



Aaron Rents, Inc. Reports Record First Quarter Results

April 25, 2001

ATLANTA, April 25 /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 record revenues and earnings for the first quarter of 2001.

For the three months ended March 31, 2001, revenues advanced 13% to a record \$141.4 million compared to \$125.4 million for the first quarter of 2000. Net earnings for the first quarter increased to \$7.3 million and \$.37 per share on a diluted basis compared to \$.36 per share for the same period last year.

Systemwide revenues for the Company, which includes revenues of franchised stores, advanced 17% to \$189.4 million for the quarter versus \$161.7 million a year ago.

The Company's Aaron's Sales and Lease Ownership division continued its strong expansion, increasing its revenues 23% to a record \$97.8 million for the first quarter compared to \$79.4 million for the same period in 2000. Systemwide revenues for the division were \$145.8 million, an increase of 26% over last year's quarter. Revenues from Company-operated sales and lease ownership stores open in comparable quarters increased 12.6% during the first quarter compared to the same period a year ago. The division opened 12 new stores in the first quarter, seven Company-operated and five franchised stores, and added eight stores through acquisition, bringing the total of sales and lease ownership stores open at the end of March to 476.

Revenues from the Company's rent-to-rent stores open in comparable quarters were down 0.5% during the quarter compared to the same period a year ago.

"We are pleased with the strong revenue growth of our Aaron's Sales and Lease Ownership stores and the progress of our previously announced accelerated store opening plan," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer. "During the quarter we opened four of the former Heilig-Meyers locations acquired last December, and early results of the ramp-up of these stores is encouraging. We plan to open 20 more of the former Heilig-Meyers locations in the second quarter. As expected, the up-front costs associated with opening these new stores along with the carry-over of start-up losses of stores open within the past year affected our earnings growth this quarter. We anticipate, however, substantial earnings improvement in the latter part of 2001 as a result of these new store openings."

Aaron Rents, Inc., based in Atlanta, currently has more than 575 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 1993: 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 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	
	March 31,	
	2001	2000
Revenues:		
Rentals and Fees	\$102,068	\$87,514
Retail Sales	17,276	17,305
Non-Retail Sales	17,946	16,830
Other	4,127	3,723
Total	141,417	125,372

Costs and Expenses:

Retail Cost of Sales	12,222	12,233
Non-Retail Cost of Sales	16,729	15,493
Operating Expenses	66,554	56,415
Depreciation of Rental Merchandise	32,482	28,263
Interest	1,628	1,227
Total	129,615	113,631
Earnings Before Taxes	11,802	11,741
Income Taxes	4,473	4,463
Net Earnings	\$7,329	\$7,278
Earnings Per Share	\$.37	\$.37
Earnings Per Share Assuming Dilution	\$.37	\$.36
Weighted Average Shares Outstanding	19,870	19,900
Weighted Average Shares Outstanding Assuming Dilution	20,074	20,091

SOURCE Aaron Rents, Inc.

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