



Media Contact: Garet Hayes, Director of Public Relations; garet.hayes@aarons.com; 678-402-3863

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Aaron's Response to Consumer Reports:

Overview:

Representing some 10,000 rent-to-own stores serving 4.8 million customers, The Association of Progressive Rental Organizations, is keenly interested in the question about whether or not the Lease-to-Own industry benefits its customers.

To be sure, the plight of 50 million-plus unbanked consumers is daunting. And low-income Americans, abandoned by creditors, increasingly have fewer places to turn.

For sixty years, the rent-to-own industry has helped fill this void through an uncommonly flexible rental transaction featuring attractive early-purchase options and embedded value in a class of its own.

Delivery, setup, pickup and service, for example, are generally included in the weekly or monthly payments. There is no need for credit and no long-term obligation. In fact, customers may terminate a transaction at any time and later reinstate it without losing the benefit of payments already made.

With net profit margins lower than that of most traditional retailers, rent-to-own operators operate on a thin margin, a fact that often goes unnoticed.

The regulatory environment imposes added challenges. Tightly regulated at the state level by 47 states, the industry has long sought to adopt practices promoting transparency and high standards of consumer protection.

While renting-to-own is not for everyone, millions of households across America are satisfied by the products and services the industry provides.

About Aaron's, Inc.

Representing more than 1.6 million corporate and franchise customers, Aaron's, Inc. (NYSE: AAN) is a specialty retailer serving consumers through the sale and lease ownership of furniture, consumer electronics, computers, home appliances, and accessories in over 2,100 Company-operated and franchised stores in the United States and Canada. The Company was founded in 1955, is headquartered in Atlanta and has been publicly traded since 1982. Aaron's is the industry leader in serving the moderate-income consumer and offering affordable payment plans, quality merchandise and superior service.

The Market Need for the Lease-to-Own Agreement:

The plight of 50 million-plus unbanked consumers is daunting. And low-income customers, abandoned by creditors, increasingly have fewer places to turn. Aaron's and the rent-to-own (RTO) industry helps fill this void. The flexibility of the customer's ability to return product without future payment obligation is the most compelling benefit of the RTO transaction. If a customer moves or is unable to continue to lease their furniture, they can return it without any further

obligation or penalty. With Aaron's Lifetime Reinstatement Policy, customers can pick back up on their lease payments where they left off, whether it's two months or two years later.

Aaron's Customers:

According to the Official Voice of the Rent-to-Own Industry, the Association of Progressive Rental Organizations' web site, www.rtohq.org, "Rent-to-own customers range from working Americans earning a weekly paycheck to families paying bi-weekly or monthly. What all customers have in common is that they have immediate needs for consumer household goods, but either don't want or can't accept long-term obligations; some customers have no access to credit arrangements."

Aaron's customers often have little or no credit, little to no cash set aside for a refrigerator or a bed for their children, and a growing number are unbanked. More than 57 million households make less than \$50,000 annually and struggle to pay their bills at the end of the week while also having money for groceries. The RTO industry provides valuable benefits to our customers. A customer with a lease-to-own agreement with Aaron's knows that his or her merchandise will be serviced or replaced if needed the entire time they are leasing. Customers can return their merchandise at any time without further obligation or penalty. And Aaron's is focused on helping them own their merchandise by providing flexible payment plans for their product which is a different model than the traditional credit industry offers. For more information about the Rent-to-Own industry and customer testimonials, visit <http://shoprto.com>.

No Credit Needed At Aaron's:

Aaron's customers often may not have credit or may wish to save their credit for emergencies. At Aaron's, no credit is needed. Our lease ownership plans allow customers to make affordable monthly or semi-monthly payments. There is no long-term obligation that comes with applying for and using credit. Aaron's is able to approve our customers without credit because Aaron's doesn't offer credit. Our customers don't borrow money from Aaron's-- they lease to own.

Ownership:

Aaron's goal is to bring our customers to full ownership of their products. We do this better than anyone in the industry. More than 40 percent of our customers complete their lease-to-own agreement and own the product. According to APRO, the Association of Progressive Rental Organizations (www.rtohq.org), the industry average for customers completing the full term of their lease-to-own agreement in order to own their product is eight percent.

Aaron's ServicePlus Plan:

For our customers signing a lease-to-own agreement, we offer several benefits to our cash and credit-constrained customers through the Aaron's ServicePlus plan, including include delivery, setup, pickup and service. For up to two years based on the term of the lease agreement, for either new or previously leased merchandise, if the product needs service or repair, including a loaner if needed, there is no additional charge. Traditional retailers simply don't provide service or repair on items paid for by the customer. Manufacturers' warranties typically last for one year and extended warranties from manufacturers require extra fees. For many Aaron's customers, these additional services offset hundreds, if not thousands of dollars of expense they otherwise might have to pay.

Aaron's ServicePlus is a program designed to give our customers superior service and exclusive benefits on top of the great perks they are already getting with every Aaron's lease. For an additional 10 percent charge on each payment customers receive:

- 120 Days Same as Cash. For lease agreements longer than 6 months, if a customer pays off the merchandise in 120 days or less the customer will pay the Every Day Low Price, plus tax and ASP on any scheduled payments, and any applicable fees. (Not available in California)++
- Lifetime Reinstatement-- After a minimum period of time, the customer can return a leased product and later reactivate that lease at the same store. The customer will receive the same or comparable condition item as returned and pay only the remaining balance of the original lease.

- Delivery – Aaron's will deliver, set up and perform a free demonstration of the new merchandise.
- Relocation Service- Aaron's will move the customer's merchandise within a 15 mile radius of the store when a customer changes their address.
- Payment Holiday- After 4 months, a customer may qualify to postpone a portion of their payment.
- No Processing Fee- Customers do not pay an initial processing fee.
- Preferred Customer Status-- When a customer pays off their current lease, the customer will receive a preferred customer coupon for 50% off their first lease payment on any new lease.
- 15% Savings-- When a customer leases any additional item, they get 15% off their first lease payment.
- Limited Extended Warranty- A customer receives 60 days extended service on their merchandise.

Aaron's Pricing:

It is Aaron's policy to meet or beat any retailer's prices for traditional retail sales as well as any rent-to-own company's total cost of ownership. In credit financing, the interest charges reflect only what it costs a customer for the money loaned. Those customers still may pay for delivery and set up, service and repair, and insurance. At Aaron's, there is no such possibility. Aaron's will happily absorb the cost of a customer who needs to return merchandise - we will even pick it up for no additional charge. Included with the cost of lease services is the advantage that anytime later after a customer has returned the merchandise, they can pick up their lease right where they left off, with no additional fees. The reason credit card companies add on interest charges above the cost of the merchandise is so they can earn a fair profit from loaning customers money. With net profit margins lower than that of most traditional retailers, rent-to-own operators operate on a thin margin, a fact that often goes unnoticed. In fact, RTO net profit margins are significantly lower than most major retailers.

Aaron's Low Price Guarantee:

Aaron's Low Price Guarantee applies to identical merchandise (such as, but not limited to, brand, make, model, warranty, features, and accessories) from a local competitor in stock and available today comparing Aaron's retail price to any other local store's advertised retail price or comparing Aaron's total cost of lease ownership to any other local store's advertised total cost of rental or lease ownership valid on the day a customer purchases or leases from Aaron's. Claims for \$100 cash must be made on the day of the purchase or lease and requires a copy of the offering local competitor's advertisement or price ticket for such identical merchandise. The Low Price Guarantee does not apply to website prices, limited quantity sales, pricing errors, mail-in offers or rebates, competitors' service prices, clearance, or out-of-stock and open box items. "Local" stores are within a 25 mile radius of the Aaron's store requested to price match.

Aaron's Customer Satisfaction Rates:

Our customers need an alternative to provide the basics for their children and Aaron's has been doing this for nearly 60 years. Our customers deserve access to quality, brand-name products for their home. While renting-to-own is not for everyone, many households across Canada are satisfied by the products and services the industry provides. Our customers rate their satisfaction as an Aaron's customer at an average rate of 92.5% satisfaction. Our customer survey program is conducted by Medallia, an independent third party. We're very proud that we can offer quality customer service, as indicated by our customer survey scores to our customers.

Aaron's Collection Practices:

The flexibility of the customer's ability to return product without future payment obligation is the most compelling benefit of Aaron's lease-to-own transaction. If a customer moves or is unable to continue to lease their furniture, they can return it without any further obligation or penalty. With Aaron's Lifetime Reinstatement Policy, customers can pick back up on their lease payments where they left off, whether it's two months or two years later. When a customer visits an Aaron's store and decides to enter into a lease-to-own agreement, the store's manager will sit down with the customer and walk them through each part of the lease-to-own agreement. Every agreement is reviewed with the customer including an agreement of their monthly payment plan, a review of the terms of the lease agreement and scheduling the payment due date that is right for the customer. Aaron's goal is helping our customers complete their full lease term and becoming owners of their merchandise. The flexibility of the lease-to-own-agreement is the most

attractive benefit to our customers. After four months into their lease agreement, a customer can choose our Payment Holiday allowing them to postpone a portion of their payment. If a customer moves or is unable to continue to lease their furniture, they can return it without any further obligation or penalty and Aaron's will pick it up for no additional charge. With Aaron's Lifetime Reinstatement Policy, customers can pick back up on their lease payments where they left off, whether it's two months or two years later.

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