Rent-A-Center, Inc. Announces Increased EPS Guidance for First Quarter And Fiscal 2002; Settlement in Principle of All Class Action Gender Litigation

March 7, 2002

PLANO, Texas, Mar 7, 2002 -- Rent-A-Center, Inc. (Nasdaq: RCII) (the "Company") announced today that it raised its guidance for first quarter 2002 diluted earnings per share to between $1.00 and $1.05, over 10% higher than its earlier guidance of $0.90 to $0.93. This increase is primarily a result of higher than anticipated revenues as demand for the Company's products and services continues to remain strong. Approximately one-half of the increase over previous guidance is attributable to more customers purchasing merchandise and exercising the early purchase option. "Historically, we have seen greater cash sales and more frequent exercises of early purchase options in the first quarter of the year as our customers receive their income tax refunds," Mitchell E. Fadel, President of the Company, commented. "However, although the quarter is not complete, it appears that there will be more of these sales than we anticipated." The Company also raised the guidance range for Fiscal 2002 diluted earnings per share by $0.20, from $3.60 - $3.70 to $3.80 - $3.90.

The Company also announced it has reached an agreement in principle to resolve all of its class action gender discrimination lawsuits. Under the terms of the proposed settlement, the Company, while not admitting liability, would pay an aggregate of $47 million to approximately 5,300 female employees and a yet to be determined number of female applicants who were employed by or applied for employment with the Company for a period commencing no later than April 19, 1998 through the future date of the notice to the applicable class. The $47 million includes the $12.25 million previously announced in connection with the Bunch case, pending in federal court in Kansas City, Missouri. On an after-tax basis, the settlement will require a payment of approximately $29 million, likely to occur in the second half of 2002. The Company will make this payment from cash on hand.

As previously reported, the Company recorded a $16 million charge in the third quarter of 2001 in conjunction with the previously announced Bunch settlement. As a result of the settlement announced today, after giving effect to third-party administrative costs, legal expenses and other related costs, the Company has increased the pre-tax charge for these lawsuits by $36 million. The after-tax effect of the additional amounts included in the settlement is a non-recurring charge of approximately $22.3 million, or $0.60 per diluted share, and will be recorded in the annual financial results of the Company for 2001.

Mark E. Speese, the Company's Chairman of the Board and Chief Executive Officer said, "this settlement will allow us to put this litigation behind us so that we may continue to focus on realizing the profitability plan that we began when I returned to the Company in October of 2001." Mr. Speese added that, "the Company does not tolerate discrimination of any kind. However, because of the uncertainty of this type of litigation, like most companies facing this situation, we felt it was in our best interest to settle these matters."

The settlement also includes the Company taking certain steps to improve opportunities for women, including the upgrading of the Company's human resource procedures. Mr. Fadel added that "we strongly believe that a diverse workforce free of discrimination creates the best and most profitable company. We endorse the procedures recommended by the EEOC and plaintiff's counsel, many of which have previously been initiated."

The lawsuits include Claudine Wilfong et al., and the Equal Employment Opportunity Commission v. Rent-A-Center, Inc., pending in federal court in East St. Louis, Illinois and Equal Employment Opportunity Commission v. Rent- A-Center, Inc., pending in federal court in Memphis, Tennessee. Each of these lawsuits assert various claims of gender discrimination and other gender based claims. The East St. Louis case involves a nationwide class action, while the Memphis case involves a class action in Tennessee and Arkansas. Any member of the proposed class who does not wish to participate in the settlement may elect to opt out of the settlement, subject to the Company's right to terminate the settlement in certain circumstances, including in the event that more than sixty class members elect to do so. The agreement in principle contemplates that the Bunch case would be dismissed once the settlement of the Wilfong case becomes final. The terms of the proposed settlement are subject to the parties entering into a definitive settlement agreement and court approval. In connection with these developments in Wilfong, the court in Bunch, at the parties' request, has stayed the proceedings in Bunch, including postponement of the fairness hearing on the Bunch settlement previously scheduled for March 6, 2002.

Rent-A-Center, headquartered in Plano, Texas currently operates 2,286 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 338 rent-to-own stores, 326 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," "could", 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, (i) one or more parties filing an objection to the settlement, (ii) more than 60 members of the class opt out of the settlement, (iii) the court hearing the case could refuse to approve the settlements or could require changes to the settlement that are unacceptable to the Company or the plaintiffs, and (iv) the other 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, 2000 and its Quarterly Reports on Form 10-Q for the three months, six months and nine months ended March 31, June 30, and September 30, 2001. You are cautioned not to place 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 events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

SOURCE Rent-A-Center, Inc.

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