



## Aaron Rents, Inc. Reports Results for Second Quarter and First Half

July 26, 2001

ATLANTA, July 26 /PRNewswire/ -- Aaron Rents, Inc. (NYSE: RNT), the nation's leader in the rental, sales and lease ownership, and specialty retailing of residential and office furniture, consumer electronics and home appliances, today announced revenues and earnings for the second quarter and first half of 2001.

"These results reflect the strong growth of our sales and lease ownership division and are in line with the revised expectations that we announced on July 5, reflecting the costs associated with our accelerated schedule of opening new stores and the effects of the slowdown in our rent-to-rent business," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents, Inc.

For the three months ended June 30, revenues increased 9% to a record \$132.8 million compared to \$121.9 million for the second quarter of 2000. Net earnings for the second quarter this year were \$5.0 million versus \$6.9 million. Diluted earnings per share for the quarter were \$.25 compared to \$.35 per share for the second quarter last year.

For the first six months of this year, revenues advanced 11% to a record \$274.2 million compared to \$247.3 million for the first half of 2000. Net earnings for the six months were \$12.3 million versus \$14.2 million for the corresponding period last year. Diluted earnings per share for the first half of this year were \$.61 compared to \$.71 per share for the period last year.

The Aaron's Sales and Lease Ownership division increased its second quarter revenues 21% to \$93.7 million versus \$77.5 million for the second quarter last year. Systemwide revenues for this division, including franchised stores, rose 22% to \$139.4 million versus \$114.4 million compared to the second quarter a year ago. First half sales and lease ownership revenues increased 22% to \$191.5 million compared to \$156.8 million last year, and systemwide revenues advanced 24% to \$285.3 million compared to \$230.1 million for the first half last year.

Revenues from Company-operated sales and leasing stores open in comparable quarters increased 10.6% during the second quarter compared to the same period a year ago. Revenues from the Company's rent-to-rent stores open in comparable quarters were down 9.3% compared to the previous year.

In its accelerated schedule of new store openings, the Company's sales and lease ownership division opened 26 new stores in the second quarter, 16 Company-operated and 10 franchise stores, and added one store through acquisition.

"We are planning to open another 60 Company-operated stores and over 15 franchised stores during the second half of this year," Mr. Loudermilk said. "These new stores will result in the adding of over 120 sales and lease ownership stores during the 2001 year."

While the smaller rent-to-rent division felt the effects of the soft economy during the second quarter, the Company's acquisition of 52 additional Heilig-Meyers real estate locations in early July, for a total of 82 former Heilig-Meyers locations acquired since their Chapter 11 filing, has opened the way for even faster growth in the sales and lease ownership division. The Company expects that its 2001 revenues will exceed \$565 million and that systemwide revenues will rise above \$750 million for the year.

Aaron Rents, Inc. based in Atlanta, currently has more than 590 Company-operated and franchised stores in 42 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 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)

	(Unaudited) Three Months Ended June 30,		(Unaudited) Six Months Ended June 30,	
	2001	2000	2001	2000
Revenues :				

Rentals and Fees	\$100,537	\$89,257	\$202,605	\$176,771
Retail Sales	14,754	14,530	32,030	31,835
Non-Retail Sales	13,494	14,392	31,440	31,222
Other	3,978	3,731	8,105	7,454
Total	132,763	121,910	274,180	247,282
Costs and Expenses:				
Retail Cost of Sales	10,985	10,191	23,207	22,424
Non-Retail Cost of Sales	12,773	13,412	29,502	28,905
Operating Expenses	65,718	55,594	132,272	112,009
Depreciation of Rental				
Merchandise	33,585	30,219	66,067	58,482
Interest	1,704	1,317	3,332	2,544
Total	124,765	110,733	254,380	224,364
Earnings Before Taxes	7,998	11,177	19,800	22,918
Income Taxes	3,031	4,248	7,504	8,711
Net Earnings	\$4,967	\$6,929	\$12,296	\$14,207
Earnings Per Share	\$.25	\$.35	\$.62	\$.72
Earnings Per Share				
Assuming Dilution	\$.25	\$.35	\$.61	\$.71
Weighted Average				
Shares Outstanding	19,911	19,790	19,891	19,845
Weighted Average				
Shares Outstanding				
Assuming Dilution	20,141	19,905	20,110	19,998

SOURCE Aaron Rents, Inc.

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