



## Rent-A-Center Announces Conversion of Series A Preferred Stock

August 6, 2002

PLANO, Texas, Aug 6, 2002 /PRNewswire-FirstCall via COMTEX/ -- Rent-A-Center, Inc. (Nasdaq: RCII) (the "Company") today announced that affiliates of Apollo Advisors IV, L.P. and Bear, Stearns & Co. Inc. converted all but two of the shares of the Company's Series A preferred stock held by them into approximately 7,281,548 shares of the Company's common stock as of the close of business yesterday, the first date on which the Series A preferred stock could be optionally redeemed by the Company.

"The conversion of the Series A preferred stock is a positive development for the Company," commented Mark E. Speese, the Company's Chairman of the Board and Chief Executive Officer. "As a result, dividends on our preferred stock have been substantially eliminated."

To date, the Company has paid dividends on its Series A preferred stock with additional shares of Series A preferred stock. The Company accounts for dividends paid in-kind on its Series A preferred stock at the greater of the stated value or the value of the common stock obtainable upon conversion on the payment date. Accordingly, as a result of the conversion and assuming yesterday's closing price of its common stock of \$48.13 per share, preferred dividends for the third and fourth quarters of fiscal year 2002 would be reduced by approximately \$2.0 million and \$3.3 million, respectively.

Rent-A-Center, Inc., headquartered in Plano, Texas, currently operates 2,340 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 franchiser of 326 rent-to-own stores, 314 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 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. 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 margin enhancement initiatives; the Company's ability to realize benefits from its margin enhancement 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; changes in the Company's stock price; and the other risks detailed from time to time in the Company's SEC filings, including but not limited to, its annual report on Form 10-K for the year ended December 31, 2001 and its quarterly report on Form 10-Q for the three month period ending March 31, 2002. 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.

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### SOURCE Rent-A-Center, Inc.

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