



INVESTOR PRESENTATION – DECEMBER 2013

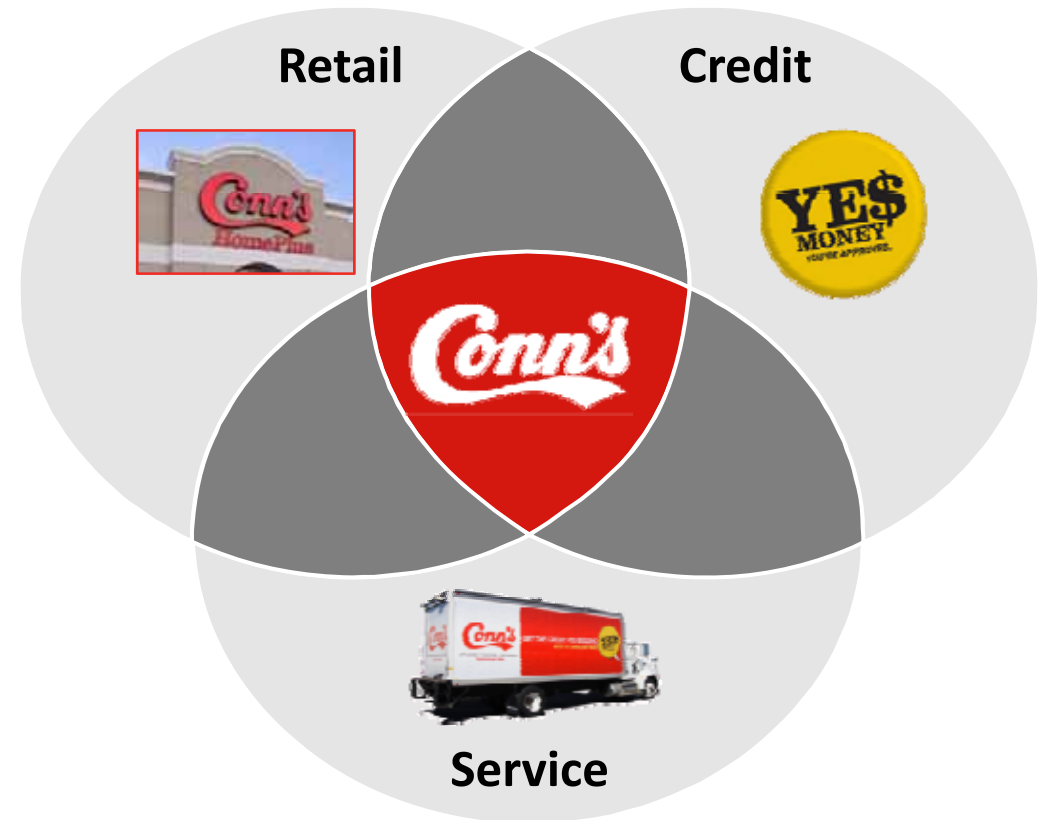


Safe Harbor Agreement

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such forward-looking statements include information concerning our future financial performance, business strategy, plans, goals and objectives. Statements containing the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," or the negative of such terms or other similar expressions are generally forward-looking in nature and not historical facts. Although we believe that the expectations, opinions, projections, and comments reflected in these forward-looking statements are reasonable, we can give no assurance that such statements will prove to be correct. These risks are detailed in our SEC reports, including but not limited to, our Annual Report on Form 10-K. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Except as required by law, we are not obligated to publicly release any revisions or update to these forward-looking statements to reflect events or circumstances after the date of this presentation to reflect the occurrence of unanticipated events.

Who We Are

- Leading specialty retailer of branded consumer home durables
 - Over 70 stores in Texas, Louisiana, Arizona, Oklahoma and New Mexico
- Strong financial momentum with significant growth opportunities
- Differentiated retail strategy
 - Extensive selection of high-dollar value, high-margin merchandise
 - Affordable credit to qualifying subprime customers
 - Trained and commissioned sales associates
 - Next day delivery, installation and service
- Large and growing core customer base
 - Underserved, credit constrained consumers
 - Many are unbanked



Third Quarter FY2014 Update

Third Quarter Highlights

- Net income increased \$13.5 million to \$26.2 million, or \$0.71 per diluted share, after excluding charges
- Consolidated revenues totaled \$310.9 million, up 50.6% from a year ago
- Same store sales increased 35.1%
- Retail gross margin was 40.1% this quarter, expanding 460 basis points over the prior-year period

Longer-Term Goals

- Over 300 stores in the United States
- Furniture and mattress sales account for 35% of total product sales
- Retail gross margin of 40%

Conn's Strong Value Proposition

TOP BRAND NAMES.

Choose from a huge selection of name brand appliances, electronics, furniture and mattresses.

You Deserve It.



GUARANTEED LOW PRICES, EVERYDAY.

If you find a lower advertised price within 30 days, we'll refund the difference plus 10% for your trouble.

You Deserve It.



BUY TODAY WITH CONN'S CREDIT.

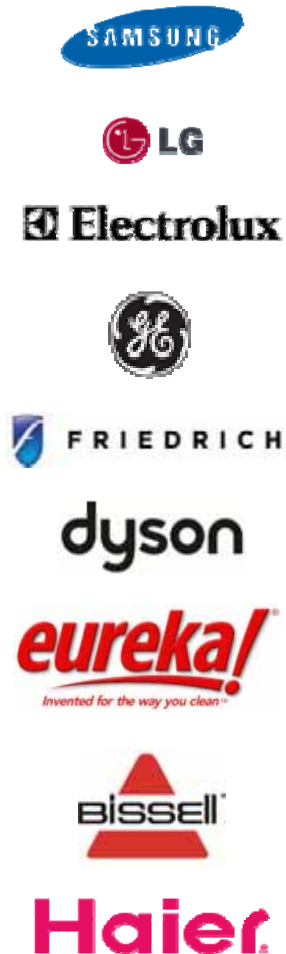
Conn's offers a variety of payment options that make getting what you need more convenient than ever.

You Deserve It.

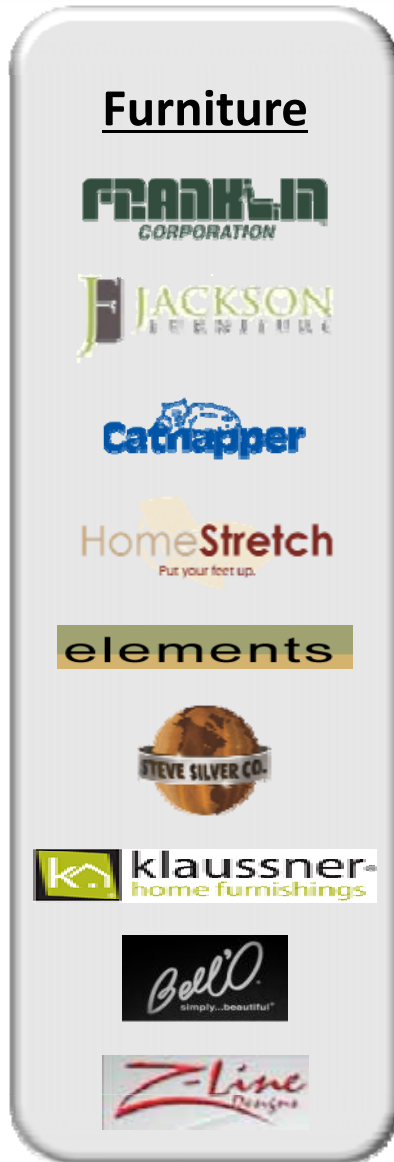


Good-Better-Best Offering of Leading Brands

Home Appliance



Furniture



Mattress



Consumer Electronic



Home Office



Underserved Consumer Credit Market

Where do customers go when they can't get credit?



Rent-to-Own stores with limited selection



Buy used or low priced new merchandise



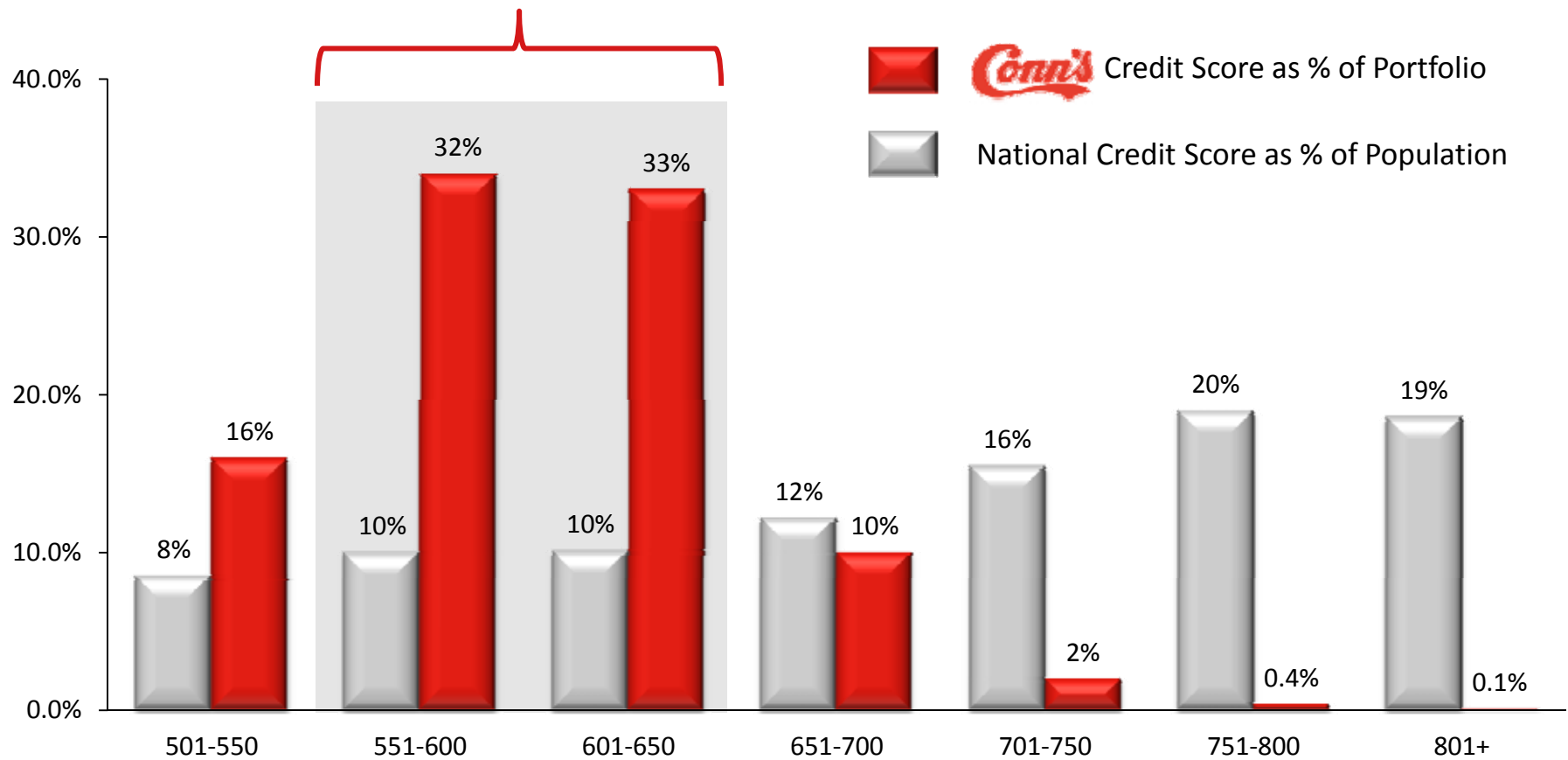
Do without merchandise

Shop at 

Large and Growing Core Customer Base

Our Core Customer

*Consumers with FICO scores
between 550 and 650*



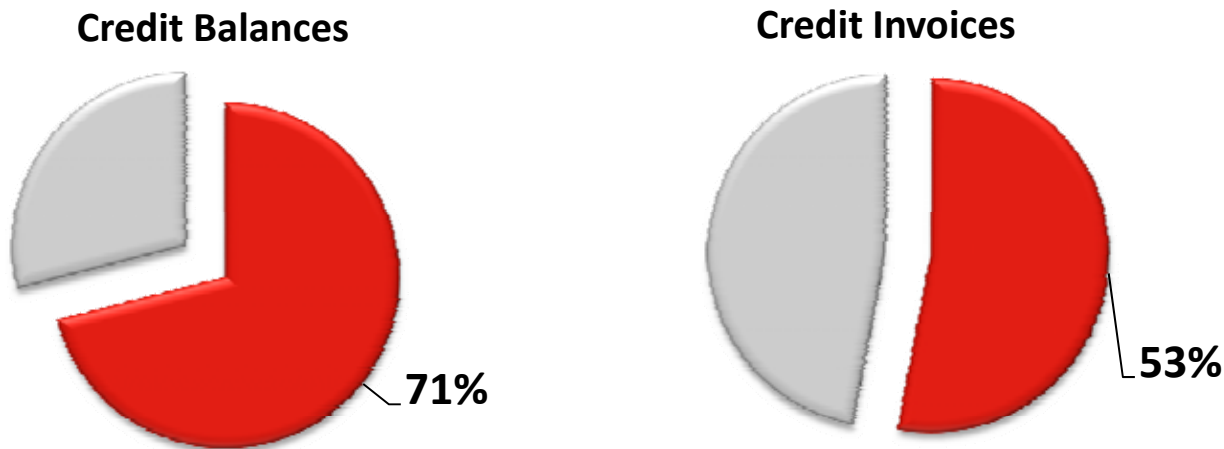
Conn's credit score distribution based on October 31, 2013 portfolio balance
National credit score distribution as of October 2012

Aspirational Purchase

- Below-average income customer can purchase above-average, branded products

Credit Allows Aspirational Purchase		
		Market ⁽¹⁾
Television Average Selling Price	\$1,069	\$465

- Repeat Customers



Approximately 54% of monthly payments are made in the stores

- Offers multiple selling opportunities and ability to improve selection awareness

Average selling prices based on 3Q FY14 sales and available market data
 Repeat customer information as of and for 3Q FY14, for stores open more than 12 months
 Payment information for 3Q FY14
 (1) Source: NPD Group

Unique Market Position with Barriers to Entry

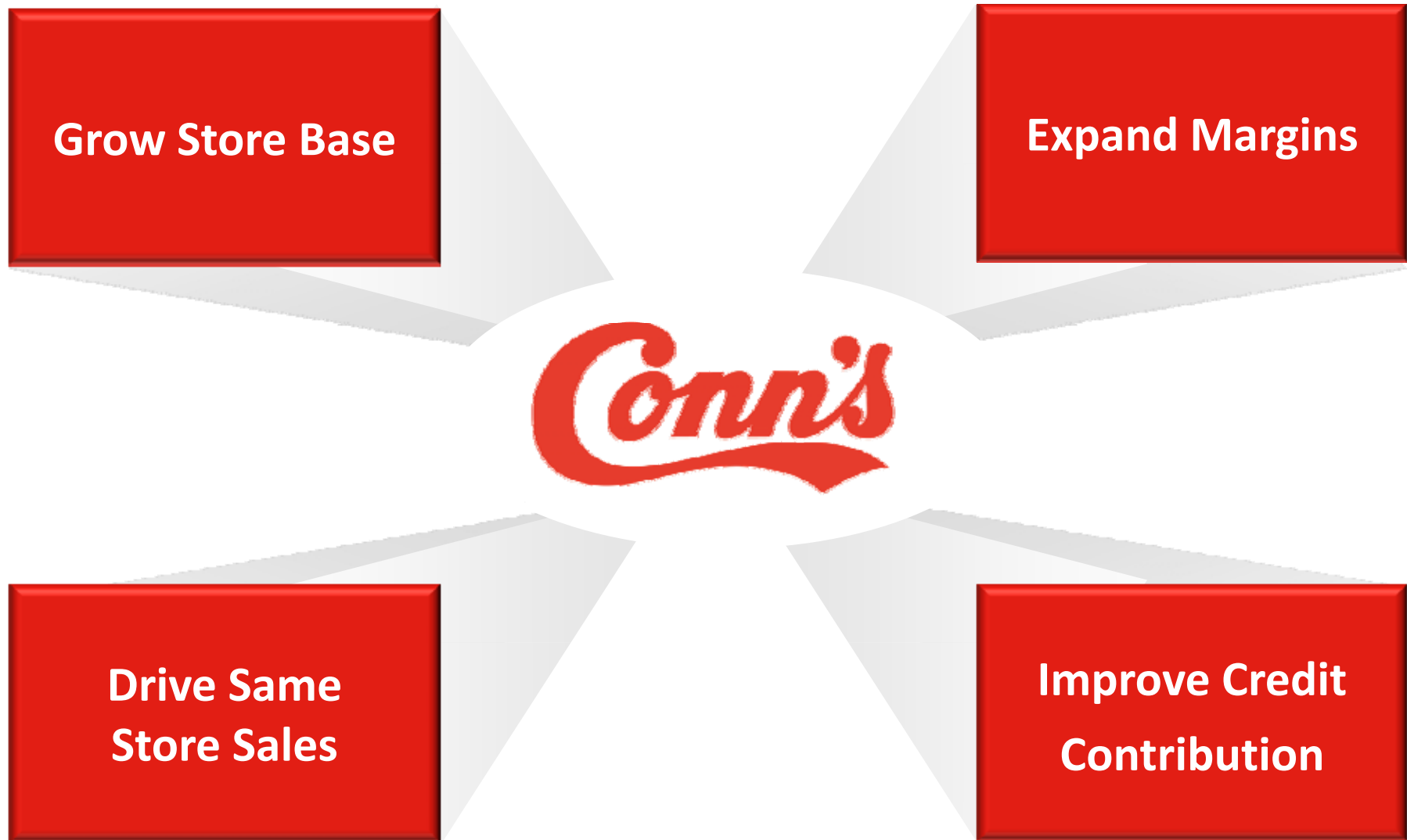
- Retail offering and affordable credit to subprime borrowers provides unique niche
 - Few direct competitors with similar credit offering
 - Effective in urban markets with a high concentration of consumers with low disposable income
 - Most effective in secondary markets that serve a large area from one location
- Conn's has offered and managed in-house financing to customers for over 45 years
- Substantial barriers to entry
 - Lower returns than typical non-bank lenders
 - Regulatory and cost obstacles for banks
 - Retailers lack experience and capital

Growth Strategy



Conn's

Multiple Growth Drivers Support Sustainable Long-Term Growth



Early Stages of Store Base Expansion

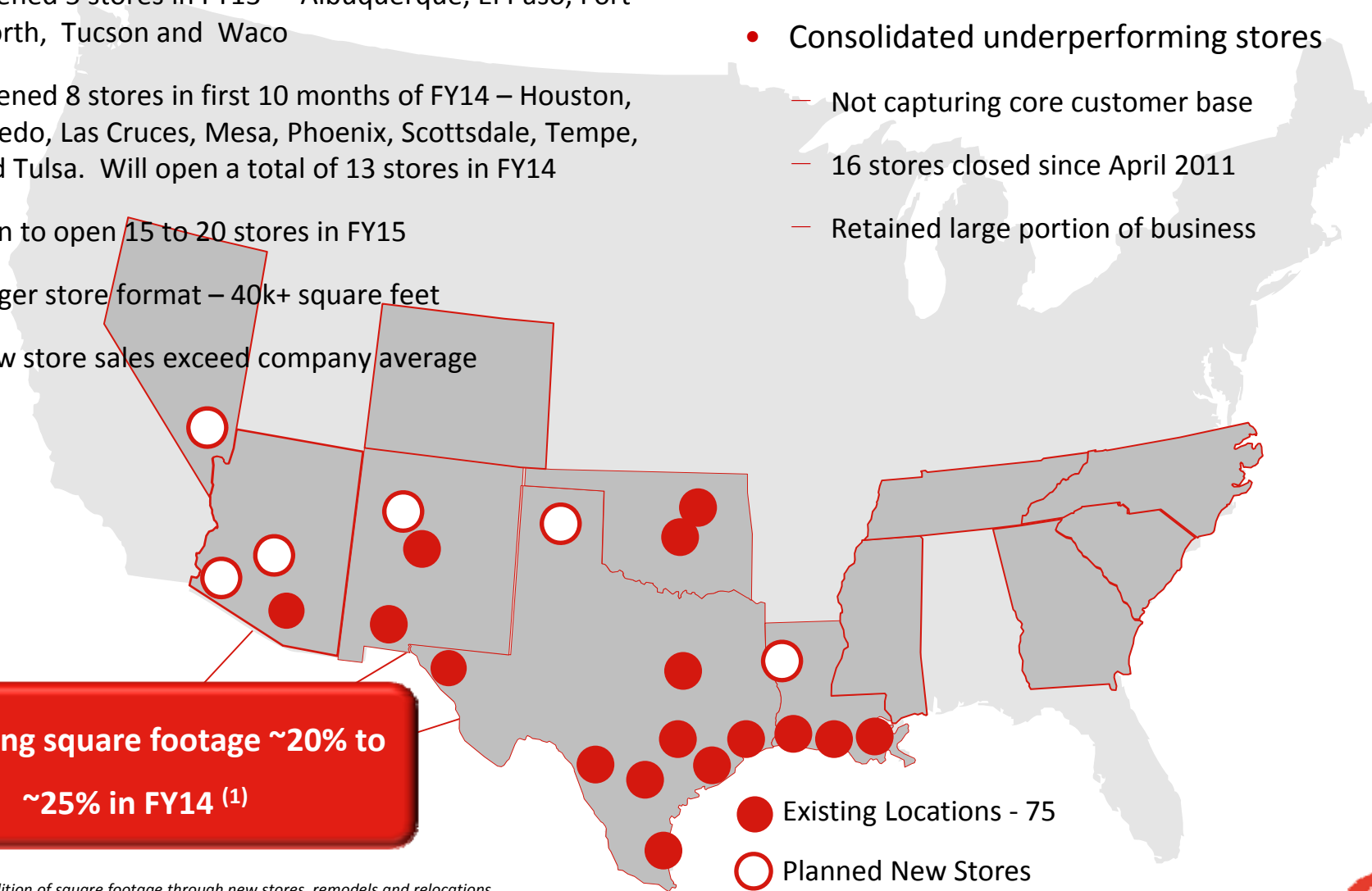
- Store count growth

- Opened 5 stores in FY13 – Albuquerque, El Paso, Fort Worth, Tucson and Waco
- Opened 8 stores in first 10 months of FY14 – Houston, Laredo, Las Cruces, Mesa, Phoenix, Scottsdale, Tempe, and Tulsa. Will open a total of 13 stores in FY14
- Plan to open 15 to 20 stores in FY15
- Larger store format – 40k+ square feet
- New store sales exceed company average

- Long-term potential for more than 300 Conn's stores in the U.S.

- Consolidated underperforming stores

- Not capturing core customer base
- 16 stores closed since April 2011
- Retained large portion of business



(1) Includes addition of square footage through new stores, remodels and relocations

Powerful New Store Model

\$ in thousands, except per square foot

Targeted Retail Store Statistics

Average Total Sales	\$15,000
EBITDA	\$3,585
EBITDA Margin	23.9%
Average Retail Floor Space	40,000 sq. ft.
Sales per Square Foot	\$375

Estimated Capital Investment for Average New Store

Build-out Cost, Net of Tenant Allowance	\$850
Inventory, Net of Payables	\$150
Net Capital Investment	\$1,000
Cash Payback	~6 Months
Cash on Cash Return	300%+

Estimated Capital Needed to Support Receivables

Est. Receivables Balance Generated by Full-Year Sales	\$15,000
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Results based on stores with sales between \$13 and \$15 million during twelve months ended October 31, 2013

Update and Expand Existing Stores

- 22 store remodels completed through January 31, 2013
 - Average increase in retail selling space of ~25%
 - Additional square footage largely devoted to furniture and mattress
- 7 store remodels and relocations completed to-date in fiscal 2014, with 3 to 5 more planned
- Additional remodels and relocations planned for fiscal 2015
- Same store sales lift of 10-15% after remodel

New Store Layout



Advertising Strategy Delivering Growth

**Traditional
Retailer**

Product

&

Price

Drives

Call to Action

Conn's

Product

&

Price

&

Available Funds

Drives

Call to Action

Advertising Strategy Delivering Growth



0% INTEREST FOR 18 MONTHS¹ + **FREE NEXT DAY DELIVERY³**
 On Appliance Purchases of \$599 or more with your Conn's Card made between 11/24/13 to 11/27/13. Equal Monthly Payments Required for 18 months.



LG
25 Cu. Ft. Stainless Steel French Door Refrigerator
 LED Interior Lighting, Smart Cooling, Glide & Serve Pantry, Slim SpacePlus Ice System, Smart Diagnosis LINKBIST

LARGE CAPACITY 25^{cu. ft.}

SAVE \$800
1499⁹⁹
 AFTER SAVINGS
 or **\$51 per month**** for 36 months, to pay off total balance of **\$1819**



SAMSUNG
4.5 Cu. Ft. Capacity Washer
 Diamond Drum, 11 Wash Cycles Including PureCycle, Vibration Reduction Technology WADA09H0SU
7.3 Cu. Ft. Capacity Dryer
 11 Cycles, 4 Temp. Settings, Sensor Dry DUALM9H0SU

SAVE \$600 WITH PAIR
699⁹⁹
 EACH AFTER SAVINGS WITH PAIR PURCHASE or **\$24 per month**** for 36 months, to pay off total balance of **\$849**



- ✓ Low monthly payments you can afford
- ✓ Even if you've been turned down other places
- ✓ Get approved within 24 hours

THREE EASY WAYS TO APPLY



12.99% APR for 36 months* On purchases [of \$500 or more] made with your Conn's credit card between November 24, 2013 and November 27, 2013. 36 Fixed Monthly Payments Required. **Monthly payments shown are applicable with the 12.99% APR for 36 months* offer on your Conn's credit card.



Advertising Strategy Delivering Growth

Direct Mail



Television



Providing Customers Additional Ways to Apply for Credit



THREE EASY WAYS TO APPLY



Visit
conns.com



Call
1 (855) 354-8840



Stop by
our Store

3Q Application Volume

	<u>FY 14</u>	<u>FY 13</u>	<u>% Change</u>
Online via the Web	86,625	30,523	184%
Telephone	9,523	1,459	553%
Mail-in	10,727	-	n.m.
In Store	160,683	166,635	(4)%
	<u>267,558</u>	<u>198,617</u>	<u>35%</u>

Enhanced Merchandising and Internet Strategy Drive Sales

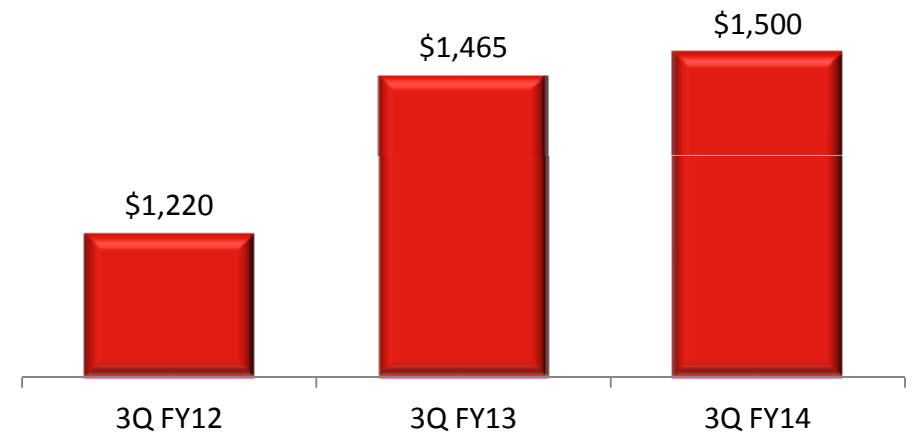
Drive Higher Average Selling Price

- Enhanced product offering
- Repositioned assortment to focus on higher price, higher margin products
- Improving customer awareness of Conn's credit
- Promoting and advertising larger ticket products

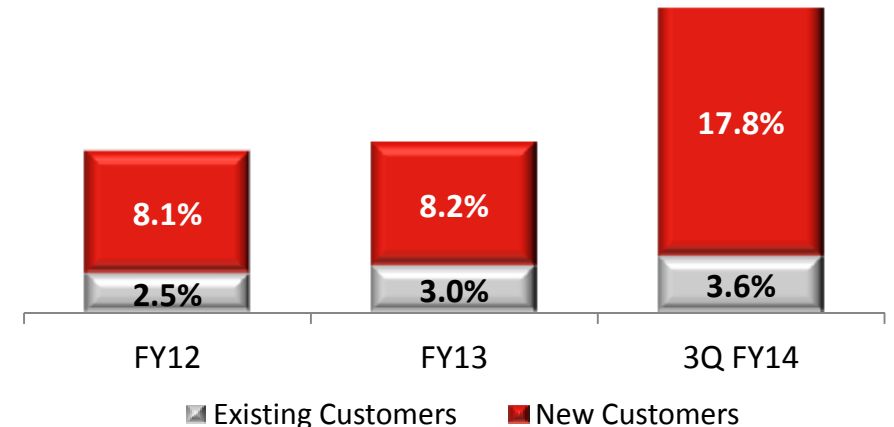
E-Commerce Strategy Drives Credit Applications

- Apply in privacy of home
- Credit decision delivered before shopping in store
- Drives traffic to the stores
- Mobile and Spanish-language site design launched

Average Transaction Size



% of Sales from Online Credit Applications ⁽¹⁾



(1) % of sales generated by online credit applications based on purchases within 30-days of application date using any payment method

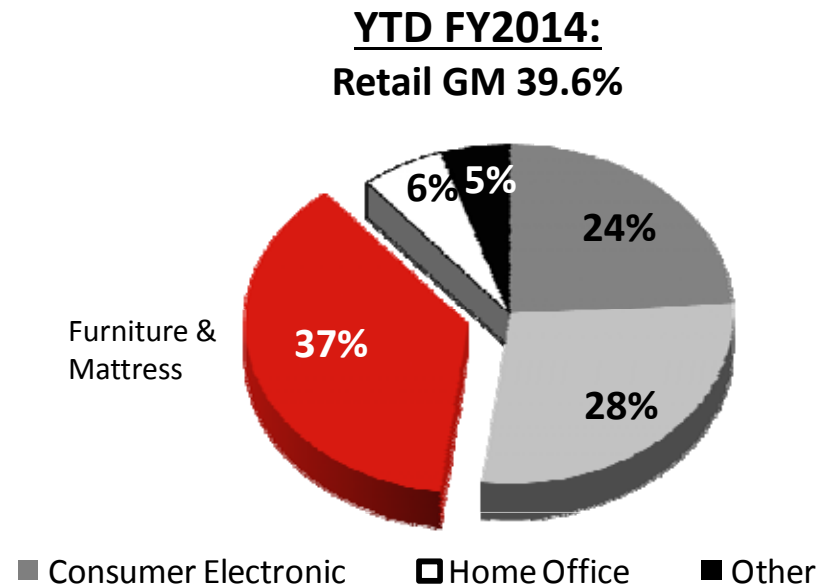
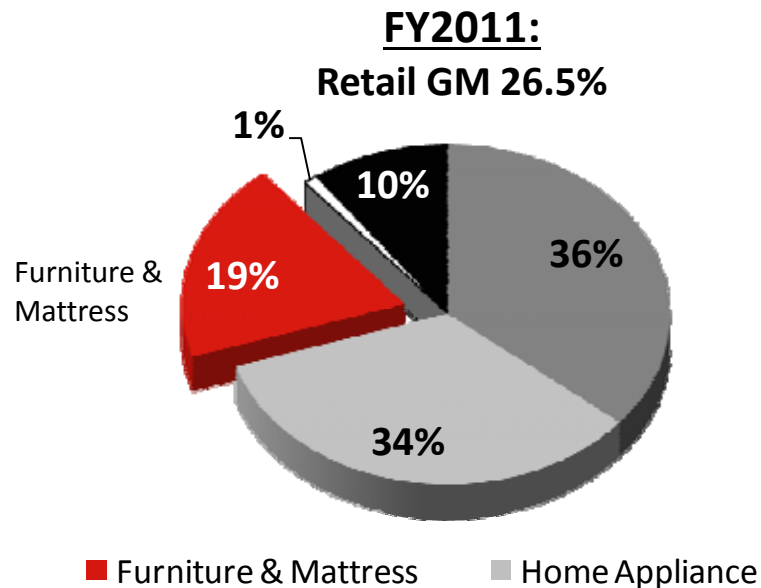
Expand Retail Margins

- Grow market share in high-margin furniture and mattress category
 - Expand product assortment
 - Increase floor space allocation
 - Promote and advertise
- Credit offering drives aspirational purchases
 - Higher sales and margins in all categories
- Sales increase drives expanded purchasing power
- Focus on direct shipments from Asian furniture manufacturers

Furniture and Mattresses Driving Sales and Margin Growth

- Provides opportunity for long-term same store sales growth
 - Market as big as television and appliance markets combined
- Highly fragmented retail and manufacturing environment
 - Less susceptible to show-rooming and cross-shopping
- Ideal product for credit and distribution model
- Drives higher average transaction size with higher gross margins
- Increasing selling space, expanding product offering and improving sourcing

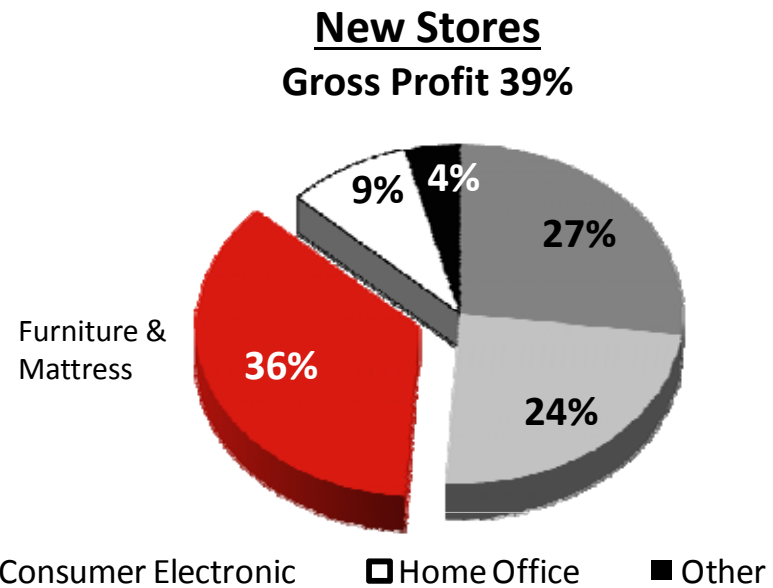
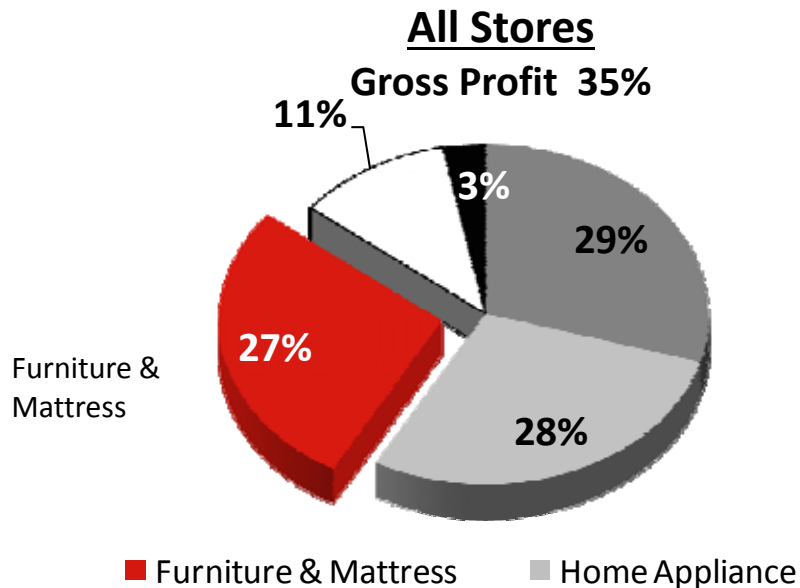
Product Gross Profit Contribution



Furniture and Mattresses – Impact of New Stores

- Larger new stores allows display of entire assortment of furniture and mattresses
- Merchandising of products comparable to a furniture or mattress only store
 - Living, bedroom and dining room
 - Multiple color selections
- Retail floor space dedicated to appliances, electronics, home office and mattresses is consistent in all Conn's HomePlus stores, with the balance marketing furniture

Q3 FY 14 Furniture and Mattress Sales

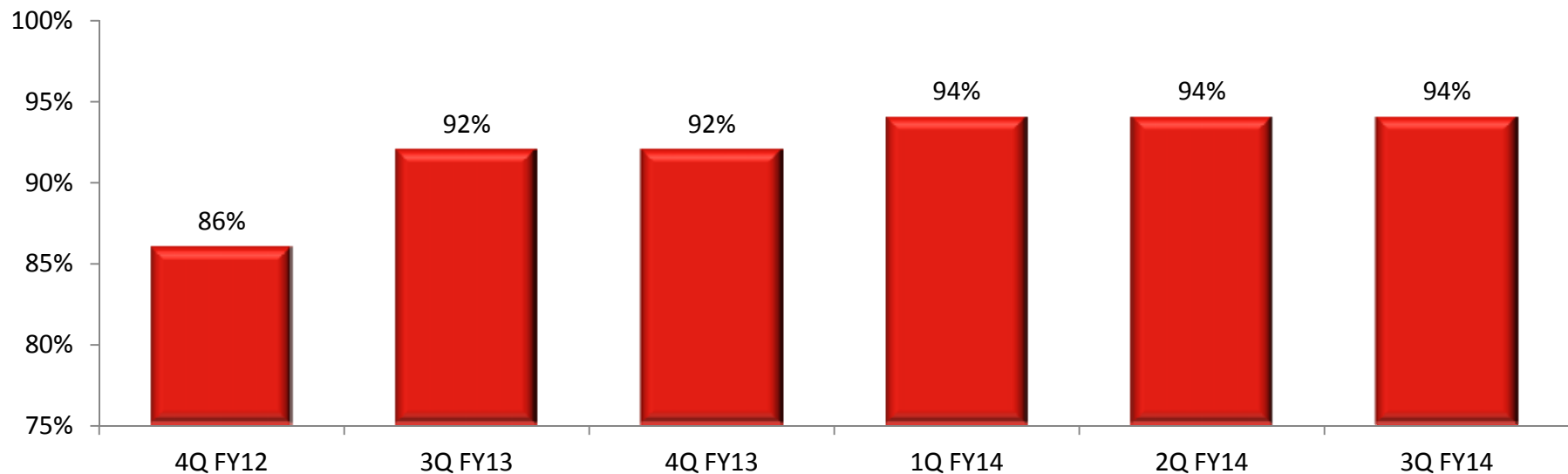


High-Level of Customer Service

Professional, Trained and Commission-based Sales Force

- Sales per associate rose 21% to \$72,200 in 3Q FY14, from \$59,600 in 3Q FY13
- New hires receive two weeks of initial training
- Monthly training and testing required for all associates
- For new stores, associates receive additional sales-floor training and mentoring in existing stores

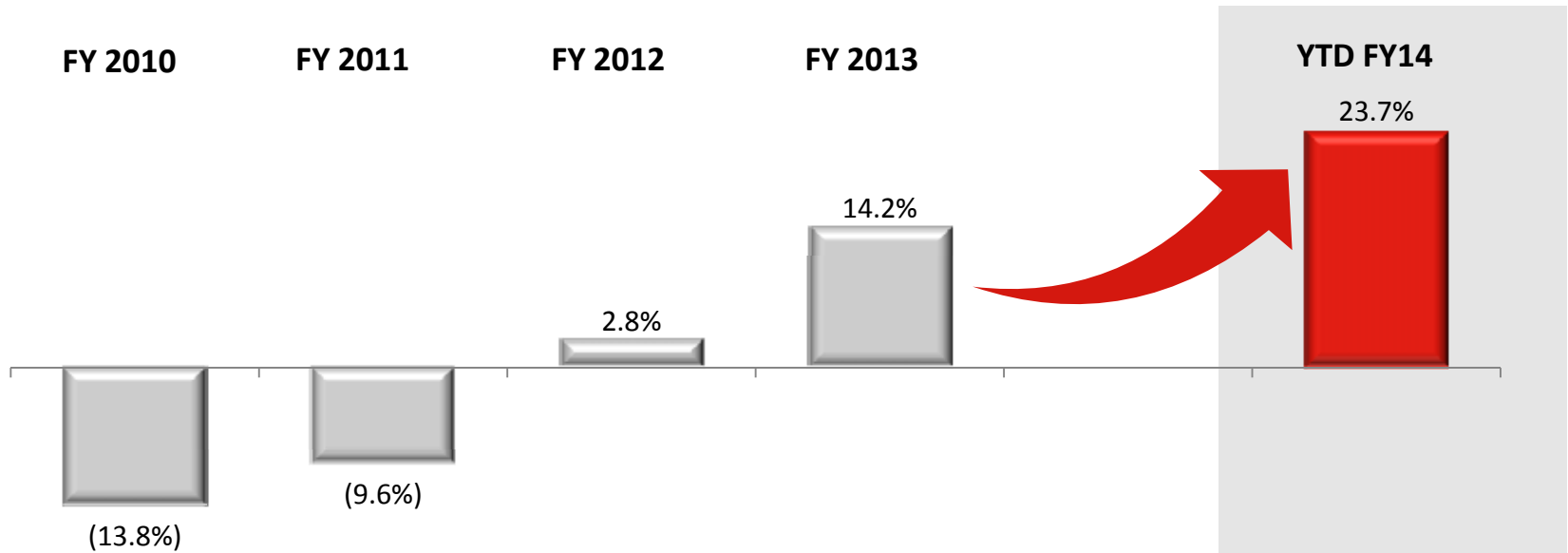
Sales Customer Satisfaction ⁽¹⁾



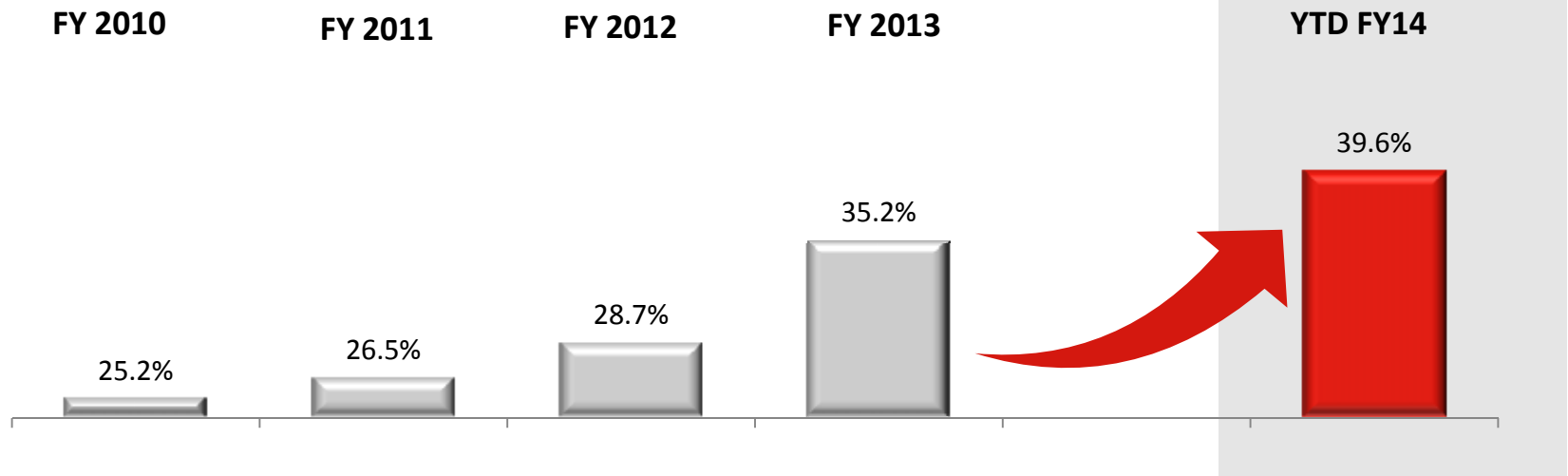
(1) Source: Company survey data

Strong Financial Momentum

Same Store Sales %



Retail GM %



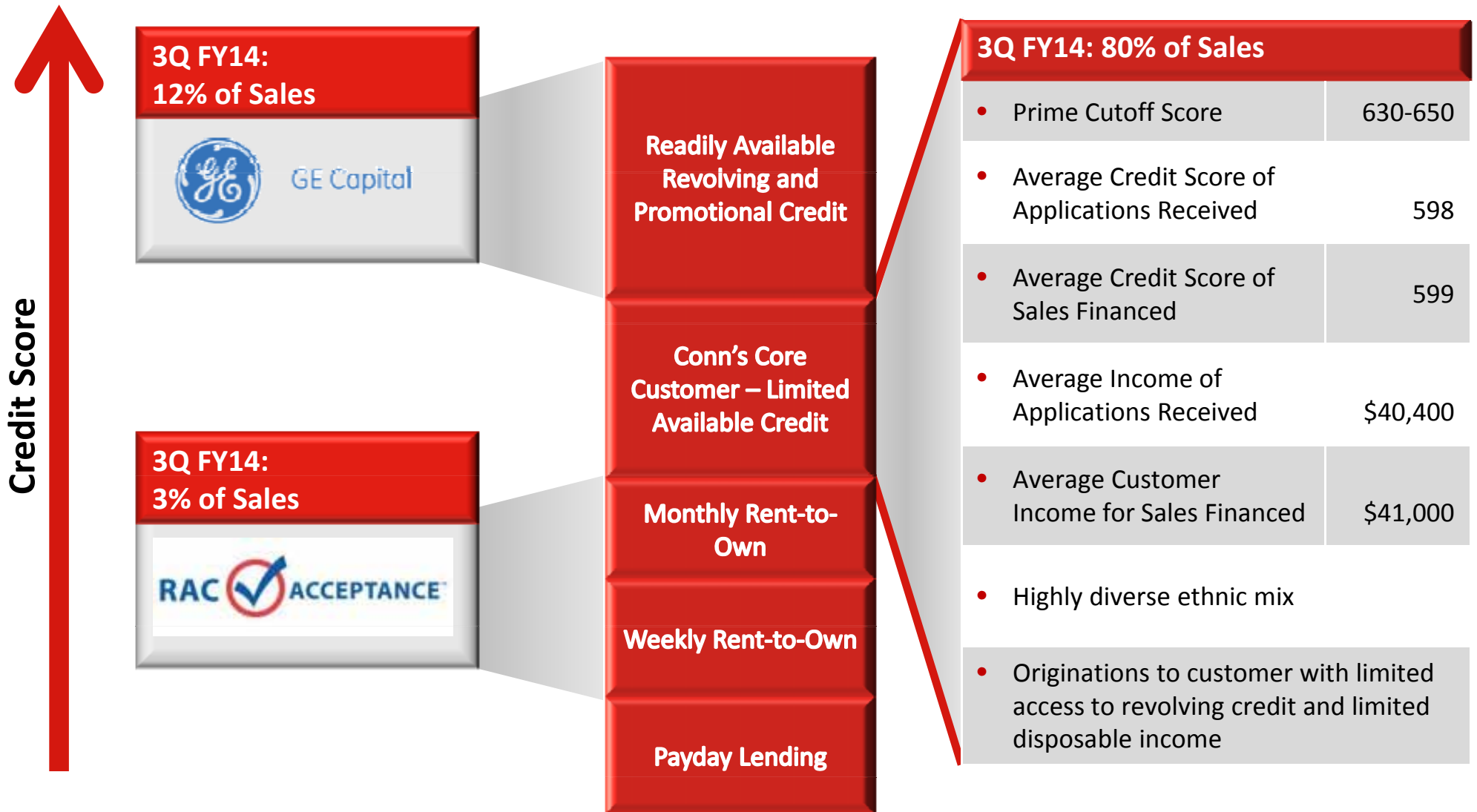
Retail gross margin includes product sales and repair service agreement ("RSA") commissions



Credit Overview



Providing Credit for a Wide Range of Consumers

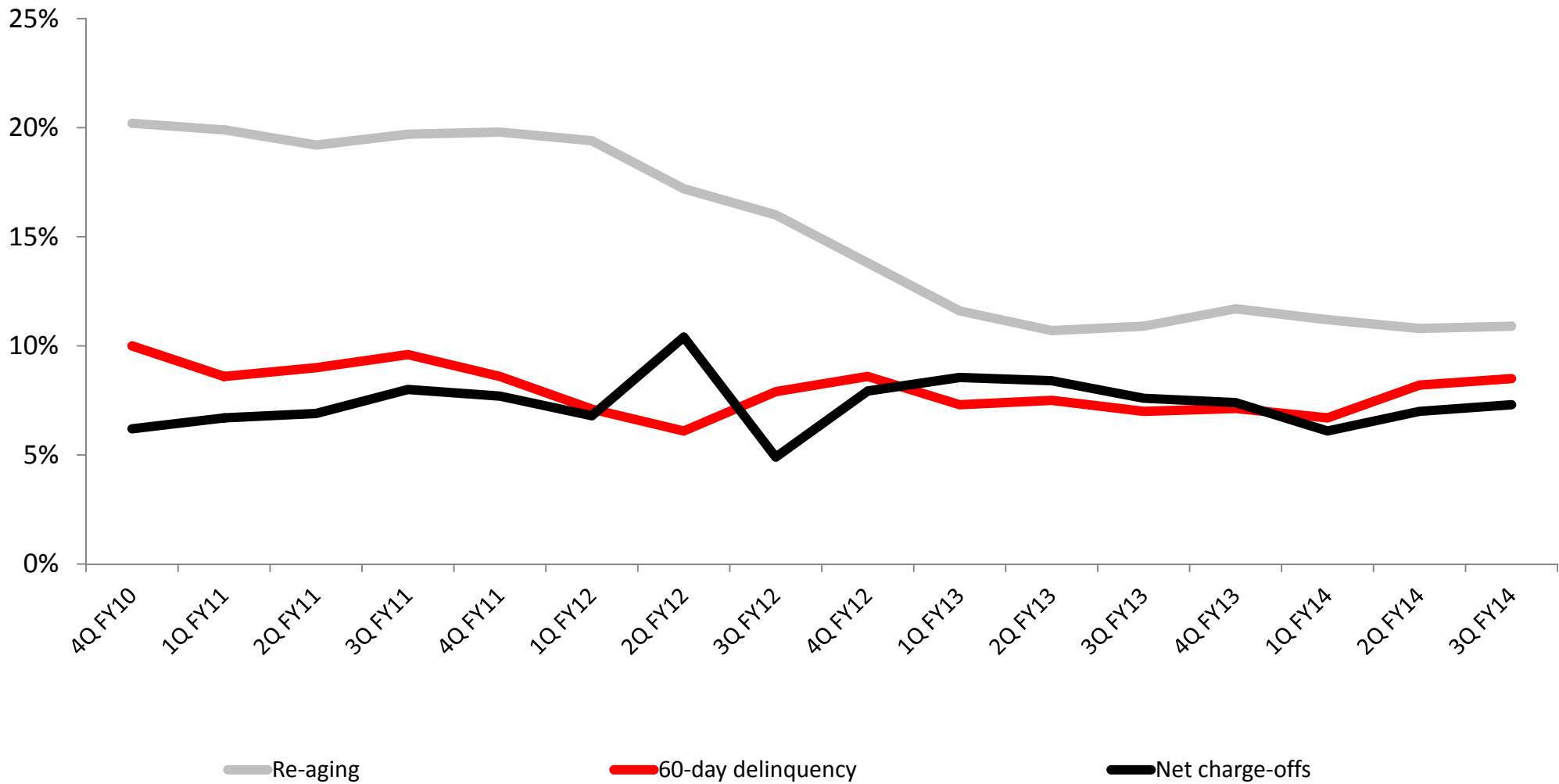


Credit scores exclude non-scored accounts

Differentiated, Sustainable Proprietary Credit Product

- Over 45 years offering in-house credit provides solid foundation for underwriting decisions
 - Proven through multiple business cycles and recent deep recession
- Credit decisions made independent of retail operations
- Credit offering is a simple installment contract
- Security interest, credit insurance and repair service agreements reduce risk of non-payment
- Consumer receivables are secured by the long-lived products that customers consider integral to their everyday lives

Credit Portfolio Trends



Improve Credit Contribution

- Deliver higher interest yield
- Increase the balance of interest earning assets in the portfolio
 - Improve application process to increase completed transactions
- Maintain profitable underwriting standards and provide payment solutions for every qualified customer

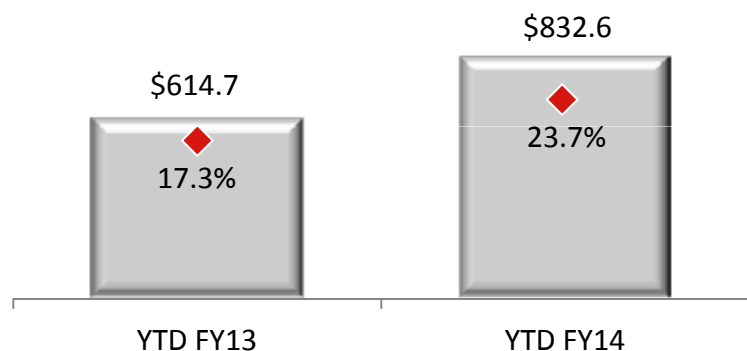
Financial Review



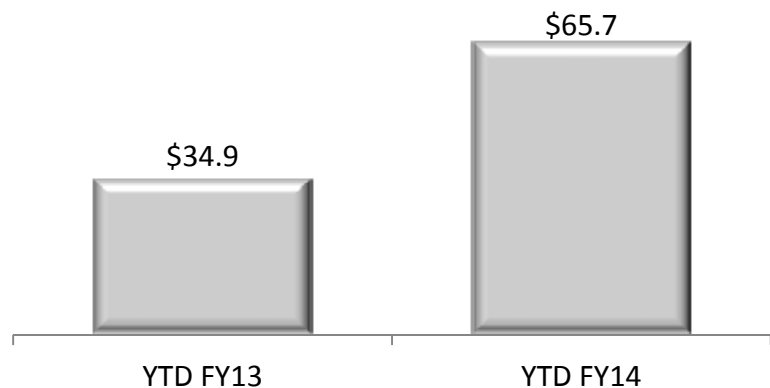
Conn's

Q3 Results and Earnings Guidance

Revenue (\$ in mm) and SSS%



Net Income (\$ in mm)



Revised FY 2014 Full-Year Guidance

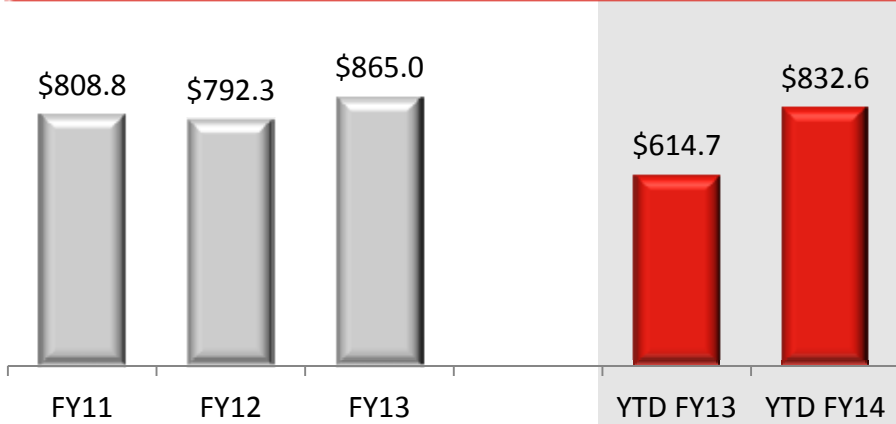
Same Store Sales:	22% to 25%
New Store Openings:	13
Retail Gross Margin:	39.3% to 39.8%
Provision for Bad Debt as % of Average Portfolio Balance:	9.4% to 9.7%
Earnings Per Share (as adjusted):	\$2.75 to \$2.80

FY 2015 Full-Year Guidance Initiated

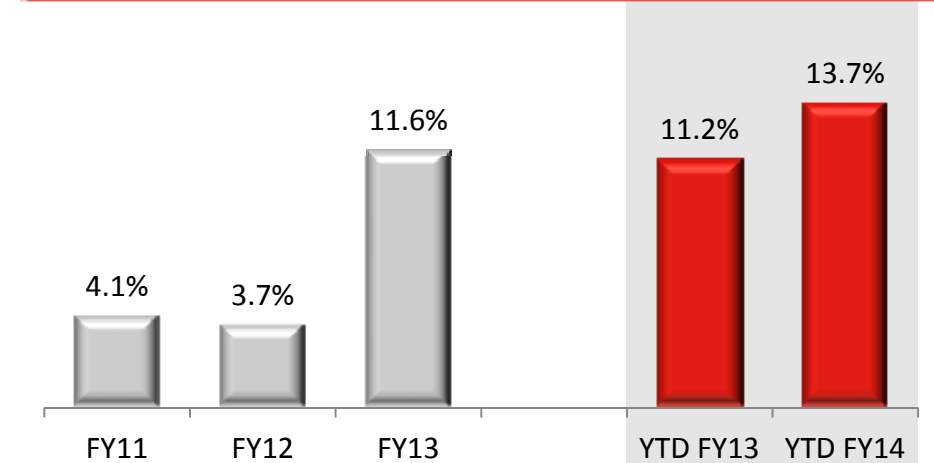
Same Store Sales:	7% to 12%
New Store Openings:	15 to 20
Retail Gross Margin:	39.0% to 40.0%
Provision for Bad Debt as % of Average Portfolio Balance:	8.0% to 9.0%
Earnings Per Share:	\$3.80 to \$4.00

Consolidated Financial Summary

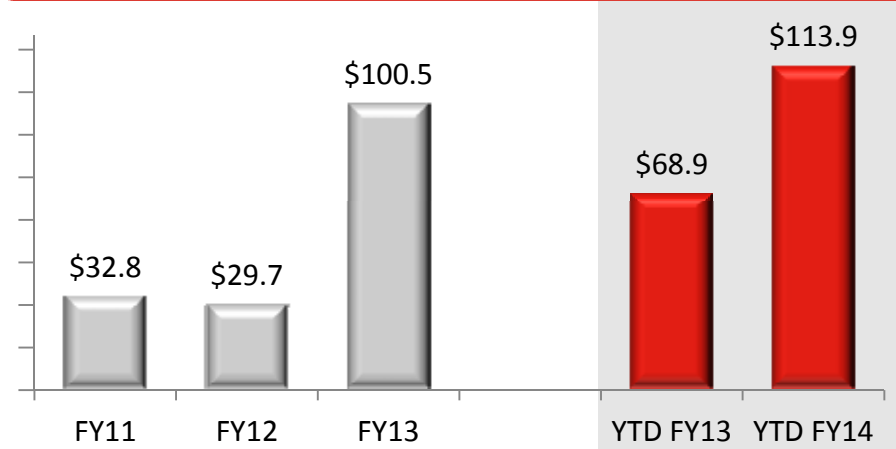
Total Revenue ⁽¹⁾ (\$ in mm)



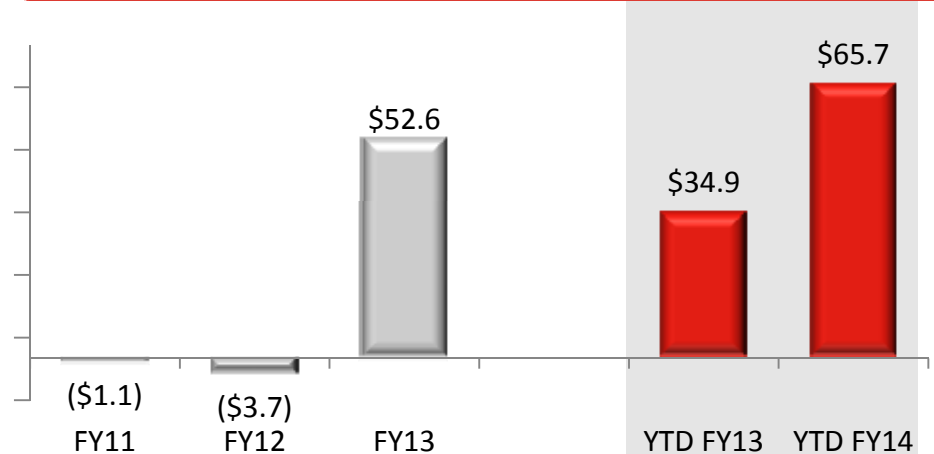
Operating Margin % ⁽¹⁾



Operating Income ⁽¹⁾ (\$ in mm)



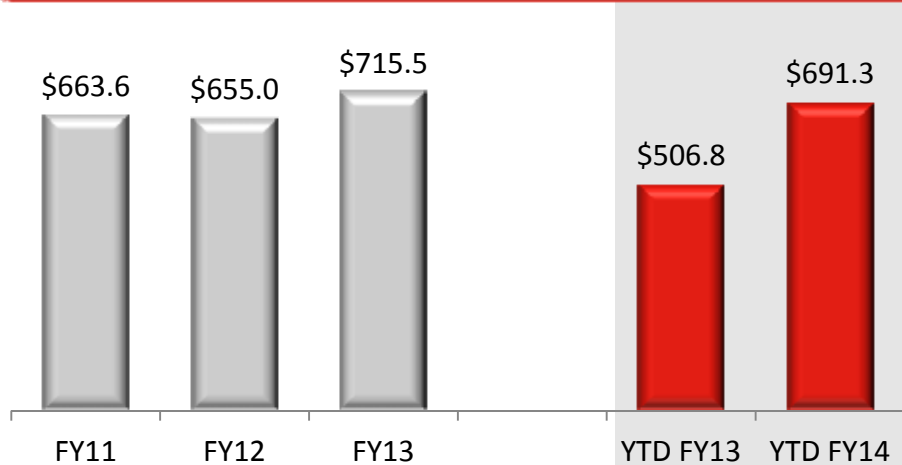
Net Income ⁽¹⁾ (\$ in mm)



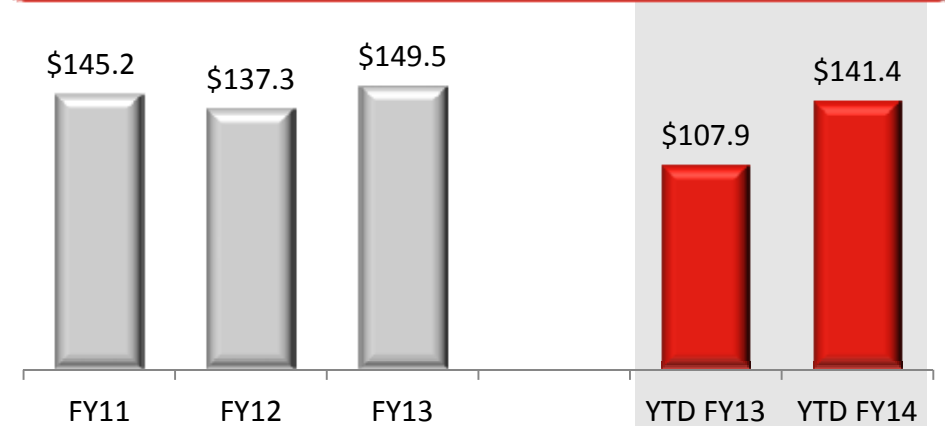
(1) As reported, including charges. See exhibit 1 for summary of charges

Retail + Credit Financial Summary

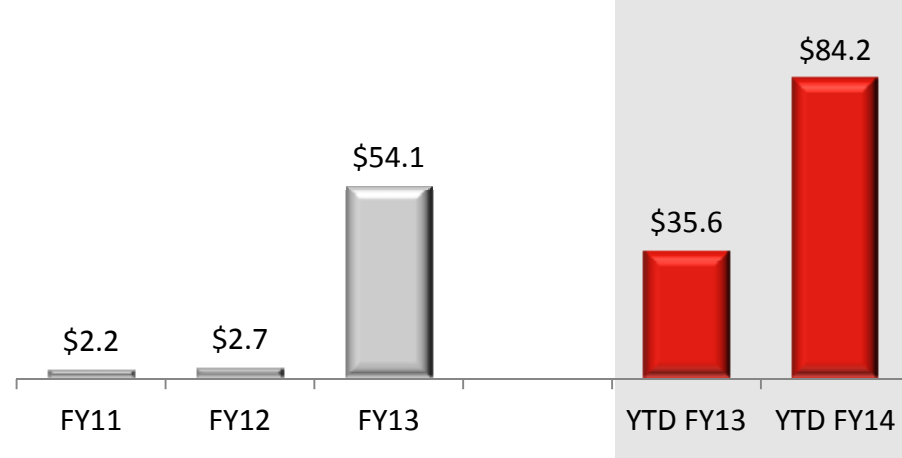
Retail Segment Revenue (\$ in mm)



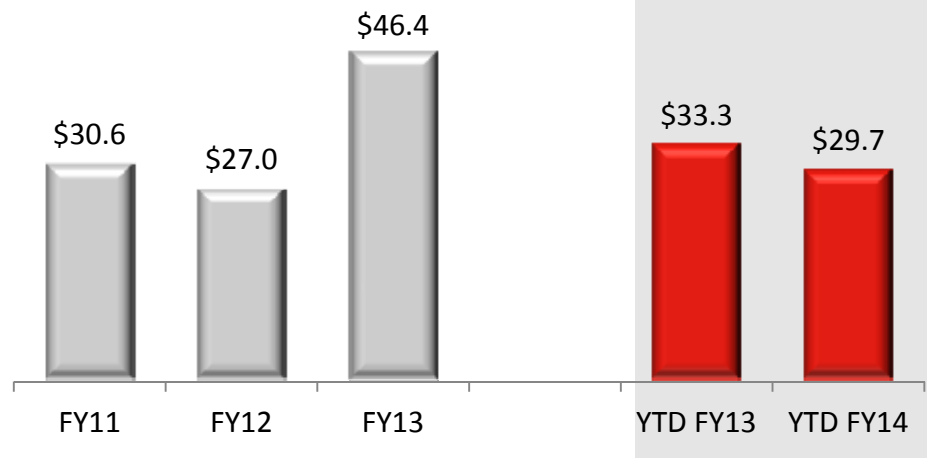
Credit Segment Revenue ⁽¹⁾ (\$ in mm)



Retail Segment Operating Income ⁽¹⁾ (\$ in mm)



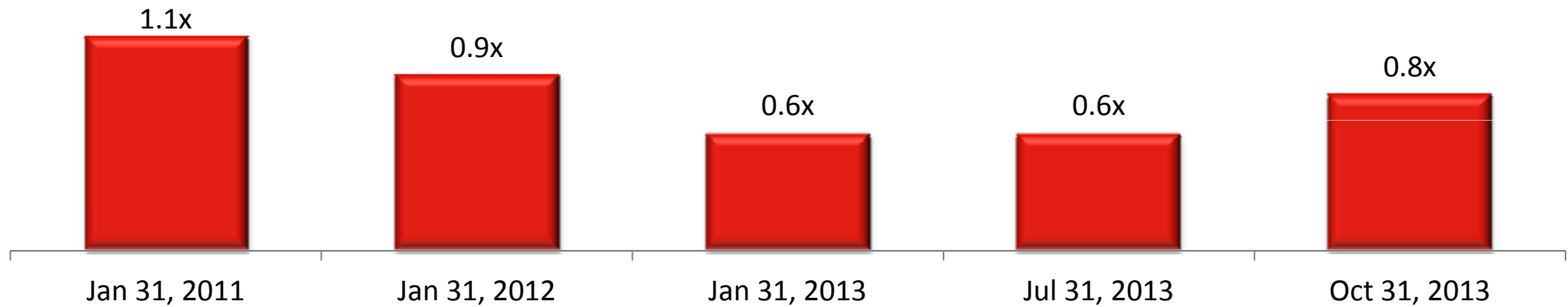
Credit Segment Operating Income ⁽¹⁾ (\$ in mm)



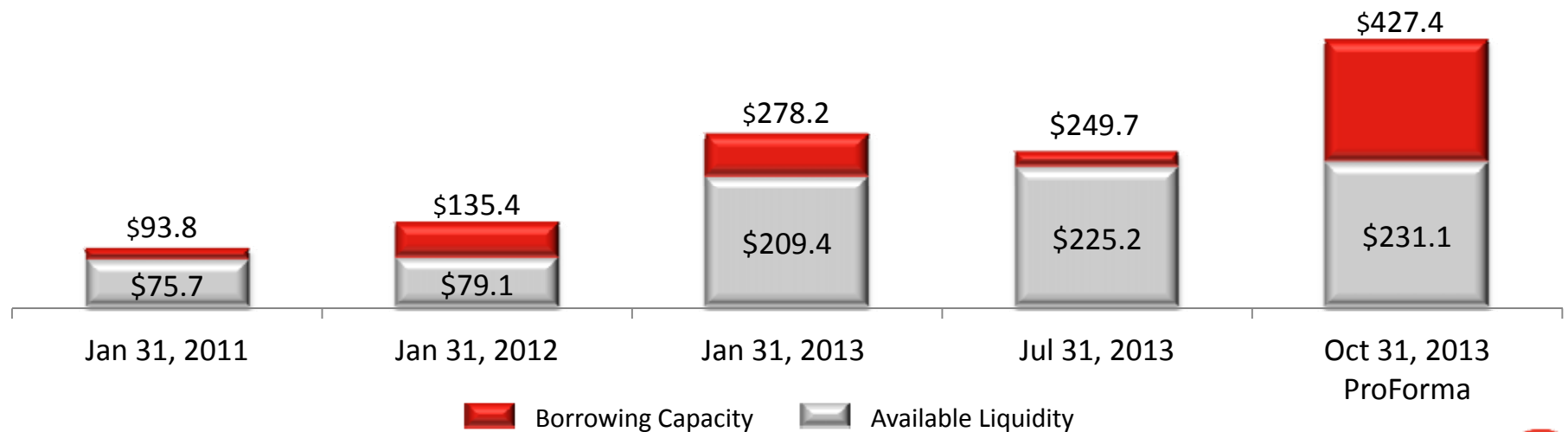
(1) As reported, including charges. See exhibit 1 for summary of charges

Considerable Access to Capital

Total Debt to Stockholders' Equity



Ample Borrowing Capacity (\$ in mm)



 Borrowing Capacity  Available Liquidity

(1) Adjusted to reflect November 2013 amendment to Revolving Credit Facility increasing borrowing capacity \$265 million to \$850 million.



Q&A



Conn's

Summary of Charges – By Period

Charges by Classification and Segment (\$ in mm)	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>YTD FY13</u>	<u>YTD FY14</u>
<u>Credit Segment Revenues:</u>					
TDR accounting implementation	\$ -	\$ (1.0)	\$ -	\$ -	\$ -
Effect on Credit Segment Revenues	-	(1.0)	-	-	-
<u>Retail Segment Expenses:</u>					
Relocation costs	-	-	1.2	0.6	-
Inventory reserve	1.7	4.7	-	-	-
Severance costs	-	0.4	0.1	-	-
Cost related to facility closures	2.3	8.4	1.2	-	2.8
Impairment of long-lived assets	-	0.7	-	-	-
Impairment of goodwill	-	-	-	-	-
Effect on Retail Segment Operating Income	(4.0)	(14.2)	(2.5)	(0.6)	(2.8)
<u>Credit Segment Expenses:</u>					
TDR accounting implementation	-	13.1	-	-	-
Severance costs	-	0.4	0.5	-	-
Effect on Credit Segment Operating Income	-	(14.5)	(0.5)	-	-
Effect on Operating Income - Consolidated	(4.0)	(28.7)	(3.0)	(0.6)	(2.8)
Loss from early extinguishment of debt	-	11.1	0.9	0.8	-
Financing facilities terminated	4.3	-	-	-	-
Tax effect of charges	(2.9)	(14.0)	(1.4)	(0.5)	(1.0)
Effect on Net Income	\$ (5.4)	\$ (25.8)	\$ (2.5)	\$ (0.9)	\$ (1.8)
Effect on Operating Margins	(0.5)%	(3.6)%	(0.3)%	(0.1)%	(0.2)%

Impact of Originations on Credit Segment Performance

The following provides a summary of the estimated income statement impact of the origination of a single \$2,000 installment loan over two quarters. The analysis assumes an annual interest rate of 21%, a term of 24 months and an origination date of March 31.

	<u>Q1</u>	<u>Q2</u>
Beginning principal balance	\$ -	\$ 1,932
March 31 loan origination	2,000	-
Principal payments	(68)	(211)
Ending principal balance	<u>\$ 1,932</u>	<u>\$ 1,721</u>
Interest income	\$ 35	\$ 98
Estimated origination costs	11	-
Bad debt provision estimate ^(a)	35	-
Operating income (loss)	<u>\$ (11)</u>	<u>\$ 98</u>
Average principal balance	\$ 983	\$ 1,827
Annualized provision rate	14%	0%

Results from annualizing a full-year provision amount.

^(a) Twelve months of expected losses provided in the month a loan originates. Assumes loan remains current over the periods.

Fiscal 2012 & 2013 Static Loss by Quarter of Origination

<i>Period of Origination</i>	<i>Originationsⁱ</i>	<i>Cumulative Net Charge-off</i>	<i>% of Balance Remaining</i>	<i>Balance Outstandingⁱ</i>
FY2012				
Q1	\$128.6	5.3%	5.3%	\$6.8
Q2	\$134.2	4.7%	8.2%	\$11.0
Q3	\$144.3	4.9%	11.8%	\$16.9
Q4	\$191.9	4.7%	15.7%	\$30.2
Totals	\$599.0	4.9%	10.8%	\$64.9
FY2013				
Q1	\$164.2	4.7%	23.0%	\$37.8
Q2	\$179.3	3.8%	28.0%	\$50.2
Q3	\$173.1	2.9%	36.5%	\$63.0
Q4	\$218.8	2.5%	50.0%	\$109.4
Totals	\$735.4	3.4%	35.4%	\$260.4

ⁱ in millions

- The static loss analysis presents the percentage of balances charged off, based on the period the credit account was originated. The percentage computed is calculated by dividing the cumulative net amount charged off since origination by the original balance of accounts originated during the applicable period. The net charge-off was determined by estimating, on a pro rata basis, the amount of the recoveries received during a period that were allocable to the charge-offs of each origination period.

- The origination amount includes sales taxes and other amounts that are not included in retail net sales.