



Aaron Rents, Inc. Reports Results for Fourth Quarter and Year; Sees Strong Growth for 2002 and 2003

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ATLANTA, Feb 21, 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, household appliances and accessories, today announced revenues and earnings for the fourth quarter and the year 2001.

The Company achieved record revenues in 2001 led by its rapidly growing Aaron's Sales and Lease Ownership division, which increased revenues over 20% in 2001 including an 7.7% increase in same store revenues for the year while expanding its store count by 117 stores, an increase of 26% in stores open. The outlook for 2002 is a continuing quarterly growth rate of more than 20% in sales and lease ownership revenues, stated R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents, Inc.

"We are very pleased with our record expansion of stores in 2001," said Mr. Loudermilk. "Although this rapid opening of new stores affected earnings during the year, it has set the stage for strong future revenue and earnings growth."

For the three months ended December 31, revenues advanced to a record \$140.0 million, up 7% compared to \$130.8 million for the fourth quarter of 2000. Net earnings for the fourth quarter of 2001 were \$2.0 million, or \$.10 per diluted share, compared to \$6.3 million, or \$.32 per diluted share, in the prior year. Revenues for the year ended December 31 gained 9% to \$546.7 million versus \$502.9 million for 2000. Net earnings for 2001 were \$12.3 million, or \$.61 per diluted share, compared to net earnings of \$27.3 million, or \$1.37 per diluted share, a year ago.

Net earnings were adversely impacted in 2001 by the investment associated with the rapid opening of new sales and lease ownership stores. These openings reduced diluted earnings per share by approximately \$.15 in the fourth quarter and \$.42 for the year. In addition, during the third quarter the Company recorded special non-cash charges of \$5.6 million, or \$.18 per diluted share, relating to the recording of future real estate lease obligations of closed rent-to-rent stores and the write-down of inventory and other assets within the division. Excluding these special charges, diluted earnings per share would have been \$.79 in 2001.

Revenues of the Aaron's Sales and Lease Ownership division increased 20% to a record \$107.2 million for the fourth quarter of 2001 compared to \$89.1 million for the corresponding quarter of 2000. For the year 2001, sales and lease ownership revenues advanced 21% to a record \$394.8 million compared to \$325.8 million last year. Revenues from Company-operated sales and lease ownership stores open in comparable periods grew 5.0% in the fourth quarter and 7.7% for the year.

Company systemwide revenues, including revenues from franchised sales and lease ownership stores, also set record levels increasing 10% to \$189.1 million for the quarter and rising 12% to \$735.4 million for the year.

The Company's debt under its revolving credit agreement at the end of year was \$72 million, down \$28 million from the levels at the end of December 2000.

The total count at year end of sales and lease ownership stores open, including both Company-operated and franchised stores, reached 573, an addition of 117 stores for the year -- a 26% increase on top of a 24% growth the previous year. At December 31, 2001 the Company had a total of 648 stores open systemwide, including 209 franchised stores, in 43 states and Puerto Rico.

"The outlook for 2002 and 2003 is very positive," Loudermilk continued. "We expect in 2002 that revenues will be in excess of \$610 million with systemwide revenues exceeding \$800 million, and that revenues in the sales and lease ownership division will continue growing at a quarterly rate of more than 20%. After several years of accelerated new store growth we anticipate a lesser number of openings in 2002, approximately 10 Company-operated and 20 franchised Aaron's Sales and Lease Ownership stores, as we focus on building revenues and earnings in existing stores. For the first quarter we expect diluted earnings per share to be in the range of \$.23 to \$.27 per share, and for the year earnings in the range of \$1.15 to \$1.25 per share. We anticipate that 2003 will be a very strong year for the Company with earnings growth in excess of 25% as our Aaron's Sales and Lease Ownership stores mature in revenues and earnings."

Aaron Rents, Inc., based in Atlanta, currently has more than 650 Company-operated and franchised stores across the United States and in Puerto Rico for the rental and sale of residential and office furniture, accessories, consumer electronics and household appliances. The Company 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 and which could cause actual results to differ from those contained in the forward-looking statements. For a discussion of such risks and uncertainties see "Risk Factors" in the Company's Annual Report on Form 10-K for fiscal 2000, which discussion is incorporated herein by this reference.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	2000	2001	2000
Revenues:				
Rentals and Fees	\$101,419	\$93,649	\$403,385	\$359,880
Retail Sales	13,520	14,116	60,481	62,417
Non-Retail Sales	20,132	19,039	66,212	65,498
Other	4,914	3,984	16,603	15,125
Total	139,985	130,788	546,681	502,920
Costs and Expenses:				
Retail Cost of Sales	9,920	10,216	43,987	44,156
Non-Retail Cost of Sales	18,730	17,872	61,999	60,996
Operating Expenses	69,349	59,285	276,682	227,587
Depreciation of Rental Merchandise	37,562	31,558	137,900	120,650
Interest	1,211	1,668	6,258	5,625
Total	136,772	120,599	526,826	459,014
Earnings Before Taxes	3,213	10,189	19,855	43,906
Income Taxes	1,212	3,841	7,519	16,645
Net Earnings	\$2,001	\$6,348	\$12,336	\$27,261
Earnings Per Share	\$.10	\$.32	\$.62	\$1.38
Earnings Per Share Assuming Dilution	\$.10	\$.32	\$.61	\$1.37
Weighted Average Shares Outstanding	19,969	19,816	19,928	19,825
Weighted Average Shares Outstanding Assuming Dilution	20,153	19,962	20,141	19,967

SOURCE Aaron Rents, Inc.

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