



## **Aaron Rents, Inc. Reports Revenues for Fourth Quarter; Same Store Revenues Up 8.0%; Earnings Up 34% for Quarter; 44% for Year**

February 24, 2005

ATLANTA, Feb. 23 /PRNewswire-FirstCall/ -- 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 results for the fourth quarter and full year of 2004.

For the three months ended December 31, revenues increased 16% to \$242.1 million compared to \$209.4 million for the fourth quarter of 2003. Net earnings increased 34% to \$13.8 million versus \$10.3 million for the same period a year ago. Diluted earnings per share were \$.27 for the quarter compared to \$.20 per share for the comparable period last year.

For the year, revenues increased 23% to \$946.5 million compared to \$766.8 million for 2003. Net earnings for 2004 were \$52.6 million versus \$36.4 million for 2003, a 44% increase. Diluted earnings per share were \$1.04 for 2004 compared to \$.73 in 2003.

"We are obviously pleased with these results," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents. "This is the best year in the Company's history, now in its 50th year. We plan to continue to aggressively expand our Aaron's Sales & Lease Ownership business in 2005."

For the fourth quarter the Aaron's Sales & Lease Ownership division increased its revenues 17% to \$214.0 million compared to \$183.0 million last year. For the twelve months, the division's revenues were \$831.1 million, a 27% increase over the \$656.5 million recorded for 2003.

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 8.0% during the fourth quarter of 2004 compared to the fourth quarter of 2003. Same store revenues for Aaron's Sales & Lease Ownership stores open over two years at the end of December 2004 also increased 4.9% between those quarters.

Non-retail sales, which are primarily sales of rental merchandise to franchisees, increased to \$42.2 million for the fourth quarter from \$38.4 million for the quarter a year ago and to \$160.8 million for the year compared to \$120.4 million for 2003. Royalty income from franchisees, which is included in the Company's other revenues, increased to \$4.9 million for the fourth quarter of 2004 from \$3.5 million for the quarter a year ago, and to \$17.8 million for the year compared to \$14.0 million for last year. The increases in non-retail sales and royalty income are attributable to an increase in revenues of the Company's franchisees, who collectively had revenues of \$97.2 million during the fourth quarter and \$358.7 million for fiscal 2004, 36% and 28% increases from the comparable prior year periods, respectively. Revenues of franchisees, however, are not revenues of Aaron Rents, Inc.

Included in the operating results for the fourth quarter 2004 was an approximate \$750,000 net credit, or \$.01 per diluted share, due to a reduction in the Company's accrual for future personal property tax liabilities offset by additional expense relating to advertising. Also included in other revenues for 2004 is a pre-tax gain of \$5.5 million, or \$.07 per diluted share, realized in the second quarter from the previously announced disposition of the Company's Rainbow Rentals, Inc. stock when Rainbow Rentals merged with Rent-A-Center, Inc. in May, 2004.

During the fourth quarter the Aaron's Sales & Lease Ownership division opened 25 new Company-operated stores and 24 new franchised stores. In addition, during the quarter the Company acquired nine stores from one of its franchisees, acquired two stores from an independent rental operator, and acquired the accounts from three other third party stores. For 2004, a net of 186 sales and lease ownership stores were added, an over 23% increase for the year in store count, including the opening of 68 new Company-operated stores and 79 new franchised stores.

During the year the Company awarded area development agreements to open 160 additional franchised stores. At the end of December there were 301 franchise stores awarded that are expected to open over the next several years.

At December 31 the Aaron's Sales and Lease Ownership division operated 616 Company-operated stores and its franchisees operated 357 stores. In addition, the Company had 58 rent-to-rent stores.

"Our guidance for the first quarter of 2005 is to expect revenues in excess of \$270 million and diluted earnings per share in the range of \$.29 to \$.32," Mr. Loudermilk continued. "For the entire 2005 year we continue to expect Company revenues in excess of \$1.1 billion and diluted earnings per share in the range of \$1.13 to \$1.20. We plan to increase our store count between 15% and 20% per year for the next several years."

Aaron Rents will hold a conference call to discuss its quarterly financial results on Thursday, February 24, 2005, 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](http://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 1,040 Company-operated and franchised stores in 45 states, Canada, 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 10 facilities in four 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 "Certain Factors Affecting Forward Looking Statements" in the Company's Annual Report on Form 10-K for fiscal 2003, which discussion is incorporated herein by this reference. Statements in this release that are "forward-looking" include without limitation Aaron Rents' projected revenues, earnings, and store openings.

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,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Revenues:				
Rentals and Fees	\$177,975	\$149,912	\$694,293	\$553,773
Retail Sales	13,559	14,468	56,259	68,786
Non-Retail Sales	42,172	38,429	160,774	120,355
Other	8,347	6,581	35,154	23,883
Total	242,053	209,390	946,480	766,797
Costs and Expenses:				
Retail Cost of Sales	9,222	10,767	39,380	50,913
Non-Retail Cost of Sales	38,939	35,664	149,207	111,714
Operating Expenses	106,903	92,277	414,518	344,884
Depreciation of Rental Merchandise	64,079	53,125	253,456	195,661
Interest	1,589	1,260	5,413	5,782
Total	220,732	193,093	861,974	708,954
Earnings Before Taxes	21,321	16,297	84,506	57,843
Income Taxes	7,554	6,031	31,890	21,417
Net Earnings	\$13,767	\$10,266	\$52,616	\$36,426
Earnings Per Share	\$.28	\$.20	\$1.06	\$.74
Earnings Per Share Assuming Dilution	\$.27	\$.20	\$1.04	\$.73
Weighted Average				
Shares Outstanding (1)	49,738	49,140	49,602	48,964
Weighted Average				
Shares Outstanding Assuming Dilution (1)	50,798	50,109	50,575	49,784

(1) Shares outstanding adjusted for a 3-for-2 partial stock split effective August 16, 2004.

Selected Balance Sheet Data  
(In Thousands)  
(Unaudited)

	December 31, 2004	December 31, 2003
Cash	\$5,865	\$4,687
Accounts Receivable	32,736	30,878
Rental Merchandise, Net	425,567	343,013
Property, Plant and Equipment, Net	109,937	99,584
Other Assets, Net	123,417	81,722
Total Assets	697,522	559,884
Bank Debt	45,528	13,870

Senior Notes	50,000	50,000
Total Liabilities	322,344	239,698
Shareholders' Equity	\$375,178	\$320,186

SOURCE Aaron Rents, Inc.

CONTACT:

Gilbert L. Danielson

Executive Vice President

Chief Financial Officer of Aaron Rents, Inc.

404-231-0011 ext. 3334

Web site: <http://www.aaronrents.com>