



Rent-A-Center, Inc. Reports Record Second Quarter 2000 Results

July 24, 2000

Plano, Texas, July 24 2000. - Rent-A-Center, Inc. (the "Company") (NASDAQ/NNM:RCII) announced today record net earnings for the quarter ended June 30, 2000.

Excluding the one-time gain discussed below, net earnings for the quarter ended June 30, 2000 were \$22.9 million, representing a 65% increase from the comparable 1999 period net earnings of \$13.9 million. Diluted earnings per share, excluding the one-time gain, rose to \$0.66 in the second quarter of 2000 from \$0.41 during the second quarter of 1999, an increase of 61%. Revenues for the quarter ended June 30, 2000 increased to \$392.2 million as compared to \$351.4 million for the same quarter of the prior year. The 11.6% increase in revenues was primarily driven by growth in same store revenues. Same store revenues (revenues earned in stores operated for the entirety of both periods) during the second quarter of 2000 increased 12.2% above the comparable quarter of 1999. The Company's quarterly growth in net earnings resulted from the overall increase in revenues and the leveraging of expenses in its same store base.

Net earnings for the six months ended June 30, 2000, excluding the one-time gain, were \$43.8 million compared with \$25.9 million in the six months ended June 30, 1999, representing a 69% increase. Diluted earnings per share for the six months ended June 30, 2000, excluding the one-time gain, increased 67% to \$1.27, compared with net earnings of \$0.76 per diluted share for the six months ended June 30, 1999. Total revenues for the six months ended June 30, 2000 increased to \$784.8 million from \$696.1 million in 1999, representing an increase of 12.7%. Same store revenues for the six month period ending June 30, 2000 were 13.3%.

During 2000, the Company received a reimbursement of \$22.4 million from the settlement fund related to three class action lawsuits in the state of New Jersey which it settled in December 1998. Accordingly, the Company recorded a one-time gain of \$22.4 million to reflect this reimbursement. Including the reimbursement in the results for the three months ended June 30, 2000 discussed above, the Company's net earnings would increase by \$11.8 million and its earnings per diluted share for the same period would increase by \$0.34 to \$1.00. Including the reimbursement in the results for the six months ended June 30, 2000 discussed above, the Company's net earnings would increase by \$11.8 million and its earnings per diluted share for the same period would increase by \$0.35 to \$1.62.

"Our results for the second quarter of 2000 are outstanding," commented J. Ernest Talley, the Company's Chairman and Chief Executive Officer. "We will continue to focus on improving our core-store operations through margin enhancement, while aggressively pursuing store growth initiatives." Over the last five months, the Company has acquired 54 stores in eight separate transactions.

The Company has recently unveiled its new store initiatives program at a Regional Directors meeting in Dallas. "We have specifically targeted over 200 sites we feel are prime locations for new store openings," commented Talley. "The Company will be working diligently over the next few months to open our doors to new customers in at least 40-50 of these new locations. We intend to open a handful of new store locations in the third quarter of this year with the majority of the 40-50 coming in the fourth quarter," Talley continued. "Between strategic acquisitions and our new store initiatives, I am confident that we will achieve our goal of adding between 100-150 new locations by the end of this year, with continued focus of adding 10%-15% per year to our store base in 2001 and beyond."

The Company also announced that effective August 1, 2000, Mitchell E. Fadel, currently President and Chief Executive Officer of ColorTyme, Inc. (a wholly owned subsidiary of Rent-A-Center, Inc. that is a national franchisor of 358 rent-to-own stores), will become the President of Rent-A-Center, Inc.

"In order to position the Company to achieve our growth plans, we thought it was important to broaden the depth of our management team," Talley said. "Mitch has an excellent track record of over seventeen years of experience in the rent-to-own industry beginning with Rent-A-Center when it was less than 50 stores and currently with ColorTyme. Mitch was an integral force in driving the dynamic early growth of Rent-A-Center and, most recently, with the expansion phase of ColorTyme. Dowell Arnette will become an Executive Vice President focused full time on new store growth. Combining the many years of experience that these two gentlemen have in the rent-to-own industry puts us in a position to achieve our growth plans."

"Rent-A-Center is an exciting opportunity because it has a strong operating organization and significant growth opportunities," Fadel said. "I'm very much looking forward to adding my experience to the fine management team already in place."

"ColorTyme will continue its growth under the direction of Steve Arendt, who will be promoted from their Chief Operating Officer to President and CEO, also effective August 1st," Talley said.

Rent-A-Center will host a conference call to discuss the second quarter financial results on Tuesday morning at 10:45 a.m. EDT. For a live webcast of the call, visit <http://www.rentacenter.com/CompanyInfo/CompanyInfo.html>. The webcast will be archived for a period of two weeks.

Rent-A-Center, Inc., headquartered in Plano, Texas, currently operates 2,111 rent-to-own stores in 50 states, Washington, D.C. and Puerto Rico, offering high-quality, durable goods such as consumer electronics, appliances, computers, furniture and accessories to consumers under flexible

rental purchase arrangements 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 358 rent-to-own stores, 346 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 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," "estimate," "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 risks detailed from time to time in the Company's SEC reports, including its annual report Form 10-K for the year ended December 31, 1999, its quarterly report on Form 10-Q for the three months ended March 31, 2000, its quarterly report on Form 10-Q for the six months ended June 30, 2000, and its quarterly report on Form 10-Q for the nine months ended September 30, 2000. 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 requested 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 report or to reflect the occurrence of unanticipated events.

Contacts for Rent-A-Center, Inc.:

Mark Speese, Chief Executive Officer
Chairman of the Board
(972) 801-1199
mspeese@racenter.com

Mitchell E. Fadel, President
(972) 801-1114
mfadel@racenter.com

Robert D. Davis, Chief Financial Officer
(972) 801-1204
rdavis@racenter.com