



Rent-A-Center, Inc. Reports Record Fourth Quarter And Year End 2000 Results

February 6, 2001

Plano, Texas, February 06, 2001. - Rent-A-Center, Inc. (the "Company") (NASDAQ/NNM:RCII) today announced record revenues and net earnings for the quarter and year ended December 31, 2000.

Total revenues for the quarter ended December 31, 2000 were \$411.9 million as compared to \$370.6 million for the same quarter of the prior year, an increase of 11.1%. Net earnings rose to \$23.6 million in the fourth quarter of 2000 from \$17.8 million during the fourth quarter of 1999, an increase of 32.4%. Diluted earnings per share for the quarter ended December 31, 2000 totaled \$0.67 as compared to \$0.52 for the same quarter of the prior year, representing a 28.8% increase. The Company's quarterly growth in revenues and net earnings was primarily driven by strong growth in same store revenues. Same store revenues (revenues earned in stores operated for the entirety of both periods) during the fourth quarter of 2000 increased 9.2% above the comparable quarter of 1999.

Excluding the one-time gain discussed below, net earnings for the twelve months ended December 31, 2000 were \$91.2 million compared with \$59.4 million for the twelve months ended December 31, 1999, representing an increase of 53.6%. Diluted earnings per share, excluding the one-time gain, rose to \$2.62 for the twelve months ended December 31, 2000 compared with earnings of \$1.74 per diluted share for the twelve months ended December 31, 1999, an increase of 50.6%. Total revenues for the twelve months ended December 31, 2000 increased to \$1.602 billion from \$1.417 billion in 1999, representing an increase of 13.0%. Same store revenues for the twelve month period ended December 31, 2000 increased 12.1%.

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.

In the fourth quarter of 2000, the Company opened 33 new locations and acquired an additional 10 stores. The Company has opened an additional 14 new stores during the current quarter and plans to add approximately 10%-15% to its store base during 2001. This growth can be funded with internally generated cash flow. During the year ended December 31, 2000, the Company generated \$191.6 million in cash flow from operations and was able to reduce its outstanding debt balance by more than \$106.1 million, with \$50.0 million in debt reduction occurring in the fourth quarter alone.

"We had an outstanding year, finished 2000 with good momentum and have started the new year strong as well," commented J. E. Talley, the Company's Chairman and Chief Executive Officer. "I am extremely pleased with our ability to grow our revenues in what appears to be a softening economy. Whereas traditional retailers seem to be struggling, our demand continues to be strong," continued Talley. "This bodes well for our business and our focus on continued growth."

Rent-A-Center, headquartered in Plano, Texas, currently operates 2,171 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 364 rent-to-own stores, 352 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, its quarterly report on Form 10-Q for the three months ended March 31, 2000, its quarterly report on Form 10-Q for the six months ended June 30, 2000, and its quarterly report on Form 10-Q for the nine months ended September 30, 2000. 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.

Contacts for Rent-A-Center, Inc.:

Mark Speese, Chief Executive Officer
Chairman of the Board
(972) 801-1199
mspeese@racenter.com

Mitchell E. Fadel, President
(972) 801-1114
mfadel@rcenter.com

Robert D. Davis, Chief Financial Officer
(972) 801-1204
rdavis@rcenter.com