



Rent-A-Center, Inc. Reports Fourth Quarter and Year End 2001 Results

February 11, 2002

PLANO, Texas, Feb 11, 2002 Fourth Quarter Same Stores Sales Increase 9.7% Rent-A-Center, Inc. (Nasdaq: RCII) (the "Company") today announced revenues and net earnings for the quarter and year ended December 31, 2001.

Total revenues for the quarter ended December 31, 2001 were \$479.0 million as compared to \$411.9 million for the same quarter of the prior year, an increase of 16.3%. Net earnings rose to \$26.0 million in the fourth quarter of 2001 from \$23.6 million during the fourth quarter of 2000, an increase of 10.2%. Diluted earnings per share for the quarter ended December 31, 2001 totaled \$0.70 as compared to \$0.67 for the same quarter of the prior year, representing a 4.5% increase. The Company's quarterly growth in revenues and net earnings was primarily driven by strong growth in same store revenues and the initial success of the Company's efforts to control expenses and improve store operating margins. Same store revenues (revenues earned in stores operated for the entirety of both periods) during the fourth quarter of 2001 increased 9.7% above the comparable quarter of 2000.

"We are very pleased with our results during the fourth quarter, especially given where we began in early October," commented Mark E. Speese, the Company's Chairman and Chief Executive Officer. "We were able to make significant improvements relatively quickly which are evidenced by our improved operating results in the fourth quarter allowing us to report earnings per share on the high side of our revised guidance range." Speese added, "Our demand continues to be strong, and we believe our ability to capitalize on this demand while controlling costs will lead to margin enhancement in the coming year."

Excluding the one-time gain in 2000 and the one-time charge in 2001 as discussed below, net earnings for the twelve months ended December 31, 2001 were \$97.5 million compared with \$91.2 million for the twelve months ended December 31, 2000, representing an increase of 6.9%. Diluted earnings per share, excluding the one-time charge in 2001, rose to \$2.63 for the twelve months ended December 31, 2001 compared with earnings of \$2.62 per diluted share for the twelve months ended December 31, 2000, when excluding the one-time gain. Total revenues for the twelve months ended December 31, 2001 increased to \$1.809 billion from \$1.602 billion in 2000, representing an increase of 12.9%. Same store revenues for the twelve-month period ended December 31, 2001 increased 8.0%.

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 during the second quarter of 2000 of \$22.4 million to reflect this settlement. The after-tax effect of the reimbursement in the results for the twelve months ended December 31, 2000 increases the Company's net earnings per diluted share by \$0.34.

During the third quarter of 2001, the Company recorded a one-time, non-recurring pre-tax charge of \$16.0 million as a result of the agreement in principal for the settlement of Margaret Bunch, et al v. Rent-A-Center, Inc., a lawsuit pending in federal court in Kansas City, Missouri, asserting various claims of gender discrimination and other gender based claims on behalf of a nationwide class. The settlement is subject to court approval. The after-tax effect of the charge in the results for the twelve months ended December 31, 2001 decreases the Company's net earnings per diluted share by \$0.24.

In the fourth quarter of 2001, the Company opened 15 new locations and acquired an additional four stores. The Company has opened four new stores during the first quarter of 2002 and intends to open 60 to 80 new stores during 2002, as well as pursue opportunistic acquisitions. The Company believes this growth can be funded with internally generated cash flow. During the year ended December 31, 2001, the Company generated \$175.7 million in cash flow from operations. This enabled the Company to reduce total debt outstanding by \$38.1 million, fund the growth of an additional 123 stores and repurchase \$25 million in common stock outstanding. The Company ended the year with approximately \$108 million of cash on hand.

"We have experienced strong cash flow all year long, but particularly in the fourth quarter of 2001, whereby we generated \$58.9 million in operating cash flow," stated Speese. "The renewed profit focus and expense control initiatives we have implemented over the last few months give us further comfort in our guidance," continued Speese, "and as we continue to realize the benefit of these initiatives, we believe it could lead to further upside on earnings."

Rent-A-Center will host a conference call to discuss the fourth quarter financial results and other business updates on Tuesday morning, February 12, 2002, at 10:45 a.m. EST. 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, headquartered in Plano, Texas currently operates 2,281 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 341 rent-to-own stores, 329 of which operate under the trade name of "ColorTyme," and the remaining 12 of which operate under the "Rent-A-Center" name.

The following statements are based on current expectations. These statements are forward-looking, and actual results may differ materially. These statements do not include the potential impact of store acquisitions that may be completed after December 31, 2001.

FIRST QUARTER 2002 GUIDANCE:

Revenues

- The Company expects total revenues to be in the range of \$475 million to \$483 million.
- Store rental and fee revenues are expected to be between \$431 million and \$438 million.
- Total store revenues are expected to be in the range of \$461 million to \$468 million.
- Same store sales increases are expected to be in the 4.0% to 6.0% range.
- The Company expects to open 5 to 10 new store locations.

Expenses

- The Company expects depreciation of rental merchandise to be between 20.8% and 21.0% of store rental and fee revenue and cost of goods merchandise sales to be between 65.0% and 75.0% of store merchandise sales.
- Store salaries and other expenses are expected to be in the range of 57.5% to 58.5% of total store revenue.
- General and administrative expenses are expected to be between 3.1% and 3.4% of total revenue.
- Interest expense is expected to be approximately \$15.0 million and amortization of intangibles is expected to be approximately \$0.5 million.
- The effective tax rate is expected to be approximately 40.5% of pre-tax income.
- Diluted earnings per share are estimated to be in the range of \$0.90 to \$0.93.
- Diluted shares outstanding are estimated to be between 36.0 million and 36.7 million.

FISCAL 2002 GUIDANCE:

Revenues

- The Company expects total revenues to be in the range of \$1.90 billion and \$1.95 billion.
- Store rental and fee revenues are expected to be between \$1.76 billion and \$1.79 billion.
- Total store revenues are expected to be in the range of \$1.85 billion and \$1.89 billion.
- Same store sales increases are expected to be in the 3% to 5% range.
- The Company expects to open approximately 60 to 80 new store locations.

Expenses

- The Company expects depreciation of rental merchandise to be between 20.7% and 21.0% of store rental and fee revenue and cost of goods merchandise sales to be between 75.0% and 85.0% of store merchandise sales.
- Store salaries and other expenses are expected to be in the range of 57.5% to 58.5% of total store revenue.
- General and administrative expenses are expected to be between 3.0% and 3.4% of total revenue.
- Interest expense is expected to be approximately \$60.0 million and amortization of intangibles is expected to be approximately \$2.0 million.
- The effective tax rate is expected to be approximately 40.5% of pre-tax income.
- Diluted earnings per share are estimated to be in the range of \$3.60 to \$3.70.
- Diluted shares outstanding are estimated to be between 36.8 million and 37.8 million.

This press release and the guidance above 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," "could," "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, 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 expense control initiatives; the Company's ability to realize benefits from its expense control 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, included but not limited to, its annual report on Form 10-K for the year ended December 31, 2000, its quarterly report on Form 10-Q/A for the quarter ended March 31, 2001, its quarterly report on Form 10-Q for the quarter ended June 30, 2001 and its quarterly report on Form 10-Q for the quarter ended September 30, 2001. 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. Contacts for Rent-A-Center, Inc:

Rent-A-Center, Inc. and Subsidiaries

STATEMENT OF EARNINGS HIGHLIGHTS

(In thousands of Dollars, except for per share data)

	Three Months Ended December 31,	
	2001	2000
	(Unaudited)	
Total Revenues	\$478,993	\$411,875
Operating Profit	59,089	60,557
Net Earnings	26,020	23,616
Diluted Earnings Per Common Share	0.70	0.67
EBITDA	\$76,685	\$76,245

	Twelve Months Ended December 31,			
	2001	2001	2000	2000
(In thousands of Dollars, except per share data)	Before Non-Recurring Charge	After Non-Recurring Charge	Before Non-Recurring Gain	After Non-Recurring Gain
Total Revenues	\$ 1,808,528	\$ 1,808,528	\$ 1,601,614	\$ 1,601,614
Operating Profit	236,586	220,586 (A)	244,630	267,013 (B)
Net Earnings	97,497	88,537 (A)	91,166	103,027 (B)
Diluted Earnings Per Common Share	2.63	2.39 (A)	2.62	2.96 (B)
EBITDA	\$304,690	\$288,690 (A)	\$306,077	\$328,460 (B)

(A) Including the effects of a pre-tax, non-recurring legal charge of \$16.0 million associated with the settlement in principle of an asserted class action lawsuit pending in federal court in the state of Missouri.

(B) Including the effects of a pre-tax, non-recurring legal reversion of \$22.4 million associated with the 1999 settlement of three class action lawsuits in the State of New Jersey.

DILUTED EARNINGS PER COMMON SHARE
BEFORE GOODWILL AMORTIZATION

	3 Months Ended December 31, 2001	12 Months Ended December 31, 2001	12 Months Ended December 31, 2001
(in thousands of Dollars, except per share data)		Before Non- Recurring Charge	After Non- Recurring Charge
Net Earnings	\$26,020	\$97,497	\$88,537 (A)
Goodwill Amortization Net of Tax Effects	6,167	24,892	24,892
Adjusted Net Earnings	\$32,187	\$122,389	\$113,429 (A)
Diluted Weighted Average Shares Outstanding	36,965	37,079	37,079
Diluted Earnings Per Share Before Goodwill Amortization	\$0.87	\$3.30	\$3.06 (A)

(A) Including the effects of a pre-tax, non-recurring legal charge of \$16.0 million associated with the settlement in principle of an asserted class action lawsuit pending in federal court in the state of Missouri.

Selected Balance Sheet Data: December 31, 2001 December 31, 2000
(in Thousands of Dollars)

Cash and cash equivalents	\$ 107,958	\$ 36,495
Prepaid expenses and other assets	29,846	31,805
Rental merchandise, net		
On rent	531,627	477,095
Held for rent	122,074	110,137
Total Assets	1,606,686	1,486,910
Senior debt	428,000	566,051
Subordinated notes payable, net	274,506	175,000
Total Liabilities	886,568	896,307
Preferred Stock	291,910	281,232
Stockholders' Equity	428,208	309,371

Rent-A-Center, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of Dollars, expect per share data)

	Three Months Ended 2001	December 31, 2000
Store Revenues		
Rentals and Fees	\$ 437,464	\$376,715
Merchandise Sales	22,293	17,260
Other	598	1,102
	460,355	395,077
Franchise Revenues		
Franchise Merchandise Sales	17,238	15,414
Royalty Income and Fees	1,400	1,384
Total Revenues	478,993	411,875
Operating Expenses		
Direct Store Expenses		

Depreciation of Rental Merchandise	91,911	76,753
Cost of Merchandise Sold	18,363	13,588
Salaries and Other Expenses	270,826	227,193
Franchise Operation Expenses		
Cost of Franchise Merchandise Sales	16,430	14,675
	397,530	332,209
General and Administrative Expenses	14,582	11,904
Amortization of Intangibles	7,792	7,205
Total Operating Expenses	419,904	351,318
Operating Profit	59,089	60,557
Interest Expense	13,659	18,040
Interest Income	(224)	(612)
Earnings Before Income Taxes	45,654	43,129
Income Tax Expense	19,634	19,513
NET EARNINGS	26,020	23,616
Preferred Dividends	3,321	2,656
NET EARNINGS ALLOCABLE TO COMMON STOCKHOLDERS	\$22,699	\$20,960
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING	26,087	24,688
BASIC EARNINGS PER COMMON SHARE	\$ 0.87	\$ 0.85
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	36,965	35,352
DILUTED EARNINGS PER COMMON SHARE	\$ 0.70	\$ 0.67

Rent-A-Center, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of Dollars, expect per share data)

	Year Ended December 31,	
	2001	2000
Store Revenues		
Rentals and Fees	\$1,650,851	\$1,459,664
Merchandise Sales	94,733	81,166
Other	3,476	3,018
	1,749,060	1,543,848
Franchise Revenues		
Franchise Merchandise Sales	53,584	51,769
Royalty Income and Fees	5,884	5,997
Total Revenues	1,808,528	1,601,614
Operating Expenses		
Direct Store Expenses		
Depreciation of Rental Merchandise	343,197	299,298
Cost of Merchandise Sold	72,539	65,332
Salaries and Other Expenses	1,019,402	866,234
Franchise Operation Expenses		

Cost of Franchise Merchandise Sales	51,251	49,724
	1,486,389	1,280,588
General and Administrative Expenses	55,359	48,093
Amortization of Intangibles	30,194	28,303
Non-Recurring Legal Items	16,000	(22,383)
Total Operating Expenses	1,587,942	1,334,601
Operating Profit	220,586	267,013
Interest Expense	60,874	74,324
Interest Income	(1,094)	(1,706)
Earnings Before Income Taxes	160,806	194,395
Income Tax Expense	72,269	91,368
NET EARNINGS	88,537	103,027
Preferred Dividends	15,408	10,420
NET EARNINGS ALLOCABLE TO COMMON STOCKHOLDERS	\$73,129	\$92,607
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING	25,846	24,407
BASIC EARNINGS PER COMMON SHARE	\$ 2.83	\$ 3.79
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	37,079	34,812
DILUTED EARNINGS PER COMMON SHARE	\$ 2.39	\$ 2.96

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