



## Aaron Rents Reports Record Fourth Quarter and Fiscal Year; Diluted EPS Up 15% For Quarter; 21% For Year

February 21, 2000

ATLANTA, Feb. 21 /PRNewswire/ -- Aaron Rents, Inc. (NYSE: RNT), the nation's leader in the rental, rental purchase and specialty retailing of residential and office furniture, consumer electronics and home appliances, announced today record revenues and earnings for the fourth quarter and year 1999.

For the three months ended December 31, 1999, revenues advanced 20% to a record \$116.3 million compared to \$97.1 million for the corresponding 1998 period. Net earnings reached \$6.2 million versus \$5.7 million. Earnings per share rose to \$.31 per share compared to \$.28 (\$.27 assuming dilution) for the fourth quarter of 1998, an increase of 15% on a diluted basis.

Revenues for the year ended December 31, 1999 increased 15% to \$437.4 million compared to \$379.7 million for 1998. Earnings rose to a record \$25.6 million versus \$21.5 million. Earnings per share reached \$1.28 (\$1.26 assuming dilution) compared to \$1.06 (\$1.04 assuming dilution) for 1998, an increase of 21% on a diluted basis.

The quarter was the Company's 33rd consecutive quarter of record earnings and 32nd consecutive quarter of record revenues.

Aaron's Rental Purchase division's revenues increased 37% to \$72.8 million for the fourth quarter of 1999 versus \$53.3 million for the 1998 quarter. For the year Aaron's Rental Purchase revenues rose 31% to \$261.6 million compared to \$200.0 million for 1998. Systemwide revenues for the Company, including revenues of rental purchase franchised stores, were up 21% to \$146.8 million for the quarter and up 18% to \$547.3 million for the year compared to 1998.

"We are pleased that both the revenue growth and profitability of our Aaron's Rental Purchase stores has been above plan," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents. "Aaron's Rental Purchase has grown to 368 stores at the end of 1999, including 213 Company-operated and 155 franchised stores operating nationwide.

"During 1999 we sold area development agreements to open 79 additional rental purchase franchise stores and our backlog of franchised stores to open in future periods was at 122 stores at the end of 1999," Mr. Loudermilk added. "Of this backlog, approximately three-fourths of the stores to open in future periods will be owned by existing franchisees, a clear indication of the success of our franchise program.

"Even though our rent-to-rent division's performance over the past year has been below plan, I believe it is noteworthy that Wesco Financial Corp., a company 80.1% owned by Berkshire Hathaway Inc., has acquired Cort Business Services Corporation, our largest rent-to-rent competitor, and that Equity Residential Properties Trust has announced an agreement to purchase Globe Business Resources Inc., the third largest rent-to-rent company in the country. Although our rent-to-rent business in recent years has not exhibited the growth or potential of our rental purchase division, we are gratified to see that other participants in an industry Aaron Rents has led for 45 years are being recognized for their underlying value," Mr. Loudermilk added.

Aaron Rents, Inc., based in Atlanta, currently has 475 Company-operated and franchised stores nationwide. The Company manufactures furniture, bedding and accessories at 11 plants in four states.

Aaron Rents, Inc.  
Year Ended December 31, 1999  
(In thousands, except per share amounts)

	Three Months		Year	
	1999	1998	1999	1998
Revenues	\$116,312	\$97,136	\$437,359	\$379,659
Net Earnings	6,240	5,738	25,602	21,484
Earnings Per Share	.31	.28	1.28	1.06
Earnings Per Share Assuming Dilution	\$.31	\$.27	\$1.26	\$1.04
Weighted Average Shares Outstanding	19,916	20,764	20,062	20,312
Weighted Average Shares Outstanding Assuming Dilution	20,171	21,050	20,335	20,732

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 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 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 1998, which discussion is incorporated herein by this reference.

SOURCE Aaron Rents, Inc.

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