



Rent-A-Center, Inc. Expects to Exceed High End of Current Earnings Guidance

July 15, 2002

PLANO, Texas, Jul 15, 2002 /PRNewswire-FirstCall via COMTEX/ -- Rent-A-Center, Inc. (Nasdaq: RCII) (the "Company"), the largest rent-to-own operator in the country, expects to exceed the high end of its previously announced second quarter 2002 guidance of \$1.10 per diluted share by approximately \$0.03 to \$0.04. This earnings estimate is after the absorption of costs associated with the early retirement of debt and certain legal settlements, which approximated \$0.08 per diluted share. The Company is also raising guidance for the full fiscal year to between \$4.57 and \$4.65 per diluted share, which is after the absorption of the aforementioned costs as well.

"Current business trends remain solid, and the results we expect to report for the second quarter of 2002 speak to the success of our business model and our business plan," commented Mr. Mark E. Speese, Chairman and Chief Executive Officer of the Company. "Our increased guidance is primarily a result of higher than anticipated revenues and the benefit of the cost control programs introduced last fall." Mr. Speese added, "Furthermore, we continue to believe that the rent-to-own market has significant potential for new store development and continues to present acquisition opportunities due to industry fragmentation. In fact, we opened 16 new store locations in the second quarter of 2002 and acquired an additional 38 store fronts."

The Company believes that the current 2,339 Company owned stores will continue to show improvements in operating income as well as generate sufficient internal cash flow to fund the Company's store growth plans. Through the first six months of the year the Company has generated over \$100 million in free cash flow before financing. This strong cash flow, together with the reported cash on hand at December 31, 2001 of \$108 million, allowed the Company to prepay \$128 million in senior debt in the second quarter of 2002.

Rent-A-Center, headquartered in Plano, Texas currently operates 2,339 company-owned rent-to-own stores in 50 states, Washington D.C. and Puerto Rico. The stores offer high-quality, durable goods such as home electronics, appliances, computers, and furniture and accessories to consumers under flexible rental purchase agreements that allow the customer to obtain ownership of the merchandise at the conclusion of an agreed-upon rental period. ColorTyme, Inc., a wholly owned subsidiary of the Company, is a national franchisor of 327 rent-to-own stores, 315 of which operate under the trade name of "ColorTyme," and the remaining 12 of which operate under the "Rent-A-Center" name.

This press release and the guidance above contain 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 have been 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 final reconciliation of the Company's books and records for the second quarter of 2002; uncertainties regarding the ability to open new stores; the Company's ability to acquire additional rent-to-own stores on favorable terms; the Company's ability to enhance the performance of these acquired stores; the Company's ability to control store level costs and implement its margin enhancement initiatives; the Company's ability to realize benefits from its margin enhancement initiatives; the results of the Company's litigation; the passage of legislation adversely affecting the rent-to-own industry; interest rates; the Company's ability to collect on its rental purchase agreements; the Company's ability to effectively hedge interest rates on its outstanding debt; changes in the Company's effective tax rate; and the other risks detailed from time to time in the Company's SEC filings, including but not limited to, its annual report on Form 10-K for the year ended December 31, 2001 and its quarterly report on Form 10-Q for the three month period ending March 31, 2002. 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.

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