Operations

The following table sets forth certain items in the Consolidated Statements of Operations as a percentage of net sales for the periods indicated.

	Fiscal Year Ended January 31, 2015	February 1, 2014	February 2, 2013
Revenues:			
Net Sales	100.0%	100.0%	100.0%
Other Revenue	0.7	0.8	0.8
Total Revenue	100.7	100.8	100.8
Costs and Expenses:			
Cost of Sales	60.3	60.9	61.2
Selling, General and Administrative Expenses	31.6	31.4	31.8
Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other	—	0.5	0.1
Stock Option Modification Expense	0.1	0.2	—
Restructuring and Separation Costs	—	0.1	0.1
Depreciation and Amortization	3.4	3.8	4.0
Impairment Charges—Long-Lived Assets	0.1	0.1	0.3
Other Income, Net	(0.2)	(0.2)	(0.2)
Loss on Extinguishment of Debt	1.5	0.3	0.1
Interest Expense (Inclusive of Gain (Loss) on Interest Rate Cap Contracts)	1.7	2.9	2.8
Total Costs and Expenses	98.5	100.0	100.2
Income Before Income Tax Expense	2.2	0.8	0.6
Income Tax Expense	0.8	0.4	0.1
Net Income	1.4%	0.4%	0.5%

Performance for Fiscal Year (52 weeks) Ended January 31, 2015 Compared with Fiscal Year (52 weeks) Ended February 1, 2014

Net Sales

We experienced an increase in net sales for Fiscal 2014 of $387.0 million, or 8.7%, to $4,814.5 million. This increase was primarily attributable to the following:

- an increase in comparable store sales of $215.0 million, or 4.9%, to $4,569.0 million; and
- an increase of $185.2 million from new stores opened during Fiscal 2014 and stores previously opened that were not included in our comparable store sales; partially offset by
- a $13.2 million decrease related to the net impact of closed stores and other sales adjustments.

We believe that the comparable store sales increase was primarily due to our improved merchandise content and customer experience initiatives.

Other Revenue

Other revenue (consisting of rental income from leased departments, subleased rental income, layaway, alterations, other service charges and miscellaneous revenue items) increased $0.6 million to $35.1 million for Fiscal 2014 compared with $34.5 million for Fiscal 2013, driven by increased layaway sales volume.

Cost of Sales

Cost of sales as a percentage of net sales improved approximately 60 basis points during Fiscal 2014 driven by improved execution. This improvement was partially offset by an approximate 40 basis point increase in product sourcing costs, which are included in the line item "Selling, General and Administrative Expenses" in our Consolidated Statements of Operations. On a dollar basis, cost of sales increased $204.9 million, or 7.6%, during Fiscal 2014, primarily driven by our overall increase in sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses as a percentage of net sales increased to 31.6% during Fiscal 2014 driven by an increase in product sourcing costs, higher incentive compensation accruals and deterioration as a result of a legal accrual established during Fiscal 2014. These increases were partially offset by positive leverage achieved from comparable store sales and from store payroll initiatives executed during Fiscal 2014.

During Fiscal 2014, we changed the presentation of the amounts included within selling, general and administrative expenses in order to align our external reporting of these costs with how they are reviewed by senior management. Prior year amounts have been reclassified to conform to the current period presentation. Selling, general and administrative expenses are summarized in the table below:

	Fiscal Year Ended					
	January 31, 2015	Percentage of Net Sales	February 1, 2014	Percentage of Net Sales	$ Variance	% Change
	(in millions, except percentages)					
Store Related Costs	$ 1,005.4	20.9%	$ 940.3	21.2%	$ 65.1	6.9%
Product Sourcing Costs	204.1	4.2	168.1	3.8	36.0	21.4
Corporate Costs	158.3	3.3	132.0	3.0	26.3	19.9
Marketing and Strategy Costs	94.7	2.0	93.0	2.1	1.7	1.8
Other Selling, General and Administrative Expenses	58.4	1.2	58.4	1.3	—	—
Selling, General & Administrative Expenses	$ 1,520.9	31.6%	$ 1,391.8	31.4%	$ 129.1	9.3%

Store related costs as a percentage of net sales improved approximately 30 basis points during Fiscal 2014. This improvement was driven by positive leverage from our 4.9% increase in comparable store sales and reductions in store payroll of approximately 30 basis points driven by initiatives executed during Fiscal 2014.

On a dollar basis, the $65.1 million increase in store related costs was primarily driven by our 21 net new stores that have opened during Fiscal 2014 as well as stores that opened during Fiscal 2014 that did not operate for a full Fiscal 2013.

Product sourcing costs as a percentage of net sales increased approximately 40 basis points during Fiscal 2014. The increase in product sourcing costs as a percentage of net sales was driven by an increase in our supply chain and merchandising costs, inclusive of incentive compensation accruals, of approximately $35.3 million.

Corporate costs as a percentage of net sales increased approximately 30 basis points during Fiscal 2014 driven by an increase in our legal accrual of approximately 20 basis points, or $12.0 million on a dollar basis, for Song Beverly litigation as further described in Footnote 17, “Commitments and Contingencies,” and an increase in our incentive compensation accruals of approximately 10 basis points, or $8.5 million on a dollar basis, as a result of our operating results during Fiscal 2014 compared with Fiscal 2013.

Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other

During Fiscal 2014, costs related to debt amendments, Secondary Offerings, termination of Advisory Agreement and other totaled $2.4 million, primarily driven by $1.8 million of costs associated with the Secondary Offerings. Refer to Note 1 to our Consolidated Financial Statements, “Summary of Significant Accounting Policies,” for further details on our Secondary Offerings.

During Fiscal 2013, costs related to debt amendments, Secondary Offerings, termination of Advisory Agreement and other totaled $23.0 million, primarily related to $10.1 million of fees associated with the termination of our Advisory Agreement with Bain Capital, and $8.9 million and $2.6 million related to Amendments No. 2 and No. 3 to our Term Loan Credit Agreement in February 2013 and May 2013, respectively. Refer to Note 7, “Long Term Debt,” to our Consolidated Financial Statements further details on our amendments to our Term Loan Credit Agreement and Note 18, “Related Party Transactions,” to our Consolidated Financial Statements for further details on the termination of our Advisory Agreement with Bain Capital.

Stock Option Modification Expense

In May 2013, our Board of Directors, in order to mitigate the impact of the dividend on our option holders in connection with the issuance of the Holdco Notes and the related $336.0 million dividend in February 2013, approved a modification to the outstanding options, through a combination of exercise price reductions and cash payments to the option holders. Based on the terms of the modification, we will be required to make cash payments over the option holders’ vesting periods, which vary over the next three years. During Fiscal 2014, we recorded $0.6 million of expense related to these payments. We expect to recognize the remaining expense of $0.3 million, $0.1 million and less than $0.1 million during the fiscal years ended January 30, 2016, January 28, 2017 and February 3, 2018, respectively.

Additionally, upon application of modification accounting for the reduction in strike prices, which contemplates fair value of awards both before and after the modification, incremental non-cash stock option expense is expected to be recognized over the option holders’ vesting periods, which vary over the next three years. During Fiscal 2014, we recognized $2.3 million of incremental non-cash stock option expense. We expect to recognize the remaining non-cash stock option modification expense of $1.4 million, $0.7 million and $0.2 million during the fiscal years ended January 30, 2016, January 28, 2017 and February 3, 2018, respectively.

Depreciation and Amortization

Depreciation and amortization expense related to the depreciation and amortization of fixed assets and the amortization of favorable and unfavorable leases amounted to $167.6 million during Fiscal 2014 compared with $168.2 million during Fiscal 2013. The decrease in depreciation and amortization expense was primarily driven by the expiration dates of certain of our favorable leases, partially offset by our 21 net new stores that opened during Fiscal 2014.

Impairment Charges—Long-Lived Assets

Impairment charges related to long-lived assets were $2.6 million and $3.2 million during Fiscal 2014 and Fiscal 2013, respectively. We recorded impairment charges related to store-level assets for three stores during

Fiscal 2014 and seven stores during Fiscal 2013. During Fiscal 2014 and Fiscal 2013, we also recorded impairment charges for capital expenditures for previously impaired stores. Refer to Note 6 to our Consolidated Financial Statements, “Impairment Charges,” for further discussion.

The recoverability assessment related to these store-level assets requires various judgments and estimates including estimates related to future revenues, gross margin rates, store expenses and other assumptions. We base these estimates upon our past and expected future performance. We believe our estimates are appropriate in light of current market conditions. However, future impairment charges could be required if we do not achieve our current revenue or cash flow projections for each store.

Other Income, Net

Other income, net (consisting of investment income, gains and losses on disposition of assets, breakage income and other miscellaneous items) increased $1.8 million to $10.8 million during Fiscal 2014 compared with Fiscal 2013. The increase in other income was due to a $3.2 million settlement during Fiscal 2014 of a class action lawsuit relating to credit card interchange fees, partially offset by a decrease in breakage income as a result of a change in the redemption patterns of gift card usage. Refer to Note 1 to our Consolidated Financial Statements, “Summary of Significant Accounting Policies,” for further discussion.

Loss on Extinguishment of Debt

During Fiscal 2014, we recorded a loss on extinguishment of debt of $74.3 million, primarily driven by a $70.3 million loss as a result of our August 2014 refinancing transactions and a $3.6 million loss as a result of the April 4, 2014 partial redemption of our Holdco Notes. During Fiscal 2013, we recorded a loss on extinguishment of debt of $16.1 million, primarily driven by our November 2013 and January 2014 partial repayments on our Holdco Notes and Amendment No. 3 to our Term Loan Credit Agreement in May 2013. Refer to Note 7, “Long Term Debt,” to our Consolidated Financial Statements for further details on our debt transactions.

Interest Expense

Interest expense was $83.7 million for Fiscal 2014 compared with $127.7 million for Fiscal 2013. The $44.0 million decrease in interest expense was primarily driven by our principal repayments during Fiscal 2013 and Fiscal 2014 and our August 2014 debt refinancing where we replaced our higher-interest rate Senior Notes and Holdco Notes with lower-interest rate Term B-3 Loans. The decrease in our interest expense during Fiscal 2014 was driven by the following:

- a decrease of $21.8 million as a result of the $221.8 million, $58.0 million and $70.2 million redemptions of our Holdco Notes in November 2013, April 2014 and August 2014, respectively;
- a decrease of $20.9 million as a result of the $450.0 million redemption of our Senior Notes in August 2014; and
- a decrease of $3.5 million in amortization of deferred debt fees related to the redemptions described above; partially offset by
- an increase of $2.2 million related to our Term Loan Facility as a result of August 2014 refinancing which increased the principal balance outstanding on our Term Loan Facility from $830.6 million to $1,200.0 million.

Our average interest rates and average balances related to our Term Loan and our ABL Line of Credit for Fiscal 2014 compared with Fiscal 2013 are summarized in the table below:

	Fiscal Year Ended	
	January 31, 2015	February 1, 2014
Average Interest Rate—ABL Line of Credit	1.8%	2.1%
Average Interest Rate—Term Loan	4.3%	4.6%
Average Balance—ABL Line of Credit	$ 87.7 million	$ 35.4 million
Average Balance—Term Loan	$1,004.2 million	$869.2 million

Income Tax Expense

Income tax expense was $39.1 million for Fiscal 2014 compared with income tax expense of $16.2 million for Fiscal 2013. The effective tax rate was 37.2% related to pre-tax income of $105.0 million for Fiscal 2014, and the effective tax rate was 50.1% related to pre-tax income of $32.4 million for Fiscal 2013. The decrease in the effective tax rate for Fiscal 2014 was primarily due to the benefit of state credits relating to our new corporate headquarters of $2.5 million and a non-recurring expense of $2.7 million in the prior year relating to the write-off of deferred tax assets relating to stock compensation. Refer to Note 17 to our Consolidated Financial Statements, "Income Taxes," for further discussion.

Net Income

We earned net income of $66.0 million during Fiscal 2014 compared with net income of $16.2 million for Fiscal 2013. The increase in our net income position was primarily driven by our improved gross margin, partially offset by increased selling, general and administrative expenses.

Performance for Fiscal Year (52 weeks) Ended February 1, 2014 Compared with Fiscal Year (53 weeks) Ended February 2, 2013

Net Sales

We experienced an increase in net sales for Fiscal 2013 compared with Fiscal 2012. Consolidated net sales increased $296.1 million, or 7.2%, to $4,427.5 million for Fiscal 2013 from $4,131.4 million for Fiscal 2012. This increase was primarily attributable to:

- an increase in net sales of $187.2 million from new stores opened during Fiscal 2013 and stores previously opened that were not included in our comparable store sales; and
- an increase in comparable store sales of $185.8 million, or 4.7%, to $4,155.3 million, on a shifted basis; partially offset by
- a $76.9 million net decrease related to net sales as a result of the 53rd week of Fiscal 2012, closed stores and other sales adjustments.

We believe that the comparable store sales increase was primarily due to our improved merchandise content and customer experience initiatives.

Other Revenue

Other revenue increased $0.4 million to $34.5 million for Fiscal 2013 compared with $34.1 million for Fiscal 2012. This increase was primarily related to an increase in service fees on layaway sales.

Cost of Sales

Cost of sales increased $165.8 million, or 6.6%, for Fiscal 2013 compared with Fiscal 2012 primarily driven by our overall increase in sales. Cost of sales as a percentage of net sales improved to 60.9% during Fiscal 2013 compared with 61.2% during Fiscal 2012. The improvement was driven by improved merchandising execution, due to buying more goods opportunistically in season and a lower shrink expense. However, costs to process goods through our supply chain and buying costs, which are included in the line item “Selling, General and Administrative Expenses” in our Consolidated Statements of Operations, also increased by a similar rate.

Selling, General and Administrative Expenses

Selling, general and administrative expenses as a percentage of net sales improved approximately 40 basis points during Fiscal 2013, driven by our 4.7% increase in comparable store sales and our improved execution related to store and marketing expenses. Partially offsetting these improvements was an increase in product sourcing costs and increased incentive compensation accruals associated with our improved operating results during Fiscal 2013 compared with Fiscal 2012.

During Fiscal 2014, we changed the presentation of the amounts included within selling, general and administrative expenses in order to align our external reporting of these costs with how they are reviewed by senior management. Prior year amounts have been reclassified to conform to the current period presentation. Selling, general and administrative expenses are summarized in the table below:

	Fiscal Year Ended					
	February 1, 2014	Percentage of Net Sales	February 2, 2013	Percentage of Net Sales	$ Variance	% Change
	(in millions, except percentages)					
Store Related Costs	$ 940.3	21.2%	$ 913.1	22.1%	$ 27.2	3.0%
Product Sourcing Costs	168.1	3.8	145.1	3.5	23.0	15.9
Corporate Costs	132.0	3.0	108.2	2.6	23.8	22.0
Marketing and Strategy Costs	93.0	2.1	92.6	2.3	0.4	0.4
Other Selling, General and Administrative Expenses	58.4	1.3	53.7	1.3	4.7	8.8
Selling, General & Administrative Expenses	$ 1,391.8	31.4%	$ 1,312.7	31.8%	$ 79.1	6.0%

Store related costs as a percentage of net sales improved approximately 90 basis points during Fiscal 2013. This improvement was primarily driven by reductions in store payroll of approximately 60 basis points and improved leverage in occupancy of approximately 20 basis points, primarily driven by our 4.7% increase in comparable store sales and our improved execution in store payroll.

On a dollar basis, the $27.2 million increase in store related costs was primarily driven by the 21 net new stores that opened during Fiscal 2013 as well as stores that opened during Fiscal 2013 that did not operate for a full Fiscal 2012 and an increase in our incentive compensation accruals as a result of our operating results during Fiscal 2013 compared with Fiscal 2012.

Product sourcing costs as a percentage of net sales increased approximately 30 basis points during Fiscal 2013, which offset the improvement in cost of sales as noted above. The increase in product sourcing costs as a percentage of net sales was primarily driven by an increase in our supply chain costs of $16.6 million.

Corporate costs as a percentage of net sales increased approximately 40 basis points during Fiscal 2013 driven by an increase in our incentive compensation accruals of approximately 30 basis points as a result of our operating results during Fiscal 2013 compared with Fiscal 2012.

On a dollar basis, the increase in corporate costs was primarily driven by a $12.2 million increase in our incentive compensation accruals as previously discussed, a $4.0 million increase in business insurance attributable to our general business expansion and a $2.4 million legal accrual reversal during Fiscal 2012 which did not repeat during Fiscal 2013.

Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other

Costs related to debt amendments, Secondary Offerings, termination of Advisory Agreement and other increased $18.8 million to $23.0 million during Fiscal 2013 from $4.2 million during Fiscal 2012, primarily related to $10.1 million of fees associated with the termination of our Advisory Agreement with Bain Capital and $8.6 million of fees paid to Bain Capital related to Amendment No. 2 to the Term Loan Credit Agreement. Refer to Note 18 to our Consolidated Financial Statements, “Related Party Transactions,” for further details on the termination of our Advisory Agreement and Note 7 to our Consolidated Financial Statements, “Long Term Debt,” for further details on our amendments to our Term Loan Credit Agreement.

Stock Option Modification Expense

In May 2013, our Board of Directors, in order to mitigate the impact of the dividend on our option holders in connection with the issuance of the Holdco Notes and the related $336.0 million dividend in February 2013, approved a modification to the outstanding options, through a combination of exercise price reductions and cash payments to the option holders. Based on the terms of the modification, we will be required to make cash payments over the option holders’ vesting periods, which vary over the next four years. During Fiscal 2013, we recorded $4.3 million of expense related to these payments.

Additionally, upon application of modification accounting for the reduction in strike prices, which contemplates fair value of awards both before and after the modification, incremental non-cash stock option expense is expected to be recognized over the option holders’ vesting periods, which vary over the next four years. During Fiscal 2013, we recognized $6.1 million of incremental non-cash stock option expense.

Restructuring and Separation Costs

Restructuring and separation costs totaled $2.2 million during Fiscal 2013 compared with $3.0 million during Fiscal 2012. During Fiscal 2013, in an effort to improve workflow efficiencies and realign certain responsibilities, we effected a reorganization of certain positions within our stores and corporate locations. As a result of the reorganization, we incurred a charge of $2.2 million.

Impairment Charges—Long-Lived Assets

Impairment charges related to long-lived assets were $3.2 million and $11.5 million during Fiscal 2013 and Fiscal 2012, respectively. Our annual impairment analysis resulted in the impairment of store-level assets related to seven stores in Fiscal 2013 and 12 stores in Fiscal 2012 due to the decline in the operating performance of those stores. During Fiscal 2013 and Fiscal 2012, we also recorded impairment charges for capital expenditures for previously impaired stores. Refer to Note 7 to our Consolidated Financial Statements, “Impairment Charges,” for further discussion.

The recoverability assessment related to these store-level assets requires various judgments and estimates including estimates related to future revenues, gross margin rates, store expenses and other assumptions. We base these estimates upon our past and expected future performance. We believe our estimates are appropriate in light of current market conditions. However, future impairment charges could be required if we do not achieve our current revenue or cash flow projections for each store.

Other Income, Net

Other income, net increased $0.8 million to $8.9 million during Fiscal 2013 compared with Fiscal 2012. The increase in other income during Fiscal 2013 compared with Fiscal 2012 was primarily related to an increase in breakage income as a result of a change in the redemption patterns of gift card usage. Refer to Note 1 to our Consolidated Financial Statements, “Summary of Significant Accounting Policies,” for further discussion.

Depreciation and Amortization

Depreciation and amortization expense related to the depreciation and amortization of fixed assets and the amortization of favorable and unfavorable leases amounted to $168.2 million during Fiscal 2013 compared with $166.8 million during Fiscal 2012. The increase in depreciation and amortization expense was primarily driven by 21 net new stores that were opened during Fiscal 2013.

Loss on Extinguishment of Debt

As discussed above under the caption “Debt Refinancing,” on November 7, 2013, we redeemed $221.8 million aggregate principal amount of the Holdco Notes. In addition, in January 2014, we elected to make a prepayment of $30.0 million on our Holdco Notes, which offset the mandatory quarterly payments through the maturity date. In May of 2013, we entered into Amendment No. 3 to the Term Loan Credit Agreement. In connection with these transactions, we recognized losses on the extinguishment of debt of $14.7 million, $0.8 million and $0.6 million, respectively, which are recorded in the line item “Loss on Extinguishment of Debt” in the Company’s Consolidated Statements of Operations for the year ended February 1, 2014.

In May of 2012, we entered into Amendment No. 1 to the Term Loan Credit Agreement. As a result of this transaction and in accordance with Topic 470, we recognized a non-cash loss on the extinguishment of debt of $2.2 million during Fiscal 2012.

Interest Expense

Interest expense was $127.7 million for Fiscal 2013 compared with $113.9 million for Fiscal 2012. The $13.8 million increase in interest expense was driven by the following:

- an increase of $26.3 million and $1.9 million of interest expense and amortization of deferred debt fees, respectively, related to the Holdco Notes;
- an increase in amortization of deferred debt fees of $1.8 million, primarily driven by increased deferred debt as a result of the refinancing of our Term Loan; partially offset by
- a decrease in interest expense of $15.4 million related to our Term Loan as a result of Amendment No. 3 to our Term Loan Credit Agreement which reduced the interest rates associated with the Term Loan.

Our average interest rates and average balances related to our Term Loan and our ABL Line of Credit for Fiscal 2013 compared with Fiscal 2012 are summarized in the table below:

	Fiscal Year Ended	
	February 1, 2014	February 2, 2013
Average Interest Rate—ABL Line of Credit	2.1%	2.1%
Average Interest Rate—Term Loan	4.6%	5.7%
Average Balance—ABL Line of Credit	$ 35.4 million	34.5 million
Average Balance—Term Loan	$869.2 million	945.3 million

Income Tax Expense

Income tax expense was $16.2 million for Fiscal 2013 compared with income tax expense of $3.9 million for Fiscal 2012. The effective tax rate was 50.1% related to pre-tax income of $32.4 million for Fiscal 2013, and the effective tax rate was 13.3% related to pre-tax income of $29.2 million for Fiscal 2012. The increase in the effective tax rate for Fiscal 2013 was primarily due to a reversal of uncertain tax positions in Fiscal 2012, higher state tax credits recorded in Fiscal 2012 and the write off of deferred tax assets relating to vested stock options exercised during Fiscal 2013. Refer to Note 15 to our Consolidated Financial Statements, "Income Taxes," for further discussion.

Net Income

We recorded net income of $16.2 million during Fiscal 2013 compared with net income of $25.3 million for Fiscal 2012. The decrease in our net income position was primarily driven by increases in our costs related to debt amendments and fees related to the termination of our Advisory Agreement with Bain Capital, losses on the extinguishment of debt, interest expense, income tax expense and stock option modification expense, partially offset by our improved operating results.

Liquidity and Capital Resources

Our ability to satisfy interest payment obligations on our outstanding debt will depend largely on our future performance which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control. If we do not have sufficient cash flow to service interest payment obligations on our outstanding indebtedness and if we cannot borrow or obtain equity financing to satisfy those obligations, our business and results of operations will be materially adversely affected. We cannot be assured that any replacement borrowing or equity financing could be successfully completed on terms similar to our current financing agreements, or at all.

We closely monitor our net sales, gross margin, expenses and working capital. We have performed scenario planning such that if our net sales decline, we have identified variable costs that could be reduced to partially mitigate the impact of these declines. We believe that cash generated from operations, along with our existing cash and our ABL Line of Credit, will be sufficient to fund our expected cash flow requirements and planned capital expenditures for at least the next twelve months as well as the foreseeable future. However, there can be no assurance that we would be able to offset declines in our comparable store sales with savings initiatives in the event that the economy declines.

Cash Flows

Cash Flows for Fiscal 2014 Compared with Fiscal 2013

Net cash provided by operating activities amounted to $302.3 million and $289.4 million during Fiscal 2014 and Fiscal 2013, respectively. The increase was primarily driven by our improved operating results, partially offset by changes in our working capital.

Net cash used in investing activities was $216.5 million and $164.8 million during Fiscal 2014 and Fiscal 2013, respectively. This change was the result of an increase in capital expenditures, primarily related to the construction of our new corporate headquarters and store expenditures (refer to the section below entitled "Capital Expenditures" for further details).

Net cash used in financing activities was $193.5 million during Fiscal 2014 compared with $34.9 million during Fiscal 2013. This decrease in cash was primarily related to the following:

- a $450.0 million decrease related to the repayment of our Senior Notes during Fiscal 2014;
- a $249.4 million decrease related to net repayments on our Holdco Notes ($128.2 million of repayments during Fiscal 2014 compared with $121.2 million of net proceeds during Fiscal 2013); and

- a $236.9 million decrease related to the change in net proceeds from the Offering (zero net proceeds during Fiscal 2014 compared with $236.9 million net proceeds during Fiscal 2013); partially offset by
- a $363.0 million increase related to net borrowings on our Term Loan Facility ($326.5 million net borrowings on our Term Loan Facility during Fiscal 2014 compared with $36.5 million repayments during Fiscal 2013);
- a $336.0 million decrease in dividends paid (zero dividends paid during Fiscal 2014 compared with $336.0 million of dividends paid during Fiscal 2013);
- a $63.3 million increase in borrowings on our ABL Line of Credit ($63.3 million of net proceeds during Fiscal 2014 compared with proceeds equaling borrowings during Fiscal 2013);
- a $15.5 million increase related to our excess tax benefit from stock based compensation during Fiscal 2014; and
- an $8.4 million decrease in deferred financing costs ($13.7 million during Fiscal 2014 compared with $22.1 million during Fiscal 2013).

Cash flow and working capital levels assist management in measuring our ability to meet our cash requirements. Changes in working capital also impact our cash flows. Working capital equals current assets (exclusive of restricted cash) minus current liabilities. Working capital at January 31, 2015 decreased $54.0 million to $26.6 million from $80.6 million at February 1, 2014. The decrease in working capital was primarily attributable to a decrease in our cash and cash equivalents as discussed above, an increase on our accounts payable resulting from the timing of our inventory purchases and our 21 net new stores opened during Fiscal 2014 and an increase in our legal accruals, partially offset by an increase in our inventories as discussed above and the $58.0 million redemption of our Holdco Notes on April 4, 2014.

Cash Flows for Fiscal 2013 Compared with Fiscal 2012

We generated $89.6 million of net cash flow for Fiscal 2013 and $7.7 million for Fiscal 2012. Net cash provided by operating activities amounted to $289.4 million and $452.5 million for Fiscal 2013 and Fiscal 2012, respectively. The decrease in net cash provided by operating activities was primarily the result of our working capital management strategy employed at the end of Fiscal 2011 which accelerated accounts payable payments of $152.9 million that did not repeat during Fiscal 2012. Also contributing to the decrease in net cash provided by operating activities was the $9.2 million decrease in net income during Fiscal 2013 compared with Fiscal 2012.

Net cash used in investing activities was $164.8 million and $165.8 million during Fiscal 2013 and Fiscal 2012, respectively, and consists primarily of capital expenditures (refer to the sections below entitled “Capital Expenditures” for further explanation).

Net cash used in financing activities decreased $244.1 million during Fiscal 2013 compared with Fiscal 2012. This decrease was primarily related to the following:

- net proceeds of $236.9 million related to our initial public offering;
- a $190.0 million decrease in net repayments on our ABL from Fiscal 2012 to Fiscal 2013 ($190.0 million of net repayments in Fiscal 2012 compared with borrowings being equal to repayments in Fiscal 2013);
- net proceeds of $121.2 million from our Holdco Notes representing $343.0 million of proceeds offset by principal repayments of $221.8 million;
- a $52.3 million decrease in net repayments on our Term Loan from Fiscal 2012 to Fiscal 2013 ($88.8 million of net repayments in Fiscal 2012 compared with $36.5 million net repayments in Fiscal 2013); partially offset by

- a $334.3 million increase in dividends paid in Fiscal 2013 compared with Fiscal 2012 ($336.0 million dividends paid in Fiscal 2013 compared with $1.7 million in Fiscal 2012); and
- a $21.6 million increase in deferred financing costs during Fiscal 2013 compared with Fiscal 2012 ($22.1 million in Fiscal 2013 compared with $0.5 million in Fiscal 2012).

Cash flow and working capital levels assist management in measuring our ability to meet our cash requirements. Working capital measures our current financial position. Working capital is defined as current assets (exclusive of restricted cash) less current liabilities. Working capital as of February 1, 2014 was $80.6 million compared with $104.8 million as of February 2, 2013. The decrease was primarily attributable to $58.0 million of Holdco Notes classified as current maturities of long term debt as a result of the March 5, 2014 redemption and the increase in accounts payable as a result of our working capital management strategy at the end of Fiscal 2012, partially offset by an increase in inventory.

Capital Expenditures

For Fiscal 2014, cash spend for capital expenditures, net of $38.4 million of landlord allowances, amounted to $182.6 million. These capital expenditures include $76.8 million, net of the previously mentioned landlord allowances, for store expenditures (new stores, store refreshes and remodels and other store expenditures), $32.9 million to support our supply chain initiatives, $15.4 million for information technology, $42.8 million related to the construction of our new corporate headquarters and $14.7 for other business initiatives. We incurred cash spend on capital expenditures of $126.7 million, net of $41.6 million of landlord allowances, during Fiscal 2013.

We estimate that we will spend $150 million to $160 million, net of approximately $40 million of landlord allowances, in capital expenditures during Fiscal 2015, including approximately $70 million, net of the previously mentioned landlord allowances, for store expenditures (new stores, store refreshes and remodels and other store expenditures), approximately $50 million to support our supply chain initiatives and approximately $12 million to renovate our previous corporate headquarters as part of the build-out of our corporate campus. We expect to use the remaining capital to support information technology and other initiatives.

Dividends

Our ability to pay dividends on our common stock will be limited by restrictions on the ability of our subsidiaries and us to pay dividends or make distributions under the terms of current and any future agreements governing our indebtedness. During Fiscal 2011, in connection with the offering of the Senior Notes and the refinancing of the Senior Secured Term Loan Facility, a cash dividend of approximately $300.0 million, in the aggregate, was declared payable to Class A and Class L stockholders on a pro rata basis. Of the $300.0 million in dividends that were declared, $1.7 million was paid during Fiscal 2012. In February 2013, net proceeds from the offering of the Holdco Notes were used to pay a special cash dividend of $336.0 million to the Class A and Class L stockholders on a pro rata basis.

Debt

As of January 31, 2015, our obligations include $1,161.5 million, inclusive of original issue discount, under our Term Loan Facility and $63.3 million under our ABL Line of Credit.

On April 4, 2014, Burlington Holdings, LLC (Holdings LLC) and Burlington Holdings Finance, Inc. (collectively the Issuers) redeemed $58.0 million aggregate principal amount of the Holdco Notes. In connection with this transaction, we recorded a loss on the extinguishment of debt of $3.6 million, representing $1.2 million in redemption premiums and the write off of $1.5 million and $0.9 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item “Loss on Extinguishment of Debt” in our Consolidated Statements of Operations.

On August 13, 2014 (the Closing Date), we completed the refinancing of our Term Loan Facility, Senior Notes, Holdco Notes and ABL Line of Credit. As a result of these transactions, our Senior Notes and Holdco Notes, with carrying values of $450.0 million and $70.2 million, respectively, were redeemed in full. Additionally, the $830.6 million principal amount of term B-2 loans (Term B-2 Loans) outstanding on our Term Loan Facility was replaced with $1,200.0 million principal amount of term B-3 loans (Term B-3 Loans). Borrowings on our ABL Line of Credit related to these transactions were $217.0 million. In connection with these transactions, we recorded a loss on the extinguishment of debt of $70.3 million during the third quarter of Fiscal 2014, representing $45.1 million in redemption premiums and the write off of $19.5 million and $5.7 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item “Loss on Extinguishment of Debt” in our Consolidated Statements of Operations.

Term Loan Facility

On the Closing Date, BCFWC entered into Amendment No. 4 (the Fourth Amendment) to the Term Loan Credit Agreement (as amended by the Fourth Amendment, the Amended Term Loan Credit Agreement).

The parties to the Term Loan Credit Agreement entered into the Fourth Amendment in order to, among other things, (i) increase the available incremental amount from $150.0 million to $400.0 million plus unlimited amounts so long as BCFWC’s pro forma consolidated secured leverage ratio does not exceed 3.50 to 1.00, (ii) remove the following financial performance covenants: (a) consolidated leverage ratio, (b) consolidated interest ratio and (c) capital expenditures, and (iii) give BCFWC and its restricted subsidiaries additional flexibility to make investments, restricted payments (including dividends), incur additional debt, grant liens and otherwise comply with its covenants under the Amended Term Loan Credit Agreement. The interest rate margin applicable under the Amended Term Loan Credit Agreement is 3.25% in the case of loans drawn at LIBOR and 2.25% in the case of loans drawn under the prime rate (as determined by the Term Loan Facility Administrative Agent). The Fourth Amendment removed the variable pricing mechanism that was formerly in place, which was based on BCFWC’s pro forma consolidated secured leverage ratio. The Term Loan Facility is collateralized by a first lien on our favorable leases, real estate and property & equipment and a second lien on our inventory and receivables.

The Term B-3 Loans will mature on August 13, 2021, seven years after the Closing Date. Mandatory quarterly payments of $3.0 million are payable as of the last day of each quarter beginning with the quarter ended November 1, 2014. In January 2015, we elected to make a prepayment of $27.0 million on our Term Loan Facility, which offset the mandatory quarterly payments through April 29, 2017. In connection with this transaction, we recognized a non-cash loss on the partial extinguishment of debt of $0.3 million, representing the write off of $0.2 million and $0.1 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item “Loss on Extinguishment of Debt” in the Company’s Consolidated Statements of Operations.

Interest rates for the Term Loan Facility are based on: (i) for LIBOR rate loans for any interest period, at a rate per annum equal to the greater of (x) the LIBOR rate, as determined by the Term Loan Facility Administrative Agent, for such interest period multiplied by the Statutory Reserve Rate (as defined in the Term Loan Credit Agreement) and (y) 1.00% (the Term Loan Adjusted LIBOR Rate), plus an applicable margin; and (ii) for prime rate loans, a rate per annum equal to the highest of (a) the variable annual rate of interest then announced by JPMorgan Chase Bank, N.A. at its head office as its “prime rate,” (b) the federal funds rate in effect on such date plus 0.50% per annum, and (c) the Term Loan Adjusted LIBOR Rate for the applicable class of term loans for one-month plus 1.00%, plus, in each case, an applicable margin. At January 31, 2015, our borrowing rate related to the Term Loan Facility was 4.25%.

ABL Line of Credit

Also on the Closing Date, BCFWC entered into a First Amendment (the ABL Amendment) to the Second Amended and Restated Credit Agreement, dated September 2, 2011 (as amended, supplemented and otherwise modified, the Amended ABL Credit Agreement), governing BCFWC's existing senior secured asset-based revolving credit facility (the ABL Line of Credit).

The parties to the Amended ABL Credit Agreement entered into the ABL Amendment in order to, among other things, give BCFWC and certain of its subsidiaries additional flexibility to make investments, restricted payments (including dividends), incur additional debt, grant liens and otherwise comply with its covenants under the Amended ABL Credit Agreement. The interest rate margin applicable under the Amended ABL Credit Agreement in the case of loans drawn at LIBOR was reduced from 1.75% - 2.25% (based on total commitments or borrowing base availability) to 1.25% - 1.50% (based on total commitments or borrowing base availability). The fee on the average daily balance of unused loan commitments is 0.25%. The ABL Line of Credit is collateralized by a first lien on our inventory and receivables and a second lien on our real estate and property and equipment.

The ABL Line of Credit will mature on August 13, 2019, five years after the Closing Date.

At January 31, 2015, we had $386.9 million available under the Amended ABL Line of Credit and $63.3 million of outstanding borrowings. The maximum borrowings under the facility during Fiscal 2014 amounted to $300.0 million. Average borrowings during Fiscal 2014 amounted to $87.7 million, at an average interest rate of 1.8%.

Certain Information Concerning Contractual Obligations

The following table sets forth certain information regarding our obligations to make future payments under current contracts as of January 31, 2015:

	Payments Due By Period				
	Total	Less Than 1 Year	2-3 Years	4-5 Years	Thereafter
			(in thousands)		
Debt Obligations	$1,230,300	$ —	$ 9,000	$ 87,300	$1,134,000
Interest on Debt Obligations(1)	331,268	51,693	104,248	101,002	74,325
Capital Lease Obligations(2)	42,254	3,447	7,391	7,930	23,486
Operating Lease Obligations(3)	2,079,625	278,044	557,817	434,989	808,775
Purchase Obligations(4)	652,778	617,774	31,593	3,411	—
Other(5)	1,277	1,277	—	—	—
Total	$4,337,502	$952,235	$710,049	$634,632	$2,040,586

(1) The interest rate related to the Senior Secured Term Loan Facility was 4.25% as of January 31, 2015. The interest rate related to the ABL Line of Credit was 1.8% as of January 31, 2015.
(2) Capital Lease Obligations include future interest payments.
(3) Represents minimum rent payments for operating leases under the current terms.
(4) Represents commitments to purchase goods or services that have not been received as of January 31, 2015.
(5) Represents severance payments in the normal course of business that are included in the line item "Selling, General and Administrative Expenses in our Consolidated Statements of Operations.

Our agreements with each of three former employees (including our former President and Chief Executive Officer) to pay their beneficiaries $1.0 million upon their deaths for a total of $3.0 million is not reflected in the table above because the timing of the payments is unpredictable.

The table above excludes ASC Topic No. 740 “Income Taxes” (Topic No. 740) liabilities which represent uncertain tax positions related to temporary differences. The total Topic No. 740 liability was $11.7 million exclusive of $12.1 million of interest and penalties included in our total Topic No. 740 liability neither of which is presented in the table above as we are not certain if and when these payments would be required.

The table above excludes our irrevocable letters of credit guaranteeing payment and performance under certain leases, insurance contracts, debt agreements, merchandising agreements and utility agreements in the amount of $48.1 million as of January 31, 2015.

The table above excludes the payment of the cash portion of our stock option modification in the amount of $0.4 million as of January 31, 2015 as we are not certain if payments would be required based on the vesting requirements.

Critical Accounting Policies and Estimates

Our Consolidated Financial Statements have been prepared in accordance with GAAP. We believe there are several accounting policies that are critical to understanding our historical and future performance as these policies affect the reported amounts of revenues and other significant areas that involve management’s judgments and estimates. The preparation of our Consolidated Financial Statements requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities; (ii) the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements; and (iii) the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to revenue recognition, inventories, long-lived assets, insurance reserves and income taxes. Historical experience and various other factors that are believed to be reasonable under the circumstances form the basis for making estimates and judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A critical accounting estimate meets two criteria: (1) it requires assumptions about highly uncertain matters and (2) there would be a material effect on the Consolidated Financial Statements from either using a different, although reasonable, amount within the range of the estimate in the current period or from reasonably likely period-to-period changes in the estimate.

While there are a number of accounting policies, methods and estimates affecting our Consolidated Financial Statements as addressed in Note 1 to our Consolidated Financial Statements, “Summary of Significant Accounting Policies,” areas that are particularly critical and significant include:

Revenue Recognition . We record revenue at the time of sale and delivery of merchandise, net of allowances for estimated future returns. We present sales, net of sales taxes, in our Consolidated Statements of Operations. We account for layaway sales and leased department revenue in accordance with ASC Topic No. 605 “Revenue Recognition.” Layaway sales are recognized upon delivery of merchandise to the customer. The amount of cash received upon initiation of the layaway is recorded as a deposit liability within the line item “Other Current Liabilities” in our Consolidated Balance Sheets. Store value cards (gift cards and store credits issued for merchandise returns) are recorded as a liability at the time of issuance, and the related sale is recorded upon redemption.

We estimate and recognize store value card breakage income in proportion to actual store value card redemptions and record such income in the line item “Other Income, Net” in our Consolidated Statements of Operations. We determine an estimated store value card breakage rate by continuously evaluating historical redemption data. Breakage income is recognized on a monthly basis in proportion to the historical redemption patterns for those store value cards for which the likelihood of redemption is remote.

Inventory . Our inventory is valued at the lower of cost or market using the retail inventory method. Under the retail inventory method, the valuation of inventory and the resulting gross margin are determined by applying a calculated cost to retail ratio to the retail value of inventory. The retail inventory method is an averaging method that results in valuing inventory at the lower of cost or market provided markdowns are taken timely to reduce the retail value of inventory. Inherent in the retail inventory method calculation are certain significant management judgments and estimates including merchandise markon, markups, markdowns and shrinkage, which significantly impact the ending inventory valuation as well as the resulting gross margin. Management believes that our retail inventory method provides an inventory valuation which approximates cost using a first-in, first-out assumption and results in carrying value at the lower of cost or market. We reserve for aged inventory based on historical trends and specific identification. Our aged inventory reserve contains uncertainties as the calculations require management to make assumptions and to apply judgment regarding a number of factors, including market conditions, the selling environment, historical results and current inventory trends. A 1% change in the dollar amount of markdowns would have resulted in an increase in markdown expense of approximately $2.7 million for Fiscal 2014.

Typically, estimates are used to record inventory shrinkage at retail stores for the first three quarters of a fiscal year. Actual physical inventories are typically conducted during the fourth quarter to calculate actual shrinkage. While we make estimates on the basis of the best information available to us at the time the estimates are made, over accruals or under accruals of shrinkage may be identified as a result of the physical inventory counts, requiring fourth quarter adjustments. During the fourth quarter of each of Fiscal 2014, Fiscal 2013 and Fiscal 2012 we recorded shrinkage adjustments of $10.0 million, $3.8 million and $7.5 million, respectively, as a result of actual shrink being less than what we had estimated.

Property and Equipment . We test for recoverability of our property and equipment in accordance with ASC Topic No. 360, “Property, Plant, and Equipment,” whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. This includes performing an analysis of anticipated undiscounted future net cash flows of property and equipment. If the carrying value of the related assets exceeds the undiscounted cash flow, we reduce the carrying value to its fair value, which is generally calculated using discounted cash flows. The recoverability assessment related to these store-level assets requires judgments and estimates of future revenues, gross margin rates and store expenses. We base these estimates upon our past and expected future performance. We believe our estimates are appropriate in light of current market conditions. Future adverse changes in market conditions or poor operating results of underlying assets could result in losses or an inability to recover the carrying value of the assets that may not be reflected in an asset’s current carrying value, thereby possibly requiring an impairment charge in the future. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, we recorded $2.4 million, $2.7 million and $5.2 million, respectively, in impairment charges related to property and equipment.

Insurance Reserves . We have risk participation agreements with insurance carriers with respect to workers’ compensation, general liability insurance and health insurance. Pursuant to these arrangements, we are responsible for paying individual claims up to designated dollar limits. The amounts included in our costs related to these claims are estimated and can vary based on changes in assumptions or claims experience included in the associated insurance programs. For example, changes in legal trends and interpretations, as well as changes in the nature and method of how claims are settled, can impact ultimate costs. An increase in workers’ compensation claims by employees, health insurance claims by employees or general liability claims may result in a corresponding increase in our costs related to these claims. Insurance reserves amounted to $60.8 million and $57.2 million at January 31, 2015 and February 1, 2014, respectively.

Income Taxes . We account for income taxes in accordance with Topic No. 740. Our provision for income taxes and effective tax rates are based on a number of factors, including our income, tax planning strategies, differences between tax laws and accounting rules, statutory tax rates and credits, uncertain tax positions, and valuation allowances, by legal entity and jurisdiction. We use significant judgment and estimations in evaluating our tax positions. Topic No. 740 clarifies the accounting for uncertainty in income taxes recognized in an entity’s consolidated financial statements, and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Topic No. 740 requires that we recognize in our Consolidated Financial Statements the impact of a tax position taken or expected to be taken in a tax return, if that position is “more likely than not” of being sustained upon examination by the relevant taxing authority, based on the technical merits of the position. The tax benefits recognized in the Consolidated Financial Statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution. Additionally, Topic No. 740 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure.

U.S. federal and state tax authorities regularly audit our tax returns. We establish tax reserves when it is considered more likely than not that we will not succeed in defending our positions. We adjust these tax reserves, as well as the related interest and penalties, based on the latest facts and circumstances, including recently published rulings, court cases, and outcomes of tax audits. To the extent our actual tax liability differs from our established tax reserves our effective tax rate may be materially impacted. While it is often difficult to predict the final outcome of, the timing of, or the tax treatment of any particular tax position or deduction, we believe that our tax reserves reflect the most likely outcome of known tax contingencies.

We record deferred tax assets and liabilities for any temporary differences between the tax reflected in our Consolidated Financial Statements and tax presumed rates. We establish valuation allowances for our deferred tax assets when we believe it is more likely than not that the expected future taxable income or tax liabilities thereon will not support the use of a deduction or credit. For example, we would establish a valuation allowance for the tax benefit associated with a loss carryover in a tax jurisdiction if we did not expect to generate sufficient taxable income to utilize the loss carryover.

Recent Accounting Pronouncements

Refer to Note 2 to our Consolidated Financial Statements, “Recent Accounting Pronouncements,” for a discussion of recent accounting pronouncements and their impact in our Consolidated Financial Statements.

Fluctuations in Operating Results

We expect that our revenues and operating results may fluctuate from fiscal quarter to fiscal quarter or over the longer term. Certain of the general factors that may cause such fluctuations are discussed in Item 1A, Risk Factors and elsewhere in the Annual Report.

Seasonality

Our business, like that of most retailers, is subject to seasonal influences, with the major portion of sales and income typically realized during the back-to-school and holiday seasons (September through January). Weather, however, continues to be a contributing factor to the sale of our clothing. Generally, our sales are higher if the weather is cold during the Fall and warm during the early Spring.

Inflation

We do not believe that our operating results have been materially affected by inflation during Fiscal 2014, Fiscal 2013 or Fiscal 2012. Historically, as the costs of merchandising and related operating expenses have increased, we have been able to mitigate the effect of such impact on our operations.

The U.S. retail industry continues to face increased pressure on margins as commodity prices increase and the overall challenging retail conditions have led consumers to be more value conscious. Our “open to buy” paradigm, in which we purchase both pre-season and in-season merchandise, allows us the flexibility to purchase less pre-season with the balance purchased in-season and opportunistically. It also provides us the flexibility to shift purchases between suppliers and categories. This enables us to obtain better terms with our suppliers which we expect to help offset the expected rising costs of goods.

Market Risk

We are exposed to market risks relating to fluctuations in interest rates. Our senior secured credit facilities contain floating rate obligations and are subject to interest rate fluctuations. The objective of our financial risk management is to minimize the negative impact of interest rate fluctuations on our earnings and cash flows. Interest rate risk is managed through the use of a combination of fixed and variable interest debt as well as the periodic use of interest rate cap contracts.

As more fully described in Note 8 to our Consolidated Financial Statements, “Derivative Instruments and Hedging Activities,” we enter into interest rate cap contracts to manage interest rate risks associated with our long term debt obligations. The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in Accumulated Other Comprehensive Loss on the Company’s Consolidated Balance Sheets and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Gains and losses associated with our interest rate cap contracts that are not designated as hedges are accounted for as interest expense and are recorded under the caption “Interest Expense” in our Consolidated Statements of Operations. We continue to have exposure to interest rate risks to the extent they are not hedged.

Off-Balance Sheet Transactions

Other than operating leases consummated in the normal course of business and letters of credit, as more fully described above under the caption “Certain Information Concerning Contractual Obligations,” we are not involved in any off-balance sheet arrangements that have or are reasonably likely to have a material current or future impact on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks as part of our ongoing business operations. Primary exposures include (i) changes in interest rates, as borrowings under our ABL Line of Credit and Term Loan Facility bear interest at floating rates based on LIBOR or the base rate, in each case plus an applicable borrowing margin and (ii) investing activities. The interest rate of our Term Loan Facility is also dependent on the LIBOR, prime rate, and the federal funds rate as further discussed in Note 7 to our Consolidated Financial Statements, “Long Term Debt.”

We manage our interest rate risk through the use of interest rate cap contracts. For our floating-rate debt, interest rate changes generally impact our earnings and cash flows, assuming other factors are held constant.

At January 31, 2015, we had $1,230.3 million of floating-rate debt, exclusive of original issue discount. Based on $1,230.3 million outstanding as floating-rate debt, an immediate increase of one percentage point, excluding the interest rate caps, would cause an increase to cash interest expense of $12.3 million per year, resulting in $12.3 million less in our pre-tax earnings. This sensitivity analysis assumes our mix of financial instruments and all other variables will remain constant in future periods. These assumptions are made in order to facilitate the analysis and are not necessarily indicative of our future intentions.

If a one percentage point increase in interest rates were to occur over the next four quarters excluding the interest rate cap, such an increase would result in the following additional interest expenses (assuming current borrowing level remains constant):

	(in thousands)				
Floating Rate Debt	Principal Outstanding at January 31, 2015	Additional Interest Expense Q1 2015	Additional Interest Expense Q2 2015	Additional Interest Expense Q3 2015	Additional Interest Expense Q4 2015
ABL Line of Credit	$ 63,300	$ 158	$ 158	$ 158	$ 158
New Term Loan Facility(a)	1,167,000	2,918	2,918	2,918	2,918
	$ 1,230,300	$ 3,076	$ 3,076	$ 3,076	$ 3,076

(a) Principal balance represents carrying value of our New Term Loan Facility exclusive of original issue discount.

On August 19, 2014, the Company entered into four interest rate cap contracts to manage the interest rate risk associated with future interest payments on our variable-rate debt. Two of the interest rate cap contracts entered into on August 19, 2014 have an aggregate notional principal amount of $775.0 million, cap rates of 3.0%, are effective August 31, 2014 and mature on February 28, 2017. The other two interest rate cap contracts entered into on August 19, 2014 have an aggregate notional principal amount of $680.0 million, cap rates of 4.0%, are effective February 28, 2017 and mature on February 28, 2019. In addition, we have two interest rate cap contracts which limit our interest rate exposure to 7.0% on our first $900.0 million of borrowings under our variable rate debt obligations through May 31, 2015. If interest rates were to increase above the cap rates in effect as of January 31, 2015, for a full fiscal year, then our maximum interest rate exposure would be $26.9 million assuming constant borrowing levels of $1,230.3 million. Currently, we have unlimited interest rate risk related to borrowings on our variable rate debt in excess of the amounts limited in our interest rate cap contracts. As of January 31, 2015, the borrowing rates related to our Term Loan Facility and ABL Line of Credit were 4.25% and 1.8%, respectively.

Our ability to satisfy our interest payment obligations on our outstanding debt will depend largely on our future performance, which, in turn, is in part subject to prevailing economic conditions and to financial, business and other factors beyond our control. If we do not have sufficient cash flow to service our interest payment obligations on our outstanding indebtedness and if we cannot borrow or obtain equity financing to satisfy those obligations, our business and results of operations will be materially adversely affected. We cannot be assured that any replacement borrowing or equity financing could be successfully completed.

A change in interest rates generally does not have an impact upon our future earnings and cash flow for fixed-rate debt instruments. As fixed-rate debt matures, however, and if additional debt is acquired to fund the debt repayment, future earnings and cash flow may be affected by changes in interest rates. This effect would be realized in the periods subsequent to the periods when the debt matures.

Table of Contents

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Burlington Stores, Inc.
Burlington, New Jersey

We have audited the accompanying consolidated balance sheets of Burlington Stores, Inc. and Subsidiaries (the “Company”) as of January 31, 2015 and February 1, 2014, and the related consolidated statements of operations, comprehensive income, cash flows and stockholders’ deficit for each of the three fiscal years in the period ended January 31, 2015. Our audits also included the financial statement schedules listed in the Index at Item 15 (a)(2). These financial statements and financial statement schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statements and financial statement schedules 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2015 and February 1, 2014, and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of January 31, 2015, based on the criteria established in *Internal Control—Integrated Framework (2013) issued* by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 25, 2015 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
March 25, 2015

BURLINGTON STORES, INC.
CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except share and per share data)

	January 31, 2015	February 1, 2014
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 25,349	$ 132,984
Restricted Cash and Cash Equivalents	27,800	32,100
Accounts Receivable (Net of Allowances for Doubtful Accounts of $111 and $109 at January 31, 2015 and February 1, 2014, respectively)	49,716	35,678
Merchandise Inventories	788,708	720,052
Deferred Tax Assets	37,229	13,475
Prepaid and Other Current Assets	58,681	82,231
Total Current Assets	987,483	1,016,520
Property and Equipment—Net of Accumulated Depreciation and Amortization	970,419	902,657
Tradenames	238,000	238,000
Favorable Leases—Net of Accumulated Amortization	266,397	292,553
Goodwill	47,064	47,064
Other Assets	115,206	124,298
Total Assets	$ 2,624,569	$ 2,621,092
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts Payable	$ 621,682	$ 542,987
Other Current Liabilities	310,268	301,803
Current Maturities of Long Term Debt	1,167	59,026
Total Current Liabilities	933,117	903,816
Long Term Debt	1,249,276	1,369,159
Other Liabilities	273,767	255,877
Deferred Tax Liabilities	234,360	242,708
Commitments and Contingencies (Notes 1, 7, 12, 13, 15 and 17)		
Stockholders' Deficit:		
Preferred Stock, $0.0001 Par Value: Authorized: 50,000,000 shares; no shares issued and outstanding at January 31, 2015 and February 1, 2014	—	—
Common Stock, $0.0001 Par Value; Authorized: 500,000,000 shares at January 31, 2015 and February 1, 2014; Issued: 75,925,507 shares and 74,218,275 shares at January 31, 2015 and February 1, 2014, respectively; Outstanding: 75,254,682 shares and 73,686,524 shares at January 31, 2015 and February 1, 2014, respectively	7	7
Additional Paid-in Capital	1,370,498	1,346,259
Accumulated Deficit	(1,426,454)	(1,492,409)
Accumulated Other Comprehensive Loss	(1,744)	—
Treasury Stock, at cost: 670,825 shares and 531,751 shares at January 31, 2015 and February 1, 2014, respectively	(8,258)	(4,325)
Total Stockholders' Deficit	(65,951)	(150,468)
Total Liabilities and Stockholders' Deficit	$ 2,624,569	$ 2,621,092

See Notes to Consolidated Financial Statements.

BURLINGTON STORES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(All amounts in thousands, except per share data)

	Year Ended January 31, 2015	Year Ended February 1, 2014	Year Ended February 2, 2013 (53 Weeks)
REVENUES:			
Net Sales	$ 4,814,504	$ 4,427,503	$ 4,131,379
Other Revenue	35,130	34,484	34,125
Total Revenue	4,849,634	4,461,987	4,165,504
COSTS AND EXPENSES:			
Cost of Sales	2,900,819	2,695,957	2,530,124
Selling, General and Administrative Expenses	1,520,929	1,391,788	1,312,682
Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other	2,412	23,026	4,175
Stock Option Modification Expense	2,940	10,418	—
Restructuring and Separation Costs	—	2,171	2,999
Depreciation and Amortization	167,580	168,195	166,786
Impairment Charges—Long-Lived Assets (Note 6)	2,579	3,180	11,539
Other Income, Net	(10,753)	(8,939)	(8,115)
Loss on Extinguishment of Debt	74,347	16,094	2,222
Interest Expense (Inclusive of (Gain) Loss on Interest Rate Cap Contracts)	83,745	127,739	113,927
Total Costs and Expenses	4,744,598	4,429,629	4,136,339
Income Before Income Tax Expense	105,036	32,358	29,165
Income Tax Expense	39,081	16,208	3,864
Net Income	$ 65,955	$ 16,150	$ 25,301
Class L Preference Amount	$ —	$ (111,282)	$ (146,923)
Net Income (Loss) Attributable to Common Stockholders	$ 65,955	$ (95,132)	$ (121,622)
Allocation of Net Income (Loss) to Common Stockholders—Basic:			
Class L Stockholders	$ —	$ 111,282	$ 146,923
Common Stockholders	$ 65,955	$ (95,132)	$ (121,622)
Net Income (Loss) Per Share—Basic:			
Class L Stockholders	$ —	$ 31.93	$ 28.76
Common Stockholders	$ 0.89	$ (0.26)	$ (0.24)
Allocation of Net Income (Loss) to Common Stockholders—Diluted:			
Class L Stockholders	$ —	$ 111,282	$ 146,923
Common Stockholders	$ 65,955	$ (144,392)	$ (134,086)
Net Income (Loss) Per Share—Diluted:			
Class L Stockholders	$ —	$ 31.93	$ 28.76
Common Stockholders	$ 0.87	$ (0.39)	$ (0.27)
Weighted Average Number of Shares—Basic			
Class L Stockholders	—	3,485	5,109
Common Stockholders	74,101	369,567	505,802
Weighted Average Number of Shares—Diluted			
Class L Stockholders	—	3,485	5,109
Common Stockholders	75,865	370,040	505,802

See Notes to Consolidated Financial Statements.

Table of Contents

BURLINGTON STORES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(All amounts in thousands)

	Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013 (53 Weeks)
Net Income	$ 65,955	$ 16,150	$ 25,301
Other Comprehensive Loss, Net of Tax:			
Unrealized Losses on Interest Rate Cap Contracts, Net of Related Tax Benefit of $1.2 million during Fiscal 2014	(1,744)	—	—
Comprehensive Income	$ 64,211	$ 16,150	$ 25,301

See Notes to Consolidated Financial Statements.

Table of Contents

BURLINGTON STORES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in thousands)

	Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013 (53 Weeks)
OPERATING ACTIVITIES			
Net Income	$ 65,955	$ 16,150	$ 25,301
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	167,580	168,195	166,786
Amortization of Deferred Financing Costs	6,057	9,574	5,805
Impairment Charges—Long-Lived Assets	2,579	3,180	11,539
Accretion of Senior Notes	1,579	2,998	1,899
Deferred Income Tax (Benefit)	(30,940)	(17,973)	(6,536)
Loss on Disposition of Fixed Assets and Leasehold Improvements	897	1,157	2,233
Non-Cash Loss on Extinguishment of Debt–Write-off of Deferred Financing Costs and Original Issue Discount	28,051	11,506	2,222
Non-Cash Stock Compensation Expense	6,264	10,203	2,747
Non-Cash Rent Expense	(19,463)	(11,059)	(9,873)
Deferred Rent Incentives	38,418	41,571	33,400
Excess Tax Benefit from Stock Based Compensation	(15,461)	—	—
Insurance Recoveries	—	3,573	4,000
Changes in Assets and Liabilities:			
Accounts Receivable	(8,616)	1,573	(11,814)
Merchandise Inventories	(68,658)	(39,862)	2,070
Prepaid and Other Current Assets	27,546	(8,961)	(11,891)
Accounts Payable	78,695	42,581	224,121
Other Current Liabilities	18,958	51,096	14,795
Other Long Term Assets and Long Term Liabilities	2,552	3,477	(3,958)
Other	342	372	(337)
Net Cash Provided by Operating Activities	302,335	289,351	452,509
INVESTING ACTIVITIES			
Cash Paid for Property and Equipment	(220,980)	(168,267)	(166,721)
Change in Restricted Cash and Cash Equivalents	4,300	2,700	—
Proceeds From Sale of Property and Equipment and Assets Held for Sale	174	773	1,435
Lease Acquisition Costs	—	—	(530)
Net Cash Used in Investing Activities	(216,506)	(164,794)	(165,816)
FINANCING ACTIVITIES			
Proceeds from Long Term Debt—ABL Line of Credit	962,500	806,800	459,800
Principal Payments on Long Term Debt—ABL Line of Credit	(899,200)	(806,800)	(649,800)
Proceeds from Long Term Debt—Term B-2 Loans	—	—	116,913
Principal Payments on Long Term Debt—Term B-2 Loans	(834,507)	(36,533)	(205,749)
Proceeds from Long Term Debt—Term B-3 Loans	1,194,000	—	—
Principal Payments on Long Term Debt—Term B-3 Loans	(33,000)	—	—
Principal Payments on Long Term Debt—Senior Notes	(450,000)	—	—
Proceeds from Long Term Debt—Holdco Notes	—	343,000	—
Principal Payments on Long Term Debt—Holdco Notes	(128,223)	(221,777)	—
Cash Payments for Interest Rate Cap Contracts	(4,478)	—	—
Repayment of Capital Lease Obligations	(940)	(920)	(768)
Payment of Dividends	—	(336,000)	(1,711)
Purchase of Treasury Shares	(3,933)	—	(7)
Proceeds from Stock Option Exercises	2,514	2,527	2,760
Excess Tax Benefit from Stock Based Compensation	15,461	—	—
Deferred Financing Costs	(13,658)	(22,126)	(459)
Proceeds from Initial Public Offering	—	260,667	—
Offering Costs	—	(23,747)	—
Net Cash Used in Financing Activities	(193,464)	(34,909)	(279,021)
(Decrease) Increase in Cash and Cash Equivalents	(107,635)	89,648	7,672
Cash and Cash Equivalents at Beginning of Period	132,984	43,336	35,664
Cash and Cash Equivalents at End of Period	$ 25,349	$ 132,984	$ 43,336
Supplemental Disclosure of Cash Flow Information:			
Interest Paid	$ 100,047	$ 111,533	$ 108,180
Income Tax Payments, Net of Refunds	$ 74,363	$ 2,769	$ 4,191
Accretion of Class L Preferred Return	$ —	$ 104,859	$ 141,571
Non-Cash Investing Activities:			
Accrued Purchases of Property and Equipment	$ 21,878	$ 21,604	$ 14,102
Acquisition of Capital Lease	$ 3,342	$ 887	$ —

See Notes to Consolidated Financial Statements.

BURLINGTON STORES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(All dollar amounts in thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at January 28, 2012	510,164,622	46	$ —	(995,932)	$ —	(4,801,599)	(4)	(995,890)
Net Income	—	—	—	25,301	—	—	—	25,301
Accretion of Class L Preferred Return	—	—	(2,364)	(139,207)	—	—	—	(141,571)
Stock Options Exercised	7,320,060	1	104	—	—	—	—	105
Issuance of Restricted Shares	495,000	—	—	—	—	—	—	—
Stock Option Compensation	—	—	2,260	—	—	—	—	2,260
Repurchase of Restricted Stock	—	—	—	—	—	(10,989)	—	—
Other	—	—	—	337	—	—	—	337
Balance at February 2, 2013	517,979,682	47	—	(1,109,501)	—	(4,812,588)	(4)	(1,109,458)
Net Income	—	—	—	16,150	—	—	—	16,150
Accretion of Class L Preferred Return	—	—	(8,201)	(96,658)	—	—	—	(104,859)
Stock Options Exercised	11,668,810	1	—	—	—	—	—	1
Stock Based Compensation	—	—	10,203	—	—	—	—	10,203
Dividend	—	—	—	(302,400)	—	—	—	(302,400)
Issuance of Restricted Shares	26,396	—	—	—	—	—	—	—
Cancellation of Class A Shares	(529,620,894)	(48)	—	—	—	4,812,588	4	(44)
Conversion of Class L Stock to Common Stock	58,830,948	6	1,107,338	—	—	(531,751)	(4,325)	1,103,019
Initial Public Offering	15,333,333	1	236,919	—	—	—	—	236,920
Balance at February 1, 2014	74,218,275	7	1,346,259	(1,492,409)	—	(531,751)	(4,325)	(150,468)
Net Income	—	—	—	65,955	—	—	—	65,955
Stock Options Exercised and Related Tax Benefit of $15.5 million	1,362,066	—	17,975	—	—	—	—	17,975
Shares Used for Tax Withholding	—	—	—	—	—	(139,074)	(3,933)	(3,933)
Issuance of Restricted Shares, net of Forfeitures of 1,707 Restricted Shares	345,166	—	—	—	—	—	—	—
Stock Based Compensation	—	—	6,264	—	—	—	—	6,264
Unrealized Losses on Interest Rate Cap Contracts, net of Related Tax Benefit of $1.2 million	—	—	—	—	(1,744)	—	—	(1,744)
Balance at January 31, 2015	75,925,507	$ 7	$1,370,498	$(1,426,454)	$ (1,744)	(670,825)	$(8,258)	$ (65,951)

See Notes to Consolidated Financial Statements.

BURLINGTON STORES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Business

As of January 31, 2015, Burlington Stores, Inc. and its subsidiaries (the Company), a Delaware Corporation, through its indirect subsidiary Burlington Coat Factory Warehouse Corporation (BCFWC), operated 542 retail stores, inclusive of an internet store, in 44 states and Puerto Rico, selling apparel, footwear and accessories for men, women and children. A majority of those stores offer a home furnishing and linens department and a juvenile furniture department. As of January 31, 2015, the Company operated stores under the names “Burlington Stores” (524 stores), “Cohoes Fashions” (two stores), “Super Baby Depot” (two stores), “MJM Designer Shoes” (13 stores) and “Burlington Shoes” (one store). Cohoes Fashions offers products similar to those offered by Burlington Stores. MJM Designer Shoes and Burlington Shoes offer moderately priced designer and fashion shoes. The Super Baby Depot stores offer baby clothing, accessories, furniture and other merchandise in the middle to higher price range. During Fiscal 2014, the Company opened 23 new stores under the name “Burlington Stores” and one new store under the name “MJM Designer Shoes” and closed two Burlington Stores and one MJM Designer Shoes store.

Basis of Consolidation and Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Consolidated Financial Statements include the accounts of Burlington Stores, Inc. and its subsidiaries. All inter-company accounts and transactions have been eliminated in consolidation.

Fiscal Years

The Company defines its fiscal year as the 52 or 53 week period ending on the Saturday closest to January 31. The Company’s fiscal years ended January 31, 2015 (Fiscal 2014), February 1, 2014 (Fiscal 2013) and February 2, 2013 (Fiscal 2012) consisted of 52 weeks, 52 weeks and 53 weeks, respectively.

Use of Estimates

Certain amounts included in the Consolidated Financial Statements are estimated based on historical experience, currently available information and management’s judgment as to the expected outcome of future conditions and circumstances. While every effort is made to ensure the integrity of such estimates, actual results could differ from these estimates, and such differences could have a material impact on the Company’s Consolidated Financial Statements.

Initial Public Offering

On October 7, 2013, the Company completed its initial public offering (the Offering) whereby 15,333,333 shares of common stock were sold to the public at $17.00 per share. Net proceeds from the offering, after deducting underwriting discounts and commissions and offering expenses (including a transaction fee under the Company’s Advisory Agreement with an affiliate of Bain Capital equal to 1% of the gross proceeds of the offering or $2.6 million), were $236.9 million.

Prior to the Offering, each outstanding share of the Company’s Class A common stock was automatically cancelled and then each outstanding share of the Company’s Class L common stock was automatically converted into one share of the Company’s Class A common stock. The Company then effected an 11-for-1 split of the Company’s Class A common stock and then reclassified the Company’s Class A common stock into Common

Stock. Collectively, these transactions are referred to as the Reclassification. Unless otherwise indicated, all share data presented within the Consolidated Financial Statements gives effect to the stock split.

Secondary Offerings

On May 6, 2014, the Company closed a secondary public offering of the Company's common stock, in which 12,000,000 shares of common stock were sold by certain of the Company's stockholders. In connection with this offering, the selling stockholders granted the underwriters, and the underwriters subsequently exercised, an option to purchase 1,800,000 additional shares of common stock. In addition, on October 10, 2014, December 16, 2014 and January 16, 2015, the Company closed secondary public offerings of the Company's common stock in which 8,000,000 shares, 8,000,000 shares and 12,500,000 shares of common stock, respectively, were sold by certain of the Company's stockholders. Collectively, these transactions are referred to as the Secondary Offerings. All of the shares sold in the Secondary Offerings were offered by selling stockholders. The Company did not receive any of the proceeds from the Secondary Offerings. The Company incurred $1.8 million in costs related to the Secondary Offerings during Fiscal 2014, which are included in the line item "Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other" in the Company's Consolidated Statements of Operations.

Cash and Cash Equivalents

Cash and cash equivalents represent cash and short-term, highly liquid investments with maturities of three months or less at the time of purchase. Book cash overdrafts are included in the line item "Accounts Payable" on the Company's Consolidated Balance Sheets.

Accounts Receivable

Accounts receivable consist of credit card receivables, lease incentive receivables and other receivables. Accounts receivable are recorded at net realizable value, which approximates fair value. The Company provides an allowance for doubtful accounts for amounts deemed uncollectible.

Inventories

Merchandise inventories are valued at the lower of cost or market, as determined by the retail inventory method. Under the retail inventory method, the valuation of inventories at cost and the resulting gross margins are calculated by applying a calculated cost to retail ratio to the retail value of inventories. The Company regularly records a provision for estimated shrinkage, thereby reducing the carrying value of merchandise inventory. Complete physical inventories of all of the Company's stores and warehouses are performed no less frequently than annually, with the recorded amount of merchandise inventory being adjusted to coincide with these physical counts.

The Company records its cost of merchandise (net of purchase discounts and certain vendor allowances), certain merchandise acquisition costs (primarily commissions and import fees), inbound freight, outbound freight from distribution centers, and freight on internally transferred merchandise in the line item "Cost of Sales" in the Company's Consolidated Statements of Operations.

Costs associated with the Company's distribution, buying, and store receiving functions are included in the line items "Selling, General and Administrative Expenses" and "Depreciation and Amortization" in the Company's Consolidated Statements of Operations. Product sourcing costs included within the line item "Selling, General and Administrative Expenses" amounted to $204.1 million, $168.1 million and $145.1 million Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. Depreciation and amortization related to the distribution and purchasing functions for the same periods amounted to $15.3 million, $14.1 million and $12.8 million, respectively.

Property and Equipment

Property and equipment are recorded at cost. Repairs and maintenance expenditures are expensed as incurred. Renewals and betterments, which significantly extend the useful lives of existing property and equipment, are capitalized. Assets recorded under capital leases are recorded at the present value of minimum lease payments and are amortized over the lease term. Amortization of assets recorded as capital leases is included in the line item "Depreciation and Amortization" in the Company's Consolidated Statements of Operations. The carrying value of all long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, in accordance with ASC Topic No. 360 " Property, Plant, and Equipment" (Topic No. 360).

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted pre-tax future net cash flows expected to be generated by that asset. If the undiscounted future cash flows are not adequate to recover the carrying value of the asset, an impairment loss is recognized for the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company recorded impairment charges related to property and equipment of $2.4 million, $2.7 million and $5.2 million during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. These charges are recorded in the line item "Impairment Charges—Long-Lived Assets" in the Company's Consolidated Statements of Operations. Refer to Note 6, "Impairment Charges," for further discussion of the Company's measurement of impairment of long-lived assets.

Capitalized Computer Software Costs

The Company accounts for capitalized software in accordance with ASC Topic No. 350 "Intangibles—Goodwill and Other" (Topic No. 350) which requires the capitalization of certain costs incurred in connection with developing or obtaining software for internal use. The Company capitalized $13.3 million and $21.1 million relating to these costs during Fiscal 2014 and Fiscal 2013, respectively.

Intangible Assets

The Company accounts for intangible assets in accordance with Topic No. 350. The Company's intangible assets primarily represent tradenames and favorable lease positions. The tradename asset "Burlington" is expected to generate cash flows indefinitely and, therefore, is accounted for as an indefinite-lived asset not subject to amortization. The values of favorable and unfavorable lease positions are amortized on a straight-line basis over the expected lease terms. Amortization of net favorable lease positions is included in the line item "Depreciation and Amortization" in the Company's Consolidated Statements of Operations. The Company evaluates its intangible assets for possible impairment as follows:

Indefinite-lived intangible assets: The Company tests identifiable intangible assets with an indefinite life for impairment on an annual basis, or when a triggering event occurs, relying on a number of factors that include operating results, business plans and projected future cash flows. The impairment test consists of a comparison of the fair value of the indefinite-lived intangible asset with its carrying amount. The Company determines fair value through the relief of royalty method which is a widely accepted valuation technique. In May 2014, the Company's annual assessment date, the Company performed a quantitative analysis and determined that the fair values of each of the Company's identifiable intangible assets are greater than their respective carrying values. There were no impairment losses recorded during Fiscal 2014, Fiscal 2013 or Fiscal 2012 related to indefinite-lived intangible assets.

Finite-lived intangible assets: Identifiable intangible assets that are subject to amortization are evaluated for impairment in accordance with Topic No. 360 using a process similar to that used to evaluate other long-lived assets as described in Note 6, “Impairment Charges.” An impairment loss is recognized for the amount by which the carrying value exceeds the fair value of the asset. For the favorable lease positions, if the carrying amount exceeds the estimated expected undiscounted future cash flows, the Company measures the amount of the impairment by comparing the carrying amount of the asset to its fair value. The fair value is estimated by discounting expected future cash flows using the Company’s risk adjusted rate of interest. The Company did not record an impairment related to identifiable finite-lived intangible assets during Fiscal 2014 or Fiscal 2013. During Fiscal 2012, the Company recorded $6.3 million of impairment charges related to identifiable finite-lived intangible asset charges, which are recorded in the line item “Impairment Charges—Long-Lived Assets” in the Company’s Consolidated Statements of Operations.

Goodwill

Goodwill represents the excess of the acquisition cost over the estimated fair value of tangible assets and other identifiable intangible assets acquired less liabilities assumed. Topic No. 350 requires a comparison, at least annually, of the carrying value of the assets and liabilities associated with a reporting unit, including goodwill, with the fair value of the reporting unit. The Company determines fair value through multiple widely accepted valuation techniques. These techniques use a variety of assumptions including projected market conditions, discount rates and future cash flows. If the carrying value of the assets and liabilities exceeds the fair value of the reporting unit, the Company would calculate the implied fair value of its reporting unit goodwill as compared with the carrying value of its reporting unit goodwill to determine the appropriate impairment charge. In May 2014, the Company’s annual assessment date, the Company performed a quantitative analysis and determined that the fair value of the Company’s reporting unit is greater than its respective carrying value. There were no impairment losses recorded during Fiscal 2014, Fiscal 2013 or Fiscal 2012.

Other Assets

Other assets consist primarily of landlord owned store assets that the Company has paid for as part of its lease, deferred financing fees and purchased lease rights. Landlord owned assets represent leasehold improvements at certain stores that the Company has paid for, but where the landlord has retained title to such assets. These assets are amortized over the lease term inclusive of reasonably assured renewal options and the amortization is included in the line item “Depreciation and Amortization” in the Company’s Consolidated Statements of Operations. Deferred financing fees are amortized over the life of the related debt facility using the interest method of amortization. Amortization of deferred financing fees is recorded in the line item “Interest Expense” in the Company’s Consolidated Statements of Operations. Purchased lease rights are amortized over the lease term inclusive of reasonably assured renewal options and the amortization is recorded in the line item “Selling, General and Administrative Expenses” in the Company’s Consolidated Statements of Operations. Both landlord owned assets and purchased lease rights are assessed for impairment in accordance with Topic No. 360. During Fiscal 2014 and Fiscal 2013, the Company recorded impairment charges of $0.2 million and $0.5 million, respectively, related to purchased lease rights and landlord owned assets. These charges are recorded in the line item “Impairment Charges – Long-Lived Assets” in the Company’s Consolidated Statements of Operations. There were no impairment charges in Fiscal 2012 related to landlord owned assets and purchased lease rights. Refer to Note 6, “Impairment Charges,” for further discussion of the Company’s measurement of impairment of long-lived assets.

Other Current Liabilities

Other current liabilities primarily consist of sales tax payable, customer liabilities, accrued payroll costs, self-insurance reserves, accrued operating expenses, payroll taxes payable, current portion of straight line rent liability and other miscellaneous items. Customer liabilities totaled $30.5 million and $29.2 million as of January 31, 2015 and February 1, 2014, respectively.

The Company has risk participation agreements with insurance carriers with respect to workers’ compensation, general liability insurance and health insurance. Pursuant to these arrangements, the Company is responsible for paying individual claims up to designated dollar limits. The amounts related to these claims are estimated and can vary based on changes in assumptions or claims experience included in the associated insurance programs. An increase in workers' compensation claims, health insurance claims or general liability claims may result in a corresponding increase in costs related to these claims. Self insurance reserves as of January 31, 2015 and February 1, 2014 were:

	(in thousands) Years Ended January 31, 2015	February 1, 2014
Short-Term Self Insurance Reserve(a)	$ 24,888	$ 23,553
Long-Term Self Insurance Reserve(b)	35,953	33,600
Total	$ 60,841	$ 57,153

(a) Represents the portions of the self insurance reserve expected to be paid in the next twelve months which is recorded in the line item "Other Current Liabilities" in the Company's Consolidated Balance Sheets.

(b) The remaining self insurance reserve balance is recorded in the line item "Other Liabilities" in the Company's Consolidated Balance Sheets.

Other Liabilities

Other liabilities primarily consist of deferred lease incentives, the long term portion of self-insurance reserves, the excess of straight-line rent expense over actual rental payments and tax liabilities associated with the uncertain tax positions recognized by the Company in accordance with ASC Topic No. 740 "Income Taxes" (Topic No. 740).

Deferred lease incentives are funds received or receivable from landlords used primarily to offset the costs incurred for remodeling of stores. These deferred lease incentives are amortized over the expected lease term including rent holiday periods and option periods where the exercise of the option can be reasonably assured. Amortization of deferred lease incentives is included in the line item "Selling, General and Administrative Expenses" on the Company's Consolidated Statements of Operations. At January 31, 2015 and February 1, 2014, deferred lease incentives were $176.3 million and $157.5 million, respectively.

Revenue Recognition

The Company records revenue at the time of sale and delivery of merchandise, net of allowances for estimated future returns. The Company presents sales, net of sales taxes, in its Consolidated Statements of Operations. The Company accounts for layaway sales and leased department revenue in compliance with ASC Topic No. 605 "Revenue Recognition" (Topic No. 605). Layaway sales are recognized upon delivery of merchandise to the customer. The amount of cash received upon initiation of the layaway is recorded as a deposit liability in the line item "Other Current Liabilities" in the Company's Consolidated Balance Sheets. Store value cards (gift cards and store credits issued for merchandise returns) are recorded as a liability at the time of issuance, and the related sale is recorded upon redemption.

The Company determines an estimated store value card breakage rate by continuously evaluating historical redemption data. Breakage income is recognized monthly in proportion to the historical redemption patterns for those store value cards for which the likelihood of redemption is remote.

Other Revenue

Other revenue consists of rental income received from layaway, alteration, dormancy and other service charges, inclusive of shipping and handling revenues (Service Fees), leased departments and subleased rental income as shown in the table below:

	(in thousands) Years Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
Service Fees	$ 14,269	$ 13,711	$ 13,284
Subleased Rental Income and Other	12,366	9,849	10,202
Rental Income from Leased Departments	8,495	10,924	10,639
Total	$ 35,130	$ 34,484	$ 34,125

Rental income from leased departments results from arrangements at some of the Company's stores where the Company has granted unaffiliated third parties the right to use designated store space solely for the purpose of selling such third parties' goods, including such items as fragrances. Rental income is based on an agreed upon percentage of the lease departments' total revenues. The Company does not own or have any rights to any tradenames, licenses or other intellectual property in connection with the brands sold by such unaffiliated third parties.

Advertising Costs

The Company's advertising costs consist primarily of television and newspaper costs and are included in the line item "Selling, General and Administrative Expenses" on the Company's Consolidated Statements of Operations. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, net advertising cost was $84.9 million, $83.3 million and $83.5 million, respectively.

The Company nets certain cooperative advertising reimbursements received from vendors that meet the criteria of Topic No. 605 against specific, incremental, identifiable costs incurred in connection with selling the vendors' products. Any excess reimbursement is characterized as a reduction of inventory and is recognized as a reduction to cost of sales as inventories are sold.

Barter Transactions

The Company accounts for barter transactions under ASC Topic No. 845 "Nonmonetary Transactions." Barter transactions with commercial substance are recorded at the estimated fair value of the products exchanged, unless the products received have a more readily determinable estimated fair value. Revenue associated with barter transactions is recorded at the time of the exchange of the related assets. During Fiscal 2011 the Company exchanged $13.9 million of inventory for certain advertising credits. To account for the exchange, the Company recorded "Sales" and "Cost of Sales" of $13.9 million in the Company's Consolidated Statements of Operations. The $7.9 million of unused advertising credits remaining as of January 31, 2015 are expected to be used over the five consecutive fiscal years following Fiscal 2014.

The following table summarizes the prepaid advertising expense which is included in the line items "Prepaid and Other Current Assets" and "Other Assets" in the Company's Consolidated Balance Sheets as of January 31, 2015 and February 1, 2014:

	(in thousands)	
	January 31, 2015	February 1, 2014
Prepaid and Other Current Assets	$ 2,664	$ 2,842
Other Assets	5,246	7,718
Total Prepaid Advertising Expense	$ 7,910	$ 10,560

The following table details barter credit usage for Fiscal 2014, Fiscal 2013 and Fiscal 2012, which are included in the line item "Selling, General and Administrative Expenses" on the Company's Consolidated Statements of Operations:

	(in thousands)		
	Fiscal Years Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
Barter Credit Usage	$ 2,650	$ 2,544	$ 3,776

Income Taxes

The Company accounts for income taxes in accordance with Topic No. 740. Deferred income taxes reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. A valuation allowance against the Company's deferred tax assets is recorded when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In determining the need for a valuation allowance, management is required to make assumptions and to apply judgment, including forecasting future earnings, taxable income, and the mix of earnings in the jurisdictions in which the Company operates. Management periodically assesses the need for a valuation allowance based on the Company's current and anticipated results of operations. The need for and the amount of a valuation allowance can change in the near term if operating results and projections change significantly.

Topic No. 740 requires the recognition in the Company's Consolidated Financial Statements of the impact of a tax position taken or expected to be taken in a tax return, if that position is "more likely than not" of being sustained upon examination by the relevant taxing authority, based on the technical merits of the position. The tax benefits recognized in the Company's Consolidated Financial Statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution. The Company records interest and penalties related to unrecognized tax benefits as part of income taxes.

Other Income, Net

Other income, net, consists of investment income gains and losses, breakage income, net gains and losses from disposition of fixed assets, and other miscellaneous income items. During Fiscal 2014, the Company recognized $3.2 million of income related to the settlement during Fiscal 2014 of a class action lawsuit relating to credit card interchange fees and $2.5 million of breakage income. During Fiscal 2013 and Fiscal 2012, the Company recognized $4.0 million and $2.5 million, respectively, of breakage income.

Comprehensive Income

Comprehensive Income is comprised of net income and the effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges.

Lease Accounting

The Company leases store locations, distribution centers and office space used in its operations. The Company accounts for these types of leases in accordance with ASC Topic No. 840, “Leases” (Topic No. 840), and subsequent amendments, which require that leases be evaluated and classified as operating or capital leases for financial reporting purposes. Assets held under capital leases are included in the line item “Property and Equipment—Net of Accumulated Depreciation and Amortization” in the Company’s Consolidated Balance Sheets. For leases classified as operating, the Company calculates rent expense on a straight-line basis over the lesser of the lease term including renewal options, if reasonably assured, or the economic life of the leased premises, taking into consideration rent escalation clauses, rent holidays and other lease concessions. The Company commences recording rent expense during the store fixturing and merchandising phase of the leased property.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC Topic No. 718, “Stock Compensation” (Topic No. 718), which requires companies to record stock compensation expense for all non-vested and new awards beginning as of the grant date. As of January 31, 2015, there were 16,125,258 shares reserved for issuance under the Company’s Management Incentive Plans as defined in Note 12, “Stock-Based Compensation.” As of January 31, 2015, there were 3,218,845 options outstanding and 392,178 shares of unvested restricted stock outstanding under the Company’s Management Incentive Plans. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Company recognized non-cash stock compensation expense in the amount of $6.3 million, $10.2 million and $2.7 million, respectively. Refer to Note 12 for further details.

Net Income (Loss) Per Share

Net income (loss) per share is calculated using the treasury stock method. Refer to Note 11, “Net Income (Loss) Per Share,” for further details.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Company manages the credit risk associated with cash equivalents and investments by investing with high-quality institutions and, by policy, limiting investments only to those which meet prescribed investment guidelines. The Company maintains cash accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses from maintaining cash accounts in excess of such limits. Management believes that it is not exposed to any significant risks on its cash and cash equivalent accounts.

Segment Information

The Company reports segment information in accordance with ASC Topic No. 280 “Segment Reporting” (Topic No. 280). The Company has one reportable segment.

Reclassification

Certain reclassifications have been made to prior year financial statements to conform with the current period presentation.

2. Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2013-02, “Comprehensive Income” (ASU 2013-02). ASU 2013-02 requires companies to disclose the following: (i) for items reclassified out of accumulated other comprehensive income (loss) and into earnings in their entirety, the effect of the reclassification on each affected income statement line item; and (ii) for accumulated other comprehensive income (loss) reclassification items that are not reclassified in their entirety into net income, a cross reference to other required U.S. GAAP disclosures. The new standard was required to be applied prospectively. Other than additional disclosure, the adoption of the new standard did not have an impact on the Company's financial position or results of operations.

In July 2013, the FASB issued Accounting Standards Update No. 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" (ASU 2013-11). ASU 2013-11 states that an unrecognized tax benefit should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward or a tax credit carryforward, if available at the reporting date under the applicable tax law to settle any additional income taxes that would result from the disallowance of a tax position. If the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability. The amendments in ASU 2013-11 became effective for fiscal years, and interim periods within those years, beginning after December 15, 2013 and did not have a material impact on the Company's financial position or results of operations.

In April 2014, the FASB issued Accounting Standards Update No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity" (ASU 2014-08). ASU 2014-08 is aimed at reducing the frequency of disposals reported as discontinued operations by focusing on strategic shifts that have or are expected to have a major effect on an entity's operations and financial results. Such a shift could include the disposal of a major line of business, a major geographical area, a major equity method investment or other major parts of the entity. ASU 2014-08 also permits companies to have continuing cash flows and significant continuing involvement with the disposed component. ASU 2014-08 requires expanded disclosures for discontinued operations and new disclosures for individually material disposals that do not meet the definition of a discontinued operation. The Company has early adopted ASU 2014-08 during Fiscal 2014. ASU 2014-08 did not have a material impact on the Company's financial position or results of operations.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09). It outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that "an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services." ASU 2014-09 is effective for annual periods beginning after December 15, 2016 and interim periods within those annual periods. The Company is still assessing the impact of the adoption to the Company's financial position or results of operations.

There were no other new accounting standards that had a material impact on the Company's Consolidated Financial Statements during Fiscal 2014, and there were no other new accounting standards or pronouncements that were issued but not yet effective as of January 31, 2015 that the Company expects to have a material impact on its financial position or results of operations upon becoming effective.

3. Restricted Cash and Cash Equivalents

At January 31, 2015 and February 1, 2014, restricted cash and cash equivalents consisted of $27.8 million and $32.1 million, respectively of collateral for certain insurance contracts. The Company has the ability to convert the restricted cash to a letter of credit at anytime, which would reduce available borrowings on the Company's ABL Line of Credit by a like amount.

Table of Contents

4. Property and Equipment

Property and equipment consist of:

	Useful Lives	(in thousands) January 31, 2015	February 1, 2014
Land	N/A	$ 159,246	$ 162,331
Buildings	20 to 40 Years	424,601	365,101
Store Fixtures and Equipment	3 to 10 Years	643,647	568,342
Software	3 to 5 Years	187,402	163,547
Leasehold Improvements	Shorter of lease term or useful life	466,940	432,644
Construction in Progress	N/A	21,478	35,996
		1,903,314	1,727,961
Less: Accumulated Depreciation		(932,895)	(825,304)
Total Property and Equipment, net of Accumulated Depreciation and Amortization		$ 970,419	$ 902,657

As of January 31, 2015 and February 1, 2014, assets, net of accumulated amortization of $14.5 million and $12.7 million, respectively, held under capital leases amounted to approximately $25.9 million and $24.4 million, respectively, and are included in the line item “Buildings” in the foregoing table. Amortization expense related to capital leases is included in the line item “Depreciation and Amortization” in the Company’s Consolidated Statements of Operations. The total amount of depreciation expense during Fiscal 2014, Fiscal 2013 and Fiscal 2012 was $130.8 million, $128.8 million and $127.5 million, respectively.

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Company recorded impairment charges related to Property and Equipment of $2.4 million, $2.7 million and $5.2 million, respectively. Refer to Note 6, “Impairment Charges,” for further discussion.

Internally developed software is amortized on a straight line basis over three to five years and is recorded in the line item “Depreciation and Amortization” in the Company’s Consolidated Statements of Operations. Depreciation and amortization of internally developed software amounted to $17.4 million, $18.8 million and $20.3 million during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively.

5. Intangible Assets

Intangible assets at January 31, 2015 and February 1, 2014 consist primarily of tradenames and favorable lease positions as follows:

	(in thousands) January 31, 2015			February 1, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Tradenames	$238,000	$ —	$238,000	$238,000	$ —	$238,000
Favorable Leases	$476,677	$ (210,280)	$266,397	$487,350	$ (194,797)	$292,553

Favorable Leases

The decrease in the gross carrying amount of the Company’s favorable leases from February 1, 2014 to January 31, 2015 reflects a reduction of $10.7 million during Fiscal 2014 from the write off of certain favorable leases becoming fully amortized during the period.

Accumulated amortization of favorable leases as of January 31, 2015 reflects Fiscal 2014 amortization expense of $26.2 million, partially offset by a decrease of $10.7 million related to the write off of fully amortized leases, as discussed above.

The weighted average amortization period remaining for the Company’s favorable leases is 14.7 years. Amortization expense of favorable leases for each of the next five fiscal years is estimated to be as follows:

Fiscal years:	***(in thousands)***
2015	$ 24,228
2016	23,148
2017	23,317
2018	21,059
2019	20,456
Total	$ 112,208

6. Impairment Charges

Impairment charges recorded during Fiscal 2014, Fiscal 2013 and Fiscal 2012 amounted to $2.6 million, $3.2 million and $11.5 million, respectively, and are primarily related to declines in revenues and operating results of the respective stores. Impairment charges during these periods related to the following:

	(in thousands) Fiscal Year Ended		
Asset Categories	**January 31, 2015**	**February 1, 2014**	**February 2, 2013**
Favorable Leases	$ —	$ —	$ 6,275
Leasehold Improvements	696	1,575	1,885
Building/Building Improvements	1,152	81	1,814
Furniture and Fixtures	500	970	950
Land	—	4	558
Other Assets	216	465	—
Other Property and Equipment	15	85	57
Total	$ 2,579	$ 3,180	$ 11,539

The Company recorded impairment charges related to store-level assets for three stores during Fiscal 2014, seven stores during Fiscal 2013 and 12 stores during Fiscal 2012. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Company also recorded impairment charges for capital expenditures for previously impaired stores.

Long-lived assets are measured at fair value on a non-recurring basis for purposes of calculating impairment using the fair value hierarchy of ASC Topic No. 820 “Fair Value Measurements” (Topic No. 820). Refer to Note 16, “Fair Value of Financial Instruments,” for further discussion of the Company’s fair value hierarchy. The fair value of the Company’s long-lived assets is generally calculated using discounted cash flows. None of the three stores impaired during Fiscal 2014 were fully impaired. Of the three stores that were partially impaired during Fiscal 2014, the table below sets forth by level within the fair value hierarchy their fair value subsequent to impairment charges as of January 31, 2015:

	(in thousands)				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Un-Observable Inputs (Level 3)**	**Total**	**Total Impairment Losses**
Leasehold Improvements	$ —	$ —	$ 566	$ 566	$ 696
Building/Building Improvements	—	—	—	—	1,152
Furniture and Fixtures	—	—	785	785	500
Other Assets	—	—	167	167	216
Other Property and Equipment	—	—	58	58	15
Total	$ —	$ —	$ 1,576	$1,576	$ 2,579

7. Long Term Debt

Long Term Debt consists of:

	(in thousands)	
	January 31, 2015	**February 1, 2014**
$1,200,000 Senior Secured Term Loan Facility (Term B-3 Loans), LIBOR (with a floor of 1.0%) plus 3.25%, matures on August 13, 2021	$1,161,541	$ —
$1,000,000 Senior Secured Term Loan Facility (Term B-2 Loans), LIBOR (with a floor of 1.0%) plus 3.25%, redeemed in full on August 13, 2014	—	828,839
$450,000 Senior Notes, 10%, redeemed in full on August 13, 2014	—	450,000
$350,000 Senior Notes, 9% / 9.75%, redeemed in full on August 13, 2014	—	126,147
$600,000 ABL Senior Secured Revolving Facility, LIBOR plus spread based on average outstanding balance, expires August 13, 2019	63,300	—
Capital Lease Obligations	25,602	23,199
Total debt	1,250,443	1,428,185
Less: current maturities	(1,167)	(59,026)
Long term debt, net of current maturities	$1,249,276	$1,369,159

Term Loan Facility

On February 24, 2011, the Company entered into a $1.0 billion senior secured term loan facility (the Term Loan Facility). The Term Loan Facility was issued pursuant to a credit agreement (Term Loan Credit Agreement), dated February 24, 2011, among BCFWC, the guarantors signatory thereto, and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the Term Loan Administrative Agent) and as collateral agent, the lenders party thereto, J.P. Morgan Securities LLC and Goldman Sachs Lending Partners LLC, as joint bookrunners and J.P. Morgan Securities LLC, Goldman Sachs Lending Partners LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as joint arrangers, governing the terms of the Term Loan Facility.

On May 16, 2012, the Company entered into Amendment No. 1 (First Amendment) to the Term Loan Credit Agreement, which, among other things, reduced the applicable margin on the interest rates applicable to the Company’s Term Loan Facility by 50 basis points. To accomplish this interest rate reduction, the First Amendment provided for a replacement of the previously outstanding $950.5 million principal amount of term B loans (Term B Loans) with a like aggregate principal amount of term B-1 loans (Term B-1 loans). The Company offered existing term loan lenders the option to convert their Term B Loans into Term B-1 Loans on a non-cash basis. The $119.3 million of Term B Loans held by existing lenders electing not to convert their Term B Loans into Term B-1 Loans was prepaid in full on the effective date of the First Amendment from the proceeds of Term B-1 Loans. The Term B-1 Loans had the same maturity dates that were applicable to the Term B Loans. The Term Loan Credit Agreement provisions relating to the representations and warranties, covenants and events of default applicable to the Company and the guarantors were not modified by the First Amendment.

As a result of the First Amendment, mandatory quarterly payments of $2.4 million were payable as of the last day of each quarter beginning with the quarter ended July 28, 2012. Based on the Company’s available cash flow during Fiscal 2011, the Company made a payment of $7.0 million in April 2012. The Company elected to make prepayments of $9.5 million in May 2012 and $70.0 million in January 2013, all of which offset the mandatory quarterly payments through the maturity date. In accordance with Topic No. 470, the Company recognized a non-cash loss on the partial extinguishment of debt of $2.2 million, which was recorded in the line item “Loss on Extinguishment of Debt” in the Company’s Consolidated Statements of Operations. In connection with the First Amendment, the Company incurred fees of $3.9 million, of which $0.3 million was capitalized and included in the line item “Other Assets” on the Company’s Consolidated Balance Sheet, primarily related to legal and placement fees, associated with the portion of the debt that was not extinguished. The remaining fees were recorded in the line item “Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other” in the Company’s Consolidated Statements of Operations.

On February 15, 2013, BCFWC entered into Amendment No. 2 (Second Amendment) to the Term Loan Credit Agreement. The Second Amendment created a restricted payments basket of $25.0 million and permitted Burlington Coat Factory Investments Holdings, Inc. (the parent of BCFWC and indirect subsidiary of Burlington Stores, Inc.) and all of its subsidiaries (collectively, Holdings) to use the “available amount” to make restricted payments (which basket included retained excess cash flow, in an amount not to exceed 50% of BCFWC’s consolidated net income since the second quarter of Fiscal 2011), in each case so long as certain conditions were satisfied. In connection with the Second Amendment, the Company incurred a $1.6 million amendment fee that was capitalized and included in the line item “Other Assets” on the Company’s Consolidated Balance Sheet. Additionally, the Company incurred $8.9 million of additional fees, inclusive of an $8.6 million fee payable to Bain Capital, for various consulting and advisory services which were included in the line item “Costs Related to Debt Amendments, Termination of Advisory Agreement and Other” on the Company’s Consolidated Statements of Operations.

On May 17, 2013, BCFWC entered into Amendment No. 3 (Third Amendment) to the Term Loan Credit Agreement, in order to, among other things, reduce the interest rates applicable to the Term Loan Facility by 100 basis points (provided that such interest rates were to be further reduced by 25 basis points if BCFWC’s consolidated secured leverage ratio was less than or equal to 2.25:1) and to reduce the LIBOR floor by 25 basis points. The Third Amendment was accomplished by replacing the outstanding $871.0 million principal amount of the Term B-1 Loans with a like aggregate principal amount of term B-2 loans (the Term B-2 Loans). The Term B-2 Loans had the same maturity dates that were applicable to the Term B-1 Loans. The Term Loan Credit Agreement provisions relating to the representations and warranties, covenants and events of default applicable to the Company and the guarantors were not modified by the Third Amendment.

In connection with the Third Amendment, the Company paid an $8.7 million prepayment premium. In accordance with Topic 470, $8.6 million of this prepayment premium was capitalized and included in the line item “Other Assets” in the Company’s Consolidated Balance Sheet. In addition, third party fees of $2.6 million were recorded in the line item “Costs Related to Debt Amendments, Secondary Offerings, Termination of

Advisory Agreement and Other" in the Company's Consolidated Statements of Operations. In accordance with Topic 470, the Company recognized a loss on the extinguishment of debt of $0.6 million, which is recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

As a result of the Third Amendment, mandatory quarterly payments of $2.2 million were payable as of the last day of each quarter. In January 2014, the Company elected to make a prepayment of $30.0 million, which offset the mandatory quarterly payments through the maturity date. In accordance with Topic No. 470, the Company recognized a loss on the extinguishment of debt of $0.8 million, which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations. Based on the Company's available cash flow during Fiscal 2013, the Company made a payment of $4.0 million during the first quarter of Fiscal 2014. In accordance with Topic No. 470, the Company recognized a loss on the extinguishment of debt of $0.1 million, representing the write off of deferred financing costs and unamortized original issue discount, which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

On August 13, 2014, BCFWC entered into Amendment No. 4 (the Fourth Amendment) to the Term Loan Credit Agreement (as amended by the Fourth Amendment, the Amended Term Loan Credit Agreement). The Fourth Amendment, among other things, (i) increases the available incremental amount from $150.0 million to $400.0 million plus unlimited amounts so long as BCFWC's pro forma consolidated secured leverage ratio does not exceed 3.50 to 1.00, (ii) removes the following financial performance covenants: (a) consolidated leverage ratio, (b) consolidated interest ratio and (c) capital expenditures, and (iii) gives BCFWC and its restricted subsidiaries additional flexibility to make investments, restricted payments (including dividends), incur additional debt, grant liens and otherwise comply with its covenants under the Amended Term Loan Credit Agreement. The interest rate margin applicable under the Amended Term Loan Credit Agreement is 3.25% in the case of loans drawn at LIBOR and 2.25% in the case of loans drawn under the prime rate (as determined by the Term Loan Facility Administrative Agent). The Fourth Amendment removed the variable pricing mechanism that was formerly in place, which was based on BCFWC's pro forma consolidated secured leverage ratio. The Term Loan Facility is collateralized by a first lien on our favorable leases, real estate and property & equipment and a second lien on our inventory and receivables.

As a result of the Fourth Amendment the $830.6 million principal amount of term B-2 loans (Term B-2 Loans) outstanding was replaced with $1,200.0 million principal amount of term B-3 loans (Term B-3 Loans). In accordance with ASC Topic No. 405-20, "Extinguishments of Liabilities" (Topic No. 405), the Company recognized a loss on the extinguishment of debt of $16.4 million, representing the write off of $11.7 million and $4.7 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

The Term B-3 Loans mature on August 13, 2021. Mandatory quarterly payments of $3.0 million are payable as of the last day of each quarter. The Company elected to make a prepayment of $27.0 million in January 2015, which offset the mandatory quarterly payments through April 29, 2017. In accordance with Topic No. 470, the Company recognized a non-cash loss on the partial extinguishment of debt of $0.3 million, representing the write off of $0.2 million and $0.1 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

Interest rates for the Term Loan Facility are based on: (i) for LIBOR rate loans for any interest period, at a rate per annum equal to the greater of (x) the LIBOR rate, as determined by the Term Loan Facility Administrative Agent, for such interest period multiplied by the Statutory Reserve Rate (as defined in the Term Loan Credit Agreement) and (y) 1.00% (the Term Loan Adjusted LIBOR Rate), plus an applicable margin; and (ii) for prime rate loans, a rate per annum equal to the highest of (a) the variable annual rate of interest then announced by JPMorgan Chase Bank, N.A. at its head office as its "prime rate," (b) the federal funds rate in effect on such date plus 0.50% per annum, and (c) the Term Loan Adjusted LIBOR Rate for the applicable class of term loans for one-month plus 1.00%, plus, in each case, an applicable margin. At January 31, 2015, the Company's borrowing rate related to the Term Loan Facility was 4.25%.

$450 Million Senior Notes

On February 24, 2011, BCFWC issued $450.0 million aggregate principal amount of 10% Senior Notes due 2019 at an issue price of 100% (the Senior Notes). The Senior Notes were issued pursuant to an indenture, dated February 24, 2011, among BCFWC, the guarantors signatory thereto, and Wilmington Trust FSB.

On August 13, 2014, BCFWC redeemed the Senior Notes in full. In accordance with Topic No. 405, the Company recognized a loss on the extinguishment of debt of $49.6 million, representing $43.7 million in redemption premiums and the write off of $5.9 million in deferred financing costs, which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

$350 Million Senior Notes

On February 20, 2013, Burlington Holdings, LLC (Holdings LLC) and Burlington Holdings Finance, Inc. (collectively the Issuers), completed the offering of $350.0 million aggregate principal amount of Senior Notes due 2018 (Holdco Notes) at an issue price of 98.00%. The Holdco Notes were senior unsecured obligations of the Issuers, which were not obligors or guarantors under the Term Loan Facility or the indenture governing the Senior Notes.

On November 7, 2013, the Company redeemed $221.8 million aggregate principal amount of the Holdco Notes. In accordance with Topic No. 405, the Company recognized a loss on the extinguishment of long-term debt of $14.7 million, which included $4.4 million in redemption premiums and $3.8 million and $6.5 million for the write-off of the unamortized original issue discount and deferred financing costs, respectively. The $14.7 million loss was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

On April 4, 2014, the Issuers redeemed $58.0 million aggregate principal amount of the Holdco Notes. In accordance with Topic No. 405, the Company recognized a loss on the extinguishment of long-term debt of $3.6 million representing $1.2 million in redemption premiums and the write off of $1.5 million and $0.9 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

On August 13, 2014, the Company redeemed the Holdco Notes in full. In accordance with Topic No. 405, the Company recognized a loss on the extinguishment of debt of $4.1 million, representing $1.4 million in redemption premiums and the write off of $1.7 million and $1.0 million in deferred financing costs and unamortized original issue discount, respectively, which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

ABL Line of Credit

On August 13, 2014, BCFWC entered into Amendment No. 1 (the ABL Amendment) to the Second Amended and Restated Credit Agreement, dated September 2, 2011 (as amended, supplemented and otherwise modified, the Amended ABL Credit Agreement) governing BCFWC's existing senior secured asset-based revolving credit facility (the ABL Line of Credit). The ABL Amendment, among other things, gives BCFWC and certain of its subsidiaries additional flexibility to make investments, restricted payments (including dividends), incur additional debt, grant liens and otherwise comply with its covenants under the Amended ABL Credit Agreement. In accordance with Topic No. 470, the Company recognized a loss on the extinguishment of debt of $0.2 million representing the write off of deferred financing costs which was recorded in the line item "Loss on Extinguishment of Debt" in the Company's Consolidated Statements of Operations.

The ABL Line of Credit matures on August 13, 2019. The aggregate amount of commitments under the Amended ABL Credit Agreement is $600.0 million and, subject to the satisfaction of certain conditions, the Company can increase the aggregate amount of commitments up to $900.0 million. As a result of the ABL Amendment, the interest rate margin applicable under the Amended ABL Credit Agreement in the case of loans drawn at LIBOR was reduced from 1.75% - 2.25% (based on total commitments or borrowing base availability) to 1.25% - 1.50% (based on total commitments or borrowing base availability), and the fee on the average daily balance of unused loan commitments was reduced from 0.375% to 0.25%. The ABL Line of Credit is collateralized by a first lien on the Company's inventory and receivables and a second lien on the Company's real estate and property and equipment.

The Company believes that the Amended ABL Credit Agreement provides the liquidity and flexibility to meet its operating and capital requirements over the remaining term of the ABL Line of Credit. Further, the calculation of the borrowing base under the amended and restated credit agreement has been amended to allow for increased availability, particularly during the September 1st through December 15th period of each year.

At January 31, 2015, the Company had $386.9 million available under the Amended ABL Line of Credit and $63.3 million of outstanding borrowings. The maximum borrowings under the facility during Fiscal 2014 amounted to $300.0 million. Average borrowings during Fiscal 2014 amounted to $87.7 million at an average interest rate of 1.8%.

At February 1, 2014, the Company had $456.2 million available under the ABL Line of Credit and no outstanding borrowings. The maximum borrowings under the facility during Fiscal 2013 amounted to $148.6 million. Average borrowings during Fiscal 2013 amounted to $35.4 million at an average interest rate of 2.1%.

Deferred Financing Costs

The Company had $16.4 million and $30.1 million in deferred financing costs related to its long term debt instruments recorded in the line item "Other Assets" in the Company's Consolidated Balance Sheets as of January 31, 2015 and February 1, 2014, respectively. Amortization of deferred financing costs amounted to $6.1 million, $9.6 million and $5.8 million during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively, and is included in the line item "Interest Expense" in the Company's Consolidated Statements of Operations. During Fiscal 2014, the Company incurred new deferred financing costs of $13.7 million as a result of the refinancing transactions that were completed on August 13, 2014, and wrote off $21.3 million of deferred financing costs and accumulated amortization.

Amortization expense related to the deferred financing costs as of January 31, 2015 for each of the next five fiscal years and thereafter is estimated to be as follows:

Fiscal years	***(in thousands)***
2015	$ 2,933
2016	2,933
2017	2,986
2018	2,915
2019	2,264
Thereafter	2,357
Total	$ 16,388

Deferred financing costs have a weighted average amortization period of approximately 5.8 years.

Scheduled Maturities

Scheduled maturities of the Company's long term debt and capital lease obligations, as they exist as of January 31, 2015, in each of the next five fiscal years and thereafter are as follows:

	(in thousands)		
	Long-Term Debt	**Capital Lease Obligations**	**Total**
Fiscal years:			
2015	$ —	$ 1,167	$ 1,167
2016	—	1,263	1,263
2017	9,000	1,624	10,624
2018	12,000	1,895	13,895
2019	75,300	2,139	77,439
Thereafter	1,134,000	17,514	1,151,514
Total	1,230,300	25,602	1,255,902
Less: Unamortized Discount	(5,459)	—	(5,459)
Total	1,224,841	25,602	1,250,443
Less: Current Portion	—	(1,167)	(1,167)
Long Term Debt	$1,224,841	$ 24,435	$1,249,276

The capital lease obligations noted above are exclusive of interest charges of $2.4 million, $2.3 million, $2.4 million, $2.0 million, $1.9 million and $5.7 million for the fiscal years ended January 30, 2016, January 28, 2017, February 3, 2018, February 2, 2019, February 1, 2020 and thereafter, respectively.

8. Derivative Instruments and Hedging Activities

The Company accounts for derivative instruments and hedging activities in accordance with ASC Topic No. 815 "Derivatives and Hedging" (Topic No. 815). Topic No. 815 provides the disclosure requirements for derivatives and hedging activities with the intent to provide users of financial statements with an enhanced understanding of: (i) how and why an entity uses derivative instruments, (ii) how the entity accounts for derivative instruments and related hedged items, and (iii) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Further, qualitative disclosures are required that explain the Company's objectives and strategies for using derivatives, as well as quantitative disclosures about the fair value of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative instruments.

As required by Topic No. 815, the Company records all derivatives on the balance sheet at fair value and adjusts to market on a quarterly basis. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

In accordance with Topic No. 820, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. Because the Company's only derivatives are interest rate cap contracts that can only be assets to the Company, there is no impact of netting under the master netting arrangements.

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash payments principally related to the Company's borrowings.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate caps as part of its interest rate risk management strategy. Interest rate caps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium. On August 19, 2014, the Company entered into four interest rate cap contracts which were designated as cash flow hedges.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in Accumulated Other Comprehensive Loss on the Company's Consolidated Balance Sheets and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During 2014, such derivatives were used to hedge the variable cash flows associated with existing (or anticipated) variable-rate debt. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. The Company did not record any hedge ineffectiveness in its earnings during Fiscal 2014.

Amounts reported in Accumulated Other Comprehensive Loss related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. There were no amounts reclassified to interest expense during Fiscal 2014. During the next twelve months, the Company estimates that approximately $0.1 million will be reclassified as an increase to interest expense.

As of January 31, 2015, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Interest Rate Derivative	Notional Principal Amount	Interest Cap Rate	Effective Date	Maturity Date
Interest Rate Cap Contracts	$ 387.5 million	3.0%	August 29, 2014	February 28, 2017
Interest Rate Cap Contracts	$ 387.5 million	3.0%	August 31, 2014	February 28, 2017
Interest Rate Cap Contracts	$ 340.0 million	4.0%	February 28, 2017	February 28, 2019
Interest Rate Cap Contracts	$ 340.0 million	4.0%	February 28, 2017	February 28, 2019

Non-designated Hedges

Derivatives not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements and other identified risks but do not meet the strict hedge accounting requirements or the Company elected not to designate these derivatives as hedges. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings. As of January 31, 2015, the Company had the following outstanding derivatives that were not designated as hedges in qualifying hedging relationships:

Interest Rate Derivative	Number of Instruments	Aggregate Notional Principal Amount	Interest Cap Rate	Maturity Date
Interest Rate Cap Contracts	Two	$ 900.0 million	7.0%	May 31, 2015

Tabular Disclosure

The tables below presents the fair value of the Company's derivative financial instruments on a gross basis as well as their classification on the Company's Consolidated Balance Sheets:

	(in thousands) Fair Values of Derivative Instruments Asset Derivatives			
	January 31, 2015		February 1, 2014	
Derivatives Designated as Hedging Instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest Rate Cap Contracts	Other Assets	$1,572	Other Assets	$—
Derivatives Not Designated as Hedging Instruments				
Interest Rate Cap Contracts	Prepaid and Other Current Assets	$ —	Other Assets	$ 1

The table below presents the amounts of losses recognized in other comprehensive loss, net of taxes, and the classifications and amounts of losses reclassified into earnings of the Company's derivative instruments designated as cash flow hedging instruments for each of the reporting periods.

	(in thousands)						
	Amount of Loss Recognized in Other Comprehensive Loss Related to Derivatives			Amount of Loss Reclassified from Other Comprehensive Loss into Earnings Related to Derivatives			
	Fiscal Year Ended			Fiscal Year Ended			
Derivatives Designated as Hedging Instruments	January 31, 2015	February 1, 2014	February 2, 2013	January 31, 2015	February 1, 2014	February 2, 2013	Component of Earnings
Interest Rate Cap Contracts	$ 1,744	$ —	$ —	$ —	$ —	$ —	Interest Expense

The table below presents the classifications and amounts of losses recognized within the Company's statements of operations for the Company's derivative instruments not designated as hedging instruments for each of the reporting periods.

Derivatives Not Designated as Hedging Instruments	Location of Loss Recognized in Earnings Related to Derivatives	(in thousands) Amount of Loss Recognized in Earnings Related to Derivatives — Fiscal Year Ended January 31, 2015	February 1, 2014	February 2, 2013
Interest Rate Cap Contracts	Interest Expense	$ 1	$ 68	$ 45

9. Accumulated Other Comprehensive Loss

Amounts included in accumulated other comprehensive loss are recorded net of the related income tax effects. The table below details the changes in accumulated other comprehensive loss for Fiscal 2014. There were no amounts included in accumulated other comprehensive loss during Fiscal 2013.

	(in thousands) Derivative Instruments	Total
Balance at February 1, 2014	$ —	$ —
Unrealized Losses on Interest Rate Cap Contracts, net of Related Tax Benefit of $1.2 million	1,744	1,744
Balance at January 31, 2015	$ 1,744	$1,744

10. Capital Stock

Capital Structure After the Reclassification

Common Stock

As of January 31, 2015, the total amount of the Company's authorized capital stock consisted of 500,000,000 shares of common stock, par value $0.0001 per share, and 50,000,000 shares of undesignated preferred stock.

The Company's common stock is not entitled to preemptive or other similar subscription rights to purchase any of the Company's securities. The Company's common stock is neither convertible nor redeemable. Unless the Company's Board of Directors determines otherwise, the Company will issue all of the Company's capital stock in uncertificated form.

Preferred Stock

The Company does not have any shares of preferred stock issued or outstanding. The Company's Board of Directors has the authority to issue shares of preferred stock from time to time on terms it may determine, to divide shares of preferred stock into one or more series and to fix the designations, preferences, privileges, and restrictions of preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series to the fullest extent permitted by the General Corporation Law of the State of Delaware. The issuance of the Company's preferred stock could have the effect of decreasing the trading price of the Company's common stock, restricting dividends on the Company's capital stock, diluting the voting power of the Company's common stock, impairing the liquidation rights of the Company's capital stock, or delaying or preventing a change in control of the Company.

Voting Rights

Each holder of the Company's common stock is entitled to one vote per share on each matter submitted to a vote of stockholders. The Company's amended and restated bylaws provide that the presence, in person or by proxy, of holders of shares representing a majority of the outstanding shares of capital stock entitled to vote at a stockholders' meeting shall constitute a quorum. When a quorum is present, the affirmative vote of a majority of the votes cast is required to take action, unless otherwise specified by law or the Company's certificate of incorporation, and except for the election of directors, which is determined by a plurality vote. There are no cumulative voting rights.

Dividend Rights

Each holder of shares of the Company's capital stock will be entitled to receive such dividends and other distributions in cash, stock or property as may be declared by the Company's Board of Directors from time to time out of the Company's assets or funds legally available for dividends or other distributions. These rights are subject to the preferential rights of any other class or series of the Company's preferred stock.

The Company does, and intends to continue to, retain all available funds and any future earnings to fund the development and growth of the Company's business and pay down debt as appropriate. Therefore, at this time, the Company does not anticipate paying cash dividends in the near term. The Company's ability to pay dividends on the Company's common stock will be limited by restrictions on the ability of the Company's subsidiaries and us to pay dividends or make distributions under the terms of current and any future agreements governing the Company's indebtedness. Any future determination to pay dividends will be at the discretion of the Company's Board of Directors, subject to compliance with covenants in the Company's current and future agreements governing the Company's indebtedness, and will depend upon the Company's results of operations, financial condition, capital requirements and other factors that the Company's Board of Directors deems relevant.

Other Rights

Each holder of common stock is subject to, and may be adversely affected by, the rights of the holders of any series of preferred stock that the Company may designate and issue in the future.

Liquidation Rights

If the Company is involved in a consolidation, merger, recapitalization, reorganization, or similar event, each holder of common stock will participate pro rata in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding.

Capital Structure Prior to the Reclassification

Common Stock

The Company's charter authorized the Company to issue 588,685,600 shares of common stock consisting of:

(a) 582,771,244 shares of common stock, par value $0.0001 per share; and

(b) 5,914,356 shares of Class L common stock, par value $0.001 per share.

Class L common stock was legally designated as common stock, but was entitled to a priority return preference equal to the sum of (i) $81 per share base amount plus (ii) an amount sufficient to generate an internal rate of return equal to 14.5% per annum (compounded quarterly).

Treasury Stock

The Company accounts for treasury stock under the cost method.

During Fiscal 2014, the Company acquired 139,074 shares of common stock from employees for $3.9 million (average of $28.28 per share) to satisfy their minimum statutory tax withholding related to the exercise of stock options and vesting of restricted stock awards. All such shares acquired by the Company are considered treasury shares which are available for reissuance under the 2006 Management Incentive Plan.

Dividend

During Fiscal 2011, the Company declared a cash dividend of $300.0 million in the aggregate ($5.40 per unit, each unit consisting of one share of Class L common stock together with 99 shares of Class A common stock), payable in accordance with the Company’s charter to the then-current holders of the Company’s common stock. Of the $300.0 million, $0.4 million was forfeited and reverted back to the Company as a result of certain members of management forfeiting their shares before they became fully vested.

During Fiscal 2013, the Company declared a cash dividend of $336.0 million in the aggregate ($5.89 per unit), payable in accordance with the Company’s charter to the then-current holders of the Company’s Common Stock.

11. Net Income (Loss) Per Share

Immediately prior to the Reclassification, net income (loss) per share was calculated using the two-class method, which is an earnings allocation formula that determined net income (loss) per share for the holders of Class A common stock and the holders of Class L common stock. Holders of Class L shares contained participation rights with respect to certain distributions, as defined.

The numerator in calculating Class L basic and diluted income (loss) per share was the Class L preference amount, as defined above, for all outstanding Class L shares, accrued at 14.5% per annum during the year presented plus, if positive, a pro rata share of an amount equal to consolidated net income less the Class L preference amount.

The numerator in calculating common stock basic income (loss) per share was consolidated net income (loss) less the Class L preference amount. In determining the net income (loss) attributable to common stockholders for computing diluted net income (loss) per share, the Company decreased the income and/or increased the loss to reflect the annual preference amount for dilutive Class L common stock equivalents. This amount did not impact Class L diluted income per share because diluted earnings per share would be increased when taking the dilutive common stock equivalents into account, and thus be antidilutive.

Following the Reclassification, dilutive net income (loss) per share is calculated using the treasury stock method.

The computation of basic and diluted earnings per common share is as follows:

	(in thousands, except per share data)		
	Fiscal Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
Net Income	$ 65,955	$ 16,150	$ 25,301
Class L Preference Amount	—	(111,282)	(146,923)
Net Income (Loss) Attributable to Common Stockholders	$ 65,955	$ (95,132)	$(121,622)
Allocation of Net Income (Loss) to Common Stockholders—Basic:			
Class L Stockholders	$ —	$ 111,282	$ 146,923
Common Stockholders	$ 65,955	(95,132)	(121,622)
Net Income (Loss) Per Share—Basic:			
Class L Stockholders	$ —	$ 31.93	$ 28.76
Common Stockholders	$ 0.89	$ (0.26)	$ (0.24)
Allocation of Net Income (Loss) to Common Stockholders—Diluted:			
Net Loss Attributable to Common Stockholders	$ 65,955	$ (95,132)	$(121,622)
Class L Preference Amount of Common Stock Equivalents	—	(49,260)	(12,464)
Allocation of Net Loss to Common Stockholders	$ 65,955	$(144,392)	$(134,086)
Net Income (Loss) Per Share—Diluted:			
Class L Stockholders	$ —	$ 31.93	$ 28.76
Common Stockholders	$ 0.87	$ (0.39)	$ (0.27)
Weighted Average Number of Shares—Basic:			
Class L Stockholders	$ —	3,485	5,109
Common Stockholders	74,101	369,567	505,802
Weighted Average Number of Shares—Diluted:			
Class L Stockholders	$ —	3,485	5,109
Common Stockholders	75,865	370,040	505,802

Less than 100,000 options to purchase shares of common stock and unvested restricted stock awards were excluded from diluted earnings per share for Fiscal 2014, since their effect was anti-dilutive.

As of February 1, 2014, there were 3,527,800 unvested options outstanding to purchase shares of common stock and 81,396 non-vested shares of restricted stock that were excluded from diluted earnings per share since their effect was anti-dilutive.

As of February 2, 2013, there were unvested options outstanding to purchase Class L Common Stock of 255,457 shares and there were unvested options outstanding to purchase Class A Common Stock of 25,290,243 shares that were excluded from diluted earnings per share since their effect was anti-dilutive. During Fiscal 2012 there were non-vested restricted stock units of Class L Common Stock of 5,000 shares and there were non-vested restricted stock units of Class A Common Stock of 495,000 shares that were excluded from diluted earnings per share since their effect was anti-dilutive.

The Company determined the Class L Preference Amount of Common Stock Equivalents based upon the Class L diluted common stock equivalents multiplied by (i) $81 per share base amount plus (ii) the annual impact of the amount sufficient to generate an internal rate of return equal to 14.5% per annum (compounded quarterly).

Changes in Class L Common Stock

The changes in Class L Common Stock were as follows (in thousands, except share data):

	February 1, 2014	
	Shares	Amount
Class L Common Stock, Beginning of Year	5,183,506	$ 1,029,189
Issuance of Class L Common Stock	117,588	2,531
Issuance/Forfeiture of Restricted Shares and Compensation	—	61
Repurchase of Class L Common Stock	—	—
Dividend	—	(33,600)
Accretion of Class L Preferred Return	—	104,859
Other	(1,167)	(21)
Conversion of Class L Stock to Common Stock	(5,299,927)	(1,103,019)
Class L Common Stock, End of Year	—	$ —

Accretion of Class L Preferred Return was determined based upon the outstanding shares owned by the Company's majority stockholder multiplied by (i) $81 per share base amount plus (ii) an amount sufficient to generate an internal rate of return equal to 14.5% per annum (compounded quarterly).

12. Stock-Based Compensation

On May 1, 2013, the Company's Board of Directors approved the Company's assumption and adoption of the 2006 Management Incentive Plan (the 2006 Plan) that was previously sponsored by Burlington Coat Factory Holdings, LLC. The Company's 2013 Omnibus Incentive Plan (the 2013 Plan and, together with the 2006 Plan, the Plans) was adopted effective prior to and in connection with the Offering. The 2006 Plan and the 2013 Plan each provide for the granting of stock options, restricted stock and other forms of awards to key employees and directors of the Company or its affiliates. Prior to the Offering, grants made pursuant to the 2006 Plan were comprised of units of the Company's common stock. Each "unit" consisted of 99 shares of Class A common stock and one share of Class L common stock. Awards previously granted under the 2006 Plan have been retroactively adjusted to reflect the Reclassification.

The Company accounts for awards issued under the Plans in accordance with Topic No. 718. As of January 31, 2015, there were 10,125,258 shares of common stock authorized for issuance under the 2006 Plan and 6,000,000 shares of common stock authorized for issuance under the 2013 Plan.

Stock Options

Options granted during Fiscal 2014, Fiscal 2013 and Fiscal 2012 were all service-based awards and were granted under the 2006 Plan at exercise prices of (i) $4.55 per unit and $10.91 per unit from January 29, 2012 through May 17, 2012; (ii) $5.91 per unit and $10.91 per unit from May 17, 2012 through May 17, 2013; (iii) $4.55 per unit from May 17, 2013 through the date of the Offering; (iv) $26.96 per share from the date of the Offering through February 1, 2014; and (v) $27.40 per share to $38.66 per share during Fiscal 2014.

In February 2011, in connection with a debt refinancing, the Company's Board of Directors approved and communicated that the exercise price of the options outstanding would be reduced. After an analysis was completed, the exercise prices of each outstanding option were reduced, from $8.18 per unit and $16.36 per unit, respectively, to $2.78 per unit and $10.96 per unit, respectively, without affecting the existing vesting schedules thereof. The amount of the reduction was ratified in April 2011. Upon application of modification accounting, which contemplates fair value of awards both before and after the debt refinancing and related dividends, the stock compensation cost did not change as a result of this modification.

During Fiscal 2013, the Company made a special one-time grant under the 2006 Plan to certain members of its management team which resulted in the grant of options to purchase an aggregate of 1,595,000 shares of common stock. These one-time grants vest 20% on each of the first five anniversaries of the Trigger Date. The Trigger Date is defined as the date after the vesting of all other options held by the grantee which were granted to the grantee prior to May 2013 and remained outstanding and unvested as of the date of the one-time grant. All other service-based awards granted during Fiscal 2012 and Fiscal 2013 through the date of the Offering vest 40% on the second anniversary of the award with the remaining amount vesting ratably over the subsequent three years. All service-based awards granted subsequent to the Offering vest 25% on each of the first four anniversaries of the grant date. The final exercise date for any option granted is the tenth anniversary of the grant date.

In order to mitigate the impact of the $336.0 million dividend paid in connection with the issuance of the Holdco Notes in February 2013, the Company's Board of Directors in May 2013 approved a modification to all then outstanding options through a combination of exercise price reductions and cash payments to option holders. The reduction of the exercise prices of each outstanding option was as follows:

- from $2.78 per unit to $0.79 - $1.65 per unit;
- from $4.55 per unit to $0.79 per unit;
- from $5.91 per unit to $0.79 - $0.94 per unit;
- from $10.91 per unit to $3.17 - $5.02 per unit; and
- from $10.96 per unit to $3.17 - $5.07 per unit.

The modifications, through a combination of either reduced exercise prices or cash payments, did not affect the existing vesting schedules. The modification, which contemplated the fair value of awards both immediately before and after the modification, resulted in a total of $2.9 million of incremental compensation expense during Fiscal 2014, of which $0.6 million is payable in cash. During Fiscal 2013, the Company recorded $10.4 million of incremental compensation expense, of which $4.3 million is payable in cash. These costs were recorded in the line item "Stock Option Modification Expense" in the Company's Consolidated Statements of Operations. As of January 31, 2015, the Company expects to recognize $2.7 million of incremental compensation expense to be recorded over the remaining vesting periods, of which $0.4 million is payable in cash.

With the exception of the special one-time grants made during Fiscal 2013, all options awarded pursuant to the 2006 Plan become exercisable upon a change of control as defined in the Stockholders Agreement or the applicable grant agreement. The vesting of special one-time grants will not be accelerated in the event of a change of control, provided, however, that in the event that within two years after a change of control, the grantee's employment is terminated without cause or the grantee resigns with good reason, then an incremental 20% of the special one-time grants shall be deemed vested as of the date of termination of grantee's employment, but in no event more than the total number of special one-time grants granted to such grantee. Unless determined otherwise by the plan administrator, upon cessation of employment, options that have not vested will terminate immediately (subject to the potential acceleration of special one-time grants in the event of a change of control, as described above) and, to the extent the termination was without cause, unexercised vested options will be exercisable for a period of 60 days. The final exercise date for any option granted is the tenth anniversary of the grant date. Notwithstanding anything to the contrary set forth above, if a grantee's employment is terminated without cause in connection with a corporate transaction as defined in the 2006 Plan, then the vesting of any award held by such employee will be accelerated.

Non-cash stock compensation expense during Fiscal 2014, Fiscal 2013 and Fiscal 2012 amounted to $6.3 million, $10.2 million and $2.7 million, respectively. The table below summarizes the types of stock compensation:

	(in thousands) Year Ended		
Type of Non-Cash Stock Compensation	**January 31, 2015**	**February 1, 2014**	**February 2, 2013**
Stock Option Modification(a)	$ 2,319	$ 6,089	$ —
Stock Option Grants(b)	2,855	3,971	2,260
Restricted Stock Issuances(b)	1,090	143	487
Total(c)	$ 6,264	$ 10,203	$ 2,747

(a) Represents non-cash compensation related to the modification of outstanding stock options granted under the 2006 Plan during Fiscal 2013 which is included in the line item “Stock Option Modification Expense” in the Company’s Consolidated Statements of Operations.
(b) Included in the line item “Selling, General and Administrative Expenses” in the Company’s Consolidated Statements of Operations.
(c) The tax benefit related to the Company’s non-cash stock compensation was $2.3 million, $5.1 million and $1.0 million during Fiscal 2014, Fiscal 2013 and Fiscal 2012 respectively.

As of January 31, 2015, the Company had 3,218,845 options outstanding to purchase shares of common stock, all of which are service-based awards issued under the 2006 Plan, and there was $11.4 million of unearned non-cash stock-based option compensation, exclusive of the $2.7 million of incremental compensation associated with the February 2013 modification, that the Company expects to recognize as expense over a weighted average period of 4.2 years. The service-based awards are expensed on a straight-line basis over the requisite service period. As of January 31, 2015, 502,362 outstanding options to purchase shares of common stock under the 2006 Plan had vested. As of January 31, 2015, no options were outstanding under the 2013 Plan.

Stock option transactions during Fiscal 2014 are summarized as follows:

	Number of Units	**Weighted Average Exercise Price Per Share**
Options Outstanding February 1, 2014	4,619,323	$ 3.25
Options Issued	137,738	29.20
Options Exercised(a)	(1,362,066)	1.85
Options Forfeited	(176,150)	3.79
Options Outstanding January 31, 2015	3,218,845	$ 4.93

(a) Options exercised during Fiscal 2014 had a total intrinsic value of $48.1 million.

The following table summarizes information about the options outstanding and exercisable under the 2006 Plan as of January 31, 2015:

	Options Outstanding		Options Exercisable	
Exercise Prices	Number Outstanding at January 31, 2015	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at January 31, 2015	Weighted Average Remaining Contractual Life (Years)
$0.79 - $0.94	810,617	6.4	273,912	5.7
$3.17	260,262	6.0	124,065	5.1
$4.55 - $5.07	1,960,401	8.2	93,347	6.1
$26.96	50,613	9.0	11,038	9.0
$27.40 - $38.66	136,952	9.3	—	—
	3,218,845		502,362	

The aggregate intrinsic value of options outstanding as of January 31, 2015 was $144.7 million.

The following table summarizes information about the stock options vested and expected to vest during the contractual term:

Exercise Prices	Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Vested and Expected to Vest as of January 31, 2015	3,080,511	7.6	$ 4.85	$138.8 million

The fair value of each stock option granted was estimated on the date of grant using the Monte Carlo Simulation option pricing model prior to the date of the Offering and the Black Scholes option pricing model subsequent to the date of the Offering. The fair value of each stock option granted was estimated using the following assumptions:

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Risk-Free Interest Rate	2.09 – 2.11%	1.7 – 2.09%	1.0 – 1.3%
Expected Volatility	38.0 – 44.0%	36.8 – 38.0%	35.00%
Expected Life (years)	6.25	6.25 – 7.4	6.6
Contractual Life (years)	10.0	10.0	10.0
Expected Dividend Yield	0.0%	0.0%	0.0%
Weighted Average Grant Date Fair Value of Options Issued	$ 13.16	$ 5.78	$ 3.88

The expected dividend yield was based on the Company’s expectation of not paying dividends in the foreseeable future. Since the Company completed its initial public offering in October 2013, it does not have sufficient history as a publicly traded company to evaluate its volatility factor. As such, the expected stock price volatility is based upon the historical volatility of the stock price over the expected life of the options of peer companies that are publicly traded. The risk free interest rate was based on the U.S. Treasury rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the awards being valued. For grants issued during Fiscal 2014, Fiscal 2013 and Fiscal 2012, the expected life of the options was calculated using the simplified method. The simplified method defines the life as the average of the contractual term of the options and the weighted average vesting period for all option tranches. This methodology was utilized due to the short length of time our common stock has been publicly traded.

Restricted Stock Awards

Under the 2006 Plan, the Company also has the ability to grant shares of restricted stock. During Fiscal 2014 and Fiscal 2013, the Company granted 346,873 and 26,396 shares of restricted stock, respectively. During Fiscal 2012, the Company granted 5,000 units of restricted stock, each unit consisting of 99 shares of Class A Common Stock and one share of Class L Common Stock. For Fiscal 2014 and Fiscal 2013, prior to the date of the Offering, the fair value of each share of restricted stock granted under the 2006 Plan was estimated using the closing price of the Company's common stock on the date of grant. For Fiscal 2012 and Fiscal 2013 through the date of the Offering, the fair value of each unit of restricted stock granted under the 2006 Plan was estimated on the date of grant using inputs that included the Company's business enterprise value, the book value of outstanding debt and the number of shares of common stock outstanding. All shares of restricted stock granted to date under the 2006 Plan are service-based awards that cliff vest at the end of the requisite service period. Shares of restricted stock are expensed on a straight-line basis over the requisite service period of three to four years. Following a change of control, all unvested shares of restricted stock shall remain unvested, provided, however, that 100% of such shares shall vest if, following such change of control, the employment of the recipient is terminated without cause or the recipient resigns with good reason. Additionally, if the recipient's employment is terminated without cause in connection with a corporate transaction as defined in the 2006 Plan, then the vesting of all unvested shares of restricted stock held by such recipient will be accelerated.

As of January 31, 2015, there was approximately $13.8 million of unearned non-cash stock-based compensation that the Company expects to recognize as an expense over the next 3.7 years.

Award grant, vesting and forfeiture transactions during Fiscal 2014 are summarized as follows:

	Number of Awards	Weighted Average Grant Date Fair Value Per Awards
Non-Vested Awards Outstanding, February 1, 2014	81,396	$ 12.58
Awards Granted	346,873	41.76
Awards Vested	(34,384)	9.91
Awards Cancelled	(1,707)	27.40
Non-Vested Awards Outstanding, January 31, 2015	392,178	$ 38.56

13. Lease Commitments

The Company leases stores, distribution facilities and office space under operating and capital leases that will expire principally during the next thirty years. The leases typically include renewal options and escalation clauses and provide for contingent rentals based on a percentage of gross sales.

The following is a schedule of future minimum lease payments having an initial or remaining term in excess of one year:

Fiscal Year	Operating Leases(a) (in thousands)	Capital Leases (in thousands)
2015	$ 278,044	$ 3,447
2016	287,610	3,442
2017	270,207	3,948
2018	242,189	3,937
2019	192,800	3,994
Thereafter	808,775	23,486
Total Minimum Lease Payments	2,079,625	42,254
Amount Representing Interest	—	(16,652)
Total Future Minimum Lease Payments	$2,079,625	$ 25,602

(a) Total future minimum lease payments include $75.4 million related to options to extend lease terms that are reasonably assured of being exercised and also includes $204.0 million of minimum lease payments for 19 stores and one warehouse that the Company has committed to open or relocate.

The above schedule of future minimum lease payments has not been reduced by future minimum sublease rental income of $37.7 million relating to operating leases under non-cancelable subleases and other contingent rental agreements.

The following is a schedule of net rent expense for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

	(in thousands) Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
Rent Expense:			
Minimum Rental Payments	$ 266,318	$ 239,049	$ 219,982
Contingent Rental Payments	3,913	3,614	3,056
Straight-Line Rent Expense	4,001	8,182	12,115
Lease Incentives Amortization	(25,369)	(21,557)	(18,590)
Amortization of Purchased Lease Rights	684	958	1,033
Total Rent Expense(a)	249,547	230,246	217,596
Less All Rental Income(b)	(19,663)	(19,613)	(19,721)
Total Net Rent Expense	$ 229,884	$ 210,633	$ 197,875

(a) Included in the line item “Selling, General and Administrative Expenses” in the Company’s Consolidated Statements of Operations.
(b) Included in the line item “Other Revenue” in the Company’s Consolidated Statements of Operations.

14. Employee Retirement Plans

The Company maintains separate defined contribution 401(k) retirement savings and profit-sharing plans covering employees in the United States and Puerto Rico who meet specified age and service requirements. The discretionary profit sharing component (which the Company has not utilized for nine years and has no current plans to utilize) is entirely funded by the Company, and the Company also makes additional matching contributions to the 401(k) component of the plans. Participating employees can voluntarily elect to contribute a percentage of their earnings to the 401(k) component of the plans (up to certain prescribed limits) through a cash or deferred (salary deferral) feature qualifying under Section 401(k) of the Internal Revenue Code (401(k) Plan).

The Company recorded $5.9 million, $5.1 million and $4.3 million of 401(k) Plan match expense for the Plan Years ending December 31, 2014, December 31, 2013 and December 31, 2012, respectively.

15. Income Taxes

Income before income taxes were as follows for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

	(in thousands) Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
Domestic	$ 113,955	$ 40,246	$ 33,625
Foreign	(8,919)	(7,888)	(4,460)
Total Income Before Income Taxes	$ 105,036	$ 32,358	$ 29,165

Income tax expense was as follows for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

	(in thousands) Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
Current:			
Federal	$ 57,123	$ 29,794	$ 13,813
State	12,898	4,036	(3,704)
Foreign	—	351	291
Subtotal	70,021	34,181	10,400
Deferred:			
Federal	(25,777)	(17,045)	(3,386)
State	(5,163)	(928)	(3,519)
Foreign	—	—	369
Subtotal	(30,940)	(17,973)	(6,536)
Total Income Tax Expense	$ 39,081	$ 16,208	$ 3,864

The tax rate reconciliations were as follows for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

	Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013
Tax at Statutory Rate (%)	35.0%	35.0%	35.0%
State Income Taxes, net of Federal	4.1	8.4	5.8
Change in Valuation Allowance	1.5	4.9	1.8
Permanent Items	0.9	0.6	(1.4)
Tax Credits	(3.4)	(7.7)	(11.7)
Tax Reserves	(1.6)	2.1	(14.1)
Deferred Tax Asset - Stock Compensation	—	8.3	—
Impact of Change in State Tax Laws and Rates	0.7	2.8	(2.1)
Foreign Taxes	(1.1)	(3.8)	(1.2)
Other	1.1	(0.5)	1.2
Effective Tax Rate (%)	37.2%	50.1%	13.3%

The tax effects of temporary differences are included in deferred tax accounts as follows:

	(in thousands)			
	January 31, 2015		February 1, 2014	
	Tax Assets	Tax Liabilities	Tax Assets	Tax Liabilities
Current Deferred Tax Assets and Liabilities:				
Compensated Absences	$ 962	$ —	$ 646	$ —
Inventory Costs and Reserves Capitalized for Tax Purposes	12,726	—	5,392	—
Insurance Reserves	8,790	—	8,085	—
Prepaid and Other Items	—	11,562	—	19,049
Sales Return Reserves	3,632	—	2,831	—
Reserves	5,043	—	515	—
Deferred Revenue	1,680	—	1,428	—
Employee Benefit Accrual	17,170	—	13,210	—
Other	391	—	527	—
Valuation Allowance	(1,603)	—	(110)	—
Total Current Deferred Tax Assets and Liabilities	$ 48,791	$ 11,562	$32,524	$ 19,049
Non-Current Deferred Tax Assets and Liabilities:				
Property and Equipment Basis Adjustments	$ —	$141,042	$ —	$128,657
Deferred Rent	33,803	—	31,809	—
Intangibles—Long-Lived	—	103,184	—	113,089
Intangibles—Indefinite-Lived	—	93,974	—	93,618
Insurance Reserves	14,196	—	13,217	—
Employee Benefit Compensation	4,661	—	4,838	—
State Net Operating Losses (net of Federal Benefit)	9,132	—	9,095	—
Prepaid Items Taxable for Tax Purposes	2,694	—	3,508	—
Landlord Allowances	35,335	—	32,747	—
Accrued Interest	3,746	—	3,538	—
Other	4,275	—	—	883
State Credits	3,787	—	2,173	—
Federal and Puerto Rico Tax Credits	1,261	—	1,612	—
Valuation Allowance	(9,050)	—	(8,998)	—
Total Non-Current Deferred Tax Assets and Liabilities	$103,840	$338,200	$93,539	$336,247
Net Deferred Tax Liability		$197,131		$229,233

As of January 31, 2015, the Company had available $134.8 million and $6.6 million of state and Puerto Rico net operating losses, respectively, that can be carried forward to future years. The Company has $7.4 million of deferred tax assets recorded for state net operating losses which will expire at various dates between 2012 and 2032. In addition, as of January 31, 2015, the Company had $1.7 million of deferred tax assets recorded for Puerto Rico net operating loss carry forwards that will begin to expire in 2019. As of January 31, 2015, the Company had tax credit carry forwards that included $3.8 million of state credits that will begin to expire in 2023 and $1.2 million of Puerto Rico alternative minimum tax (AMT) credits that have an indefinite life.

The Company assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. Based on this evaluation, the Company believes no valuation allowances for federal income taxes are necessary.

We believe that it is more likely than not that the benefit from certain state net operating loss carry forwards and credits will not be realized. In recognition of this risk, we have provided a valuation allowance of $5.6 million on state net operating losses and $0.5 million on state tax credit carry forwards. In addition, the Company believes that it is more likely than not that the benefit from Puerto Rico deferred tax assets, including net operating loss carry forwards and credit carry forwards, will not be realized. We have provided for a full valuation allowance of $4.5 million on Puerto Rico deferred tax assets. If our assumptions change and we determine we will be able to realize these net operating losses or the credits, the tax benefits relating to any reversal of the valuation allowance on deferred tax assets as of January 31, 2015, will be recorded to the Company’s Consolidated Statement of Operations. The valuation allowance increased by $1.6 million and $1.2 million during each of the years ended January 31, 2015 and February 1, 2014, respectively, primarily due to increase in the Puerto Rico deferred tax assets that will more likely than not, not be realized.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits (exclusive of interest and penalties) is as follows:

	(in thousands) Gross Unrecognized Tax Benefits, Exclusive of Interest and Penalties
Balance at January 28, 2012	$ 22,149
Additions for Tax Positions of the Current Year	—
Additions for Tax Positions of Prior Years	—
Reduction for Tax Positions of Prior Years	(5,225)
Settlements	—
Lapse of Statute of Limitations	—
Balance at February 2, 2013	$ 16,924
Additions for Tax Positions of the Current Year	—
Additions for Tax Positions of Prior Years	—
Reduction for Tax Positions of Prior Years	(1,524)
Settlements	—
Lapse of Statute of Limitations	(128)
Balance at February 1, 2014	$ 15,272
Additions for Tax Positions of the Current Year	44
Additions for Tax Positions of Prior Years	252
Reduction for Tax Positions of Prior Years	(1,524)
Settlements	—
Lapse of Statute of Limitations	(2,314)
Balance at January 31, 2015	$ 11,730

As of January 31, 2015, the Company reported total unrecognized benefits of $11.7 million, of which $5.8 million would affect the Company's effective tax rate if recognized. As a result of previous positions taken, the Company recorded an increase of $0.4 million of interest and penalties during Fiscal 2014 in the line item "Income Tax Expense" in the Company's Consolidated Statements of Operations. Cumulative interest and penalties of $12.1 million are recorded in the line item "Other Liabilities" in the Company's Consolidated Balance Sheet. The Company recognizes interest and penalties related to unrecognized tax benefits as part of income taxes. Within the next twelve months, the Company does not expect any significant changes in its unrecognized tax benefits.

As of February 1, 2014, the Company reported total unrecognized benefits of $15.3 million, of which $6.0 million would affect the Company's effective tax rate if recognized. As a result of previous positions taken, the Company recorded an increase of $1.3 million of interest and penalties during Fiscal 2013 in the line item "Income Tax Expense" in the Company's Consolidated Statements of Operations. Cumulative interest and penalties of $11.7 million are recorded in the line item "Other Liabilities" in the Company's Consolidated Balance Sheet.

The Company files tax returns in the U.S. federal jurisdiction, Puerto Rico and various state jurisdictions. The Company is open to examination by the IRS under the applicable statutes of limitations for fiscal years 2012 through 2014. The Company or its subsidiaries' state and Puerto Rico income tax returns are open to audit for the fiscal years 2009 through 2014, with a few exceptions, under the applicable statutes of limitations. There are ongoing federal and state audits in several jurisdictions and the Company has accrued for possible exposures as required under Topic No. 740. The settlement of these audits will not have a material impact to the financial results of the Company.

16. Fair Value of Financial Instruments

The Company accounts for fair value measurements in accordance with Topic No. 820 which defines fair value, establishes a framework for measurement and expands disclosure about fair value measurements. Topic No. 820 defines fair value as 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 (exit price), and classifies the inputs used to measure fair value into the following hierarchy:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Pricing inputs that are unobservable for the assets and liabilities and include situations where there is little, if any, market activity for the assets and liabilities.

The inputs into the determination of fair value require significant management judgment or estimation.

The carrying amounts of cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term nature of these instruments.

Financial Assets

The Company's financial assets as of January 31, 2015 and February 1, 2014 included cash equivalents and interest rate cap contracts. The Company uses interest rate cap contracts to manage interest rate risk. The fair value of the Company's interest rate cap contracts is determined using the market standard methodology of discounted future variable cash receipts. The variable cash receipts are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. In addition, to comply with the provisions of Topic No. 820, credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, are incorporated in the fair values to account for potential nonperformance risk. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered any applicable credit enhancements such as collateral postings, thresholds, mutual puts, and guarantees.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by its counterparties. However, as of January 31, 2015 and February 1, 2014, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustment is not significant to the overall valuation of its derivative portfolios. As a result, the Company classifies its derivative valuations in Level 2 of the fair value hierarchy.

The fair values of the Company’s financial assets and the hierarchy of the level of inputs are summarized below:

	Fair Value Measurements at January 31, 2015 (in thousands)	Fair Value Measurements at February 1, 2014 (in thousands)
Assets:		
Level 1		
Cash Equivalents (Including Restricted Cash)	$ 28,094	$ 32,324
Level 2		
Interest Rate Cap Contracts(a)	$ 1,572	$ 1

(a) Included in “Other Assets” within the Company’s Consolidated Balance Sheets. Refer to Note 8, “Derivative Instruments and Hedging Activities,” for further discussion regarding the Company’s interest rate cap contracts.

Financial Liabilities

The fair values of the Company’s financial liabilities are summarized below:

	January 31, 2015 (in thousands)		February 1, 2014 (in thousands)	
	Carrying Amount(a)	Fair Value(a)	Carrying Amount(a)	Fair Value(a)
$1,200,000 Senior Secured Term Loan Facility (Term B-3 Loans), LIBOR (with a floor of 1.0%) plus 3.25%, matures on August 13, 2021	$1,161,541	$1,150,410	$ —	$ —
$1,000,000 Senior Secured Term Loan Facility (Term B-2 Loans), LIBOR (with a floor of 1.0%) plus 3.25%, redeemed in full on August 13, 2014	—	—	828,839	836,091
$450,000 Senior Notes, 10%, redeemed in full on August 13, 2014	—	—	450,000	501,458
$350,000 Senior Notes, 9% / 9.75%, redeemed in full on August 13, 2014	—	—	126,147	128,512
$600,000 ABL Senior Secured Revolving Facility, LIBOR plus spread based on average outstanding balance, expires August 13, 2019	63,300	63,300	—	—
Total Debt	$1,224,841	$1,213,710	$1,404,986	$1,466,061

(a) Capital lease obligations are excluded from the table above.

The fair values presented herein are based on pertinent information available to management as of the respective year end dates. The estimated fair values of the Company’s debt are classified as Level 2 in the fair value hierarchy. Although management is not aware of any factors that could significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and current estimates of fair value may differ from amounts presented herein.

17. Commitments and Contingencies

Legal

The Company establishes accruals relating to legal claims, in connection with litigation to which the Company is party from time to time in the ordinary course of business. The aggregate amount of such accruals were $12.9 million and $1.3 million as of January 31, 2015 and February 1, 2014, respectively.

Like many retailers, the Company has been named in class or collective actions on behalf of various groups alleging violations of federal and state wage and hour and other labor statutes, and alleged violation of state consumer and/or privacy protection statutes. In the normal course of business, we are also party to various other lawsuits and regulatory proceedings including, among others, commercial, product, product safety, employee, customer, intellectual property and other claims. Actions against us are in various procedural stages. Many of these proceedings raise factual and legal issues and are subject to uncertainties.

In the matter of *Burlington Coat Factory Song Beverly Cases* which is currently pending in the Superior Court of the State of California, Complex Division, County of Orange (Case No. JCCP No. 4681), plaintiff, on behalf of herself and others similarly situated, alleges that the Company is in violation of the California Civil Code for collecting personal information from customers in connection with the use of credit cards by such customers to pay for merchandise at the Company’s stores. At trial held in January 2015, the Superior Court held that the Company was in violation of California law and set May 1, 2015 as the date for a conference to set a date for trial to determine the penalty to be assessed against the Company. The Company is unable to predict the amount of penalty that may be assessed by the court, in excess of the amount accrued, after its consideration of various factors, including, among others, how information was used, how much revenue was derived from the information, what procedures were in place to control the maintenance and dissemination of the information, the duration of the practice to collect information and other relevant factors; however, such penalty assessment could be material. As the state of the law in this area is unsettled and there are conflicting decisions in several cases brought against retailers under the Song Beverly law, the Company has not determined whether it will appeal the determination of the trial court and cannot predict whether an appeal may be successful. However, the Company intends to consider all alternatives including, among others, seeking a stay of proceedings by the trial court while the appellate court is considering an appeal in another case with similar facts, seeking to settle the matter with plaintiffs, seeking an interlocutory appeal in its own case and proceeding to trial on the penalty phase. The accrual for this matter is included in the $12.9 million legal accrual discussed above.

To determine the likelihood of a loss and/or the measurement of any loss can be complex. Consequently, we are unable to estimate the range of reasonably possible loss in excess of amounts accrued. Our assessments are based on estimates and assumptions that have been deemed reasonable by management, but the assessment process relies heavily on estimates and assumptions that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions The ultimate outcome of the case could have a material adverse effect on the Company’s results of operations.

Letters of Credit

The Company had irrevocable letters of credit in the amounts of $48.1 million and $43.9 million as of January 31, 2015 and February 1, 2014, respectively.

Letters of credit outstanding as of January 31, 2015 and February 1, 2014 amounted to $33.4 million and $28.8 million, respectively, guaranteeing performance under various lease agreements, insurance contracts, and utility agreements. The Company also had outstanding letters of credit arrangements in the aggregate amount of $14.7 million and $15.1 million at January 31, 2015 and February 1, 2014, respectively, related to certain merchandising agreements. Based on the terms of the credit agreement relating to the ABL Line of Credit, the Company had available letters of credit of $386.9 million and $456.2 million as of January 31, 2015 and February 1, 2014, respectively.

Purchase Commitments

The Company had $652.8 million of purchase commitments related to goods or services that were not received as of January 31, 2015.

Death Benefits

In November of 2005, the Company entered into agreements with three of the Company's former executives whereby upon each of their deaths, the Company will pay $1.0 million to each respective designated beneficiary.

18. Related Party Transactions

In connection with the purchase of the Company by Bain Capital in April of 2006, the Company entered into an advisory agreement with Bain Capital (the Advisory Agreement) pursuant to which Bain Capital provided management, consulting, financial and other advisory services. The Advisory Agreement had a 10-year initial term, and thereafter was subject to automatic one-year extensions unless the Company or Bain Capital provides written notice of termination, except that the agreement terminated automatically upon an initial public offering or a change of control of the Company. If the Advisory Agreement was terminated early, Bain Capital would be entitled to receive all unpaid fees and unreimbursed out-of-pocket expenses, as well as the present value of the periodic fee that would otherwise have been payable through the end of the 10-year term. The Advisory Agreement was terminated on October 2, 2013 in connection with the Offering and, in accordance with the termination of the Advisory Agreement, Bain Capital was paid a fee of $10.1 million which is included in the line item "Costs Related to Debt Amendments, Secondary Offerings, Termination of Advisory Agreement and Other" in the Company's Consolidated Statements of Operations. Prior to the termination of the Advisory Agreement, Bain Capital was paid a periodic fee of $1.0 million per fiscal quarter plus reimbursement for reasonable out-of-pocket expenses, and a fee equal to 1% of the transaction value of certain financing, acquisition, disposition or change of control or similar transactions by or involving the Company. During Fiscal 2014, fees paid to Bain Capital, representing reimbursement for out-of-pocket expenses, amounted to $0.2 million. During Fiscal 2013 and Fiscal 2012, fees paid to Bain Capital, primarily representing the quarterly fee, amounted to $2.9 million, exclusive of the termination fee, and $4.3 million, respectively. These amounts are recorded in the line item "Selling, General and Administrative Expenses" in the Company's Consolidated Statements of Operations.

Bain Capital, either directly or through affiliates, has ownership interests in a broad range of companies (Portfolio Companies) with whom the Company may from time to time enter into commercial transactions in the ordinary course of business, primarily for the purchase of goods and services. The Company believes that none of the Company's transactions or arrangements with Portfolio Companies are significant enough to be considered material to Bain Capital or to its business.

The brother-in-law of one of the Company's Executive Vice Presidents is an independent sales representative of one of the Company's suppliers of merchandise inventory. This relationship predated the commencement of the Executive Vice President's employment with the Company. The Company has determined that the dollar amount of purchases through such supplier represents an insignificant amount of its inventory purchases.

19. Quarterly Results (Unaudited)

In the opinion of the Company's management, the accompanying unaudited interim Consolidated Financial Statements contain all adjustments which are necessary for a fair presentation of the quarters presented. The operating results for any quarter are not necessarily indicative of the results of any future quarter.

Year ended January 31, 2015:	(in thousands, except share data) Quarter Ended			
	May 3, 2014	August 2, 2014	November 1, 2014	January 31, 2015
Net Sales	$1,128,269	$1,043,581	$1,157,292	$1,485,362
Gross Margin(1)(2)	429,808	398,554	458,702	626,621
Net Income (Loss)(3)(4)	$ 11,774	$ (6,470)	$ (34,214)	$ 94,865
Net Income (Loss) Per Share—Basic(5):				
Class L Stockholders	$ —	$ —	$ —	$ —
Common Stockholders	$ 0.16	$ (0.09)	$ (0.46)	$ 1.27
Net Income (Loss) Per Share—Diluted(5):				
Class L Stockholders	$ —	$ —	$ —	$ —
Common Stockholders	$ 0.16	$ (0.09)	$ (0.46)	$ 1.24

Year ended February 1, 2014:	(in thousands, except share data) Quarter Ended			
	May 4, 2013	August 3, 2013	November 2, 2013	February 1, 2014
Net Sales	$1,065,013	$963,711	$1,064,502	$1,334,277
Gross Margin(1)	397,361	363,391	414,865	555,929
Net Income (Loss)	$ (5,563)	$ (25,014)	$ (16,857)	$ 63,584
Net Income (Loss) Per Share—Basic(5)(6):				
Class L Stockholders	$ 7.91	$ 8.01	$ 8.04	$ —
Common Stockholders	$ (0.09)	$ (0.13)	$ (0.12)	$ 0.86
Net Income (Loss) Per Share—Diluted(5)(6):				
Class L Stockholders	$ 7.91	$ 8.01	$ 8.04	$ —
Common Stockholders	$ (0.09)	$ (0.22)	$ (0.12)	$ 0.84

(1) Gross margin is equal to net sales less cost of sales.

(2) Gross margin for the quarterly periods ended January 31, 2015 and February 1, 2014 are inclusive of inventory shrinkage adjustments of $10.0 million and $3.8 million, respectively, as a result of actual shrink being less than what the Company had estimated.

(3) Net Loss for the quarter ended November 1, 2014 includes a loss of $70.3 million from the extinguishment of debt. Refer to Note 7, "Long Term Debt," for additional details.

(4) Net Income for the quarter ended January 31, 2015 includes $9.3 million of charges for Song Beverly litigation as further described in Footnote 17, "Commitments and Contingencies."

(5) Quarterly EPS results may not equal full year amounts due to rounding.

(6) All per share amounts have been adjusted for the 11-for-1 stock split effective immediately prior to the Company's initial public offering, which was completed on October 7, 2013.

Table of Contents

Schedule I

CONDENSED FINANCIAL INFORMATION
OF REGISTRANT
Parent Company Information
Burlington Stores, Inc.
Balance Sheets

	As of January 31, 2015	As of February 1, 2014
	(in thousands)	
ASSETS:		
Current Assets	$ 1,504	$ 3,523
Total Assets	$ 1,504	$ 3,523
LIABILITIES AND STOCKHOLDERS’ DEFICIT:		
Current Liabilities	$ —	$ —
Negative Investment in Subsidiaries	67,455	153,991
Commitments and Contingencies	—	—
Common Stock Class L	—	—
Total Stockholders’ Deficit	(65,951)	(150,468)
Total Liabilities and Stockholders’ Deficit	$ 1,504	$ 3,523

See Accompanying Notes to Condensed Financial Statements

CONDENSED FINANCIAL INFORMATION
OF REGISTRANT
Parent Company Information
Burlington Stores, Inc.

Statements of Operations

	Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013 (53 weeks)
		(in thousands)	
REVENUES:			
Total Revenue	$ —	$ —	$ —
COSTS AND EXPENSES:			
(Income) Loss from Equity Investment	—	—	—
Total Costs and Expenses	—	—	—
Income (Loss) Before Provision (Benefit) for Income Tax	—	—	—
Provision (Benefit) for Income Tax	—	—	—
Earnings from Equity Investment, Net of Income Taxes	$ 65,955	$ 16,150	$ 25,301
Net Income	$ 65,955	$ 16,150	$ 25,301

See Accompanying Notes to Condensed Financial Statements

Table of Contents

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

Parent Company Information
Burlington Stores, Inc.

Statements of Cash Flows

	Year Ended		
	January 31, 2015	February 1, 2014	February 2, 2013 (53 weeks)
		(in thousands)	
OPERATING ACTIVITIES:			
Net Cash Provided by Operations	$ —	$ —	$ —
INVESTING ACTIVITIES :			
Receipt of Dividends	—	—	—
Net Cash Used in Investing Activities	—	—	—
FINANCING ACTIVITIES :			
Proceeds from Initial Public Offering	—	260,667	—
Offering Costs	—	(23,747)	—
Receipt of Dividends	—	336,000	1,718
Payment of Dividends	—	(336,000)	(1,711)
Purchase of Treasury Shares	(3,933)	—	(7)
Intercompany Financing Transactions	(600)	(236,920)	(1,764)
Proceeds from Stock Option Exercises	2,514	2,527	2,760
Net Cash Used in Financing Activities	(2,019)	2,527	996
Increase in Cash and Cash Equivalents	(2,019)	2,527	996
Cash and Cash Equivalents at Beginning of Period	3,523	996	—
Cash and Cash Equivalents at End of Period	$ 1,504	$ 3,523	$ 996

See Accompanying Notes to Condensed Financial Statements

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

Parent Company Information
Burlington Stores, Inc.

Note 1. Basis of Presentation

Burlington Stores, Inc. (the Parent Company) is a holding company that conducts substantially all of its business operations through its subsidiaries. The Parent Company's ability to pay dividends on Parent Company's common stock will be limited by restrictions on the ability of Parent Company's subsidiaries and Parent Company to pay dividends or make distributions under the terms of current and any future agreements governing the indebtedness of Parent Company's subsidiaries.

The accompanying Condensed Financial Statements include the accounts of the Parent Company and, on an equity basis, its subsidiaries and affiliates. Accordingly, these condensed financial statements have been presented on a "parent-only" basis. Under a parent-only presentation, the Parent Company's investments in its consolidated subsidiaries are presented under the equity method of accounting. These parent-only financial statements should be read in conjunction with Burlington Stores, Inc. audited Consolidated Financial Statements included elsewhere herein.

Note 2. Dividends

As discussed above, payment of dividends is prohibited under the credit agreements of Parent Company's subsidiaries, except in limited circumstances. Dividends equal to $336.0 million and $1.7 million were paid during Fiscal 2013 and Fiscal 2012, respectively. During Fiscal 2013, the Company used the net proceeds from the offering of the 9.00%/9.75% Senior Notes due 2018 issued by Burlington Holdings, LLC (Holdings LLC) and Burlington Holdings Finance, Inc. (Holdco Notes) to pay a special cash dividend of $336.0 million to the Class A and Class L stockholders on a pro rata basis. The dividend was approved by the Parent Company's Board of Directors in February 2013. During Fiscal 2011, in connection with the offering of the 10% Senior Notes due 2019 and the refinancing of the $1.0 billion senior secured term loan facility, a cash dividend of approximately $300.0 million, in the aggregate, was declared payable to Class A and Class L stockholders on a pro rata basis. The dividend was approved by the Parent Company's Board of Directors in February 2011. Of the $300.0 million in dividends that were declared, $1.7 million was paid during Fiscal 2012.

Note 3. Stock-Based Compensation

Non-cash stock compensation expense has been pushed down to Parent Company's subsidiaries for Fiscal 2014, Fiscal 2013 and Fiscal 2012. The excess tax benefit from stock based compensation has been pushed down to Parent Company's subsidiaries for Fiscal 2014.

BURLINGTON STORES, INC.
Schedule II—Valuation and Qualifying Accounts and Reserves
(All amounts in thousands)

Description	Balance at Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts (1)	Accounts Written Off or Deductions (2)	Balance at End of Period
Year ended January 31, 2015					
Allowance for doubtful accounts	$ 109	$ 344	$ —	$ 342	$ 111
Sales reserves	$ 2,604	$ (672)	$304,577	$303,457	$ 3,052
Valuation allowances on deferred tax assets	$ 9,108	$ —	$ 1,545	$ —	$ 10,653
Year ended February 1, 2014					
Allowance for doubtful accounts	$ 81	$ 304	$ —	$ 276	$ 109
Sales reserves	$ 2,774	$ 256	$295,107	$295,533	$ 2,604
Valuation allowances on deferred tax assets	$ 7,882	$ —	$ 1,226	$ —	$ 9,108
Year ended February 2, 2013					
Allowance for doubtful accounts	$ 85	$ 115	$ —	$ 119	$ 81
Sales reserves	$ 2,303	$ (532)	$292,558	$291,555	$ 2,774
Valuation allowances on deferred tax assets	$ 7,349	$ —	$ 533	$ —	$ 7,882

Notes:

(1) Amounts related to sales reserves are charged to merchandise sales and amounts related to valuation allowances on deferred taxes are charged to income tax expense.

(2) Actual returns and allowances.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management team, under the supervision and with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of the last day of the fiscal period covered by this report, January 31, 2015. The term disclosure controls and procedures means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of January 31, 2015.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In accordance with the internal control reporting requirement of the SEC, management completed an assessment of the adequacy of our internal control over financial reporting as of January 31, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013)* .

Based on this assessment and the criteria in the COSO framework, management has concluded that, as of January 31, 2015, our internal control over financial reporting was effective.

Deloitte & Touche LLP, the independent registered public accounting firm that audited and reported on our consolidated financial statements contained herein, has audited the effectiveness of our internal control over financial reporting as of January 31, 2015, and has issued an attestation report on the effectiveness of our internal control over financial reporting included herein.

Changes in Internal Control Over Financial Reporting

During the fourth quarter of Fiscal 2014, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Burlington Stores, Inc.
Burlington, New Jersey

We have audited the internal control over financial reporting of Burlington Stores, Inc. and Subsidiaries (the "Company") as of January 31, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2015, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the fiscal year ended January 31, 2015 of the Company and our report dated March 25, 2015 expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
March 25, 2015

Item 9B. Other Information.

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

For the information required by this Item 10, see "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement for our 2015 Annual Meeting of Stockholders (the "Annual Meeting"), which information is incorporated herein by reference. The Proxy Statement for the Annual Meeting (the "Proxy Statement") will be filed within 120 days of the close of our 2014 fiscal year.

Item 11. Executive Compensation

For the information required by this Item 11, see "Executive Compensation" and "Director Compensation" in the Proxy Statement, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

For the information required by this Item 12, see "Ownership of Securities" and "Securities Authorized for Issuance Under Equity Compensation Plans" in the Proxy Statement, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

For the information required by this Item 13, see "Certain Relationships and Related Party Transactions" and "Election of Directors" in the Proxy Statement, which information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

For the information required by this Item 14, see "Principal Accountant Fees and Services" and "Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Certified Public Accounting Firm" in the Proxy Statement, which information is incorporated herein by reference.

Table of Contents

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) *Documents Filed as Part of this Report*

(1) Financial Statements . The Consolidated Financial Statements filed as part of this Report are listed on the Index to Consolidated Financial Statements on page 54 of this Report.

(2) Financial Statement Schedules . Schedule I—Condensed Financial Information of Registrant is set forth on pages 99-102. Schedule II—Valuation and Qualifying Accounts filed as part of this Report is set forth on page 103 of this Report. All other financial statement schedules have been omitted here because they are not applicable, not required, or the information is shown in the Consolidated Financial Statements or notes thereto.

(3) Exhibits Required by Item 601 of Regulation S-K .

The following is a list of exhibits required by Item 601 of Regulation S-K and filed as part of this Report. Exhibits that previously have been filed are incorporated herein by reference.

Exhibit No.	Description
3.1(21)	Amended and Restated Certificate of Incorporation of Burlington Stores, Inc.
3.2(21)	Amended and Restated Bylaws of Burlington Stores, Inc.
10.1(10)	Credit Agreement, dated February 24, 2011, among Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Investments Holdings, Inc., the facility guarantors signatory thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent, the lenders party thereto, J.P. Morgan Securities LLC and Goldman Sachs Lending Partners LLC, as joint bookrunners and J.P. Morgan Securities LLC, Goldman Sachs Lending Partners LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as joint arrangers.
10.1.1(14)	Amendment No. 1, dated May 16, 2012, to the Credit Agreement, dated February 24, 2011, among Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Investments Holdings, Inc., the facility guarantors signatory thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent, the lenders party thereto, J.P. Morgan Securities LLC and Goldman Sachs Lending Partners LLC, as joint bookrunners and J.P. Morgan Securities LLC, Goldman Sachs Lending Partners LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as joint arrangers.
10.1.2(15)	Amendment No. 2, dated February 15, 2013, by and among Burlington Coat Factory Warehouse Corporation, the facility guarantors signatory thereto, each lender party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.
10.1.3(16)	Amendment No. 3, dated May 17, 2013, by and among Burlington Coat Factory Warehouse Corporation, the facility guarantors signatory thereto, each lender party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.
10.1.4(24)	Amendment No. 4 to Credit Agreement, dated August 13, 2014, by and among Burlington Coat Factory Warehouse Corporation, the facility guarantors signatory thereto, each lender party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent.

Exhibit No.	Description
10.2(10)	First Amendment, dated February 24, 2011, to the Amended and Restated Credit Agreement, dated as of January 15, 2010, among Burlington Coat Factory Warehouse Corporation, as Lead Borrower, the Borrowers and the Facility Guarantors party thereto, Bank of America, N.A., as Administrative Agent and as Collateral Agent, the Lenders party thereto, Wells Fargo Retail Finance, LLC and Regions Bank, as Co-Syndication Agent, J.P. Morgan Securities Inc. and UBS Securities LLC, as Co-Documentation Agents and General Electric Capital Corporation, US Bank, National Association and Suntrust Bank as Senior Managing Agents.
10.3(12)	Second Amended and Restated Credit Agreement, dated as of September 2, 2011, among Burlington Coat Factory Warehouse Corporation, as Lead Borrower, the Borrowers and the Facility Guarantors party thereto, Bank of America, N.A., as Administrative Agent and as Collateral Agent, the Lenders party thereto, Wells Fargo Capital Finance, LLC and JPMorgan Chase Bank, N.A., as co-syndication agents, and Suntrust Bank and U.S. Bank, National Association, as co-documentation agents.
10.3.1(24)	First Amendment to Second Amended and Restated Credit Agreement, dated as of August 13, 2014, by and among Burlington Coat Factory Warehouse Corporation, as lead borrower, the other borrowers signatory thereto, the facility guarantors signatory thereto, each lender party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent.
10.4(1)	Revolving Credit Note, dated as of April 13, 2006, by the Borrowers party thereto in favor of PNC Bank, National Association.
10.5(1)	Revolving Credit Note, dated as of April 13, 2006, by the Borrowers party thereto in favor of Siemens Financial Services, Inc.
10.6(8)	Amended and Restated Revolving Credit Note, dated January 15, 2010, by the Borrowers party thereto in favor of Wells Fargo Retail Finance, LLC.
10.7(1)	Revolving Credit Note, dated as of April 13, 2006, by the Borrowers party thereto in favor of National City Business Credit, Inc.
10.8(1)	Revolving Credit Note, dated as of April 13, 2006, by the Borrowers party thereto in favor of Citizens Bank of Pennsylvania.
10.9(1)	Revolving Credit Note, dated as of April 13, 2006, by the Borrowers party thereto in favor of HSBC Business Credit (USA), Inc.
10.10(1)	Revolving Credit Note, dated as of April 13, 2006, by the Borrowers party thereto in favor of Sovereign Bank.
10.11(8)	Amended and Restated Revolving Credit Note, dated January 15, 2010, by the Borrowers party thereto in favor of Capital One Leverage Finance Corp.
10.12(1)	Form of Swingline Note.
10.13(1)	Guaranty, dated as of April 13, 2006, by the Facility Guarantors party thereto in favor of Bank of America, N.A., as Administrative Agent and Bank of America, N.A., as Collateral Agent.
10.14(1)	Security Agreement, dated as of April 13, 2006, by and among each of the Borrowers party thereto, each of the Facility Guarantors party thereto, and Bank of America, N.A., as Collateral Agent.
10.15(1)	Intellectual Property Security Agreement, dated as of April 13, 2006, by and among each of the Borrowers party thereto, each of the Facility Guarantors party thereto, and Bank of America, N.A., as Collateral Agent.

Exhibit No.	Description
10.16(1)	Pledge Agreement, dated as of April 13, 2006, by and between Burlington Coat Factory Holdings, Inc., Burlington Coat Factory Investments Holdings, Inc., Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Realty Corp., Burlington Coat Factory Purchasing, Inc., K&T Acquisition Corp., Burlington Coat Factory of New York, LLC, Burlington Coat Factory Warehouse of Baytown, Inc., Burlington Coat Factory of Texas, Inc., as the Pledgors, and Bank of America, N.A., as Collateral Agent.
210.17+(8)	Employment Agreement, dated as of October 13, 2009, by and between Burlington Coat Factory Warehouse Corporation and Joyce Manning Magrini.
10.17.1+(8)	Amendment to Employment Agreement, dated February 26, 2010, by and between Burlington Coat Factory Warehouse Corporation and Joyce Manning Magrini.
210.17.2+(19)	Amendment No. 2 to Employment Agreement, dated as of October 18, 2012, by and between Burlington Coat Factory Warehouse Corporation and Joyce Manning Magrini.
10.18+(2)	Employment Agreement, dated as of August 16, 2007, by and between Burlington Coat Factory Warehouse Corporation and Todd Weyhrich.
10.18.1+(3)	Amendment to Employment Agreement, dated as of June 27, 2008, by and between Burlington Coat Factory Warehouse Corporation and Todd Weyhrich.
10.18.2+(17)	Amendment No. 2 to Employment Agreement, dated as of December 31, 2012, by and between Burlington Coat Factory Warehouse Corporation and Todd Weyhrich.
10.19+(4)	Employment Agreement, dated as of December 2, 2008, by and among Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Holdings, Inc., and Thomas A. Kingsbury.
10.19.1+(19)	Amendment No. 1 to Employment Agreement, dated as of October 23, 2012, by and among Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Holdings, Inc., and Thomas A. Kingsbury.
10.19.2+(25)	Amendment No. 2 to Employment Agreement, dated as of December 8, 2014, by and among Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Holdings, LLC, Burlington Stores, Inc. and Thomas Kingsbury.
10.20+(9)	Employment Agreement, dated as of January 28, 2008, by and between Burlington Coat Factory Warehouse Corporation and Fred Hand.
10.20.1+(20)	Amendment No. 1 to Employment Agreement, dated as of October 31, 2012, by and between Burlington Coat Factory Warehouse Corporation and Fred Hand.
10.21+(13)	Employment Agreement, dated as of May 12, 2011, by and between Burlington Coat Factory Warehouse Corporation and Hobart P. Sichel.
10.21.1+(17)	Amendment No. 1 to Employment Agreement, dated as of December 21, 2012, by and between Burlington Coat Factory Warehouse Corporation and Hobart P. Sichel.
10.22+(17)	Employment Agreement, dated as of March 12, 2012, by and between Burlington Coat Factory Warehouse Corporation and Paul Metcalf.
10.22.1+(17)	Amendment No. 1 to Employment Agreement, dated as of November 1, 2012, by and between Burlington Coat Factory Warehouse Corporation and Paul Metcalf.
10.22.2+(26)	Amendment No. 2 to Employment Agreement dated as of June 23, 2014, by and between Burlington Coat Factory Warehouse Corporation and Paul Metcalf.
10.23+(3)	Employment Agreement, dated as of June 26, 2008, by and between Burlington Coat Factory Warehouse Corporation and Marc Katz.

Exhibit No.	Description
10.23.1+(20)	Amendment No. 1 to Employment Agreement, dated as of October 16, 2012, by and between Burlington Coat Factory Warehouse Corporation and Marc Katz.
10.24+(1)	Employment Agreement, dated as of April 13, 2006, by and between Burlington Coat Factory Warehouse Corporation and Paul Tang.
10.24.1+(20)	Amendment No. 1 to Employment Agreement, dated as of July 17, 2007, by and between Burlington Coat Factory Warehouse Corporation and Paul Tang.
10.24.2+(20)	Amendment No. 2 to Employment Agreement, dated as of December 7, 2012, by and between Burlington Coat Factory Warehouse Corporation and Paul Tang.
10.25+(17)	Employment Agreement, dated as of November 16, 2009, by and between Burlington Coat Factory Warehouse Corporation and Michael Metheny.
10.25.1+(17)	Amendment No. 1 to Employment Agreement, dated as of August 20, 2012, by and between Burlington Coat Factory Warehouse Corporation and Michael Metheny.
10.26+(1)	Form of Restricted Stock Grant Agreement Pursuant to Burlington Coat Factory Holdings, Inc. 2006 Management Incentive Plan (for grants made prior to April 2009).
10.27+(1)	Form of Non-Qualified Stock Option Agreement, dated as of April 13, 2006, between Burlington Coat Factory Holdings, Inc. and Employees with Employment Agreements (for grants made prior to April 2009).
10.28+(1)	Form of Non-Qualified Stock Option Agreement, dated as of April 13, 2006, between Burlington Coat Factory Holdings, Inc. and Employees without Employment Agreements (for grants made prior to April 2009).
10.29+(1)	Burlington Coat Factory Holdings, Inc. 2006 Management Incentive Plan.
10.29.1+(4)	Amendment No. 1 to the Burlington Coat Factory Holdings, Inc. Management Incentive Plan dated as of December 2, 2008.
10.29.2+(5)	Amendment No. 2 to the Burlington Coat Factory Holdings, Inc. 2006 Management Incentive Plan dated as of March 19, 2009.
10.29.3+(7)	Amendment No. 3 to the Burlington Coat Factory Holdings, Inc. 2006 Management Incentive Plan dated as of September 14, 2009.
10.30+(5)	Form of Non-Qualified Stock Option Agreement between Burlington Coat Factory Holdings, Inc. and Employees with Employment Agreements (for grants made after March 2009 and prior to 2014 (other than 2013 special one-time grants)).
10.31+(5)	Form of Non-Qualified Stock Option Agreement between Burlington Coat Factory Holdings, Inc. and Employees without Employment Agreements (for grants made after March 2009 and prior to 2014 (other than 2013 special one-time grants)).
10.32+(5)	Form of Restricted Stock Grant Agreement between Burlington Coat Factory Holdings, Inc. and Employees with Employment Agreements (for grants made after March 2009 and prior to 2014).
10.33+(5)	Form of Restricted Stock Grant Agreement between Burlington Coat Factory Holdings, Inc. and Employees without Employment Agreements (for grants made after March 2009 and prior to 2014).
10.34+(5)	Form of Initial Amendment to Non-Qualified Stock Option Agreement between Burlington Coat Factory Holdings, Inc. and Employees with Employment Agreements.

Exhibit No.	Description
10.35+(5)	Form of Initial Amendment to Non-Qualified Stock Option Agreement between Burlington Coat Factory Holdings, Inc. and Employees without Employment Agreements.
10.36+(5)	Form of Subsequent Amendment to Non-Qualified Stock Option Agreement between Burlington Coat Factory Holdings, Inc. and Employees with Employment Agreements.
10.37+(5)	Form of Subsequent Amendment to Non-Qualified Stock Option Agreement between Burlington Coat Factory Holdings, Inc. and Employees without Employment Agreements.
10.38+(20)	Burlington Holdings, Inc. 2006 Management Incentive Plan (Amended and Restated June 15, 2013).
10.39(21)	Form of Directors and Officers Indemnification Agreement.
10.40+(22)	Burlington Stores, Inc. 2013 Omnibus Incentive Plan.
10.41+(20)	Form of Non-Qualified Stock Option Agreement, pursuant to Burlington Holdings, Inc.'s 2006 Management Incentive Plan, between Burlington Holdings, Inc. and Employees with Employment Agreements (for 2013 special one-time grants).
10.42+(20)	Form of Non-Qualified Stock Option Agreement, pursuant to Burlington Holdings, Inc.'s 2006 Management Incentive Plan, between Burlington Holdings, Inc. and Employees without Employment Agreements (for 2013 special one-time grants).
10.43+(20)	Form of Non-Qualified Stock Option Agreement, pursuant to Burlington Holdings, Inc.'s 2006 Management Incentive Plan, dated as of June 17, 2013, between Burlington Holdings, Inc. and Thomas A. Kingsbury (for 2013 special one-time grant).
10.44†(23)	Amended and Restated Stockholders Agreement among Burlington Stores, Inc. and the Investors and Managers named therein dated as of March 13, 2014.
10.44.1(26)	Amendment No. 1 to Amended and Restated Stockholders Agreement, dated as of May 22, 2014.
10.44.2†	Amendment No. 2 to Amended and Restated Stockholders Agreement, dated as of December 5, 2014.
10.45+†	Employment Agreement, dated as of November 7, 2014, by and between Burlington Coat Factory Warehouse Corporation and Eric Seeger.
10.46+†	Restricted Stock Grant Agreement between Burlington Stores, Inc. and Eric Seeger dated January 20, 2015.
10.47+†	Restricted Stock Grant Agreement between Burlington Stores, Inc. and Marc Katz dated January 12, 2015.
10.48+†	Restricted Stock Grant Agreement between Burlington Stores, Inc. and Thomas Kingsbury dated December 15, 2014.
10.49+†	Form of Restricted Stock Agreement between Burlington Stores, Inc. and Independent Directors
10.50+†	Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees with Employment Agreements (for grants made after 2013).
10.51+†	Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees without Employment Agreements (for grants made after 2013).
10.52+†	Form of Restricted Stock Grant Agreement between Burlington Stores, Inc. and Employees with Employment Agreements (for grants made after 2013).

Exhibit No.	Description
10.53+†	Form of Restricted Stock Grant Agreement between Burlington Stores, Inc. and Employees without Employment Agreements (for grants made after 2013).
21.1†	List of Subsidiaries of Burlington Stores, Inc.
23.1†	Consent of Deloitte & Touche LLP.
31.1†	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2†	Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1†	Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2†	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS†	XBRL Instance Document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document

† Filed herewith.
\+ Management Contract or Compensatory Plan or Arrangement.
(1) Incorporated by reference to Burlington Coat Factory Warehouse Corporation's Registration Statement on Form S-4, No. 333-137916, filed on October 10, 2006.
(2) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Current Report on Form 8-K filed on August 17, 2007.
(3) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Current Report on Form 8-K filed on June 27, 2008.
(4) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended February 28, 2009 filed on April 14, 2009.
(5) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Current Report on Form 8-K filed on April 30, 2009.
(6) Reserved.
(7) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended November 28, 2009 filed on January 12, 2010.
(8) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Transition Report on Form 10-K/T for the transition period ended January 30, 2010 filed on April 30, 2010.
(9) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 1, 2008 filed on April 15, 2008.
(10) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Current Report on Form 8-K filed on February 24, 2011.
(11) Reserved.

(12) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Current Report on Form 8-K filed on September 9, 2011.
(13) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Annual Report on Form 10-K for the fiscal year ended January 28, 2012 filed on April 20, 2012.
(14) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Current Report on Form 8-K filed on May 17, 2012.
(15) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Current Report on Form 8-K filed on February 21, 2013.
(16) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Current Report on Form 8-K filed on May 22, 2013.
(17) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Annual Report on Form 10-K for the fiscal year ended February 2, 2013 filed on April 26, 2013.
(18) Reserved.
(19) Incorporated by reference to Burlington Coat Factory Investments Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 27, 2012 filed on December 11, 2012.
(20) Incorporated by reference to Burlington Stores, Inc.'s Registration Statement on Form S-1/A filed on September 6, 2013.
(21) Incorporated by reference to Burlington Stores, Inc.'s Registration Statement on Form S-1/A filed on September 10, 2013.
(22) Incorporated by reference to Burlington Stores, Inc.'s Registration Statement on Form S-1/A filed on September 19, 2013.
(23) Incorporated by reference to Burlington Stores, Inc.'s Annual Report on Form 10-K for the fiscal year ended February 1, 2014 filed on March 31, 2014.
(24) Incorporated by reference to Burlington Stores, Inc.'s Current Report on Form 8-K filed on August 18, 2014.
(25) Incorporated by reference to Burlington Stores, Inc.'s Current Report on Form 8-K filed on December 9, 2014.
(26) Incorporated by reference to Burlington Stores, Inc.'s Quarterly Report on Form 10-Q for the quarter year ended August 2, 2014 filed on September 11, 2014.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

BURLINGTON STORES, INC.

By: /s/ Thomas A. Kingsbury
Thomas A. Kingsbury
Chairman, President and Chief Executive Officer

Date: March 25, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 25 th day of March 2015.

Signature	Title
/s/ Thomas A. Kingsbury **Thomas A. Kingsbury**	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ Marc Katz **Marc Katz**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ John Crimmins **John Crimmins**	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)
/s/ Joshua Bekenstein **Joshua Bekenstein**	Director
/s/ Jordan Hitch **Jordan Hitch**	Director
/s/ Tricia Patrick **Tricia Patrick**	Director
/s/ John Mahoney **John Mahoney**	Director
/s/ Paul Sullivan **Paul Sullivan**	Director
/s/ Frank Cooper, III **Frank Cooper, III**	Director
/s/ William McNamara **William McNamara**	Director

EXHIBIT INDEX

Exhibit	Description
10.44.2	Amendment No. 2 to Amended and Restated Stockholders Agreement, dated as of December 5, 2014.
10.45	Employment Agreement, dated as of November 7, 2014, by and between Burlington Coat Factory Warehouse Corporation and Eric Seeger.
10.46	Restricted Stock Grant Agreement between Burlington Stores, Inc. and Eric Seeger dated January 20, 2015.
10.47	Restricted Stock Grant Agreement between Burlington Stores, Inc. and Marc Katz dated January 12, 2015.
10.48	Restricted Stock Grant Agreement between Burlington Stores, Inc. and Thomas Kingsbury dated December 15, 2014.
10.49	Form of Restricted Stock Agreement between Burlington Stores, Inc. and Independent Directors.
10.50	Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees with Employment Agreements (for grants made after 2013).
10.51	Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees without Employment Agreements (for grants made after 2013).
10.52	Form of Restricted Stock Grant Agreement between Burlington Stores, Inc. and Employees with Employment Agreements (for grants made after 2013).
10.53	Form of Restricted Stock Grant Agreement between Burlington Stores, Inc. and Employees without Employment Agreements (for grants made after 2013).
21.1	List of Subsidiaries of Burlington Stores, Inc.
23.1	Consent of Deloitte & Touche LLP.
31.1	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 10.44.2

AMENDMENT NO. 2 TO
AMENDED AND RESTATED STOCKHOLDERS AGREEMENT

THIS AMENDMENT NO. 2 (this " Amendment ") to the Amended and Restated Stockholders Agreement, dated as of March 13, 2014, as amended by that certain Amendment No. 1 on May 22, 2014 (the " Stockholders Agreement "), by and among Burlington Stores, Inc., a Delaware corporation, and the Investors and Managers named therein, is made and entered into as of this 5th day of December, 2014. Capitalized terms used herein and not defined shall have the meanings specified in the Stockholders Agreement.

WHEREAS, in accordance with Section 6.2 of the Stockholders Agreement, the parties hereto wish to amend the Stockholders Agreement as provided herein.

WHEREAS, the Investors signatory hereto constitute the Majority Investors, and as such, may amend, modify, extend or terminate the provisions of the Stockholders Agreement as provided for in Section 6.2 thereof.

NOW, THEREFORE, in consideration of the terms and conditions contained in this Amendment and other good and valuable consideration, the mutual receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendment of Section 2.1.1 of the Stockholders Agreement . Section 2.1.1 of the Stockholders Agreement is hereby deleted in its entirety and replaced with the following:

"2.1.1 Affiliates . Any holder of Shares may Transfer any or all of such Shares to an Affiliate of such holder."

2. Amendment of Section 2.2 of the Stockholders Agreement . The first sentence of Section 2.2 of the Stockholders Agreement is hereby deleted in its entirety and replaced with the following:

"2.2 Transfers to the Public or to a Charitable Organization . Any holder of Shares may Transfer such Shares (a) subject to the provisions of Section 3.3.4, in a Public Offering or pursuant to Rule 144, or (b) to a Charitable Organization, in each case, if such transfer would not result in, (x) in the case of a Non-Senior Manager, the Relative Ownership Percentage (as defined below) of the Management Shares owned by such Manager immediately following the effective time of such Transfer (the "Determination Time") being less than the lesser of (i) the applicable Sell-Down Percentage immediately following the Determination Time, and (ii) the Relative Ownership Percentage of the Shares owned by the Investors immediately following the Determination Time, or, (y) in the case of a Senior Manager, the Relative Ownership Percentage of the Management Shares owned by such Senior Manager immediately following the Determination Time being less than the Relative Ownership Percentage of the Shares owned by the Investors immediately following the Determination Time."

3. Amendment of Section 7 of the Stockholders Agreement . The definition of “Registrable Securities” in Section 7 of the Stockholders Agreement is hereby deleted in its entirety and replaced with the following:

> “‘ Registrable Securities ’ shall mean (a) all shares of Common Stock, (b) all shares of Common Stock issuable upon exercise, conversion or exchange of any Option, Warrant or Convertible Security and (c) all shares of Common Stock directly or indirectly issued or issuable with respect to the securities referred to in clauses (a) or (b) above by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization, in each case constituting Shares. As to any particular Registrable Securities, such shares shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement; (ii) such securities shall have been Transferred pursuant to Rule 144 or to a Charitable Organization; (iii) subject to the provisions of Section 5 hereof, such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of them shall not require registration of them under the Securities Act and such securities may be distributed without volume limitation or other restrictions on transfer under Rule 144 (including without application of paragraphs (c), (e) (f) and (h) of Rule 144) or (iv) such securities shall have ceased to be outstanding.”

4. No Other Amendments . Except as expressly amended hereby, the provisions of the Stockholders Agreement are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Any reference in the Stockholders Agreement to “this Agreement,” “herein,” “hereof,” “hereunder” or words of similar import, and any other document, instrument or agreement that refers to the Stockholders Agreement, shall be deemed to refer to the Stockholders Agreement as amended by this Amendment. This Amendment shall be effective as of the date hereof.

5. Governing Law . This Amendment shall be governed by and construed in accordance with the domestic substantive laws of the State of Delaware without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

6. WAIVER OF JURY TRIAL . TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AMENDMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES

THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 6 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AMENDMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 6 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

7. Counterparts . This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed as of the date first written above.

BURLINGTON STORES, INC.

By: /s/ Paul Tang
Name: Paul Tang
Title: Executive Vice President General Counsel and Secretary

[Signature Page to Amendment No. 2 to Amended and Restated Stockholders Agreement]

Investors :

BAIN CAPITAL FUND IX, LLC

By: Bain Capital Fund IX, L.P.,
its sole member
By: Bain Capital Partners IX, L.P.,
its general partner
By: Bain Capital Investors, LLC,
its general partner

By: /s/ Joshua Bekenstein
Name: Joshua Bekenstein
Title: Managing Director

BAIN CAPITAL INTEGRAL INVESTORS, LLC

By: Bain Capital Investors, LLC,
its administrative member

By /s/ Joshua Bekenstein
Name: Joshua Bekenstein
Title: Managing Director

BCIP TCV, LLC

By: Bain Capital Investors, LLC,
its administrative member

By: /s/ Joshua Bekenstein
Name: Joshua Bekenstein
Title: Managing Director

BCIP ASSOCIATES-G

By: Bain Capital Investors, LLC,
its managing partner

By: /s/ Joshua Bekenstein
Name: Joshua Bekenstein
Title: Managing Director

[Signature Page to Amendment No. 2 to Amended and Restated Stockholders Agreement]

Exhibit 10.45

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this " Agreement ") is made as of Nov 7, 2014, by and between Burlington Coat Factory Warehouse Corporation, a Delaware corporation (the " Company "), and Eric Seeger (" Executive ").

WHEREAS, the Company desires to employ Executive during the Employment Period, and Executive is willing to accept employment with the Company, on the terms and conditions set forth herein; and

WHEREAS, the agreements of Executive in Sections 5 , 6 and 7 are material inducements to enter into this Agreement;

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions . In this Agreement:

" Base Salary " has the meaning given to that term in Section 3(a) .

" Board " means the Board of Directors of the Company.

" Cause " means Executive (i) is convicted of a felony or other crime involving dishonesty towards the Company or any of its Subsidiaries or material misuse of property of the Company or any of its Subsidiaries; (ii) engages in willful misconduct or fraud with respect to the Company or any of its Subsidiaries or any of their customers or suppliers or an intentional material act of dishonesty or disloyalty in the course of Executive's employment; (iii) refuses to perform Executive's lawful acts in connection with his material obligations under this Agreement (except in connection with a Disability) as reasonably directed by the Board or the Company's chief executive officer, which failure is not cured within 30 days after written notice thereof to Executive; (iv) misappropriates one or more of the Company's or any of its Subsidiaries material assets or business opportunities; (v) breaches Sections 5 , 6 or 7 hereof which breach, if capable of being cured, is not cured within 10 days of written notice thereof has been delivered to Executive; or (vi) has failed to complete relocation of his permanent residence to a location within reasonable daily commuting distance to and from the Company's principal executive offices in Burlington County. New Jersey within eighteen (18) months after the Commencement Date (defined below). The Company shall inform the Executive in writing describing in reasonable detail the nature of the circumstances giving rise to Cause, and the Executive shall have thirty (30) days to cure such circumstances, if curable.

" Company " has the meaning set forth in the preamble above; together with its Parents, Subsidiaries and affiliates and includes all predecessor entities.

" Confidential Information " has the meaning given to that term in Section 5(a).

" Court " has the meaning given to that term in Section 8(b).

" Disability " means Executive's inability to perform the essential duties, responsibilities and functions of Executive's position with the Company and its Subsidiaries for any period totaling one hundred and eighty (180) days in any consecutive twelve (12) month period as a result of any mental or physical disability or incapacity, as determined under the definition of disability in the Company's long-term disability plan so as to qualify Executive for benefits under the terms of that plan or as determined by an independent physician mutually selected by the Executive and the Company to the extent no such plan is then in effect. Executive shall cooperate in all reasonable respects with the Company if a question arises as to whether Executive has become disabled (including, without limitation, submitting to an examination by a medical doctor or other health care specialists mutually selected by the Executive and the Company and authorizing such medical doctor or such other health care specialist to discuss Executive's condition with the Company).

" Employment Period " means the period commencing on the expiration or earlier termination or release of the Covenant Period (as defined in Section 9 below), but no earlier than January 15, 2015 (the "Commencement Date") and ending on the Expiration Date or such earlier date as contemplated in the proviso to Section 4(a) .

" Expiration Date " means the first anniversary of the Commencement Date; provided , that if a written notice is not given by the Company at least ninety (90) days prior to such anniversary (or any subsequent anniversary if this Agreement is extended) stating that such party is electing not to extend the Employment Period, then the Expiration Date will automatically be extended to the next anniversary of the date hereof.

" Expiration Year " means the calendar year in which the Employment Period expires.

" Good Reason " means the occurrence of any of the following events without the written consent of Executive: (i) a material diminution of Executive's duties or the assignment to Executive of duties that are inconsistent in any substantial respect with the position, authority or responsibilities associated with Executive's position as set forth pursuant to Section 2(b) , other than any such authorities, duties or responsibilities assigned at any time which are by their nature, or which are identified at the time of assignment, as being temporary or short-term; (ii) the Company's requiring Executive to be based at a location which is fifty (50) or more miles from Executive's principal executive office location on the Commencement Date; or (iii) a material breach by the Company of its obligations pursuant to this Agreement (including compensation, reporting relationship and, without limitation, its obligations pursuant to Section 3) (which such breach goes uncured after notice and a reasonable opportunity to cure); provided, however, no condition enumerated in the preceding shall be deemed to be "Good Reason" unless within sixty (60) days of the initial existence of such condition, Executive shall have given the Company written notice thereof specifically describing the condition giving rise to "Good Reason" and allowing the Company a period of at least thirty (30) days from the date of receipt of the notice to remedy such condition. Notwithstanding the foregoing, in no event will a condition give rise to "Good Reason" hereunder unless within ten (10) days after the expiration of the period provided in the Executive's notice for the Company to remedy said condition but in no event later than one hundred and twenty (120) days initial existence of said condition, Executive shall have actually terminated his employment with the Company by giving written notice of resignation for failure of the Company to remedy such condition. Notwithstanding the preceding, it is specifically agreed that appointment or re-assignment of Executive to another executive vice president or higher level position shall not be deemed Good Reason.

" Parent or Parents " means one or more corporations or other entities which directly or indirectly own securities or other ownership interests having the voting power to elect a majority of the board of directors of Burlington Coat Factory Warehouse Corporation at the time of determination.

" Termination Year " means the calendar year in which the Employment Period is terminated.

" Subsidiaries " means any corporation or other entity of which the securities or other ownership interests having the voting power to elect a majority of the board of directors or other governing body are, at the time of determination, owned by the Company, directly or through one of more Subsidiaries.

" Work Product " has the meaning given to that term in Section 6 .

2. Employment, Position and Duties .

(a) The Company shall employ Executive and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement for the Employment Period.

(b) During the Employment Period, Executive shall serve as Executive Vice President–Planning/Allocation - MIO of the Company (including managing and directing the departments of planning/allocation and merchandising information operations) and shall perform the normal duties, responsibilities and functions of an executive officer with similar role of a company of a similar size and type and shall have such power and authority as shall reasonably be required to enable Executive to perform Executive's duties hereunder, subject to the power and authority of the Board to expand or limit such duties, responsibilities, functions, power and authority and to overrule actions of officers of the Company in a manner consistent with the traditional responsibilities of such office.

(c) During the Employment Period, Executive shall (i) render such administrative, financial and other executive and managerial services to the Company and its Subsidiaries which are consistent with Executive's position as the Board may from time to time direct, (ii) report directly to the Company's Chief Executive Officer (or to the Company's President if both (x) the positions of Chief Executive Officer and President hereafter become separate and (y) the Chief Executive Officer determines that the Executive shall report to the President (but the Executive shall not be required to be a direct report of any other executive of the Company)) and shall devote Executive's best efforts and Executive's full business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Subsidiaries and (iii) submit to the Board all business, commercial and investment opportunities presented to Executive or of which Executive becomes aware which relate to the business of the Company and its Subsidiaries, and unless approved by the Board in writing, Executive shall not pursue, directly or indirectly, any such opportunities on Executive's own behalf. Executive shall perform Executive's duties, responsibilities and functions to the Company and its Subsidiaries hereunder to the best of Executive's abilities in a diligent, trustworthy and professional manner.

3. Compensation and Benefits .

(a) During the Employment Period, Executive's base salary shall be a minimum of Six Hundred Thousand Dollars ($600,000.00) per annum (as increased or decreased in accordance with this Agreement from time to time, the " Base Salary "), which salary shall be payable by the Company in regular installments in accordance with the Company's general payroll practices (in effect from time to time). Executive's Base Salary will be subject to annual review and increase or decrease (but shall not be decreased below $600,000 per annum) by the Board during the Employment Period.

(b) Executive shall be entitled to participate in the Company's Management Bonus Plan applicable to employees of comparable level with Executive as approved by the Board or a committee thereof, as in effect from time to time, with a target annual bonus of seventy-five percent (75%) of Executive's Base Salary ("Target Bonus"); provided, however, that, with respect to the bonus period within which the Commencement Date occurs (and subject to Executive's meeting all requirements under the applicable bonus plan in such period, which, among other things, requires active employment on or before the last business day in October during each bonus period), the bonus payable to Executive, if any, will be prorated based on the number of days between the Commencement Date and the end of such bonus period divided by the total number of days in the bonus period.

(c) The Board, or a committee or appointee thereof, during the term of this Agreement, shall review annually, or at more frequent intervals which the Board determines is appropriate, Executive's compensation and may award Executive compensation as the Board deems appropriate in its sole discretion; provided , however , that Executive's Base Salary shall not be reduced pursuant to any such review or otherwise.

(d) Executive shall be entitled to twenty-five (25) paid vacation days and a number of other paid time off days in each calendar year in accordance with the Company's policies such that the total number of such days shall be equal to that applicable to employees of comparable level, which if not taken in any year may not be carried forward to any subsequent calendar year and no compensation shall be payable in lieu thereof. Such vacation will accrue as of January 1 of each year, except that if Executive's employment commences after January 31 of any calendar year, Executive shall accrue the total number of paid time off days available for a calendar year pro rated for the number of full calendar months remaining in the calendar year in which the Employment Period commences, divided by 12.

(e) During the Employment Period, the Company shall reimburse Executive for all reasonable business expenses incurred by Executive in the course of performing Executive's duties, responsibilities and functions under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment, business, and other reasonable out-of-pocket expenses incurred by Executive in connection with the performance of his duties hereunder, subject to the Company's requirements with respect to reporting and documentation of such expenses.

(f) Executive shall be entitled to participate, on the same basis as other executives of comparable level in the Company, in any compensation, bonus, incentive, award, executive medical reimbursement, deferred compensation, pension, retirement, stock award, stock option or other benefit, plan or arrangement of the Company (including, without limitation, any plan sponsored by the entity owning or controlling the Company, or any affiliate of such entity) now existing or hereafter adopted, all upon terms at least as favorable as those enjoyed by other employees of comparable level of the Company. With regards to stock, stock option or other equity award referenced in the preceding sentence, Executive shall be eligible for an award commencing in May 2015 (if the Commencement date shall be earlier than May 1, 2015) or May 2016 (if the Commencement Date shall be after May 1, 2015 and before May 1, 2016) with a grant date valuation of up to One Hundred twenty Percent (120%) of Executive's Base Salary for the preceding annual period, in each case pro-rated for the period of service if less than one year, such equity award to be a mix of restricted stock and stock options available under the equity plan applicable to Executive Vice Presidents at the time of reference. Notwithstanding the preceding, the Company may restrict or exclude Executive's participation in any such plan, or the benefits thereunder, on such terms and conditions as the Company shall in its sole discretion determine, if at any time Executive shall be working fewer than five days a week or on other part-time basis during regular business days. Executive also shall be entitled to hospital, health, disability, medical and life insurance, and any other benefits enjoyed, from time to time, by other salaried employees of the Company of comparable level, all upon terms as favorable as those enjoyed by other employees of comparable level of the Company. Notwithstanding anything in this Section 3(f) to the contrary, if the Company adopts any change in the benefits provided for other employees of the Company of comparable level, and such policy is uniformly applied to all such employees of the Company (and any successor or acquirer of the Company, if any), then no such change shall be deemed a breach by the Company of this Section 3(f) .

(g) Executive shall be entitled to participate in the Company automobile program in effect from time to time on the same terms as made available to employees of comparable level. Currently, such program provides for a car allowance of Twenty-five Thousand Dollars ($25,000.00) per annum.

(h) Executive will be indemnified and defended for all acts performed (or omissions made) in Executive's capacity as an officer or director of the Company to the fullest extent specified in the Company's certificate of incorporation and bylaws and as permitted under Delaware law.

(i) For the period from the Commencement Date to the earlier of (x) twelve (12) months after the Commencement Date or (y) the time Executive sells his current primary residence at 1985 Carriage Hills Drive, Delafield, WI 53018 (the "Current Home") and relocates his primary residence to a non-temporary residence within reasonable commuting distance from the Company's principal offices in Burlington, New Jersey (the "New Home"), the Company will reimburse to the Executive reasonable housing accommodations for Executive and his family (not to exceed $4,000.00 per month) (the "Housing Allowance"). Executive acknowledges that he will be solely responsible for the excess of the amount of Executive's actual cost of housing accommodations over $4,000.00 per month. The Company shall also reimburse Executive for all applicable federal and state income and payroll taxes paid by Executive resulting from, and to the extent of, the inclusion of the Housing Allowance in his taxable income, payable in accordance with the Company's general payroll practices and based on the highest applicable marginal state and federal income tax rates on a grossed up basis. Executive agrees to provide to the Company documentation showing that the reimbursed amounts are taxable at such rates for the year in question. The obligation of the Company to provide reimbursement for Executive's federal tax liability will be adjusted to take into account the federal tax benefit, if any, of state income taxes applicable to the inclusion in taxable income of the amount of such amounts paid or reimbursed, regardless of the year in which such federal tax benefit is realized by Executive. Notwithstanding the preceding, or anything herein to the contrary, it is understood and agreed that the gross up of taxes hereunder shall only apply to reimburse Executive for taxes assessed or levied upon the Housing Allowance on a one-time basis and shall not apply to any tax assessed or levied against such reimbursement of taxes. In addition to the preceding, in the event that Executive sells, disposes of or otherwise relinquishes his Current Home and relocates to (and establishes his primary residence at) the New Home, in each case within eighteen (18) months of the Commencement Date, the Company shall pay Executive a relocation allowance of Two Hundred Thousand Dollars ($200,000.00) ("Relocation Allowance") following Company's receipt of satisfactory documentation regarding such relocation. Such Relocation Allowance shall be subject to applicable tax, if any, shall not be grossed up for tax purposes and shall be in lieu of any other payment or reimbursement for the costs of relocation by Executive from his Current Home including, without limitation, moving expenses, temporary housing expense, travel, loss on sale of current home, financing on purchase of new home, brokerage commissions, attorneys' fees, title, insurance, income and employment tax and any other expense.

(j) Executive shall be entitled to a Commencement Date Bonus equal to Two Hundred Thousand Dollars ($200,000.00) payable within fifteen (15) days after the Commencement Date. In addition, within forty-five (45) days after the Commencement Date, the Company shall pay to Executive an amount equal to all payments made by Executive from the date of this Agreement until Thirty (30) days after the Commencement Date in respect of continuation of health benefits after termination of Executive's prior employment, fully grossed up for income taxes.

(k) Executive shall be entitled to a Make Whole Bonus equal to Three Hundred Thousand Dollars ($300,000.00), reduced by Twenty-five Thousand Dollars ($25,000.00) for each month for which the number of months in the Covenant Period is less than twelve (12) by reason of early termination, release or otherwise. For the purposes hereof, the measurement of the duration of the Covenant Period shall be made without reference to the period for which Executive may be subject to any non-solicit obligation under the Kohl's Agreement (hereafter defined). Such Make Whole Bonus shall be payable within fifteen (15) days after the Commencement Date.

(l) Within thirty (30) days after the Commencement Date, Executive shall receive an initial equity grant with a valuation on the date of grant of Three Million Five Hundred thousand Dollars ($3,500,000.00). Such initial equity grant shall consist of restricted stock vesting in three tranches as follows: (i) Fifty Percent (50%) on the later of the

Commencement Date or October 1, 2015; (ii) an additional Twenty-five Percent (25%) on October 1, 2016; and (iii) the remaining Twenty-five Percent (25%) on October 1, 2017. Executive shall execute a joinder to the Company's Stockholders Agreement as a condition of receiving such grant. Furthermore, in addition to any restrictions contained in the Company's Stockholders Agreement and Insider Trading Policy, Executive covenants and agrees not to, directly or indirectly, sell, transfer or otherwise distribute any portion of the first tranche prior to April 1, 2016 or more than Fifty Percent (50%) of the first tranche at any time prior to October 1, 2016.

(m) Notwithstanding anything herein to the contrary, in the event Executive's employment with the Company is terminated either voluntarily by Executive (other than for Good Reason) or for Cause by the Company within eighteen (18) months after the respective dates on which Executive receives payment under Section 3(i) and 3(j) above, Executive shall immediately repay to the Company the net after-tax amount of all amounts paid to Executive or on Executive's behalf by the Company or reimbursed to Executive by the Company pursuant to said Section 3(i) and 3(j) . Furthermore, if Executive's employment with the Company is terminated either voluntarily by the Executive (other than for Good Reason) or for Cause by the Company prior to October 1, 2017, Executive shall immediately pay to the Company in cash as follows: (x) prior to October 1, 2016, One Million Seven Hundred Fifty Thousand Dollars ($1,750,000.00) and (y) after October 1, 2016 but before October 1, 2017, Two Million Six Hundred Twenty-five Thousand Dollars ($2,625,000.00), each representing the grant date value of restricted stock granted pursuant to Section 3(1) above which shall have vested prior to the termination date.

(n) Notwithstanding any provision herein to the contrary, in the event the Company shall terminate this Agreement prior to the Commencement Date for any reason other than Cause (as defined above), then the Company shall pay Executive (i) the entire $300,000 Make Whole Bonus provided for in Section 3(k) above and (ii) an additional sum of One Million Dollars ($1,000,000.00) to compensate Executive for any foregone opportunity to receive equity either from his former employer or from the Company in lieu of any other remedy available to Executive in law or equity. Thereupon, this Agreement and all of its provisions shall cease and be of no further force and effect; provided, however, if such termination shall be for Cause, then no payment shall be due to Executive whatsoever.

4. Termination and Payment Terms .

(a) The Employment Period shall end on the Expiration Date; provided , that (i) the Employment Period shall terminate prior to such date immediately upon Executive's resignation, death or Disability and (ii) the Employment Period may be terminated by resolution of the Board, with or without Cause at any time prior to such date. Except as otherwise provided herein, any termination of the Employment Period by the Company shall be effective as specified in a written notice from the Company to Executive.

(b) If the Employment Period is terminated by the Company or the Executive on or prior to the Expiration Date:

(i) (A) by resolution of the Board (other than for Cause) or by Executive resigning for Good Reason or (B) if the Employment Period expires on the Expiration Date, Executive shall be entitled to receive (1) all previously earned and accrued but unpaid Base Salary and vacation and unpaid business expenses up to the date of such termination or the Expiration Date, as applicable, (2) any unpaid bonus earned by Executive for the fiscal year prior to the Termination Year or the Expiration Year, as applicable, but then unpaid, and any other amounts owed under Section 3(i), (3) severance pay in the full amount of Base Salary at the time of termination or expiration from the date of termination or the Expiration Date, as applicable, through the period ending on the first anniversary of the date of termination or the Expiration Date, as applicable, and (4) full continuation of Executive's medical, dental and vision insurance benefits during the one year severance period (but only to the extent such medical, dental and vision insurance benefits (i) were previously elected by Executive and in effect immediately prior to the date of termination of the Employment Period or Expiration Date, as applicable, and (ii) can be provided by Company under the Company's insurance plans during the one year severance period (to the extent any of those benefits cannot be provided by the Company during the one year severance period, the Company will provide Executive with a sum of money calculated to permit Executive to obtain the same benefits individually, grossed up for tax purposes so that Executive remains whole); provided, however, that, if after the date of termination of the Employment Period or Expiration Date, as applicable, and during the period when Executive is receiving continuation payments under clause (3) above or medical, dental and vision insurance benefits under clause (4) above, Executive shall receive compensation from any source for services provided by Executive which are substantially similar to services provided by Executive under this Agreement or accepts employment with a third party, (x) Executive shall give notice to the Company promptly upon entering into any such arrangement or employment together with a reasonably detailed description thereof, (y) the amounts payable to Executive pursuant to clause (3) shall be reduced by the amount of any compensation received by Executive from such third party or new employer in respect of any services to be provided by Executive to such third party or new employer during the period prior to the first anniversary of the date of termination of the Employment Period or the Expiration Date, as applicable, and (z) the medical, dental and vision insurance benefits provided pursuant to clause (4) shall immediately cease on the earlier of (i) the date Executive is first entitled to receive such benefits from Executive's new employer (such date to be promptly reported to the Company), or (ii) the first anniversary of the date of termination or the Expiration Date, as applicable.

(ii) for any other reason, including as a result of Executive's death, Disability, voluntary resignation for other than Good Reason or by resolution of the Board for Cause, Executive's sole entitlement shall be to receive all previously earned and accrued but unpaid Base Salary, vacation and unpaid business expenses up to the date of such termination or expiration and Executive shall not be entitled to any further Base Salary, bonus payments or benefits for that year or any future year, except as required by law, or to any other severance compensation of any kind.

(c) Executive agrees that: (i) Executive shall be entitled to the payments and services provided for in Sections 4(b)(i)(3) and 4(b)(i)(4) , if any, if and only if Executive has executed and delivered the Release (and no longer subject to revocation, if applicable) attached as Exhibit A within sixty days following the date of termination and

Executive has not breached as of the date of termination of the Employment Period the provisions of Sections 5 , 6 and 7 hereof and does not breach such sections or such covenants at any time during the period for which such payments or services are to be made; and (ii) the Company's obligation to make such payments and services will terminate upon the occurrence of any such breach during such period.

(d) Except as stated above, any payments pursuant to Section 4(b) shall be paid by the Company in regular installments in accordance with the Company's general payroll practices, and following such payments the Company shall have no further obligation to Executive pursuant to this Section 4 except as provided by law; provided that to the extent that the payment of any amount constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code (as defined in subsection (g) hereof), any such payment scheduled to occur during the first sixty (60) days following the termination of employment shall not be paid until the first regularly scheduled pay period following the sixtieth (60 th) day following such termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto. All amounts payable to Executive as compensation hereunder shall be subject to all customary withholding, payroll and other taxes. The Company shall be entitled to deduct or withhold from any amounts payable to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's compensation or other payments or Executive's ownership interest in the Company (including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity).

(e) Executive hereby agrees that except as expressly provided herein, no severance compensation of any kind, nature or amount shall be payable to Executive by the Company, and except as expressly provided herein, Executive hereby irrevocably waives any such claim for severance compensation.

(f) Except as provided in Sections 4(b)(i) and (b)(ii) above, all of Executive's rights pursuant to Sections 3(c) , 3(d) , 3(e) , 3 (f) , 3(g), 3(i), 3(j), 3(k) and 3(l) shall cease upon the termination of the Employment Period.

(g) Notwithstanding anything herein to the contrary, if, at the time any payment is payable to Executive pursuant to the provisions of Section 4(b)(i) above as a result of Executive's "separation from service" (within the meaning of Section 409A of the Internal revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder, the Company or any company in the affiliate group in which the Company's financial statements are consolidated in accordance with generally accepted accounting principles has a class of equity securities traded on an established domestic or foreign securities market or otherwise including, without limitation, trading on an American exchange only as American Depositary receipts ("ADR'S") and Executive is designated a "specified person" (as such term is defined in Section 409A of the Code and the regulations promulgated thereunder) on a list prepared by the Company periodically pursuant to Section 409A of the Code and the regulations promulgated thereunder, then during the six month period from and after the date of Executive's "separation from service" the amount payable to Executive pursuant to the provisions of Section 4(b)(i) of the Employment Agreement that is subject to Section 409A of the Code shall not exceed the lesser of (x) two times Executive's annual base compensation or (y) two times the amount determined pursuant to Section 401(a)(17) of the Code, and any excess amount which accrues to Executive during such period shall be withheld during such period and paid to Executive in a lump sum upon the expiration of six months after the date of "separation from service" (or, if earlier than the end of such six month period, upon Executive's death). Any further amounts payable to Executive pursuant to Section 4(b)(i) thereafter accruing shall be paid on their scheduled payment dates.

5. Confidential Information .

(a) Executive acknowledges and agrees that the non-public information, observations and data (including trade secrets) which belong to the Company and its subsidiaries or which belong to another entity to which the Company owes a duty of confidentiality and are obtained by Executive while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information (" Confidential Information "), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term "Confidential Information" shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (i) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (ii) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Executive's acts or omissions in violation of his duties to the Company) including all non-public (A) Work Product (as defined below); (B) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Executive is aware or becomes aware during the term of his employment; (C) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (D) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (E) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (F) information identifying or otherwise concerning employees, independent contractors and consultants; (G) information on new and existing programs and services, prices, terms, and related information; (H) the terms of this Agreement (provided, however, that Executive may share the terms of this Agreement on a confidential basis with his spouse and tax, financial, and legal advisers); (I) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Executive should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; and (J) all tangible embodiments of any of the foregoing. Notwithstanding the foregoing, Confidential Information shall not include any contact information on Executive's rolodex, whether stored in paper or electronic form.

(b) Therefore, Executive agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Executive must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and reasonably cooperate with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Executive shall not disclose to any unauthorized person or entity or use for Executive's own purposes any Confidential Information without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Executive's acts or omissions in violation of his duties to the Company. Executive shall deliver to the Company at the termination or expiration of the Employment Period, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any Work Product (as defined below)) or the business of the Company and its Subsidiaries which Executive may then possess or have under Executive's control and if, at any time thereafter, any such materials are brought to Executive's attention or Executive discovers them in his possession or control, Executive shall deliver such materials to the Company promptly upon such notice or discovery.

6. Intellectual Property, Inventions and Patents . Executive acknowledges and agrees that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, specifications, designs, analyses, drawings, reports, patents and patent applications, processes, programs, systems, software, firmware, materials, plans, sketches, models, know-how, devices, developments, data, databases, technology, trade secrets, works of authorship, copyrightable works and mask works (whether or not including any confidential information) and all registrations or applications related thereto, all other intellectual property or proprietary information and all similar or related information (whether or not patentable or copyrightable and whether or not reduced to tangible form or practice) which relate to the Company's or any of its Subsidiaries' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive (whether alone or jointly with others) within the scope of Executive's employment with the Company or its predecessors and its Subsidiaries (" Work Product ") shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A. §101 et seq., as amended) and owned exclusively by the Company. To the extent that any Work Product is not deemed to be "work made for hire" under applicable law, and all right, title and interest in and to such Work Product have not automatically vested in the Company, Executive hereby (A) irrevocably assigns, transfers and conveys, and shall assign transfer and convey, to the full extent permitted by applicable law, all right, title and interest in and to the Work Product on a worldwide basis to the Company (or such other person or entity as the Company shall designate), without further consideration, and (B) waives all moral rights in or to all Work Product, and to the extent such rights may not be waived, agrees not to assert such rights against the Company or its respective licensees, successors or assigns. Executive shall, at the Company's expense, execute all documents and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish, confirm, evidence, effectuate, maintain, protect, enforce, perfect, record, patent or register any of the Company's rights hereunder (including, without limitation, assignments, consents, powers of attorney and other instruments).

7. Non-Compete, Non-Solicitation .

(a) In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges and agrees that during the course of Executive's employment with the Company and its Subsidiaries Executive shall become familiar with the Company's trade secrets and with other Confidential Information and that Executive's services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries, and therefore, Executive agrees that, during his or her employment with the Company and for a period of one year thereafter (the " Non-Compete Period "), Executive shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf of a Competing Business within any geographical area in which the Company or its Subsidiaries operates or plans to operate. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation. For purposes of this paragraph, "Competing Business" means each of the following entities, together with their respective subsidiaries and affiliates: TJ Maxx, Marshalls, Ross Stores, Stein Mart, Century 21 Forman Mills and Schottenstein Stores and its affiliates, including, without limitation, Designer Shoe Warehouse ("DSW").

(b) During the Non-Compete Period, Executive shall not, directly or indirectly, and shall ensure that any person or entity controlled by Executive does not, (i) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (ii) hire, directly or through another person, any person (whether or not solicited) who was an executive of the Company or any Subsidiary at any time within the one year period before Executive's termination from employment, (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, engage in or assist any person or entity in engaging in any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary (Executive understands that any person or entity that Executive contacted during the one year period prior to the date of Executive's termination of employment (but after the Commencement Date) for the purpose of soliciting sales from such person or entity shall be regarded as a "potential customer" of the Company and its Subsidiaries as to whom the Company has a protectible proprietary interest) or (iv) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its Subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

8. Enforcement .

(a) Executive acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Sections 5 , 6 and 7 and the enforcement of this

Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its Subsidiaries and other Confidential Information and goodwill of the Company and its Subsidiaries to the extent and for the periods of time expressly agreed to herein. Executive acknowledges and agrees that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

(b) Notwithstanding any provision to the contrary herein, the Company or its Subsidiaries may pursue, at its discretion, enforcement of Sections 5 , 6 and 7 in any court of competent jurisdiction (each a " Court ").

(c) Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Sections 5 , 6 and 7 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

(d) Because Executive's services are unique and because Executive has intimate knowledge of and access to Confidential Information and Work Product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Sections 5 , 6 and 7 , and any breach of the terms of Sections 5 , 6 and 7 would result in irreparable injury and damage to the Company and its Subsidiaries for which the Company and its Subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Sections 5 , 6 and 7 , the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 8 shall not prevent the Company or any of its Subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Executive.

9. Executive's Representations . Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he is bound, (ii) Executive is not a party to or bound by any employment agreement, noncompete agreement or confidentiality agreement with any other person or entity and (iii) upon the execution and

delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Notwithstanding the preceding, Executive has disclosed that Executive has previously entered into an employment agreement with Kohl's Corporation and/or its affiliates (the "Kohl's Agreement") pursuant to which Executive may not provide services similar to those provided by Executive under the Kohl's Agreement to any competitor (defined in the Kohl's Agreement), including the Company for a period of one year after the termination of the Kohl's Agreement (the "Covenant Period"). Executive represents and warrants that immediately prior to the execution of this Agreement, the Kohl's Agreement has been terminated. **EXECUTIVE HEREBY ACKNOWLEDGES, AGREES AND REPRESENTS THAT EXECUTIVE HAS CONSULTED WITH INDEPENDENT LEGAL COUNSEL REGARDING EXECUTIVE'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT AND THE TERMS OF THE RELEASE ATTACHED AS EXHIBIT A AND THAT EXECUTIVE FULLY UNDERSTANDS THE TERMS AND CONDITIONS CONTAINED HEREIN AND THEREIN.**

10. Survival . The provisions of Sections 3(h) and 3(m) and Sections 4 through 20 , inclusive, shall survive and continue in full force in accordance with their terms notwithstanding the termination of the Employment Period.

11. Notices . Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by reputable overnight courier service with confirmation of delivery, sent by facsimile (with evidence of transmission) or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

To Executive:

Executive's current mailing address on file with the Company

With copies (which shall not constitute notice) to:

Outten & Golden LLP
3 Park Avenue, 29th Floor
New York, NY 10016
Attn: Wendi S. Lazar, Esq.
Facsimile No.: 646-509-2060

To the Company:

Burlington Coat Factory Warehouse Corporation
1830 Route 130
Burlington, New Jersey 08016
Attention: General Counsel
Facsimile No.: (609) 239-9675

With copies (which shall not constitute notice) to:

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, Massachusetts 02199
Attention: Jordan Hitch
Facsimile No.: (617) 516-2010

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 110022-4675
Attention: Josh Korff, Esq.
Facsimile No.: (212) 446-6460

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement shall be deemed to have been given when personally delivered, one (1) business day following delivery to the overnight courier service, if given by facsimile, when such facsimile is transmitted to the applicable fax number specified above and the appropriate facsimile confirmation is received, or if so mailed, on receipt.

12. Complete Agreement . This Agreement and those other documents expressly referred to herein embody the complete agreement and understanding among the parties hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

13. Counterparts . This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

14. Successors and Assigns . This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns; provided , that the services provided by Executive under this Agreement are of a personal nature and rights and obligations of Executive under this Agreement shall not be assignable.

15. Choice of Law . All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. In furtherance of the foregoing, the internal law of the State of New York shall control the interpretation and construction of this Agreement, even though under that jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

16. Consent to Jurisdiction . EACH OF THE PARTIES IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS LOCATED IN THE CITY AND STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN FOR THE PURPOSES OF ANY SUIT. ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO FURTHER AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SET FORTH IN SECTION 11 SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION IN THIS SECTION 16 . EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY IN THE STATE OR FEDERAL COURTS LOCATED IN THE CITY AND STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION. SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

17. Waiver of Jury Trial . AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

18. Amendment and Waiver . The provisions of this Agreement may be amended or waived only with the prior written consent of the Company (as approved by the Board) and Executive, and no course of conduct or course of dealing or failure or delay by any party hereto in enforcing or exercising any of the provisions of this Agreement (including, without limitation, the Company's right to terminate the Employment Period for Cause) shall affect the validity, binding effect or enforceability of this Agreement or be deemed to be an implied waiver of any provision of this Agreement.

19. Key Man Life Insurance . The Company may apply for and obtain and maintain a key man life insurance policy in the name of Executive together with other executives of the Company in an amount deemed sufficient by the Board, the beneficiary of which shall be the Company. Executive shall submit to physical examinations and answer reasonable questions in connection with the application and, if obtained, the maintenance of, as may be required, such insurance policy.

20. Executive's Cooperation . During the Employment Period and thereafter, Executive shall cooperate with the reasonable requests of the Company and its Subsidiaries in any internal investigation or administrative, regulatory or judicial proceeding as reasonably

requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's reasonable request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are in Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted personal and business activities and commitments). In the event the Company requires Executive's reasonable cooperation in accordance with this section after the termination of the Employment Period, the Company shall reimburse Executive for all of Executive's reasonable costs and expenses incurred, in connection therewith, including reasonable attorneys' fees, plus pay Executive a reasonable amount per day for Executive's time spent.

21. Section 409A . The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A of the Code or damages for failing to comply with Section 409A of the Code. To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

BURLINGTON COAT FACTORY WAREHOUSE CORPORATION

By: /s/ Joyce Manning Magrini
Name: Joyce Manning Magrini
Title: EVP Human Resources

/s/ ERIC SEEGER 11/24/14
EXECUTIVE: ERIC SEEGER

Exhibit A

GENERAL RELEASE

I, [ ], in consideration of and subject to the performance by Burlington Coat Factory Warehouse Corporation, a Delaware corporation (together with its subsidiaries, the " Company "), of its obligations with respect to the payment of severance pursuant to Sections 4(b)(i)(3) and 4(b)(i)(4) of the Employment Agreement, dated as of , 20 (the " Agreement ") and this General Release (the " General Release "), do hereby release and forever discharge as of the date hereof the Company, its subsidiaries and affiliates and all present and former directors, officers, agents, representatives, employees, successors and assigns of the Companies and their subsidiaries and affiliates and the Company's direct and indirect owners (collectively, the "Released Parties") to the extent provided below.

1. I understand that any payments paid to me under Sections 4(b)(i)(3) and 4(b)(i)(4) of the Agreement represent consideration for signing this General Release and are not salary or wages to which I was already entitled. I understand and agree that I will not receive the payments specified in Sections 4(b)(i)(3) and 4(b)(i)(4) of the Agreement unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter or breach this General Release or Sections 5 , 6 or 7 of the Agreement. Such payments will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates. I also acknowledge and represent that I have received all salary, wages and bonuses that I am entitled to receive (as of the date hereof) by virtue of any employment by the Company.

2. Except as provided in paragraphs 4, 12 and 13 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act, collectively, the "ADEA"); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; any applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies,

practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the " Claims ").

3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the ADEA which arise after the date I execute this General Release. I acknowledge and agree that my engagement and employment by, and separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the ADEA).

5. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to make any payments pursuant to the terms of Sections 4(b)(i)(3) and 4(b)(i)(4) of the Agreement. I further agree that in the event I should bring a Claim seeking damages against the Company or any other Released Party, or in the event I should seek to recover against the Company or any other Released Party in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims. I further agree that I am not aware of any pending charge or complaint of the type described in paragraph 2 as of the execution of this General Release.

6. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

7. I agree that I will forfeit all amounts payable by the Company pursuant to Sections 4(b)(i)(3) and 4(b)(i)(4) of the Agreement if I challenge the validity of this General Release. I also agree that if I violate this General Release by suing the Company or the other Released Parties with respect to a released Claim, I will return all severance payments received by me pursuant to Sections 4(b)(i)(3) and 4(b)(i)(4) of the Agreement (except to the extent that any such return is prohibited by the ADEA).

8. I agree that this General Release is confidential and agree not to disclose any information regarding the terms of this General Release, except to my immediate family and any tax, legal or other advisor I have consulted regarding the meaning or effect hereof or as required by law, and I will instruct each of the foregoing not to disclose the same to anyone.

9. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority, Inc. (FINRA), any other self-regulatory organization or governmental entity.

10. I agree that, as of the date hereof, I have returned to the Company any and all property belonging to the Company which I possessed or had control over (including, but not limited to, company-provided credit cards, building or office access cards, keys, computer equipment, manuals, files, documents, records, software, customer data base and other data) and that I shall not retain any copies, compilations, extracts, excerpts, summaries or other notes of any such manuals, files, documents, records, software, customer data base or other data other than such documents as are generally or publicly known; provided , that such documents are not known as a result of my breach or actions in violation of the Agreement or this General Release.

11. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims (i) under COBRA; (ii) to unemployment insurance benefits (it being understood that the Company shall not oppose my application for unemployment insurance benefits); (iii) to any accrued and vested pension benefits, stock options, restricted shares, other equity of any kind, or other benefits under any employee or executive plan that I was a participant in prior to the date hereof; (iv) arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof; (v) to indemnification for attorneys' fees, costs, and/or expenses pursuant to applicable statutes, Certificates of Incorporation, or by-laws of the Company; or (vi) any other rights or claims I may have against the Company or any Released Party arising after the date hereof.

12. Whenever possible, each provision of this General Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

13. As set forth in Section 10 of the Agreement, Section 3(h) and 3(m) and Sections 4 through 20 of the Agreement, inclusive, survived the termination of my employment and are incorporated herein and made part hereof.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

(i) I HAVE READ IT CAREFULLY;

(ii) I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS

AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963 AND THE AMERICANS WITH DISABILITIES ACT OF 1990;

(iii) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;

(iv) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;

(v) I HAVE HAD AT LEAST 21 DAYS (OR 45 DAYS, AS REQUIRED BY LAW) FROM THE DATE OF MY RECEIPT OF THIS RELEASE SUBSTANTIALLY IN ITS FINAL FORM ON TO CONSIDER IT AND THE CHANGES MADE SINCE THE , VERSION OF THIS RELEASE ARE NOT MATERIAL AND WILL NOT RESTART THE REQUIRED 21-DAY (OR 45-DAY, AS APPLICABLE) PERIOD;

(vi) ANY CHANGES TO THE AGREEMENT SINCE [, **201**] EITHER ARE NOT MATERIAL OR WERE MADE AT MY REQUEST.

(vii) I UNDERSTAND THAT I HAVE SEVEN DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED WITHOUT NOTICE OF ANY SUCH REVOCATION HAVING BEEN RECEIVED BY THE COMPANY;

(viii) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND

(ix) I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED. WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

Date: ______________________________ ______________________________

Exhibit 10.46

RESTRICTED STOCK GRANT AGREEMENT
PURSUANT TO BURLINGTON HOLDINGS, INC.
2006 MANAGEMENT INCENTIVE PLAN

THIS AGREEMENT (the "Agreement") is entered into as of January 20, 2015 between Burlington Stores, Inc. (formerly Burlington Holdings, Inc.), a Delaware corporation (the "Company"), and Eric Seeger (the "Participant"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Burlington Holdings, Inc. 2006 Management Incentive Plan (as amended and restated, the "Plan").

Recitals

WHEREAS, the Participant is an employee of Burlington Stores, Inc.;

WHEREAS, a predecessor to the Company, Burlington Coat Factory Holdings, Inc., has adopted the 2006 Management Incentive Plan (as amended and restated, the "Plan") providing for the grant under certain circumstances of certain equity incentive awards, including shares of Restricted Stock, and the Company as assumed the Plan and all awards granted thereunder;

WHEREAS, the Company, under the terms and conditions set forth below, desires to grant Participant an Award of Restricted Stock (the "Award") pursuant to the terms set forth in the Plan; and

WHEREAS, in consideration of the grant of the Award and other benefits, the Participant is willing to accept the Award provided for in this Agreement and is willing to abide by the obligations imposed on him under this Agreement and the Plan.

Provisions

NOW, THEREFORE, in consideration of the mutual benefits hereinafter provided, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Company and the Participant, intending to be legally bound, hereby agree as follows:

1. Restricted Stock Award . The Company hereby grants to the Participant, subject to the terms and conditions set forth or incorporated herein, an Award consisting of a total of 70,155 shares of Common Stock, subject to adjustment under the Plan (the "Shares"). Upon the execution and delivery of this Agreement, the Company will, subject to Section 6 below, issue to the Participant the Shares granted hereunder, and such Shares shall constitute Restricted Stock pursuant to the Plan.

2. Effect of the Plan . The Award granted under this Agreement is subject to all of the terms and conditions of the Plan, which are incorporated by reference and made a part of this Agreement. The Participant will abide by, and the Award granted to the Participant will be subject to, all of the provisions of the Plan and of this Agreement, together with all rules and determinations from time to time issued by the Committee established to administer the Plan.

3. Restriction Period . The restriction period applicable to the Award granted hereunder is as follows:

(a) All Shares shall be unvested at issuance. Subject to Section 3(b) below, 50% of the Shares shall vest on October 1, 2015, an additional 25% of the Shares shall vest on October 1, 2016 and the remaining 25% of the Shares shall vest on October 1, 2017 (or the following business day if such date is not a business day) if the Participant remains continuously employed by the Company on such date.

(b) Following a “Change of Control” (as defined herein), vesting of unvested Shares shall not accelerate by reason of such Change of Control; provided, however, that 100% of the Shares shall vest if, following a Change of Control, the employment of the Participant is terminated by the Company or by the Subsidiary without Cause, or the Participant resigns with Good Reason.

(c) All unvested Shares shall automatically be forfeited (and shall not vest) if the Participant’s employment with the Company shall terminate for any reason (other than as provided in Section 3(b) above in the case of termination by the Company without Cause or by the Participant for Good Reason following a Change in Control) prior to the earlier of the date on which they otherwise would have vested pursuant to Section 3(a) above.

(d) Participant shall be entitled to receipt of all dividends paid by the Company on its Shares, as and when such dividends are declared and paid to holders of Shares; provided, any dividends on unvested Shares shall be held and paid to Participant within 10 days after the vesting of such Shares after becoming vested.

4. [Reserved].

5. Withholding Taxes . The Administrator may make such provision for any applicable federal or state the withholding obligations of the Company pursuant to Section 6(a)(4) of the Plan. In addition, at least sixty (60) days prior to the time of vesting of any Shares granted under this Agreement, the Company will give notice thereof to the Participant. Participant shall deliver to the Company an amount in cash sufficient to satisfy all United States federal, state and local and non-United States tax of any kind (including Participant’s FICA and SDI obligations) which the Board, in its sole discretion, deems necessary to be withheld or remitted with respect to the Shares in order to comply with the U.S. Internal Revenue Code of 1986, as amended, and/or any other applicable law, rule or regulation (the “Minimum Withholding Tax”). Alternatively, at the Participant’s election, exercisable on or before ten (10) days prior to the date of vesting of such Shares, the Company shall have the right and power to deduct or withhold a number of Shares having a fair market value (as determined by the Board of Directors of the Company as of the date of vesting thereof) equal to the Minimum Withholding Tax; provided, however, that such option to shall be deemed to have been exercised in the case of accelerated vesting pursuant Section 3(b) in the case of termination of Participant’s employment by the Company or the Subsidiary or by the Participant for Good Reason following a Change of Control. Participant shall remain responsible for the payment of any remaining taxes payable on account of the vesting of Shares.

6. Delivery of Stock . Shares granted pursuant to this Agreement will be held in escrow by the Company on the Participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon. Whenever Shares subject to the Award are released from restriction, the Company shall issue such unrestricted Shares. The Company shall follow all requisite procedures to deliver such Shares to Participant; provided, however, that such delivery may be postponed to enable the Company to comply with applicable procedures, regulations or listing requirements of any governmental agency, stock exchange or regulatory agency. Alternatively, at the Company's discretion, shares may be held by the Company or its transfer agent on the Participant's behalf in book entry form.

7. Transferability of Award . This Award may only be transferred by will, and by the laws of descent and distribution. The terms of this Award, including the restriction and vesting provisions set forth in Section 3, shall be binding upon the executors, administrators, successors and assigns of the Participant.

8. Adjustment Upon Changes in Shares . In the event of a change in the Company's capital structure, the adjustments provided for in Section 7(b) of the Plan shall be made to the number of Shares subject to the Award hereunder.

9. Section 83(b) Election . Participant agrees to inform the Company promptly, and provide a copy of the election filed by the Participant with the Internal Revenue Service, if the Participant makes an election under Section 83(b) of the Code to treat any portion of this Award as taxable compensation prior to the time the restrictions are removed from the Shares subject to this Award.

10. Amendments; Termination of Plan . The Administrator may amend this Award or terminate the Plan in accordance with Section 9 of the Plan.

11. Interpretation; Definitions . Any dispute regarding the interpretation of this Award shall be submitted by Participant or the Company to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on the Company and on the Participant.

The following terms shall have the following meanings:

" Change of Control " shall mean the occurrence of (a) any consolidation or merger of the Company with or into any other corporation or other Person, or any other corporate reorganization or transaction (including the acquisition of capital stock of the Company), whether or not the Company is a party thereto, in which the stockholders of the Company immediately prior to such consolidation, merger, reorganization or transaction, own capital stock either (i) representing directly, or indirectly through one or more entities, less than fifty percent (50%) of the economic interests in or voting power of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction or (ii) that does not directly, or indirectly through one or more entities, have the power to elect a majority of the entire board of directors of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction, (b) any transaction or series of related transactions, whether or not the Company is a party thereto, after giving effect to which in excess

of fifty percent (50%) of the Company’s voting power is owned directly, or indirectly through one or more entities, by any Person and its “affiliates” or “associates” (as such terms are defined in the rules adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect from time to time); or (c) a sale, lease or other disposition of all or substantially all of the assets of the Company.

“ Person ” shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

12. Notices . All notices to the Company must be in writing, addressed and delivered or mailed to 1830 Route 130 North, Burlington, NJ 08016, Attention: General Counsel. All notices to the Participant must be in writing addressed and delivered or mailed to Participant at the address shown on the records of the Company.

13. Governing Law; Severability . This Agreement, and all determinations made and actions taken pursuant thereto, shall be governed under the laws of the State of Delaware. If any part of this Agreement shall be determined to be invalid or unenforceable, such part shall be ineffective only to the extent of such invalidity or unenforceability, without affecting the remaining portions hereof.

[Remainder of page intentionally left blank.]
[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BURLINGTON STORES, INC.

By: /s/ Joyce Manning Magrini
Name: Joyce Manning Magrini
Title: EVP HR

ACCEPTANCE

Participant hereby acknowledges receipt of a copy of the Plan, represents that Participant has read and understands the terms and provisions thereof, and accepts this Award subject to all the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences associated with this Award or disposition of the Shares associated with this Award and that Participant should consult a tax adviser.

/s/ Eric Seeger
Participant

Exhibit 10.47

**RESTRICTED STOCK GRANT AGREEMENT
PURSUANT TO BURLINGTON HOLDINGS, INC.
2006 MANAGEMENT INCENTIVE PLAN**

THIS AGREEMENT (the "Agreement") is entered into as of January 12, 2015 between Burlington Stores, Inc. (formerly Burlington Holdings, Inc.), a Delaware corporation (the "Company"), and Marc Katz (the "Participant"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Burlington Holdings, Inc. 2006 Management Incentive Plan (as amended and restated, the "Plan").

Recitals

WHEREAS, the Participant is an employee of Burlington Stores, Inc.;

WHEREAS, a predecessor to the Company, Burlington Coat Factory Holdings, Inc., has adopted the 2006 Management Incentive Plan (as amended and restated, the "Plan") providing for the grant under certain circumstances of certain equity incentive awards, including shares of Restricted Stock, and the Company as assumed the Plan and all awards granted thereunder;

WHEREAS, the Company, under the terms and conditions set forth below, desires to grant Participant an Award of Restricted Stock (the "Award") pursuant to the terms set forth in the Plan; and

WHEREAS, in consideration of the grant of the Award and other benefits, the Participant is willing to accept the Award provided for in this Agreement and is willing to abide by the obligations imposed on him under this Agreement and the Plan.

Provisions

NOW, THEREFORE, in consideration of the mutual benefits hereinafter provided, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Company and the Participant, intending to be legally bound, hereby agree as follows:

1. Restricted Stock Award . The Company hereby grants to the Participant, subject to the terms and conditions set forth or incorporated herein, an Award consisting of a total of Ten Thousand (10,000) shares of Common Stock, subject to adjustment under the Plan (the "Shares"). Upon the execution and delivery of this Agreement, the Company will, subject to Section 6 below, issue to the Participant the Shares granted hereunder, and such Shares shall constitute Restricted Stock pursuant to the Plan.

2. Effect of the Plan . The Award granted under this Agreement is subject to all of the terms and conditions of the Plan, which are incorporated by reference and made a part of this Agreement. The Participant will abide by, and the Award granted to the Participant will be subject to, all of the provisions of the Plan and of this Agreement, together with all rules and determinations from time to time issued by the Committee established to administer the Plan.

3. Restriction Period . The restriction period applicable to the Award granted hereunder is as follows:

(a) All Shares shall be unvested at issuance. Subject to Section 3(b) below, 100% of the Shares shall vest on January 12, 2018 (or the following business day if such date is not a business day) if the Participant remains continuously employed by the Company on such date.

(b) Following a "Change of Control" (as defined herein), vesting of unvested Shares shall not accelerate by reason of such Change of Control; provided, however, that 100% of the Shares shall vest if, following a Change of Control, the employment of the Participant is terminated by the Company or by the Subsidiary without Cause, or the Participant resigns with Good Reason.

(c) All unvested Shares shall automatically be forfeited (and shall not vest) if the Participant's employment with the Company shall terminate for any reason (other than as provided in Section 3(b) above in the case of termination by the Company without Cause or by the Participant for Good Reason following a Change in Control) prior to the earlier of the date on which they otherwise would have vested pursuant to Section 3(a) above.

(d) Participant shall be entitled to receipt of all dividends paid by the Company on its Shares, as and when such dividends are declared and paid to holders of Shares; provided, any dividends on unvested Shares shall be held and paid to Participant within 10 days after the vesting of such Shares after becoming vested.

4. Stockholders Agreement . This Award and any Common Stock issued with respect to this Award are subject to restrictions on transfer and requirements of sale and other provisions as set forth herein and in the Amended and Restated Stockholders Agreement among Burlington Stores, Inc. and certain investors and managers, dated as of March 13, 2014 (the "Stockholders Agreement"). This Award and any Common Stock issued with respect to it constitute "Management Shares" as defined therein. The Participant's rights with respect to the Award and shares of Common Stock issued with respect to this Award are subject to the restrictions and other provisions contained in the Plan and the Stockholders Agreement in addition to such other restrictions, if any, as may be imposed by law. In the event of a conflict between the Plan and the Stockholders Agreement, the Stockholders Agreement shall control. Furthermore, by acceptance of this Award, the undersigned agrees hereby to become a party to, and be bound by the terms of, the Stockholders Agreement as a Manager (and to the extent the undersigned is not already a party thereto, the undersigned shall execute a joinder thereto in form and substance acceptable to the Company).

5. Withholding Taxes . The Administrator may make such provision for any applicable federal or state the withholding obligations of the Company pursuant to Section 6(a)(4) of the Plan. In addition, at least sixty (60) days prior to the time of vesting of any Shares granted under this Agreement, the Company will give notice thereof to the Participant. Participant shall deliver to the Company an amount in cash sufficient to satisfy all United States federal, state and local and non-United States tax of any kind (including Participant's FICA and

SDI obligations) which the Board, in its sole discretion, deems necessary to be withheld or remitted with respect to the Shares in order to comply with the U.S. Internal Revenue Code of 1986, as amended, and/or any other applicable law, rule or regulation (the "Minimum Withholding Tax"). Alternatively, at the Participant's election, exercisable on or before ten (10) days prior to the date of vesting of such Shares, the Company shall have the right and power to deduct or withhold a number of Shares having a fair market value (as determined by the Board of Directors of the Company as of the date of vesting thereof) equal to the Minimum Withholding Tax; provided, however, that such option to shall be deemed to have been exercised in the case of accelerated vesting pursuant Section 3(b) in the case of termination of Participant's employment by the Company or the Subsidiary or by the Participant for Good Reason following a Change of Control. Participant shall remain responsible for the payment of any remaining taxes payable on account of the vesting of Shares.

6. Delivery of Stock . Shares granted pursuant to this Agreement will be held in escrow by the Company on the Participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon. Whenever Shares subject to the Award are released from restriction, the Company shall issue such unrestricted Shares. The Company shall follow all requisite procedures to deliver such Shares to Participant; provided, however, that such delivery may be postponed to enable the Company to comply with applicable procedures, regulations or listing requirements of any governmental agency, stock exchange or regulatory agency. Alternatively, at the Company's discretion, shares may be held by the Company or its transfer agent on the Participant's behalf in book entry form.

7. Transferability of Award . This Award may only be transferred by will, and by the laws of descent and distribution (and in connection therewith, such transferees must agree in writing (in form and substance reasonably satisfactory to the Company) to become a party to, and be bound by, the Stockholders Agreement). The terms of this Award, including the restriction and vesting provisions set forth in Section 3, shall be binding upon the executors, administrators, successors and assigns of the Participant.

8. Adjustment Upon Changes in Shares . In the event of a change in the Company's capital structure, the adjustments provided for in Section 7(b) of the Plan shall be made to the number of Shares subject to the Award hereunder.

9. Section 83(b) Election . Participant agrees to inform the Company promptly, and provide a copy of the election filed by the Participant with the Internal Revenue Service, if the Participant makes an election under Section 83(b) of the Code to treat any portion of this Award as taxable compensation prior to the time the restrictions are removed from the Shares subject to this Award.

10. Amendments; Termination of Plan . The Administrator may amend this Award or terminate the Plan in accordance with Section 9 of the Plan.

11. Interpretation; Definitions . Any dispute regarding the interpretation of this Award shall be submitted by Participant or the Company to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on the Company and on the Participant.

The following terms shall have the following meanings:

"Change of Control" shall mean the occurrence of (a) any consolidation or merger of the Company with or into any other corporation or other Person, or any other corporate reorganization or transaction (including the acquisition of capital stock of the Company), whether or not the Company is a party thereto, in which the stockholders of the Company immediately prior to such consolidation, merger, reorganization or transaction, own capital stock either (i) representing directly, or indirectly through one or more entities, less than fifty percent (50%) of the economic interests in or voting power of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction or (ii) that does not directly, or indirectly through one or more entities, have the power to elect a majority of the entire board of directors of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction, (b) any transaction or series of related transactions, whether or not the Company is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Company's voting power is owned directly, or indirectly through one or more entities, by any Person and its "affiliates" or "associates" (as such terms are defined in the rules adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect from time to time), other than the Investors and their respective Affiliated Funds, excluding, in any case referred to in clause (a) or (b) any bona fide primary or secondary public offering; or (c) a sale, lease or other disposition of all or substantially all of the assets of the Company.

"Person" shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

"Investors" shall mean Bain Capital Fund IX, L.P., Bain Capital Integral Investors, LLC, BCIP TCV, and LLC, BCIP Associates - G.

"Affiliated Fund" shall mean each corporation, trust, limited liability company, general or limited partnership or other entity under common control with any Investor or that receives investment advice from the investment adviser to any Investor or an investment adviser affiliated with such investment adviser.

12. Notices. All notices to the Company must be in writing, addressed and delivered or mailed to 1830 Route 130 North, Burlington, NJ 08016, Attention: General Counsel. All notices to the Participant must be in writing addressed and delivered or mailed to Participant at the address shown on the records of the Company.

13. Governing Law; Severability. This Agreement, and all determinations made and actions taken pursuant thereto, shall be governed under the laws of the State of Delaware. If any part of this Agreement shall be determined to be invalid or unenforceable, such part shall be ineffective only to the extent of such invalidity or unenforceability, without affecting the remaining portions hereof.

[Remainder of page intentionally left blank.]
[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BURLINGTON STORES, INC.

By: /s/ Joyce Manning Magrini
Name: Joyce Manning Magrini
Title: EVP HR

ACCEPTANCE

Participant hereby acknowledges receipt of a copy of the Plan, represents that Participant has read and understands the terms and provisions thereof, and accepts this Award subject to all the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences associated with this Award or disposition of the Shares associated with this Award and that Participant should consult a tax adviser.

/s/ Marc Katz
Participant

Exhibit 10.48

RESTRICTED STOCK GRANT AGREEMENT
PURSUANT TO BURLINGTON HOLDINGS, INC.
2006 MANAGEMENT INCENTIVE PLAN

THIS AGREEMENT (the "Agreement") is entered into as of December 15, 2014 between Burlington Stores, Inc. (formerly Burlington Holdings, Inc.), a Delaware corporation (the "Company"), and Thomas Kingsbury (the "Participant"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Burlington Holdings, Inc. 2006 Management Incentive Plan (as amended and restated, the "Plan").

Recitals

WHEREAS, the Participant is an employee of Burlington Stores, Inc.;

WHEREAS, a predecessor to the Company, Burlington Coat Factory Holdings, Inc., has adopted the 2006 Management Incentive Plan (as amended and restated, the "Plan") providing for the grant under certain circumstances of certain equity incentive awards, including shares of Restricted Stock, and the Company as assumed the Plan and all awards granted thereunder;

WHEREAS, the Company, under the terms and conditions set forth below, desires to grant Participant an Award of Restricted Stock (the "Award") pursuant to the terms set forth in the Plan; and

WHEREAS, in consideration of the grant of the Award and other benefits, the Participant is willing to accept the Award provided for in this Agreement and is willing to abide by the obligations imposed on him under this Agreement and the Plan.

Provisions

NOW, THEREFORE, in consideration of the mutual benefits hereinafter provided, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Company and the Participant, intending to be legally bound, hereby agree as follows:

1. Restricted Stock Award . The Company hereby grants to the Participant, subject to the terms and conditions set forth or incorporated herein, an Award consisting of a total of 150,000 shares of Common Stock, subject to adjustment under the Plan (the "Shares"). Upon the execution and delivery of this Agreement, the Company will, subject to Section 6 below, issue to the Participant the Shares granted hereunder, and such Shares shall constitute Restricted Stock pursuant to the Plan.

2. Effect of the Plan . The Award granted under this Agreement is subject to all of the terms and conditions of the Plan, which are incorporated by reference and made a part of this Agreement. The Participant will abide by, and the Award granted to the Participant will be subject to, all of the provisions of the Plan and of this Agreement, together with all rules and determinations from time to time issued by the Committee established to administer the Plan.

3. Restriction Period. The restriction period applicable to the Award granted hereunder is as follows:

(a) All Shares shall be unvested at issuance. Subject to Sections 3(b) below, 100% of the Shares shall vest on July 1, 2019 (or the following business day if such date is not a business day) if the Participant remains continuously employed by the Company on such date.

(b) (x) If Participant's employment is terminated (i) by the Company for a reason other than for Cause, (ii) by the Participant for Good Reason or (iii) due to his Disability, the Shares shall vest on a pro rata basis (determined by multiplying the total number of Shares granted herein by a fraction, the numerator of which is the number of full and fractional months that have passed since December 8, 2014 and the denominator of which is 56; provided that if any such termination occurs following a Change in Control (as defined herein), 100% of the Shares shall immediately vest upon such termination, and (y) if the Participant's employment is terminated due to his death, 100% of the Shares shall immediately vest. For the avoidance of doubt, following a Change in Control, vesting of unvested Shares shall not accelerate by reason of such Change in Control. For purposes of this Agreement, the terms "Cause", "Good Reason" and "Disability" shall have the meanings ascribed to them in that certain Employment Agreement by and among Participant, Burlington Coat Factory Holdings, LLC and Burlington Coat Factory Warehouse Corporation dated December 2, 2008, as amended.

(c) Subject to Section 3(b) above, all unvested Shares shall automatically be forfeited if the Participant's employment with the Company shall terminate for any reason prior to the earlier of the date on which they otherwise would have vested pursuant to Section 3(a) above.

(d) Participant shall be entitled to receipt of all dividends paid by the Company on its Shares, as and when such dividends are declared and paid to holders of Shares; provided, any dividends on unvested Shares shall be held and paid to Participant within 10 days after the vesting of such Shares after becoming vested.

For purposes herein, "Change in Control" shall have the meaning set forth in the Company's 2013 Omnibus Incentive Plan.

4. Stockholders Agreement. This Award and any Common Stock issued with respect to this Award are subject to restrictions on transfer and requirements of sale and other provisions as set forth herein and in the Amended and Restated Stockholders Agreement among Burlington Stores, Inc. and certain investors and managers, dated as of March 13, 2014 (the "Stockholders Agreement"). This Award and any Common Stock issued with respect to it constitute "Management Shares" as defined therein. The Participant's rights with respect to the Award and shares of Common Stock issued with respect to this Award are subject to the restrictions and other provisions contained in the Plan and the Stockholders Agreement in addition to such other restrictions, if any, as may be imposed by law. In the event of a conflict between the Plan and the Stockholders Agreement, the Stockholders Agreement shall control. Furthermore, by acceptance of this Award, the undersigned agrees hereby to become a party to, and be bound by the terms of, the Stockholders Agreement as a Manager (and to the extent the undersigned is not already a party thereto, the undersigned shall execute a joinder thereto in form and substance acceptable to the Company).

5. Withholding Taxes . The Administrator may make such provision for any applicable federal or state the withholding obligations of the Company pursuant to Section 6(a)(4) of the Plan. In addition, at least sixty (60) days prior to the time of vesting of any Shares granted under this Agreement, the Company will give notice thereof to the Participant. Participant shall deliver to the Company an amount in cash sufficient to satisfy all United States federal, state and local and non-United States tax of any kind (including Participant's FICA and SDI obligations) which the Board, in its sole discretion, deems necessary to be withheld or remitted with respect to the Shares in order to comply with the U.S. Internal Revenue Code of 1986, as amended, and/or any other applicable law, rule or regulation (the "Minimum Withholding Tax"). Alternatively, at the Participant's election, exercisable on or before ten (10) days prior to the date of vesting of such Shares, the Company shall have the right and power to deduct or withhold a number of Shares having a fair market value (as determined by the Board of Directors of the Company as of the date of vesting thereof) equal to the Minimum Withholding Tax; provided, however, that such option to shall be deemed to have been exercised in the case of accelerated vesting pursuant to Section 3(b) in the case of Participant's death or Disability or pursuant to Section 3(b) in the case of termination of Participant's employment by the Company or the Subsidiary or by the Participant for Good Reason following a Change in Control. Participant shall remain responsible for the payment of any remaining taxes payable on account of the vesting of Shares.

6. Delivery of Stock . Shares granted pursuant to this Agreement will be held in escrow by the Company on the Participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon. Whenever Shares subject to the Award are released from restriction, the Company shall issue such unrestricted Shares. The Company shall follow all requisite procedures to deliver such Shares to Participant; provided, however, that such delivery may be postponed to enable the Company to comply with applicable procedures, regulations or listing requirements of any governmental agency, stock exchange or regulatory agency. Alternatively, at the Company's discretion, shares may be held by the Company or its transfer agent on the Participant's behalf in book entry form.

7. Transferability of Award . This Award may only be transferred by will, and by the laws of descent and distribution (and in connection therewith, such transferees must agree in writing (in form and substance reasonably satisfactory to the Company) to become a party to, and be bound by, the Stockholders Agreement). The terms of this Award, including the restriction and vesting provisions set forth in Section 3, shall be binding upon the executors, administrators, successors and assigns of the Participant.

8. Adjustment Upon Changes in Shares . In the event of a change in the Company's capital structure, the adjustments provided for in Section 7(b) of the Plan shall be made to the number of Shares subject to the Award hereunder.

9. Section 83(b) Election . Participant agrees to inform the Company promptly, and provide a copy of the election filed by the Participant with the Internal Revenue Service, if the Participant makes an election under Section 83(b) of the Code to treat any portion of this Award as taxable compensation prior to the time the restrictions are removed from the Shares subject to this Award.

10. Amendments; Termination of Plan . The Administrator may amend this Award or terminate the Plan in accordance with Section 9 of the Plan.

11. Interpretation; Definitions . Any dispute regarding the interpretation of this Award shall be submitted by Participant or the Company to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on the Company and on the Participant.

12. Notices . All notices to the Company must be in writing, addressed and delivered or mailed to 1830 Route 130 North, Burlington, NJ 08016, Attention: General Counsel. All notices to the Participant must be in writing addressed and delivered or mailed to Participant at the address shown on the records of the Company.

13. Governing Law; Severability . This Agreement, and all determinations made and actions taken pursuant thereto, shall be governed under the laws of the State of Delaware. If any part of this Agreement shall be determined to be invalid or unenforceable, such part shall be ineffective only to the extent of such invalidity or unenforceability, without affecting the remaining portions hereof.

[Remainder of page intentionally left blank.]
[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BURLINGTON STORES, INC.

By: /s/ PAUL TANG
Name: PAUL TANG
Title: EXECUTIVE VICE PRESIDENT

ACCEPTANCE

Participant hereby acknowledges receipt of a copy of the Plan, represents that Participant has read and understands the terms and provisions thereof, and accepts this Award subject to all the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences associated with this Award or disposition of the Shares associated with this Award and that Participant should consult a tax adviser.

/s/ Thomas Kingsbury
Participant

Exhibit 10.49

**RESTRICTED STOCK GRANT AGREEMENT
PURSUANT TO BURLINGTON HOLDINGS, INC.
2006 MANAGEMENT INCENTIVE PLAN**

THIS AGREEMENT (the "Agreement") is entered into as of between Burlington Stores, Inc. (formerly Burlington Holdings, Inc.), a Delaware corporation (the "Company"), and (the "Participant"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Burlington Holdings, Inc. 2006 Management Incentive Plan (as amended and restated, the "Plan").

Recitals

WHEREAS, the Participant is a director of Burlington Stores, Inc. and certain of its affiliates;

WHEREAS, a predecessor to the Company, Burlington Coat Factory Holdings, Inc., has adopted the 2006 Management Incentive Plan (as amended and restated, the "Plan") providing for the grant under certain circumstances of certain equity incentive awards, including shares of Restricted Stock, and the Company has assumed the Plan and all awards granted thereunder;

WHEREAS, the Company, under the terms and conditions set forth below, desires to grant Participant an Award of Restricted Stock (the "Award") pursuant to the terms set forth in the Plan; and

WHEREAS, in consideration of the grant of the Award and other benefits, the Participant is willing to accept the Award provided for in this Agreement and is willing to abide by the obligations imposed on him under this Agreement and the Plan.

Provisions

NOW, THEREFORE, in consideration of the mutual benefits hereinafter provided, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Company and the Participant, intending to be legally bound, hereby agree as follows:

1. Restricted Stock Award. The Company hereby grants to the Participant, subject to the terms and conditions set forth or incorporated herein, an Award consisting of a total of shares of Common Stock, subject to adjustment under the Plan (the "Shares"). Upon the execution and delivery of this Agreement, the Company will, subject to Section 5 below, issue to the Participant the Shares granted hereunder, and such Shares shall constitute Restricted Stock pursuant to the Plan.

2. Effect of the Plan. The Award granted under this Agreement is subject to all of the terms and conditions of the Plan, which are incorporated by reference and made a part of this Agreement. The Participant will abide by, and the Award granted to the Participant will be subject to, all of the provisions of the Plan and of this Agreement, together with all rules and determinations from time to time issued by the Committee established to administer the Plan.

3. Restriction Period . The restriction period applicable to the Award granted hereunder is as follows:

(a) All Shares shall be unvested at issuance. Subject to Section 3(b) below, (i) of the Shares shall vest on the first anniversary date of this Agreement (or the following business day if such date is not a business day) if the Participant remains on the Company's board of directors on such date; (ii) of the Shares shall vest on the second anniversary date of this Agreement (or the following business day if such date is not a business day) if the Participant remains on the Company's board of directors on such date; and (iii) of the Shares shall vest on the third anniversary date of this Agreement (or the following business day if such date is not a business day) if the Participant remains on the Company's board of directors on such date.

(b) Following a "Change of Control" (as defined herein), vesting of unvested Shares shall not accelerate by reason of such Change of Control; provided, however, that 100% of the Shares shall vest if Participant loses his directorship as a result of a Change of Control.

(c) All unvested Shares shall automatically be forfeited (and shall not vest) if the Participant ceases to be a member of the Company's board of directors for any reason (other than as provided in Section 3(b) above in the case Participant loses his directorship as a result of a Change of Control) prior to the earlier of the date on which they otherwise would have vested pursuant to Section 3(a) above.

(d) Participant shall be entitled to receipt of all dividends paid by the Company on its Shares, as and when such dividends are declared and paid to holders of Shares; provided, any dividends on unvested Shares shall be held and paid to Participant within 10 days after the vesting of such Shares after becoming vested.

4. Withholding Taxes . The Administrator may make such provision for any applicable federal or state the withholding obligations of the Company pursuant to Section 6(a)(4) of the Plan. In addition, at least sixty (60) days prior to the time of vesting of any Shares granted under this Agreement, the Company will give notice thereof to the Participant. Participant shall deliver to the Company an amount in cash sufficient to satisfy all United States federal, state and local and non-United States tax of any kind (including Participant's FICA and SDI obligations) which the Board, in its sole discretion, deems necessary to be withheld or remitted with respect to the Shares in order to comply with the U.S. Internal Revenue Code of 1986, as amended, and/or any other applicable law, rule or regulation (the "Minimum Withholding Tax"). Alternatively, at the Participant's election, exercisable on or before ten (10) days prior to the date of vesting of such Shares, the Company shall have the right and power to deduct or withhold a number of Shares having a fair market value (as determined by the Board of Directors of the Company as of the date of vesting thereof) equal to the Minimum Withholding Tax; provided, however, that such option shall be deemed to have been exercised in the case of accelerated vesting pursuant to Section 3(a) in the case of Participant's death or Disability or pursuant to Section 3(b) in the case Participant loses his directorship as a result of a Change of Control. Participant shall remain responsible for the payment of any remaining taxes payable on account of the vesting of Shares.

5. Delivery of Stock . Shares granted pursuant to this Agreement will be held in escrow by the Company on the Participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon. Whenever Shares subject to the Award are released from restriction, the Company shall issue such unrestricted Shares. The Company shall follow all requisite procedures to deliver such Shares to Participant;

provided, however, that such delivery may be postponed to enable the Company to comply with applicable procedures, regulations or listing requirements of any governmental agency, stock exchange or regulatory agency. Alternatively, at the Company's discretion, shares may be held by the Company or its transfer agent on the Participant's behalf in book entry form.

6. Transferability of Award. This Award may only be transferred by will, and by the laws of descent and distribution. The terms of this Award, including the restriction and vesting provisions set forth in Section 3, shall be binding upon the executors, administrators, successors and assigns of the Participant.

7. Adjustment Upon Changes in Shares. In the event of a change in the Company's capital structure, the adjustments provided for in Section 7(b) of the Plan shall be made to the number of Shares subject to the Award hereunder.

8. Section 83(b) Election. Participant agrees to inform the Company promptly, and provide a copy of the election filed by the Participant with the Internal Revenue Service, if the Participant makes an election under Section 83(b) of the Code to treat any portion of this Award as taxable compensation prior to the time the restrictions are removed from the Shares subject to this Award.

9. Amendments; Termination of Plan. The Administrator may amend this Award or terminate the Plan in accordance with Section 9 of the Plan.

10. Interpretation; Definitions. Any dispute regarding the interpretation of this Award shall be submitted by Participant or the Company to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on the Company and on the Participant.

The following terms shall have the following meanings:

"Change of Control" shall mean the occurrence of (a) any consolidation or merger of the Company with or into any other corporation or other Person, or any other corporate reorganization or transaction (including the acquisition of capital stock of the Company), whether or not the Company is a party thereto, in which the stockholders of the Company immediately prior to such consolidation, merger, reorganization or transaction, own capital stock either (i) representing directly, or indirectly through one or more entities, less than fifty percent (50%) of the economic interests in or voting power of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction or (ii) that does not directly, or indirectly through one or more entities, have the power to elect a majority of the entire board of directors of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction, (b) any transaction or series of related transactions, whether or not the Company is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Company's voting power is owned directly, or indirectly through one or more entities, by any Person and its "affiliates" or "associates" (as such terms are defined in the rules adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect from time to time), other than the Investors and their respective Affiliated Funds, excluding, in any case referred to in clause (a) or (b) any bona fide primary or secondary public offering; or (c) a sale, lease or other disposition of all or substantially all of the assets of the Company.

"Person" shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

"Investors" shall mean Bain Capital Fund IX, L.P., Bain Capital Integral Investors, LLC, BCIP TCV, and LLC, BCIP Associates—G.

"Affiliated Fund" shall mean each corporation, trust, limited liability company, general or limited partnership or other entity under common control with any Investor or that receives investment advice from the investment adviser to any Investor or an investment adviser affiliated with such investment adviser.

11. Notices. All notices to the Company must be in writing, addressed and delivered or mailed to 1830 Route 130 North, Burlington, NJ 08016, Attention: General Counsel. All notices to the Participant must be in writing addressed and delivered or mailed to Participant at the address shown on the records of the Company.

12. Governing Law; Severability. This Agreement, and all determinations made and actions taken pursuant thereto, shall be governed under the laws of the State of Delaware. If any part of this Agreement shall be determined to be invalid or unenforceable, such part shall be ineffective only to the extent of such invalidity or unenforceability, without affecting the remaining portions hereof.

[Remainder of page intentionally left blank.]
[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BURLINGTON STORES, INC.

By: ______________________________
Name: ______________________________
Title: ______________________________

ACCEPTANCE

Participant hereby acknowledges receipt of a copy of the Plan, represents that Participant has read and understands the terms and provisions thereof, and accepts this Award subject to all the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences associated with this Award or disposition of the Shares associated with this Award and that Participant should consult a tax adviser.

____
Participant

Exhibit 10.50

Burlington Holdings, Inc.
2006 Management Incentive Plan

BURLINGTON STORES, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

This agreement evidences a stock option granted by Burlington Stores, Inc. (formerly Burlington Holdings, Inc.), a Delaware corporation (the "Company"), to the undersigned (the "Employee"), pursuant to, and subject to the terms of the Burlington Holdings, Inc. 2006 Management Incentive Plan (as amended and restated, the "Plan"), which is incorporated herein by reference and of which the Employee hereby acknowledges receipt. For the purpose of this Agreement, the "Grant Date" shall mean ______________. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

1. Grant of Option. This agreement evidences the grant by the Company on the Grant Date to the Employee of an option to purchase (the "Option"), in whole or in part, on the terms provided herein and in the Plan, the following shares of Common Stock of the Company (the "Shares") as set forth below.

_________ shares of Common Stock (the "Options"), subject to adjustment as provided in the Plan.

Exercise Price: [$____]

The Option evidenced by this agreement is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code (the "Code").

2. Vesting and Exercisability.

(a) Vesting of Options. Except as otherwise specifically provided herein, the Options shall vest according to the following schedule:

(i) 25% on the first anniversary of the Grant Date;

(ii) 25% on the second anniversary of the Grant Date;

(iii) 25% on the third anniversary of the Grant Date; and

(iv) 25% on the fourth anniversary of the Grant Date.

All Options shall become exercisable in the event of a Change of Control (as that term is defined herein).

(b) Exercisability of Option. Subject to the terms of the Plan, Options may be exercised in whole or in part at any time following such time as such Option vests. The latest date on which an Option may be exercised (the "Final Exercise Date") is the date which is the tenth anniversary of the Grant Date, subject to earlier termination in accordance with the terms and provisions of the Plan and this Agreement.

3. Exercise of Option. Each election to exercise this Option shall be subject to the terms and conditions of the Plan and shall be in writing, signed by the Employee or by his or her executor or administrator or by the person or persons to whom this Option is transferred by will or the applicable laws of descent and distribution (the “Legal Representative”), and made pursuant to and in accordance with the terms and conditions set forth in the Plan.

4. Cessation of Employment. Unless the Administrator determines otherwise, the following will apply if the Employee’s Employment ceases:

(a) Options that have not vested will terminate immediately; and

(b) Subject to the terms of Section 6(a)(3) of the Plan, the vested Options will remain exercisable for the shorter of (i) a period of 60 days from the date such Employee’s Employment ceases, (ii) 365 days from the date such Employee’s Employment ceases in the case of cessation of Employment as a result of Employee’s death or Disability or (iii) the period ending on the Final Exercise Date, and will thereupon terminate.

5. Legends, Retention of Shares, etc. Shares of Common Stock issued upon exercise of the Option shall bear such legends as may be determined by the Administrator prior to issuance. Unvested Shares purchased by the Employee upon an exercise of the Option may be retained by the Company until such Shares vest.

6. Transfer of Option. This Option is not transferable by the Employee.

7. Effect on Employment. Neither the grant of this Option, nor the issuance of Shares upon exercise of this Option shall give the Employee any right to be retained in the employ of the Company or its Affiliates, affect the right of the Company or its Affiliates to discharge or discipline the Employee at any time or affect any right of Employee to terminate his employment at any time.

8. Certain Important Tax Matters. The Employee expressly acknowledges that the Employee’s rights hereunder, including the right to be issued Shares upon exercise of Options, are subject to the Employee promptly paying to the Company in cash (or by such other means as may be acceptable to the Administrator in its discretion) all taxes required to be withheld. The Employee also authorizes the Company or its subsidiaries to withhold such amount from any amounts otherwise owed to the Employee.

9. Provisions of the Plan. This Option is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the date of the grant of this Option has been furnished to the Employee. By exercising all or any part of this Option, the Employee agrees to be bound by the terms of the Plan and this Option. In the event of any conflict between the terms of this Option and the Plan, the terms of this Option shall control.

10. General . For purposes of this Option and any determinations to be made by the Administrator hereunder, the determinations by the Administrator shall be binding upon the Employee and any transferee.

11. Definitions . The following terms have the following meanings:

" Change of Control " shall mean the occurrence of (a) any consolidation or merger of the Company with or into any other corporation or other Person, or any other corporate reorganization or transaction (including the acquisition of capital stock of the Company), whether or not the Company is a party thereto, in which the stockholders of the Company immediately prior to such consolidation, merger, reorganization or transaction, own capital stock either (i) representing directly, or indirectly through one or more entities, less than fifty percent (50%) of the economic interests in or voting power of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction or (ii) that does not directly, or indirectly through one or more entities, have the power to elect a majority of the entire board of directors of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction, (b) any transaction or series of related transactions, whether or not the Company is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Company's voting power is owned directly, or indirectly through one or more entities, by any Person and its "affiliates" or "associates" (as such terms are defined in the rules adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect from time to time); or (c) a sale, lease or other disposition of all or substantially all of the assets of the Company.

" Person " shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

In Witness Whereof, the undersigned Company and Employee each have executed this Non-Qualified Stock Option Agreement as of the date indicated below.

THE COMPANY:

BURLINGTON STORES, INC.

By:________________________

Name:
Title:
Date:

The Employee:

____

Name:
Date:

Exhibit 10.51

BURLINGTON HOLDINGS, INC.
2006 MANAGEMENT INCENTIVE PLAN

BURLINGTON STORES, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

This agreement evidences a stock option granted by Burlington Stores, Inc. (formerly Burlington Holdings, Inc.), a Delaware corporation (the "Company"), to the undersigned (the "Employee"), pursuant to, and subject to the terms of the Burlington Holdings, Inc. 2006 Management Incentive Plan (as amended and restated, the "Plan"), which is incorporated herein by reference and of which the Employee hereby acknowledges receipt. For the purpose of this Agreement, the "Grant Date" shall mean ___________. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

1. Grant of Option. This agreement evidences the grant by the Company on the Grant Date to the Employee of an option to purchase (the "Option"), in whole or in part, on the terms provided herein and in the Plan, the following shares of Common Stock of the Company (the "Shares") as set forth below.

___________shares of Common Stock (the "Options"), subject to adjustment as provided in the Plan.

Exercise Price: [$ _______]

The Option evidenced by this agreement is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code (the "Code").

2. Vesting and Exercisability.

(a) Vesting of Options. Except as otherwise specifically provided herein, the Options shall vest according to the following schedule:

(i) 25% on the first anniversary of the Grant Date;

(ii) 25% on the second anniversary of the Grant Date;

(iii) 25% on the third anniversary of the Grant Date; and

(iv) 25% on the fourth anniversary of the Grant Date.

All Options shall become exercisable in the event of a Change of Control (as that term is defined herein).

(b) Exercisability of Option. Subject to the terms of the Plan, Options may be exercised in whole or in part at any time following such time as such Option vests. The latest date on which an Option may be exercised (the "Final Exercise Date") is the date which is the tenth anniversary of the Grant Date, subject to earlier termination in accordance with the terms and provisions of the Plan and this Agreement.

3. Exercise of Option. Each election to exercise this Option shall be subject to the terms and conditions of the Plan and shall be in writing, signed by the Employee or by his or her executor or administrator or by the person or persons to whom this Option is transferred by will or the applicable laws of descent and distribution (the “Legal Representative”), and made pursuant to and in accordance with the terms and conditions set forth in the Plan.

4. Cessation of Employment. Unless the Administrator determines otherwise, the following will apply if the Employee’s Employment ceases:

(a) Options that have not vested will terminate immediately; and

(b) Subject to the terms of Section 6(a)(3) of the Plan, the vested Options will remain exercisable for the shorter of (i) a period of 60 days from the date such Employee’s Employment ceases, (ii) 365 days from the date such Employee’s Employment ceases in the case of cessation of Employment as a result of Employee’s death or Disability or (iii) the period ending on the Final Exercise Date, and will thereupon terminate.

5. Legends, Retention of Shares, etc. Shares of Common Stock issued upon exercise of the Option shall bear such legends as may be determined by the Administrator prior to issuance. Unvested Shares purchased by the Employee upon an exercise of the Option may be retained by the Company until such Shares vest.

6. Transfer of Option. This Option is not transferable by the Employee.

7. Effect on Employment. Neither the grant of this Option, nor the issuance of Shares upon exercise of this Option shall give the Employee any right to be retained in the employ of the Company or its Affiliates, affect the right of the Company or its Affiliates to discharge or discipline the Employee at any time or affect any right of Employee to terminate his employment at any time.

8. Certain Important Tax Matters. The Employee expressly acknowledges that the Employee’s rights hereunder, including the right to be issued Shares upon exercise of Options, are subject to the Employee promptly paying to the Company in cash (or by such other means as may be acceptable to the Administrator in its discretion) all taxes required to be withheld. The Employee also authorizes the Company or its subsidiaries to withhold such amount from any amounts otherwise owed to the Employee.

9. Provisions of the Plan. This Option is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the date of the grant of this Option has been furnished to the Employee. By exercising all or any part of this Option, the Employee agrees to be bound by the terms of the Plan and this Option. In the event of any conflict between the terms of this Option and the Plan, the terms of this Option shall control.

10. Non-Compete, Non-Solicitation; Confidentiality .

(a) In further consideration of the Award granted to Employee hereunder, Employee acknowledges and agrees that during the course of Employee's employment with the Company and its subsidiaries Employee shall become familiar, and during Employee's employment with the predecessors of the Company and its subsidiaries, Employee has become familiar, with the Company's trade secrets and with other confidential information and that Employee's services have been and shall be of special, unique and extraordinary value to the Company and its subsidiaries, and therefore, Employee agrees that, during his or her employment with the Company and, if the Employee terminates his or her employment with the Company for any reason, for a period of one year thereafter (the "Non-Compete Period"), Employee shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf of a Competing Business within any geographical area in which the Company or its subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Employee from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Employee has no active participation in the business of such corporation. For purposes of this paragraph, "Competing Business" means each of the following entities, together with their respective subsidiaries and affiliates: TJ Maxx, Marshall's, Ross Stores, Steinmart, Century 21, Forman Mills and Schottenstein Stores.

(b) During the Non-Compete Period, Employee shall not, directly or indirectly, and shall ensure that any person or entity controlled by Employee does not, (i) induce or attempt to induce any employee of the Company or any subsidiary to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary and any employee thereof, (ii) hire, directly or through another person, any person (whether or not solicited) who was an Employee of the Company or any subsidiary at any time within the one year period before Employee's termination from employment, (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any subsidiary to cease doing business with the Company or such subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any subsidiary (Employee understands that any person or entity that Employee contacted during the one year period prior to the date of Employee's termination of employment for the purpose of soliciting sales from such person or entity shall be regarded as a "potential customer" of the Company and its subsidiaries as to whom the Company has a protectible proprietary interest) or (iv) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

(c) Employee acknowledges and agrees that the information, observations and data (including trade secrets) obtained by Employee while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information ("Confidential Information"), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term "Confidential Information" shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (i) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (ii) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Employee's acts or omissions) including all (A) work product; (B) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Employee is aware or becomes aware during the term of his employment; (C) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (D) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (E) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (F) information identifying or otherwise concerning employees, independent contractors and consultants; (G) information on new and existing programs and services, prices, terms, and related information; (H) the terms of this Agreement; (I) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Employee should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; (J) all information or materials similar or related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Employee or employees or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (K) all tangible embodiments of any of the foregoing.

(d) Therefore, Employee agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Employee must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Employee shall not disclose to any unauthorized person or entity or use for Employee's own purposes any Confidential Information without the prior written consent of the Company's Board of Directors, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Employee's acts or omissions. Employee shall deliver to the Company at the termination of Employee's employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Employee may then possess or have under Employee's control and if, at any time thereafter, any such materials are brought to Employee's attention or Employee discovers them in his possession or control, Employee shall deliver such materials to the Company immediately upon such notice or discovery.

11. Enforcement .

(a) Employee acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 10 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its subsidiaries and other Confidential Information and goodwill of the Company and its subsidiaries to the extent and for the periods of time expressly agreed to herein. Employee acknowledges and agrees that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Employee by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company and its subsidiaries now existing or to be developed in the future. Employee expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

(b) Notwithstanding any provision to the contrary herein, the Company or its subsidiaries may pursue, at its discretion, enforcement of Section 10 in any court of competent jurisdiction (each, a "Court").

(c) Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Section 10 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

(d) Because Employee’s services are unique and because Employee has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 10, and any breach of the terms of Section 10 would result in irreparable injury and damage to the Company and its subsidiaries for which the Company and its subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 10, the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 11 shall not prevent the Company or any of its subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Employee.

12. General . For purposes of this Option and any determinations to be made by the Administrator hereunder, the determinations by the Administrator shall be binding upon the Employee and any transferee.

13. Definitions . The following terms have the following meanings:

“ Change of Control ” shall mean the occurrence of (a) any consolidation or merger of the Company with or into any other corporation or other Person, or any other corporate reorganization or transaction (including the acquisition of capital stock of the Company), whether or not the Company is a party thereto, in which the stockholders of the Company immediately prior to such consolidation, merger, reorganization or transaction, own capital stock either (i) representing directly, or indirectly through one or more entities, less than fifty percent (50%) of the economic interests in or voting power of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction or (ii) that does not directly, or indirectly through one or more entities, have the power to elect a majority of the entire board of directors of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction, (b) any transaction or series of related transactions, whether or not the Company is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Company’s voting power is owned directly, or indirectly through one or more entities, by any Person and its “affiliates” or “associates” (as such terms are defined in the rules adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect from time to time); or (c) a sale, lease or other disposition of all or substantially all of the assets of the Company.

“ Person ” shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

IN WITNESS WHEREOF, the undersigned Company and Employee each have executed this Non-Qualified Stock Option Agreement as of the date indicated below.

THE COMPANY: **BURLINGTON STORES, INC.**

By: ______________________________

Name:
Title:
Date:

The Employee:

____

Name:
Date:

Exhibit 10.52

RESTRICTED STOCK GRANT AGREEMENT
PURSUANT TO BURLINGTON HOLDINGS, INC.
2006 MANAGEMENT INCENTIVE PLAN

THIS AGREEMENT (the "Agreement") is entered into as of _____________between Burlington Stores, Inc. (formerly Burlington Holdings, Inc.), a Delaware corporation (the "Company"), and _____________(the "Participant"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Burlington Holdings, Inc. 2006 Management Incentive Plan (as amended and restated, the "Plan").

Recitals

WHEREAS, the Participant is an employee of Burlington Stores, Inc.;

WHEREAS, a predecessor to the Company, Burlington Coat Factory Holdings, Inc., has adopted the 2006 Management Incentive Plan (as amended and restated, the "Plan") providing for the grant under certain circumstances of certain equity incentive awards, including shares of Restricted Stock, and the Company as assumed the Plan and all awards granted thereunder;

WHEREAS, the Company, under the terms and conditions set forth below, desires to grant Participant an Award of Restricted Stock (the "Award") pursuant to the terms set forth in the Plan; and

WHEREAS, in consideration of the grant of the Award and other benefits, the Participant is willing to accept the Award provided for in this Agreement and is willing to abide by the obligations imposed on him under this Agreement and the Plan.

Provisions

NOW, THEREFORE, in consideration of the mutual benefits hereinafter provided, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Company and the Participant, intending to be legally bound, hereby agree as follows:

1. Restricted Stock Award . The Company hereby grants to the Participant, subject to the terms and conditions set forth or incorporated herein, an Award consisting of a total of __________ shares of Common Stock, subject to adjustment under the Plan (the "Shares"). Upon the execution and delivery of this Agreement, the Company will, subject to Section 6 below, issue to the Participant the Shares granted hereunder, and such Shares shall constitute Restricted Stock pursuant to the Plan.

2. Effect of the Plan . The Award granted under this Agreement is subject to all of the terms and conditions of the Plan, which are incorporated by reference and made a part of this Agreement. The Participant will abide by, and the Award granted to the Participant will be subject to, all of the provisions of the Plan and of this Agreement, together with all rules and determinations from time to time issued by the Committee established to administer the Plan.

3. Restriction Period . The restriction period applicable to the Award granted hereunder is as follows:

(a) All Shares shall be unvested at issuance. Subject to Section 3(b) below, 25% of the Shares shall vest on each of the first, second, third and fourth anniversary date of this Agreement (or the following business day if such date is not a business day) if the Participant remains continuously employed by the Company on such date.

(b) Following a "Change of Control" (as defined herein), vesting of unvested Shares shall not accelerate by reason of such Change of Control; provided, however, that 100% of the Shares shall vest if, following a Change of Control, the employment of the Participant is terminated by the Company or by the Subsidiary without Cause, or the Participant resigns with Good Reason.

(c) All unvested Shares shall automatically be forfeited (and shall not vest) if the Participant's employment with the Company shall terminate for any reason (other than as provided in Section 3(b) above in the case of termination by the Company without Cause or by the Participant for Good Reason following a Change in Control) prior to the earlier of the date on which they otherwise would have vested pursuant to Section 3(a) above.

(d) Participant shall be entitled to receipt of all dividends paid by the Company on its Shares, as and when such dividends are declared and paid to holders of Shares; provided, any dividends on unvested Shares shall be held and paid to Participant within 10 days after the vesting of such Shares after becoming vested.

4. [Reserved].

5. Withholding Taxes . The Administrator may make such provision for any applicable federal or state the withholding obligations of the Company pursuant to Section 6(a)(4) of the Plan. In addition, at least sixty (60) days prior to the time of vesting of any Shares granted under this Agreement, the Company will give notice thereof to the Participant. Participant shall deliver to the Company an amount in cash sufficient to satisfy all United States federal, state and local and non-United States tax of any kind (including Participant's FICA and SDI obligations) which the Board, in its sole discretion, deems necessary to be withheld or remitted with respect to the Shares in order to comply with the U.S. Internal Revenue Code of 1986, as amended, and/or any other applicable law, rule or regulation (the "Minimum Withholding Tax"). Alternatively, at the Participant's election, exercisable on or before ten (10) days prior to the date of vesting of such Shares, the Company shall have the right and power to deduct or withhold a number of Shares having a fair market value (as determined by the Board of Directors of the Company as of the date of vesting thereof) equal to the Minimum Withholding Tax; provided, however, that such option to shall be deemed to have been exercised in the case of accelerated vesting pursuant Section 3(b) in the case of termination of Participant's employment by the Company or the Subsidiary or by the Participant for Good Reason following a Change of Control. Participant shall remain responsible for the payment of any remaining taxes payable on account of the vesting of Shares.

6. Delivery of Stock . Shares granted pursuant to this Agreement will be held in escrow by the Company on the Participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon. Whenever Shares subject to the Award are released from restriction, the Company shall issue such unrestricted Shares. The Company shall follow all requisite procedures to deliver such Shares to Participant; provided, however, that such delivery may be postponed to enable the Company to comply with applicable procedures, regulations or listing requirements of any governmental agency, stock exchange or regulatory agency. Alternatively, at the Company's discretion, shares may be held by the Company or its transfer agent on the Participant's behalf in book entry form.

7. Transferability of Award . This Award may only be transferred by will, and by the laws of descent and distribution. The terms of this Award, including the restriction and vesting provisions set forth in Section 3, shall be binding upon the executors, administrators, successors and assigns of the Participant.

8. Adjustment Upon Changes in Shares . In the event of a change in the Company's capital structure, the adjustments provided for in Section 7(b) of the Plan shall be made to the number of Shares subject to the Award hereunder.

9. Section 83(b) Election . Participant agrees to inform the Company promptly, and provide a copy of the election filed by the Participant with the Internal Revenue Service, if the Participant makes an election under Section 83(b) of the Code to treat any portion of this Award as taxable compensation prior to the time the restrictions are removed from the Shares subject to this Award.

10. Amendments; Termination of Plan . The Administrator may amend this Award or terminate the Plan in accordance with Section 9 of the Plan.

11. Interpretation; Definitions . Any dispute regarding the interpretation of this Award shall be submitted by Participant or the Company to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on the Company and on the Participant.

The following terms shall have the following meanings:

" Change of Control " shall mean the occurrence of (a) any consolidation or merger of the Company with or into any other corporation or other Person, or any other corporate reorganization or transaction (including the acquisition of capital stock of the Company), whether or not the Company is a party thereto, in which the stockholders of the Company immediately prior to such consolidation, merger, reorganization or transaction, own capital stock either (i) representing directly, or indirectly through one or more entities, less than fifty percent (50%) of the economic interests in or voting power of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction or (ii) that does not directly, or indirectly through one or more entities, have the power to elect a majority of the entire board of directors of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction, (b) any transaction or series of related transactions, whether or not the Company is a party thereto, after giving effect to which in excess

of fifty percent (50%) of the Company's voting power is owned directly, or indirectly through one or more entities, by any Person and its "affiliates" or "associates" (as such terms are defined in the rules adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect from time to time); or (c) a sale, lease or other disposition of all or substantially all of the assets of the Company.

" Person " shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

12. Notices . All notices to the Company must be in writing, addressed and delivered or mailed to 1830 Route 130 North, Burlington, NJ 08016, Attention: General Counsel. All notices to the Participant must be in writing addressed and delivered or mailed to Participant at the address shown on the records of the Company.

13. Governing Law; Severability . This Agreement, and all determinations made and actions taken pursuant thereto, shall be governed under the laws of the State of Delaware. If any part of this Agreement shall be determined to be invalid or unenforceable, such part shall be ineffective only to the extent of such invalidity or unenforceability, without affecting the remaining portions hereof.

[Remainder of page intentionally left blank.]
[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BURLINGTON STORES, INC.

By: ______________________________
Name: ______________________________
Title: ______________________________

ACCEPTANCE

Participant hereby acknowledges receipt of a copy of the Plan, represents that Participant has read and understands the terms and provisions thereof, and accepts this Award subject to all the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences associated with this Award or disposition of the Shares associated with this Award and that Participant should consult a tax adviser.

____
Participant

Exhibit 10.53

RESTRICTED STOCK GRANT AGREEMENT
PURSUANT TO BURLINGTON HOLDINGS, INC.
2006 MANAGEMENT INCENTIVE PLAN

THIS AGREEMENT (the "Agreement") is entered into as of _________________between Burlington Stores, Inc. (formerly Burlington Holdings, Inc.), a Delaware corporation (the "Company"), and _____________ (the "Participant"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Burlington Holdings, Inc. 2006 Management Incentive Plan (as amended and restated, the "Plan").

<u>Recitals</u>

WHEREAS, the Participant is an employee of Burlington Stores, Inc.;

WHEREAS, a predecessor to the Company, Burlington Coat Factory Holdings, Inc., has adopted the 2006 Management Incentive Plan (as amended and restated, the "Plan") providing for the grant under certain circumstances of certain equity incentive awards, including shares of Restricted Stock, and the Company as assumed the Plan and all awards granted thereunder;

WHEREAS, the Company, under the terms and conditions set forth below, desires to grant Participant an Award of Restricted Stock (the "Award") pursuant to the terms set forth in the Plan; and

WHEREAS, in consideration of the grant of the Award and other benefits, the Participant is willing to accept the Award provided for in this Agreement and is willing to abide by the obligations imposed on him under this Agreement and the Plan.

<u>Provisions</u>

NOW, THEREFORE, in consideration of the mutual benefits hereinafter provided, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Company and the Participant, intending to be legally bound, hereby agree as follows:

1. <u>Restricted Stock Award</u> . The Company hereby grants to the Participant, subject to the terms and conditions set forth or incorporated herein, an Award consisting of a total of __________ shares of Common Stock, subject to adjustment under the Plan (the "Shares"). Upon the execution and delivery of this Agreement, the Company will, subject to Section 5 below, issue to the Participant the Shares granted hereunder, and such Shares shall constitute Restricted Stock pursuant to the Plan.

2. <u>Effect of the Plan</u> . The Award granted under this Agreement is subject to all of the terms and conditions of the Plan, which are incorporated by reference and made a part of this Agreement. The Participant will abide by, and the Award granted to the Participant will be subject to, all of the provisions of the Plan and of this Agreement, together with all rules and determinations from time to time issued by the Committee established to administer the Plan.

3. Restriction Period . The restriction period applicable to the Award granted hereunder is as follows:

(a) All Shares shall be unvested at issuance. Subject to Section 3(b) below, 25% of the Shares shall vest on each of the first, second, third and fourth anniversary date of this Agreement (or the following business day if such date is not a business day) if the Participant remains continuously employed by the Company on such date.

(b) Following a “Change of Control” (as defined herein), vesting of unvested Shares shall not accelerate by reason of such Change of Control; provided, however, that 100% of the Shares shall vest if, following a Change of Control, the employment of the Participant is terminated by the Company or by the Subsidiary without Cause, or the Participant resigns with Good Reason.

(c) All unvested Shares shall automatically be forfeited (and shall not vest) if the Participant’s employment with the Company shall terminate for any reason (other than as provided in Section 3(b) above in the case of termination by the Company without Cause or by the Participant for Good Reason following a Change in Control) prior to the earlier of the date on which they otherwise would have vested pursuant to Section 3(a) above.

(d) Participant shall be entitled to receipt of all dividends paid by the Company on its Shares, as and when such dividends are declared and paid to holders of Shares; provided, any dividends on unvested Shares shall be held and paid to Participant within 10 days after the vesting of such Shares after becoming vested.

4. Withholding Taxes . The Administrator may make such provision for any applicable federal or state the withholding obligations of the Company pursuant to Section 6(a)(4) of the Plan. In addition, at least sixty (60) days prior to the time of vesting of any Shares granted under this Agreement, the Company will give notice thereof to the Participant. Participant shall deliver to the Company an amount in cash sufficient to satisfy all United States federal, state and local and non-United States tax of any kind (including Participant’s FICA and SDI obligations) which the Board, in its sole discretion, deems necessary to be withheld or remitted with respect to the Shares in order to comply with the U.S. Internal Revenue Code of 1986, as amended, and/or any other applicable law, rule or regulation (the “Minimum Withholding Tax”). Alternatively, at the Participant’s election, exercisable on or before ten (10) days prior to the date of vesting of such Shares, the Company shall have the right and power to deduct or withhold a number of Shares having a fair market value (as determined by the Board of Directors of the Company as of the date of vesting thereof) equal to the Minimum Withholding Tax; provided, however, that such option to shall be deemed to have been exercised in the case of accelerated vesting pursuant to Section 3(b) in the case of termination of Participant’s employment by the Company or the Subsidiary or by the Participant for Good Reason following a Change of Control. Participant shall remain responsible for the payment of any remaining taxes payable on account of the vesting of Shares.

5. Delivery of Stock . Shares granted pursuant to this Agreement will be held in escrow by the Company on the Participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon. Whenever Shares subject to the Award are released from restriction, the Company shall issue such unrestricted Shares. The Company shall follow all requisite procedures to deliver such Shares to Participant; provided, however, that such delivery may be postponed to enable the Company to comply with applicable procedures, regulations or listing requirements of any governmental agency, stock exchange or regulatory agency. Alternatively, at the Company's discretion, shares may be held by the Company or its transfer agent on the Participant's behalf in book entry form.

6. Transferability of Award . This Award may only be transferred by will, and by the laws of descent and distribution. The terms of this Award, including the restriction and vesting provisions set forth in Section 3, shall be binding upon the executors, administrators, successors and assigns of the Participant.

7. Adjustment Upon Changes in Shares . In the event of a change in the Company's capital structure, the adjustments provided for in Section 7(b) of the Plan shall be made to the number of Shares subject to the Award hereunder.

8. Section 83(b) Election . Participant agrees to inform the Company promptly, and provide a copy of the election filed by the Participant with the Internal Revenue Service, if the Participant makes an election under Section 83(b) of the Code to treat any portion of this Award as taxable compensation prior to the time the restrictions are removed from the Shares subject to this Award.

9. Amendments; Termination of Plan . The Administrator may amend this Award or terminate the Plan in accordance with Section 9 of the Plan.

10. Interpretation; Definitions . Any dispute regarding the interpretation of this Award shall be submitted by Participant or the Company to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on the Company and on the Participant.

The following terms shall have the following meanings:

" Change of Control " shall mean the occurrence of (a) any consolidation or merger of the Company with or into any other corporation or other Person, or any other corporate reorganization or transaction (including the acquisition of capital stock of the Company), whether or not the Company is a party thereto, in which the stockholders of the Company immediately prior to such consolidation, merger, reorganization or transaction, own capital stock either (i) representing directly, or indirectly through one or more entities, less than fifty percent (50%) of the economic interests in or voting power of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction or (ii) that does not directly, or indirectly through one or more entities, have the power to elect a majority of the entire board of directors of the Company or other surviving entity immediately after such consolidation, merger, reorganization or transaction, (b) any transaction or series of related transactions, whether or not the Company is a party thereto, after giving effect to which in excess

of fifty percent (50%) of the Company's voting power is owned directly, or indirectly through one or more entities, by any Person and its "affiliates" or "associates" (as such terms are defined in the rules adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect from time to time); or (c) a sale, lease or other disposition of all or substantially all of the assets of the Company.

" Person " shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

11. Notices . All notices to the Company must be in writing, addressed and delivered or mailed to 1830 Route 130 North, Burlington, NJ 08016, Attention: General Counsel. All notices to the Participant must be in writing addressed and delivered or mailed to Participant at the address shown on the records of the Company.

12. Governing Law; Severability . This Agreement, and all determinations made and actions taken pursuant thereto, shall be governed under the laws of the State of Delaware. If any part of this Agreement shall be determined to be invalid or unenforceable, such part shall be ineffective only to the extent of such invalidity or unenforceability, without affecting the remaining portions hereof.

13. Non-Compete, Non-Solicitation; Confidentiality.

(a) In further consideration of the Award granted to Participant hereunder, Participant acknowledges and agrees that during the course of Participant's employment with the Company and its subsidiaries Participant shall become familiar, and during Participant's employment with the predecessors of the Company and its subsidiaries, Participant has become familiar, with the Company's trade secrets and with other confidential information and that Participant's services have been and shall be of special, unique and extraordinary value to the Company and its subsidiaries, and therefore, Participant agrees that, during his or her employment with the Company and its subsidiaries and, if the Participant terminates his or her employment with the Company and its subsidiaries for any reason, for a period of one year thereafter (the "Non-Compete Period"), Participant shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf of a Competing Business within any geographical area in which the Company or its subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Participant from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Participant has no active participation in the business of such corporation. For purposes of this paragraph, "Competing Business" means each of the following entities, together with their respective subsidiaries and affiliates: TJ Maxx, Marshall's, Ross Stores, Steinmart, Century 21, Forman Mills, and Schottenstein Stores.

(b) During the Non-Compete Period, Participant shall not, directly or indirectly, and shall ensure that any person or entity controlled by Participant does not, (i) induce or attempt to induce any employee of the Company or any subsidiary to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary and any employee thereof, (ii) hire, directly or through another person, any person (whether or not solicited) who was an Participant of the Company or any subsidiary at any time within the one year period before Participant's termination from employment, (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any subsidiary to cease doing business with the Company or such subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any subsidiary (Participant understands that any person or entity that Participant contacted during the one year period prior to the date of Participant's termination of employment for the purpose of soliciting sales from such person or entity shall be regarded as a "potential customer" of the Company and its subsidiaries as to whom the Company has a protectible proprietary interest) or (iv) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

(c) Participant acknowledges and agrees that the information, observations and data (including trade secrets) obtained by Participant while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information ("Confidential Information"), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term "Confidential Information" shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (i) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (ii) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Participant's acts or omissions) including all (A) work product; (B) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Participant is aware or becomes aware during the term of his employment; (C) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (D) development, transition, integration and transformation plans, methodologies, processes and methods of doing business;

(E) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (F) information identifying or otherwise concerning Participants, independent contractors and consultants; (G) information on new and existing programs and services, prices, terms, and related information; (H) the terms of this Agreement; (I) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Participant should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; (J) all information or materials similar or related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Participant or Participants or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (K) all tangible embodiments of any of the foregoing.

(d) Therefore, Participant agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Participant must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Participant shall not disclose to any unauthorized person or entity or use for Participant's own purposes any Confidential Information without the prior written consent of the Company's Board of Directors, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Participant's acts or omissions. Participant shall deliver to the Company at the termination of Participant's employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Participant may then possess or have under Participant's control and if, at any time thereafter, any such materials are brought to Participant's attention or Participant discovers them in his possession or control, Participant shall deliver such materials to the Company immediately upon such notice or discovery.

14. Enforcement.

(a) Participant acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 13 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its subsidiaries and other Confidential Information and goodwill of the Company and its subsidiaries to the extent and for the periods of time expressly agreed to herein. Participant acknowledges and agrees that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Participant by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company and its subsidiaries now existing or to be developed in the future. Participant expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

(b) Notwithstanding any provision to the contrary herein, the Company or its subsidiaries may pursue, at its discretion, enforcement of Section 13 in any court of competent jurisdiction (each, a "Court").

(c) Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Section 13 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

(d) Because Participant's services are unique and because Participant has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 13, and any breach of the terms of Section 13 would result in irreparable injury and damage to the Company and its subsidiaries for which the Company and its subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 13, the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 14 shall not prevent the Company or any of its subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Participant.

[Remainder of page intentionally left blank.]
[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BURLINGTON STORES, INC.

By:______________________________
Name:____________________________
Title:_____________________________

ACCEPTANCE

Participant hereby acknowledges receipt of a copy of the Plan, represents that Participant has read and understands the terms and provisions thereof, and accepts this Award subject to all the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences associated with this Award or disposition of the Shares associated with this Award and that Participant should consult a tax adviser.

____
Participant

Exhibit 21.1

Subsidiaries of Burlington Stores, Inc.

Exact Name of Subsidiaries of Registrant as Specified in their Charter	State or Other Jurisdiction of Incorporation or Organization
Burlington Holdings, LLC	Delaware
Burlington Holdings Finance, Inc.	Delaware
Burlington Coat Factory Holdings, LLC	Delaware
Burlington Coat Factory Investments Holdings, Inc.	Delaware
Burlington Coat Factory Warehouse Corporation	Delaware
Burlington Coat Factory of Alabama, LLC	Alabama
Burlington Coat Factory Realty of Huntsville LLC	Alabama
Burlington Coat Factory Warehouse of Anchorage, Inc.	Alaska
Burlington Coat Factory of Arizona, LLC	Arizona
Burlington Coat Factory Realty of Desert Sky, Inc.	Arizona
Burlington Coat Factory Realty of Mesa, Inc.	Arizona
Burlington Coat Factory of Arkansas, LLC	Arkansas
Baby Depot of California, LLC	California
Burlington Coat Factory of California, LLC	California
Burlington Coat Factory Realty of Dublin, Inc.	California
Burlington Coat Factory Realty of Florin, Inc.	California
Burlington Coat Factory Realty of Ventura, Inc.	California
Burlington Coat Factory of San Bernardino, LLC	California
MJM Designer Shoes of California, LLC	California
Burlington Coat Factory of Colorado, LLC	Colorado
Burlington Coat Factory of Connecticut, LLC	Connecticut
Burlington Coat Realty of East Windsor, Inc.	Connecticut
Cohoes Fashions of Connecticut, LLC	Connecticut
Burlington Coat Factory of Delaware, LLC	Delaware
Burlington Coat Factory of Texas, Inc.	Delaware
Burlington Coat Factory of Texas, L.P.	Delaware
Burlington Coat Factory Realty Corp.	Delaware
Burlington Shell 1, Inc.	Delaware
C.F.I.C. Corporation	Delaware
MJM Designer Shoes of Delaware, LLC	Delaware
Scottchris, LLC	Delaware
Bee Ridge Plaza, LLC	Florida
Burlington Coat Factory of Florida, LLC	Florida
Burlington Coat Factory Realty of Coral Springs, Inc.	Florida
Burlington Coat Factory Realty of Orlando, Inc.	Florida
Burlington Coat Factory Realty of Sarasota, Inc.	Florida
Burlington Coat Factory Realty of University Square, Inc.	Florida
Burlington Coat Factory Realty of West Colonial, Inc.	Florida
K&T Acquisition Corp.	Florida
MJM Designer Shoes of Florida, LLC	Florida
Burlington Coat Factory of Georgia, LLC	Georgia
Burlington Coat Factory Realty of Morrow, Inc.	Georgia
Burlington Coat Factory Warehouse of Atlanta, Inc.	Georgia
Burlington Coat Factory of Hawaii, LLC	Hawaii
Burlington Coat Factory of Idaho, LLC	Idaho
Burlington Coat Factory of Illinois, LLC	Illinois
Burlington Coat Factory Realty of Bloomingdale, Inc.	Illinois
Burlington Coat Factory Realty of River Oaks, Inc.	Illinois
Burlington Coat Factory Warehouse of East St. Louis, Inc.	Illinois
Burlington Coat Realty of Gurnee, Inc.	Illinois

Burlington Coat Factory of Indiana, LLC	Indiana
Burlington Coat Factory Realty of Greenwood, Inc.	Indiana
Burlington Coat Factory of Iowa, LLC	Iowa
Burlington Coat Factory of Kansas, LLC	Kansas
Burlington Coat Factory of Kentucky, Inc.	Kentucky
Burlington Coat Factory of Louisiana, LLC	Louisiana
Burlington Coat Factory of Maine, LLC	Maine
Burlington Coat Factory of Maryland, LLC	Maryland
Burlington Coat Factory of Massachusetts, LLC	Massachusetts
Burlington Coat Factory Realty of North Attleboro, Inc.	Massachusetts
Cohoes Fashions of Massachusetts, LLC	Massachusetts
Burlington Coat Factory of Michigan, LLC	Michigan
Burlington Coat Factory Warehouse of Detroit, Inc.	Michigan
Burlington Coat Factory Warehouse of Grand Rapids, Inc.	Michigan
Burlington Coat Factory Warehouse of Redford, Inc.	Michigan
Burlington Coat Factory of Minnesota, LLC	Minnesota
Burlington Coat Factory of Mississippi, LLC	Mississippi
Burlington Coat Factory of Missouri, LLC	Missouri
Burlington Coat Factory Realty of Des Peres, Inc.	Missouri
Burlington Coat Factory of Montana, LLC	Montana
Burlington Coat Factory of Nebraska, LLC	Nebraska
Burlington Coat Factory of Nevada, LLC	Nevada
Burlington Coat Realty of Las Vegas, Inc.	Nevada
Burlington Coat Factory of New Hampshire, LLC	New Hampshire
Burlington Coat Factory Direct Corporation	New Jersey
Burlington Coat Factory of New Jersey, LLC	New Jersey
Burlington Coat Factory Realty of Edgewater Park, Inc.	New Jersey
Burlington Coat Factory Realty of Paramus, Inc.	New Jersey
Burlington Coat Factory Realty of Pinebrook, Inc.	New Jersey
Burlington Coat Factory Warehouse of Edgewater Park, Inc.	New Jersey
Burlington Coat Factory Warehouse of Edgewater Park Urban Renewal Corp.	New Jersey
Burlington Coat Factory Warehouse of New Jersey, Inc.	New Jersey
Cohoes Fashions of New Jersey, LLC	New Jersey
MJM Designer Shoes of Moorestown, Inc.	New Jersey
MJM Designer Shoes of New Jersey, LLC	New Jersey
Super Baby Depot of Moorestown, Inc.	New Jersey
BCF Florence Urban Renewal, LLC	New Jersey
Burlington Coat Factory of New Mexico, LLC	New Mexico
Burlington Coat Factory of New York, LLC	New York
Burlington Coat Factory Realty of Yonkers, Inc.	New York
Cohoes Fashions of New York, LLC	New York
Georgetown Fashions Inc.	New York
LC Acquisition Corp.	New York
MJM Designer Shoes of New York, LLC	New York
Monroe G. Milstein, Inc.	New York
Burlington Coat Factory of North Carolina, LLC	North Carolina
Burlington Coat Factory of North Dakota, LLC	North Dakota
Burlington Coat Factory of Ohio, LLC	Ohio
Burlington Coat Factory Warehouse of Cleveland, Inc.	Ohio
Burlington Coat Factory of Oklahoma, LLC	Oklahoma
Burlington Coat Factory Realty of Tulsa, Inc.	Oklahoma
Burlington Coat Factory of Oregon, LLC	Oregon
Burlington Coat Factory of Pennsylvania, LLC	Pennsylvania
Burlington Coat Factory Realty of Langhorne, Inc.	Pennsylvania
Burlington Coat Factory Realty of West Mifflin, Inc.	Pennsylvania

Burlington Coat Factory Realty of Whitehall, Inc.	Pennsylvania
Burlington Coat Factory Warehouse Inc.	Pennsylvania
Burlington Coat Factory Warehouse of Bristol, LLC	Pennsylvania
Burlington Coat Factory Warehouse of Cheltenham, Inc.	Pennsylvania
Burlington Coat Factory Warehouse of Langhorne, Inc.	Pennsylvania
Burlington Coat Factory Warehouse of Montgomeryville, Inc.	Pennsylvania
Burlington Factory Warehouse of Reading, Inc.	Pennsylvania
MJM Designer Shoes of Pennsylvania, LLC	Pennsylvania
Burlington Coat Factory of Puerto Rico, LLC	Puerto Rico
Burlington Coat Factory of Rhode Island, LLC	Rhode Island
Cohoes Fashions of Cranston, Inc.	Rhode Island
Burlington Coat Factory of South Carolina, LLC	South Carolina
Burlington Coat Factory Warehouse of Charleston, Inc.	South Carolina
Burlington Coat Factory of South Dakota, LLC	South Dakota
Burlington Coat Factory Realty of Memphis, Inc.	Tennessee
Burlington Coat Factory Warehouse of Hickory Commons, Inc.	Tennessee
Burlington Coat Factory Warehouse of Memphis, Inc.	Tennessee
Burlington Coat Factory Warehouse of Shelby, Inc.	Tennessee
Burlington Coat Factory Realty of Bellaire, Inc.	Texas
Burlington Coat Factory Realty of El Paso, Inc.	Texas
Burlington Coat Factory Realty of Westmoreland, Inc.	Texas
Burlington Coat Factory Warehouse of Baytown, Inc.	Texas
Burlington Coat Realty of Houston, Inc.	Texas
Burlington Coat Realty of Plano, Inc.	Texas
MJM Designer Shoes of Texas, Inc.	Texas
Burlington Coat Factory of Utah, LLC	Utah
Burlington Coat Factory of Vermont, LLC	Vermont
BCF Cards, Inc.	Virginia
Burlington Coat Factory of Virginia, LLC	Virginia
Burlington Coat Factory of Pocono Crossing, LLC	Virginia
Burlington Coat Factory Realty of Coliseum, Inc.	Virginia
Burlington Coat Factory Realty of Fairfax, Inc.	Virginia
Burlington Coat Factory Warehouse of Coliseum, Inc.	Virginia
Burlington Coat Realty of Potomac, Inc.	Virginia
Burlington Coat Factory of Washington, LLC	Washington
Burlington Coat Factory Realty of Franklin, Inc.	Washington
Burlington Coat Factory of West Virginia, LLC	West Virginia
Burlington Coat Factory of Wisconsin, LLC	Wisconsin

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-191637 on Form S-8 and Registration Statement No. 333-199176 on Form S-3, of our reports dated March 25, 2015, relating to the consolidated financial statements and financial statement schedules of Burlington Stores, Inc. and Subsidiaries and the effectiveness of Burlington Stores, Inc. and Subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Burlington Stores, Inc. for the year ended January 31, 2015.

/s/ DELOITTE & TOUCHE LLP
Parsippany, New Jersey
March 25, 2015

Exhibit 31.1

I, Thomas A. Kingsbury, certify that:

1. I have reviewed this annual report on Form 10-K of Burlington Stores, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 25, 2015

/s/ Thomas A. Kingsbury
Thomas A. Kingsbury
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

I, Marc Katz, certify that:

1. I have reviewed this annual report on Form 10-K of Burlington Stores, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 25, 2015

/s/ Marc Katz
Marc Katz
Executive Vice President—Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Burlington Stores, Inc. (the "Company") on Form 10-K for the period ending January 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas A. Kingsbury, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

Date: March 25, 2015

/s/ Thomas A. Kingsbury
Thomas A. Kingsbury
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Burlington Stores, Inc. (the "Company") on Form 10-K for the period ending January 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc Katz, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

Date: March 25, 2015

/s/ Marc Katz
Marc Katz
Executive Vice President—Chief Financial Officer
(Principal Financial Officer)