



May 5, 2016

Fellow Employees –

When I spoke with you at our Town Hall meetings, I told you that I was counting on you to execute brilliantly as we take these next steps for the future. I know you will rise to the challenge. Thanks to you, both our stores and our corporate offices are operating well, and I'm sure that will continue. Thank you all for your contributions to this effort.

We also had very positive first hearings in our Chapter 11 case today and yesterday. The Bankruptcy Court approved all of the First Day Motions that it heard, which helps to ensure we are able to operate our business – and meet our commitments to you – as we work to achieve our financial goals. More specifically, the Court gave us the authority in the early stages of the case to:

- Pay employees as usual for all hours worked.
- Continue employee benefit programs for those who are eligible, including health care coverage, insurance programs, PTO, 401-K match, employee discount programs, commuter benefits, tuition reimbursement and other programs aimed at maintaining a healthy lifestyle and work/life balance.
- Reimburse approved business expenses and maintain our Wells Fargo and American Express credit cards for those who have them.
- Offer severance programs and storeline retention bonuses for employees affected by our store closures consistent with our pre-existing programs to help provide a smooth transition.
- Continue sales incentives for employees.
- Honor customer gift cards and coupons at full value.
- Access \$160 million in DIP financing secured as part of our Chapter 11 process which combined with operating cash flow, will allow us to meet our go-forward financial commitments.

I'm sure you agree that these approvals are good for everyone in the Aéropostale family. They also establish strong momentum in our Chapter 11 case as we work to complete this process and emerge as a much stronger company within the next six months. I am confident in Aéropostale's future and believe the steps we have taken this week help put us back on the road to recovery and long-term financial stability.

As word spreads about our announcement, you are probably receiving questions from your family, friends and customers, among others. Please assure them that we are open for business and look forward to providing our customers with the Aéropostale styles they love for many years to come. If they have other questions, please direct them to our dedicated restructuring website at www.ARORestructuring.com.

We will continue to provide updates as there is news to share, but it may be several weeks before additional information is available. Meanwhile, please contact your manager or HR representative with any additional questions you have.

Thank you for your continued support and hard work.

Sincerely,

Julian R. Geiger
Chief Executive Officer, Aéropostale, Inc.



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Frequently Asked Questions for Employees

1. What is Chapter 11?

Chapter 11 is the section of the U.S. Bankruptcy Code that allows a company to continue to conduct business as usual while completing a financial and/or operational reorganization. For Aéropostale, our Chapter 11 filing represents an opportunity to achieve long-term financial stability for our business while also achieving resolution in our dispute with our second-largest merchandise supplier.

2. Does this announcement mean I've lost my job or that I shouldn't come to work?

No, our stores and our corporate offices are open. Employees should continue to report to work as scheduled.

3. Will there be any changes to employee compensation or benefits?

No, Aéropostale has received Court approval to continue to pay employee wages and benefits as usual, without interruption.

4. Is my 401-K secure? Will this program continue?

All employee contributions and vested balances are protected. Employees also can continue to contribute to their plans, and Aéropostale has received Court approval to continue our Company match program.

5. Will I be reimbursed for business expenses?

Yes, we will continue to reimburse employees for approved business expenses as usual.

6. Do customer gift cards still have the same value?

Yes. We will continue all of our customer programs, including honoring coupons and gift cards at full value.

7. Why is filing Chapter 11 necessary?

While initiatives such as the implementation of our two-chain Factory and Mall strategy and our merchandise repositioning have started to gain traction, the ripple effects of an ongoing dispute with our second-largest merchandise supplier put substantial strain on our liquidity while also preventing us from realizing the full benefits of our turnaround plans. As a result, we have chosen to take more decisive and aggressive action to create a leaner, more efficient business that is well-positioned to compete and succeed in today's retail environment.

8. Other than closing some stores, what does Aéropostale need to accomplish through this process to achieve "long-term financial stability"?

The Chapter 11 process provides access to additional tools that allow us to reject or renegotiate leases and other contracts that may not be in our best interest. Aéropostale fully expects to emerge from the Chapter 11 process in the next six months as a financially stronger company with an optimized store footprint, increased operating efficiencies and reduced expenses.

9. How long is the Chapter 11 process expected to take?

We expect to emerge from this process in the next six months.



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10. Will Aéropostale be sold?

Our hope and expectation is that we will complete this process in the next six months and emerge a much stronger standalone business. That said, we will continue to explore opportunities for a sale as part of the Chapter 11 process to ensure we are achieving the best possible outcome for our business and all of our stakeholders.

11. What is our future strategy for the business?

The Chapter 11 process focuses on strengthening our financial position – not changing our strategy. We all need to stay focused on the initiatives already underway to improve our profitability. We believe that our current strategy is the right path to the future.

12. What should I say if I'm asked about the restructuring?

Employees who regularly interact with customers, suppliers, landlords or other third parties have been provided with “toolkits” to guide these interactions. Please stick to these scripts, and if you aren't provided with materials, please say you have “no comment.”

13. How will employees be kept informed during this process?

We will continue to provide updates via emails, meetings and through our dedicated website, www.ARORestructuring.com. If you have additional questions, please speak with your manager.

14. What will happen to the Aero Cares program?

The Aero Cares program will continue as usual. We do not anticipate any changes.

15. How were the closing locations selected?

A number of factors were considered, including unfavorable lease terms that hurt overall store performance. These were difficult decisions to make, but we are confident they are in the best long-term interest of our Company as a whole.

16. When will we begin store closing sales?

Store closing sales are scheduled to begin in the United States during the weekend of May 7-8 and in Canada during the week of May 9.

17. Will I still be an Aéropostale employee during this process?

Yes, you will remain an Aéropostale employee, and you will continue to report to Aéropostale management. This is very important because it ensures that you can continue to be compensated as usual throughout the closing process.

18. How will my responsibilities change from now until the closing? Will I continue to have the same number of hours?

Employees will continue to do their jobs as usual for as long as their services are needed. Some may also be asked to take on other responsibilities to assist with the closing. Additional information will be provided on an individual basis as the process continues to move forward.



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19. Will I be offered retention if I work through my last day?

Aéropostale has received Court approval to continue our pre-existing retention programs for employees working at closing stores. The payments are based on employee tenure. Additional details will be provided in the days ahead.

20. Will I be offered severance when my store closes?

Aéropostale has received Court approval to continue its existing severance policies. Additional details will be provided in the days ahead.

21. Will my time off that has already been approved be affected?

Pre-existing PTO policies will continue without interruption. These requests will still be subject to manager approval.

22. Who will manage the store closing process?

Aéropostale has retained Tiger Group and Great American to ensure we are efficiently managing our store closing sales and preserving our customer experience as much as possible.

23. Can I transfer to another location?

Affected associates are welcome – and encouraged – to apply for open positions after they have fulfilled their responsibilities at their current location.

24. Do I have to interview for open positions or will I be automatically placed?

Everyone interested in working at another location will need to interview with that store's management.

25. Can I get a letter of recommendation when I begin applying for new jobs? Who should I contact?

As a matter of policy, Aéropostale confirms employment with our Company as well as employees' titles but does not offer letters of recommendation.

26. Am I eligible for unemployment?

You are eligible to apply for unemployment if you are terminated after you have completed your last day with Aéropostale. The decision whether or not you are awarded benefits is determined by the state.