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

FORM 10-Q

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

For the Quarterly Period Ended October 31, 2015

Commission File Number 01-34219

DESTINATION XL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**04-2623104** **(IRS Employer Identification No.)**
555 Turnpike Street, Canton, MA **(Address of principal executive offices)**	**02021** **(Zip Code)**

(781) 828-9300
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

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

The number of shares of the registrant's common stock outstanding as of November 16, 2015 was 50,812,682.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

DESTINATION XL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	October 31, 2015 (Fiscal 2015)	January 31, 2015 (Fiscal 2014)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,600	$ 4,586
Accounts receivable	6,082	3,619
Inventories	133,312	115,220
Prepaid expenses and other current assets	9,485	8,913
Total current assets	154,479	132,338
Property and equipment, net of accumulated depreciation and amortization	126,768	120,328
Other assets:		
Intangible assets	2,823	3,308
Other assets	4,050	3,907
Total assets	$ 288,120	$ 259,881
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 7,332	$ 7,335
Current portion of deferred gain on sale-leaseback	1,465	1,465
Accounts payable	30,327	29,979
Accrued expenses and other current liabilities	32,438	31,972
Borrowings under credit facility	55,866	18,817
Total current liabilities	127,428	89,568
Long-term liabilities:		
Long-term debt, net of current portion	20,652	26,171
Deferred rent and lease incentives	31,221	28,850
Deferred gain on sale-leaseback, net of current portion	13,555	14,654
Deferred tax liability	170	91
Other long-term liabilities	6,845	8,157
Total long-term liabilities	72,443	77,923
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, 1,000,000 shares authorized, none issued	—	—
Common stock, $0.01 par value, 100,000,000 shares authorized, 61,657,855 and 61,560,544 shares issued at October 31, 2015 and January 31, 2015, respectively	617	616
Additional paid-in capital	301,976	299,892
Treasury stock at cost, 10,877,439 shares at October 31, 2015 and January 31, 2015	(87,977)	(87,977)
Accumulated deficit	(118,928)	(111,903)
Accumulated other comprehensive loss	(7,439)	(8,238)
Total stockholders' equity	88,249	92,390
Total liabilities and stockholders' equity	$ 288,120	$ 259,881

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	October 31, 2015 (Fiscal 2015)	November 1, 2014 (Fiscal 2014)	October 31, 2015 (Fiscal 2015)	November 1, 2014 (Fiscal 2014)
Sales	$ 99,625	$ 93,640	$ 318,177	$ 294,461
Cost of goods sold including occupancy costs	54,761	53,068	171,191	161,714
Gross profit	44,864	40,572	146,986	132,747
Expenses:				
Selling, general and administrative	42,414	40,053	131,004	126,601
Depreciation and amortization	7,076	6,041	20,526	17,169
Total expenses	49,490	46,094	151,530	143,770
Operating loss	(4,626)	(5,522)	(4,544)	(11,023)
Interest expense, net	(783)	(506)	(2,290)	(1,368)
Loss from continuing operations before provision for income taxes	(5,409)	(6,028)	(6,834)	(12,391)
Provision for income taxes	63	63	191	173
Loss from continuing operations	(5,472)	(6,091)	(7,025)	(12,564)
Loss from discontinued operations, net of taxes	—	(190)	—	(1,285)
Net loss	$ (5,472)	$ (6,281)	$ (7,025)	$ (13,849)
Net loss per share - basic and diluted:				
Loss from continuing operations	$ (0.11)	$ (0.12)	$ (0.14)	$ (0.26)
Loss from discontinued operations	$ —	$ —	$ —	$ (0.03)
Net loss per share - basic and diluted	$ (0.11)	$ (0.13)	$ (0.14)	$ (0.28)
Weighted-average number of common shares outstanding:				
Basic	49,116	48,773	49,072	48,724
Diluted	49,116	48,773	49,072	48,724

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	October 31, 2015 (Fiscal 2015)	November 1, 2014 (Fiscal 2014)	October 31, 2015 (Fiscal 2015)	November 1, 2014 (Fiscal 2014)
Net loss	$ (5,472)	$ (6,281)	$ (7,025)	$ (13,849)
Other comprehensive income (loss) before taxes:				
Foreign currency translation	(32)	(144)	30	(37)
Pension plan	256	147	769	424
Other comprehensive income (loss) before taxes	224	3	799	387
Tax (provision) benefit related to items of other comprehensive income (loss)	—	—	—	—
Other comprehensive income (loss), net of tax	224	3	799	387
Comprehensive loss	$ (5,248)	$ (6,278)	$ (6,226)	$ (13,462)

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-in	Treasury Stock		Accumulated	Accumulated Other Comprehensive	
	Shares	Amounts	Capital	Shares	Amounts	Deficit	Income (Loss)	Total
Balance at January 31, 2015	61,561	$ 616	$299,892	(10,877)	$(87,977)	$ (111,903)	$ (8,238)	$ 92,390
Stock compensation expense			1,582					1,582
Exercises under option program	22	—	101					101
Board of Directors compensation	65	1	401					402
Issuance of restricted stock, net of cancellations	10	—	—					—
Accumulated other comprehensive income (loss):								
Unrecognized gain associated with pension plan							769	769
Foreign currency							30	30
Net loss						(7,025)		(7,025)
Balance at October 31, 2015	61,658	$ 617	$301,976	(10,877)	$(87,977)	$ (118,928)	$ (7,439)	$ 88,249

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Nine Months Ended October 31, 2015 (Fiscal 2015)	For the Nine Months Ended November 1, 2014 (Fiscal 2014)
Cash flows from operating activities:		
Net loss	$ (7,025)	$ (13,849)
Adjustments to reconcile net loss to net cash used for operating activities:		
Amortization of deferred gain on sale-leaseback	(1,099)	(1,099)
Amortization of deferred debt issuance costs	211	124
Depreciation and amortization	20,526	17,169
Deferred taxes, net of valuation allowance	79	65
Stock compensation expense	1,582	2,203
Issuance of common stock to Board of Directors	402	159
Changes in operating assets and liabilities:		
Accounts receivable	(2,463)	833
Inventories	(18,092)	(20,847)
Prepaid expenses and other current assets	(572)	(1,529)
Other assets	(143)	(445)
Accounts payable	348	(4,400)
Deferred rent and lease incentives	2,371	5,589
Accrued expenses and other liabilities	(1,176)	651
Net cash used for operating activities	(5,051)	(15,376)
Cash flows from investing activities:		
Additions to property and equipment, net	(25,352)	(30,835)
Net cash used for investing activities	(25,352)	(30,835)
Cash flows from financing activities:		
Proceeds from the exercise of stock options	101	123
Proceeds from the issuance of long-term debt	—	23,923
Principal payments on long-term debt	(5,624)	(4,640)
Costs associated with debt issuances	(15)	(598)
Net borrowings under credit facility	36,955	28,925
Net cash provided by financing activities	31,417	47,733
Net increase in cash and cash equivalents	1,014	1,522
Cash and cash equivalents:		
Beginning of period	4,586	4,544
End of period	$ 5,600	$ 6,066

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.

Notes to Consolidated Financial Statements

1. Basis of Presentation

In the opinion of management of Destination XL Group, Inc., a Delaware corporation (formerly known as Casual Male Retail Group, Inc. and, collectively with its subsidiaries, referred to as the "Company"), the accompanying unaudited consolidated financial statements contain all adjustments necessary for a fair presentation of the interim financial statements. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with the notes to the Company's audited consolidated financial statements for the fiscal year ended January 31, 2015 included in the Company's Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on March 25, 2015.

The information set forth in these statements may be subject to normal year-end adjustments. The information reflects all adjustments that, in the opinion of management, are necessary to present fairly the Company's results of operations, financial position and cash flows for the periods indicated. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's business historically has been seasonal in nature, and the results of the interim periods presented are not necessarily indicative of the results to be expected for the full year.

The Company's fiscal year is a 52- or 53- week period ending on the Saturday closest to January 31. Fiscal 2015 and fiscal 2014 are 52-week periods ending January 30, 2016 and January 31, 2015, respectively.

Segment Information

The Company reports its operations as one reportable segment, Big & Tall Men's Apparel, which consists of two principal operating segments: its retail business and its direct business. The Company considers its operating segments to be similar in terms of economic characteristics, production processes and operations, and have therefore aggregated them into a single reporting segment, consistent with its omni-channel business approach. The direct operating segment includes the operating results and assets for LivingXL® and ShoesXL®.

Change in Accounting Principle

The Company historically presented deferred debt issuance costs, or fees directly related to issuing debt, as assets on the consolidated balance sheets. In the first quarter of fiscal 2015, the Company elected early adoption of ASU 2015–03, "*Interest − Imputation of Interest (Subtopic 835−30), Simplifying the Presentation of Debt Issuance Costs"* (ASU 2015-03). The guidance simplifies the presentation of debt issuance costs by requiring debt issuance costs to be presented as a deduction from the corresponding liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs is not affected. Therefore, these costs will continue to be amortized as interest expense over the term of the corresponding debt issuance. The Company applied the new guidance retrospectively to all prior periods presented in the financial statements.

The reclassification did not impact net income (loss) previously reported or any prior amounts reported on the Consolidated Statements of Operations. The following table presents the effect of the retrospective application of this change in accounting principle on the Company's Consolidated Balance Sheets as of January 31, 2015.

Consolidated Balance Sheets *(in thousands)*	As Reported January 31, 2015	Effect of Change in Accounting Principle	After Change in Accounting Principle
ASSETS:			
Current assets:			
Prepaid expenses and other current assets	$ 9,190	$ (277)	$ 8,913
Total current assets	132,615	(277)	132,338
Noncurrent assets:			
Other assets	4,849	(942)	3,907
Total assets	261,100	(1,219)	259,881
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 7,489	$ (154)	$ 7,335
Borrowings under credit facility	19,402	(585)	18,817
Total current liabilities	90,307	(739)	89,568
Long-term liabilities:			
Long-term debt, net of current portion	26,651	(480)	26,171
Total long-term liabilities	78,403	(480)	77,923
Total liabilities and stockholders' equity	261,100	(1,219)	259,881

Reclassification

As a result of the Company's adopting ASU 2015-03, for the first nine months of fiscal 2014, the Company has reclassified $124,000 from "Change in Other Assets" to "Amortization of Deferred Debt Issuance Costs" in the Consolidated Statement of Cash Flows.

Intangibles

At October 31, 2015, the "Casual Male" trademark had a carrying value of $1.1 million and is considered a definite-lived asset. The Company is amortizing the remaining carrying value on an accelerated basis, consistent with projected cash flows through fiscal 2018, its estimated remaining useful life.

The Company's "Rochester" trademark is considered an indefinite-lived intangible asset and has a carrying value of $1.5 million. During the first nine months ended October 31, 2015, no event or circumstance occurred which would cause a reduction in the fair value of the Company's reporting units, requiring interim testing of the Company's "Rochester" trademark.

Fair Value of Financial Instruments

ASC Topic 825, Financial Instruments, requires disclosure of the fair value of certain financial instruments. ASC Topic 820, "*Fair Value Measurements and Disclosures*," defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements.

The valuation techniques utilized are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect internal market assumptions. These two types of inputs create the following fair value hierarchy:

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

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities.

The Company utilizes observable market inputs (quoted market prices) when measuring fair value whenever possible.

The fair value of long-term debt is classified within Level 2 of the valuation hierarchy. At October 31, 2015, the fair value approximates the carrying amount based upon terms available to the Company for borrowings with similar arrangements and remaining maturities.

The fair value of indefinite-lived assets, which consists of the Company's "Rochester" trademark, is measured on a non-recurring basis in connection with the Company's annual impairment test. The fair value of the trademark is determined using a projected discounted cash flow analysis based on unobservable inputs and are classified within Level 3 of the valuation hierarchy. See *Intangibles* above.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and short-term borrowings approximate fair value because of the short maturity of these instruments.

Accumulated Other Comprehensive Income (Loss) - ("AOCI")

Other comprehensive income (loss) includes amounts related to foreign currency and pension plans and is reported in the Consolidated Statements of Comprehensive Income (Loss). Other comprehensive income and reclassifications from AOCI for the three and nine months ended October 31, 2015 and November 1, 2014, respectively, are as follows:

For the three months ended:	October 31, 2015			November 1, 2014		
	(in thousands)					
	Pension Plans	Foreign Currency	Total	Pension Plans	Foreign Currency	Total
Balance at beginning of the quarter	$ (7,282)	$ (381)	$ (7,663)	$ (4,270)	$ 94	$ (4,176)
Other comprehensive income (loss) before reclassifications, net of taxes	94	(32)	62	82	(144)	(62)
Amounts reclassified from accumulated other comprehensive income, net of taxes (1)	162	—	162	65	—	65
Other comprehensive income (loss) for the period	256	(32)	224	147	(144)	3
Balance at end of quarter	$ (7,026)	$ (413)	$ (7,439)	$ (4,123)	$ (50)	$ (4,173)

For the nine months ended:	October 31, 2015			November 1, 2014		
	(in thousands)					
	Pension Plans	Foreign Currency	Total	Pension Plans	Foreign Currency	Total
Balance at beginning of fiscal year	$ (7,795)	$ (443)	$ (8,238)	$ (4,547)	$ (13)	$ (4,560)
Other comprehensive income (loss) before reclassifications, net of taxes	284	30	314	246	(37)	209
Amounts reclassified from accumulated other comprehensive income, net of taxes (1)	485	—	485	178	—	178
Other comprehensive income (loss) for the period	769	30	799	424	(37)	387
Balance at end of quarter	$ (7,026)	$ (413)	$ (7,439)	$ (4,123)	$ (50)	$ (4,173)

(1) Includes the amortization of the unrecognized (gain)/loss on pension plans which was charged to "Selling, General and Administrative" Expense on the Consolidated Statements of Operations for all periods presented. The amortization of the unrecognized loss, before tax, was $162,000 and $65,000 for the three months ended October 31, 2015 and November 1, 2014, respectively, and $485,000 and $178,000 for the nine months ended October 31, 2015 and November 1, 2014, respectively. There was no tax benefit for any period.

Revenue Recognition

Revenue from the Company's retail store operation is recorded upon purchase of merchandise by customers, net of an allowance for sales returns. Revenue from the Company's e-commerce operations is recognized at the time a customer order is delivered, net of an allowance for sales returns. Revenue is recognized by the operating segment that fulfills a customer's order.

Stock-based Compensation

All share-based payments, including grants of employee stock options and restricted stock, are recognized as an expense in the Consolidated Statement of Operations based on their fair values and vesting periods. The fair value of stock options is determined using the Black-Scholes valuation model and requires the input of subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (the "expected term"), the estimated volatility of the Company's common stock price over the expected term and the number of options that will ultimately not complete their vesting requirements ("forfeitures"). The Company reviews its valuation assumptions at each grant date and, as a result, is likely to change its valuation assumptions used to value employee stock-based awards granted in future periods. The values derived from using the Black-Scholes model are recognized as an expense over the vesting period, net of estimated forfeitures. The estimation of stock-based awards that will ultimately vest requires significant judgment. Actual results and future changes in estimates may differ from the Company's current estimates.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, "*Revenue from Contracts with Customers*," which supersedes the revenue recognition requirements in ASC 605, "*Revenue Recognition*," as well as various other sections of the ASC, such as, but not limited to, ASC 340-20, "*Other Assets and Deferred Costs - Capitalized Advertising Costs*". The core principle of ASU 2014-09 is that an entity should recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 also includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. In August 2015, the FASB issued ASU 2015-14, "*Revenue from Contracts with Customers (Topic 606),* to defer the effective date of ASU 2014-09 by one year. ASU 2014-09 will be effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, and is to be applied either retrospectively to each prior reporting period presented or with the cumulative effect recognized at the date of initial adoption as an adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets on the balance sheet). Early adoption is permitted after December 15, 2016. The Company does not believe that there will be any material impact of ASU 2014-09 on its Consolidated Financial Statements upon adoption.

In June 2014, the FASB issued ASU 2014-12, "*Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period".* ASU 2014-12 affects entities that grant their employees share-based payments in which terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments in ASU 2014-12 require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. ASU 2014-12 is effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period, with earlier adoption permitted. The Company does not believe that there will be any material impact of ASU 2014-12 on its Consolidated Financial Statements upon adoption.

In January 2015, the FASB issued ASU 2015-01, "*Income Statement - Extraordinary and Unusual Items (Subtopic 225-20)".* ASU 2015-01 eliminates the concept of extraordinary items from GAAP, which requires an entity to separately classify, present, and disclose extraordinary events and transactions. ASU 2015-01 is effective for annual reporting periods beginning after December 15, 2015, and for annual periods and interim periods thereafter. Early application is permitted. The adoption of ASU 2015-01 is not expected to have an impact on the Company's financial position or results of operations.

In May 2015, the FASB issued ASU 2015-05, "*Intangibles - Goodwill and Other - Internal - Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement".* ASU 2015-05 provides accounting guidance on how customers should treat cloud computing arrangements. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. ASU 2015-05 is effective for annual reporting periods beginning after December 15, 2015 and interim periods within those reporting periods. An entity can elect to adopt the amendments either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively. The adoption of ASU 2015-05 is not expected to have a material impact on the Company's financial position or results of operations.

In July 2015, the FASB issued ASU 2015-11, "*Inventory (Topic 330): Simplifying the Measurement of Inventory,*" which applies to inventory that is measured using first-in, first-out ("FIFO") or average cost. Under the updated guidance, an entity should measure inventory that is within scope at the lower of cost and net realizable value, which is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This is a change from previous measurement of lower of cost or market, where market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. This ASU is effective for annual and interim periods beginning after December 15, 2016, and should be applied prospectively with early adoption permitted at the beginning of an interim or annual reporting period. The Company is currently evaluating the impact the pronouncement will have on the Company's financial position but does not expect that there will be any material impact of ASU 2015-11 on its Consolidated Financial Statements upon adoption.

In September 2015, the FASB issued ASU 2015-16, "*Business Combinations (Topic 805)*," which simplified the accounting for measurement-period adjustments. The guidance requires a company to recognize adjustments to provisional amounts that are identified in the measurement period in the reporting period in which the adjustment amounts are determined. Any effect on earnings or changes in depreciation, amortization, or other income effects, as a result of the change in provisional amounts, will be recorded as if the accounting had been completed at the acquisition date. The portion of the amount that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized will be separately presented on the face of the income statement or disclosed in the notes. The ASU is effective for annual and interim periods beginning after December 31, 2015, and should be applied prospectively to adjustments to provisional amounts, with early adoption permitted. The Company is currently evaluating the impact the pronouncement will have on the Company's financial position but does not expect that there will be any material impact of ASU 2015-16 on its Consolidated Financial Statements upon adoption.

No other new accounting pronouncements, issued or effective during the first nine months of fiscal 2015, have had or are expected to have a significant impact on the Company's Consolidated Financial Statements.

2. Debt

Credit Agreement with Bank of America, N.A.

On October 30, 2014, the Company amended its credit facility with Bank of America, N.A, effective October 29, 2014, by executing the Second Amendment to the Sixth Amended and Restated Loan and Security Agreement (as amended, the "Credit Facility").

The Credit Facility provides for maximum committed borrowings of $125 million. The Credit Facility includes, pursuant to an accordion feature, the ability to increase the Credit Facility by an additional $50 million upon the request of the Company and the agreement of the lender(s) participating in the increase. The Credit Facility includes a sublimit of $20 million for commercial and standby letter of credits and a sublimit of up to $15 million for swingline loans. The Company's ability to borrow under the Credit Facility is determined using an availability formula based on eligible assets. The maturity date of the Credit Facility is October 29, 2019. The Company's obligations under the Credit Facility are secured by a lien on substantially all of its assets, excluding (i) a first priority lien held by the lenders of the Term Loan Facility on certain equipment of the Company described below and (ii) intellectual property.

At October 31, 2015, the Company had outstanding borrowings under the Credit Facility of $56.4 million, before unamortized debt issuance costs of $0.5 million. Outstanding standby letters of credit were $2.5 million with no outstanding documentary letters of credit. Unused excess availability at October 31, 2015 was $62.8 million. Average monthly borrowings outstanding under the Credit Facility during the first nine months of fiscal 2015 were $40.7 million, resulting in an average unused excess availability of approximately $67.6 million. The Company's ability to borrow under the Credit Facility is determined using an availability formula based on eligible assets, with increased advance rates based on seasonality. Pursuant to the terms of the Credit Facility, if the Company's excess availability under the Credit Facility fails to be equal to or greater than the greater of (i) 10% of the Loan Cap (defined in the Credit Facility as the lesser of the revolving credit commitments at such time or the borrowing base at the relevant measurement time) and (ii) $7.5 million, the Company will be required to maintain a minimum consolidated fixed charge coverage ratio of 1.0:1.0 in order to pursue certain transactions, including but not limited to, stock repurchases, payment of dividends and business acquisitions.

Borrowings made pursuant to the Credit Facility will bear interest at a rate equal to the base rate (determined as the highest of (a) Bank of America N.A.'s prime rate, (b) the Federal Funds rate plus 0.50% or (c) the annual ICE-LIBOR rate ("LIBOR") for the respective interest period) plus a varying percentage, based on the Company's borrowing base, of 0.50%-0.75% for prime-based borrowings and 1.50%-1.75% for LIBOR-based borrowings. The Company is also subject to an unused line fee of 0.25%. At October 31, 2015, the Company's prime-based interest rate was 3.75%. At October 31, 2015, the Company had approximately $52.0 million of its outstanding borrowings in LIBOR-based contracts with an interest rate of 1.65%. The LIBOR-based contracts expired between November 2, 2015 and November 5, 2015. When a LIBOR-based borrowing expires, the borrowings revert back to prime-based borrowings unless the Company enters into a new LIBOR-based borrowing arrangement.

The fair value of the amount outstanding under the Credit Facility at October 31, 2015 approximated the carrying value.

Long-Term Debt

Components of long-term debt are as follows:

(in thousands)	October 31, 2015	January 31, 2015
Equipment financing notes	$ 14,516	$ 19,390
Term loan, due 2019	14,000	14,750
Less: unamortized debt issuance costs (1)	(532)	(634)
Total long-term debt	27,984	33,506
Less: current portion of long-term debt	7,332	7,335
Long-term debt, net of current portion	$ 20,652	$ 26,171

(1) Includes the reclassification of debt issuance costs of $0.1 million from “Prepaid expenses and other current assets” and $0.5 million from “Other assets” at January 31, 2015 as a result of the Company adopting ASU 2015-03, see Note 1.

Equipment Financing Loans

Pursuant to a Master Loan and Security Agreement with Banc of America Leasing & Capital, LLC, dated July 20, 2007 and amended on September 30, 2013 (the “Master Agreement”), the Company entered into twelve equipment security notes between September 2013 and June 2014 (in aggregate, the “Notes”), whereby the Company borrowed an aggregate of $26.4 million. The Notes are for a term of 48 months and accrue interest at fixed rates ranging from 3.07% and 3.50%. Principal and interest are paid monthly, in arrears.

The Notes are secured by a security interest in all of the Company’s rights, title and interest in and to certain equipment. The Company is subject to a prepayment penalty equal to 1% of the prepaid principal of the Notes until the first anniversary of each Note, 0.5% of the prepaid principal from the first anniversary until the second anniversary and no prepayment penalty thereafter. The Master Agreement includes default provisions that are customary for financings of this type and are similar and no more restrictive than the Company’s existing Credit Facility.

Term Loan

On October 30, 2014, the Company entered into a term loan agreement with respect to a new $15 million senior secured term loan facility with Wells Fargo Bank, National Association as administrative and collateral agent (the “Term Loan Facility”). The effective date of the Term Loan Facility is October 29, 2014 (the “Effective Date”). The proceeds from the Term Loan Facility were used to repay borrowings under the Credit Facility.

The Term Loan Facility bears interest at a rate per annum equal to the greater of (a) 1.00% and (b) the one month LIBOR rate, plus 6.50%. Interest payments are payable on the first business day of each calendar month, and increase by 2% following the occurrence and during the continuance of an “event of default,” as defined in the Term Loan Facility. The Term Loan Facility provides for quarterly principal payments on the first business day of each calendar quarter, commencing the first business day of January 2015, in an aggregate principal amount equal to $250,000, subject to adjustment, with the balance payable on the termination date.

The Term Loan Facility includes usual and customary mandatory prepayment provisions for transactions of this type that are triggered by the occurrence of certain events. In addition, the amounts advanced under the Term Loan Facility can be optionally prepaid in whole or part. All prepayments are subject to an early termination fee in the amount of: (a) 4% of the amount prepaid if the prepayment is prior to the first anniversary of the Effective Date; (b) 2% of the amount prepaid if the prepayment is after the first anniversary, but prior to the second anniversary, of the Effective Date; and (c) 1% of the amount prepaid if the prepayment is after the second anniversary, but prior to the third anniversary, of the Effective Date. There is no prepayment penalty after the third anniversary of the Effective Date.

The Term Loan Facility matures on October 29, 2019. It is secured by a first priority lien on certain equipment of the Company, and a second priority lien on substantially all of the remaining assets of the Company, excluding intellectual property.

3. Stock-Based Compensation

2013-2016 LTIP

The Company's 2013-2016 Destination XL Group, Inc. Long-Term Incentive Plan (the "2013-2016 LTIP") was approved in the second quarter of fiscal 2013. Pursuant to the terms of the 2013-2016 LTIP, on the date of grant, each participant was granted an unearned and unvested award equal in value to four times his/her annual salary multiplied by the applicable long-term incentive program percentage, which is 100% for the Company's Chief Executive Officer, 70% for its senior executives and 50% for other participants in the plan, which the Company refers to as the "Projected Benefit Amount." Each participant was granted 50% of the Projected Benefit Amount in shares of restricted stock, 25% in stock options and the remaining 25% in cash. All shares were granted from the Company's 2006 Incentive Compensation Plan.

Of the total Projected Benefit Amount, 50% is subject to time-based vesting and 50% is subject to performance-based vesting. The time-vested portion of the award (half of the shares of restricted stock, options and cash) vests in three installments with 20% of the time-vested portion vesting at the end of fiscal 2014, 40% will vest at the end of fiscal 2015 and the remaining 40% will vest at the end of fiscal 2016.

For the performance-based portion of the award to vest, the Company must achieve, during any rolling four fiscal quarter period that ends on or before the end of fiscal 2015, revenue of at least $550 million and an operating margin of not less than 8.0%. In the event that the Company achieves its target of $550 million in revenue with an operating margin of not less than 8.0% during any rolling fiscal four quarters prior to fiscal 2016, then the total Projected Benefit Amount vests in full.

If the targets for vesting of the performance-based portion of the award are not met by the end of fiscal 2015, then the performance-based target can still be met in fiscal 2016. In fiscal 2016, the Company must achieve revenue of at least $600 million and an operating margin of not less than 8.0% for participants to receive 100% vesting of the performance-based portion of the Projected Benefit Amount. If the Company does not meet the performance target at the end of fiscal 2016, but the Company is able to achieve revenue equal to or greater than $510 million at the end of fiscal 2016 and the operating margin is not less than 8.0%, then the participants will receive a pro-rata portion of the performance-based award based on minimum sales of $510 million (50% payout) and $600 million (100% payout).

Assuming the Company achieves the performance target and 100% of the Projected Benefit Amount vests, excluding estimated forfeitures, the total potential value of all awards over this four-year period, as of October 31, 2015, would be approximately $19.4 million. Approximately half of the compensation expense relates to the time-vested awards, which is being expensed over forty-four months, based on the respective vesting dates. As the performance targets were not deemed probable at October 31, 2015, no expense for the performance-based awards has been recognized through the first nine months ended October 31, 2015.

2016 Long-Term Incentive Wrap-Around Plan

In the fourth quarter of fiscal 2014, the Compensation Committee of the Company's Board of Directors approved the 2016 Long-Term Incentive Wrap-Around Plan (the "Wrap-Around Plan"). The Wrap-Around Plan is a supplemental performance-based incentive plan that is only effective if there is no vesting of the performance-based awards under the 2013-2016 LTIP and, as a result, all performance-based awards under that plan are forfeited. Under the Wrap-Around Plan, if the target level performance metrics for fiscal 2016 are met, participants will be eligible to receive a payout equal to 80% of the dollar value of the performance-based compensation they were eligible to receive under the 2013-2016 LTIP. If the target level performance metrics for fiscal 2016 under the Wrap-Around Plan are exceeded, the greatest payout that participants will be eligible to receive is 100% of the dollar value of the performance-based compensation they were eligible to receive under the 2013-2016 LTIP. Any award earned will be paid 50% in cash and 50% in shares of restricted stock.

The performance target under the Wrap-Around Plan consists of two metrics, Sales and EBITDA, with threshold (50%), target (80%) and maximum (100%) payout levels. Each metric is weighted as 50% of the total performance target. However, in order for there to be any payout under either metric, EBITDA for fiscal 2016 must be equal to or greater than the minimum threshold.

The Wrap-Around Plan also provides for an opportunity to receive additional shares of restricted stock if at least the threshold EBITDA target is achieved and the Company's closing stock price is $6.75 or higher on the day earnings for fiscal 2016 are publicly released. If the Company's stock price is $6.75, the payout in restricted shares will be increased by 20% and if the stock price is $7.25 or higher, the payout in restricted shares will be increased by 30%. The portion of the award payable in cash is not affected by the stock price. In any event, the most that can be achieved is the 100% payout level. All awards granted pursuant to the Wrap-Around Plan will not vest until the last day of the second quarter of fiscal 2017.

Assuming that the Company achieves the performance target at target levels under the Wrap-Around Plan, and further assuming that the Company's stock price is greater than $7.25, at the time the Company's earnings are publicly released, the compensation expense associated with this Wrap-Around Plan is estimated to be approximately $8.7 million. However, because the performance targets under the Wrap-Around Plan were not deemed probable at October 31, 2015, no compensation expense for the performance-based awards has been recognized through the end of the first nine months of fiscal 2015.

2006 Plan—Stock Option and Restricted Share Award Activity

Pursuant to the Company's 2006 Incentive Compensation Plan, as amended (the "2006 Plan"), the Company has 7,250,000 shares authorized for issuance, of which 4,250,000 shares may be subject to the granting of awards other than stock options and stock appreciation rights.

The following tables summarize the stock option activity and restricted share activity under the 2006 Plan for the first nine months of fiscal 2015:

	Number of shares	Weighted-average exercise price per option	Weighted-average remaining contractual term	Aggregate intrinsic value
Stock Options				
Outstanding options at beginning of year	2,747,802	$ 4.97		
Options granted	—	—		
Options canceled	(60,287)	$ 5.04		
Options exercised (1)	(22,136)	$ 4.59		
Outstanding options at end of quarter	2,665,379	$ 4.98	7.2 years	$ 2,376,745
Options exercisable at end of quarter	588,692	$ 4.74	5.6 years	$ 719,276

(1) The intrinsic value of options exercised was immaterial.

	Restricted shares	Deferred shares (1)	Fully-vested shares (2)	Total number of shares	Weighted-average grant-date fair value (3)
Shares					
Outstanding non-vested shares at beginning of year	1,685,290	11,238	—	1,696,528	$ 5.09
Shares granted	10,000	15,790	46,536	72,326	$ 4.89
Shares vested/issued	(32,223)	—	(46,536)	(78,759)	$ 5.00
Shares canceled	—	—	—	—	—
Outstanding non-vested shares at end of quarter	1,663,067	27,028	—	1,690,095	$ 5.08

(1) During the first nine months of fiscal 2015, the Company granted 15,790 shares of deferred stock, with a fair value of approximately $78,209 to certain directors as compensation in lieu of cash, in accordance with their irrevocable elections. The shares of deferred stock will vest three years from the date of grant or at separation of service, based on the irrevocable election of each director.

(2) During the first nine months of fiscal 2015, the Company granted 46,536 shares of stock, with a fair value of approximately $230,143 to certain directors as compensation in lieu of cash, in accordance with their irrevocable elections. Beginning in fiscal 2015, directors are required to elect 50% of their quarterly retainer in equity. All shares paid to directors to satisfy this election are issued from the Company's 2006 Stock Incentive Plan. Any shares in excess of the minimum required election will be issued from the Company's Non-Employee Director Stock Purchase Plan.

(3) The fair value of a restricted share, deferred share and fully-vested share is equal to the Company's closing stock price on the date of grant.

1992 Stock Incentive Plan (the "1992 Plan")—Stock Option Activity

The following table summarizes stock option activity under the 1992 Plan for the first nine months of fiscal 2015:

	Number of shares	Weighted-average exercise price per option	Weighted-average remaining contractual term	Aggregate intrinsic value (1)
Stock Options				
Outstanding options at beginning of year	217,500	$ 7.01		
Options granted				
Options expired	(201,500)	$ 7.00		
Options canceled	(1,000)	$ 7.38		
Options exercised	—	—		
Outstanding options at end of quarter	15,000	$ 7.18	0.2 years	—
Options exercisable at end of quarter	15,000	$ 7.18	0.2 years	—

(1) The intrinsic value of the options outstanding at October 31, 2015 was immaterial.

Share Availability Under the 2006 Plan

At October 31, 2015, the Company had 1,110,608 shares available for future grant under the 2006 Plan, of which 942,960 remain available under the sublimit for awards other than options and stock appreciation rights. No further grants can be made under the 1992 Plan.

Non-Employee Director Stock Purchase Plan

The Company granted 18,639 shares of common stock, with a fair value of approximately $93,228, to certain of its non-employee directors as compensation in lieu of cash in the first nine months of fiscal 2015.

Valuation Assumptions for Stock Options and Restricted Stock

For the first nine months of fiscal 2015, the Company granted 15,790 shares of deferred stock and 10,000 shares of restricted stock. For the first nine months of fiscal 2014, the Company granted 97,950 shares of restricted stock, 8,345 shares of deferred stock and stock options to purchase 141,684 shares of common stock.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model. For the first nine months of fiscal 2015, there were no grants of stock options. The following assumptions were used for grants for the first nine months of fiscal 2014:

	November 1, 2014
Expected volatility	46.0%
Risk-free interest rate	0.79%-0.93%
Expected life	3.1 - 3.5 yrs
Dividend rate	—

Expected volatilities are based on historical volatilities of the Company's common stock; the expected life represents the weighted average period of time that options granted are expected to be outstanding giving consideration to vesting schedules and historical exercise patterns; and the risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option.

For the first nine months of fiscal 2015 and fiscal 2014, the Company recognized total stock-based compensation expense of $1.6 million and $2.2 million, respectively. The total compensation cost related to time-vested stock options and time-based restricted stock awards not yet recognized as of October 31, 2015 is approximately $1.3 million, net of estimated forfeitures, which will be expensed over a weighted average remaining life of 12.8 months. At October 31, 2015, the Company had $7.1 million of unrecognized compensation expense, net of estimated forfeitures, related to its performance-based stock options and restricted stock. As discussed above, the Company will begin recognizing compensation if, and when, achievement of the performance targets under the 2013-2016 LTIP or Wrap-Around Plan becomes probable.

4. Earnings per Share

The following table provides a reconciliation of the number of shares outstanding for basic and diluted earnings per share:

	For the three months ended		For the nine months ended	
(in thousands)	October 31, 2015	November 1, 2014	October 31, 2015	November 1, 2014
Common Stock Outstanding:				
Basic weighted average common shares outstanding	49,116	48,773	49,072	48,724
Common stock equivalents – stock options and restricted stock (1)	—	—	—	—
Diluted weighted average common shares outstanding	49,116	48,773	49,072	48,724

(1) Common Stock equivalents of 700 and 558 shares for the three months ended October 31, 2015 and November 1, 2014, respectively, and 560 and 534 for the first nine months ended October 31, 2015 and November 1, 2014, respectively, were excluded due to the net loss.

The following potential common stock equivalents were excluded from the computation of diluted earnings per share in each period because the exercise price of such options was greater than the average market price per share of common stock for the respective periods or because of the unearned compensation associated with either the stock options or restricted stock.

	For the three months ended		For the nine months ended	
(in thousands, except exercise prices)	October 31, 2015	November 1, 2014	October 31, 2015	November 1, 2014
Stock Options (time-vested)	183	1,522	1,214	1,480
Restricted Stock (time-vested)	—	—	15	-
Range of exercise prices of such options	$5.27 - $7.52	$4.96 - $7.52	$4.96 - $7.52	$4.96 - $7.52

The above options, which were outstanding at October 31, 2015, expire from January 16, 2016 to November 10, 2024.

Excluded from the Company's computation of basic and diluted earnings per share for both the third quarter and first nine months of fiscal 2015 were 933,486 shares of unvested performance-based restricted stock and 1,162,047 performance-based stock options. For the third quarter and first nine months of fiscal 2014, 948,190 shares of unvested performance-based restricted stock and 1,175,971 performance-based stock options were excluded from the Company's computation of basic and diluted earnings per share for both periods. Performance-based awards will be included in the computation of basic and diluted earnings per share if, and when, the respective performance targets are achieved. In addition, shares of unvested time-based restricted stock of 729,581 and 948,190 were excluded from the computation of basic earnings per share for the third quarter and first nine months of fiscal 2015 and fiscal 2014, respectively, and will be until such shares vest. See Note 3, Stock-Based Compensation, for a discussion of the Company's 2013-2016 LTIP and the respective performance targets.

Although the shares of performance-based and time-based restricted stock issued in connection with the 2013-2016 LTIP are not considered outstanding or common stock equivalents for earnings per share purposes until certain vesting and performance thresholds are achieved, all 1,663,067 shares of restricted stock outstanding at October 31, 2015 are considered issued and outstanding. Each share of restricted stock has all of the rights of a holder of the Company's common stock, including, but not limited to, the right to vote and the right to receive dividends, which rights are forfeited if the restricted stock is forfeited.

5. Income Taxes

At October 31, 2015, the Company had total deferred tax assets of approximately $78.2 million, total deferred tax liabilities of $15.6 million and a corresponding valuation allowance of $62.8 million.

In the fourth quarter of fiscal 2013, the Company entered into a three-year cumulative loss position and based on forecasts at that time, the Company expected the cumulative three-year loss to increase as of the end of fiscal 2014. Management determined that this represented significant negative evidence at February 1, 2014. While the Company has projected it will return to profitability, generate taxable income and ultimately emerge from a three-year cumulative loss, based on a consideration of all positive and negative evidence as of February 1, 2014, the Company established a full allowance against its net deferred tax assets. Based on the Company's forecast for fiscal 2015, the Company believes that a full allowance remains appropriate at this time.

As of October 31, 2015, the Company had net operating loss carryforwards of $128.7 million for federal income tax purposes and $73.5 million for state income tax purposes that are available to offset future taxable income through fiscal year 2035. Additionally, the Company has alternative minimum tax credit carryforwards of $2.3 million, which are available to further reduce income taxes over an indefinite period. Additionally, the Company has $0.1 million and $2.3 million of net operating loss for tax purposes related to the Company's operations in Hong Kong and Canada, respectively, though both are expected to expire largely unutilized. Included in the net operating loss carryforwards for both federal and state income tax is approximately $13.0 million relating to stock compensation deductions, the tax benefit from which, if realized, will be credited to additional paid-in capital.

The utilization of net operating loss carryforwards and the realization of tax benefits in future years depends predominantly upon having taxable income. Under the provisions of the Internal Revenue Code, certain substantial changes in the Company's ownership may result in a limitation on the amount of net operating loss carryforwards and tax credit carryforwards which may be used in future years.

The Company's tax provision for the first nine months of fiscal 2015 and fiscal 2014 represents an increase in our deferred tax liability for indefinite-lived intangibles as well as current state margin tax and foreign income tax.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The charge for taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed. The charge is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Pursuant to Topic 740, "*Income Taxes*", the Company will recognize the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. The liability for unrecognized tax benefits at October 31, 2015 was $3.0 million. This amount is directly associated with a prior year tax position related to exiting the European direct business. The amount of unrecognized tax benefit has been presented as a reduction in the reported amounts of its federal and state net operating loss carryforwards. It is the Company's policy to record interest and penalties on unrecognized tax benefits as income taxes; however, no penalties or interest have been accrued on this liability because the carryforwards have not yet been utilized.

The Company is subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company has concluded all U.S. federal income tax matters for years through fiscal 2001, with remaining fiscal years subject to income tax examination by federal tax authorities.

6. Discontinued Operations

In the second quarter of fiscal 2014, the Company notified Sears Canada of its intent to exit the business and began the process of an orderly wind-down. The Company ceased taking new orders and completed the run-off of operations through a final settlement with Sears during the fourth quarter of fiscal 2014. Accordingly, the results of operations for the third quarter and first nine months of fiscal 2014 have been reclassified to reflect the operating results as discontinued operations. The loss for the first nine months of fiscal 2014, as shown in the table below, includes a charge of approximately $0.8 million related primarily to inventory reserves and sales allowances as a result of the Company's decision to exit the business.

(in thousands)	For the three months ended November 1, 2014	For the nine months ended November 1, 2014
Sales	$ —	$ (347)
Gross profit	(58)	(882)
Selling, general and administrative expenses	132	403
Depreciation and amortization	—	—
Provision (benefit) from income taxes	—	—
Loss from discontinued operations, net of taxes	$ (190)	$ (1,285)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "estimate," "intend," "plan," "continue," "believe," "expect" or "anticipate" or the negatives thereof, variations thereon or similar terminology. The forward-looking statements contained in this Quarterly Report are generally located in the material set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," but may be found in other locations as well, and include statements regarding cash flows, operating and gross profit margins, store counts, costs, capital expenditures, borrowings, sales and earnings expectations for fiscal 2015 and beyond, the expected benefit of marketing initiatives, international sales growth and the anticipated pace and number of store openings in fiscal 2015. These forward-looking statements generally relate to plans and objectives for future operations and are based upon management's reasonable estimates of future results or trends. The forward-looking statements in this Quarterly Report should not be regarded as a representation by us or any other person that our objectives or plans will be achieved. The following discussion of our financial condition and results of operations should be read in conjunction with the unaudited consolidated financial statements and notes to those statements included elsewhere in the Quarterly Report on Form 10-Q and our audited consolidated financial statements for the year ended January 31, 2015, included in our Annual Report on Form 10-K, for the year ended January 31, 2015, as filed with the Securities and Exchange Commission on March 25, 2015.

Numerous factors could cause our actual results to differ materially from such forward-looking statements. We encourage readers to refer to the "Risk Factors" section in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 31, 2015, that sets forth certain risks and uncertainties that may have an impact on future results and direction of our Company, including risks relating to the execution of our DXL strategy and ability to grow our market share, our ability to predict customer tastes and fashion trends and to compete successfully in the United States men's big & tall apparel market.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the foregoing. These forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances in which the forward-looking statement is based.

BUSINESS SUMMARY

Destination XL Group, Inc., together with our consolidated subsidiaries (the "Company"), is the largest specialty retailer of big & tall men's apparel with retail and direct operations in the United States and London, England. We operate under the trade names of Destination XL®, DXL®, DXL Outlets, Casual Male XL®, Casual Male XL Outlets, Rochester Clothing, ShoesXL® and LivingXL®. At October 31, 2015, we operated 163 Destination XL stores, 136 Casual Male XL retail stores, 9 DXL outlet stores, 41 Casual Male XL outlet stores and 5 Rochester Clothing stores. Our direct business includes our DestinationXL.com and bigandtall.com e-commerce sites which support our stores, brands and product extensions.

Unless the context indicates otherwise, all references to "we," "our," "us" and "the Company" refer to Destination XL Group, Inc. and our consolidated subsidiaries. We refer to our fiscal years which end on January 30, 2016 and January 31, 2015 as "fiscal 2015" and "fiscal 2014," respectively. Both fiscal years are 52-week periods.

SEGMENT REPORTING

We report our operations as one reportable segment, Big & Tall Men's Apparel. We consider our retail and direct business, especially in our growing omni-channel environment, to be similar in terms of economic characteristics, production processes and operations, and have, therefore, aggregated them into a single reporting segment.

COMPARABLE SALES

Total comparable sales include our retail stores that have been open for at least 13 months and our direct business. Stores that have been remodeled or re-located during the period are also included in our determination of comparable sales. Stores that have been expanded by more than 25% are considered non-comparable for the first 13 months. If a store becomes a clearance center, it is also removed from the calculation of comparable sales. The method of calculating comparable sales varies across the retail industry and, as a result, our calculation of comparable sales is not necessarily comparable to similarly titled measures reported by other retailers.

Our customer's shopping experience continues to evolve across multiple channels and we are continually changing to meet his needs. Effective fiscal 2014, as part of our omni-channel initiatives, more than 300 of our retail stores now have the capability of fulfilling online orders if merchandise is not available in the warehouse. As a result, we are seeing more transactions that begin online but are ultimately completed at the store level. Similarly, if a customer visits a store and the item is out of stock, the associate can order the item through our website. Because this omni-channel approach to retailing is changing the boundaries of where a sale originates and where a sale is ultimately settled, we no longer report comparable sales separately for our retail and direct businesses. We anticipate that we will continue to provide specific information on our DXL comparable store sales in the near-term, but as we near completion of our roll-out we expect to transition to one comparable sales figure for the Company.

RECLASSIFICATIONS

In the first quarter of fiscal 2015, we elected early adoption of ASU 2015-03 "*Interest-Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs.*" Historically, we presented deferred debt issuance costs, or fees, directly related to issuing debt, as assets on the Consolidated Balance Sheets. With the adoption of ASU 2015-03, these costs are now shown as a deduction from the corresponding liability, consistent with debt discounts. Accordingly, we have applied the new guidance retrospectively to all prior periods presented and treated the adoption as a change in accounting principle. The reclassification did not impact any amounts reported on the Consolidated Statements of Operations. See Note 1 to the Consolidated Financial Statements for a full description.

In the fourth quarter of fiscal 2014, we ended our business relationship with Sears Canada and, as a result, the operating results for this business were reclassified to discontinued operations for the third quarter and first nine months of fiscal 2014.

RESULTS OF OPERATIONS

The following is a summary of results for the third quarter and first nine months of fiscal 2015, including EBITDA from continuing operations and adjusted net loss, which are non-GAAP measures *(Certain columns may not foot due to rounding)*. Please see "Presentation of Non-GAAP Measures" below.

	For the three months ended		For the nine months ended	
	October 31, 2015	November 1, 2014	October 31, 2015	November 1, 2014
(in millions, except per share data)				
Operating loss	$ (4.6)	$ (5.5)	$ (4.5)	$ (11.0)
Add back: Depreciation and amortization expense	$ 7.1	6.0	20.5	17.2
EBITDA from continuing operations (Non-GAAP basis)	$ 2.5	$ 0.5	$ 16.0	$ 6.1
Diluted loss per share:				
Net loss	$ (0.11)	$ (0.13)	$ (0.14)	$ (0.28)
Adjusted net loss (Non-GAAP basis)(1)	$ (0.07)	$ (0.08)	$ (0.08)	$ (0.17)

(1) Assumes a normalized tax rate of 40% for the all periods.

Executive Summary

We are very pleased with our financial results for the third quarter of fiscal 2015. Despite the weak retail environment, which was further affected by the unseasonably warm weather in October, our DXL retail stores performed strongly delivering a 9.2% comparable sales increase against the prior year's third quarter increase of 12.8%. Further, our gross margins for the third quarter improved 170 basis points over the prior year. Approximately 120 of this 170 basis point improvement was the result of an increase in our merchandise margins, driven by a need for fewer promotional markdowns and low levels of clearance inventory. As a result, EBITDA from continuing operations for the third quarter of fiscal 2015 increased to $2.5 million as compared to $0.5 million for the prior year third quarter. Our net loss for the third quarter of fiscal 2015 was $(5.5) million as compared to a net loss of $(6.3) million for the third quarter of fiscal 2014.

This growth and improved performance is attributable to the performance of our DXL concept. Our customer base for these stores continues to grow and through the third quarter of fiscal 2015 we have surpassed our growth in active customers from fiscal 2014. During the third quarter of fiscal 2015, the number of transactions increased 5.8% and the average dollars per transaction and units per transaction also increased approximately 3.0%. In addition, we continue to see an increase in our "end-of-rack" customer. In the past, we have talked about the importance of attracting the "end-of-rack" customer, which for us is that customer with a waist size smaller than 46". This customer visits, on average, 2.4 times a year compared to our larger-waist customer who shops on average 1.7 times a year. Furthermore, the end-of-rack customer, on average, spends double the amount of our larger-waist customer in an average transaction. For the first nine months of fiscal 2015, our end-of-rack customer represented 42.5% of our sales in bottoms, compared with 40.0% for the first nine months of fiscal 2014. A key metric that we monitor very closely to ensure we are making progress towards our long-term sales goals is sales per square foot. For our DXL stores, sales per square foot, on a rolling 12-month basis, were $174 at the end of the third quarter as compared with $160 per square foot for the rolling 12-month period at the end of the third quarter last year.

During the first nine months of fiscal 2015, we opened 26 DXL retail stores and closed 21 Casual Male XL retail stores. In addition, we opened 7 DXL outlets during the first nine months of fiscal 2015, while closing 8 Casual Male XL outlets. We expect that we will open another 3 DXL retail stores through the remainder of fiscal 2015. Of the 26 DXL retail stores opened in the first nine months of fiscal 2015, 11 were our smaller store format (less than 6,500 square feet).

The retail environment began to soften during the month of October and while we performed well during the third quarter, we are starting to see a slower than expected demand from our seasonal categories as we move into the fourth quarter of fiscal 2015. As a result, we are narrowing our sales guidance to a range of $438.0 million to $440.0 million with an EBITDA range of $21.0 million to $22.0 million. Our adjusted net loss for fiscal 2015 remains unchanged at $(0.12) to $(0.14) per diluted share. See "*Fiscal 2015 Outlook*" below for a complete discussion of our guidance.

International Growth

We believe that the international big & tall market is currently underserved and, based on the success of our DXL concept and the positive customer response for our Kuwait City franchise store, we see an opportunity for growth internationally. Our strategy will be centered on a franchise and license model which requires very little capital commitment. In November 2015, we hired a Senior Vice President of International Business Development to lead this initiative, and we are actively exploring opportunities. We expect that our first group of international stores could open as early as fiscal 2017.

Market Opportunity Study

In 2014, we launched two new initiatives that we now believe will have a profound impact on our long-term outlook. First, we successfully introduced our smaller DXL concept that allows us to penetrate into markets previously believed to be too small to warrant a DXL store. Second, we developed a successful DXL outlet format that allows us to deliver the DXL brand and experience to our outlet customers. Together with increasing brand awareness, the smaller format DXL store and the DXL outlet store provide us with increased opportunities for continued store growth beyond our previous projections.

During the second quarter of fiscal 2015, we completed a market opportunity study of our existing Casual Male XL and DXL store portfolio. We have identified approximately 400 locations nationwide that could support our DXL concept, up from 250 locations we originally identified. We believe the DXL concept will succeed in approximately 340 DXL retail stores and approximately 60 DXL outlet stores. We now expect to open 30 to 40 DXL stores per year through at least fiscal 2020. We are currently projecting sufficient free cash flow to fund the expanded roll-out, and anticipate healthy returns on invested capital based on our experience to date.

Marketing Campaign

At the end of the third quarter of fiscal 2015, we launched our fall advertising campaign, which includes television and radio commercials. We kicked off our fall campaign on the NFL network during *Thursday Night Football,* and it will run through the end of the first week in December. Our commercial will air on several major networks, including ESPN, CBS, ABC and FOX, and during college football, NFL and NBA games. Our Spring 2015 campaign was very successful in driving sales and we anticipate similar results from our fall campaign.

For fiscal 2015, we are expecting to spend approximately 8% less than in fiscal 2014, as we fine-tune our advertising efforts and increase our digital marketing presence.

Fiscal 2015 Outlook

Sales in the fourth quarter are dependent on seasonal cold weather categories. Like many retailers, with the unseasonably warm weather, we have seen a slower than expected increase in sales from our cold weather assortments. Accordingly, we are maintaining a cautious approach with our guidance for fiscal 2015 and are narrowing our sales guidance to $438.0 million to $440.0 million. We are also narrowing our EBITDA guidance to $21.0 million to $22.0 million. At the same time, we are also lowering our expected depreciation and interest costs to be lower than our original guidance.

Our expected net loss range of $(0.20)-$(0.23) per diluted share remains unchanged. On an adjusted basis, we are expecting a net loss of $(0.12)-$(0.14) per diluted share. We expect to continue providing a full valuation allowance against our deferred tax assets; therefore, we will not recognize any income tax benefit in fiscal 2015. The adjusted net loss of $(0.12)-$(0.14) per diluted share, assumes a normal tax benefit of approximately 40%. This adjusted net loss was calculated by taking the 2015 forecasted net loss of $(0.20)-$(0.23) per diluted share and multiplying each by 40% to calculate an estimated income tax benefit of $0.08-$0.09 per diluted share, resulting in an adjusted non-GAAP net loss of $(0.12)-$(0.14) per diluted share.

Accordingly, our guidance for fiscal 2015 is as follows:

- Sales range of $438.0 million to $440.0 million (a change from our previous guidance of $438.0 million to $443.0 million).
- Gross margin rate remains unchanged and is expected to be 45.9%, which is flat as compared to fiscal 2014. This rate is based on merchandise margins improving approximately 30 basis points, offset by occupancy costs increasing 30 basis points from fiscal 2014.

- SG&A costs remain unchanged and are expected be approximately $180.5 million. The increase in SG&A costs over the prior year is primarily related to an increase in operating costs associated with a greater number of DXL stores, including pre-opening costs and payroll (both store and support). As a percentage of sales, SG&A expenses are expected to decrease by approximately 100 to 120 basis points (a change from our previous guidance of 110 to 140 basis points).

- EBITDA from continuing operations is expected to be $21.0 million to $22.0 million (a change from our previous guidance of $21.0 million to$23.0 million).

- Depreciation is expected to be approximately $28.1 million (a decrease from our previous guidance of $28.5 million).

- Operating margin remains unchanged at (1.7%)-(1.2%).

- Interest costs are expected to be approximately $3.4 million (a decrease from our previous guidance of $3.8 million).

We have not adjusted our guidance with respect to capital expenditures, outstanding debt or free cash flow. We expect to spend approximately $36.0-$39.0 million in capital expenditures in fiscal 2015. These capital expenditures are expected to be partially offset by approximately $6.0-$7.0 million in tenant allowances, primarily related to opening our DXL retail and outlet stores. We expect to fund our capital expenditures primarily from our operating cash flow and our credit facility. We expect that our total debt at the end of fiscal 2015 will be approximately $72.0-$76.0 million, consisting of $13.8 million outstanding from a term loan, $12.9 million outstanding from equipment financing notes with the balance from our credit facility. From a liquidity perspective, we expect cash flow from operating activities of $16.5 million to $17.5 million (including tenant allowances), resulting in free cash flow (as defined below under “Presentation of Non-GAAP Measures”) of approximately $(18.5)-$(22.5) million.

Financial Summary

Sales

	Third Quarter	First Nine Months
	(in millions)	
Sales for the third quarter and first nine months of fiscal 2014	**$ 93.6**	**$ 294.5**
Less 2014 sales for stores that have closed	(8.0)	(25.8)
	$ 85.6	**$ 268.7**
Increase in comparable sales	3.6	14.6
Non-comparable sales, primarily DXL stores open less than 13 months	10.3	34.3
Other, net	0.1	0.6
Sales for the third quarter and first nine months of fiscal 2015	**$ 99.6**	**$ 318.2**

For the third quarter of fiscal 2015, total sales were $99.6 million as compared to $93.6 million for the third quarter of fiscal 2014. The increase of $6.0 million in total sales was primarily due to a 4.3% increase in comparable sales of $3.6 million, an increase in non-comparable store sales of $10.3 million and an increase of $0.1 million of other revenue, partially offset by $8.0 million in lost sales from closed and converted stores.

Comparable sales from our 119 DXL retail stores increased in the third quarter of fiscal 2015 by 9.2%, or $3.5 million, against a double-digit comparable increase of 12.8% for the third quarter of fiscal 2014. Even with the unseasonably warm weather, comparable sales for the third quarter increased as a result of a 5.8% increase in the number of transactions, an approximate 3.0% increase in dollars and units per transaction and continuing sales growth with our end-of-rack customers.

For the first nine months of fiscal 2015, total sales were $318.2 million as compared to $294.5 million for the first nine months of fiscal 2014. The increase in sales of $23.7 million was due to a 5.6% increase in comparable sales of $14.6 million, an increase in non-comparable store sales of $34.3 million and an increase of $0.6 million in other revenue, partially offset by $25.8 million in lost sales from closed and converted stores. Comparable sales for our 119 DXL retail stores increased 10.0%, or $11.4 million, for the first nine months of fiscal 2015.

For fiscal 2015, we are narrowing our sales forecast to $438.0 million to $440.0 million (from $438.0 million to $443.0 million), with a comparable sales increase of approximately 4.0% to 4.5% (a decrease from our previous expectation of 5.6%).

Gross Profit Margin

For the third quarter of fiscal 2015, our gross margin rate, inclusive of occupancy costs, was 45.0% as compared to a gross margin rate of 43.3% for the third quarter of fiscal 2014. The 170 basis point improvement for the third quarter of fiscal 2015 was due to an improvement in merchandise margins of 120 basis points and occupancy costs, which, as a percentage of sales, improved 50 basis points. The 120 basis point improvement in merchandise margins was due to an increase in higher initial margins, as a result of favorable sourcing as well as higher sell-through of full-priced merchandise. On a dollar basis, occupancy costs for the third quarter of fiscal 2015 increased 3.7% over the prior year third quarter, driven primarily by the overall increase in square footage as a result of our DXL store openings.

For the first nine months of fiscal 2015, our gross margin rate, inclusive of occupancy costs, was 46.2% as compared to a gross margin rate of 45.1% for the first nine months of fiscal 2014. This 110 basis point improvement was due to an improvement in merchandise margins of 60 basis points and occupancy costs, which, as a percentage of sales, improved 50 basis points. The 60 basis point improvement in merchandise margins was due to a higher sell-through of full-priced merchandise and fewer markdowns. The improvement in occupancy costs is partly due to a favorable change in lease exit accruals during the first quarter of fiscal 2015. On a dollar basis, occupancy costs for the first nine months of fiscal 2015 increased 4.6% over the prior year.

For fiscal 2015, we are expecting that our occupancy costs, on a dollar-basis, will increase approximately $5.3-$5.9 million over fiscal 2014. We anticipate that approximately half of the increased costs will be the result of adding approximately 36 DXL retail and outlet stores to our store count in fiscal 2015 and the remainder of the anticipated increase reflects $2.5 million that we received in fiscal 2014 for exiting a lease prior to the end of the lease term, which resulted in lower occupancy costs in the fourth quarter of last year. As a percentage of sales, we anticipate occupancy costs will be approximately 30 basis points higher than fiscal 2014. We are expecting that our merchandise margins will improve by approximately 30 basis points. Accordingly, for fiscal 2015, we are expecting that gross margin will be approximately 45.9% of sales and will be flat as compared to fiscal 2014.

Selling, General and Administrative Expenses

As a percentage of sales, SG&A expenses for the third quarter of fiscal 2015 were 42.6% as compared to 42.8% for the third quarter of fiscal 2014. For the first nine months of fiscal 2015, SG&A expenses were 41.2% of sales as compared to 43.0% for the first nine months of fiscal 2014. On a dollar basis, SG&A increased $2.4 million for the third quarter primarily related to store payroll and supporting expenses. For the first nine months of fiscal 2015, the increase of $4.4 million was similarly related to increases in store and corporate payroll and supporting expenses associated with the DXL store openings and was partially offset by a decrease in marketing costs due to improved advertising rates. Pre-opening payroll, training and other incremental costs to support our DXL store openings were $1.4 million and $3.3 million for the third quarter and first nine months of fiscal 2015, respectively, as compared to $1.1 million and $2.8 million for the third quarter and first nine months of fiscal 2014.

For fiscal 2015, we are expecting that our SG&A expenses will be approximately $180.5 million as we continue to grow our DXL concept. The approximate $5.7 million increase is primarily related to expected increases in store payroll, payroll-related costs and other costs to support our growing DXL stores, partially offset by an expected decrease of $2.0 million in marketing costs. Overall, we expect to limit our SG&A growth rates except where necessary to support our growth activities or where there are unanticipated costs that are necessary to support our overall activities.

Depreciation and Amortization

Depreciation and amortization for the third quarter of fiscal 2015 increased $1.1 million to $7.1 million as compared to $6.0 million for the third quarter of fiscal 2014. For the first nine months of fiscal 2015, depreciation and amortization was $20.5 million as compared to $17.2 million for the first nine months of fiscal 2014. The increase in depreciation and amortization for the third quarter and first nine months of fiscal 2015 is due to the continued store growth associated with our rollout of the DXL store concept.

Interest Expense, Net

Net interest expense was $0.8 million for the third quarter of fiscal 2015 as compared to $0.5 million for the third quarter of fiscal 2014. For the first nine months of fiscal 2015, net interest expense was $2.3 million as compared to $1.4 million for the first nine months of fiscal 2014. With our continued planned store growth in fiscal 2015, interest costs are expected to increase from fiscal 2014 as we fund a portion of our store growth with borrowings under our credit facility. See "Liquidity and Capital Resources" for more discussion regarding our current credit facility, long-term debt and future liquidity needs.

Income Taxes

At October 31, 2015, we had total deferred tax assets of $78.2 million, total deferred tax liabilities of $15.6 million and a corresponding valuation allowance of $62.8 million. The deferred tax assets include approximately $45.6 million of net operating loss carryforwards and approximately $5.9 million of deferred gain on our sale-leaseback and, to a lesser extent, other book/tax timing differences.

At the end of fiscal 2013, we established a full valuation allowance against our deferred tax assets. Based on our earnings guidance for fiscal 2015, we believe that a full valuation allowance remains appropriate at this time.

Our tax provision, for the third quarter and first nine months of fiscal 2015 and fiscal 2014, represents an increase in our deferred tax liability for indefinite-lived intangibles as well as current state margin tax and foreign income tax.

Net Loss

For the third quarter of fiscal 2015, we had a net loss of $(5.5) million, or $(0.11) per diluted share, compared with a net loss of $(6.3) million, or $(0.13) per diluted share, for the third quarter of fiscal 2014. On a non-GAAP basis, assuming a normalized tax rate for both periods, the net loss for the third quarter of fiscal 2015 was ($0.07) per diluted share as compared to ($0.08) per diluted share for the third quarter of fiscal 2014.

Our net loss for the first nine months of fiscal 2015 was $(7.0) million, or $(0.14) per diluted share, compared with a net loss of $(13.8) million, or $(0.28) per diluted share, for the first nine months of fiscal 2014. On a non-GAAP basis, assuming a normalized tax rate, the net loss for the first nine months of fiscal 2015 was ($0.08) per diluted share as compared to ($0.17) per diluted share for the first nine months of fiscal 2014.

The net loss for the third quarter and first nine months of fiscal 2014 includes a loss from discontinued operations of $(0.2) million and $(1.3) million, respectively, related to the discontinuation of our direct business with Sears Canada, which occurred in the fourth quarter of fiscal 2014. Included in the loss from discontinued operations for the first nine months of fiscal 2014 was a charge, recorded in the second quarter of fiscal 2014, of approximately $0.8 million related primarily to inventory reserves and sales allowances as a result of our decision to exit the business.

Inventory

At October 31, 2015, total inventory was $133.3 million compared to $115.2 million at January 31, 2015 and $126.4 million at November 1, 2014. The 5.5% increase of $6.9 million from November 1, 2014 is due to an increase of 4.3% in total square footage, as well as a greater mix of higher-cost branded apparel. Clearance merchandise represented 9.0% of inventory at the end of the third quarter of fiscal 2015 and fiscal 2014.

SEASONALITY

Historically, and consistent with the retail industry, we have experienced seasonal fluctuations as it relates to our operating income and net income. Traditionally, a significant portion of our operating income and net income is generated in the fourth quarter, as a result of the “Holiday” season.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash generated from operations and availability under our credit facility, which was most recently amended in October 2014, with Bank of America, N.A. (“Credit Facility”) and our term loan. Our current cash needs are primarily for working capital (essentially inventory requirements), capital expenditures and growth initiatives. As discussed below, our capital expenditures for fiscal 2015 are expected to be $36.0-$39.0 million, primarily related to the planned opening of approximately 29 new DXL stores and 7 DXL outlet stores and information technology projects. However, we expect to receive approximately $6.0-$7.0 million in tenant allowances to offset these capital expenditures. We expect to fund our store growth in fiscal 2015 primarily through earnings and borrowings from our Credit Facility. We expect that our total debt at the end of fiscal 2015 will be approximately $72.0-$76.0 million.

We currently believe that our existing cash generated by operations together with our Credit Facility will be sufficient within current forecasts for us to meet our foreseeable liquidity requirements. As discussed below, during the third quarter of fiscal 2014, we entered into a $15.0 million, 5-year term loan facility and also amended our current Credit Facility, increasing our maximum borrowing levels by $25.0 million. The primary purpose for amending our Credit Facility and entering into this 5-year term loan was to increase our current availability and provide additional borrowing capacity as we continue to complete our DXL store roll-out.

For the first nine months of fiscal 2015, free cash flow, which we define as cash flow from operating activities, less capital expenditures and discretionary store asset acquisitions, if any, improved by $15.8 million to $(30.4) million from $(46.2) million for the first nine months of fiscal 2014. This improvement in free cash flow was primarily due to the improvement in operating results and lower capital expenditures as compared to fiscal 2014. See “Presentation of Non-GAAP Measure” below regarding non-GAAP free cash flow.

The following is a summary of our total debt outstanding at October 31, 2015 with the associated unamortized debt issuance costs:

(in thousands)	Gross Debt Outstanding	Less Debt Issuance Costs	Net Debt Outstanding
Credit facility	$ 56,359	$ (493)	$ 55,866
Equipment financing notes	14,516	(102)	14,414
Term loan, due 2019	14,000	(430)	13,570
Total debt	$ 84,875	$ (1,025)	$ 83,850

Credit Facility

Our Credit Facility provides for a maximum committed borrowing of $125.0 million, which, pursuant to an accordion feature, may be increased to $175.0 million upon our request and the agreement of the lender(s) participating in the increase. The Credit Facility includes a sublimit of $20.0 million for commercial and standby letters of credit and a sublimit of up to $15.0 million for swingline loans. The maturity date of the Credit Facility is October 29, 2019. Our Credit Facility is described in more detail in Note 2 to the Notes to the Consolidated Financial Statements included in this report.

Borrowings made pursuant to the Credit Facility bear interest at a rate equal to the base rate (determined as the highest of (a) Bank of America N.A.'s prime rate, (b) the Federal Funds rate plus 0.50% and (c) the annual ICE-LIBOR ("LIBOR") rate for the respective interest period) plus a varying percentage, based on our borrowing base, of 0.50%-0.75% for prime-based borrowings and 1.50%-1.75% for LIBOR-based borrowings.

We had outstanding borrowings of $56.4 million under the Credit Facility at October 31, 2015. At October 31, 2015, outstanding standby letters of credit were $2.5 million and there were no outstanding documentary letters of credit. The average monthly borrowing outstanding under the Credit Facility during the first nine months ended October 31, 2015 was approximately $40.7 million, resulting in an average unused excess availability of approximately $67.6 million. Unused excess availability at October 31, 2015 was $62.8 million. Our obligations under the Credit Facility are secured by a lien on substantially all of our assets, excluding (i) a first priority lien held by the lenders of the Term Loan Facility on certain of our equipment described below and (ii) intellectual property.

Equipment Financing Loans

We have entered into twelve Equipment Security Notes (the "Notes"), whereby we borrowed an aggregate of $26.4 million. The Notes, which were issued between September 2013 and June 2014, were issued pursuant to a Master Loan and Security Agreement with Banc of America Leasing & Capital, LLC, dated July 20, 2007 and most recently amended on September 30, 2013. The Notes are secured by a security interest in all of our rights, title and interest in and to certain equipment. The Notes are for 48 months and accrue interest at fixed rates ranging from 3.07% to 3.50%. Principal and interest, are payable monthly, in arrears. We are subject to a prepayment penalty equal to 1% of the prepaid principal of the Notes until the first anniversary of each Note, 0.5% of the prepaid principal from the first anniversary until the second anniversary and no prepayment penalty thereafter.

Term Loan, Due 2019

We have a $15.0 million senior secured term loan facility with Wells Fargo Bank, National Association as administrative and collateral agent (the "Term Loan Facility"). The Term Loan Facility bears interest at a rate per annum equal to the greater of (a) 1.00% and (b) the one month LIBOR rate, plus 6.50%. Interest payments are payable on the first business day of each calendar month, and increase by 2% following the occurrence and during the continuance of an "event of default," as defined in the Term Loan Facility. The Term Loan Facility, which matures on October 29, 2019, provides for quarterly principal payments on the first business day of each calendar quarter, which commenced the first business day of January 2015, in an aggregate principal amount equal to $250,000, subject to adjustment, with the balance payable on the termination date.

The Term Loan Facility includes usual and customary mandatory prepayment provisions for transactions of this type that are triggered by the occurrence of certain events. In addition, the amounts advanced under the Term Loan Facility can be optionally prepaid in whole or part. All prepayments are subject to an early termination fee in the amount of: (a) 4% of the amount prepaid if the prepayment is prior to October 29, 2015; (b) 2% of the amount prepaid if the prepayment is after October 29, 2015, but prior to the October 29, 2016; and (c) 1% of the amount prepaid if the prepayment is after October 29, 2016, but prior to October 29, 2017. There is no prepayment penalty after October 29, 2017.

It is secured by a first priority lien on certain of our equipment, and a second priority lien on substantially all of our remaining assets, excluding intellectual property.

Capital Expenditures

The following table sets forth the open stores and related square footage at October 31, 2015 and November 1, 2014, respectively:

	October 31, 2015		November 1, 2014	
Store Concept	Number of Stores	Square Footage	Number of Stores	Square Footage
(square footage in thousands)				
DXL Retail	163	1,349	128	1,106
DXL Outlets	9	45	—	—
Casual Male XL Retail	136	479	175	622
Casual Male Outlets	41	129	49	157
Rochester Clothing	5	51	9	83
Total Stores	354	2,053	361	1,968

Below is a summary of store openings and closings from January 31, 2015 to October 31, 2015:

Number of Stores:	DXL	DXL Outlets	Casual Male XL Retail	Casual Male XL Outlets	Rochester Clothing	Total Stores
At January 31, 2015	138	2	157	48	8	353
New stores(1)	—	—	—	1	—	1
Replaced stores(2)	26	7	(20)	(6)	(2)	5
Closed retail stores(3)	(1)	—	(1)	(2)	(1)	(5)
At October 31, 2015	163	9	136	41	5	354

(1) Represents stores opened in new markets.

(2) Represents the total number of DXL stores opened in existing markets with the corresponding total number of Casual Male XL stores and/or Rochester Clothing stores closed in such markets in connection with those DXL store openings.

(3) Represents closed stores for which there were no corresponding openings of a DXL store in the same market. Includes the closure of our Denver, Colorado DXL store.

Our capital expenditures for the first nine months of fiscal 2015 were $25.4 million as compared to $30.8 million for the first nine months of fiscal 2014. The $5.4 million decrease is primarily related to the decrease in average square footage of the new DXL stores opening in fiscal 2015 as compared to the prior year.

For fiscal 2015, our capital expenditures are expected to be approximately $36.0-$39.0 million and we expect to receive approximately $6.0-$7.0 million in tenant allowances to offset these expenditures. The forecast includes approximately $25.7 million, excluding any allowance, related to the opening of 29 DXL stores and 7 DXL outlets and approximately $9.2 million for continued information technology projects, including the addition of in-store pick up, POS purchases and increased credit card security measures, with the remainder for general overhead projects and improving our distribution center’s capacity. In addition, we expect to close approximately 42 existing Casual Male XL retail and outlet stores and 3 Rochester Clothing stores, most of which are in connection with the opening of our new DXL stores in the same geographic market.

CRITICAL ACCOUNTING POLICIES

There have been no material changes to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended January 31, 2015, as filed with the Securities and Exchange Commission on March 25, 2015. See Note 1 to the Consolidated Financial Statements included in this report for information on recent accounting pronouncements and changes in accounting principles.

Presentation of Non-GAAP Measures

Adjusted net loss, adjusted net loss per diluted share, free cash flow and EBITDA from continuing operations are non-GAAP measures. These non-GAAP measures are not presented in accordance with GAAP and should not be considered superior to or as a substitute for net income (loss) or cash flows from operating activities or any other measure of performance derived in accordance with GAAP. In addition, all companies do not calculate non-GAAP financial measures in the same manner and, accordingly, the non-GAAP measures presented in this report may not be comparable to similar measures used by other companies. We believe that inclusion of these non-GAAP measures helps investors gain a better understanding of our cash flow performance, especially when comparing such results to previous periods. Reconciliations of these non-GAAP measures are presented in following tables:

Adjusted net loss and adjusted net loss per diluted share. The above discussion includes an adjusted net loss for the third quarter and first nine months of fiscal 2015 and fiscal 2014 on a non-GAAP basis. For fiscal 2015, we expect to continue to provide a full valuation allowance against our deferred tax assets; therefore, we will not recognize any income tax benefit in fiscal 2015.

For comparison purposes, the following is a reconciliation of net loss to adjusted net loss, assuming a normal tax benefit of 40% for the third quarter and first nine months of fiscal 2015 and fiscal 2014:

	For the three months ended				For the nine months ended			
	October 31, 2015		November 1, 2014		October 31, 2015		November 1, 2014	
(in thousands, except per share data)	$	Per diluted share	$	Per diluted share	$	Per diluted share	$	Per diluted share
Net loss (GAAP basis)	$ (5,472)	$ (0.11)	$ (6,281)	$ (0.13)	$ (7,025)	$ (0.14)	$ (13,849)	$ (0.28)
Add back: Actual income tax provision	63		63		191		173	
Income tax benefit, assuming normal tax rate of 40%	2,164		2,487		2,734		5,470	
Adjusted net loss (non-GAAP basis)	$ (3,245)	$ (0.07)	$ (3,731)	$ (0.08)	$ (4,100)	$ (0.08)	$ (8,206)	$ (0.17)
Weighted average number of common shares outstanding on a diluted basis		49,116		48,773		49,072		48,724

Free Cash Flow. The following table reconciles our free cash flow measure (*certain columns may not foot due to rounding*):

(in millions)	For the nine months ended October 31, 2015	For the nine months ended November 1, 2014	Projected Fiscal 2015	
Cash flow from operating activities (GAAP basis)	$ (5.1)	$ (15.4)	$16.5-$17.5	(1)
Less: Capital expenditures	(25.4)	(30.8)	(36.0)-(39.0)	
Less: Store acquisitions, if applicable	—	—	—	
Free Cash Flow (non-GAAP basis)	$ (30.4)	$ (46.2)	$(18.5)-$(22.5)	

(1) Projected cash flow from operating activities for fiscal 2015 includes an estimated $6.0-$7.0 million in lease incentives.

EBITDA from continuing operations. The following table is a reconciliation of net loss to EBITDA from continuing operations for the third quarter and first nine months of fiscal 2015 and fiscal 2014 (*certain columns may not foot due to rounding*):

	For the three months ended		For the nine months ended	
(in millions)	October 31, 2015	November 1, 2014	October 31, 2015	November 1, 2014
Net loss (GAAP basis)	$ (5.5)	$ (6.3)	$ (7.0)	$ (13.8)
Add back:				
Provision for income taxes	0.1	0.1	0.2	0.2
Interest expense	0.8	0.5	2.3	1.4
Depreciation and amortization	7.1	6.0	20.5	17.2
EBITDA (non-GAAP basis)	2.5	0.3	16.0	4.9
Loss from discontinued operations	—	(0.2)	—	(1.3)
EBITDA from continuing operations (non-GAAP basis)	$ 2.5	$ 0.5	$ 16.0	$ 6.1

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

In the normal course of business, our financial position and results of operations are routinely subject to a variety of risks, including market risk associated with interest rate movements on borrowings and foreign currency fluctuations. We regularly assess these risks and have established policies and business practices to protect against the adverse effects of these and other potential exposures.

Interest Rates

We utilize cash from operations and from our Credit Facility to fund our working capital needs. Our Credit Facility is not used for trading or speculative purposes. In addition, we have available letters of credit as sources of financing for our working capital requirements. Borrowings under the Credit Facility, which expires October 29, 2019, bear interest at variable rates based on Bank of America’s prime rate or LIBOR. At October 31, 2015, the interest rate on our prime based borrowings was 3.75%. Approximately $52.0 million of our outstanding borrowings were in LIBOR contracts with an interest rate of 1.65%. We also have $14.0 million outstanding under a term loan, which bears interest at a variable rate based on one-month LIBOR rates plus 6.5%.

Based upon a sensitivity analysis as of October 31, 2015, assuming average outstanding borrowing during the first nine months of fiscal 2015 of $40.7 million under our Credit Facility and $14.0 million outstanding under our term loan, a 50 basis point increase in interest rates would have resulted in a potential increase in interest expense of approximately $274,000 on an annualized basis.

Foreign Currency

Our Rochester Clothing store located in London, England conducts business in British pounds. If the value of the British pound against the U.S. dollar weakens, the revenues and earnings of this store will be reduced when they are translated or re-measured to U.S. dollars. Also, the value of any assets to U.S. dollars may decline. As of October 31, 2015, sales from our London Rochester Clothing store were immaterial to consolidated sales. As such, we believe that movement in foreign currency exchange rates will not have a material adverse effect on our financial position or results of operations.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of October 31, 2015. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of October 31, 2015, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended October 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. Management currently believes that the resolution of these matters will not have a material adverse impact on our future results of operations or financial position.

Item 1A. Risk Factors.

There have been no material changes to the risk factors as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended January 31, 2015, as filed with the Securities and Exchange Commission on March 25, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On September 2, 2015, the Company entered into a new employment agreement with Kenneth M. Ederle, effective April 10, 2015 (the "Employment Agreement") which replaced Mr. Ederle's previous employment agreement dated as of January 1, 2013. The Employment Agreement reflects Mr. Ederle's current salary and title, which was expanded to include Planning and Allocation as disclosed in the Company's definitive proxy statement filed on July 2, 2015. The remaining terms of his Employment Agreement are substantially unchanged from Mr. Ederle's previous agreement.

Item 6. Exhibits.

10.1	Employment Agreement with Kenneth M. Ederle dated September 2, 2015
31.1	Certification of the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification of the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Stockholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

SIGNATURES

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

DESTINATION XL GROUP, INC.

Date: November 20, 2015

By: /S/ John F. Cooney

John F. Cooney
Vice President, Chief Accounting Officer and Corporate Controller (Duly Authorized Officer and Chief Accounting Officer)

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made effective as of April 10, 2015 between CMRG APPAREL, LLC, (the "Company"), a "Related Entity" as defined in the 2006 Incentive Compensation Plan, as amended, of Destination XL Group, Inc., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 ("DXLG" which term includes any affiliates and subsidiaries), and Kenneth M. Ederle (the "Executive") having an address at 28 Cole Avenue, Providence, RI 02906.

WITNESSETH:

WHEREAS, the Company desires that Executive work for the Company and Executive desires to be employed by the Company.

WHEREAS, Executive and the Company desire to set forth in writing the terms and conditions of the Executive's employment with the Company from the date hereof.

NOW, THEREFORE, in consideration of the promises and the mutual promises, representations and covenants herein contained, the parties hereto agree as follows:

1. EMPLOYMENT

The Company hereby employs Executive and Executive hereby accepts such employment, subject to the terms and conditions herein set forth. Executive held the title Senior Vice President and Chief Merchandising Officer as of April 22, 2013 and was promoted to Senior Vice President and Chief Merchandising Officer – Planning and Allocation as of the Effective Date.

2. TERM

The term of employment under this Agreement (the "Term of Employment") shall begin on the Effective Date and shall continue until terminated by either party as hereinafter set forth.

3. COMPENSATION

(a) During the Term of Employment, as compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay to Executive, and Executive agrees to accept, payable in equal bi-weekly installments in accordance with Company practice, an annual base salary of Three Hundred Ninety Thousand Dollars and 00/100 Cents ($390,000.00) (the "Base Salary") as of the Effective Date. The Base Salary shall be reviewed at least annually to ascertain whether, in the judgment of the Company, such Base Salary should be adjusted. If so, the adjusted Base Salary shall be adjusted for all purposes of this Agreement.

(b) In addition to the Base Salary, during the Term of Employment, Executive is eligible to participate in the Company's Annual Incentive Plan. Such incentive shall be determined and payable in accordance with the Company's incentive program in effect at the time, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's incentive program and Executive's target bonus under such plan (if all individual and Company performance conditions are met) shall be 40% of Executive's actual annual base earnings (which shall be the total Base Salary as may be paid during the fiscal year ("Base Earnings")). The actual award under the incentive program, if any, may be more or less than the target and will be based on Executive's performance and the performance of the Company and payment will be made in accordance with and subject to the terms and conditions of the incentive program then in effect.

(c) In addition, during the Term of Employment, Executive is eligible to participate in the Company's Long Term Incentive Plan ("LTIP"). Such incentive shall be determined and distributable in accordance with and subject to the terms and conditions as described in the LTIP documents in effect at the time of the award, subject to change from year to year in the Compensation Committee's sole discretion. Executive will participate in the Company's LTIP at a target incentive rate of 70%, of Executive's combined actual annual Base Earnings, for the incentive period, based upon the Company's targeted performance as defined in the LTIP documents in effect at the time of the award.

4. EXPENSES

The Company shall pay or reimburse Executive, in accordance with the Company's policies and procedures and upon presentment of suitable vouchers, for all reasonable business and travel expenses, which may be incurred or paid by Executive during the Term of Employment in connection with his employment hereunder. Executive shall comply with such restrictions and shall keep such records as the Company may reasonably deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and regulations promulgated thereunder.

5.OTHER BENEFITS

(a) During the Term of Employment, Executive shall be entitled to such vacations and to participate in and receive any other benefits customarily provided by the Company to its management (including any profit sharing, pension, 401(k), short and long-term disability insurance, medical and dental insurance and group life insurance plans in accordance with and subject to the terms of such plans, including, without limitation, any eligibility requirements contained therein), all as determined from time to time by the Compensation Committee of the Board of Directors in its discretion.

(b) The Company will, during the Term of Employment, provide Executive with an automobile allowance in the total amount of Eight Thousand Four Hundred Dollars and 00/100 ($8,400.00) annually, in equal bi-weekly payments in accordance with the Company's normal payroll practices. Executive shall pay and be responsible for all insurance, repairs and maintenance costs associated with operating the automobile. Executive is responsible for his gasoline, unless the gasoline expense is reimbursable under the Company's policies and procedures.

(b) Executive will be eligible to participate in the Company's annual performance appraisal process.

6. DUTIES

(a) Executive shall perform such duties and functions consistent with the position of Senior Vice President and Chief Merchandising Officer – Planning and Allocation and/or as the Company shall from time to time determine and Executive shall comply in the performance of his duties with the policies of, and be subject to the direction of the Company.

(b) During the Term of Employment, Executive shall devote substantially all of his time and attention, vacation time and absences for sickness excepted, to the business of the Company, as necessary to fulfill his duties. Executive shall perform the duties assigned to him with fidelity and to the best of his ability. Notwithstanding anything herein to the contrary, and subject to the foregoing, Executive shall not be prevented from accepting positions in outside organizations so long as such activities do not interfere with Executive's performance of his duties hereunder and do not violate paragraph 10 hereof.

(c) The principal location at which the Executive shall perform his duties hereunder shall be at the Company's offices in Canton, Massachusetts or at such other location as may be temporarily designated from time to time by the Company. Notwithstanding the foregoing, Executive shall perform such services at such other locations as may be required for the proper performance of his duties hereunder, and Executive recognizes that such duties may involve travel.

7. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION

(a) The Term of Employment may be terminated by the Company at any time:

(i) upon the determination by the Company that Executive's performance of his duties has not been fully satisfactory for any reason which would not constitute justifiable cause (as hereinafter defined) or for other business reasons necessitating termination which do not constitute justifiable cause, in either case upon thirty (30) days' prior written notice to Executive; or

(ii) upon the determination of the Company that there is justifiable cause (as hereinafter defined) for such termination.

(b) The Term of Employment shall terminate upon:

(i) the death of Executive;

(ii) the date on which the Company elects to terminate the Term of Employment by reason of the "disability" of Executive (as hereinafter defined in subsection (c) herein) pursuant to subsection (g) hereof; or

(iii) Executive’s resignation of employment.

(c) For the purposes of this Agreement, the term "disability" shall mean Executive is physically or mentally incapacitated so as to render Executive incapable of performing the essentials of Executive's job, even with reasonable accommodation, as reasonably determined by the Company, which determination shall be final and binding.

(d) For the purposes hereof, the term "justifiable cause" shall mean: any failure or refusal to perform any of the duties pursuant to this Agreement or any breach of this Agreement by the Executive; Executive’s breach of any material written policies, rules or regulations which have been adopted by the Company; Executive’s repeated failure to perform his duties in a satisfactory manner; Executive's performance of any act or his failure to act, as to which if Executive were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries or affiliates, or a crime or offense constituting a felony in the jurisdiction involved, would have occurred; any unauthorized disclosure by Executive to any person, firm or corporation of any confidential information or trade secret of the Company or any of its subsidiaries or affiliates; any attempt by Executive to secure any personal profit in connection with the business of the Company or any of its subsidiaries and affiliates; or the engaging by Executive in any business other than the business of the Company and its subsidiaries and affiliates which interferes with the performance of his duties hereunder. Upon termination of Executive's employment for justifiable cause, Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's Base Salary and reimbursement of expenses pursuant to paragraph 5 hereof as have been accrued through the date of his termination of employment.

(e) If the Company terminates this Agreement without "justifiable cause" as provided in subsection 7(a)(i), the Company shall pay Executive his then current base salary for five months after the effectiveness of such termination, payable in equal payments in accordance with the Company’s customary payroll practices commencing with the first payroll period that begins at least 30 days after the termination of the Executive’s Term of Employment conditioned upon the Executive having provided the Company with an executed general release in the form attached hereto as Exhibit A (the “General Release”) and the time for Executive’s revocation of the General Release having expired. Such payments shall be made in accordance with the Company’s customary payroll practices until paid in full. Any payment pursuant to this paragraph 7(e) is contingent upon Executive’s execution of the General Release within 21 days after termination of the Term of Employment (and the Executive’s not revoking that General Release) and will be in lieu of payments to which Executive might have been entitled under any other severance plan of the Company.

(f) If Executive shall die during the term of his employment hereunder, this Agreement shall terminate immediately. In such event, the estate of Executive shall thereupon be entitled to receive such portion of Executive's base annual salary and reimbursement of expenses pursuant to paragraph 4 as have been accrued through the date of his death.

(g) Upon Executive's "disability", the Company shall have the right to terminate Executive's employment. Any termination pursuant to this subsection (g) shall be effective on the earlier of (i) the date 30 days after which Executive shall have received written notice of the

Company's election to terminate or (ii) the date he begins to receive long-term disability insurance benefits under the policy provided by the Company pursuant to paragraph 5 hereof.

(h) Upon the resignation of Executive in any capacity, that resignation will be deemed to be a resignation from all offices and positions that Executive holds with respect to the Company and any of its subsidiaries and affiliates. In the event of Executive's resignation, he shall be entitled only to receive such portion of his annual Base Salary and reimbursement of expenses pursuant to paragraph 4 as have been accrued through the date of his resignation.

(i) Change of Control. In the event the Term of Employment is terminated by the Company without justifiable cause (as defined herein) or Executive resigns with Good Reason (as defined herein) within one (1) year following a Change of Control of the Company has occurred, then, in such event, the Company shall pay Executive an amount equal to twelve (12) months of Base Salary in effect at the time of the termination. For the purposes of the foregoing, Change of Control shall have the meaning set forth in the Company's 2006 Incentive Compensation Plan (without regard to any subsequent amendments thereto). For purposes of the foregoing, ***"****Good Reason"* means the occurrence of any of the following: (i) a material diminution in the Executive's base compensation; (ii) a material diminution in the Executive's authority, duties, or responsibilities; (iii) a material change in the geographic location at which the Employee must perform the services under this Agreement; or (iv) any other action or inaction that constitutes a material breach by the Company of this Agreement. For purposes of this provision, Good Reason shall not be deemed to exist unless the Employee's termination of employment for Good Reason occurs within 2 years following the initial existence of one of the conditions specified in clauses (i) through (iv) above, the Employee provides the Company with written notice of the existence of such condition within 90 days after the initial existence of the condition, and the Company fails to remedy the condition within 30 days after its receipt of such notice. The Company shall pay the amount required under this paragraph 7(i) in a single payment thirty (30) days after termination of the Term of Employment, subject to and conditioned upon the Executive's execution of the General Release required pursuant to paragraph 7(k) hereof and such release becoming irrevocable. Any payments made pursuant to this paragraph 7(j) will be in lieu of payments to which Executive might have been entitled under paragraph 7(e) of this Agreement or under any other severance plan of the Company. The payments under this Agreement shall be reduced if and to the extent necessary to avoid any payments or benefits to Executive being treated as "excess parachute payments" within the meaning of Internal Revenue Code Section 280G(b)(i).

(j) Clawback of Certain Compensation and Benefits

. If, after the termination of the Term of Employment for any reason other than by the Company for "justifiable cause":

(i) it is determined in good faith by the Company within twelve (12) months after the termination of the Term of Employment (the "Termination Date") that the Executive's employment could have been terminated by the Company for justifiable cause under paragraph 7(d) hereof (unless the Company knew or should have known that as of the Termination Date, the Executive's employment could have been terminated for justifiable cause in accordance with paragraph 7(d) hereof); or

(ii) the Executive breaches any of the provisions of paragraph 10, then, in addition to any other remedy that may be available to the Company in law or equity and/or pursuant to any other provisions of this Agreement, the Executive's employment shall be deemed to have been terminated for justifiable cause retroactively to the Termination Date and the Executive also shall be subject to the following provisions:

(A) the Executive shall be required to pay to the Company, immediately upon written demand by the Company, all amounts paid to Executive by the Company, whether or not pursuant to this Agreement (other than such portion of Executive's Base Salary and reimbursement of expenses pursuant to paragraph 4 hereof as have been accrued through the date of the termination of the Term of Employment), on or after the Termination Date (including the pre-tax cost to the Company of any benefits that are in excess of the total amount that the Company would have been required to pay to the Executive if the Executive's employment with the Company had been terminated by the Company for justifiable cause in accordance with paragraph 7(d) above);

(B) all vested and unvested Awards (as that term is defined in the 2006 Incentive Compensation Plan) then held by the Executive shall immediately expire; and

(C) the Executive shall be required to pay to the Company, immediately upon written demand by the Company, an amount equal to any Gains resulting from the exercise or payment of any Awards (as that term is defined in the 2006 Incentive Compensation Plan) at any time on or after, or during the one year period prior to, the Termination Date. For these purposes, the term "Gain" shall mean (i) in the case of each stock option or stock appreciation right ("SAR"), the difference between the fair market value per share of the Company's common stock underlying such option or SAR as of the date on which the Executive exercised the option or SAR, less the exercise price or grant price of the option or SAR; and (ii) in the case of any Award other than a stock option or SAR that is satisfied by the issuance of Common Stock of the Company, the value of such stock on the Termination Date, and (iii) in the case of any Award other than a stock option or SAR, that is satisfied in cash or any property other than Common Stock of the Company, the amount of cash and the value of the property on the payment date paid to satisfy the Award.

(k) Any payment pursuant to paragraph 7(e) or 7(j) shall be contingent upon Executive's execution of the General Release within 21 days after termination of the Term of Employment, and the Executive's not revoking that release.

8. <u>COMPLIANCE WITH SECTION 409A</u>

(a) General. It is the intention of both the Company and the Executive that the benefits and rights to which the Executive could be entitled pursuant to this Agreement comply with Section 409A of the Code and the Treasury Regulations and other guidance promulgated or issued thereunder ("Section 409A"), to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If the Executive or the Company believes, at any time, that any such benefit or right that is subject to Section 409A does not so comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the timing of such benefits and rights such that they comply with Section 409A (with the most limited possible economic effect on the Executive).

(b) Distributions on Account of Separation from Service. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Agreement on account of termination of the Executive's employment shall be made unless and until the Executive incurs a "separation from service" within the meaning of Section 409A.

(c) 6 Month Delay for "Specified Employees".

(i) If the Executive is a "specified employee", then no payment or benefit that is payable on account of the Executive's "separation from service", as that term is defined for purposes of Section 409A, shall be made before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of the Executive's death) if and to the extent that such payment or benefit constitutes deferred compensation (or may be nonqualified deferred compensation) under Section 409A and such deferral is required to comply with the requirements of Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule. There shall be added to any payments that are delayed pursuant to this provision interest at the prime rate as reported in the Wall Street Journal for the date of the Executive's separation from service. Such interest shall be calculated from the date on which the payment otherwise would have been made until the date on which the payment is made.

(ii) For purposes of this provision, the Executive shall be considered to be a "specified employee" if, at the time of his or her separation from service, the Executive is a "key employee", within the meaning of Section 416(i) of the Code, of the Company (or any person or entity with whom the Company would be considered a single employer under Section 414(b) or Section 414(c) of the Code) any stock in which is publicly traded on an established securities market or otherwise.

(d) No Acceleration of Payments. Neither the Company nor the Executive, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Agreement, and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A.

(e) Treatment of Each Installment as a Separate Payment. For purposes of applying the provisions of Section 409A to this Agreement, each separately identified amount to which the Executive is entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(f) Taxable Reimbursements.

(i) Any reimbursements by the Company to the Executive of any eligible expenses under this Agreement that are not excludable from the Executive's income for Federal income tax purposes (the “Taxable Reimbursements”) shall be made by no later than the earlier of the date on which they would be paid under the Company’s normal policies and the last day of the taxable year of the Executive following the year in which the expense was incurred.

(ii) The amount of any Taxable Reimbursements to be provided to the Executive during any taxable year of the Executive shall not affect the expenses eligible for reimbursement to be provided in any other taxable year of the Executive.

(iii) The right to Taxable Reimbursements shall not be subject to liquidation or exchange for another benefit.

9. REPRESENTATION AND AGREEMENTS OF EXECUTIVE

(a) Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing the performance of his duties hereunder.

(b) Executive agrees to submit to a medical examination and to cooperate and supply such other information and documents as may be required by any insurance company in connection with the Company's obtaining life insurance on the life of Executive, and any other type of insurance or fringe benefit as the Company shall determine from time to time to obtain.

(c) Executive represents and warrants that he has never been convicted of a felony and he has not been convicted or incarcerated for a misdemeanor within the past five years, other than a first conviction for drunkenness, simple assault, speeding, minor traffic violations, affray, or disturbance of the peace.

(d) Executive represents and warrants that he has never been a party to any judicial or administrative proceeding that resulted in a judgement, decree, or final order (i) enjoining him from future violations of, or prohibiting any violations of any federal or state securities law, or (ii) finding any violations of any federal or state securities law.

(e) Executive represents and warrants that he has never been accused of any impropriety in connection with any employment;

Any breach of any of the above representations and warranties is "justifiable cause" for termination under paragraph 7(d) of this Agreement.

10.NON-COMPETITION

(a) Executive agrees that during the Term of Employment and during the one (1) year period immediately following the Termination Date (the "Non-Competitive Period"), Executive shall not, directly or indirectly, as owner, partner, joint venturer, stockholder, employee, broker, agent, principal, trustee, corporate officer, director, licensor, or in any capacity whatsoever, engage in, become financially interested in, be employed by, render any consultation or business advice with respect to, accept any competitive business on behalf of, or have any connection with any business which is competitive with products or services of the Company or any subsidiaries and affiliates, in any geographic area in which the Company or any of its subsidiaries or affiliates are then conducting or proposing to conduct business, including, without limitation, the United States of America and its possessions, Canada and Europe; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such corporation. In addition, Executive shall not, during the Non-Competitive Period, directly or indirectly, request or cause any suppliers or customers with whom the Company or any of its subsidiaries or affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries or affiliates or otherwise compromise the Company's good will or solicit, hire, interfere with or entice from the Company or any of its subsidiaries or affiliates any employee (or former employee who has been separated from service for less than 12 months) of the Company or any of its subsidiaries or affiliates.

(b) If any portion of the restrictions set forth in this paragraph 10 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected. For the purposes of this paragraph 10, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) is limited to a specialty retailer which primarily distributes, sells or markets so-called "big and tall" apparel of any kind for men or which utilizes the "big and tall" retail or wholesale marketing concept as part of its business.

(c) Executive acknowledges that the Company conducts business throughout the world, that Executive's duties and responsibilities on behalf of the Company are of a worldwide nature, that its sales and marketing prospects are for continued expansion throughout the world and therefore, the territorial and time limitations set forth in this paragraph 10 are reasonable and properly required for the adequate protection of the business of the Company and its subsidiaries and affiliates. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court shall deem reasonable.

(d) The existence of any claim or cause of action (a claim or cause of action is defined as a claim or cause of action which results from a breach of the terms and provisions of this Agreement by the Company, regardless of whether the breach is material) by Executive against the Company or any subsidiary or affiliate shall not constitute a defense to the enforcement by the Company or any subsidiary or affiliate of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

11. <u>INVENTIONS AND DISCOVERIES</u>

(a) Upon execution of this Agreement and thereafter, Executive shall promptly and fully disclose to the Company, and with all necessary detail for a complete understanding of the same, all existing and future developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during the period of his employment with, or rendering of advisory or consulting services to, the Company or any of its subsidiaries and affiliates, solely or jointly with others, in or relating to any activities of the Company or its subsidiaries and affiliates known to him as a consequence of his employment or the rendering of advisory and consulting services hereunder (collectively the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company, allhis rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for copyrights or patents, as may be necessary to obtain copyrights and patents for any thereof in any and all countries and to vest title thereto to the Company. Executive shall assist the Company in obtaining such copyrights or patents during the term of this Agreement, and at any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, after the Term of Employment that Executive shall be compensated in a timely manner at the rate of $250 per day (or portion thereof), plus out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony if it is required after the termination of this Agreement.

12. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

(a) Executive acknowledges that the Company possesses certain confidential and propriety information that has been or may be revealed to him or learned by Executive during the course of Executive’s employment with the Company and that it would be unfair to use that information or knowledge to compete with or to otherwise disadvantage the Company. Executive shall not, during the Term of Employment or at any time following the Term of Employment, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of his duties (including without limitation disclosures to the Company's advisors and consultants), as required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Board of Directors, to any person, firm, corporation, or other entity, any confidential information acquired by him during the course of, or as an incident to, his employment or the rendering of his advisory or consulting services hereunder, relating to the Company or any of its subsidiaries or affiliates, the directors of the Company or its subsidiaries or affiliates, any supplier or customer of the Company or any of their subsidiaries or affiliates, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, financial data, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, supplier lists, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any confidential information, which is or becomes publicly available other than pursuant to a breach of this paragraph 12(a) by Executive.

(b) All information and documents relating to the Company and its subsidiaries or affiliates as herein above described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use commercially reasonable best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof then in Executive's possession or control shall be returned and left with the Company.

13. SPECIFIC PERFORMANCE

Executive agrees that if he breaches, or threatens to commit a breach of, any enforceable provision of paragraphs 10, 11 or 12 (the "Restrictive Covenants"), the Company shall have, in addition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, it being agreed that any such breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of his right to contest whether such a breach or threatened breach of any Restrictive Covenant has occurred. In the event of litigation between the parties to this Agreement regarding their respective rights and obligations under paragraphs 10, 11, or 12 hereof, the prevailing party shall be entitled to recover from the other all attorneys' fees and expenses reasonably incurred in obtaining a ruling in the prevailing party's favor. Any such damages, attorneys' fees and costs shall be in addition to and not in lieu of any injunctive relief that may be available to the Company.

14. AMENDMENT OR ALTERATION

No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

15. GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with the substantive laws of the Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

16. SEVERABILITY

The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

17. NOTICES

Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or courier, or sent by certified mail, return receipt requested, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or of the placement of the notice in the mail.

18. WAIVER OR BREACH

It is agreed that a waiver by either party of a breach of any provision of this Agreement shall not operate, or be construed as a waiver of any subsequent breach by that same party.

19. ENTIRE AGREEMENT AND BINDING EFFECT

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns and supersedes any and all prior agreements between the parties whether oral or written. This Agreement may not be modified except upon further written agreement executed by both parties. Executive agrees that the Company may in its sole discretion, during the term of Executive's employment with the Company and thereafter, provide copies of this Agreement (or excerpts of the Agreement) to others, including businesses or entities that may employ, do business with, or consider employing Executive in the future. Executive further agrees that any subsequent change or changes in his duties, compensation or areas of responsibility shall in no way affect the validity of this Agreement or otherwise render inapplicable any of the provisions of paragraphs 10 through 13 of this Agreement, which shall remain in full force and effect except as may be modified by a subsequent written agreement.

20. SURVIVAL

Except as otherwise expressly provided herein, the termination of Executive's employment hereunder or the expiration of this Agreement shall not affect the enforceability of paragraphs 7 through 26 hereof, which shall survive the termination or expiration.

21. RESOLUTION OF DISPUTES

Any and all disputes arising under or in connection with this Agreement shall be resolved in accordance with this paragraph 21 and paragraph 15.

The parties shall attempt to resolve any dispute, controversy or difference that may arise between them through good faith negotiations. In the event the parties fail to reach resolution of any such dispute within thirty (30) days after entering into negotiations, either party may proceed to institute action in any state or federal court located within the Commonwealth of Massachusetts, which courts shall have exclusive jurisdiction, and each party consents to the personal jurisdiction of any such state or federal court. Both parties waive their right to a trial by jury.

22. NON-DISPARAGEMENT

Executive agrees not to make disparaging, critical or otherwise detrimental comments to any person or entity concerning the Company, its officers, directors, trustees, and employees or the services or programs provided or to be provided by the Company and the Company agrees not to make any disparaging, critical or otherwise detrimental comments to any person or entity concerning Executive.

23. FURTHER ASSURANCES

The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

24. SUBSIDIARIES AND AFFILIATES

For purposes of this Agreement:

(a) "affiliate" means any entity that controls, is controlled by, or is under common control with, the Company, and "control" means the power to exercise a controlling influence over the management or policies of an entity, unless such power is solely the result of an official position with such entity; and

(b) "subsidiary" means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors (or similar governing body of a non-corporate entity) or in which the Company has the right to receive 50% or more of the distribution of profits or 50% or more of the assets on liquidation or dissolution.

25. HEADINGS

The paragraph headings appearing in this Agreement are for the purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

26. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

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

CMRG APPAREL, LLC

By: /s/ David A. Levin Date: September 1, 2015
Name:David A. Levin
Its:President, Chief Executive Officer

By: /s/ Kenneth M. Ederle Date: September 2, 2015
Name:Kenneth M. Ederle

EXHIBIT A
FORM OF RELEASE

GENERAL RELEASE OF CLAIMS

1. Kenneth M. Ederle ("Executive"), for himself and his family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for good and valuable consideration to be paid after the date of his termination as set forth in the Employment Agreement to which this release is attached as Exhibit A (the "Employment Agreement"), does hereby release and forever discharge Destination XL Group, Inc. (the "Company"), its subsidiaries, affiliated companies, successors and assigns, and their respective current or former directors, officers, employees, shareholders or agents in such capacities (collectively with the Company, the "Released Parties") from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown including, but not limited to, all claims under any applicable laws arising under or in connection with Executive's employment or termination thereof, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of loss of employment. Executive acknowledges that the Company encouraged him to consult with an attorney of his choosing, and through this General Release of Claims encourages him to consult with his attorney with respect to possible claims under the Age Discrimination in Employment Act ("ADEA") and that he understands that the ADEA is a Federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefits and benefit plans. Without limiting the generality of the release provided above, Executive expressly waives any and all claims under ADEA that he may have as of the date hereof. Executive further understands that by signing this General Release of Claims he is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of Claims shall not apply to (i) any rights to receive any payments pursuant to paragraph 7 of the Employment Agreement, or any accrued but unpaid benefits under any employee benefit plan maintained by the Company (ii) any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed, (iii) any indemnification rights Executive may have as a former officer or director of the Company or its subsidiaries or affiliated companies, (iv) any claims for benefits under any directors' and officers' liability policy maintained by the Company or its subsidiaries or affiliated companies in accordance with the terms of such policy, (v) any rights as a holder of equity securities of the Company, and (vi) any rights or claims that, by law, may not be waived, including claims for unemployment compensation and workers' compensation. Nothing contained in this Agreement prevents you from filing a charge, cooperating with or participating in any investigation or proceeding before any federal or state Fair Employment Practices Agency, including, without limitation, the Equal Employment Opportunity Commission, except that you acknowledge that you will not be able to recover any monetary benefits in connection with any such claim, charge or proceeding.

2. Executive represents that he has not filed against the Released Parties any complaints, charges, or lawsuits arising out of his employment, or any other matter arising on or

prior to the date of this General Release of Claims, and covenants and agrees that he will never individually or with any person file, or commence the filing of, any charges, lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by Executive pursuant to paragraph 1 hereof (a "Proceeding"); provided, however, Executive shall not have relinquished his right to commence a Proceeding to challenge whether Executive knowingly and voluntarily waived his rights under ADEA.

3. Executive hereby acknowledges that the Company has informed him that he has up to twenty-one (21) days to sign this General Release of Claims and he may knowingly and voluntarily waive that twenty-one (21) day period by signing this General Release of Claims earlier. Executive also understands that he shall have seven (7) days following the date on which he signs this General Release of Claims within which to revoke it by providing a written notice of his revocation to the Company.

4. Executive acknowledges that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Massachusetts applicable to contracts made and to be performed entirely within such State.

5. Executive acknowledges that he has read this General Release of Claims, that he has been advised that he should consult with an attorney before he executes this general release of claims, and that he understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

6. This General Release of Claims shall take effect on the eighth day following Executive's execution of this General Release of Claims unless Executive's written revocation is delivered to the Company within seven (7) days after such execution.

Kenneth M. Ederle

Exhibit 31.1

CERTIFICATION

I, David A. Levin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Destination XL Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date:November 20, 2015

By: /s/ David A. Levin

David A. Levin
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Peter H. Stratton, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Destination XL Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:November 20, 2015

By: /s/ Peter H. Stratton, Jr.

Peter H. Stratton, Jr.
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Destination XL Group, Inc. (the “Company”) for the period ended October 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David A. Levin, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished as an exhibit to the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates this certification by reference.

Date:November 20, 2015

By: /s/ David A. Levin
David A. Levin
Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Destination XL Group, Inc. (the "Company") for the period ended October 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter H. Stratton, Jr., Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished as an exhibit to the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates this certification by reference.

Date:November 20, 2015

By: /s/ Peter H. Stratton, Jr.
Peter H. Stratton, Jr.
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.