March 30, 2006

Conn's, Inc. Reports Record Earnings for Fourth Quarter and Fiscal Year Ending January 31, 2006

BEAUMONT, Texas--(BUSINESS WIRE)--March 30, 2006--Conn's, Inc. (NASDAQ/NM:CONN), a specialty retailer of home appliances, consumer electronics, computers, mattresses, furniture and lawn and garden products, today announced record earnings results for the fourth quarter and year ended January 31, 2006.

Net income available for common stockholders for the fourth quarter increased 39.8% to $12.9 million compared to $9.2 million for the fourth quarter of last year. Diluted earnings per share available for common stockholders were $0.53 compared with $0.39 for the fourth quarter of last year. Total revenues for the quarter ended January 31, 2006 increased 27.0% to $206.6 million compared with $162.7 million for the quarter ended January 31, 2005. This increase in revenue included net sales increases of $43.2 million, or 30.5%, and increases from "Finance charges and other" of $709,000, or 3.4%. Same store sales (revenues earned in stores operated for the entirety of both periods) increased 22.6% for the fourth quarter of fiscal 2006.

Total revenues for the year ended January 31, 2006 increased 23.9% to $702.4 million compared with $567.1 million for the year ended January 31, 2005. This increase in revenue included net sales increases of $126.5 million, or 25.6%, and increases from "Finance charges and other" of $8.8 million, or 12.1%. Same store sales increased 16.9% for the year ended January 31, 2006. Net income available for common stockholders for the year ended January 31, 2006 increased 36.7% to $41.2 million compared to $30.1 million for the year ended January 31, 2005. Diluted earnings per share available for the common stockholder increased 33.9% to $1.70 for the year ended January 31, 2006 from $1.27 in the prior year.

During the year, the Company added six new stores to bring the store count to 56. By the end of January 2007, the Company expects to operate approximately 62 to 64 stores.

"This was a remarkable year in so many ways," said Thomas J. Frank, Conn's Chairman and Chief Executive Officer. "We successfully made substantial modifications to our Retail Division management early in the year and in the second half of the year contended with two hurricanes and phenomenal sales growth. Our team was up to the challenge in every case and delivered excellent bottom line growth. We take what we learned with those successes into the new year where again we expect to encounter challenges and will apply ourselves in the same manner, demanding excellence from ourselves and our associates."

EPS Guidance

The Company also issued guidance for fiscal year 2007 (the year ending January 31, 2007) of earnings per diluted share of approximately $1.85 to $1.90. The earnings guidance does give effect for changes resulting from the required adoption of Statement of Financial Accounting Standards No. 123R, Share-Based Payment, during fiscal 2007. The effect on earnings per diluted share as a result of FAS 123R is estimated to be approximately $0.07. Earnings per diluted share on a comparable basis for the year ended January 31, 2006, had FAS 123R been in effect, would have been $1.66 or a reduction of approximately $0.04. Comparable store sales increases are projected in the mid to high single digit range.

Conference Call Information

Conn's, Inc. will host a conference call and audio webcast today, March 30, 2006, at 10:00 AM, CST, to discuss financial results for the quarter and year ended January 31, 2006. The webcast will be available live at www.conns.com and will be archived for one year. Participants can join the call by dialing (877) 704-5386.

About Conn's, Inc.

The Company is a specialty retailer currently operating 56 retail locations in Texas and Louisiana: eighteen stores in the Houston area, twelve in the Dallas/Fort Worth Metroplex, eight in San Antonio, five in Austin, four in Southeast Texas, one in Corpus Christi, two in South Texas and six stores in Louisiana. It sells major home appliances, including refrigerators, freezers, washers, dryers and ranges, and a variety of consumer electronics, including projection, plasma, DLP and LCD televisions, camcorders, computers and computer peripherals, DVD players, portable audio and home theater products. The Company also sells lawn and garden products, furniture and mattresses, and continues to introduce additional product categories for the home to help respond to its customers' product needs and to increase same store sales.

Unlike many of its competitors, the Company provides flexible in-house credit options for its customers. Historically, it has financed, on average, approximately 57% of retail sales. Customer receivables are financed substantially through an asset-backed securitization facility, from which the Company derives servicing fee income and interest income. The Company transfers receivables, consisting of retail installment contracts and revolving accounts for credit extended to its customers, to a qualifying special purpose entity in exchange for cash and subordinated securities represented by asset-backed and variable funding notes issued to third parties.

This press release contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "should," "anticipate," or "believe," or the negative thereof or variations thereon or similar terminology. Although the Company believes that the expectations reflected in such forward-looking statements will prove to be correct, the Company can give no assurance that such expectations will prove to be correct. The actual future performance of the Company could differ materially from such statements. Factors that could cause or contribute to such differences include, but are not limited to: the Company's growth strategy and plans regarding opening new stores and entering new markets; the Company's intention to update or expand existing stores; the Company's estimated capital expenditures and costs related to the opening of new stores or the update or expansion of existing stores; the Company's cash flow from operations, borrowings from its revolving line of credit and proceeds from securitizations to fund operations, debt repayment and expansion; growth trends and projected sales in the home appliance and consumer electronics industry and the Company's ability to capitalize on such growth; relationships with the Company's key suppliers; the results of the Company's litigation; interest rates; weather conditions in the Company's markets; changes in the Company's stock price; and the actual number of shares of common stock outstanding. Further information on these risk factors is included in the Company's filings with the Securities and Exchange Commission, including the Company's annual report on Form 10-K filed on March 30, 2006 and the current report on Form 8-K filed in connection with this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

Conn's, Inc.
CONDENSED, CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except earnings per share)

	Three Months Ended January 31,		Twelve Months Ended January 31,	
	2005	2006	2005	2006
Revenues				
Total net sales	$141,721	$184,887	$494,235	$620,738
Finance charges and other	20,983	21,692	72,857	81,684
Total revenues	162,704	206,579	567,092	702,422
Cost and expenses				
Cost of goods sold, including warehousing and occupancy costs	102,157	133,544	355,159	448,064
Cost of parts sold, including warehousing and occupancy costs	1,197	1,515	4,551	5,310
Selling, general and administrative expense	42,779	50,568	152,900	181,631
Provision for bad debts	1,615	1,245	5,637	3,769
Total cost and expenses	147,748	186,872	518,247	638,774

Operating income	14,956	19,707	48,845	63,648
Interest expense (income), net	595	(88)	2,359	400
Income before minority interest and income taxes	14,361	19,795	46,486	63,248
Minority interest in limited partnership	241	-	(118)	-
Income before income taxes	14,602	19,795	46,368	63,248
Total provision for income taxes	5,355	6,871	16,243	22,067
Net income	$9,247	$12,924	$30,125	$41,181
Earnings per share				
Basic	$0.40	$0.55	$1.30	$1.76
Diluted	$0.39	$0.53	$1.27	$1.70
Average common shares outstanding				
Basic	23,230	23,523	23,192	23,412
Diluted	23,764	24,512	23,754	24,192

Conn's, Inc.
CONDENSED, CONSOLIDATED BALANCE SHEETS
(in thousands)

	January 31,	
	2005	2006
Assets		
Current assets		
Cash and cash equivalents	$7,027	$45,176
Interests in securitized assets and accounts receivable, net	131,887	146,991
Inventories	62,346	73,987
Deferred income taxes	4,901	4,670
Prepaid expenses and other assets	3,552	4,004
Total current assets	209,713	274,828
Non-current deferred tax asset	1,523	2,464
Total property and equipment, net	47,710	54,826
Goodwill and other assets, net	9,846	9,877
Total assets	$268,792	$341,995
Liabilities and Stockholders' Equity		
Current Liabilities		
Notes payable	$5,500	$-
Current portion of long-term debt	29	136
Accounts payable	27,108	40,920
Accrued compensation	8,548	18,847
Accrued expense	11,928	17,380
Fair value of derivatives	177	-
Other current liabilities	8,349	18,049
Total current liabilities	61,639	95,332
Long-term debt	5,003	-
Non-current deferred tax liability	704	903

Deferred gain on sale of property	644	476
Total stockholders' equity	200,802	245,284
Total liabilities and stockholders' equity	$268,792	$341,995

Conn's, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the Years Ended January 31,	
	2005	2006
Net cash provided by operating activities	$170	$64,318
Cash flows from investing activities		
Purchase of property and equipment	(19,619)	(18,490)
Proceeds from sale of property	1,131	34
Net cash used by investing activities	(18,488)	(18,456)
Cash flows from financing activities		
Net borrowings (payments) under bank credit facilities	10,500	(10,500)
Net proceeds from stock issued under employee benefit plans	1,603	2,813
Debt issuance costs	(118)	(130)
Borrowings on promissory notes	-	136
Payment of promissory notes	(60)	(32)
Net cash provided by (used in) financing activities	11,925	(7,713)
Impact on cash of consolidation of SRDS	478	-
Net change in cash	(5,915)	38,149
Cash and cash equivalents		
Beginning of the year	12,942	7,027
End of the year	$7,027	$45,176

CALCULATION OF GROSS MARGIN PERCENTAGE
(dollars in thousands)

	Three Months Ended January 31,		Years Ended January 31,	
	2005	2006	2005	2006
Total revenues	$162,704	$206,579	$567,092	$702,422
Less cost of goods and parts sold, including warehousing and occupancy cost	(103,354)	(135,059)	(359,710)	(453,374)
Gross margin dollars	$59,350	$71,520	$207,382	$249,048

Gross margin percentage	36.5%	34.6%	36.6%	35.5%

PORTFOLIO STATISTICS
For the periods ended January 31, 2003, 2004, 2005 and 2006
(dollars in thousands, except average outstanding balance per account)

	2003	2004	2005	2006
Total accounts	285,247	299,717	350,251	415,338
Total outstanding balance	$303,825	$349,470	$428,700	$519,721
Average outstanding balance per account	$1,065	$1,166	$1,224	$1,251
60 day delinquency	$16,176	$18,267	$23,143	$35,537
Percent delinquency	5.3%	5.2%	5.4%	6.8%
Loan loss ratio	3.5%	3.4%	2.9%	2.5%