Aaron Rents, Inc. Acquires Leases on 27 Heilig-Meyers Locations; Expects Another Record Year

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ATLANTA, Dec. 18 /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, today announced that it has acquired 27 real estate leases auctioned off through bankruptcy court proceedings by the Heilig-Meyers Company. In addition to these leased facilities, the Company also acquired one store in which the real estate was owned by Heilig-Meyers. Aaron Rents plans to reopen these stores over the next two quarters in its rental purchase division as Aaron's Sales and Leasing stores.

The acquisition of these stores will enable the Company to accelerate its 2001 store expansion plans and will result in locations with favorable lease terms and a customer base that is familiar with being served at these locations.

"We are very pleased to have been able to obtain these real estate locations," said R. Charles Loudermilk, Sr., Chairman and Chief Executive Officer of Aaron Rents. "We had planned to open an additional 30 Company-operated rental purchase stores throughout 2001, and this opportunity will allow us to complete this new store opening plan earlier in the year," Mr. Loudermilk added.

Aaron Rents has expanded in 2000 at its fastest growth rate ever, and will open during the year 2000 approximately 30 Company-operated and 50 franchised stores, in addition to acquiring 10 stores in Puerto Rico, for a total of 90 stores; an increase in rental purchase store count of over 20% for the year.

"We expect to have another record fourth quarter and fiscal year," noted Mr. Loudermilk, "However, our rapid expansion of new store openings during this year along with the costs we will incur this quarter relating to the acquisition of the Heilig-Meyers locations are expected to result in fourth quarter earnings being somewhat less than estimated earnings, although above earnings for the same period last year," Mr. Loudermilk said. "In addition, since our goal is to get these former Heilig-Meyers stores open as soon as possible, the initial normal start-up losses associated with opening new stores will be accelerated during the first two quarters of 2001. Therefore, it is possible that the earnings effect of these openings and the carry-over of start-up losses of stores opened later in 2000 will result in earnings per share for the first two quarters of 2001 that will be at or near earnings per share for the comparable periods in 2000. These store openings are expected to result in an increasing rate of revenue growth with a short-term slowdown in earnings growth, and the long-term potential benefits should be substantial."

"It is anticipated that Aaron's Rental Purchase revenues for the fourth quarter will be more than 20% higher compared to the same quarter a year ago, and that same store revenues for the rental purchase stores will increase over 8% during the current quarter. We continue to rapidly gain contracts in our rental purchase stores, and continue to see tremendous customer acceptance of our concept." Mr. Loudermilk noted. "We are accelerating our growth plans due to the unique opportunity we see at this time to grow the Company."

In addition, Mr. Loudermilk stated that he planned to sell for personal tax and estate purposes approximately 150,000 shares of Aaron Rents stock over the next 90 days, or approximately 3% of all the common shares he owns.

Aaron Rents, Inc., based in Atlanta, currently has over 545 Company-operated and franchised stores in 42 states 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 ten 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 1999, which discussion is incorporated herein by this reference. SOURCE Aaron Rents, Inc.

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