



Rent-A-Center, Inc. Prepays Its Outstanding Multidraw Term Loan - Operating Cash Flow Is Strong

August 3, 2000

Plano, Texas, August 03, 2000. - Rent-A-Center, Inc. (NASDAQ/NNM:RCII), the largest rent-to-own operator in the country, announced today that it has prepaid \$47.8 million outstanding under its multi-draw facility. This term loan would have had sixteen, equal quarterly amortization payments beginning December 31, 2000. The cash required to make the optional payment was generated from strong cash flow from operations over the last several weeks and proceeds of approximately \$34 million received from the refinancing of the Company's bank debt in June of this year.

Chairman and CEO, J. Ernest Talley commented, "The strong operating cash flow we have generated over the last several weeks and our expectation for that strength to continue in the near future have allowed us the flexibility to reduce our outstanding debt. This payment will in no way limit our plans to grow our store base through openings and acquisitions. We remain confident that our growth plans can be funded through operations. Our revolving credit facility is currently undrawn and provides us access to additional capital."

Including this prepayment, the Company has reduced debt in fiscal 2000 by \$55.1 million, while acquiring 58 stores for approximately \$36 million.

Rent-A-Center, headquartered in Plano, Texas, currently operates 2,111 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 357 rent-to-own stores, 345 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.

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