

June 2, 2015

Dear Valued Customer,

Here at AeroGrow International, Inc., we take the security of our customers' information seriously. Unfortunately, like many companies in today's global digital economy, we recently received information suggesting that we may have experienced a data compromise. We immediately hired cybersecurity specialists to investigate the incident. As a result of this investigation, we learned on May 5, 2015, that a hacker likely used malicious software (malware) to infiltrate our on-line servers, which are hosted by a leading service provider. Within days of being notified of the hacking event, the cause of the compromise had been eradicated.

However, as a result of this unauthorized event some information linked to credit cards may have been acquired. This information may include name, address, payment card account number, expiration date, and CCV/CVV number. AeroGrow does not collect other personal information about its customers, such as Social Security number, personal identification number (PIN), driver's license number, or financial account information, and as a result, none of this type of personal information was at risk of being compromised.

Of course we regret that this malicious hacking event occurred, but we want you to know a few important things:

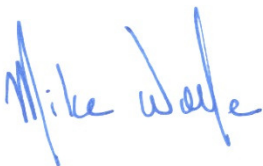
- It is safe to shop at AeroGarden.com. The malware used to capture personal information has been eliminated.
- Order information that you provided during the period of October 15, 2014 - April 27, 2015 may have been acquired. If your credit card information was compromised, it does not mean you are a victim of fraud. If you suspect that your credit card was used fraudulently, simply notify the credit card company promptly and you will not be responsible for those charges.
- We do not store, and have never stored, your credit card information on any of our systems. Any information obtained was captured by the malware in the fraction of a second between data entry and the transmission to our credit card processing company.
- As noted above, we do not collect any PIN information. As a result, even if someone gained access to your card information, without your PIN they cannot visit an ATM with a fraudulent debit card and withdraw cash.
- Out of an abundance of caution and at no cost to you, we are offering you free access to ProtectMyID Elite, an identity protection product provided by Experian, a leading national credit bureau. Full details of this program are provided on page 2.

I am personally troubled and offended by this criminal activity. As a result, we have alerted law enforcement authorities in an effort to help eradicate this type of crime and to help protect anyone who uses a credit card for shopping. In addition, on page 2 you will find a detailed list of strategies on how best to protect credit card information in today's digital economy.

If you have any questions about this situation, our Customer Service team is available toll-free at 1-866-348-1808 from 8 am - 5 pm Mountain Time, Monday - Friday.

I want to sincerely apologize for this incident, and I regret any inconvenience it may have caused you. As we've all read in the news in the past few years, many of us have been impacted by security breaches at major retailers and institutions. In fact, I was personally affected by one of those large breaches, so I've taken an emotional and personal interest in this topic. I want to assure you that we take this criminal act very seriously and have addressed it thoroughly.

Thank you for your continued confidence and support.



J. Michael Wolfe
President & CEO

Steps To Protect the Security of Your Personal Information

By taking the following steps, you can help reduce the risk that your personal information may be misused.

1. Enroll in ProtectMyID Elite, the product that we are providing at no cost to you. You must personally activate the identity protection product for it to be effective. If you wish to enroll in ProtectMyID Elite, please do the following:

- **VISIT** The ProtectMyID Elite Web Site: <http://www.protectmyid.com/protect> or call 1-866-751-1324 to enroll
- **PROVIDE** Your Activation Code: **PEBGB5P3K** Enrollment Deadline: **Aug. 31, 2015**

If you prefer to enroll over the phone for delivery of your membership via US mail, please call Experian at 1-866-751-1324 and provide Engagement #: PC94340. Enrolling in ProtectMyID Elite will not affect your credit score.

Experian's ProtectMyID Elite product will provide the following:

- **Credit Report:** A free copy of your Experian credit report.
- **Daily Credit Monitoring:** Alerts you of suspicious activity including new inquiries, newly opened accounts, delinquencies, or medical collections.
- **Identity Theft Resolution:** If you have been a victim of identity theft, you will be assigned a dedicated, U.S.-based Experian Identity Theft Resolution Agent who will walk you through the fraud resolution process.
- **\$1 Million Identity Theft Insurance:** As a ProtectMyID Elite member, you are immediately covered by a \$1 Million insurance policy that may help you cover certain costs, such as lost wages, private investigator fees, and unauthorized electronic fund transfers.

2. Review your credit reports. You can receive free credit reports by placing a fraud alert (described below). Under federal law, you also are entitled every 12 months to one free copy of your credit report from each of the three national credit bureaus. To obtain a free annual credit report, go to www.annualcreditreport.com or call 1-877-322-8228. You may wish to stagger your requests so that you receive a free report from one of the three credit bureaus every four months.

3. Review your account statements. You should carefully review for suspicious activity the statements that you receive from credit card companies, banks, utilities, and other service providers.

4. Remain vigilant and respond to suspicious activity. If you receive an e-mail or mail alert from Experian, contact a ProtectMyID Elite fraud resolution representative *Toll-Free* at 1-866-751-1324 or <http://www.protectmyid.com/protect>. If you notice suspicious activity on an account statement, report it to your credit card company or service provider and consider closing the account. You also should consider reporting such activity to your local police department, your state's attorney general, and the Federal Trade Commission.

5. Consider placing a fraud alert with one of the three national credit bureaus. You can place an initial fraud alert by contacting one of the three national credit bureaus listed below. For 90 days, an initial fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you but also may delay you when you seek to obtain credit. If you decide to enroll in ProtectMyID Elite, you should place the fraud alert after enrolling. Contact information for all three bureaus is:

Equifax
P.O. Box 105069
Atlanta, GA 30348-5069
1-800-525-6285
www.equifax.com

Experian
P.O. Box 2104
Allen, TX 75013
1-888-397-3742
www.experian.com

TransUnion
P.O. Box 2000
Chester, PA 19022
1-800-680-7289
www.transunion.com

7. Additional Information. You can obtain additional information about steps you can take to avoid identity theft from the following:

Identity Theft Clearinghouse
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
<http://www.ftc.gov/bcp/edu/microsites/idtheft/>
(877) IDTHEFT (438-4338)
TDD: (866) 653-4261