Apparel Holding Corp.
Form 424B4
November 22, 2013
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Filed Pursuant to Rule 424(b)(4)
Registration No. 333-191336

10,000,000 Shares

Apparel Holding Corp.

Common Stock

This is an initial public offering of shares of common stock of Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of this offering). Apparel Holding Corp. is selling 10,000,000 shares of common stock in this offering.

Prior to this offering, there has been no public market for the common stock. The initial public offering price of our common stock is $20.00 per share. The common stock has been approved for listing on the New York Stock Exchange under the symbol VNCE .

We are an emerging growth company as defined under the federal securities laws and are therefore subject to reduced public company reporting requirements.

See Risk Factors on page 29 to read about the factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$ 20.00	$ 200,000,000
Underwriting discount(1)	$ 1.40	$ 14,000,000
Proceeds, before expenses, to us	$ 18.60	$ 186,000,000

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See Other Information Related to this Offering Underwriting.

To the extent that the underwriters sell more than 10,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 1,500,000 shares from the selling stockholders at the initial price to the public less the underwriting discounts. We will not receive any proceeds with respect to such shares.

The underwriters expect to deliver the shares against payment in New York, New York on or about November 27, 2013.

Goldman, Sachs & Co. **Baird**

BofA Merrill Lynch **Barclays** **J.P. Morgan** **Wells Fargo Securities**

KeyBanc Capital Markets **Stifel** **William Blair**

Prospectus dated November 21, 2013.

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We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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Persons who come into possession of this prospectus and any such free writing prospectus in jurisdictions outside the United States (the U.S.) are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus and any such free writing prospectus applicable to that jurisdiction.

Market and Industry Data

We obtained the industry, market and competitive position data throughout this prospectus from our own internal estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties, including (i) the *Worldwide Luxury Markets Monitor, Spring 2012 Update* (dated May 7, 2012), the *2012 Luxury Goods Worldwide Market Study (11th Edition)* (dated October 15, 2012) and the *Worldwide Luxury Markets Monitor, Spring 2013 Update* (dated May 16, 2013) (the Bain Studies) each of which was prepared by the Altagamma Foundation in cooperation with Bain & Company and (ii) the *Vince Survey Among Qualified Non-Customers* (dated January 9, 2013) (the Harris Study) which was prepared by Harris Interactive. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified market and industry data from third-party sources. Further, while we believe the market opportunity information included in this prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in Risk Factors. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us. See Special Note Regarding Forward-Looking Statements.

The Bain Studies analyze the global luxury market, including the market and financial performance of more than 230 of the world s leading luxury goods companies and brands. All 2012 figures derived from the Bain Studies are based on an exchange rate of $1.00 to 0.809.

We commissioned the Harris Study to analyze awareness of the Vince brand, affinity for the Vince brand and overall brand and purchase behavior among 500 qualified respondents.

Basis of Presentation

Our fiscal year ends on the Saturday closest to January 31. Fiscal years are identified in this prospectus according to the calendar year prior to the calendar year in which they end. For example, references to 2012, fiscal 2012 or fiscal year 2012 or similar references refer to the fiscal year ended on February 2, 2013. References to the first six months of fiscal 2012 and the first six months of fiscal 2013 refer to the six month periods ended July 28, 2012 and August 3, 2013, respectively.

Unless the context otherwise requires, references to the company, we, us and our collectively refer to Vince Holdin Corp. (currently known as Apparel Holding Corp.) and its consolidated subsidiaries, which will include Vince, LLC after giving effect to the transactions to be effected immediately prior to the consummation of this offering. When discussing periods prior to the consummation of this offering, such references refer to the historical results and operations of Vince, LLC. We describe these transactions in the Restructuring Transactions section of this prospectus as IPO Restructuring Transactions . Additionally, unless the context otherwise requires, references to:

AHC refer to Apparel Holding Corp. and its consolidated subsidiaries (including Kellwood Company) prior to the completion of the IPO Restructuring Transactions. Apparel Holding Corp. is the historical owner and operator of the Vince and non-Vince businesses;

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Kellwood refer to Kellwood Holding, LLC and its consolidated subsidiaries (including Kellwood Company, LLC) after giving effect to the IPO Restructuring Transactions, as the future owner and operator of the non-Vince businesses, or to the non-Vince businesses of AHC prior to the completion of the IPO Restructuring Transactions, as the context requires;

Kellwood Company refer to Kellwood Company prior to the completion of the IPO Restructuring Transactions and Kellwood Company, LLC references refer to such entity after completion of the IPO Restructuring Transactions;

Vince refer to the Vince business after giving effect to the IPO Restructuring Transactions; and

Vince, LLC refer to the entity that has historically held the Vince assets and liabilities and will continue to do so after completion of the IPO Restructuring Transactions and the consummation of this offering and the application of the proceeds of this offering as described herein. Apparel Holding Corp. is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC.

In connection with the IPO Restructuring Transactions, affiliates of Sun Capital Partners, Inc. (Sun Capital) will retain their ownership of the non-Vince businesses through their ownership of Kellwood Holding, LLC.

Trademarks

Prior to giving effect to the IPO Restructuring Transactions, AHC owned or had rights to trademarks or trade names that it used in conjunction with the operation of both the Vince and non-Vince businesses, including Vince®, Rebecca Taylor®, David Meister®, My Michelle®, XOXO®, Jolt®, Rewind®, Democracy , Sag Harbor®, Briggs New York®, Jax®, Sangria , Kelty®, Sierra Designs®, Ultimate Direction®, Slumberjack®, Wenzel® and Isis®. After giving effect to the IPO Restructuring Transactions, we will own or have the right to use the Vince® trademark, under which we will operate our business, and Kellwood will continue to own the trademarks and tradenames necessary to operate the non-Vince businesses. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. In this prospectus, we also refer to product names, trademarks, trade names and service marks that are the property of other companies. Each of the trademarks, trade names or service marks of other companies appearing in this prospectus belongs to its owners. Our use or display of other companies product names, trademarks, trade names or service marks is not intended to and does not imply a relationship with, or endorsement or sponsorship by us of, the product, trademark, trade name or service mark owner, unless we otherwise indicate.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. It does not contain all of the information that may be important to you and your investment decision. You should carefully read the following summary together with the entire prospectus, including the matters set forth under Risk Factors, Additional Information Related to Vince Supplemental Management s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC and our financial statements and related notes included in the Additional Information Related to Vince Supplemental Selected Historical Financial Data of Vince, LLC section of this prospectus. Some of the statements in this prospectus constitute forward-looking statements. See Special Note Regarding Forward-Looking Statements. Statement of operations data set forth in this Prospectus Summary and the Additional Information Related to Vince Vince Business and Risk Factors Risks Related to Vince sections are calculated and presented on a stand-alone basis for Vince, LLC as if the Vince Transfer (as defined below in Corporate and Other Information) was consummated on the first day of the applicable period, unless the context otherwise requires. See Summary Historical Financial Data of Vince, LLC for additional information.

Restructuring Transactions

Apparel Holding Corp. was formed to hold the assets and liabilities of Kellwood Company in connection with the February 2008 acquisition of Kellwood Company by affiliates of Sun Capital Partners, Inc. (Sun Capital). In September 2012, Kellwood Company transferred the assets and liabilities of the Vince business to Vince, LLC in anticipation of this offering. Immediately prior to the consummation of this offering, affiliates of Sun Capital will engage in a series of transactions pursuant to which they will establish new corporate entities that will retain all of the non-Vince businesses after this offering. These non-Vince businesses will accordingly remain privately-held and will not be owned by the investors in this offering. In addition, in connection with the IPO Restructuring Transactions, as described below in The Offering Restructuring Transactions, Apparel Holding Corp., the entity offering stock in this offering, will change its name to Vince Holding Corp. and its only assets, liabilities, and operations will consist of the Vince business. Vince is the business in which you are investing by buying shares of common stock in this offering. Notwithstanding the foregoing, an investment in us is not the same as an investment in Vince, LLC as there are assets and liabilities of Apparel Holding Corp. not reflected in the Vince, LLC balance sheet. These assets and liabilities will be significantly impacted by the IPO Restructuring Transactions and the application of the net proceeds of this offering. See Additional Information Related to AHC Unaudited Pro Forma Consolidated Financial Data of AHC.

Consummation of this offering is conditioned upon the successful completion of the IPO Restructuring Transactions, including entry into the Transfer Agreement, which requires the issuance of the Kellwood Note Receivable, the application of the proceeds of this offering to the repayment of the Kellwood Note Receivable and the repayment, discharge or refinancing, as applicable, of certain indebtedness of Kellwood Company. The indebtedness that is to be repaid or discharged immediately after the closing of this offering (after giving effect to an additional capital contribution to be made by affiliates of Sun Capital as part of the IPO Restructuring Transactions) includes the Cerberus Term Loan Agreement, which had an outstanding balance of $45.7 million as of August 3, 2013, and the Sun Term Loan Agreements, which totaled $118.0 million in the aggregate as of August 3, 2013 (each as defined in Restructuring Transactions). Kellwood Company, LLC will also, at closing, issue an unconditional redemption notice to redeem all of its 12.875% Second-Priority Senior Secured Payment-In-Kind Notes due 2014, which totaled $146.8 million as of August 3, 2013 (the 12.875% Notes), and refinance its $155 million revolving credit facility (the Wells Fargo Facility), which had an outstanding balance of $115.6 million as of August 3, 2013, to, among other things, release Vince, LLC

as a guarantor. At or after the closing of this offering, Kellwood Company, LLC may use proceeds remaining from the repayment of the Kellwood Note Receivable to repurchase some or all of its 7.625% 1997 Debentures due 2017, which totaled $87.0 million in the aggregate as of August 3, 2013 (the 7.625% Notes) and some or all of its 3.5% 2004 Convertible Debentures due June 15, 2034, which totaled $0.2 million in the aggregate as of August 3, 2013 (the 3.5% Convertible Notes). Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of the 7.625% Notes or the 3.5% Convertible Notes. Although the repayment, discharge, repurchase or refinancing of the Kellwood Company indebtedness described in this paragraph is not a condition to the closing of this offering, the Transfer Agreement requires that Kellwood Company, LLC apply the proceeds from the repayment of the Kellwood Note Receivable to effect such repayments, discharges, repurchases and refinancings and entry into the Transfer Agreement is a closing condition. See Restructuring Transactions, Use of Proceeds and Other Information Related to this Offering Description of Certain Indebtedness of AHC for additional information. If any of these conditions are not satisfied, the offering will not be consummated and you will not receive or be obligated to pay for shares of Vince Holding Corp. common stock until such time as all such conditions are satisfied or the offering is withdrawn in accordance with applicable law.

Our Company

Apparel Holding Corp. is currently a diversified apparel company that designs, manufactures, and markets a collection of fashion brands which include Vince, Rebecca Taylor, David Meister, Sag Harbor, My Michelle and XOXO, along with numerous private label businesses for major retailers. AHC has four reportable segments which include (i) Vince, contemporary fashion apparel and accessories sold under the Vince® brand name; (ii) American Recreational Products (ARP), recreational apparel and products sold under Kelty, Sierra Designs, Ultimate Direction, Slumberjack, Wenzel and Isis brand names; (iii) Juniors, a collection of denim, dresses and sportswear labels sold under the Rewind, My Michelle and Jolt brand name as well as private label; and (iv) Moderate, moderately priced related separates and pants covering career and casual lifestyles sold through wholesale distribution and produced under private labels, as well as under the Sag Harbor and Briggs New York brands. After giving effect to the IPO Restructuring Transactions, Apparel Holding Corp. will be renamed Vince Holding Corp. and its assets, liabilities, and operations will consist solely of the Vince business. An investment in us is an investment in the Vince business.

Vince is a prominent, high-growth contemporary apparel brand known for its modern, effortless style and everyday luxury essentials. The Vince brand was founded in 2002 with a collection of stylish women s knits and cashmere sweaters that rapidly attracted a loyal customer base drawn to the casual sophistication and luxurious feel of our products. Over the last decade, Vince has generated strong sales momentum and has successfully grown to include a men s collection in 2007, expanded denim, leather and outerwear lines in 2010 and women s footwear, which was launched through a licensing partnership in 2012. The Vince brand is synonymous with a clean, timeless aesthetic, sophisticated design and superior quality. We believe these attributes have generated strong customer loyalty and allow us to hold a distinctive position among contemporary apparel brands. We also believe that we will achieve continued success by expanding our product assortment and distributing this expanded product assortment through our premier wholesale partners in the U.S. and select international markets, as well as through our growing number of branded retail locations and on our e-commerce platform.

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The strength of the Vince brand is demonstrated by our growth trajectory, with net sales, comparable store sales growth, Adjusted EBITDA and net income, as set forth below, for each of fiscal 2010, fiscal 2011 and fiscal 2012 and the first six months of fiscal 2012 and 2013:

Period (Dollars in Millions)	Net Sales	Change from Prior Period	Comparable Store Sales Growth	Adjusted EBITDA	Change from Prior Period	Net Income
Fiscal 2010	$ 111.5		9.3%	$ 23.6		$ 9.1
Fiscal 2011	175.3	57.2%	7.6%	44.2	86.9%	16.7
Fiscal 2012	240.4	37.1%	23.1%	51.5	16.6%	10.3
First six months of Fiscal 2012	90.5		13.9%	15.3		1.2
First six months of Fiscal 2013	114.7	26.6%	31.7%	21.5	40.9%	2.4

See Non-GAAP Financial Measures for the definition of Adjusted EBITDA and a reconciliation from net income to Adjusted EBITDA.

Led by an experienced management team, Vince is evolving from a U.S. wholesale-driven women s apparel business to a global, dual-gender, multi-channel lifestyle brand. We believe we have significant and visible growth opportunities that include:

- expanding the brand s appeal with new product offerings;
- increasing wholesale penetration and productivity in premier department stores and specialty stores;
- opening new retail locations and improving productivity in existing Vince stores;
- growing our e-commerce business;
- selectively adding new points of distribution globally; and
- building brand awareness to attract new customers.

We serve our customers through a variety of channels that reinforce the Vince brand image. Our diversified channel strategy allows us to introduce our products to customers through multiple distribution points that are reported in two segments: wholesale and direct-to-consumer. Our wholesale segment is comprised of sales to premier department stores and specialty stores in the U.S. and in select international markets, with U.S. wholesale representing 76% of our fiscal 2012 sales and 70.4% of our sales for the first six months of fiscal 2013. We believe that our success in the U.S. wholesale segment and strong relationships with premier wholesale partners provide opportunities for continued growth. These growth initiatives include creating enhanced product assortments and brand extensions through both in-house development activities and licensing arrangements, as well as by continuing the build-out of Vince branded shop-in-shops in select wholesale partner locations. We also believe international wholesale, which represented 8% of net sales for fiscal year 2012 and 10.3% of net sales for the first six months of fiscal 2013, presents a significant growth opportunity as we strengthen our presence in existing geographies and introduce Vince in new markets globally.

In 2008, we began to broaden our distribution beyond the wholesale channel with the opening of our first retail store. Since then, we have expanded our direct-to-consumer presence, and as of October 5, 2013, we operated 27 stores, which consist of 21 full-price retail stores and six outlet locations. Based on a combination of third-party analyses and internal projections, we believe the U.S. market can currently support at least 100 free-standing Vince store locations. The direct-to-consumer

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segment also includes our website, *www.vince.com*, which was launched in 2008. The direct-to-consumer segment accounted for 15.5% of fiscal 2012 net sales and 19.3% of net sales for the first six months of fiscal 2013, and we expect sales from this channel to accelerate as we drive productivity in existing stores, open new stores and upgrade and re-launch our website in 2014.

Our Competitive Strengths

Differentiated Brand for Everyday Luxury Essentials. We believe that the Vince brand holds a distinct position in today s marketplace driven by a premium product assortment that combines sophisticated comfort with contemporary and timeless fashion that can be worn virtually everyday. The Vince brand is distinguished by a refined, modern aesthetic with superior quality and attention to detail and fit. The premium nature of the Vince brand is reinforced through our highly selective wholesale partnerships with premier department stores and specialty stores and a retail strategy designed to ensure a consistent brand presentation and enhanced customer experience. We believe the enduring fashion and effortless style of the Vince brand, coupled with a pricing strategy that positions us as an affordable luxury, have created strong and proven global appeal.

Exceptional Customer Loyalty and Reach. The quality, consistency and design of our products have attracted a loyal following among style-savvy consumers across a broad age demographic. Based on a 2012 third-party survey that we commissioned among 500 qualified consumers, Vince has high levels of brand affinity and purchase intent. Among women surveyed who are aware of Vince, 41% express that they love the brand, and 35% report that they are highly likely to purchase the brand within the next six months, representing the highest levels of affinity and purchase intent compared to 20 other peer brands included in the survey. While our target customer is between the ages of 30 and 50, we have successfully attracted fashion-conscious customers as young as 18 and customers over 55 who appreciate our brand s sophistication and design aesthetic.

Established Network of Premier Wholesale Partners. Vince is a leading brand in premier U.S. department stores, including Nordstrom, Saks Fifth Avenue, Neiman Marcus and Bloomingdale s, as well as in select specialty stores nationwide. Based on industry experience, we believe that in the majority of these U.S. department stores, Vince was a top selling brand on the contemporary floor in fiscal 2012 and the first six months of fiscal 2013. Our product offerings and brand also resonate with customers outside the U.S., as demonstrated by the strong growth experienced through premium international stores including Harrods and Harvey Nichols in both these periods and by Lane Crawford in the first six months of fiscal 2013. Looking forward, we believe there are opportunities for further growth and productivity gains with our wholesale partners through new initiatives such as product line extensions and the transformation of Vince product displays at select department stores into branded shop-in-shops.

Scalable and Flexible Retail Format. We opened our first retail location in 2008 and have since grown our retail footprint in the U.S. to a total of 27 stores, which consist of 21 full-price retail stores and six outlet locations, as of October 5, 2013. Our stores offer a personalized, service-oriented shopping experience in a boutique setting that reflects the lifestyle and modern aesthetic of the brand. We have a proven and flexible full-price retail format that targets both street and mall locations, which can accommodate both dual and single gender assortments. The strength of our retail channel is evidenced by the revenue growth across our existing store base, with a 9.3%, 7.6% and 23.1% comparable store sales growth in fiscal 2010, fiscal 2011 and fiscal 2012, respectively, and 31.7% comparable store sales growth in the first six months of fiscal 2013. We continue to open retail locations and invest in infrastructure to support the long-term growth of this channel.

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Experienced Management Team. We have assembled a world-class management team with extensive experience across a broad range of disciplines including global brand building, merchandising, marketing, design, operations, retail, international, licensing and finance. Our highly skilled team is led by our Chief Executive Officer (CEO), Jill Granoff, who was previously CEO of Kenneth Cole Productions, our President and Chief Creative Officer, Karin Gregersen, who was previously Managing Director of Chloé/Richemont Americas, and our Chief Financial Officer (CFO), Lisa Klinger, who was previously CFO of The Fresh Market.

Growth Strategy

Capitalize on New and Existing Product Opportunities. We believe there are significant opportunities to capitalize on our strong customer loyalty and growing customer base by enhancing our current product assortment and introducing new product categories in order to provide additional reasons to shop the Vince brand. We plan to build sales of existing product categories by elevating our men s collection, expanding our denim and outerwear offerings, increasing our assortment of women s bottoms and dresses and implementing a replenishment program for core items. Additionally, we continue to identify new product categories that will allow us to capture incremental share from existing customers and attract new customers. Categories already identified include handbags and leather accessories, which we anticipate launching in 2015, as well as more tailored collections for women and men. We also entered into a licensing agreement for women s footwear, which launched in 2012, and signed a licensing agreement in 2013 for the launch of children s apparel in 2014. We also anticipate launching men s footwear in 2014 through a licensing partner. We will continue to explore additional licensing opportunities for select categories requiring specialized expertise, such as intimates/loungewear, men s footwear and fashion accessories.

Increase Wholesale Penetration. In fiscal 2012, we grew our wholesale net sales in the U.S. by 35% compared to fiscal 2011. This revenue growth exceeded our growth of 17% in the number of wholesale doors during fiscal 2012, which illustrates our ability to improve productivity within existing locations. We believe we can continue to increase wholesale net sales by enhancing assortments in existing product categories, introducing new product categories and improving our visual presentation, space layout and fixtures. Working with our wholesale partners, we are planning to open 15 to 20 new branded shop-in-shops in fiscal 2013 and believe there is an attractive opportunity to open additional shop-in-shops in 2014 and beyond. We believe our shop-in-shop strategy will provide our customers with a more elevated retail shopping experience and allow us to better showcase the Vince lifestyle.

Accelerate Growth of U.S. Direct-to-Consumer Segment. As of October 5, 2013, we operated 27 stores, which consist of 21 full-price retail stores and six outlet locations. Based on a combination of third-party analyses and internal projections, we believe the U.S. market can currently support at least 100 free-standing Vince store locations. We plan to double our current store base over the next three to five years, including opening a net total of six new stores in fiscal 2013. Our new full-price store model ranges from 2,000 to 3,000 gross square feet, and we target a payback period on our new store investments of two to three years. In addition to new store expansion, we also have an opportunity to increase productivity in our existing stores through enhanced merchandising with a focus on a broad lifestyle presentation, personalized customer service strategies, the launch of new product categories, improved inventory management and the expansion of made-for-outlet product. We believe our recently enhanced e-commerce strategy creates additional opportunities for growth. As a component of this strategy, we intend to upgrade and re-launch our *www.vince.com* website in 2014 to offer a more compelling shopping experience and richer content to increase customer engagement and visit frequency.

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Expand Our International Business. Given increasing worldwide demand for affordable luxury goods, targeted international expansion represents a compelling growth opportunity. Vince products are currently sold in 43 countries, either directly to premier department and specialty stores, or through distribution relationships with highly-regarded international partners with exclusive rights to certain territories. As of October 5, 2013, we had eight international shop-in-shops. We believe we can increase international sales by supplementing existing distribution partnerships, increasing wholesale penetration and productivity and selectively adding retail locations with current and prospective partners in attractive international markets including Canada, select European countries, Asia and the Middle East.

Build Our Brand Awareness. Vince has a significant opportunity to increase brand awareness and drive incremental sales. Based on a 2012 third-party consumer survey we commissioned, Vince has aided brand awareness of 20% compared to 30% to 50% for other contemporary brands and approximately 75% to 90% for brands like Michael Kors, Diane von Furstenburg and Ralph Lauren. Aided brand awareness is when a respondent indicates recognition of a specific brand from a list of possible names presented by those conducting the survey instead of indicating recognition of a specific brand without being offered a list of potential responses. Our low awareness level, coupled with the high affinity and purchase intent we have among existing consumers, underscores what we believe is a significant growth opportunity to convert potential new customers to loyal brand enthusiasts. To address this opportunity, we intend to increase our marketing investment across a range of strategic initiatives, including cooperative advertising with wholesale partners, print media, digital media, editorial coverage, direct mail, search engine optimization, social media initiatives, targeted product placement, celebrity outreach and in-store events. We also believe our brand awareness will increase as we open new retail stores in prominent, high-visibility locations, increase the number of shop-in-shops at our wholesale partner locations and upgrade and re-launch our *www.vince.com* website.

Recent Developments of Apparel Holding Corp.

Set forth below is selected preliminary, unaudited consolidated financial data of Apparel Holding Corp. and its consolidated subsidiaries for the third quarter of fiscal 2013, based upon AHC s estimates. It includes selected preliminary, unaudited consolidated financial data associated with the combined Vince and non-Vince businesses and assets and liabilities associated with the Vince business as well as the non-Vince businesses that will be transferred to Kellwood Holding, LLC and its consolidated subsidiaries in connection with the IPO Restructuring Transactions. An investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. We will not have ongoing involvement with the non-Vince businesses following separation, with the exception of our payments to Kellwood for certain services to be provided under the Shared Services Agreement as further described elsewhere in this prospectus. Similarly, Kellwood will not have ongoing involvement in our business, other than pursuant to the Shared Services Agreement. Once we have completed the IPO Restructuring Transactions, results of operations of the non-Vince businesses will be reported as discontinued operations for accounting purposes and our continuing operations will consist solely of the Vince business.

This data has been prepared by, and is the responsibility of, AHC management. AHC s independent registered public accounting firm, PricewaterhouseCoopers LLP, has not audited, reviewed, compiled or performed any procedures related to, and does not express an opinion or any other form of assurance with respect to, this data. This summary is not a comprehensive statement of AHC s financial results for the third quarter of fiscal 2013 and AHC s actual results may differ materially from these estimates due to the completion of its financial closing procedures, final adjustments and

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other developments that may arise between now and the time the financial results for this period are finalized.

Net sales are estimated to be between \$212.9 million and \$215.0 million for the third quarter of fiscal 2013, an increase of 5.0% at the midpoint of the range as compared to \$203.4 million for the third quarter of fiscal 2012. The estimated increase in net sales is primarily due to higher net sales within our Vince and Juniors segments, partially offset by lower net sales within our ARP segment.

Gross margin rate for the third quarter of fiscal 2013 is estimated to be between 31.3% and 32.7%, an increase of approximately 110 basis points compared to the third quarter fiscal 2012 rate of 30.9%. The estimated increase in gross margin is driven primarily by a higher percentage of our sales coming from the Vince segment, in which AHC generally recognizes higher margins.

Income from operations is estimated to be between \$12.0 million and \$15.0 million for the third quarter of fiscal 2013 as compared to \$16.1 million for the third quarter of fiscal 2012. The increase in net sales noted above is expected to be offset by increased selling, general and administrative expenses, which are expected to be between \$52.8 million and \$53.8 million, primarily in its Vince segment and partially offset by a decrease in unallocated corporate selling, general and administrative expenses.

Net loss is estimated to be between \$(4.5) million and \$(1.5) million for the third quarter of fiscal 2013 as compared to net loss of \$(14.9) million for the third quarter of fiscal 2012. The estimated decrease in net loss compared to the corresponding period in fiscal 2012 is primarily driven by the net loss from discontinued operations of \$6.7 million for the third quarter of fiscal 2012, which was not repeated in fiscal 2013.

Adjusted EBITDA is estimated to be between \$16.1 million and \$20.3 million for the third quarter of fiscal 2013, as compared to \$21.5 million for the third quarter of fiscal 2012. AHC s adjusted EBITDA estimate for the third quarter of fiscal 2013 reflects AHC s estimated net loss from continuing operations before income taxes of between \$(4.4) million and \$(1.4) million, plus estimated deprecation of \$1.2 million, plus estimated amortization of \$0.5 million, plus estimated interest expense, net of \$14.8 million plus estimated restructuring, environmental and other charges of between \$0.1 million and \$1.3 million, plus estimated public company transition costs of \$3.2 million. AHC s Adjusted EBITDA for the third quarter of fiscal 2012 reflects AHC s loss from continuing operations before provision of income taxes of \$(8.3) million plus depreciation of \$1.0 million, plus amortization of \$0.5 million, plus interest expense, net of \$23.8 million, plus restructuring, environmental and other charges of \$0.6 million plus public company transition costs of \$3.9 million, in each case for the third quarter of fiscal 2012.

AHC includes Adjusted EBITDA for a number of reasons as described in Additional Information Related to AHC Management s Discussion and Analysis of Financial Condition and Results of Operations of AHC. AHC s use of Adjusted EBITDA has certain limitations because it does not reflect all items of income and expense that affect AHC s operations. Investors are encouraged to review AHC s financial information in its entirety and not rely on a single financial measure.

AHC has provided a range from the preliminary results described above primarily because its financial closing procedures for the month ended November 2, 2013 and the third quarter of fiscal 2013 have not yet been completed and as such, the financial closing procedures are not yet complete. As a result, AHC expects that its financial results upon completion of our closing procedures will vary from the preliminary estimates within the ranges as described above. Among the components of AHC s financial results as to which it is unable to determine specific amounts prior to the completion of its

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quarter end closing procedures are: (i) net sales, which AHC estimates based upon recent historical trends, internal analysis and forecasting and preliminary unaudited results for the two fiscal months ended October 5, 2013; (ii) certain general operating expenses associated with accrued liabilities arising at the end of the period, which are estimated based upon recent historical trends and internal reporting and forecasting; (iii) employee bonus expenses, which are included in AHC s operating expenses and estimated based upon a formula that is dependent upon AHC s forecasted Adjusted EBITDA; (iv) certain operating expenses associated with commitments and contingencies; and (v) AHC s income tax provision, which has been estimated based upon AHC s current tax provision as of and at August 3, 2013 and AHC s forecasted pre-tax income (loss) for the period. AHC expects to complete its closing procedures with respect to the month ending November 2, 2013 and the third quarter of fiscal 2013 in December 2013.

Recent Developments of Vince, LLC

Set forth below is selected preliminary, unaudited financial data of Vince, LLC for the third quarter of fiscal 2013, based upon our estimates. This data has been prepared by, and is the responsibility of, management. Our independent auditor, PricewaterhouseCoopers LLP, has not audited, reviewed, compiled or performed any procedures, and does not express an opinion or any other form of assurance with respect to this data. This summary is not a comprehensive statement of our financial results for this period and our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for this period are finalized.

Please note the following:

Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of this offering) is the legal issuer of the shares offered in this offering.

The information set forth below is provided as supplemental information and should not be considered in lieu of the information pertaining to Apparel Holding Corp; and

The financial information included in this discussion and in Vince, LLC s historical financial statements may not be indicative of Apparel Holding Corp. s financial position, operating results and changes in equity after the completion of the IPO Restructuring Transactions, or what they would have been had the Vince business operated separately from the non-Vince businesses during the periods presented.

Net sales for the third quarter of fiscal 2013 are estimated to be between $85.3 million and $86.2 million, an increase of 10.8% to 11.9% as compared to $77.0 million for the third quarter of fiscal 2012. This net sales growth is on top of a 34.0% increase in net sales during the corresponding third quarter period in fiscal 2012. The increase in net sales is expected to be primarily due to an increase in our direct to consumer channel with comparable store sales growth of 16.5%, the opening of seven additional retail stores, and increased e-commerce sales volume. The 16.5% comparable store sales growth expectation for the third quarter of fiscal 2013 is in addition to 23.4% comparable store sales growth reported in the third quarter of fiscal 2012. We also estimate 2.0% to 3.0% growth in the wholesale channel driven by net sales growth in the high-teens at our premier U.S. wholesale partners and the opening of 13 new global shop-in-shops, mostly offset by the fact that our international wholesale partners shifted some of their purchases from the third quarter of fiscal 2013 to the second quarter of fiscal 2013 and the fact that our off-price partners shifted some of their purchases into the fourth quarter of fiscal 2013. These timing shifts impacted our third quarter fiscal 2013 wholesale sales growth by eight percentage points.

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Gross margin rate for the third quarter of fiscal 2013 is estimated to be between 48.5% and 49.0%, an increase of approximately 290 to 340 basis points compared to the third quarter fiscal 2012 rate of 45.6%. The estimated increase in gross margin is driven by (i) a higher percentage of our sales coming from the direct-to-consumer segment, where we generally recognize higher margins, which we estimate will deliver approximately 200 to 240 basis points of gross margin expansion and (ii) an increased percentage of full-price sales compared to off-price sales in the third quarter of fiscal 2013, which we estimate will deliver approximately 300 to 350 basis points of gross margin improvement relative to the third quarter of fiscal 2012. These margin expansion drivers will be partially offset by increased margin contribution payments provided to our wholesale partners in the third quarter of fiscal 2013, which are estimated to result in a 210 to 250 basis points decline in gross margin.

Income from operations for the third quarter of fiscal 2013 is estimated to be between $17.3 million and $17.8 million, an increase of 11.4% to 14.2% as compared to $15.6 million for the third quarter of fiscal 2012. The estimated increase in income from operations compared to the corresponding period in fiscal 2012 is primarily due to increased net sales, partially offset by higher selling, general and administrative (SG&A) expenses. Total SG&A expenses are estimated to be between $23.9 million and $24.3 million, or 28.0% to 28.2% as a percentage of sales, versus $19.4 million, or 25.2% as a percentage of sales, in the corresponding period in fiscal 2012. The increased SG&A expenses were driven by incremental compensation costs associated with the hiring of the stand-alone Vince management team estimated at 80 to 85 basis points, incremental new store costs estimated at 145 to 155 basis points and increased marketing and design expense estimated at 55 to 60 basis points, each of which reflect continued investment in the business for future growth.

Net income for the third quarter of fiscal 2013 is estimated to be between $6.3 million and $6.5 million, an increase of 12.7% to 16.7% as compared to net income of $5.6 million for the third quarter of fiscal 2012. The estimated increase in net income versus the corresponding period in fiscal 2012 is primarily due to increased net sales, partially offset by higher SG&A expenses.

Adjusted EBITDA for the third quarter of fiscal 2013 is estimated to be between $21.1 million and $21.6 million, an increase of 6.4% to 8.6% as compared to $19.9 million for the third quarter of fiscal 2012. Our adjusted EBITDA estimate for the third quarter of fiscal 2013 reflects estimated income before income taxes of between $10.4 million and $10.7 million, plus estimated depreciation of $0.6 million, plus estimated amortization of $0.2 million, plus estimated net interest expense of between $6.8 million and $6.9 million, plus estimated public company transition costs of $3.2 million. The adjusted EBITDA for the third quarter of fiscal 2012 reflects income before income taxes of $9.3 million plus depreciation of $0.4 million, plus amortization of $0.2 million, plus net interest expense of $6.1 million, plus public company transition costs of $3.9 million.

We include Adjusted EBITDA for a number of reasons as described in Additional Information Related to Vince Management s Discussion and Analysis of Financial Condition and Results of Operations of Vince. Our use of Adjusted EBITDA has certain limitations because it does not reflect all items of income and expense that affect our operations. Investors are encouraged to review our financial information in its entirety and not rely on a single financial measure.

We have provided a range from the preliminary results described above primarily because the financial closing procedures for the month ended November 2, 2013 and the third quarter of fiscal 2013 have not yet been completed.

As a result, we expect that our financial results upon completion of our closing procedures will vary from our preliminary estimates within the ranges as described above.

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Among the components of our financial results as to which we are unable to determine specific amounts prior to the completion of its quarter end closing procedures are : (i) net sales, which we estimate based upon recent historical trends, internal analysis and forecasting and preliminary unaudited results for the two months ended October 5, 2013; (ii) certain general operating expenses associated with accrued liabilities arising at the end of the period, which are estimated based upon recent historical trends and internal reporting and forecasting; (iii) employee bonus expenses, which are included in our operating expenses and estimated based upon a formula that is dependent upon our forecasted Adjusted EBITDA; (iv) certain operating expenses associated with commitments and contingencies; and (v) our income tax provision, which has been estimated based upon our current tax provision as of and at August 3, 2013 and our forecasted pre-tax income for the period. We expect to complete our closing procedures with respect to the month ending November 2, 2013 and the third quarter of fiscal 2013 in December 2013.

Our Market Opportunity

We operate in the global personal luxury goods industry. According to the Bain Studies, the luxury goods market grew at a compound annual growth rate of approximately 6% between 1996 and 2012, with estimated sales of approximately $260 billion in 2012. The Bain Studies define the global personal luxury goods market to include design, hospitality, wines & spirits, food, cars and yachts. According to the Bain Studies, for fiscal 2010 through fiscal 2012, the global personal luxury goods market grew at an 11% compounded annual growth rate. Going forward, Bain & Company expects the global personal luxury goods market to grow 4% to 5% in 2013, and at a 5% to 6% compounded annual growth rate over the next few years, reflecting a growing middle class possessing increased purchasing power in select international markets, increased demand for higher-end apparel and leather goods, and growing demand for luxury goods in China and South-East Asia. We believe our business is well-positioned to benefit from these trends.

Risks Associated with our Business

There are a number of risks and uncertainties that may affect our financial and operating performance and our growth prospects. You should carefully consider all of the risks discussed in Risk Factors before investing in our common stock. Some of these risks include the following:

- General economic conditions in the U.S. and other parts of the world, including a continued weakening of the economy and restricted credit markets, can affect consumer confidence and consumer spending patterns;

- Intense competition in the apparel industry could reduce our sales and profitability;

- A substantial portion of our revenue is derived from a small number of large wholesale partners, and the loss of any of these wholesale partners could substantially reduce our total revenue;

- We have grown rapidly in recent years and we have limited operating experience as a team at our current scale of operations. If we are unable to manage our operations at our current size or are unable to manage any future growth effectively, our business results and financial performance may suffer;

Kellwood provides us with certain key services for our business. If Kellwood fails to perform its obligations to us or if we do not find appropriate replacement services, we may be unable to perform these services or implement substitute arrangements on a timely and cost-effective basis on terms favorable to us; and

Our historical financial information may not be representative of our results as a stand-alone public company.

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Our Equity Sponsor

Sun Capital is a leading private investment firm focused on leveraged buyouts, equity, debt and other investments in market-leading companies that can benefit from its in-house operating professionals and experience. Since its inception in 1995, Sun Capital affiliates have invested in over 320 companies worldwide with combined sales in excess of $45 billion. Sun Capital affiliates have invested in several specialty retail and apparel companies, including Gerber Childrenswear, Hanna Andersson, Limited Stores, Gordmans, Scotch & Soda, Mattress Firm, Pamida and Shopko Stores.

On February 12, 2008, investment funds advised by affiliates of Sun Capital acquired Kellwood Company for aggregate consideration of $955.4 million, including the assumption of debt, in a cash tender offer and subsequent squeeze-out merger. Sun Cardinal, LLC (Sun Cardinal) and SCSF Cardinal, LLC (SCSF Cardinal), affiliates of Sun Capital and the selling stockholders in this offering, have offered the underwriters an option to purchase an additional 1,500,000 shares in this offering. Following consummation of this offering, affiliates of Sun Capital will own approximately 72% of our outstanding common stock, or 68% if the underwriters option to purchase additional shares from the selling stockholders is fully exercised. See Other Information Related to this Offering Security Ownership of Certain Beneficial Owners of AHC. Sun Cardinal, LLC, a Sun Capital affiliate, will have the ability to designate a majority of our directors for so long as affiliates of Sun Capital own 30% or more of the outstanding shares of our common stock. As a result, funds advised by affiliates of Sun Capital will be able to have a significant effect relating to votes over fundamental and significant corporate matters and transactions. See Risk Factors Risks Related to this Offering and Our Common Stock We are a controlled company, controlled by investment funds advised by affiliates of Sun Capital, whose interests in our business may be different from yours.

Company History

Kellwood Company was founded in 1961 as the successor by merger of fifteen independent suppliers to Sears, Roebuck & Co. Beginning in 1985, Kellwood implemented a strategy to expand its branded business, broaden its customer base, diversify its distribution channels and further develop its global sourcing capability. In 2006, Kellwood Company acquired the Vince business from its founders. As described above, affiliates of Sun Capital acquired Kellwood Company in February 2008 through Apparel Holding Corp. Affiliates of Sun Capital will continue to control the non-Vince businesses through their ownership of Kellwood Holding, LLC, after giving effect to the IPO Restructuring Transactions.

Corporate and Other Information

Apparel Holding Corp. was incorporated in Delaware in February 2008 in connection with the acquisition of Kellwood Company by affiliates of Sun Capital. In September 2012, Kellwood Company formed Vince, LLC and all assets constituting the Vince business were contributed to Vince, LLC at such time (the Vince Transfer). Immediately prior to the consummation of this offering, Apparel Holding Corp. will be renamed Vince Holding Corp., the entity issuing common stock in this offering. Our principal executive office is located at 1441 Broadway, 6th Floor, New York, New York 10018 and our telephone number is (212) 515-2600. Our corporate website address is *www.vince.com*. The information contained on, or accessible through, our corporate website does not constitute part of this prospectus.

Affiliates of Sun Capital are Apparel Holding Corp. s controlling stockholders. After consummation of this offering, affiliates of Sun Capital will continue to control both Kellwood and Vince. Kellwood will continue to provide certain services to us through the Shared Services Agreement (as described in Other Information Related to this Offering Certain Relationships and Related Party Transactions of AHC Shared Services Agreement), such as distribution, information technology and back office support.

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Emerging Growth Company Status

We are, and will continue to be after completing the IPO Restructuring Transactions, an emerging growth company, as defined in the Jumpstart Our Business Startups Act (the JOBS Act). For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding advisory say-on-pay votes on executive compensation and stockholder advisory votes on golden parachute compensation.

Under the JOBS Act, we will remain an emerging growth company until the earliest of:

- the last day of the fiscal year during which we have total annual gross revenues of $1 billion or more;
- the last day of the fiscal year following the fifth anniversary of the consummation of this offering;
- the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt; and
- the date on which we are deemed to be a large accelerated filer under the Securities Exchange Act of 1934, as amended (the Exchange Act). We will qualify as a large accelerated filer as of the first day of the first fiscal year after we have (i) more than $700 million in outstanding common equity held by our non-affiliates and (ii) been public for at least 12 months. The value of our outstanding common equity will be measured each year on the last day of our second fiscal quarter.

The JOBS Act also provides that an emerging growth company can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the Securities Act) for complying with new or revised accounting standards. However, we are choosing to opt out of such extended transition period, and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for companies that are not emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

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The Offering

Common stock offered by us	10,000,000 shares.
Option to purchase additional shares offered by the selling stockholders	The selling stockholders have agreed to allow the underwriters to purchase up to an additional 1,500,000 shares in the aggregate from them, at the public offering price, less the underwriting discounts, within 30 days of the date of this prospectus. We will not receive proceeds, if any, from the underwriters option to purchase additional shares.
Common stock outstanding immediately after the offering	36,263,585 shares.
Selling stockholders	Sun Cardinal, LLC and SCSF Cardinal, LLC, affiliates of Sun Capital.
Use of proceeds	We expect to receive net proceeds from this offering of approximately $177 million, based upon the initial public offering price of $20.00 per share and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.
	We expect to receive approximately $177 million of net proceeds from this offering and retain approximately $5.0 million of such net proceeds for general corporate purposes. We expect to use the remaining estimated net proceeds, together with net borrowings of $169.5 million under our new term loan facility, to repay the Kellwood Note Receivable, as described in Restructuring Transactions. The Kellwood Note Receivable will total $341.5 million.
	After giving effect to the contribution of certain indebtedness under the Sun Term Loan Agreements to be made by Sun Capital or its affiliates as part of the IPO Restructuring Transactions (the Additional Sun Capital Contribution), which capital contribution will be in addition to the Sun Capital Contribution, as described below in Restructuring Transactions, Kellwood Company, LLC will use proceeds from our repayment of the Kellwood Note Receivable to repay, discharge or repurchase a portion of its indebtedness, including fees, expenses and accrued and unpaid interest related thereto. Additionally, Kellwood Company, LLC will refinance the remainder of such then outstanding indebtedness for which Apparel Holding Corp. or Vince, LLC is a guarantor or obligor. Kellwood Company, LLC also intends to utilize a portion of the proceeds

from repayment of the Kellwood Note Receivable to pay (i) a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayments and the amount of the new Vince and Kellwood credit facilities to Sun Capital Partners Management V, LLC (Sun Capital Management) pursuant to that certain management services agreement, as described in Other Information Related to this Offering Certain Relationships and Related Party Transactions of AHC Management Fees (the Management Services Agreement) and (ii) a debt recovery bonus of $6.0 million to our Chief Executive Officer, as described in Additional Information Related to Vince Vince Executive Compensation Employment Agreements. See Restructuring Transactions and Use of Proceeds for additional information. The restructuring fee described in clause (i) above and payable to Sun Capital Management in connection with this offering will total $3.3 million.

Restructuring Transactions

Effective September 1, 2012, Kellwood Company, a wholly-owned subsidiary of Apparel Holding Corp., contributed the assets and liabilities constituting the Vince business to Vince, LLC, a Delaware limited liability company and wholly-owned subsidiary of Kellwood Company, in the Vince Transfer.

In anticipation of this offering and effective June 18, 2013, affiliates of Sun Capital, contributed $407.5 million of indebtedness to Apparel Holding Corp. as a capital contribution. We refer to this contribution as the Sun Capital Contribution. Affiliates of Sun Capital will contribute an estimated $70.1 million of indebtedness under the Sun Term Loan Agreements to Apparel Holding Corp. in the Additional Sun Capital Contribution as part of the IPO Restructuring Transactions. Such number reflects that the amount of the Kellwood Note Receivable will be $341.5 million and assumes that the aggregate amount of uses of the Kellwood Note Receivable proceeds (as described in Use of Proceeds) will total $411.4 million.

We will complete the IPO Restructuring Transactions immediately prior to the consummation of this offering through which (i) Kellwood Holding, LLC will acquire the non-Vince businesses, which include Kellwood Company, LLC (to be converted from Kellwood Company in connection with these transactions) and (ii) Vince Intermediate Holding, LLC, a to be formed direct subsidiary of Apparel Holding Corp., will retain the Vince business, which includes Vince, LLC. Sun Capital affiliates will continue to own and control the non-Vince businesses through their ownership of Kellwood Holding, LLC after giving effect to the IPO Restructuring Transactions. Additionally, immediately prior to consummation of this offering, and as part of the IPO Restructuring Transactions, Apparel Holding Corp. will (A) convert all of its issued and outstanding

	non-voting common stock into common stock on a one-for-one basis, (B) effect a stock split of its common stock on a 28.5177 for one basis and (C) change its name to Vince Holding Corp. We refer to the Vince Transfer, the Sun Capital Contribution and the IPO Restructuring Transactions collectively as the Restructuring Transactions. Successful completion of the IPO Restructuring Transactions is a condition to the consummation of this offering. For a more detailed discussion and charts showing our structure before and after consummation of this offering, see Restructuring Transactions.
Dividend policy	We currently expect to retain all available funds and any future earnings to fund the development and growth of our business and to repay indebtedness and therefore we do not anticipate paying any cash dividends in the foreseeable future. We anticipate that our ability to pay dividends on our common stock will be limited by our new revolving credit facility and our new term loan facility and may be further restricted by the terms of any other of our future debt or preferred securities. See Dividend Policy of AHC and Additional Information Related to Vince Description of Certain Indebtedness of Vince, LLC.
Risk factors	See Risk Factors and the other information in this prospectus for a discussion of the factors you should consider before you decide to invest in our common stock.
New York Stock Exchange Symbol	We have been approved to list our common stock on the New York Stock Exchange (the NYSE) under the symbol VNCE .

The number of shares of our common stock to be outstanding following this offering is based on 26,263,585 shares of our common stock outstanding as of October 15, 2013, and excludes:

- 99,812 shares of our common stock issuable upon the exercise of options that we intend to grant under our new management equity incentive plan (the "Vince 2013 Incentive Plan"), as described in Additional Information Related to Vince Vince Executive Compensation Employee Stock Plans Vince 2013 Incentive Plan, to our Chief Financial Officer with an exercise price equal to $20.00;

- 256,645 shares of our common stock issuable upon the exercise of options that we intend to grant under the Vince 2013 Incentive Plan to certain of our employees (excluding our named executive officers) with an exercise price equal to $20.00;

- 2,208,281 shares of our common stock issuable upon the exercise of options that were issued to Vince employees and a former AHC executive under the 2010 Option Plan of Kellwood Company (the 2010 Option Plan), after giving effect to the IPO Restructuring Transactions (including the related stock split) and Apparel

Holding Corp. s assumption of Kellwood Company s remaining obligations under the 2010 Option Plan. Affiliates of Sun Capital have the right to acquire the 262,111 shares of stock issuable upon the exercise of options previously granted to such former AHC executive and to exercise those options upon the closing of this offering, or the options themselves. These options will have a weighted average

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exercise price of $5.38 per share. See note (5) to Additional Information Related to AHC AHC Executive Compensation Outstanding Equity Awards at Fiscal 2012 Year-End for additional information regarding such options and the related purchase right held by affiliates of Sun Capital;

198,064 shares of our common stock which are to be issued to non-Vince employees in exchange for their vested Kellwood Company stock options previously issued under the 2010 Option Plan (as such options are adjusted to give effect to the IPO Restructuring Transactions, including the related stock split);

7,500 restricted stock units, representing the right, at the option of the company, to deliver 7,500 shares of our common stock or an equivalent cash amount, that we intend to grant to our non-employee directors in the aggregate in connection with the consummation of this offering;

approximately 3,000,000 shares of our common stock that will be reserved and available for issuance under our Vince 2013 Incentive Plan, after giving effect to the option and restricted stock grants described above, to certain of our employees (including our Chief Financial Officer) at or after the consummation of this offering; and

1,000,000 shares of our common stock reserved for future issuance under our 2013 Employee Stock Purchase Plan (the "Vince ESPP") which we plan to adopt in connection with this offering (as described in Additional Information Related to Vince Vince Executive Compensation Employee Stock Plans Employee Stock Purchase Plan).

Unless otherwise indicated, this prospectus reflects and assumes the following:

the conversion of all of our issued and outstanding non-voting common stock into common stock on a one-for-one basis;

the subsequent stock split of our common stock on a 28.5177 for one basis; and

the completion of the remainder of the IPO Restructuring Transactions.

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Summary Historical Consolidated Financial Data of Apparel Holding Corp.

The following tables set forth summary historical consolidated financial data of Apparel Holding Corp. and its consolidated subsidiaries. They include the results of operations associated with the combined Vince and non-Vince businesses and assets and liabilities associated with the Vince business as well as the non-Vince businesses that will be transferred to Kellwood Holding, LLC and its consolidated subsidiaries in connection with the IPO Restructuring Transactions. An investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. We will not have ongoing involvement with the non-Vince businesses following separation, with the exception of our payments to Kellwood for certain services to be provided under the Shared Services Agreement as further described in Other Information Related to this Offering Certain Relationships and Related Party Transactions of AHC Shared Services Agreement contained elsewhere in this prospectus. Similarly, Kellwood will not have ongoing involvement in our business, other than pursuant to the Shared Services Agreement. You should read the information set forth below in conjunction with Use of Proceeds, Capitalization of AHC, Additional Information Related to AHC Selected Historical Consolidated Financial Data of AHC, Additional Information Related to AHC Management s Discussion and Analysis of Financial Condition and Results of Operations of AHC and Apparel Holding Corp. s audited historical consolidated financial statements and notes thereto included elsewhere in this prospectus.

The statement of operations data for each of fiscal 2010, fiscal 2011 and fiscal 2012 set forth below are derived from AHC s audited consolidated financial statements included elsewhere in this prospectus. The statements of operations data for each of the six month periods ended July 28, 2012 and August 3, 2013 and the balance sheet data as of August 3, 2013 set forth below are derived from AHC s unaudited quarterly consolidated financial statements included elsewhere in this prospectus and contain all adjustments, consisting of normal recurring adjustments, that management considers necessary for a fair presentation of our financial position and results of operations for the periods presented. Operating results for the six month periods are not necessarily indicative of results for a full financial year, or any other periods. Historical results are not necessarily indicative of results to be expected for future periods.

Once we have completed the IPO Restructuring Transactions, results of operations of the non-Vince businesses will be reported as discontinued operations for accounting purposes and our continuing operations will consist solely of the Vince business. See Summary Historical Financial Data of Vince, LLC for additional information regarding the operations and assets and liabilities of Vince, LLC.

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(In thousands, except per share data)	Fiscal Year 2010(1)	Fiscal Year 2011(1)	Fiscal Year 2012	Six Months Ended July 28, 2012 (unaudited)	Six Months Ended August 3, 2013 (unaudited)
Statement of Operations Data:					
Net sales	$ 586,574	$ 662,846	$ 707,995	$ 319,445	$ 363,967
Cost of products sold	430,801	490,110	507,905	235,293	256,031
Gross profit	155,773	172,736	200,090	84,152	107,936
Operating expenses:					
Selling, general and administrative expenses	140,567	155,220	177,755	83,526	93,503
Amortization of intangible assets	954	1,941	1,899	950	950
Restructuring, environmental remediation and other charges(2)	9,729	2,651	5,091	2,264	827
Impairment of long-lived assets (excluding goodwill)	438	2,504	2,349	717	
Impairment of goodwill		10,821			
Change in fair value of contingent consideration, net(3)		(1,578)	(7,162)	(4,507)	(54)
Total operating expenses	151,688	171,559	179,932	82,950	95,226
Income from operations	4,085	1,177	20,158	1,202	12,710
Interest expense, net	103,074	127,148	122,383	74,151	43,671
Gain on acquisition, net of tax(3)	(939)				
Gain on debt extinguishment(3)	(15,912)				
Other expense, net	2,442	1,914	2,723	1,215	1,233
Loss before provision for income taxes	(84,580)	(127,885)	(104,948)	(74,164)	(32,194)
Provision for income taxes	3,507	3,401	708	2,245	2,679
Net loss from continuing operations(2)(3)	$ (88,087)	$ (131,286)	$ (105,656)	$ (76,409)	$ (34,873)
Net (loss) income from discontinued operations(2)(4)	(16,391)	(16,580)	(2,053)	(4,798)	9,230
Net loss	$ (104,478)	$ (147,866)	$ (107,709)	$ (81,207)	$ (25,643)
Pro forma basic and diluted loss per share from continuing operations(5)	$ (3.36)	$ (5.00)	$ (4.03)	$ (2.92)	$ (1.33)
Pro forma basic and diluted (loss) income per share from discontinued operation(5)	(.63)	(.63)	(.08)	(.18)	.35

Pro forma basic and diluted loss per share(5)	$	(3.99)	$	(5.63)	$	(4.11)	$	(3.10)	$	(.98)
Pro forma weighted average shares outstanding:										
Basic and diluted(5)		26,211,131		26,211,131		26,211,131		26,211,131		26,211,131

(1) In January 2011, AHC acquired Rebecca Taylor, a women s contemporary apparel and accessory company. In July 2011, AHC acquired Zobha, a women s athletic apparel brand, primarily focused on the yoga market. See Additional Information Related to AHC Management s Discussion and Analysis or Financial Condition and Results of Operations of AHC Basis of Presentation for information regarding AHC s decision to divest the Zobha business during the second quarter of 2013.

(2) During the years presented, AHC performed several rationalization efforts aimed at improving its operational efficiency to streamline the fashion apparel and recreational apparel and products businesses. These restructuring activities, along

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with impairment of long-lived assets, environmental remediation charges and other charges included in net loss from continuing operations, are \$10.2 million in fiscal 2010, \$16.0 million in fiscal 2011, \$7.4 million in fiscal 2012, \$3.0 million in the first six months of fiscal 2012 and \$0.8 million in the first six months of fiscal 2013. These restructuring activities, along with impairment of long-lived assets and other charges included in net (loss) income from discontinued operations, are \$27.7 million in fiscal 2010, \$6.6 million in fiscal 2011, \$4.8 million in fiscal 2012, \$0.2 million in the six months of fiscal 2012 and \$0.9 million in the six months of fiscal 2013.

(3) Net loss from continuing operations includes net gains affecting comparability of the following:

\$16.8 million in fiscal 2010 comprised of a \$0.9 million gain on the acquisition of certain net assets from Adampluseve, Inc, (the Adam operations) as the fair value of the identifiable assets less the liabilities assumed exceeded the fair value of the purchase price consideration, and a \$15.9 million gain on debt extinguishment as a result of AHC s repurchase of \$29.7 million of face value of certain notes outstanding from an affiliate of Sun Capital for \$9.1 million in cash;

\$1.6 million in fiscal 2011 due to a reduction in the estimated contingent payments related to the acquisitions of Rebecca Taylor and Zobha as those purchase agreements contained provisions for contingent consideration that would be paid to the respective sellers if certain performance targets are met within a specified timeframe and during the periods presented expectations related to the achievement of these targets were revised; and

\$7.2 million in fiscal 2012, of which \$4.5 million was recognized during the six months ended July 28, 2012, due to further reductions in the estimated contingent payments related to the acquisitions of Rebecca Taylor and Zobha.

(4) During fiscal 2011, AHC discontinued its Adam operations and Koret wholesale operations. During fiscal 2012, AHC discontinued its Baby Phat wholesale and Lamb & Flag businesses. Additionally, AHC sold its Royal Robbins and BLK DNM businesses. During the first quarter of fiscal 2013, AHC discontinued its Phat Licensing business because it sold the related trademarks. During the second quarter of fiscal 2013, AHC divested its Zobha business. As such, these operations have been reflected as discontinued operations for all periods presented.

(5) Gives effect to the stock split of our common stock on a 28.5177 for one basis.

AHC s consolidated balance sheet data as of August 3, 2013 is presented on an actual basis:

(In thousands)	**As of August 3, 2013 Actual (unaudited)**

Balance Sheet Data:		
Cash and cash equivalents	$	2,178
Total current assets		228,891
Total assets		467,791
Total current liabilities		221,230
Long-term debt		386,842
Total stockholders deficit		(179,102)
Total liabilities and stockholders deficit		467,791

For information relating to the impact of the IPO Restructuring Transactions and this offering on AHC s consolidated balance sheet, see the balance sheet data of AHC, as presented as of August 3, 2013 on an actual, pro forma and pro forma, as adjusted basis in Summary Historical Financial Data of Vince, LLC.

Summary Unaudited Pro Forma Consolidated Financial Data of AHC

The following tables set forth the summary unaudited consolidated pro forma financial data of AHC for fiscal 2012 and the first six months of fiscal 2013. They give effect to anticipated transactions and adjustments that are relevant to the understanding of the business being offered and will have a material impact on the comparability of AHC s results of operations. They are described below and are as follows: (i) Kellwood Separation, (ii) Sun Capital Contribution and Tax Receivable Agreement, and (iii) This Offering. You should read the information set forth below together with Additional Information Related to AHC Unaudited Pro Forma Consolidated Financial Data of AHC included elsewhere in this prospectus for our pro forma results of operations for fiscal 2010 and fiscal 2011. For summary information related to the pro forma, as adjusted balance sheet of AHC after giving effect to this offering, please see Summary Historical Financial Data of Vince, LLC. Finally, for additional information relating to the IPO Restructuring Transactions and the use of our proceeds from this offering, please see Restructuring Transactions, Use of Proceeds, and Capitalization of AHC.

The Kellwood Separation. AHC will use a series of transactions (including the Additional Sun Capital Contribution) to legally separate the Vince business from the non-Vince businesses immediately prior to consummation of this offering. We refer to this series of transactions as the Kellwood Separation. Once these transactions have occurred, the non-Vince businesses will be owned and operated separately from us. After consummation of this offering, the Vince business will be our only assets, liabilities and operations. Although Apparel Holding Corp. is the legal issuer of the shares offered in this offering, an investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business.

Sun Capital Contribution and Tax Receivable Agreement. Additional restructuring activities that have occurred or will occur in order to effect the consummation of this offering, include the following:

- effective June 18, 2013, affiliates of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes (each as defined in Restructuring Transactions) as a capital contribution to Apparel Holding Corp. in the Sun Capital Contribution; and

- we will enter into a tax receivable agreement (the Tax Receivable Agreement or TRA) with our stockholders immediately prior to the consummation of this offering (which will include affiliates of Sun Capital, the Pre-IPO Stockholders).

This Offering. Pro forma adjustments to reflect (i) our receipt of the estimated net proceeds from the sale of common stock by us in the offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us; and (ii) our use of these proceeds and the incurrence of approximately $175 million of borrowings under our new term loan facility, as described in Use of Proceeds, including repayment of the Kellwood Note Receivable, are described as Offering Adjustments.

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Fiscal 2012 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC(1)

(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation: Kellwood Separation Adjustments(2)	Kellwood Separation: Pro Forma	Sun Capital Contribution and TRA: Sun Capital Contribution and TRA Adjustments(3)	Sun Capital Contribution and TRA: Pro Forma	This Offering(4): Adjustments	This Offering(4): Pro Forma, As Adjusted
Net sales	$ 707,995	$ (467,643)	$ 240,352	$	$ 240,352	$	$ 240,352
Cost of products sold	507,905	(375,749)	132,156		132,156		132,156
Gross profit	200,090	(91,894)	108,196		108,196		108,196
Operating Expenses:							
Selling, general and administrative expenses	177,755	(111,094)	66,661		66,661		66,661
Amortization of intangible assets	1,899	(1,301)	598		598		598
Impairment (excluding goodwill), restructuring, environmental remediation, and other charges	7,440	(7,440)					
Impairment of goodwill							
Change in fair value of contingent consideration, net	(7,162)	7,162					
Total operating expenses	179,932	(112,673)	67,259		67,259		67,259
Income from operations	20,158	20,779	40,937		40,937		40,937

Interest expense, net(5)	122,383	(53,700)	68,683	(68,683)		11,400	11,400
Other expense, net	2,723	(1,944)	779		779		779
(Loss) income before provision for income taxes	(104,948)	76,423	(28,525)	68,683	40,158	(11,400)	28,758
Provision for income taxes(6)	708	15,512	16,220		16,220	(4,560)	11,660
Net (loss) income from continuing operations	$ (105,656)	$ 60,911	$ (44,745)	$ 68,683	$ 23,938	$ (6,840)	$ 17,098
Basic earnings (loss) per share(7)	$ (4.03)		$ (1.71)		$ .91		$ .47
Diluted earnings (loss) per share(7)	$ (4.03)		$ (1.71)		$ .89		$ .46
Weighted average number of common shares outstanding, basic(7)	26,211,131		26,211,131		26,211,131		36,211,131
Weighted average number of common shares outstanding, diluted(7)	26,211,131		26,211,131		26,858,255		36,858,255

See accompanying notes to Summary Unaudited Pro Forma Consolidated Financial Data of AHC.

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First Six Months of 2013 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC(1)

		Kellwood Separation		Sun Capital Contribution and TRA		This Offering(4)	
(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation Adjustments(2)	Pro Forma	Sun Capital Contribution and TRA Adjustments(3)	Pro Forma	Adjustments	Pro Forma, As Adjusted
Net sales	$ 363,967	$ (249,310)	$ 114,657	$	$ 114,657	$	$ 114,657
Cost of products sold	256,031	(192,525)	63,506		63,506		63,506
Gross profit	107,936	(56,785)	51,151		51,151		51,151
Operating Expenses:							
Selling, general and administrative expenses	93,503	(59,537)	33,966		33,966		33,966
Amortization of intangible assets	950	(650)	300		300		300
Impairment (excluding goodwill), restructuring, environmental remediation, and other charges	827	(827)					
Impairment of goodwill							
Change in fair value of contingent consideration, net	(54)	54					
Total operating expenses	95,226	(60,960)	34,266		34,266		34,266
Income from operations	12,710	4,175	16,885		16,885		16,885
	43,671	(27,788)	15,883	(15,883)		5,700	5,700

Interest expense, net(5)							
Other expense, net	1,233	(721)	512		512		512
(Loss) income before provision for income taxes	(32,194)	32,684	490	15,883	16,373	(5,700)	10,673
Provision for income taxes(6)	2,679	3,909	6,588		6,588	(2,280)	4,308
Net (loss) income from continuing operations	$ (34,873)	$ 28,775	$ (6,098)	$ 15,883	$ 9,785	$ (3,420)	$ 6,365
Basic earnings (loss) per share(7)	$ (1.33)		$ (.23)		$ .37		$ .18
Diluted earnings (loss) per share(7)	$ (1.33)		$ (.23)		$ .37		$ .17
Weighted average number of common shares outstanding, basic(7)	26,211,131		26,211,131		26,211,131		36,211,131
Weighted average number of common shares outstanding, diluted(7)	26,211,131		26,211,131		26,715,649		36,715,649

See accompanying notes to Summary Unaudited Pro Forma Consolidated Financial Data of AHC.

(1) You should refer to the Notes to the Unaudited Pro Forma Consolidated Financial Data of AHC contained in Additional Information Related to AHC Unaudited Pro Forma Consolidated Financial Data of AHC for detailed information regarding the pro forma adjustments.

(2) As described within Restructuring Transactions included elsewhere in this prospectus, AHC will use a series of transactions (including the Additional Sun Capital Contribution) to legally separate the non-Vince businesses from the Vince business immediately prior to the consummation of this offering. Once these transactions have occurred, the non-Vince businesses will be owned and operated separately from us. After consummation of this offering, the Vince business will be our only assets, liabilities and operations. An investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. We will not have ongoing involvement with the non-Vince businesses following separation, with the exception of our payments to Kellwood for certain services to be provided under the Shared Services Agreement as further described in Other Information Related to this Offering Certain Relationships and Related Party Transactions of AHC Shared Services Agreement contained elsewhere in this prospectus. Similarly, Kellwood will not have ongoing involvement in our business, other than pursuant to the Shared Services Agreement. Following the consummation of this offering, we expect to report the non-Vince businesses as discontinued operations in accordance with ASC Topic 205 *Presentation of Financial Statements* beginning with our first financial statements filed after the effectiveness of the registration statement of which this prospectus forms a part. All pro forma adjustments to AHC s historical financial statements that relate to the separation of the Vince business from the non-Vince businesses are described as Kellwood Separation Adjustments and they are included under the caption Kellwood Separation.

(3) On June 18, 2013, affiliates of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes to AHC in the Sun Capital Contribution. As such, the related interest expense on such indebtedness has been removed from AHC s pro forma statements of operations for fiscal 2012 and the first six months of fiscal 2013.

(4) Reflects pro forma adjustments related to (i) our receipt of the estimated net proceeds from the sale of common stock by us in the offering after deducting the underwriting discounts and commissions and estimated offering expenses payable by us; (ii) our use of these proceeds and the incurrence of approximately $175 million of borrowings under our new term loan facility, as described in Use of Proceeds, including repayment of the Kellwood Note Receivable; and (iii) recognition of applicable deferred financing costs capitalized; interest expense on our new term loan facility at 6% per annum (including amortization of deferred financing costs); related adjustment to provision for income taxes at a 40% effective tax rate; and pro forma basic and diluted weighted average shares outstanding have been adjusted to reflect the offering of 10,000,000 shares and impact of potential dilutive shares as applicable. As reflected in the table, the interest expense of this borrowing, had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

(5) Historical AHC interest represents interest costs and amortization of debt issuance costs on the following indebtedness: the Wells Fargo Facility, the Sun Capital Loan Agreement, the Sun Promissory Notes, the Cerberus Term Loan, the Sun Term Loan Agreements, the 12.875% Notes, the 7.625% Notes and the 3.5% Convertible Notes (each as defined and described in Restructuring Transactions). Pro forma for Kellwood Separation interest represents interest costs on the Sun Capital Loan Agreement and the Sun Promissory Notes. Pro forma for Sun Capital Contribution and Tax Receivable Agreement contains no interest. Pro forma, as adjusted includes interest costs on a new revolving credit facility and a new term loan facility we expect to enter into in connection with the consummation of this offering.

(6) AHC has historically included the operating results of the combined Vince business and non-Vince businesses in its U.S. federal and state income tax returns. Provision for income taxes in this pro forma presentation have been determined assuming the Kellwood Separation had occurred at the beginning of the earliest period

presented, and would therefore exclude the historical operating results of the non-Vince businesses. These amounts are not necessarily indicative of the provision for income taxes that would have been recorded had we operated separately from the non-Vince businesses during the periods presented. The adjustment represents the difference between the amount calculated in accordance with the methodology described herein and the historical amounts recorded.

(7) Gives effect to the stock split of our common stock on a 28.5177 for one basis.

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Summary Historical Financial Data of Vince, LLC

The following tables set forth the summary historical financial data of Vince, LLC, the entity that has historically held the Vince assets and liabilities and will continue to do so after completion of the IPO Restructuring Transactions and the consummation of this offering.

Please note the following:

- **Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of this offering) is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC;**

- **The information set forth below is provided as supplemental information and should not be considered in lieu of the information pertaining to Apparel Holding Corp; and**

- **The financial information included in this discussion and in Vince, LLC s historical financial statements may not be indicative of Apparel Holding Corp. s financial position, operating results and changes in equity after the completion of the IPO Restructuring Transactions, or what they would have been had the Vince business operated separately from the non-Vince businesses during the periods presented.**

You should read the information set forth below in conjunction with Use of Proceeds, Capitalization of AHC, Additional Information Related to Vince Supplemental Management s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC, Additional Information Related to Vince Supplemental Selected Historical Financial Data of Vince, LLC, and Vince, LLC s audited financial statements and notes thereto included elsewhere in this prospectus. The statement of operations data for each of fiscal 2010, fiscal 2011 and fiscal 2012 are derived from Vince, LLC s audited financial statements included elsewhere in this prospectus.

The statement of operations data for the six month periods ended July 28, 2012 and August 3, 2013 and the balance sheet of Vince, LLC dated as of August 3, 2013 set forth below are derived from Vince, LLC s unaudited quarterly financial statements and contain all adjustments, consisting of normal recurring adjustments, that our management considers necessary for a fair presentation of our financial position and results of operations for the periods presented. The balance sheet data of AHC dated as of August 3, 2013 set forth below is derived from AHC s unaudited quarterly consolidated financial statements included elsewhere in this prospectus and contain all adjustments, consisting of normal recurring adjustments, that AHC s management considers necessary for a fair presentation of our financial position and results of operation for the periods presented. We have included the balance sheet data of AHC on an actual, pro forma and pro forma, as adjusted basis, each as of August 3, 2013, to reflect the assets and liabilities of the business in which you will be investing.

Operating results for the six month periods are not necessarily indicative of results for a full financial year, or any other periods. Vince, LLC s summary historical financial data include charges from Kellwood Company for certain expenses, including centralized legal, tax, treasury, information technology, employee benefits and other centralized services and infrastructure costs. The charges have been determined on bases that we consider to be reasonable reflections of the utilization of services provided or the benefit received by Vince, LLC.

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Summary Historical Financial Data of Vince, LLC

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012	August 3, 2013
(In thousands, except for percentages and store counts)				(unaudited)	(unaudited)
Statement of Operations Data:					
Net sales	$ 111,492	$ 175,255	$ 240,352	$ 90,531	$ 114,657
Cost of products sold	55,695	89,545	132,156	50,119	63,506
Gross profit	55,797	85,710	108,196	40,412	51,151
Operating expenses:					
Selling, general and administrative expenses(1)(2)	32,704	42,148	66,639	27,057	33,954
Amortization of intangible assets	598	599	598	299	300
Total operating expenses	33,302	42,747	67,237	27,356	34,254
Income from operations	22,495	42,963	40,959	13,056	16,897
Interest expense(3)	7,172	15,004	22,903	10,690	12,429
Other expense, net	350	478	779	396	512
Income before provision for income taxes	14,973	27,481	17,277	1,970	3,956
Provision for income taxes	5,923	10,812	6,964	789	1,556
Net income	$ 9,050	$ 16,669	$ 10,313	$ 1,181	$ 2,400
Other Operating and Financial Data:					
Total stores at end of period	16	19	22	19	24
Comparable store sales growth	9.3%	7.6%	23.1%	13.9%	31.7%
Capital expenditures	$ 1,602	$ 1,450	$ 1,821	$ 457	$ 3,406

(1) Includes the impact of our public company transition costs and certain one-time costs of $9.3 million, $1.7 million and $4.0 million for fiscal 2012, the first six months of fiscal 2012 and the first six months of fiscal 2013, respectively. These costs include transition payments to our founders, charges that are directly attributable to this offering, incremental costs for external legal counsel and consulting fees incurred to effect the Restructuring Transactions and other one-time charges. We expect additional transaction costs (excluding underwriting discounts and commissions) of approximately $5.0 million for the remainder of fiscal 2013 will be charged to selling, general and administrative expenses (SG&A).

(2) Vince, LLC is charged for the use of services provided by the departments and shared facilities of Kellwood, which will own and operate the non-Vince businesses after the consummation of this offering. These charges are based upon the actual cost incurred, without markup. These functions and facilities will remain with Kellwood

upon separation in the IPO Restructuring Transactions and will continue to be an integral part of the non-Vince businesses going forward. Vince, LLC will continue to use certain of these services for a period of time through the Shared Services Agreement described in Other Information Related to this Offering Certain Relationships and Related Party Transactions of AHC Shared Services Agreement and will be charged accordingly. The charges to Vince, LLC may not be representative of what the costs would have been had Vince, LLC been a separate, stand-alone entity during the periods presented.

(3) Interest expense for fiscal 2010, fiscal 2011 and fiscal 2012 and the six month periods ended July 28, 2012 and August 3, 2013 represents interest costs and amortization of debt issuance costs on certain Kellwood Company indebtedness, including the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements (each as defined and described in Restructuring Transactions). These debt instruments and related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. We intend to enter into a new revolving credit facility and a new term loan facility in connection with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We also intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing (including amortization of deferred financing costs), had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million for fiscal 2012 or the six months ended August 3, 2013, respectively.

The balance sheet data as of August 3, 2013 is presented:

on an actual basis for Vince, LLC;

on an actual basis for AHC.;

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on a pro forma basis to reflect changes in AHC s balance sheet assuming (i) the separation of the assets constituting the Vince business from those of the non-Vince businesses and (ii) our entry into the Tax Receivable Agreement, each in the IPO Restructuring Transactions (as further described in Restructuring Transactions) and as if such transactions had occurred on August 3, 2013. See Restructuring Transactions for additional information; and

on a pro forma, as adjusted basis to further reflect changes in AHC s balance sheet including (i) our receipt of the estimated net proceeds from the sale of 10,000,000 shares of common stock by us in this offering, after deducting the underwriting discounts and commissions payable by us and estimated offering expenses payable by us, (ii) our use of these proceeds as described in Use of Proceeds, including repayment of the Kellwood Note Receivable and (iii) our entry into our new term loan and revolving credit facilities and approximately $175 million of borrowings under such term loan facility.

	As of August 3, 2013			
(In thousands)	Actual (Vince, LLC) (unaudited)	Actual (AHC) (unaudited)	Pro Forma (AHC) (unaudited)	Pro Forma, As Adjusted (AHC) (unaudited)
Balance Sheet Data:				
Cash and cash equivalents	$ 106	$ 2,178	$ 325	$ 5,325
Total current assets	82,603	228,891	82,892	87,892
Total assets	290,562	467,791	389,580	400,080
Kellwood Note Receivable(1)			341,500	
Total current liabilities	148,005(2)	221,230	374,023	32,523
Long-term debt	163,675(2)	386,842		175,000
Tax Receivable Agreement due(3)			172,151	172,151
Invested equity/Stockholders deficit	(26,159)	(179,102)	(159,836)	17,164
Total liabilities and invested equity/Stockholders deficit	290,562	467,791	389,580	400,080

(1) In connection with Vince Intermediate Holding, LLC s acquisition of Vince, LLC in the IPO Restructuring Transactions, Vince Intermediate Holding, LLC will issue the Kellwood Note Receivable to Kellwood Company, LLC. The principal amount of the Kellwood Note Receivable represents (i) the face value of the indebtedness, including accrued and unpaid interest and any related fees and expenses, to be repaid, discharged or repurchased by Kellwood Company, LLC in connection with the consummation of this offering, (ii) a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayments and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement, as described in Other Information Related to this Offering Certain Relationships and Related Party Transactions of AHC Management Fees, and (iii) a debt recovery bonus of $6.0 million to our Chief Executive Officer, as described in Additional Information Related to Vince Vince Executive Compensation Employment Agreements, all after giving effect to the Additional Sun Capital Contribution. The restructuring fee described in clause (ii) above and payable to Sun Capital Management in connection with this offering will total $3.3 million. Most of the proceeds from this offering, along with the net borrowings under our

new term loan facility, will be used to repay the Kellwood Note Receivable.

(2) Included within current liabilities are short-term borrowings under the Wells Fargo Facility of $115.6 million as of August 3, 2013. Long-term debt includes the Cerberus Term Loan and the Sun Term Loan Agreements. Total current liabilities Pro Forma (AHC) include amounts outstanding under the Kellwood Note Receivable. These debt instruments and the related capitalized deferred issuance costs are included in the Vince, LLC financial statements as Vince, LLC is a borrower party. This debt was incurred to fund the operation and growth of the Vince and non-Vince businesses, including to finance certain acquisitions made by AHC since 2008. As discussed above, we intend to enter into a new revolving credit facility and a new term loan facility with the consummation of this offering. We also intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing, (including amortization of deferred financing costs) had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

(3) As described in Other Information Related to the Offering Certain Relationships and Related Party Transactions of AHC Tax Receivable Agreement included elsewhere in this Prospectus, we will enter into the Tax Receivable Agreement with the Pre-IPO Stockholders, where we will be obligated to pay 85% of cash savings on federal, state and local income taxes realized by us through our use of certain net tax assets held by us subsequent to the IPO Restructuring Transactions. The amount set forth in this line represents 85% of the value of these net tax assets.

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Non-GAAP Financial Measures

To provide investors with additional information about our financial results, we disclose within this prospectus Adjusted EBITDA, a non-GAAP financial measure of Vince, LLC, after giving effect to the Vince Transfer. This metric is derived exclusively from the operations of the Vince business, as reflected in the Vince, LLC financial statements and results of operations. We have provided below a reconciliation between Adjusted EBITDA and net income. Net income is the most directly comparable financial measure prepared in accordance with U.S. generally accepted accounting principles (GAAP).

We have included Adjusted EBITDA in this prospectus because we believe it enhances investors understanding of Vince, LLC s operating results. Adjusted EBITDA is provided because management believes it is an important measure of financial performance commonly used to determine the value of companies, to define standards for borrowing from institutional lenders and because it is the primary measure used by management to evaluate our performance.

Some limitations of Adjusted EBITDA are:

- Adjusted EBITDA does not reflect the interest expense of, or the cash requirements necessary to service interest or principal payments on, our debts;
- Adjusted EBITDA does not reflect income tax payments that may represent a reduction in cash available to us;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future; and
- other companies may calculate Adjusted EBITDA differently or not at all, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income and Vince, LLC s audited historical financial results presented elsewhere in the prospectus in accordance with GAAP.

The following table presents a reconciliation of Vince, LLC net income to Adjusted EBITDA based on Vince, LLC s statements of operations for each of the periods indicated:

	Fiscal Year			Six Months Ended	
(In thousands)	**2010**	**2011**	**2012**	**July 28, 2012**	**August 3, 2013**
				(unaudited)	**(unaudited)**
Net income	$ 9,050	$ 16,669	$ 10,313	$ 1,181	$ 2,400

Interest expense(a)	7,172	15,004	22,903	10,690	12,429
Provision for income taxes	5,923	10,812	6,964	789	1,556
Depreciation and amortization expense	1,492	1,701	2,009	921	1,106
EBITDA	23,637	44,186	42,189	13,581	17,491
Public company transition costs(b)			9,331	1,679	4,011
Adjusted EBITDA	$ 23,637	$ 44,186	$ 51,520	$ 15,260	$ 21,502

(a) Interest expense for fiscal 2010, fiscal 2011 and fiscal 2012 and the six month periods ended July 28, 2012 and August 3, 2013 represents certain interest costs and amortization of debt issuance costs on Kellwood Company indebtedness, including the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements. These debt instruments and related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. We intend to enter into a new revolving credit facility and new term loan facility in connection with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We also intend to borrow approximately

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$175 million under our new term loan facility at that time. The interest expense of this borrowing (including amortization of deferred financing costs), had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

(b) Adjusted EBITDA does not include the impact of our public company transition costs and certain one-time costs of $9.3 million, $1.7 million and $4.0 million for fiscal 2012, the first six months of fiscal 2012 and the first six months of fiscal 2013, respectively. These costs include transition payments to our founders, charges that are directly attributable to this offering, incremental costs for external legal counsel and consulting fees incurred to effect the Restructuring Transactions and other one-time costs. These charges are excluded due to their non-recurring nature and ability to impact comparability to other periods.

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RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before making an investment decision. If any of the following risks actually occurs, our business, financial condition and results of operations could be materially and adversely affected. In that event, the trading price of our common stock could decline and you could lose all or part of your inve