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

FORM 8-K

CURRENT REPORT

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

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

J.Crew Group, Inc.
(Exact name of registrant as specified in its charter)

Commission File Number: 333-175075

Delaware **(State or other jurisdiction of incorporation)**	**22-2894486** **(IRS Employer Identification No.)**

770 Broadway
New York, NY 10003
(Address of principal executive offices, including zip code)

(212) 209-2500
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On March 13, 2017, J. Crew Operating Corp. (the “Company”) entered into confidentiality agreements (the “Confidentiality Agreements”) with certain holders (the “Ad Hoc PIK Noteholders”) of the 7.75%/8.50% Senior PIK Toggle Notes due May 1, 2019 (the “PIK Notes”) issued by Chinos Intermediate Holdings A, Inc. (the “Issuer”), an indirect parent holding company of the Company, regarding potential transactions to enchance the Company’s capital structure. Pursuant to the Confidentiality Agreements, the Ad Hoc PIK Noteholders were provided with confidential information regarding the Company, which is attached hereto as Exhibit 99.1 (the “Confidential Information”). On March 13, 2017, the Company made a proposal to the Ad Hoc PIK Noteholders which proposal is included in Exhibit 99.1. On March 17, 2017, the Ad Hoc PIK Noteholders made a counterproposal to the Company, which is attached as Exhibit 99.2. The Confidentiality Agreements have expired and no agreement has been reached among the parties. There are no further discussions scheduled at this time.

The Confidential Information, including any financial projections and forecasts, was not prepared with a view toward public disclosure or compliance with the published guidelines of the Securities and Exchange Commission or the guidelines established by the Public Company Accounting Oversight Board and should not be relied upon to make an investment decision with respect to the Company or the Issuer. The Information does not purport to present the Company’s financial condition in accordance with GAAP. The Company’s independent registered public accounting firm has not examined, compiled or otherwise applied procedures to the Confidential Information and, accordingly, does not express an opinion or any other form of assurance with respect to the Confidential Information. The inclusion of the Confidential Information should not be regarded as an indication that the Company or its affiliates or representatives consider the Confidential Information to be a reliable prediction of future events, and the Confidential Information should not be relied upon as such. Neither the Company nor any of its affiliates or representatives has made or makes any representation to any person regarding the ultimate outcome of any potential restructuring transaction involving the PIK Notes, and none of them undertakes any obligation to publicly update the Confidential Information to reflect circumstances existing after the date when the Confidential Information was made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the Information are shown to be in error. The statements provided herein are subject to all of the cautionary statements and limitations described herein and under the caption “Forward-Looking Statements.”

The information in this report under Item 7.01 shall not be deemed to be “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Forward-Looking Statements

Certain statements herein and in the Confidential Information, including the Company’s 2017 guidance and projected store count, are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the Company’s current expectations or beliefs concerning future events, and actual results of operations may differ materially from historical results or current expectations. Any such forward-looking statements are subject to various risks and uncertainties, including the Company’s substantial indebtedness and the indebtedness of its indirect parent, the retirement, repurchase or exchange of its indebtedness or the indebtedness of its indirect parent, its substantial lease obligations, its ability to anticipate and timely respond to changes in trends and consumer preferences, the strength of the global economy, declines in consumer spending or changes in seasonal consumer spending patterns, competitive market conditions, its ability to attract and retain key personnel, its ability to successfully develop, launch and grow its newer concepts and execute on strategic initiatives, product offerings, sales channels and businesses, its ability to implement its growth strategy, material disruption to its information systems, its ability to implement its real estate strategy, adverse or unseasonable weather, interruptions in its foreign sourcing operations, and other factors which are set forth in the section entitled “Risk Factors” and elsewhere in the Company’s Annual Report on Form 10-K and in all filings with the SEC made subsequent to the filing of the Form 10-K. Because of the factors described above and the inherent uncertainty of predicting future events, we caution you against relying on forward-looking statements. The Company does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
99.1	Materials for Restricted Ad Hoc PIK Noteholders, dated March 13, 2017
99.2	PIK Noteholder Proposal, dated March 17, 2017

SIGNATURE

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

J.CREW GROUP, INC.

Date: March 21, 2017

By: /s/ MICHAEL J. NICHOLSON
Michael J. Nicholson
President, Chief Operating Officer and
Chief Financial Officer

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Exhibit 99.1

J.CREW

Materials for Restricted Ad Hoc PIK Noteholders

March 13, 2017

CONFIDENTIAL

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Disclaimer

By accepting this presentation, recipients acknowledge that they have read, understood and accepted the terms of this Disclaimer.

This presentation is the property of, and contains the proprietary and confidential information of J. Crew Group, Inc. and its subsidiaries (collectively, the "Company") and is being provided solely for informational purposes.

No representation or warranty, express or implied, is or will be given by the Company or its affiliates, directors, officers, partners, employees, agents or advisers or any other person as to the accuracy, completeness, reasonableness or fairness of any information contained in this presentation and no responsibility or liability whatsoever is accepted for the accuracy or sufficiency thereof or for any errors, omissions or misstatements, negligent or otherwise, relating thereto.

Accordingly, this presentation should not be relied upon for the purpose of evaluating the performance of the Company or for any other purpose, and neither the Company nor any of its affiliates, directors, officers, partners, employees, agents or advisers nor any other person, shall be liable for any direct, indirect or consequential liability, loss or damages suffered by any person as a result of this presentation or their reliance on any statement, estimate, target, projection or forward-looking information in or omission from this presentation and any such liability is expressly disclaimed. In all cases, interested parties should conduct their own investigation and analysis of the Company and the information contained herein.

All information herein speaks only as of (1) the date hereof, in the case of information about the Company (2) the date of such information, in the case of information from persons other than the Company. The Company does not undertake any duty to update or revise the information contained herein, publicly or otherwise.

You are cautioned not to place undue reliance on the utility of the information in this presentation as a predictor of future performance, as projected financial and other information are based on estimates and assumptions that are inherently subject to various significant risks, uncertainties and other factors, many of which are beyond the Company's control. Risks, uncertainties and other factors may cause future results to differ materially, and potentially adversely from the historical results or projections contained herein.

The historical financial information in this presentation includes information that is not presented in accordance with International Financial Reporting Standards (GAAP). Non-GAAP financial measures may be considered in addition to GAAP financial information, but should not be used as substitutes for the corresponding GAAP measures. Non-GAAP measures in this presentation may be calculated in ways that are not comparable to similarly titled measures reported by other companies.

This presentation is subject to the confidentiality provision set forth in the recipients' applicable Non-Disclosure Agreement. This presentation should not be considered as a recommendation by the Company or any affiliate or other person in relation to the Company, nor does it constitute an offer or invitation for the sale or purchase of the shares, assets or business of the Company and shall not form the basis of any contract.

THIS PRESENTATION MAY CONTAIN MATERIAL, NON-PUBLIC INFORMATION WITHIN THE MEANING OF THE UNITED STATES FEDERAL SECURITIES LAWS WITH RESPECT TO THE COMPANY AND ITS SUBSIDIARIES AND THEIR RESPECTIVE SECURITIES.

All amounts in this presentation are in USD unless otherwise stated.

Agenda

Today's presentation will cover the following topics:

I. Company Overview

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Business Overview

J.CREW GROUP, INC.
Revenue: $2.4 billion (J.Crew: 83% of Revenue | Madewell: 17% of Revenue)

J.Crew

Stores

- 281 J.CREW stores:
  - crewcuts: 8 standalone stores
  - International: 25 stores[1]

E-commerce

- www.jcrew.com
- J.CREW Catalog
- International – ship to over 100 countries

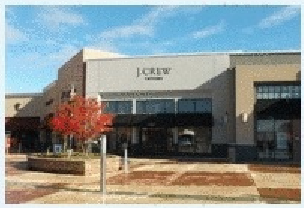
Factory

Stores

- 181 Factory stores:
  - Mercantile: 39 stores
  - crewcuts: 3 standalone stores
  - International: 6 stores[1]

E-commerce

- www.factory.jcrew.com
- Ship to Canada



Madewell

Stores

- 113 Madewell stores
- Expect to open 10 stores in FY17

E-commerce

- www.madewell.com
- Ship to over 100 countries

Revenue includes shipping and handling fees. Revenues and store counts as of FY2016 year end.
(1) Canada included as part of international store count.

Business Strategy

We remain focused on driving long-term, high quality earnings growth by:

- Delivering a unique assortment with consistency in style and quality
- Continuing to elevate our customer service culture
- Leveraging our omni-channel, multi-brand platform
- Maximizing new product and concept opportunities
- Constantly innovating our design, details, fabrications, product assortment, and partnerships

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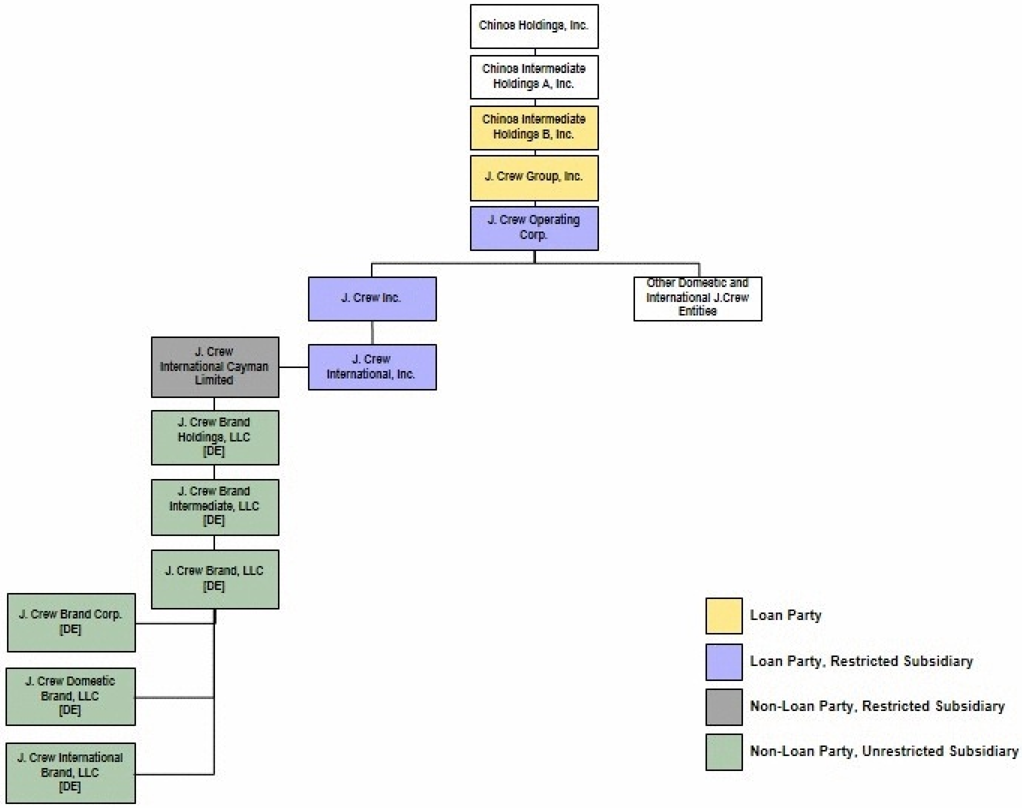
Summary Corporate Structure



Note: Does not represent entire corporate structure. Legend designations refer to Company's ABL Facility and Term Loan.

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Capitalization Summary & Maturity Profile

($ in millions)

Capitalization Summary	Book Value 1/28/17	Price 3/10/17	Market Value 3/10/17	Debt/LTM EBITDA Book	Debt/LTM EBITDA Market
Secured Debt (Group)					
ABL Facility	$ --	NA	$ --		
Term Loan	1,528	58.8%	898		
Total Secured Debt	**$1,528**		**$898**	**8.1x**	**4.8x**
Unsecured Debt (HoldCo)					
PIK Notes	$543	43.7%	$237		
Total Debt	**$2,071**		**$1,135**	**11.0x**	**6.0x**

Liquidity	
Cash and Cash Equivalents	$132
ABL Capacity	350
Less: Letters of Credit	(23)
Less: Revolver Outstanding	--
Total Liquidity[(1)]	**$459**

Maturity Profile[(2)]

(1) Total liquidity slightly less as a portion of balance sheet cash is included in the ABL borrowing base.
(2) Excludes impact from annual amortization.

II. Q4 / Fiscal 2016 Financial Review

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Fourth Quarter 2016 Highlights

Top-line[1]	• Total revenues decreased 2% to $695MM, with comparable company sales decreasing 5% following a decrease of 4% LY - J.Crew sales decreased 5% to $573MM, with comparable sales decreasing 7% following a decrease of 5% LY - Madewell sales increased 11% to $103MM, with comparable sales increasing 6% following an increase of 12% LY
Gross Margin	• Gross margin rate of 34.7% compared to 33.3% LY - Merchandise margin increased 160 bps, partially offset by 20 bps of deleverage in Buying and Occupancy expense
SG&A	• SG&A expenses were $225MM, or 32.4% of revenues, compared to $229MM, or 32.2% of revenues LY
Operating Income	• Operating income was $15MM compared to $6MM LY
Net Income	• Net income was $1MM compared with a net loss of $7MM LY
Adjusted EBITDA[2]	• Adjusted EBITDA was $52MM compared to $44MM LY

(1) Comparable company sales includes net sales from stores that have been open for at least twelve months, e-commerce net sales, and shipping and handling revenues.
(2) Refer to page 15 for a Reconciliation of Adjusted EBITDA.

Fiscal 2016 Highlights

Top-line[(1)]	• Total revenues decreased 3% to $2,426MM, with comparable company sales decreasing 7% following a decrease of 8% LY - J.Crew sales decreased 6% to $2,018MM, with comparable sales decreasing 8% following a decrease of 10% LY - Madewell sales increased 14% to $342MM, with comparable sales increasing 5% following an increase of 8% LY
Gross Margin	• Gross margin rate of 36.1% compared to 35.7% LY - Merchandise margin increased 120 bps, partially offset by 80 bps of deleverage in Buying and Occupancy expense
SG&A	• SG&A expenses were $819MM, or 33.7% of revenues, compared to $834MM, or 33.3% of revenues LY
Operating Income[(2)]	• Operating income was $49MM compared to an operating loss of $1,320MM LY.
Net Income	• Net loss was $24MM compared with a net loss of $1,243MM LY
Adjusted EBITDA[(3)]	• Adjusted EBITDA was $189MM compared to $203MM LY
Inventory	• Decreased 16% and 18% on a per square foot basis
Cash and Liquidity	• Cash and cash equivalents totaled $132MM vs. $88MM LY • ABL utilization limited to $23MM in standby letters of credit

(1) Comparable company sales includes net sales from stores that have been open for at least twelve months, e-commerce net sales, and shipping and handling revenues.
(2) TY includes pre-tax, non-cash impairment charges of $8MM. LY includes pre-tax, non-cash impairment charges of $1.4BN and a charge of $5MM for severance and related costs associated with the Company's workforce reduction.
(3) Refer to page 15 for a Reconciliation of Adjusted EBITDA.

Condensed Consolidated Statement of Operations

(Unaudited)

(in thousands, except percentages)	Fourth Quarter Fiscal 2016	Fourth Quarter Fiscal 2015	Fiscal 2016	Fiscal 2015
Net sales:				
J.Crew	$ 572,596	$ 604,464	$ 2,018,052	$ 2,146,710
Madewell	102,867	92,512	341,570	300,982
Other	19,525	13,983	65,840	58,135
Total revenues	694,988	710,959	2,425,462	2,505,827
COGS, incl. B&O	453,720	474,512	1,550,185	1,610,256
Gross profit	241,268	236,447	875,277	895,571
As a percent of revenues	*34.7 %*	*33.3 %*	*36.1 %*	*35.7 %*
SG&A	225,242	228,800	818,546	834,137
As a percent of revenues	*32.4 %*	*32.2 %*	*33.7 %*	*33.3 %*
Impairment losses	1,023	1,318	7,752	1,381,642
Operating income (loss)	15,003	6,329	48,979	(1,320,208)
As a percent of revenues	*2.2 %*	*0.9 %*	*2.1 %*	*(52.7) %*
Interest expense, net	19,848	17,457	79,359	69,801
Loss on refinancing	435	—	435	—
Loss before income taxes	(5,280)	(11,128)	(30,815)	(1,390,009)
Benefit for income taxes	(6,334)	(4,094)	(7,301)	(147,333)
Net income (loss)	$ 1,054	$ (7,034)	$ (23,514)	$ (1,242,676)

Consolidated Statement of Cash Flows

(Unaudited)

(in thousands)	For the Year Ended January 28, 2017	January 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (23,514)	$ (1,242,676)
Adjustments to reconcile to cash flows from operating activities	138,077	1,359,691
Changes in operating assets and liabilities	23,270	18,538
Net cash provided by operating activities	137,833	135,553
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(80,140)	(103,657)
Net cash used in investing activities	(80,140)	(103,657)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments of Term Loan Facility	(11,753)	(15,670)
Cost paid in connection with refinancings of debt	(1,099)	(137)
Dividend and contribution to Parent	—	(38,177)
Net cash used in financing activities	(12,852)	(53,984)
Effect of FX rate changes on cash & equivalents	(427)	(1,197)
Increase (decrease) in cash and cash equivalents	44,414	(23,285)
Beginning balance	87,812	111,097
Ending balance	$ 132,226	$ 87,812
Supplemental cash flow information:		
Income taxes paid	$ 1,245	$ 1,328
Interest paid	$ 72,558	$ 73,923

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Condensed Consolidated Balance Sheets

(Unaudited)

(in thousands)	For the Year Ended January 28, 2017	January 30, 2016
Assets		
Cash and cash equivalents	$ 132,226	$ 87,812
Merchandise inventories	314,492	372,410
Prepaid expenses and other current assets	80,377	65,605
Total current assets	**527,095**	**525,827**
Property and equipment, net	362,187	398,244
Intangible assets, net	450,204	460,744
Goodwill	107,900	107,900
Other assets	6,207	7,261
Total assets	**$ 1,453,593**	**$ 1,499,976**
Liabilities and Stockholders' Deficit		
Accounts payable	$ 194,494	$ 248,342
Other current liabilities	178,024	157,765
Interest payable	7,977	5,279
Income taxes payable to Parent	25,215	7,086
Current portion of long-term debt	15,670	15,670
Total current liabilities	**421,380**	**434,142**
Long-term debt, net	1,494,490	1,501,917
Lease-related deferred credits, net	132,566	131,812
Deferred income taxes, net	148,200	148,819
Other liabilities	43,168	52,273
Total liabilities	**2,239,804**	**2,268,963**
Total stockholders' deficit	**(786,211)**	**(768,987)**
Total liabilities and stockholders' deficit	**$ 1,453,593**	**$ 1,499,976**

Reconciliation of Adjusted EBITDA

(in millions)	Fourth Quarter Fiscal 2016	Fourth Quarter Fiscal 2015	Fiscal 2016	Fiscal 2015
Net income (loss)	$ 1.1	$ (7.0)	$ (23.5)	$ (1,242.7)
Benefit for income taxes	(6.3)	(4.1)	(7.3)	(147.3)
Interest expense (incl. the loss on refinancing)	20.2	17.5	79.8	69.8
Depreciation and amortization (incl. intangible assets)	31.7	31.0	120.0	119.5
EBITDA	46.7	37.4	169.0	(1,200.7)
Sponsor monitoring fees	2.5	2.7	10.0	10.3
Impairment losses	1.0	1.3	7.8	1,381.6
Share-based compensation	0.2	0.4	1.0	2.6
Amortization of lease commitments	1.1	2.2	0.7	4.8
Charges related to a workforce reduction	—	—	—	4.8
Adjusted EBITDA	51.5	44.0	188.5	203.4
Taxes paid	(0.2)	(0.3)	(1.2)	(1.3)
Interest paid	(19.3)	(18.3)	(72.6)	(73.9)
Changes in working capital	87.3	64.9	23.1	7.4
Cash flows from operating activities	119.3	90.3	137.8	135.6
Cash flows from investing activities	(20.8)	(25.1)	(80.1)	(103.7)
Cash flows from financing activities	(5.1)	(24.1)	(12.9)	(54.0)
Effect of FX rate changes on cash & equivalents	0.4	(0.8)	(0.4)	(1.2)
Increase (decrease) in cash	93.8	40.3	44.4	(23.3)
Cash and cash equivalents, beginning	38.4	47.5	87.8	111.1
Cash and cash equivalents, ending	$ 132.2	$ 87.8	$ 132.2	$ 87.8

The above table reconciles net income (loss) reflected on the Company's condensed consolidated statements of operations to: (i) Adjusted EBITDA (a non-GAAP measure), (ii) cash flows from operating activities (measured in accordance with GAAP) and (iii) cash and cash equivalents as reflected on the condensed consolidated balance sheet (measured in accordance with GAAP).

The Company presents Adjusted EBITDA, a non-GAAP financial measure, because it uses such measure to: (i) monitor the performance of its business, (ii) evaluate its liquidity, and (iii) determine levels of incentive compensation. The Company believes the presentation of this measure will enhance the ability of its investors to analyze trends in its business, evaluate its performance relative to other companies in the industry, and evaluate its ability to service debt.

Adjusted EBITDA is not a presentation made in accordance with generally accepted accounting principles, and therefore, differences may exist in the manner in which other companies calculate this measure. Adjusted EBITDA should not be considered an alternative to (i) net income, as a measure of operating performance, or (ii) cash flows, as a measure of liquidity. Adjusted EBITDA has important limitations as an analytical tool and should not be considered in isolation to, or as a substitute for, analysis of the Company's results as measured in accordance with GAAP.

III. Fiscal 2017 Guidance

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Fiscal 2017 Guidance

(in millions)		FY2016	FY2017 Guidance[4]
Revenue	Consolidated	-3%	- LSD to +LSD
Brand Comp [1]	Consolidated	-7%	- MSD to - LSD
	J.Crew	-8%	- MSD to - LSD
	Madewell	5%	+LSD to +MSD
Adj. EBITDA[2]	Consolidated	$189	$190 - 210
CapEx	Consolidated	$80	$50 - $60
Interest Paid	Consolidated	$73	$80
Store Count[3]	Consolidated	575	567
	J.Crew	462	444
	Madewell	113	123

(1) Comparable company sales includes net sales from stores that have been open for at least twelve months, e-commerce net sales, and shipping and handling fees.
(2) FY2017 includes incremental sourcing benefit of $50MM. Refer to page 15 for a Reconciliation of Adjusted EBITDA.
(3) FY2017 includes 12 store openings (10 Madewell, 2 J.Crew) and 20 store closures.
(4) LSD and MSD mean "Low-Single Digits" and "Mid-Single Digits", respectively.

Overview of Key Strategic Priorities

Design & Product	• Focus on evolving our creative and design direction with our overall business objectives • Explore opportunities to design to value and improve the overall comfort and fit of our products – without compromising our quality or iconic style
Marketing	• Extend our brand reach, increase customer loyalty, and communicate our compelling value and quality story in clear and direct way • Deepen our emphasis on customer insights and data to drive our decision-making and promotional and pricing strategies so we are more in sync with consumer preferences • Take a digital-first approach to ensure that our customers have the ability to shop how they want and where they want with ease and immediacy
Real Estate	• Improve the overall customer experience and invest in locations that serve our customer with the personalized approach and convenience they are looking for, while ensuring each store satisfies profitability hurdles
Sourcing & Supply Chain	• Explore opportunities to enhance our sourcing and supply chain strategies with an emphasis on cost, quality and speed to market, while remaining committed to quality
Operational Efficiencies	• Assess opportunities to further streamline our cost structure, closely evaluating our business practices, systems, processes, and workforce in an effort to ensure that we are appropriately sized and focusing our resources on opportunities that deliver the highest ROI

IV. Summary of Proposed Transaction

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Summary of Proposed Transaction — Key Terms

	Exchange Summary
Consideration	• $200 million of IPCo Notes as described below • 5% of the common equity of Chinos Holdings, Inc. (subject to dilution from management incentive plan)[1]
Minimum Participation	• 95.0% of the outstanding PIK Toggle Notes – Ad hoc group members holding at least [ ]% of PIK Toggle Notes to execute support agreements prior to launch of the public exchange
	Description of IPCo Notes
Issuer	• J.Crew Brand, LLC; J.Crew Brand Corp.
Guarantors	• J. Crew Domestic Brand, LLC ("IPCo"); J. Crew International Brand, LLC; J. Crew Brand Intermediate, LLC
Maturity	• September 15, 2021 (6 months after Term Loan maturity)
Principal Amount	• $200 million
Ranking	• Senior Secured
Interest	• Payable semi-annually in cash at 9.0% per annum
Collateral	• First lien on all IP assets invested in IPCo • First lien on all other assets of the Issuers and the Guarantors, including cash • Pledge of 100% of the stock in IPCo and all of its subsidiaries
Redemption	• Redeemable at par, together with accrued and unpaid interest (excluding the redemption date), at any time
Change of Control	• Change of control put at par • Change of control upon (i) Group ceasing to hold, directly or indirectly, 100% of the equity interest in IPCo and (ii) J. Crew Brand, LLC ceasing to directly hold 100% of the equity interests in IPCo
Negative Covenants	• Permitted Indebtedness: None, other than to refinance the IPCo Notes • Permitted Liens: None, other than usual and customary (*e.g.*, contractual rights of set-off) • Permitted Investments: None, other than cash and cash equivalents • Sales/Sale-Leasebacks: None • Restricted Payments: None, other than IPCo can make restricted payments in cash to Group (i) for IPCo tax obligations and (ii) in an amount equal to excess cash over the sum of (A) the next-scheduled interest payment and other accrued expenses under the IPCo Notes and (B) $500,000 • Business: Cannot conduct any business other than ownership of its IP assets and licensing activities related thereto • Subsidiaries: Cannot create any subsidiaries
Events of Default	• If Group fails to make its first semi-annual licensing payment under the IP Licensing Agreement within 90 days • Other usual and customary events of default

1. Immediately prior to an exchange transaction, the Company would convert the existing preferred equity of Chinos Holdings, Inc. into 100% of the common equity of Chinos Holdings, Inc. The current common equity of Chinos Holdings, Inc. and all options related thereto would be cancelled. Concurrent with the exchange transaction, a new management incentive program would be adopted by the Chinos Holdings Board and implemented to appropriately incentivize management going forward.

Summary of Proposed Transaction — Pro Forma Capitalization

($ in millions)

Pro Forma Cap Table	Q1'17E Balance	Adj.	PF Balance
J.Crew Brand, LLC			
New 9.0% First Lien Notes	$ --	$200	$200
Group Debt			
ABL Facility	$ --	$ --	$ --
Term Loan	1,524	--	1,524
Total Group Debt	**$1,524**	**$ --**	**$1,524**
HoldCo Debt			
PIK Toggle Notes	543	(543)	--
Total Debt	**$2,067**	**($343)**	**$1,724**

1. Assumes 100% participation of PIK Notes in the exchange transaction.

Exhibit 99.2

PJT Partners

Project Oar

PIK NOTEHOLDER PROPOSAL

CONFIDENTIAL

March 17, 2017

Confidential

Subject to FRE 408

Subject to Material Revision

PIK Noteholder Counterproposal Overview

The PIK Noteholders have put together a proposal that provides the Company with key benefits.

OBJECTIVES	STATUS QUO	PROPOSAL	BENEFIT
Runway Extension	**May 1, 2019 Holdco PIK Note maturity** > $669mm, assuming security accretes until maturity	**IPCo maturity on September 15, 2021** > $250mm	**Company obtains longer runway to facilitate turnaround** > Maturity extended by 28.5 months > Maturity obligation lower by $419mm
Capture Discount	**$2.158 billion of securities senior to equity in 2019** > $1.489bn of Term Loan[(1)] > $669mm of fully accreted PIK note	**$1,969 billion of securities senior to equity in 2019** > $1.489bn of Term Loan > $250mm of IPCo security > $230mm of fully accreted preferred securities	**Company captures $189mm of discount**

(1) Assuming ongoing 0.25% amortization per quarter until May 1, 2019

PIK Noteholder Counterproposal

	PIK Noteholder Ad Hoc Group *(March 17, 2017)*
	Terms
Consideration for Exchange	> Assuming minimum participation percentage in the exchange, proposal includes: – No cash consideration – $250 million of IPCo notes on terms described below – $200 million of preferred security junior to the J.Crew Group Term Loan – 5% of equity
Minimum Participation	> 95% Participation
Terms for IPCo Debt	
Issuer	> J.Crew Brand, LLC; J.Crew Brand Corp
Guarantors	> J.Crew Domestic Brand, LLC; J.Crew International Brand, LLC; J. Crew Brand Intermediate, LLC
Maturity	> September 15, 2021 (6 months after Term Loan maturity)
Interest Rate	> 15%
Principal	> $250 million
Redemption	> No redemption prior to maturity
Covenants	> Permitted Indebtedness: None, other than to refinance the IPCo Notes > Permitted Liens: None, except for customary immaterial liens > Permitted Investments: None, other than cash and cash equivalents > Sales/Sale-Leasebacks: None > Restricted Payments: None, other than IPCo can make restricted payments in cash to Group (i) for IPCo tax obligations and (ii) in an amount to be agreed > Business: Cannot conduct any business other than ownership of its IP assets > Subsidiaries: Cannot create any subsidiaries
Security Interest	> First lien on all IP assets invested in IPCo > First lien on all other assets of the Issuers and the Guarantors, including cash > Pledge of 100% of the stock in IPCo and all of its subsidiaries
Other	> Any failure to pay the licensing fee under the IP Licensing Agreement when due shall be an event of default > Other usual and customary events of default > Other terms and conditions and implementation mechanics acceptable to the Ad Hoc Committee. IP Licensing Agreement to be amended in a manner acceptable to the Ad Hoc Committee > Upon issuance and thereafter, Notes will be registered and publicly tradeable

PIK Noteholder Counterproposal (Cont'd)

	PIK Noteholder Ad Hoc Group *(March 17, 2017)*
	Terms
Terms for Preferred Shares	
Issuer	> Chinos Intermediate Holdings B, Inc.(1)
Amount	> $200 million
Interest Rate	> 5% cash interest per annum, payable semi-annually, and > 7% PIK interest per annum, payable semi-annually
Company / Sponsor Repurchase Right	> The Company / Sponsor can repurchase the full $200 million of preferred shares, plus accrued and unpaid PIK interest, at par ("Repurchase Right") at any time
Shareholder Agreement Restrictions	> Covenants prohibiting: (i) structurally senior debt; (ii) liens; (iii) investments; (iv) restricted payments
Management Incentive Program	> Management shall receive a MIP in the form of TBD convertible preferred shares
Governance	> Governance terms to be agreed upon
Terms for Common Equity	
Issuer	> Chinos Holdings, Inc.
Amount	> 5% of common equity

(1) Issuer to be determined.

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