



Aaron Rents, Inc. Reports Second Quarter Revenues and Earnings

July 24, 2007

ATLANTA, July 24, 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 and home appliances and accessories, today announced revenues and earnings for the three months ended June 30, 2007.

For the second quarter of 2007, revenues rose 12% to \$359.0 million compared to \$321.7 million for the second quarter of 2006. Net earnings were \$19.7 million versus \$20.7 million for the same period a year ago. Diluted earnings per share were \$.36 compared to \$.39 per share last year. Last year's second quarter results included a pre-tax gain of \$4.4 million, or approximately \$.06 per diluted share, from the sale of the Company's former Puerto Rico operations.

For the first six months of this year, revenues were up 12% to \$746.9 million compared to \$669.0 million for the first six months of 2006. Net earnings for the first half of 2007 increased 16% to \$48.9 million versus \$42.2 million for the corresponding period last year. Diluted earnings per share for the first six months were \$.89 for 2007 and \$.81 for 2006.

Included in the Company's other revenues in the first six months of 2007 was a pre-tax \$4.9 million gain from the sale in the first quarter of a parking deck at the Company's corporate headquarters. The Company's other revenues in the second quarter and first six months of 2006 included the aforementioned gain from the sale of the Company's Puerto Rican stores. Excluding these two transactions the Company's net earnings on a non-GAAP basis would have been up 17% for the six months of 2007 compared to the six months of 2006.

"We feel we are still on track to add 250 stores during fiscal year 2007," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents. "Our Aaron's Sales & Lease Ownership division continues to do well and our prospects for the division's future have not changed."

Aaron's Sales & Lease Ownership division second quarter revenues increased 13% to \$327.6 million compared to \$290.2 million last year. First six months sales and lease ownership revenues increased 12% to \$678.8 million compared to \$604.5 million recorded a year ago.

Same store revenues (revenues earned in Company-operated stores open for the entirety of both periods) in the Aaron's Sales & Lease Ownership division increased 5.0% during the second quarter of 2007 compared to the same quarter a year ago. Same store revenues increased 3.0% for Aaron's Sales & Lease Ownership stores open over two years at the end of June 2007.

Aaron's Corporate Furnishings division revenues during the second quarter were \$30.6 million compared to \$31.1 million a year ago and revenues for the first half were \$61.8 million versus \$63.4 million.

Consolidated rentals and fees for both the second quarter and first half advanced 13% over the comparable previous year periods. In addition, franchise royalties and fees were up 18% and 19% for the second quarter and year-to-date, respectively. Non-retail sales, which are primarily sales of rental merchandise to Aaron's Sales & Lease Ownership franchisees, increased to \$56.7 million for the second quarter from \$46.4 million in the comparable period in 2006 and to \$126.9 million for the first six months compared to \$110.4 million for the first six months last year. The increases in the Company's franchise revenues and the shipments of non-retail sales are the result of the increase in revenues of the Company's franchisees, who collectively had revenues of \$136.2 million during the second quarter and \$283.8 million for the first six months of 2007, a 15% and 16% increase, respectively, over the prior year periods. Revenues of franchisees, however, are not revenues of Aaron Rents, Inc.

During the second quarter the Aaron's Sales & Lease Ownership division opened 15 new Company-operated stores, 19 new franchised stores, acquired 14 franchised stores and sold a Company-operated store to a franchisee. The Aaron's Corporate Furnishings division also opened one new store during the quarter and purchased the accounts of a third party operator, merging these accounts into the new store.

Through the three months and six months ended June 30, the Company awarded area development agreements to open 55 and 106 additional franchised stores, respectively. At the end of June there were a total of 276 franchised stores awarded that are expected to open over the next several years.

At June 30, 2007 the Aaron's Sales and Lease Ownership division had 868 Company-operated stores, 454 franchised stores, 22 Company-operated RIMCO stores, and two franchised RIMCO stores. In addition, the Company operated 60 corporate furnishings stores.

"Our 2007 store opening plans have not changed, and we anticipate adding approximately 190 stores during the second half of 2007, of which we expect roughly 35 stores will be franchised stores," Mr. Loudermilk continued. "Our guidance for the third quarter of 2007 is to expect revenues in excess of \$355 million and diluted earnings per share in the range of \$.31 to \$.35. For the entire 2007 year we expect Company revenues of approximately \$1.5 billion (excluding revenues of franchisees) and are lowering our previous diluted earnings per share range of guidance of \$1.55 to \$1.65 for the year to \$1.50 to \$1.60 (excluding the gain on the first quarter parking deck sale), primarily due to the anticipated start-up costs of the substantial number of new stores planned to be added during the last half of the year."

Aaron Rents will hold a conference call to discuss its quarterly financial results on Wednesday, July 25, 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 1,400 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)		(Unaudited)	
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
Revenues:				
Rentals and Fees	\$277,927	\$245,794	\$563,724	\$500,040
Retail Sales	12,514	15,932	28,140	35,102
Non-Retail Sales	56,654	46,357	126,907	110,384
Franchise Royalties and Fees	9,602	8,120	19,516	16,448
Other	2,288	5,524	8,632	7,040
Total	358,985	321,727	746,919	669,014
Costs and Expenses:				
Retail Cost of Sales	8,484	10,867	18,791	23,273
Non-Retail Cost of Sales	52,130	43,307	116,260	103,098
Operating Expenses	163,737	142,818	325,414	286,774
Depreciation of Rental Merchandise	101,063	90,321	204,114	183,602
Interest	1,896	2,724	3,785	5,946
Total	327,310	290,037	668,364	602,693
Earnings Before Taxes	31,675	31,690	78,555	66,321
Income Taxes	12,018	11,040	29,691	24,110
Net Earnings	\$19,657	\$20,650	\$48,864	\$42,211
Earnings Per Share	\$.36	\$.40	\$.90	\$.83
Earnings Per Share Assuming Dilution	\$.36	\$.39	\$.89	\$.81
Weighted Average Shares Outstanding	54,191	51,887	54,176	51,040
Weighted Average Shares Outstanding Assuming Dilution	55,065	52,705	55,046	51,896

Selected Balance Sheet Data
(In Thousands)

	(Unaudited)	
	June 30,	December 31,
	2007	2006
Cash	\$10,600	\$8,807
Accounts Receivable, Net	41,607	43,495
Rental Merchandise, Net	619,532	612,149
Property, Plant and Equipment, Net	189,749	170,294

Other Assets, Net	162,443	144,861
Total Assets	1,023,931	979,606
Bank Debt	7,000	15,612
Senior Notes	90,000	90,000
Total Liabilities	369,457	372,591
Shareholders' Equity	\$654,474	\$607,015

Reconciliation of Revenues and Earnings
Excluding Asset Sales of Parking Deck and Puerto Rican Stores
(In thousands)

	(Unaudited)		(Unaudited)	
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
Total Revenues	\$358,985	\$321,727	\$746,919	\$669,014
Less Revenues from Asset Sales	-	4,425	4,878	4,425
Revenues Excluding Asset Sales	358,985	317,302	742,041	664,589
Net Earnings	19,657	20,650	48,864	42,211
Less Gain from Asset Sales	-	2,884	3,034	2,884
Net Earnings Excluding Gain From Asset Sales	\$19,657	\$17,766	\$45,830	\$39,327

SOURCE Aaron Rents, Inc.

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