Rent-A-Center, Inc. Reports First Quarter 2006 Results; Reported Diluted Earnings per Share of $0.57; Same Store Sales Increase 1.8%; Cash Flow from Operations Exceeds $61.1 Million

April 24, 2006

PLANO, Texas, Apr 24, 2006 (BUSINESS WIRE) -- Rent-A-Center, Inc. (the "Company") (Nasdaq:RCII), the nation's largest rent-to-own operator, today announced revenues and net earnings for the quarter ended March 31, 2006.

First Quarter 2006 Results

The Company reported total revenues for the quarter ended March 31, 2006 of $607.0 million, a $5.2 million increase from $601.8 million for the same period in the prior year. This increase of 0.9% in revenues was primarily driven by a 1.8% increase in same store sales plus an increase in incremental revenues generated in new and acquired stores, offset by an overall lower average store base as a result of the Company's previously announced store restructuring plan substantially completed in 2005 as well as stores closed due to hurricane damage.

Net earnings for the quarter ended March 31, 2006 were $40.3 million, or $0.57 per diluted share, representing an increase of 1.8% from the $0.56 per diluted share, or net earnings of $42.7 million for the same period in the prior year, when excluding the litigation reversion credit discussed below. The increase in net earnings per diluted share is primarily attributable to the increase in same store sales as well as the reduction in the number of the Company's outstanding shares offset by increases in normal operating costs, such as utility and fuel costs, and expenses related to stock options. When including the litigation reversion credit discussed below, net earnings per diluted share for the quarter decreased 9.5% from the $0.63 per diluted share, or reported net earnings of $47.7 million for the same period in the prior year.

"Our reported first quarter earnings per share exceeded our previous guidance, primarily as a result of higher than anticipated revenue," commented Mark E. Speese, the Company's Chairman and Chief Executive Officer. "Our same store sales increased 1.8% for the quarter, which is primarily related to changes in our promotional activities as well as a slight increase in customer traffic," Speese continued. "We believe that relatively stable utility and fuel costs during the quarter contributed to this slight increase in customer traffic. However, notwithstanding our better than expected first quarter results, we are not increasing our fiscal 2006 guidance at this time, due primarily to concerns regarding rising fuel prices and its potential impact on customer demand as well as our operating costs," Speese stated.

Through the three month period ended March 31, 2006, the Company generated cash flow from operations of approximately $61.1 million, while ending the quarter with $45.9 million of cash on hand. During the three month period ended March 31, 2006, the Company repurchased 202,800 shares of its common stock for $4.7 million in cash under its common stock repurchase program and has utilized a total of $360.8 million of the $400 million authorized by its Board of Directors since the inception of the program.

Operations Highlights

During the first quarter of 2006, the Company opened 10 new rent-to-own store locations, acquired two stores as well as accounts from five additional locations, consolidated 14 stores into existing locations and sold three stores, for a net reduction of five stores since December 31, 2005. In addition, during the first quarter of 2006, the Company added financial services to 17 existing rent-to-own store locations, consolidated one store with financial services into an existing location and ended the first quarter of 2006 with a total of 56 stores providing these services.

2005 Litigation Reversion Credit

During the first quarter of 2005, the Company recorded an $8.0 million pre-tax credit associated with the settlement of the Griego/Carrillo litigation. This pre-tax credit increased diluted earnings per share in the first quarter of 2005 by $0.07.

Rent-A-Center will host a conference call to discuss the first quarter results on Tuesday morning, April 25, 2006, at 10:45 a.m. EST. For a live webcast of the call, visit http://investor.rentacenter.com. Certain financial and other statistical information that will be discussed during the conference call will also be provided on the same website.

Rent-A-Center, Inc., headquartered in Plano, Texas, currently operates 2,751 company-owned stores nationwide and in Canada and Puerto Rico. The stores generally offer high-quality, durable goods such as major consumer electronics, appliances, computers and furniture and accessories under flexible rental purchase agreements that generally 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 297 rent-to-own stores, eight of which operate under the trade name of "ColorTyme," and the remaining eight 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 any repurchases of common stock the Company may make or the potential impact of acquisitions that may be completed after April 24, 2006.

SECOND QUARTER 2006 GUIDANCE:

Revenues

- The Company expects total revenues to be in the range of $578 million to $586 million.
- Store rental and fee revenues are expected to be between $523 million and $529 million.
- Total store revenues are expected to be in the range of $569 million to $577 million.
- Same store sales are expected to be in the flat to 1.0% range.
- The Company expects to open 5-15 new rent-to-own store locations.
- The Company expects to add financial services to 30-40 rent-to-own store locations.

Expenses