Selected Financial Information

(Dollar Amounts in Thousands Except Per Share)	Year Ended December 31, 1998	Year Ended December 31, 1997	Year Ended December 31, 1996	Twelve Months Ended December 31, 1995 *(unaudited)*	Twelve Months Ended December 31, 1994 *(unaudited)*
OPERATING RESULTS					
Systemwide Revenues[1]	$464,175	$364,306	$306,200	$256,500	$233,077
Revenues:					
Rentals & Fees	$289,272	$231,207	$208,463	$182,311	$167,093
Sales	81,561	73,223	61,527	52,999	53,978
Other	8,826	6,321	4,255	2,465	1,686
	379,659	310,751	274,245	237,775	222,757
Costs & Expenses:					
Cost of Sales	62,017	55,914	46,168	38,274	38,977
Operating Expenses	189,719	149,728	135,012	119,590	112,367
Depreciation of Rental Merchandise	89,171	71,151	64,437	55,408	50,966
Interest	3,561	3,721	3,449	3,172	2,803
	344,468	280,514	249,066	216,444	205,113
Earnings Before Income Taxes	35,191	30,237	25,179	21,331	17,644
Income Taxes	13,707	11,841	9,786	8,113	6,938
Net Earnings	$ 21,484	$ 18,396	$ 15,393	$ 13,218	$ 10,706
Earnings Per Share	$ 1.06	$ .96	$ .81	$ .68	$ .58
Earnings Per Share Assuming Dilution	1.04	.94	.77	.66	.56
Dividends Per Share:					
Common	$ .04	$ .04	$ .04	$ .05	$ .05
Class A	.04	.04	.04	.02	.02
FINANCIAL POSITION					
Rental Merchandise, Net	$194,163	$176,968	$149,984	$122,311	$119,781
Property, Plant & Equipment, Net	50,113	39,757	33,267	23,492	23,532
Total Assets	272,174	239,382	198,103	158,645	155,914
Interest-Bearing Debt	51,727	76,486	55,365	37,479	46,894
Shareholders' Equity	168,871	116,455	107,335	91,094	81,418
AT YEAR END					
Stores Open:					
Company-Operated	291	292	240	212	203
Franchised	136	101	61	36	24
Rental Agreements in Effect	227,400	219,800	179,600	158,900	152,100
Number of Employees	3,400	3,100	2,550	2,160	2,150

[1] *Systemwide revenues include rental revenues of franchised Aaron's Rental Purchase stores.*

Management's Discussion and Analysis of Financial Condition and Results of Operations

CHANGE IN FISCAL YEAR END

During 1995, the Company changed its fiscal year end from March 31 to December 31, which resulted in a nine month fiscal year ended December 31, 1995. The decision to change the fiscal year end was made for more convenience in both internal and external communications. To aid comparative analysis, the Company has elected to present the results of operations for the twelve months ended December 31, 1995 and 1994 (unaudited), along with the years ended December 31, 1998, December 31, 1997 and December 31, 1996.

RESULTS OF OPERATIONS

Year Ended December 31, 1998 versus Year Ended December 31, 1997

Total revenues for 1998 increased $68.9 million (22.2%) to $379.7 million compared to $310.8 million in 1997 due primarily to a $58.1 million (25.1%) increase in rentals and fees revenues, plus an $8.3 million (11.4%) increase in sales. Of this increase in rentals and fees revenues, $46.5 million (80.0%) was attributable to the Aaron's Rental Purchase division. Rentals and fees revenues from the Company's rent-to-rent operations increased $11.5 million (10.5%) during the same period.

Revenues from retail sales increased $4.0 million (6.8%) to $62.6 million in 1998, from $58.6 million for the same period last year. This increase was due to increased sales of both new and rental return furniture in the rent-to-rent and rental purchase divisions. Non-retail sales, which primarily represent merchandise sold to Aaron's Rental Purchase franchisees, increased $4.4 million (29.8%) to $19.0 million compared to $14.6 million for the same period last year. The increased sales are due to the growth of the franchise operations.

Other revenues for 1998 increased $2.5 million (39.6%) to $8.8 million compared to $6.3 million in 1997. This increase was attributable to franchise fee and royalty income increasing $2.3 million (46.0%) to $7.3 million compared to $5.0 million last year, reflecting the net addition of 35 new franchised stores in 1998 and improved operating revenues at mature franchised stores.

Cost of sales from retail sales increased $2.1 million (5.0%) to $44.4 million compared to $42.3 million, and as a percentage of sales, decreased slightly to 70.9% from 72.1% primarily due to product mix. Cost of sales from non-retail sales increased $4.0 million (29.2%) to $17.6 million from $13.7 million, and as a percentage of sales, decreased to 92.9% from 93.4%. The decrease in 1998 in cost of sales as a percentage of sales is due to slightly higher margins on sales through the Company's distribution centers.

Operating expenses increased $40.0 million (26.7%) to $189.7 million from $149.7 million. As a percentage of total revenues, operating expenses were 50.0% in 1998 and 48.2% in 1997. Operating expenses increased as a percentage of total revenues between years primarily due to the Company's acquisitions of RentMart Rent-To-Own, Inc. and Blackhawk Convention Services both in December 1997. The RentMart stores were relatively immature and had lower revenues over which to spread expenses and Blackhawk's convention furnishings business had higher operating expenses as a percentage of revenues than traditional rental purchase and rent-to-rent operations.

Depreciation of rental merchandise increased $18.0 million (25.3%) to $89.2 million, from $71.2 million, and as a percentage of total rentals and fees, was 30.8% for both years.

Interest expense decreased $160,000 (4.3%) to $3.6 million compared to $3.7 million. As a percentage of total revenues, interest expense was 0.9% in 1998 compared to 1.2% in 1997. The decrease in interest expense as a percentage of revenues was due to the allocation and capitalization of interest in the Company's manufacturing operation.

The Company manages its exposure to changes in short-term interest rates, particularly to reduce the impact on its floating-rate term notes, by entering into interest rate swap agreements. The counterparties to these contracts are high credit quality commercial banks. Consequently, credit risk, which is inherent in all swaps, has been minimized to a large extent. Interest expense is adjusted for the differential to be paid or received as interest rates change. The effect of such adjustments on interest expense has not been significant. The level of floating-rate debt not fixed by swap agreements was not significant during the year and the Company does not expect a significant increase in these

amounts in 1999. Accordingly, the Company does not believe it has material exposure of potential, near-term losses in future earnings, and/or cash flows from reasonably possible near-term changes in market rates.

Income tax expense increased $1.9 million (15.8%) to $13.7 million compared to $11.8 million. The Company's effective tax rate was 39.0% in 1998 compared to 39.2% in 1997, primarily due to lower state income taxes.

As a result, net earnings increased $3.1 million (16.8%) to $21.5 million for 1998 compared to $18.4 million for the same period in 1997. As a percentage of total revenues, net earnings were 5.7% in 1998 and 5.9% in 1997.

Year Ended December 31, 1997 versus Year Ended December 31, 1996

Total revenues for 1997 increased $36.5 million (13.3%) to $310.8 million compared to $274.2 million in 1996 due primarily to a $22.7 million (10.9%) increase in rentals and fees revenues, plus an $11.7 million (19.0%) increase in sales. Of this increase in rentals and fees revenues, $19.2 million (84.4%) was attributable to the Aaron's Rental Purchase division. Rentals and fees revenues from the Company's rent-to-rent operations increased $3.5 million (3.3%) during the same period.

Revenues from retail sales increased $5.8 million (11.1%) to $58.6 million in 1997, from $52.8 million for the same period last year. This increase was due to increased sales of both new and rental return furniture in the rent-to-rent division. Non-retail sales, which primarily represent merchandise sold to Aaron's Rental Purchase franchisees, increased $5.9 million (66.7%) to $14.6 million compared to $8.8 million for the same period last year. The increased sales are due to the growth of the franchise operations.

Other revenues for 1997 increased $2.1 million (48.6%) to $6.3 million compared to $4.3 million in 1996. This increase was attributable to franchise fee and royalty income increasing $2.1 million (70.8%) to $5.0 million compared to $2.9 million last year, reflecting the addition of 40 new franchise stores in 1997 and improved operating revenues at mature franchise stores.

Cost of sales from retail sales increased $4.4 million (11.7%) to $42.3 million compared to $37.8 million, and as a percentage of sales, increased slightly to 72.1% from 71.7% primarily due to product mix. Cost of sales from non-retail sales increased $5.3 million (64.1%) to $13.7 million from $8.3 million, and as a percentage of sales, decreased to 93.4% from 94.9%. The decrease in 1997 in cost of sales as a percentage of sales is due to slightly higher margins on sales through the Company's distribution centers.

Operating expenses increased $14.7 million (10.9%) to $149.7 million from $135.0 million. As a percentage of total revenues, operating expenses were 48.2% in 1997 and 49.2% in 1996. Operating expenses declined as a percentage of total revenues between years due to the spreading of expenses over higher revenues.

Depreciation of rental merchandise increased $6.7 million (10.4%) to $71.2 million, from $64.4 million, and as a percentage of total rentals and fees, decreased to 30.8% from 30.9%.

Interest expense increased $272,000 (7.9%) to $3.7 million compared to $3.4 million. As a percentage of total revenues, interest expense was 1.2% in 1997 compared to 1.3% in 1996. The slight decrease in interest expense as a percentage of revenues was due to the effect of lower debt levels as a percentage of revenues throughout the year being offset by slightly higher interest rates.

Income tax expense increased $2.1 million (21.0%) to $11.8 million compared to $9.8 million. The Company's effective tax rate was 39.2% in 1997 compared to 38.9% in 1996, primarily due to higher state income taxes.

As a result, net earnings increased $3.0 million (19.5%) to $18.4 million for 1997 compared to $15.4 million for the same period in 1996. As a percentage of total revenues, net earnings were 5.9% in 1997 and 5.6% in 1996.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operations for the years ended December 31, 1998 and 1997 were $120.6 million and $105.3 million, respectively. Such cash flows include profits on the sale of rental return merchandise. The Company's primary capital requirements consist of acquiring rental merchandise for both rent-to-rent and Company-operated Aaron's Rental Purchase stores. As the Company continues to grow, the need for additional rental merchandise will continue to be the Company's major capital requirement. These capital requirements historically have been financed through bank credit, cash flow from operations, trade credit, proceeds from the sale of rental return merchandise and stock offerings.

The Company has financed its growth through a revolving credit agreement with several banks, trade credit and internally generated funds. The revolving credit agreement provides for unsecured borrowings up to $90.0 million which includes a $6.0 million credit line to fund daily working capital requirements. At December 31, 1998, an aggregate of $50.4 million was outstanding under this facility, bearing interest at a weighted average variable rate of 6.12%. The Company uses interest rate swap agreements as part of its overall long-term financing program. At December 31, 1998, the Company had swap agreements with notional principal amounts of $40.0 million which effectively fixed the interest rates on an equal amount of the Company's revolving credit agreement at 6.93%.

On April 28, 1998, the Company issued through a public offering 2.1 million shares of Common Stock. The net proceeds to the Company after deducting underwriting discounts and offering expenses were $40.0 million. The proceeds were used to reduce bank debt.

The Company believes that the expected cash flows from operations, proceeds from the sale of rental return merchandise, bank borrowings and vendor credit will be sufficient to fund the Company's capital and liquidity needs for at least the next 24 months.

In November 1998, the Company's Board of Directors authorized the repurchase of up to 1,000,000 shares of the Company's Common Stock and/or Class A Common Stock. During 1998, 736,400 shares of the Company's stock were purchased at an aggregate cost of $10.6 million and the Company was authorized to purchase an additional 471,690 shares at December 31, 1998. Subsequent to year end, in February 1999 the Company's Board of Directors authorized the purchase of an additional 2,000,000 shares.

The Company has paid dividends for twelve consecutive years. A $.02 per share dividend on Common Stock and on Class A Common Stock was paid in January 1998 and July 1998, for a total fiscal year cash outlay of $801,000. The Company currently expects to continue its policy of paying dividends.

YEAR 2000

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Company's computer programs or hardware that have date-sensitive software or embedded chips may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, generate invoices, or engage in similar normal business activities. The Company is continuing its assessments of the impact of the Year 2000 across its business and operations, including its customer and vendor base. The Company has substantially completed its identification of information technology systems ("IT systems") that are not Year 2000 compliant and is in the process of implementing a comprehensive plan to make its IT systems and non-information technology systems ("non-IT systems"), including embedded electronic circuits in equipment and hardware, products, telecommunication, building security and manufacturing equipment, Year 2000 compliant. The Company's plan to resolve the Year 2000 issue involves the following four phases: (1) assessment, (2) remediation, (3) testing, and (4) implementation. The Company is simultaneously working on all four phases and anticipates that it will substantially complete phase (1) by the end of the first quarter 1999, (2) and (3) by the end of the second quarter 1999, and (4) by the end of the third quarter 1999.

The Company is in the process of querying its significant suppliers and subcontractors (external agents). To date, the Company is not aware of any external agents with a Year 2000 issue that would materially impact the Company's results of operations, liquidity, or capital resources. However, the Company has no means of ensuring that external agents will be Year 2000 compliant. The inability of external agents to complete their Year 2000 resolution process in a timely fashion could materially impact the Company. The effect of non-compliance by external agents is not determinable.

The Company's significant IT systems, including financial, accounting, store operating and point-of-sale software, have recently been or are in the process of being updated. The upgrading and rewriting of the Company's IT systems is being completed to gain further strategic advantages over competitors and is not the result of any anticipated Year 2000 issues. In addition, as part of the Company's continuing process to update IT and non-IT systems, management has required that vendor-purchased and internally developed systems be Year 2000 compliant. Therefore, management expects the cost of the Year 2000 project to be less than $300,000. The majority of these costs will be incurred in 1999 as the portion related to 1998 was not significant.

The Company has contingency plans for certain critical applications and is working on such plans for others. These contingency plans involve, among other actions, manual workarounds and backup vendors.

Management of the Company believes it has an effective program in place to resolve the Year 2000 issue in a timely manner. As noted above, the Company has not yet completed all necessary phases of the Year 2000 program. In the event that the Company does not complete any additional phases, the Company may be unable to take customer orders, manufacture and ship products, invoice customers or collect payments. In addition, disruptions in the economy generally resulting from Year 2000 issues could also materially adversely affect the Company. The Company could be subject to litigation for computer systems product failure, for example, equipment shutdown or failure to properly date business records. The amount of potential liability and lost revenue cannot be reasonably estimated at this time.

Consolidated Balance Sheets

(In Thousands, Except Share Data)	December 31, 1998	December 31, 1997
ASSETS		
Cash	$ 95	$ 96
Accounts Receivable	16,226	11,794
Rental Merchandise	277,505	246,498
Less: Accumulated Depreciation	(83,342)	(69,530)
	194,163	176,968
Property, Plant & Equipment, Net	50,113	39,757
Prepaid Expenses & Other Assets	11,577	10,767
Total Assets	$272,174	$239,382
LIABILITIES & SHAREHOLDERS' EQUITY		
Accounts Payable & Accrued Expenses	$ 33,461	$ 31,071
Dividends Payable	415	379
Deferred Income Taxes Payable	7,811	6,687
Customer Deposits & Advance Payments	9,889	8,304
Bank Debt	50,411	75,904
Other Debt	1,316	582
Total Liabilities	103,303	122,927
Commitments & Contingencies		
Shareholders' Equity		
Common Stock, Par Value $.50 Per Share; Authorized: 25,000,000 Shares; Shares Issued: 18,270,987 at December 31, 1998 and 16,170,987 at December 31, 1997	9,135	8,085
Class A Common Stock, Par Value $.50 Per Share; Authorized: 25,000,000 Shares; Shares Issued: 5,361,761	2,681	2,681
Additional Paid-In Capital	54,284	15,484
Retained Earnings	134,511	113,864
	200,611	140,114
Less: Treasury Shares at Cost, Common Stock, 1,558,991 Shares at December 31, 1998 and 1,058,041 Shares at December 31, 1997	(17,604)	(9,523)
Class A Common Stock, 1,525,255 Shares at December 31, 1998 and December 31, 1997	(14,136)	(14,136)
Total Shareholders' Equity	168,871	116,455
Total Liabilities & Shareholders' Equity	$272,174	$239,382

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statements of Earnings

(In Thousands, Except Per Share)	Year Ended December 31, 1998	Year Ended December 31, 1997	Year Ended December 31, 1996
REVENUES			
Rentals & Fees	$289,272	$231,207	$208,463
Retail Sales	62,576	58,602	52,757
Non-Retail Sales	18,985	14,621	8,770
Other	8,826	6,321	4,255
	379,659	310,751	274,245
COSTS & EXPENSES			
Retail Cost of Sales	44,386	42,264	37,848
Non-Retail Cost of Sales	17,631	13,650	8,320
Operating Expenses	189,719	149,728	135,012
Depreciation of Rental Merchandise	89,171	71,151	64,437
Interest	3,561	3,721	3,449
	344,468	280,514	249,066
Earnings Before Income Taxes	35,191	30,237	25,179
Income Taxes	13,707	11,841	9,786
Net Earnings	$ 21,484	$ 18,396	$ 15,393
Earnings Per Share	$ 1.06	$ .96	$ .81
Earnings Per Share Assuming Dilution	1.04	.94	.77

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statements of Shareholders' Equity

(In Thousands)	Treasury Stock Shares	Treasury Stock Amount	Common Stock Common	Common Stock Class A	Additional Paid-In Capital	Retained Earnings
BALANCE, DECEMBER 31, 1995	(2,360)	($16,640)	$3,318	$2,681	$15,370	$ 86,365
Stock Dividend			4,767			(4,767)
Reacquired Shares	(164)	(2,889)				
Dividends						(765)
Reissued Shares	689	4,427			75	
Net Earnings						15,393
BALANCE, DECEMBER 31, 1996	(1,835)	(15,102)	8,085	2,681	15,445	96,226
Reacquired Shares	(795)	(8,918)				
Dividends						(758)
Reissued Shares	47	361			39	
Net Earnings						18,396
BALANCE, DECEMBER 31, 1997	(2,583)	(23,659)	8,085	2,681	15,484	113,864
Stock Offering			1,050		38,908	
Reacquired Shares	(736)	(10,560)				
Dividends						(837)
Reissued Shares	235	2,479			(108)	
Net Earnings						21,484
BALANCE, DECEMBER 31, 1998	(3,084)	($31,740)	$9,135	$2,681	$54,284	$134,511

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(In Thousands)	Year Ended December 31, 1998	Year Ended December 31, 1997	Year Ended December 31, 1996
OPERATING ACTIVITIES			
Net Earnings	$ 21,484	$ 18,396	$ 15,393
Depreciation & Amortization	98,090	77,487	70,693
Deferred Income Taxes	1,124	3,805	(899)
Change in Accounts Payable & Accrued Expenses	3,109	5,103	5,695
Change in Accounts Receivable	(4,432)	(1,083)	(2,339)
Other Changes, Net	1,253	1,587	982
Cash Provided by Operating Activities	120,628	105,295	89,525
INVESTING ACTIVITIES			
Additions to Property, Plant & Equipment	(22,209)	(15,165)	(17,534)
Book Value of Property Retired or Sold	3,521	6,531	1,823
Additions to Rental Merchandise	(174,496)	(145,262)	(137,023)
Book Value of Rental Merchandise Sold	69,018	58,436	48,352
Contracts & Other Assets Acquired	(1,841)	(21,665)	(3,891)
Cash Used by Investing Activities	(126,007)	(117,125)	(108,273)
FINANCING ACTIVITIES			
Proceeds from Revolving Credit Agreement	157,622	118,545	85,299
Repayments on Revolving Credit Agreement	(183,115)	(97,766)	(67,434)
Proceeds from Common Stock Offering	39,958		
Increase in Other Debt	734	342	21
Dividends Paid	(801)	(761)	(765)
Acquisition of Treasury Stock	(10,560)	(8,918)	(2,889)
Issuance of Stock Under Stock Option Plan	1,540	400	4,502
Cash Provided by Financing Activities	5,378	11,842	18,734
(Decrease) Increase in Cash	(1)	12	(14)
Cash at Beginning of Year	96	84	98
Cash at End of Year	$ 95	$ 96	$ 84
Cash Paid During the Year:			
Interest	$ 4,082	$ 3,713	$ 3,384
Income Taxes	10,004	6,989	7,531

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes to Consolidated Financial Statements

As of December 31, 1998 and 1997, and for the Years Ended December 31, 1998, 1997 and 1996.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The consolidated financial statements include the accounts of Aaron Rents, Inc. and its wholly-owned subsidiary, Aaron Investment Company (the Company). All significant intercompany accounts and transactions have been eliminated. The preparation of the Company's consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

Line of Business — The Company is engaged in the business of renting and selling residential and office furniture and other merchandise throughout the U.S. The Company manufactures furniture principally for its rental and sales operations.

Rental Merchandise consists primarily of residential and office furniture, consumer electronics and other merchandise and is recorded at cost. Prior to January 1, 1996, depreciation was provided using the straight-line method over the estimated useful life of the merchandise, principally from 1 to 5 years, after allowing for a salvage value of 5% to 60%. Effective January 1, 1996, the Company prospectively changed its depreciation method on merchandise in the rental purchase division acquired after December 31, 1995, from generally 14 months straight-line with a 5% salvage value to a method that depreciates the merchandise over the agreement period, generally 12 months, when on rent, and 36 months, when not on rent, to a 0% salvage value. This new method is similar to a method referred to as the income forecasting method in the rental purchase industry. The Company adopted the new method because management believes that it provides a more systematic and rational allocation of the cost of rental purchase merchandise over its useful life. The effect for the year ended December 31, 1996 of the change in the depreciation method on merchandise purchased after December 31, 1995 was to decrease net income by approximately $850,000 ($.04 per share). In addition, based on an analysis of the average composite life of the division's rental purchase merchandise on rent or on hand at December 31, 1995, the Company extended the depreciable lives of that merchandise from generally 14 months to 18 months, and made other refinements to depreciation rates on rental and rental purchase merchandise. The effect of such change in depreciable lives and other refinements was to increase net income for the year ended December 31, 1996 by approximately $709,000 ($.04 per share). The Company recognizes rental revenues over the rental period and recognizes all costs of servicing and maintaining merchandise on rent as incurred.

Property, Plant and Equipment are recorded at cost. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the respective assets, which are from 8 to 27 years for buildings and improvements and from 2 to 5 years for other depreciable property and equipment. Gains and losses related to dispositions and retirements are included in income. Maintenance and repairs are charged to income as incurred; renewals and betterments are capitalized.

Deferred Income Taxes are provided for temporary differences between the amounts of assets and liabilities for financial and tax reporting purposes. Such temporary differences arise principally from the use of accelerated depreciation methods on rental merchandise for tax purposes.

Cost of Sales includes the depreciated cost of rental return residential and office merchandise sold and the cost of new residential and office merchandise sold. It is not practicable to allocate operating expenses between selling and rental operations.

Advertising — The Company expenses advertising costs as incurred. Such costs aggregated $11,523,000 in 1998, $9,530,000 in 1997, and $10,422,000 in 1996.

Stock Based Compensation — The Company has elected to follow Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25) and related Interpretations in accounting for its employee stock options and adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, *Accounting for Stock Based Compensation* (FAS 123). The Company grants stock options for a fixed number of shares to employees with an exercise price equal to the fair value of the shares at the date of grant and, accordingly, recognizes no compensation expense for the stock option grants.

Excess Costs over Net Assets Acquired — Goodwill is amortized on a straight-line basis over a period of twenty years. Long-lived assets, including goodwill, are periodically reviewed for impairment based on an assessment of future operations. The Company records impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount.

Fair Value of Financial Instruments — The carrying amounts reflected in the consolidated balance sheets for cash, accounts receivable, bank and other debt approximate their respective fair values.

Revenue Recognition — Rental revenues are recognized as revenue in the month they are due. Rental payments received prior to the month due are recorded as deferred rental revenue.

Comprehensive Income — As of January 1, 1998, the Company adopted Financial Accounting Standards Board ("FASB") Statement No.130, *Reporting Comprehensive Income*. Statement 130 establishes new rules for the reporting and display of comprehensive income and its components. Statement 130 requires foreign currency translation adjustments and other items to be included in other comprehensive income. There were no differences between net income and comprehensive income in 1998, 1997 or 1996.

Segment Information — In 1998, the Company adopted FASB Statement No.131, *Disclosures about Segments of an Enterprise and Related Information*. The new rules establish revised standards for public companies relating to the reporting of financial and descriptive information about their operating segments in financial statements.

New Accounting Pronouncements — In June 1998, the FASB issued Statement No.133, *Accounting for Derivative Instruments and Hedging Activities*. The statement requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

The Company plans to adopt Statement 133 in 2000, but has not yet completed its analysis of the impact, if any, that Statement 133 may have on its consolidated financial statements.

NOTE B: EARNINGS PER SHARE

Earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the year which were 20,312,000 shares in 1998, 19,165,000 shares in 1997, and 19,099,000 shares in 1996. The computation of earnings per share assuming dilution includes the dilutive effect of stock options. Such stock options had the effect of increasing the weighted average shares outstanding assuming dilution by 421,000, 497,000 and 885,000 in 1998, 1997 and 1996, respectively.

NOTE C: PROPERTY, PLANT & EQUIPMENT

(In Thousands)	December 31, 1998	December 31, 1997
Land	$ 6,342	$ 4,643
Buildings & Improvements	21,770	17,698
Leasehold Improvements & Signs	27,069	19,243
Fixtures & Equipment	19,450	19,402
Construction in Progress	4,958	3,380
	79,589	64,366
Less: Accumulated Depreciation & Amortization	(29,476)	(24,609)
	$ 50,113	$ 39,757

NOTE D: DEBT

Bank Debt — The Company has a revolving credit agreement with four banks providing for unsecured borrowings up to $90,000,000, which includes a $6,000,000 credit line to fund daily working capital requirements. Amounts borrowed bear interest at the lower of the lender's prime rate, LIBOR plus .50%, or the rate at which certificates of deposit are offered in the secondary market plus .625%. The pricing under the working capital line is based upon overnight bank borrowing rates. At December 31, 1998 and 1997, an aggregate of $50,411,000 (bearing interest of 6.12%) and $75,904,000 (bearing interest at 6.57%), respectively, was outstanding under this agreement. The Company pays a .22% commitment fee on unused balances. The weighted average interest rate on borrowings under the revolving credit agreement (before giving effect to interest rate swaps) was 6.41% in 1998, 6.29% in 1997, and 6.17% in 1996. The effects of interest rate swaps on the weighted average interest rate were not material.

The Company has entered into interest rate swap agreements that effectively fix the interest rate on $20,000,000 of borrowings under the revolving credit agreement at an average rate of 7.0% until November 2003 and an additional $20,000,000 at an average rate of 6.85% until June 2005. These swap agreements involve the receipt of amounts when the floating rates exceed the fixed rates and the payment of amounts when the fixed rates exceed the floating rates in such agreements over the life of the agreements. The differential to be paid or received is accrued as interest rates change and is recognized as an adjustment to the floating rate interest expense related to the debt. The related amount payable to or receivable from counterparties is included in accrued liabilities or other assets. Unrealized losses under the swap agreements aggregated $2,400,000 at December 31, 1998.

The revolving credit agreement may be terminated on ninety days' notice by the Company or six months' notice by the lenders. The debt is payable in 60 monthly installments following the termination date if terminated by the lenders.

The agreement requires that the Company not permit its consolidated net worth as of the last day of any fiscal quarter to be less than the sum of (a) $105,000,000 plus (b) 50% of the Company's consolidated net income (but not loss) for the period beginning July 1, 1997 and ending on the last day of such fiscal quarter. It also places other restrictions on additional borrowings and requires the maintenance of certain financial ratios. At December 31, 1998, $48,400,000 of retained earnings were available for dividend payments and stock repurchases under the debt restrictions.

During 1998, the Company's allocation of interest to its MacTavish Furniture Industries division was $406,000. All expenses of MacTavish are capitalized as furniture manufacturing costs.

Other Debt — Other debt of $1,300,000 at December 31, 1998 and $582,000 at December 31, 1997 primarily represents insurance premium and software financing agreements with interest rates ranging from 4.94% to 6.22%. Other debt matures in 2000.

NOTE E: INCOME TAXES

(In Thousands)	Year Ended December 31, 1998	Year Ended December 31, 1997	Year Ended December 31, 1996
Current Income Tax Expense:			
Federal	$11,422	$ 7,375	$ 9,503
State	1,161	661	1,182
	12,583	8,036	10,685
Deferred Income Tax Expense (Benefit):			
Federal	949	3,287	(889)
State	175	518	(10)
	1,124	3,805	(899)
	$13,707	$11,841	$ 9,786

Significant components of the Company's deferred income tax liabilities and assets are as follows:

(In Thousands)	**December 31, 1998**	**December 31, 1997**
Deferred Tax Liabilities:		
Rental Merchandise and Property, Plant & Equipment	$11,222	$ 9,265
Other, Net	1,413	1,244
Total Deferred Tax Liabilities	12,635	10,509
Deferred Tax Assets:		
Accrued Liabilities	836	1,015
Advance Payments	2,725	2,276
Other, Net	1,263	531
Total Deferred Tax Assets	4,824	3,822
Net Deferred Tax Liabilities	$ 7,811	$ 6,687

The Company's effective tax rate differs from the federal income tax statutory rate as follows:

(In Thousands)	**Year Ended December 31, 1998**	**Year Ended December 31, 1997**	**Year Ended December 31, 1996**
Statutory Rate	35.0%	35.0%	35.0%
Increases in Taxes Resulting From:			
State Income Taxes, Net of Federal Income Tax Benefit	2.4	2.5	3.0
Other, Net	1.6	1.7	.9
Effective Tax Rate	39.0%	39.2%	38.9%

NOTE F: COMMITMENTS

The Company leases warehouse and retail store space for substantially all of its operations under operating leases expiring at various times through 2013. Most of the leases contain renewal options for additional periods ranging from 1 to 15 years or provide for options to purchase the related property at predetermined purchase prices which do not represent bargain purchase options. The Company also leases transportation equipment under operating leases expiring during the next 3 years. Management expects that most leases will be renewed or replaced by other leases in the normal course of business.

Future minimum rental payments, including guaranteed residual values, required under operating leases that have initial or remaining non-cancelable terms in excess of one year as of December 31, 1998, are as follows: $22,009,000 in 1999; $17,949,000 in 2000; $13,874,000 in 2001; $7,740,000 in 2002; $4,272,000 in 2003; and $8,848,000 thereafter.

Rental expense was $25,563,000 in 1998, $22,146,000 in 1997, and $17,886,000 in 1996.

The Company leases one building from an officer of the Company under a lease expiring in 2008 for annual rentals aggregating $212,700.

The Company maintains a 401(k) savings plan for all full-time employees with at least one year of service with the Company and who meet certain eligibility requirements. The plan allows employees to contribute up to 10% of their annual compensation with 50% matching by the Company on the first 4% of compensation. The Company's expense related to the plan was $415,000 in 1998, $357,000 in 1997, and $308,000 in 1996.

NOTE G: SHAREHOLDERS' EQUITY

On April 28, 1998 the Company issued, through a public offering, 2,100,000 shares of Common Stock. The net proceeds to the Company after deducting underwriting discounts and offering expenses were $39,958,000. The net proceeds were used to reduce indebtedness and for general business purposes.

During 1996, the Company declared a 100% stock dividend on its Common Stock and Class A Common Stock. Each stockholder received one share of Common Stock for each share of Common Stock and Class A Common Stock held. All share and per share amounts have been restated to reflect the 100% stock dividend. Common Stock is non-voting.

In November 1998, the Company's Board of Directors authorized the repurchase of up to 1,000,000 shares of the Company's Common Stock and/or Class A Common Stock. During 1998, 736,400 shares of the Company's stock were purchased at an aggregate cost of $10,560,000 and the Company was authorized to purchase an additional 471,690 shares at December 31, 1998. At December 31, 1998, the Company held a total of 3,084,246 common shares in its treasury. Subsequent to year end, in February 1999 the Company's Board of Directors authorized the purchase of an additional 2,000,000 shares.

The Company has 1,000,000 shares of preferred stock authorized. The shares are issuable in series with terms for each series fixed by the Board and such issuance is subject to approval by the Board of Directors. No preferred shares have been issued.

NOTE H: STOCK OPTIONS

The Company has stock option plans under which options to purchase shares of the Company's Common Stock are granted to certain key employees. Under the plans, options granted become exercisable after a period of two or three years and unexercised options lapse five or ten years after the date of the grant. Options are subject to forfeiture upon termination of service. Under the plans, 1,766,000 of the Company shares are reserved for issuance at December 31, 1998. The weighted average fair value of options granted was $9.26 in 1998, $8.58 in 1997, and $4.99 in 1996.

Pro forma information regarding net earnings and earnings per share is required by FAS 123, and has been determined as if the Company had accounted for its employee stock options granted in 1998, 1997 and 1996 under the fair value method. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions for 1998, 1997 and 1996, respectively: risk-free interest rates of 5.36%, 5.88%, and 6.72%; a dividend yield of .26%, .25%, and .40%; a volatility factor of the expected market price of the Company's Common Stock of .43, .39, and .34; and a weighted average expected life of the option of 8 years.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information follows:

	Years Ended December 31,		
(In Thousands Except Per Share)	**1998**	**1997**	**1996**
Pro forma net earnings	$20,076	$17,508	$14,825
Pro forma earnings per share	.99	.91	.78
Pro forma earnings per share assuming dilution	.97	.89	.74

Because Statement 123 is applicable only to options granted subsequent to December 31, 1994, its pro forma effect will not be fully reflected until future years.

The table below summarizes option activity for the periods indicated in the Company's stock option plans.

(In Thousands Except Per Share)	**Options**	**Weighted Average Exercise Price**
Outstanding at December 31, 1995	1,248	$ 4.54
Granted	780	9.88
Exercised	(701)	3.00
Forfeited	(8)	9.68
Outstanding at December 31, 1996	1,319	8.48
Granted	322	15.95
Exercised	(47)	5.28
Forfeited	(9)	10.83
Outstanding at December 31, 1997	1,585	10.07
Granted	133	16.73
Exercised	(235)	6.53
Forfeited	(101)	15.47
Outstanding at December 31, 1998	1,382	10.92
Exercisable at December 31, 1998	266	$ 6.69

Exercise prices for options outstanding as of December 31, 1998 ranged from $6.00 to $19.00. The weighted average remaining contractual life of those options is 6.55 years.

NOTE I: FRANCHISING OF AARON'S RENTAL PURCHASE STORES

The Company franchises Aaron's Rental Purchase stores. As of December 31, 1998 and December 31, 1997, 227 and 186 franchises had been awarded, respectively. Franchisees pay a non-refundable initial franchise fee of $35,000 and an ongoing royalty of 5% of cash receipts. The Company recognizes this income as earned and includes it in Other Revenues in the Consolidated Statements of Earnings. The Company has guaranteed certain lease and debt obligations (primarily extending through 1999) of some of the franchisees amounting to $461,891 and $16,022,964, respectively, at December 31, 1998. The Company receives a guarantee and servicing fee based on such franchisees' outstanding debt obligations which it recognizes as income over the fee period. The Company has recourse rights to the leased property and to the assets securing the debt obligations. As a result, the Company does not expect to incur any significant losses under these guarantees.

NOTE J: ACQUISITIONS AND DISPOSITIONS

In December 1997, the Company acquired substantially all of the assets of RentMart Rent-To-Own, Inc., a wholly-owned subsidiary of the Associates Capital Corporation, for $18,012,000 in cash. The excess cost over the fair market value of tangible assets acquired was approximately $4,300,000. Also, in December 1997, the Company acquired substantially all of the assets of Blackhawk Convention Services, Inc. for $3,500,000 in cash. The excess cost over the fair market value of tangible assets acquired was approximately $2,700,000. During 1998, the Company acquired five rental purchase stores from a franchisee and acquired a lamp designer and manufacturer, Lamps Forever, Inc. The aggregate purchase price of these 1998 acquisitions was not significant.

These acquisitions were accounted for under the purchase method and, accordingly, the results of operations of the acquired businesses are included in the Company's results of operations from their dates of acquisition. The effect of these acquisitions on the 1998 and 1997 consolidated financial statements was not significant.

In October 1998, the Company sold substantially all of the assets of its convention furnishings division. The effect of the sale on the 1998 consolidated financial statements was not significant.

NOTE K: SEGMENTS

Description of Products and Services of Reportable Segments

Aaron Rents, Inc. has four reportable segments: rent-to-rent, rental purchase, franchise and manufacturing. The rent-to-rent division rents and sells residential and office furniture to businesses and consumers who meet certain minimum credit requirements. The rental purchase division offers residential furniture, appliances, and electronics to consumers on a monthly payment basis with no credit requirements. The Company's franchise operation sells and supports franchises of its rental purchase concept. The manufacturing division manufactures upholstery, bedroom and office furniture, lamps and accessories, and bedding predominantly for use by the other divisions.

The principal source of revenue in the "Other" category was the Company's convention furnishings division which was sold during 1998.

Measurement of Segment Profit or Loss and Segment Assets

The Company evaluates performance and allocates resources based on revenue growth and pretax profit or loss from operations. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies except that the rental purchase division revenues and certain other items are presented on a cash basis. Intersegment sales are completed at internally negotiated amounts ensuring competitiveness with outside vendors. Since the intersegment profit and loss affect inventory valuation, depreciation and cost of goods sold are adjusted when intersegment profit is eliminated in consolidation.

Factors Used by Management to Identify the Reportable Segments

Aaron Rents, Inc.'s reportable segments are business units that service different customer profiles using distinct payment arrangements. The reportable segments are each managed separately because of differences in both customer base and infrastructure.

Information on segments and a reconciliation to earnings before income taxes are as follows:

	Years Ended December 31,		
(In Thousands)	**1998**	**1997**	**1996**
Revenues from external customers:			
Rent-to-Rent	$173,657	$163,263	$149,282
Rental Purchase	193,283	139,893	112,304
Franchise	7,209	4,880	2,872
Other	5,470	2,089	8,475
Manufacturing	52,628	49,302	46,978
Elimination of intersegment revenues	(52,067)	(48,344)	(45,197)
Cash to accrual adjustments	(521)	(332)	(469)
Total revenues from external customers	$379,659	$310,751	$274,245
Earnings before income taxes:			
Rent-to-Rent	$ 19,565	$ 18,883	$ 16,196
Rental Purchase	11,668	10,807	6,370
Franchise	3,607	1,880	766
Other	(744)	(743)	589
Manufacturing	1,068	2,877	2,844
Earnings before income taxes for reportable segments	35,164	33,704	26,765
Elimination of intersegment profit	(901)	(2,856)	(3,051)
Cash to accrual adjustments	(344)	(271)	(342)
Other allocations and adjustments	1,272	(340)	1,807
Total earnings before income taxes	$ 35,191	$ 30,237	$ 25,179
Assets:			
Rent-to-Rent	$138,734	$135,094	$123,563
Rental Purchase	103,930	83,742	56,205
Franchise	5,415	3,287	2,064
Other	9,286	5,453	4,227
Manufacturing	14,809	11,806	12,044
Total assets	$272,174	$239,382	$198,103
Depreciation and amortization:			
Rent-to-Rent	$ 29,327	$ 27,685	$ 24,854
Rental Purchase	67,401	48,879	42,631
Franchise	276	197	117
Other	616	661	1,503
Manufacturing	524	502	400
Elimination of intersegment profit and allocation	(54)	(437)	1,188
Total depreciation and amortization	$ 98,090	$ 77,487	$ 70,693
Interest expense:			
Rent-to-Rent	$ 1,698	$ 1,648	$ 1,313
Rental Purchase	2,874	1,646	1,712
Franchise		9	8
Other	234	19	45
Manufacturing	406		
Elimination of intersegment allocations	(1,651)	399	371
Total interest expense	$ 3,561	$ 3,721	$ 3,449

NOTE L: QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

(In Thousands Except Per Share)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year Ended December 31, 1998				
Revenues	$92,809	$93,832	$95,882	$97,136
Gross Profit	54,244	55,020	55,413	54,968
Earnings Before Taxes	8,680	9,090	8,029	9,392
Net Earnings	5,286	5,554	4,906	5,738
Earnings Per Share	$ .28	$ .27	$ .23	$ .28
Earnings Per Share Assuming Dilution	.27	.27	.23	.27
Year Ended December 31, 1997				
Revenues	$76,480	$77,465	$76,238	$80,568
Gross Profit	43,574	44,236	43,996	45,559
Earnings Before Taxes	7,080	7,608	7,883	7,666
Net Earnings	4,312	4,633	4,805	4,646
Earnings Per Share	$ .22	$ .24	$ .25	$ .25
Earnings Per Share Assuming Dilution	.22	.24	.25	.24

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of Aaron Rents, Inc.:

We have audited the accompanying consolidated balance sheets of Aaron Rents, Inc. and Subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of earnings, shareholders' equity and cash flows for the years ended December 31, 1998, 1997 and 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Aaron Rents, Inc. and Subsidiaries as of December 31, 1998 and 1997, and the consolidated results of their operations and their cash flows for the years ended December 31, 1998, 1997 and 1996, in conformity with generally accepted accounting principles.

Ernst + Young LLP

Atlanta, Georgia
March 15, 1999

COMMON STOCK MARKET PRICES & DIVIDENDS

The following table shows, for the periods indicated, the range of high and low prices per share for the Common Stock and Class A Common Stock and the cash dividends declared per share.

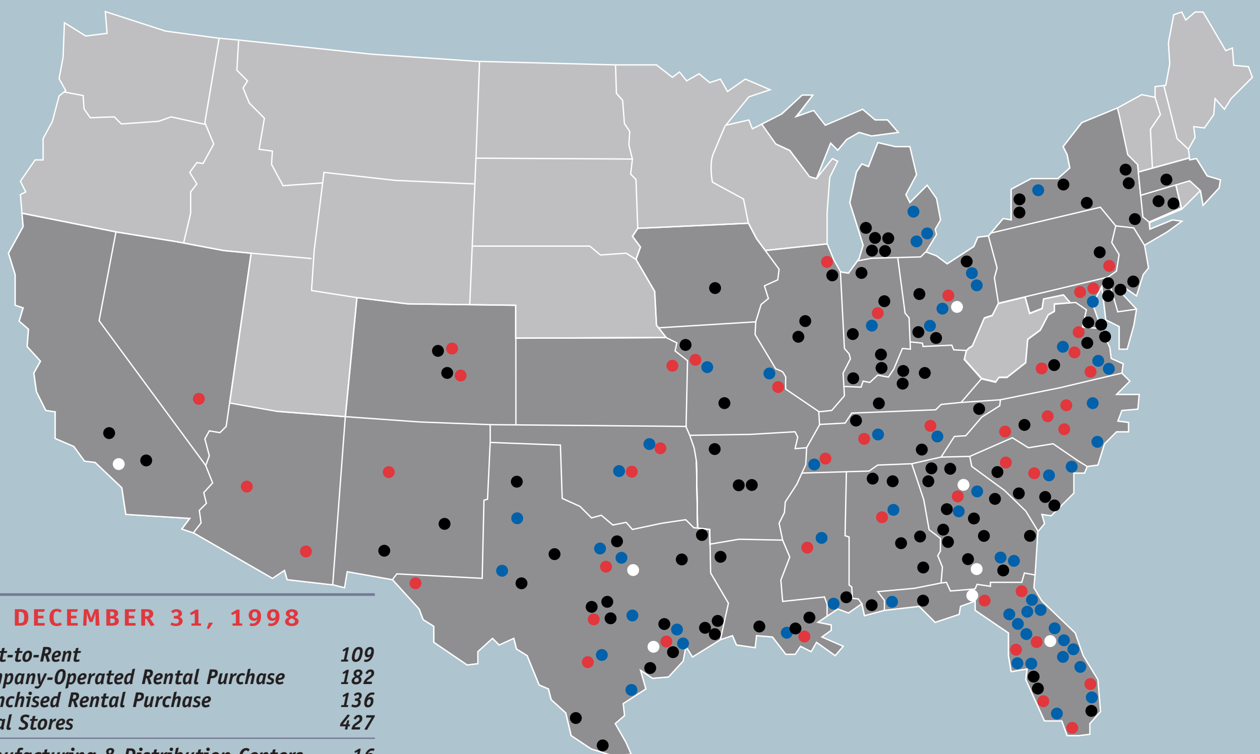
On March 20, 1998, the Company's Common Stock and Class A Common Stock were listed on the New York Stock Exchange under the symbols "RNT" and "RNT.A," respectively. Previously, the Company's Common Stock and Class A Common Stock were traded on The NASDAQ Stock Market under the symbols "ARON" and "ARONA," respectively.

The approximate number of shareholders of the Company's Common Stock and Class A Common Stock at March 15, 1999, was 5,800. The closing price for the Common Stock and Class A Common Stock on March 15, 1999, was $14.000, and $13.375, respectively.

Common Stock	High	Low	Cash Dividends Per Share
DECEMBER 31, 1998			
First Quarter	$24.313	$16.375	$
Second Quarter	24.125	17.375	.02
Third Quarter	23.500	11.875	
Fourth Quarter	15.938	11.125	.02
DECEMBER 31, 1997			
First Quarter	$12.875	$10.063	$
Second Quarter	13.375	10.375	.02
Third Quarter	18.250	12.750	
Fourth Quarter	20.250	15.500	.02

Class A Common Stock	High	Low	Cash Dividends Per Share
DECEMBER 31, 1998			
First Quarter	$26.000	$15.750	$
Second Quarter	22.750	18.125	.02
Third Quarter	21.000	11.500	
Fourth Quarter	15.125	10.563	.02
DECEMBER 31, 1997			
First Quarter	$14.000	$ 9.750	$
Second Quarter	13.750	10.000	.02
Third Quarter	18.000	11.938	
Fourth Quarter	18.500	14.500	.02

Store Location Map



BOARD OF DIRECTORS

R. Charles Loudermilk, Sr.
Chairman of the Board, Chief Executive Officer, Aaron Rents, Inc.

Ronald W. Allen
Retired Chairman, President and Chief Executive Officer of Delta Air Lines

Leo Benatar [1], [2]
Sr. Partner and Associate Consultant, A.T. Kearney

Gilbert L. Danielson
Executive Vice President, Chief Financial Officer, Aaron Rents, Inc.

Earl Dolive [1]
Vice Chairman of the Board, Emeritus, Genuine Parts Company

J. Rex Fuqua
Vice Chairman, Fuqua Enterprises, Inc.

Keith C. Groen
Vice President, Legal, and Secretary, Aaron Rents, Inc.

Ingrid Saunders Jones [2]
Vice President, Corporate External Affairs The Coca-Cola Company

Robert C. Loudermilk, Jr.
President, Chief Operating Officer, Aaron Rents, Inc.

Lt. Gen. M. Collier Ross [1]
U.S. Army (retired)

[1] Member of Audit Committee
[2] Member of Stock Option Committee

OFFICERS

R. Charles Loudermilk, Sr.
Chairman of the Board, Chief Executive Officer

Robert C. Loudermilk, Jr.
President, Chief Operating Officer

Gilbert L. Danielson
Executive Vice President, Chief Financial Officer

William K. Butler, Jr.
President, Aaron's Rental Purchase Division

Brian E. Stahl
President, Aaron Rents' Rent-to-Rent Division

Keith C. Groen
Vice President, Legal, and Secretary

James D. Almond
Vice President, Franchise Operations, Aaron's Rental Purchase Division

James L. Cates
Vice President, Risk Management

D. Bruce Cox
Vice President, Northeast Residential Region

Bennett E. Creasman
Vice President, East Office Region

David M. Deignan
Vice President, Marketing and Merchandising, Aaron's Rental Purchase Division

Lyle M. Digby
Vice President, Midwest Residential Region

K. Todd Evans
Vice President, Franchise Development, Aaron's Rental Purchase Division

Richard D. Gaskins
Vice President, West Office Region

Michael B. Hickey
Vice President, Management Development, Aaron's Rental Purchase Division

Richard L. Levine
Vice President, Purchasing and Distribution

Mitchell S. Paull
Vice President, Treasurer

Eduardo Quiñones
Vice President, Southeast Residential Region

Sandra W. Richards
Vice President, West Residential Region

Marc S. Rogovin
Vice President, Real Estate and Construction

Robert P. Sinclair, Jr.
Corporate Controller

CORPORATE INFORMATION

Corporate Headquarters
309 E. Paces Ferry Rd., N.E.
Atlanta, Georgia 30305-2377
(404) 231-0011
http://www.aaronrents.com

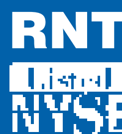
Subsidiary
Aaron Investment Company
10th & Market Streets
Mellon Bank Building
2nd Floor
Wilmington, Delaware 19801
(302) 888-2351

SHAREHOLDER INFORMATION

Annual Shareholders Meeting
The annual meeting of the shareholders of Aaron Rents, Inc. will be held on Tuesday, May 4, 1999, at 10:00 a.m. E.D.T. on the 12th floor, SunTrust Plaza, 303 Peachtree Street, Atlanta, Georgia 30303.

Form 10-K
Shareholders may obtain a copy of the Company's annual report on Form 10-K filed with the Securities and Exchange Commission upon written request, without charge. Such requests should be sent to the attention of Gilbert L. Danielson, Executive Vice President, Chief Financial Officer, Aaron Rents, Inc., 309 E. Paces Ferry Rd., N.E., Atlanta, Georgia 30305-2377.

Stock Listing



Aaron Rents Inc.'s Common Stock and Class A Common Stock are traded on the New York Stock Exchange under the symbols "RNT" and "RNT.A," respectively.

Transfer Agent and Registrar
SunTrust Bank, Atlanta
Atlanta, Georgia

General Counsel
Kilpatrick Stockton LLP
Atlanta, Georgia