



Aaron Rents, Inc. Reports Record First Quarter Results; Earnings Up 35%

April 25, 2007

ATLANTA, April 25, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- 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 record revenues and earnings for the three months ended March 31, 2007.

For the first quarter of 2007, revenues increased 12% to \$387.9 million compared to \$347.3 million for the same quarter a year ago. Net earnings were up 35% to \$29.2 million versus \$21.6 million last year. Diluted earnings per share were \$.53 compared to \$.42 per diluted share in the first quarter of 2006.

Included in the Company's other revenues in the first quarter of 2007 was a \$4.9 million gain from the sale of a parking deck at the Company's corporate headquarters. Excluding this gain, net earnings on a non-GAAP basis for the first quarter would have been \$26.2 million or \$.48 per diluted share.

"We feel that our first quarter was a good start for 2007," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents. "We plan to continue to aggressively expand operations and look forward to adding more stores in future periods."

For the first quarter, the Aaron's Sales & Lease Ownership division increased its revenues 12% to \$351.2 million compared to \$314.3 million for the first quarter last year. Same store rental revenues (rental revenues earned in Company-operated stores open for the entirety of both periods) in the Aaron's Sales & Lease Ownership division increased 9.3% during the first quarter of 2007 compared to the first quarter of 2006. Total same store revenues for these stores, which includes the rental revenue gain offset by a decline in retail sales and early payouts of lease ownership agreements, increased 5.4% for the first quarter of this year compared to the quarter last year.

The Aaron's Corporate Furnishings division revenues declined 3% during the quarter to \$31.2 million compared to the \$32.3 million recorded in the first quarter a year ago. The division's revenues were aided last year from increased business related to the hurricanes in the Gulf Coast region in 2005.

Consolidated rentals and fees advanced increased 12% and franchise royalties and fees increased 19% during the first quarter of 2007 compared to the same period in 2006. Non-retail sales, which are primarily sales of merchandise to Aaron's Sales & Lease Ownership franchisees, increased 10% for the quarter compared to the first quarter of last year. The increases in the Company's franchise revenues and non-retail sales are the result of an increase in revenues of the Company's franchisees, who collectively had revenues of \$147.6 million during the first quarter of 2007, a 16% increase over the 2006 quarter. Revenues of franchisees, however, are not revenues of Aaron Rents, Inc.

During the quarter the Aaron's Sales & Lease Ownership division opened 13 new Company-operated stores, 13 new franchised stores, and three RIMCO stores. In addition, the Company acquired three franchised stores, sold one Company-operated store to a franchisee, and purchased the accounts from two other third party stores that were merged into existing Company-operated stores. In addition, area development agreements were awarded to open 51 additional franchised stores. At the end of March there were 258 franchised stores awarded that are expected to open over the next several years.

At March 31, 2007, the Aaron's Sales & Lease Ownership division had 842 Company-operated stores, 451 franchised stores, and 20 RIMCO stores. The Company also had 59 corporate furnishings stores.

"Although revenue growth in the first quarter was slower than in the past quarters, due to the decline in retail sales and early payouts, margins improved as several of the initiatives we have put in place over the past year to raise profitability are showing results," Mr. Loudermilk continued. "We still expect to add 250 stores in 2007, a combination of Company-operated and franchised stores. Our guidance for the second quarter of 2007 is to expect revenues in excess of \$350 million and diluted earnings per share in the range of \$.35 to \$.39," Mr. Loudermilk continued. "For the entire 2007 year we expect Company revenues of approximately \$1.5 billion (excluding revenues of franchisees) and diluted earnings per share in the range of \$1.55 to \$1.65 (excluding the gain on the parking deck sale)."

Aaron Rents will hold a conference call to discuss its quarterly financial results on Thursday, April 26, 2007, at 10:30 am Eastern Time. The public is invited to listen in to the conference call by webcast accessible through the Company's website, www.aaronrents.com, in the "Investor Relations" section. The webcast will be archived for playback at that same site.

Aaron Rents, Inc., based in Atlanta, currently has more than 1,380 Company-operated and franchised stores in 48 states and Canada 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 13 facilities in five states.

"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 materially from those contained in the forward-looking statements. These risks and uncertainties include factors such as changes in general economic conditions, competition, pricing, customer demand and other issues, and the risks and uncertainties discussed under "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006. Statements in this release that are "forward-looking" include without limitation Aaron Rents' projected revenues, earnings, and store openings for future periods.

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

	(Unaudited)	
	Three Months Ended	
	March 31,	
	2007	2006
Revenues:		
Rentals and Fees	\$ 285,797	\$ 254,246
Retail Sales	15,626	19,170
Non-Retail Sales	70,253	64,027
Franchise Royalties and Fees	9,914	8,328
Other	6,344	1,516
Total	387,934	347,287
Costs and Expenses:		
Retail Cost of Sales	10,307	12,406
Non-Retail Cost of Sales	64,130	59,791
Operating Expenses	161,677	143,956
Depreciation of Rental Merchandise	103,051	93,281
Interest	1,889	3,222
Total	341,054	312,656
Earnings Before Taxes	46,880	34,631
Income Taxes	17,673	13,070
Net Earnings	\$ 29,207	\$ 21,561
Earnings Per Share	\$.54	\$.43
Earnings Per Share Assuming Dilution	\$.53	\$.42
Weighted Average Shares Outstanding	54,161	50,185
Weighted Average Shares Outstanding Assuming Dilution	54,992	51,085

Selected Balance Sheet Data
(In Thousands)

	(Unaudited)	
	March 31,	December 31,
	2007	2006
Cash	\$ 9,420	\$ 8,807
Accounts Receivable	46,721	43,495
Rental Merchandise, Net	637,816	612,149
Property, Plant and Equipment, Net	175,977	170,294
Other Assets, Net	147,323	144,861
Total Assets	1,017,257	979,606
Bank Debt	5,000	15,612
Senior Notes	90,000	90,000
Total Liabilities	383,075	372,591
Shareholders' Equity	\$ 634,182	\$ 607,015

SOURCE Aaron Rents, Inc.

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