



## Aaron Rents, Inc. Reports Record Revenues and Earnings for Fourth Quarter and Year

February 24, 2004

ATLANTA, Feb. 24 /PRNewswire-FirstCall/ -- 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 and accessories, today announced record revenues and earnings for the fourth quarter and the year 2003.

For the three months ended December 31, revenues increased 20% to \$209.4 million compared to \$175.0 million for the fourth quarter of last year. Net earnings increased to \$10.3 million versus \$8.1 million a year ago. Diluted earnings per share were \$.31 compared to \$.25 per share last year.

For the year, revenues advanced 20% to \$766.8 million compared to \$640.7 million for the same period of 2002, and net earnings were up 33% for the year to \$36.4 million versus \$27.4 million a year ago. Diluted earnings per share were \$1.10 for 2003 compared to \$.86 per share last year. Non-GAAP systemwide revenues for the Company, which includes gross revenues of franchised stores, advanced 18% to \$1.0 billion for the year. A table reconciling Company revenues to systemwide revenues is presented below.

"We are quite pleased that, as expected, our systemwide revenues exceeded the \$1 billion milestone in 2003 and that Company revenues and earnings for both the fourth quarter and year were record performances," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents, Inc. "In 2004 we will continue to expand the Company's store base, opening both Company-operated and franchised Aaron's Sales & Lease Ownership stores, and supplementing that growth with selective acquisitions. With our proven Aaron's Sales & Lease Ownership business model, strong customer demand and increasing market potential, we feel future growth prospects for the Company are excellent."

The Company's Aaron's Sales & Lease Ownership division increased revenues for the quarter 24% to \$183.0 million. Non-GAAP systemwide revenues for the Aaron's Sales & Lease Ownership division rose 21% to \$250.1 million compared to \$207.2 million for the fourth quarter a year ago. For the year, Aaron's Sales & Lease Ownership revenues increased 26% to \$656.5 million versus \$519.0 million last year, and systemwide revenues in the division advanced 23% to \$923.0 million compared to \$753.0 million for 2002. The division's same store revenues from Company-operated stores open in comparable periods (excluding Sight & Sound stores) grew 10.6% in the fourth quarter.

The Company's Sight & Sound stores, acquired in 2002, negatively affected earnings in the fourth quarter by approximately \$.02 per diluted share and \$.12 per diluted share for the year. The 11 Sight & Sound stores now open are not expected to be significantly dilutive to earnings in 2004.

During the fourth quarter, the Aaron's Sales & Lease Ownership division increased its store count by 62 stores, 18 Company-operated stores and 44 franchised stores. Also, during the fourth quarter the Company awarded area development agreements to various independent operators to open 86 new Aaron's Sales & Lease Ownership franchise stores. For 2003 as a whole the Company awarded area development agreements for the opening of 112 more franchise stores. At the end of December there were 241 franchise stores awarded that are expected to open over the next several years.

At December 31, 2003 the Aaron's Sales & Lease Ownership division had 500 Company-operated and 287 franchise stores open. In addition, the Company had 60 rent-to-rent stores in operation.

"Our 2004 guidance remains unchanged at this time. We plan to add approximately 140 new stores in 2004, a combination of Company-operated and franchised stores, and will also continue to look for acquisition opportunities. For the first quarter of 2004 we expect revenues to be over \$220 million and diluted earnings per share in the range of \$.32 to \$.34 per share," Mr. Loudermilk continued. "We expect Company revenues to exceed \$900 million (excluding revenues of franchisees) for the full year of 2004 with diluted earnings per share in the range of \$1.37 to \$1.42, which includes an anticipated \$.10 per diluted share gain on the sale of the Company's 8% interest in Rainbow Rentals Inc." Rent-A-Center Inc. has recently announced it has reached an agreement to acquire Rainbow Rentals with closing anticipated in the second quarter of 2004.

Aaron Rents will hold a conference call to discuss its quarterly and full year financial results on Wednesday, February 25, 2004, at 10:30 am Eastern Time. The public is invited to listen to the call by webcast accessible through our 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 over 860 Company-operated and franchised stores in the United States, Puerto Rico, 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 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 2002, which discussion is incorporated herein by this reference. Statements in this release that are "forward-looking" include without limitation Aaron Rents' projected revenues and store openings for 2004.

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

Three Months Ended

Twelve Months Ended

	December 31,		December 31,	
	2003	2002	2003	2002
	(Unaudited)		(Unaudited)	
Revenues:				
Rentals and Fees	\$149,912	\$117,665	\$553,773	\$459,179
Retail Sales	14,468	23,910	68,786	72,698
Non-Retail Sales	38,429	27,900	120,355	88,969
Other	6,581	5,550	23,883	19,842
Total	209,390	175,025	766,797	640,688
Costs and Expenses:				
Retail Cost of Sales	10,767	18,011	50,913	53,856
Non-Retail Cost of Sales	35,664	25,855	111,714	82,407
Operating Expenses	92,277	75,374	344,884	293,346
Depreciation of Rental Merchandise	53,125	41,530	195,661	162,660
Interest	1,260	1,395	5,782	4,767
Total	193,093	162,165	708,954	597,036
Earnings Before Taxes	16,297	12,860	57,843	43,652
Income Taxes	6,031	4,758	21,417	16,212
Net Earnings	\$10,266	\$8,102	\$36,426	\$27,440
Earnings Per Share	\$.31	\$.25	\$1.12	\$.87
Earnings Per Share Assuming Dilution	\$.31	\$.25	\$1.10	\$.86
Weighted Average Shares Outstanding	32,760	32,528	32,643	31,364
Weighted Average Shares Outstanding Assuming Dilution	33,406	33,000	33,189	31,850

Selected Balance Sheet Data  
(In Thousands)  
(Unaudited)

	December 31,	December 31,
	2003	2002
Cash	\$95	\$96
Accounts Receivable	30,878	26,973
Rental Merchandise, Net	343,013	317,287
Property, Plant and Equipment, Net	99,584	87,094
Total Assets	555,292	483,648
Bank Debt	13,870	7,325
Senior Notes	50,000	50,000
Total Liabilities	235,106	203,103
Shareholders' Equity	\$320,186	\$280,545

Reconciliation of Company Revenues to Systemwide Revenues (1)  
(In Thousands)  
(Unaudited)

Three Months Ended	Twelve Months Ended
December 31,	December 31,

	2003	2002	2003	2002
Total Company Revenues	\$209,390	\$175,025	\$766,797	\$640,688
Royalty Revenues	(3,503)	(3,151)	(13,999)	(12,317)
Franchisees' Revenues	70,632	63,018	280,552	246,338
Systemwide Revenues	\$276,519	\$234,892	\$1,033,350	\$874,709
Sales & Lease Ownership:				
Revenues	\$183,012	\$147,321	\$656,450	\$518,994
Royalty Revenues	(3,503)	(3,151)	(13,999)	(12,317)
Franchisees' Revenues	70,632	63,018	280,552	246,338
Systemwide Revenues	\$250,141	207,188	\$923,003	\$753,015

(1) Non-GAAP systemwide revenues are calculated by adding GAAP revenues to the revenues of the Company's franchisees and subtracting the Company's royalty revenues. Franchisee revenues, however, are not revenues of Aaron Rents, Inc.

SOURCE Aaron Rents, Inc.

CONTACT: Gilbert L. Danielson, Executive Vice President, Chief Financial Officer of Aaron Rents, Inc., +1-404-231-0011