



## **Rent-A-Center, Inc. Refinances a Portion of Its Existing Bank Debt to Expand Growth Capital**

June 29, 2000

PLANO, Texas, June 29 /PRNewswire/ -- Rent-A-Center, Inc. (Nasdaq: RCII - news), the largest rent-to-own operator in the country, announced today that it has refinanced a portion of its existing bank credit facility. Through a syndicated bank offering led by Chase Securities, Inc., the Company was provided a \$125 million bank facility. Under the new bank facility, no significant mandatory amortization is required until the loan comes due in 2007. Approximately \$89 million of the proceeds are being used to repay the Term A tranche of the Company's existing bank credit facility. The Term A tranche was an amortizing term loan with a remaining average maturity of approximately three years.

Robert D. Davis, the Company's Chief Financial Officer, stated "This new bank facility has significantly curtailed our mandatory debt payments for the next several years. During this time, we will be able to more efficiently deploy our capital enabling us to fund our store expansion plans through internally generated cashflow."

"The actions announced today reinforce our previously articulated growth strategy" commented Chairman and CEO J. Ernest Talley. "We believe there are tremendous opportunities to expand our presence in the rent-to-own industry. We are very excited about our growth plans and have been working over the past few months to develop an acquisition pipeline, as well as target specific sites for new store locations. As we progress through the remainder of this year, we believe that we will be able to complete our goal of adding 100 to 150 stores to our store base in 2000. We believe the refinancing today will enable us to achieve this goal in a capital efficient manner."

As part of its growth strategy during the second quarter of 2000, the Company purchased 28 stores in three separate transactions. Of these stores, 16 were purchased in Maine, a state where the Company previously had no store operations. The Company expects that the cumulative effect of these acquisitions will be accretive to earnings in fiscal 2000.

Rent-A-Center, headquartered in Plano, Texas, currently operates 2,092 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 346 rent-to-own stores, 334 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 and Form 10-Q for the three months ended March 31, 2000, the Company's ability to find locations that meet the Company's criteria for new store locations, and the Company's ability to locate existing stores that the Company could acquire under acceptable terms. There is no assurance that the Company will be able to find such locations or existing stores, or that it would be able to open or acquire such stores. 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.