

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Quarterly Report under Section 13 or 15 (d)  
of the Securities Exchange Act of 1934

June 30, 1995

0-12385

-----  
For Quarter Ended

-----  
Commission File No.

-----  
AARON RENTS, INC.

-----  
(Exact name of registrant as  
specified in its charter)

GEORGIA

58-0687630

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(I.R. S. Employer  
Identification No.)

309 EAST PACES FERRY ROAD, N.E.  
Atlanta, Georgia

30305-2377

-----  
(Address of principal executive offices)

-----  
(Zip Code)

(404) 231-0011

-----  
(Registrant's telephone number, including area code)

NOT APPLICABLE

-----  
(Former name, former address and former  
fiscal year, if changed since last report)

Indicate by check mark whether registrant (1) has filed all reports  
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's  
classes of common stock, as of the latest practicable date.

Title of Each Class	Shares Outstanding as of August 12, 1995
-----	-----
Class A Common Stock, \$.50 Par Value	4,018,263
Class B Common Stock, \$.50 Par Value	5,703,730

PART 1 - FINANCIAL INFORMATION  
ITEM 1 - FINANCIAL STATEMENTS  
AARON RENTS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(unaudited)

	June 30, 1995	March 31, 1995
	-----	-----
	(in thousands)	
<b>ASSETS:</b>		
Cash	\$ 91	\$ 95
Accounts Receivable	8,600	8,391
Rental Merchandise	173,891	172,741
Less: Accumulated Depreciation	(52,494)	(51,385)
	-----	-----
Property, Plant and Equipment, Net	121,397	121,356
Prepaid Expenses and Other Assets	24,051	24,181
	3,224	3,504
	-----	-----
Total Assets	\$ 157,363	\$ 157,527
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Accounts Payable and Accrued Expenses	\$ 18,872	\$ 19,062
Dividends Payable	367	
Current Income Taxes Payable	1,545	
Deferred Income Taxes Payable	3,903	4,126
Customer Deposits and Advance Payments	6,292	6,229
Bank Debt	39,445	42,172
Other Debt	658	987
	-----	-----
	71,082	72,576
 Shareholders' Equity:		
Common Stock, Class A, Par Value \$.50 Per Share-Authorized 25,000,000 shares:		
5,361,761 Shares Issued	2,681	2,681
Common Stock, Class B, Par Value \$.50 Per Share-Authorized 25,000,000 shares:		
6,636,761 Shares Issued	3,318	3,318
Additional Paid in Capital	15,314	15,314
Retained Earnings	80,165	77,216
	-----	-----
	101,478	98,529
 Less Treasury Shares at Cost,		
Class A Common Stock, 1,344,498 Shares at June 30, 1995 and 1,234,748 Shares at March 31, 1995	(9,943)	(8,324)
 Class B Common Stock, 944,031 Shares at June 30, 1995 and 944,031 Shares at March 31, 1995		
	(5,254)	(5,254)
	-----	-----
	86,281	84,951
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 157,363	\$ 157,527
	=====	=====

See Notes to Consolidated Financial Statements

AARON RENTS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS  
(Unaudited)

Three Months Ended  
-----  
June 30,  
-----  
1995                      1994  
-----  
(in thousands,  
except per share amounts)

REVENUES:		
Rentals and Fees	\$45,690	\$41,708
Sales	12,858	13,459
Other	587	428
	-----	-----
	59,135	55,595
	-----	-----
COSTS AND EXPENSES:		
Cost of Sales	9,114	9,692
Operating Expenses	30,025	28,230
Depreciation of Rental Merchandise	13,899	12,720
Interest	750	680
	-----	-----
	53,788	51,322
	-----	-----
EARNINGS BEFORE TAXES	5,347	4,273
INCOME TAXES	2,032	1,666
	-----	-----
NET EARNINGS	\$ 3,315	\$ 2,607
	=====	=====
EARNINGS PER SHARE	\$ .33	\$ .27
	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING	10,037	9,603
	=====	=====

3

AARON RENTS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Three Months Ended	
	June 30,	
	1995	1994
	-----	-----
	(in thousands)	
OPERATING ACTIVITIES:		
Net Income	\$ 3,315	\$ 2,607
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,356	13,889

Decrease in deferred taxes	(223)	(315)
Decrease in accounts payable and accrued expenses	(190)	(613)
Increase in accounts receivable	(209)	(472)
Other changes, net	1,889	879
	-----	-----
Cash provided by operations	19,938	15,975
	-----	-----
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(2,793)	(2,493)
Book value of property retired or sold	1,467	149
Additions to rental merchandise	(23,760)	(31,569)
Book value of rental merchandise sold	9,819	9,973
	-----	-----
Cash used by investing activities	(15,267)	(23,940)
	-----	-----
FINANCING ACTIVITIES:		
Proceeds from Revolving Credit Agreement	19,644	65,625
Repayments on Revolving Credit Agreement	(22,371)	(71,489)
Decrease in other debt	(329)	(364)
Acquisition of treasury stock	(1,619)	
Sale of common stock		14,140
Issuance of stock under stock option plan		54
	-----	-----
Cash (used) provided by financing activities	(4,675)	7,966
	-----	-----
(DECREASE) INCREASE IN CASH	(4)	1
Cash at Beginning of Period	95	86
	-----	-----
Cash at End of Period	\$ 91	\$ 87
	=====	=====

See Notes to Consolidated Financial Statements

AARON RENTS, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

Principles of Consolidation:

-----

The consolidated financial statements include the accounts of Aaron Rents, Inc. ("the Company") and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Interim Financial Statement:

-----

The Consolidated Balance Sheet as of June 30, 1995, and the Consolidated Statements of Earnings and Cash Flows for the three months ended June 30, 1995 and 1994, have been prepared without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows at June 30, 1995 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended March 31, 1995. The results of operations for the period ended June 30, 1995, are not necessarily indicative of the operating results for the full year.

PART I - FINANCIAL INFORMATION  
 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED  
 FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS:  
 -----

FIRST QUARTER OF FISCAL YEAR 1996 COMPARED TO FIRST QUARTER OF FISCAL YEAR  
 1995:

Total revenues for the first quarter of fiscal year 1996 increased \$3.5 million (6.4%) to \$59.1 million from \$55.6 million for the same period a year ago. This increase was due to a \$4.0 million (9.5%) increase in rentals and fees revenues. Of this increase in rental revenues, \$4.9 million was attributable to Aaron's Rental Purchase stores in which rental revenues increased 30% to \$21.5 million in the first quarter of fiscal year 1996 compared to \$16.6 million for the same quarter a year ago.

Revenues from sales declined \$601,000 (4.5%) to \$12.9 million from \$13.5 million a year ago. This decrease is due to a lower amount of sales of new furniture in the current fiscal year.

Other revenues in the first quarter increased \$159,000 (37.1%) to \$587,000 compared to \$428,000 a year ago. Included in other revenues is franchise and royalty fee income from franchised operations. Franchise and royalty fee income for the current quarter was \$345,000 compared to \$168,000 for the same period a year ago.

Cost of sales decreased \$578,000 million (6.0%) to \$9.1 million compared to \$9.7 million for the first quarter last year, and as a percentage of sales decreased to 70.9% from 72.0%. The improvement in gross margins is primarily due to improved margins on the sale of rental return furniture.

Operating expenses increased \$1.8 million (6.4%) to \$30.0 million from \$28.2 million. As a percentage of total revenues, operating expenses were 50.8% in both years.

Depreciation of rental merchandise increased \$1.2 million (9.3%) to \$13.9 million from \$12.7 million last year, and as a percentage of total rentals and fees was 30.4% in the current quarter compared to 30.5% for the same quarter a year ago.

Interest expense increased \$70,000 (10.3%) to \$750,000 in the first quarter of fiscal year 1996 compared to \$680,000 for the same quarter last year. The increase in interest expense was primarily due to increased borrowing rates in the current quarter.

Income tax expense increased \$366,000 (22.0%) to \$2.0 million compared to \$1.7 million a year ago, and the Company's effective tax rate was 38.0% for the first quarter of the current year compared to 39.0% in the previous year's quarter. The decrease in the effective tax rate is due to lower amounts provided for permanent differences.

As a result, net earnings increased \$708,000 (27.2%) to \$3.3 million in the first quarter of fiscal year 1996 compared to \$2.6 million a year ago. As a percentage of total revenues, net earnings were 5.6% in the first quarter compared to 4.7% a year ago.

The weighted average number of shares outstanding during the first quarter of fiscal year 1996 was 10,037,000 compared to 9,603,000 for the same period last year. The increase in the number of shares is due to the issuance of 1,275,000 shares of Class B Common Stock on May 2, 1994.

LIQUIDITY AND CAPITAL RESOURCES:  
-----

On May 2, 1994, the Company issued through a public offering 1,275,000 shares of Class B Common Stock. The net proceeds to the Company after deducting underwriting discounts and offering expenses were \$14.1 million. The net proceeds were used to reduce bank debt.

During the first quarter of fiscal year 1996, the Company declared a semi-annual dividend payable on July 6, 1995 of \$.02 per share on Class A Common Stock and \$.05 per share on Class B Common Stock.

Management believes its expected cash flow from operations, proceeds from the sale of rental return merchandise, bank borrowings, and vendor credit are adequate to supply short-term capital needs, and that it has the ability to obtain additional long-term capital if needed.

7

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K:

(a) The following exhibits are furnished herewith:

Exhibit Number -----	Description of Exhibit -----
10(b)	Letter agreements dated June 19, 1995, between First Union National Bank of North Carolina and the Company and June 20, 1995, between Trust Company Bank and the Company regarding an Interest Rate Swap Transaction
11	Computation of Earnings Per Share
27	Financial Data Schedule

(b) No reports on Form 8-K were filed by the Registrant during the three months ended June 30, 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AARON RENTS, INC.  
(Registrant)

Date - August 11, 1995

/s/ GILBERT L. DANIELSON

-----  
Gilbert L. Danielson  
Vice President, Finance  
Chief Financial Officer

Date - August 11 , 1995  
-----

/s/ ROBERT P. SINCLAIR, JR.  
-----  
Robert P. Sinclair, Jr.  
Controller

[FIRST UNION LETTERHEAD]

EXHIBIT 10(B)

SWAP TRANSACTION

DATE: June 19, 1995

TO: Gilbert L. Danielson  
Aaron Rents Inc.  
1100 Aaron Building  
3001 N. Fulton Drive NE  
Atlanta, GA  
Phone: (404) 231-0011  
Fax: (404) 240-6584

FROM: First Union National Bank of North Carolina

SUBJECT: Interest Rate Swap

REF. NO. 10413/11295

-----

Dear Mr. Danielson:

The purpose of this letter agreement is to confirm the terms and conditions of the transaction entered into between Aaron Rents Inc. ("Counterparty") and First Union National Bank of North Carolina ("First Union") on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below.

1. The definitions and provisions contained in the 1991 ISDA Definitions (as published by the International Swap and Derivatives Association, Inc.) (the "Definitions"), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

If you and we are parties to a Master Agreement that sets forth the general terms and conditions applicable to Swap Transactions between us (a "Swap Agreement"), this Confirmation supplements, forms a part of, and is subject to, such Swap Agreement. If you and we are not yet parties to a Swap Agreement, this Confirmation will supplement, form a part of, and be subject to, a Swap Agreement upon its execution by you and us. All provisions contained or incorporated by reference in such Swap Agreement shall govern this Confirmation except as expressly modified below. In addition, if a Swap Agreement has not been executed, this Confirmation will itself evidence a complete binding agreement between you and us as to the terms and conditions of the Swap Transaction to which this Confirmation relates.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in (or refrained from engaging in) substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Swap Transaction to which this Confirmation relates on the terms and conditions set forth below.

If on any Calculation Date (or if, for any Calculation period, as applicable), (a) the product of the Fixed Rate and the Fixed Rate Day Count Fraction exceeds the product of the Floating Rate (plus or minus the Spread, if applicable) and the Floating Rate Day Count Fraction, the Fixed Rate Payer shall



pay the Floating Rate Payer, on the relevant Payment Date, an amount equal to such excess multiplied by the Notional amount, (b) the product of the Floating Rate (plus or minus the spread if applicable) and the Floating Rate Day Count Fraction exceeds the product of the Fixed Rate and the Fixed Rate Day Count Fraction, the Floating Rate Payer shall pay the Fixed Rate Payer, on the relevant Payment Date, an amount equal to such excess multiplied by the Notional Amount, or (c) the product of the Fixed Rate and the Fixed Rate Day Count Fraction is equal to the product of the Floating Rate (plus or minus the Spread, if applicable) and the Fixed Rate Day Count Fraction, no amount shall be due by either side on the relevant Payment Date. Each party's obligation to make payment of any amount which would otherwise be due hereunder on a Payment Date shall be automatically satisfied and discharged by payment of the net amount due on such Payment Date, determined by the foregoing manner.

This Confirmation will be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine, provided that this provision will be superseded by any choice of law provisions contained in the Swap Agreement.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

Transaction Type:	Interest Rate Swap
Trade Date:	June 16, 1995
Effective Date:	June 23, 1995
Termination Date:	June 23, 2005, subject to adjustment in accordance with the Modified Following Business Day Convention
Notional Amount:	\$10,000,000.00
Fixed Amounts:	
Fixed Rate Payer:	Counterparty
Fixed Rate Payer Payment Dates:	Quarterly on the 23rd day of each June, September, December, and March commencing September 23, 1995, through and including the Termination Date, subject to the Modified Following Business Day Convention.

2

Fixed Rate:	6.35%
Fixed Rate Day Count Fraction:	ACT/360
Floating Amounts:	
Floating Rate Payer:	First Union
Floating Rate Payer Payment Dates:	Quarterly on the 23th day of each June, September, December, and March commencing September 23, 1995, through and including the Termination Date, subject to the Modified Following Business Day Convention.

Floating Rate Option: USD-LIBOR-BBA  
Designated Maturity: 3 Month  
Spread: None  
Floating Rate Day Count Fraction: ACT/360  
Reset Dates: Quarterly on the 23th day of each September, December, March, and June commencing June 23, 1995, through and including March 23, 2005, subject to the Modified Following Business Day Convention.  
Compounding: Inapplicable  
Calculation Agent: First Union  
Business Days: New York  
Payments to First Union: First Union Charlotte  
Capital Markets  
Attention: Derivatives Desk  
Fed. ABA No. 053000219  
Ref. No.: 10413/11295  
First Union Settlements: Brian Hall  
Derivatives Desk  
Ph. No.: 704-383-1185  
Fax No.: 704-383-9139

3

Payments to Counterparty: Please forward instructions to FUNB-NC. No payments will be made prior to receipt of Counterparty's payment instructions.

First Union Address: One First Union Center  
301 South College Street TW-9  
Charlotte, NC 28288-0601

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation enclosed for that purpose and returning it to us.

Very truly yours,

FIRST UNION NATIONAL BANK  
OF NORTH CAROLINA

By: /s/ Joseph M. Nenichka  
-----

Name: Joseph M. Nenichka  
Title: Vice President  
Date: -----

By: /s/ David Kitchen

-----  
Name: David Kitchen  
Title: Vice President  
Date:  
-----

Accepted and confirmed as of  
the date first above written:

AARON RENTS INC.

By: /s/ Gilbert L. Danielson

-----  
Name: Gilbert L. Danielson  
-----  
Title: Vice President, Finance  
-----  
Date: July 17, 1995  
-----

4

[TRUST COMPANY BANK LETTERHEAD]

June 20, 1995

CONFIRMATION OF INTEREST RATE SWAP TRANSACTION

Mr. Gilbert L. Danielson  
Vice President - Finance  
Aaron Rents, Inc.  
309 East Paces Ferry Road, N.E.  
Atlanta, GA 30305

Dear Mr. Danielson:

The purpose of this letter agreement is to set forth the terms and conditions of the Rate Swap Transaction entered into between you and Trust Company Bank on the Trade Date specified below (the "Transaction" or "Rate Swap Transaction"). This letter agreement constitutes a "Confirmation" as referred to in either the ISDA Master Agreement or the Interest Rate and Currency Exchange Agreement entered into by the parties hereto, prior to, or on the date hereof.

The definitions and provisions contained in the 1991 ISDA Definitions (the "Definitions") published by the International Swap Dealers Association, Inc. ("ISDA") are incorporated by reference into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms a part of, and is subject to either the ISDA Master Agreement or the Interest Rate and Currency Exchange Agreement (a "SWAP Agreement"), as amended and supplemented from time to time, between you and Trust Company Bank. All provisions contained or incorporated by reference in the Swap Agreement shall govern this Confirmation except as expressly modified below. In the event that you and Trust Company Bank have not entered into a Swap Agreement, this Transaction is subject to the 1992 Master Agreement. Prior to the execution and delivery of such Swap Agreement, this Confirmation alone shall constitute a complete and binding agreement with respect to the Transaction.

Each party is hereby advised, and each such party acknowledges, that the

other party has engaged in (or refrained from engaging in) substantial financial transactions and has taken other material actions in reliance upon the parties' entry in the Rate Swap Transaction to which this Confirmation relates on the terms and conditions set forth below.

This Confirmation will be governed by and construed in accordance with the laws of the State of Georgia applicable to contracts made and wholly performed within the State of Georgia.

2. The terms of the particular Rate Swap Transaction to which this Confirmation relates are as follows:

Type of Transaction:	Rate Swap
Notional Amount:	US\$10,000,000.00
Trade Date:	June 16, 1995
Effective Date:	June 23, 1995
Termination Date:	June 23, 2005 subject to adjustment in accordance with the Modified Following Business Day Convention

PAGE 2

Fixed Amounts:

-----

Fixed Rate Payer:	Aaron Rents, Inc.
Fixed Rate Payer Payment Dates:	The 23rd day of each March, June, September and December, beginning September 23, 1995 and terminating on the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate:	6.3500% per annum
Fixed Rate Day Count Fraction:	A/360

Floating Amounts:

-----

Floating Rate Payer:	Trust Company Bank
Floating Rate Payer Payment Dates:	The 23rd day of each March, June, September and December, beginning September 23, 1995 and terminating on the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate Option:	USD-LIBOR-BBA
Floating Rate for initial Calculation Period:	6.06250%
Designated Maturity:	Three months

Spread: Inapplicable  
Compounding: Inapplicable  
Floating Rate Day Count Fraction: Actual/360  
Reset Dates: The first day of each Calculation Period  
Calculation Agent: Trust Company Bank  
Business Days: New York and London

PAGE 3

3. Other Provisions:

(i) "USD-LIBOR" means that the rate for a Reset Date will be the rate for deposits in Dollars for a period of the Designated Maturity which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on two business days prior to the Reset Date. If such rate does not appear on the Telerate Page 3750, the rate for that Reset Date will be determined as if the parties had specified "LIBOR (Reference Banks)" as the applicable Floating Rate Option.

(ii) "Telerate Page 3750" means the displays designated as "Page 3750" on the Telerate Service (or such other page as may replace Page 3750 on that service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Banker's Association Interest Settlement Rate for Dollar deposits.)

4. Account Details:

Payments to Fixed Rate Payer:

[PLEASE ADVISE]

Account No.:  
Depository:  
Address:  
Favor of:

Payments to Floating Rate Payer:

Trust Company Bank  
ABA# 061000104  
Bond Wire Clearing, Center 095  
Attn: Judy Keane-Dawes

5. Offices

- (a) The Office of Fixed Rate Payer for the Rate Swap Transactions is its Georgia office; and
- (b) The Office of Floating Rate Payer for the Rate Swap Transaction is its Georgia Office.

PAGE 4

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this copy of this Confirmation and sending the same to us by overnight mail to SunTrust Capital Markets, 25 Park Place, 4th Floor, Atlanta, GA 30303 to the attention of Mark Brown or Mark Lutostansky.

By signing below, you also acknowledge and agree that we have explained to you the risks involved in this Rate Swap Transaction, which risks include but are not limited to the following:

- . Marked Risk: the risk that the Rate Swap Transaction will decline in value with a change in, among other things, interest rates or the yield curve; and
- . Liquidity Risk: the risk that the Rate Swap Transaction cannot be closed out or disposed of quickly at or near its value.

You further acknowledge and agree that you understand these risks and the Rate Swap Transaction as a whole, that you are capable of managing the risks associated with this Rate Swap Transaction, that the risks involved in this Rate Swap Transaction are consistent with your financial goals, policies and procedures, and risk tolerance, and that you have determined that this Rate Swap Transaction is appropriate for you.

Very truly yours,

TRUST COMPANY BANK

By: /s/ Wadley Duckworth

-----  
Name: Wadley Duckworth  
Title:

By: /s/ Martha A. Suggs

-----  
Name: Martha A. Suggs  
Title: Assistant Vice President

Accepted and Confirmed as  
of the Date First Written:

AARON RENTS, INC.

By: /s/ Gilbert L. Danielson

-----  
Name: Gilbert L. Danielson  
Title: Vice President, Finance

By:

-----  
Name:  
Title:

EXHIBIT 11  
COMPUTATION OF EARNINGS PER SHARE

	Three Months Ended	
	June 30	
	1995	1994
(in thousands, except per share data)		
Primary:		
Net Income	\$ 3,315	\$ 2,607
Weighted average number common shares outstanding	9,785	9,283
Add:		
Dilutive effect of outstanding options, as determined by the application of the treasury stock method using the average market price of the Company's common stock	252	320
Weighted average number of common and common equivalent shares	10,037	9,603
Primary earnings per share	\$ .33	\$ .27
Fully diluted:		
Weighted average number of common and common equivalent shares	10,037	9,603
Add:		
Additional dilutive effect of outstanding options, as determined by the application of the treasury stock method using the quarter end market price of the Company's common stock	12	0
Weighted average number of common shares fully diluted	10,049	9,603
Fully diluted earnings per share	\$ .33*	\$ .27*

\*Not presented in Financial Statements since dilutive effect is less than 3%.

<ARTICLE> 5  
<MULTIPLIER> 1,000

<PERIOD-TYPE>	3-MOS	
<FISCAL-YEAR-END>		MAR-31-1996
<PERIOD-START>		APR-01-1995
<PERIOD-END>		JUN-30-1995
<CASH>		91
<SECURITIES>		0
<RECEIVABLES>		8,600
<ALLOWANCES>		0<F1>
<INVENTORY>		121,397<F2>
<CURRENT-ASSETS>		0<F3>
<PP&E>		24,051
<DEPRECIATION>		0<F1><F3>
<TOTAL-ASSETS>		157,363
<CURRENT-LIABILITIES>		0<F3>
<BONDS>		0
<COMMON>		5,999
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<OTHER-SE>		80,282
<TOTAL-LIABILITY-AND-EQUITY>		157,363
<SALES>		12,858
<TOTAL-REVENUES>		59,135
<CGS>		9,114
<TOTAL-COSTS>		53,038
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		750
<INCOME-PRETAX>		5,347
<INCOME-TAX>		2,032
<INCOME-CONTINUING>		3,315
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		3,315
<EPS-PRIMARY>		.33
<EPS-DILUTED>		.33
<FN>		

<F1> The allowance for doubtful accounts is netted against total accounts receivable in the Accounts Receivable balance.

<F2> Rental merchandise has been classified as inventory for purposes of this schedule. Rental merchandise has been shown net of 52,494 accumulated depreciation.

<F3> The financial statements are presented with an unclassified balance sheet.

<F4> PP&E has been shown net of accumulated depreciation.

</FN>