



## Aaron Rents, Inc. Reports First Quarter Results; Sees Continuing Strong Growth

April 25, 2002

ATLANTA, Apr 25, 2002 /PRNewswire-FirstCall via COMTEX/ -- Aaron Rents, Inc. (NYSE: RNT), the nation's leader in the sales and lease ownership, specialty retailing and rental of residential and office furniture, consumer electronics, home appliances and accessories, today announced revenues and earnings results for the first quarter of 2002.

The Company attained record revenues on the strength of its fast-growing Aaron's Sales & Lease Ownership division, which increased revenues 26% during the quarter including a 7.4% growth in same store revenues.

"This record growth is in line with our expectations," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents, Inc. "We are especially pleased with the revenue growth of our new stores opened during the last several years, including the 117 additional stores opened during the record expansion of 2001. We achieved this record growth during the first quarter while at the same time reducing our bank debt by \$22 million, or over 30%, from the levels at the end of 2001. We feel this is remarkable performance."

For the three months ended March 31, 2002 revenues advanced 11% to a record \$156.7 million compared to \$141.4 million for the first quarter of 2001. Net earnings for the first quarter were \$5.9 million and \$.29 per share on a diluted basis compared to \$.37 per share for the same period last year. Effective January 1, 2002 the Company adopted SFAS No. 142 which eliminated the amortization of goodwill and had the effect of increasing net earnings for the first quarter of 2002 by \$.01 per diluted share.

Systemwide revenues for the Company, which includes revenues of franchised stores, advanced 14% to \$215.3 million for the quarter versus \$189.4 million a year ago.

Net earnings were adversely impacted during the first quarter of 2002 by approximately \$.09 per diluted share due the start-up expenses related to the rapid opening of new stores in 2001, the majority of which were opened during the summer of last year. Also, during the quarter the Company changed its method of depreciating merchandise in the Aaron's Sales & Lease Ownership division from depreciating new merchandise as soon as it is delivered to stores to not depreciating the merchandise until it initially goes out on lease. This change in accounting method increased net earnings by approximately \$.02 per diluted share during the current quarter.

The Company's Aaron's Sales & Lease Ownership division continued its strong expansion, increasing its revenues 26% to a record \$123.3 million for the first quarter compared to \$97.8 million for the same period in 2001. Systemwide revenues for the division were \$181.9 million, an increase of 25% over last year's first quarter. Revenues from Company-operated sales and lease ownership stores open in comparable quarters increased 7.4% during the first quarter compared to the same period a year ago. The division increased its store count during the quarter by six stores, four Company-operated stores and two franchised stores, bringing the total of stores open at March 31 to 579. At the end of March the Company also had 74 rent-to-rent stores open.

The Company's debt under its revolving credit agreement at the end of March was approximately \$50 million, a decrease of \$22 million from the levels at the end of December 2001.

"Our outlook for 2002 remains at recording revenues during the year in excess of \$610 million with systemwide revenues exceeding \$800 million," Mr. Loudermilk continued. "We anticipate that the Aaron's Sales & Lease Ownership division will continue growing revenues on a quarterly basis during 2002 in excess of 20%. For 2002 we expect diluted earnings per share in the second quarter to be in the range of \$.27 to \$.30 per share, and for the year earnings in the range of \$1.20 to \$1.30 per share. We continue to anticipate a strong year in 2003."

Aaron Rents, Inc., based in Atlanta, currently has more than 650 Company-operated and franchised stores across the United States and Puerto Rico for the rental and sale of residential and office furniture, accessories, consumer electronics and household appliances. The Company also manufactures furniture, bedding and accessories at 11 facilities in four states.

Note: Forward-looking statements in this news release are based on current expectations and are subject to risks and uncertainties, and actual results may vary materially from the expectations due to such factors as changes in general economic conditions, competition, pricing, customer demand and other issues.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this news release regarding Aaron Rents, Inc.'s business which are not historical facts are "forward-looking statements" that involve risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements. For a discussion of such risks and uncertainties, see "Certain Factors Affecting Forward Looking Statements" in the Company's Annual Report on Form 10-K for fiscal 2001, which discussion is incorporated herein by this reference.

Aaron Rents, Inc. and Subsidiaries  
Consolidated Statements of Earnings  
(In thousands, except per share amounts)

(Unaudited)  
Three Months Ended  
March 31,  
2002                      2001

Revenues:		
Rentals and Fees	\$112,502	\$102,068
Retail Sales	17,015	17,276
Non-Retail Sales	22,463	17,946
Other	4,683	4,127
Total	156,663	141,417
Costs and Expenses:		
Retail Cost of Sales	12,378	12,222
Non-Retail Cost of Sales	20,828	16,729
Operating Expenses	73,134	66,554
Depreciation of Rental		
Merchandise	39,700	32,482
Interest	1,166	1,628
Total	147,206	129,615
Earnings Before Taxes	9,457	11,802
Income Taxes	3,536	4,473
Net Earnings	\$5,921	\$7,329
Earnings Per Share	\$.30	\$.37
Earnings Per Share		
Assuming Dilution	\$.29	\$.37
Weighted Average		
Shares Outstanding	19,912	19,870
Weighted Average		
Shares Outstanding		
Assuming Dilution	20,192	20,074

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**SOURCE** Aaron Rents, Inc.

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