



## **Rent-A-Center, Inc. Issues Statement Regarding Engaged Capital's Letter and Press Release**

February 14, 2017

### *Highlights Board and Management Team's Commitment to Value Creation*

PLANO, Texas--(BUSINESS WIRE)--Feb. 14, 2017-- Rent-A-Center, Inc. (NASDAQ/NGS: RCII) ("Rent-A-Center" or the "Company"), the nation's largest rent-to-own operator, today issued the following statement regarding the letter and press release issued by Engaged Capital, LLC ("Engaged Capital"):

Rent-A-Center welcomes and values the opinions of all of its stockholders and is open to constructive ideas that may enhance long-term stockholder value. In this regard, since learning of Engaged Capital's ownership position, members of the Company's Board and senior management team have had several discussions with representatives of Engaged Capital in an effort to better understand their views. The Company noted that the suggestions in Engaged Capital's letter are consistent with the topics discussed during several private conversations held with the Company. Rent-A-Center remains focused on driving long-term value for all stockholders and hopes to maintain a constructive dialogue with all stockholders, including Engaged Capital. Rent-A-Center's Board of Directors and management team are committed to acting in the best interests of all stockholders. The Board takes its fiduciary responsibilities to stockholders seriously and always considers and evaluates opportunities to drive enhanced value.

### **Taking Decisive and Immediate Action to Drive Improvements at Rent-A-Center**

Rent-A-Center remains focused on strengthening our Core business while continuing to build upon AcceptanceNOW's recent success with new pilots and wins. We will continue to review strategic priorities and opportunities in both businesses to enhance value.

In order to position the Company for long-term growth and profitability, the Board and management team are taking important steps to drive operational improvements, including:

- Achieving an optimal product mix by shifting to a higher concentration of the higher-end, aspirational products that our customers want, and which have always helped make Rent-A-Center a leader in the rent-to-own industry;
- Providing a better value proposition and being more customer centric, which will help us extend average rental time, translating to happier, more loyal customers that return to us in the future;
- Stabilizing our workforce by adding back a full-time co-worker to most of our stores, as we believe that investing in the frontline will improve customer satisfaction and business results;
- Utilizing technology investments and new capabilities to enable or accelerate business strategies and find innovative, engaging ways to better serve customers; and
- Implementing a streamlined collection process and enhancing customer service through employee training to reduce delinquencies and collection times.

We are confident that these decisive actions, along with our recent management changes and headcount reduction, will help correct the current trajectory of the Company, driving revenue growth and profitability and delivering enhanced value for our stockholders.

### **Focused on Driving Value Over the Long Term**

In addition to these near-term operational initiatives, the Board and management team are committed to taking aggressive actions over the longer term and are evaluating a number of cost-saving and revenue-driving opportunities to further enhance stockholder value. We expect to share these strategic plans in the near term and are confident the actions we are taking will position the Company as a stronger, more competitive and profitable organization.

### **Board Actively Engaged and Acting in the Best Interests of All Stockholders**

Rent-A-Center has a diverse, experienced Board of Directors that is committed to acting in the best interests of the Company and all stockholders. Rent-A-Center's Board includes seven highly qualified directors, a majority of whom are independent, and all of whom are actively engaged with strong retail, finance, marketing, technology, strategic planning and C-suite expertise critical to Rent-A-Center's business. The Board is committed to taking decisive actions on behalf of stockholders and recently implemented a management change, appointing Mark E. Speese, the Company's founder and former Chief Executive Officer, to serve as Interim CEO. The Board of Directors is currently conducting a search process to find a highly-qualified, permanent successor to Mr. Speese as well as a permanent CFO while the Company improves its operations.

The Board listens and takes the constructive suggestions from all of its stockholders seriously, regularly reviews the Company's portfolio, strategy and structure, and intends to review Engaged Capital's suggestions as it does all other suggestions that could potentially enhance value for stockholders.

Rent-A-Center's Board will continue to evaluate opportunities to enhance stockholder value and is committed to pursuing the right course of action for all Rent-A-Center stockholders.

#### **About Rent-A-Center, Inc.**

A rent-to-own industry leader, Plano, Texas-based, Rent-A-Center, Inc., is focused on improving the quality of life for its customers by providing them the opportunity to obtain ownership of high-quality, durable products such as consumer electronics, appliances, computers, furniture and accessories, under flexible rental purchase agreements with no long-term obligation. The Company owns and operates approximately 2,600 stores in the United States, Mexico, Canada and Puerto Rico, and approximately 1,870 Acceptance Now kiosk locations in the United States and Puerto Rico. Rent-A-Center Franchising International, Inc., a wholly owned subsidiary of the Company, is a national franchiser of approximately 230 rent-to-own stores operating under the trade names of "Rent-A-Center," "ColorTyme," and "RimTyme."

#### **Forward-Looking Statements**

*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. The Company believes that the expectations reflected in such forward-looking statements are accurate. However, there can be no assurance that such expectations will occur. The Company's actual future performance could differ materially from such statements. Factors that could cause or contribute to such differences include, but are not limited to: the general strength of the economy and other economic conditions affecting consumer preferences and spending; factors affecting the disposable income available to the Company's current and potential customers; changes in the unemployment rate; difficulties encountered in improving the financial and operational performance of the Company's business segments; our chief executive officer and chief financial officer transitions, including our ability to effectively operate and execute our strategies during the interim period and difficulties or delays in identifying and attracting a permanent chief executive officer and chief financial officer, each with the required level of experience and expertise; failure to manage the Company's store labor (including overtime pay) and other store expenses; the Company's ability to develop and successfully execute strategic initiatives; disruptions caused by the implementation and operation of the Company's new store information management system, including capacity-related outages; the Company's ability to successfully market smartphones and related services to its customers; the Company's ability to develop and successfully implement virtual or e-commerce capabilities; failure to achieve the anticipated profitability enhancements from the changes to the 90 day option pricing program and the development of dedicated commercial sales capabilities; disruptions in the Company's supply chain; limitations of, or disruptions in, the Company's distribution network; rapid inflation or deflation in the prices of the Company's products; the Company's ability to execute and the effectiveness of a store consolidation, including the Company's ability to retain the revenue from customer accounts merged into another store location as a result of a store consolidation; the Company's available cash flow; the Company's ability to identify and successfully market products and services that appeal to its customer demographic; consumer preferences and perceptions of the Company's brand; uncertainties regarding the ability to open new locations; the Company's ability to acquire additional stores or customer accounts on favorable terms; the Company's ability to control costs and increase profitability; the Company's ability to retain the revenue associated with acquired customer accounts and enhance the performance of acquired stores; the Company's ability to enter into new and collect on its rental or lease purchase agreements; the passage of legislation adversely affecting the rent-to-own industry; the Company's compliance with applicable statutes or regulations governing its transactions; changes in interest rates; adverse changes in the economic conditions of the industries, countries or markets that the Company serves; information technology and data security costs; the impact of any breaches in data security or other disturbances to the Company's information technology and other networks and the Company's ability to protect the integrity and security of individually identifiable data of its customers and employees; changes in the Company's stock price, the number of shares of common stock that it may or may not repurchase, and future dividends, if any; changes in estimates relating to self-insurance liabilities and income tax and litigation reserves; changes in the Company's effective tax rate; fluctuations in foreign currency exchange rates; the Company's ability to maintain an effective system of internal controls; the resolution of the Company's litigation; and the other risks detailed from time to time in the Company's SEC reports, including but not limited to, its Annual Report on Form 10-K for the year ended December 31, 2015, and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016, and September 30, 2016. 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 hereof or to reflect the occurrence of unanticipated events.*

View source version on businesswire.com: <http://www.businesswire.com/news/home/20170214006214/en/>

Source: Rent-A-Center, Inc.

#### **Rent-A-Center, Inc.:**

##### **Investors:**

Maureen Short  
Interim Chief Financial Officer  
972-801-1899  
[maureen.short@rentacenter.com](mailto:maureen.short@rentacenter.com)

or

##### **Media:**

Joelle Frank, Wilkinson Brimmer Katcher  
Kelly Sullivan, Jim Golden, Matt Gross, Aura Reinhard  
212-355-4449