



Investor Presentation

Third Quarter 2007



Key Investment Rationale

- Leading rent-to-own operator in the U.S.
- Proven business model
- Experienced management team
- Financially solid
 - Strong cash flow generation
 - Sound balance sheet and strong credit statistics
- Continue execution in our core rent-to-own business
- Growth opportunity adding financial services within our existing store locations

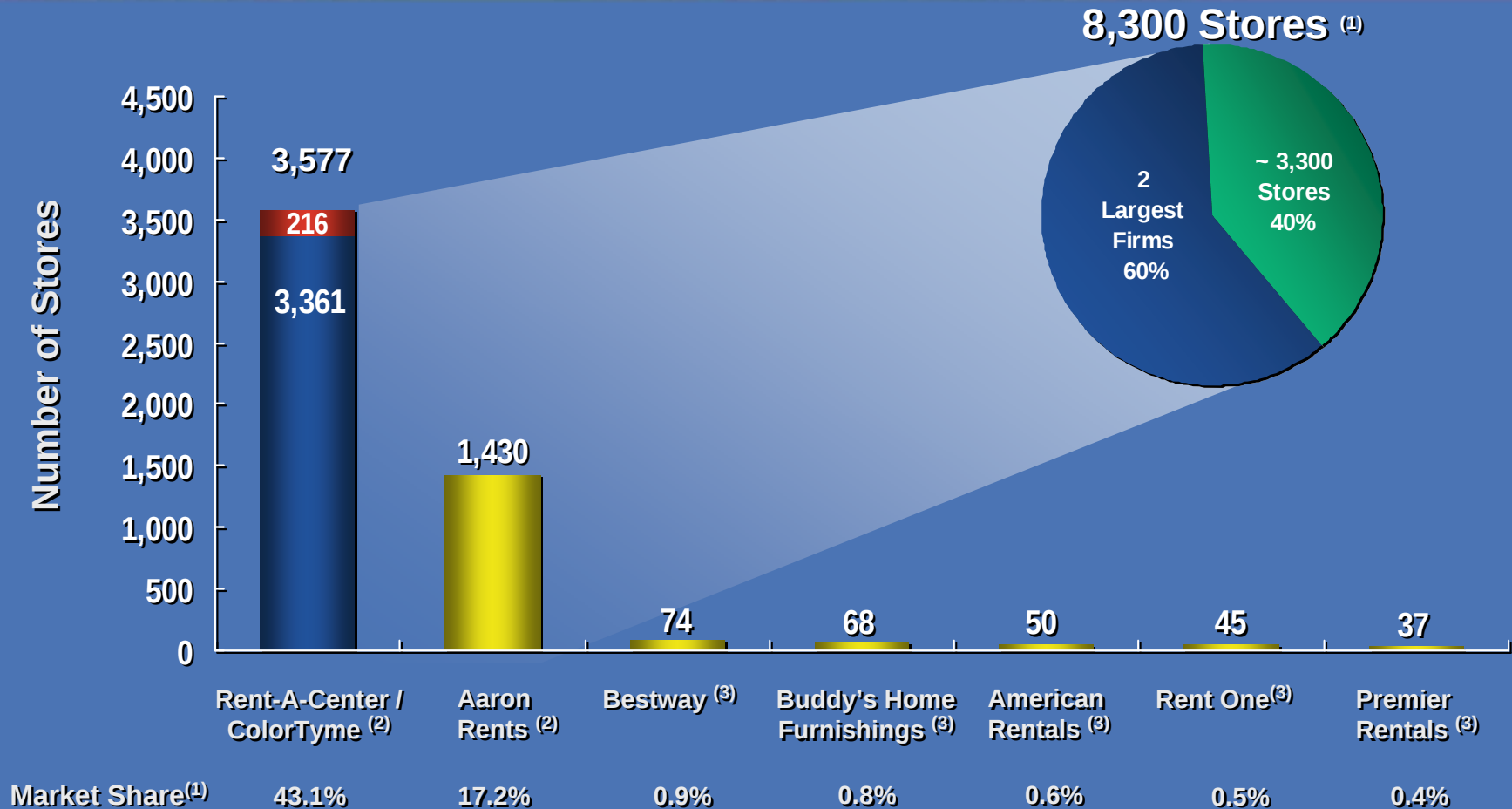


Leading RTO Operator in U.S.

- Largest rent-to-own operator in the U.S.
 - 40% market share based on 3,361 domestic stores in all 50 states as of September 30, 2007
 - ColorTyme subsidiary represents an additional 3% market share
- Broad selection of high quality, brand-name merchandise through flexible rental agreements
- Primarily serves the “underbanked” consumer
- Favorable legislation – currently 47 states, the District of Columbia and Puerto Rico have legislation regulating rental purchase transactions
- Generated \$2.84 billion in LTM revenue and \$400.9 million in LTM adjusted EBITDA as of September 30, 2007



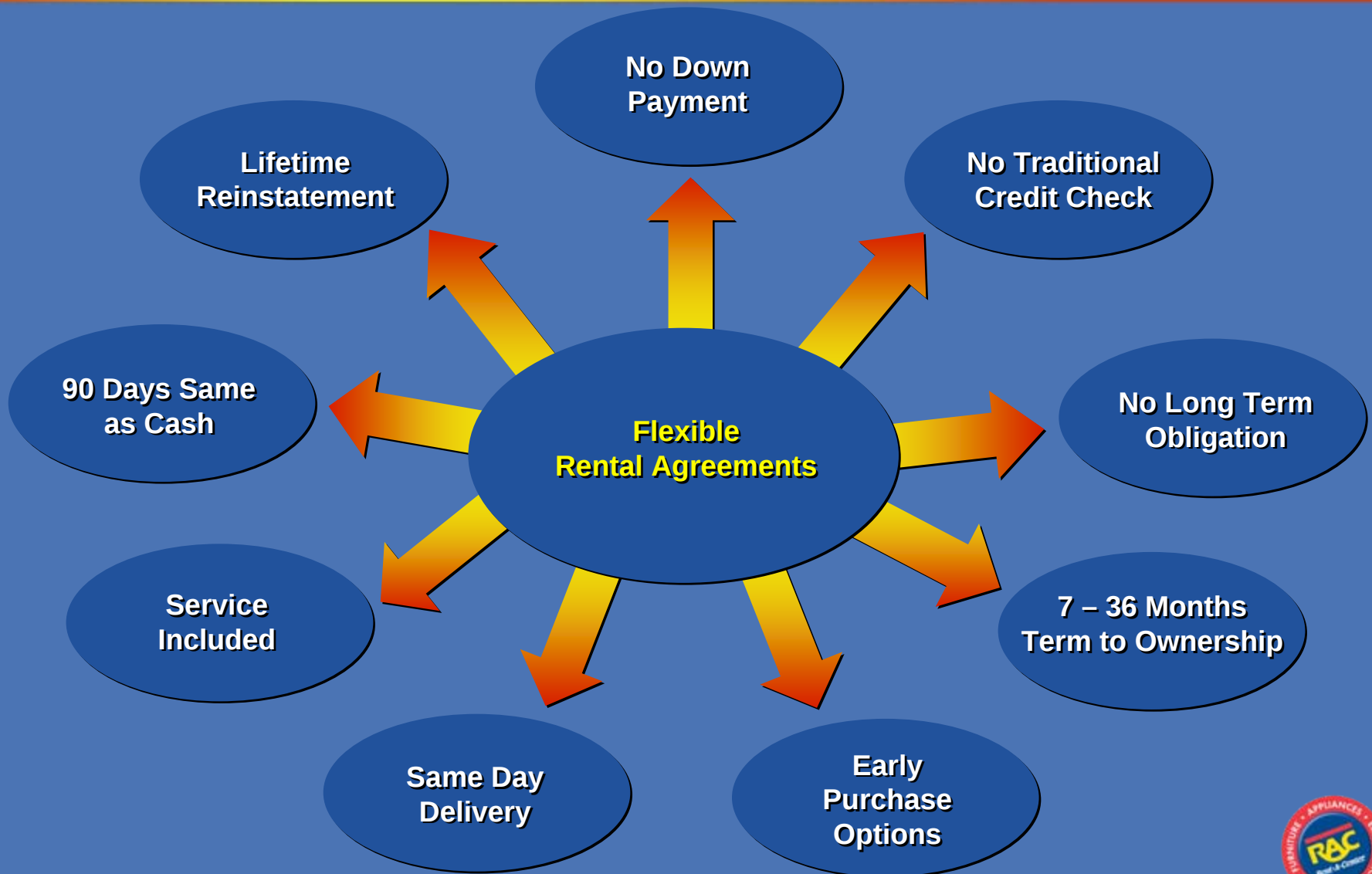
Leading Player in Fragmented Marketplace



Notes: (1) Based on Association of Progressive Rental Organization (APRO) estimates in 2006 Industry Survey (based on 2005 results) of 8,300 total stores
 (2) Company data as of September 30, 2007
 (3) Company website estimates as of October 25, 2007



Rent-to-Own is an Appealing Transaction...



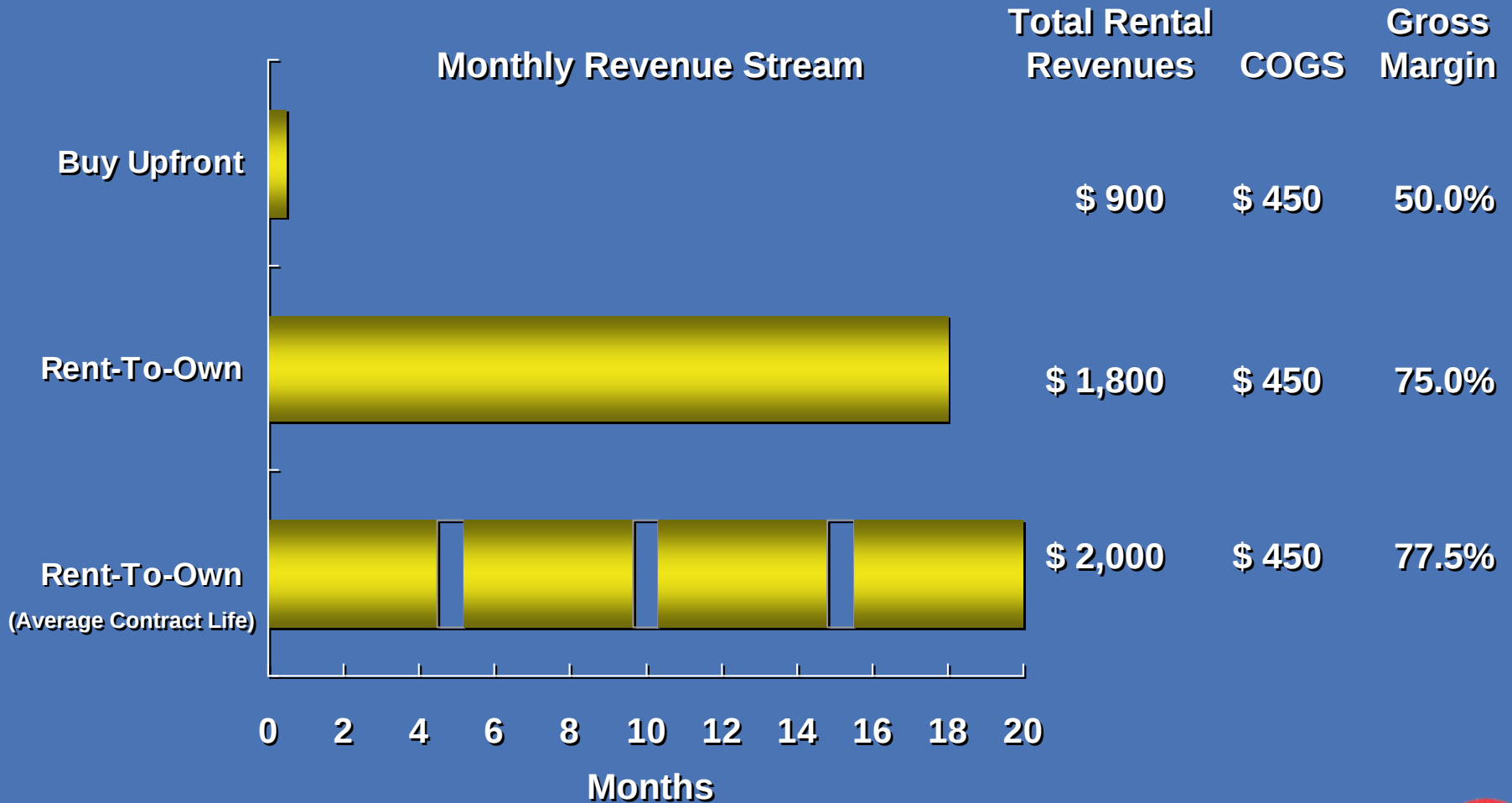
...Serving the “Underbanked Working Family”...

- 75% of customers in the industry have household incomes between \$15,000 and \$50,000⁽¹⁾
- 45 million households with household incomes between \$15,000 and \$50,000⁽²⁾
- Industry is serving only 2.8 million of these households⁽³⁾
- Domestic market opportunity of 3,000 – 5,000 additional stores

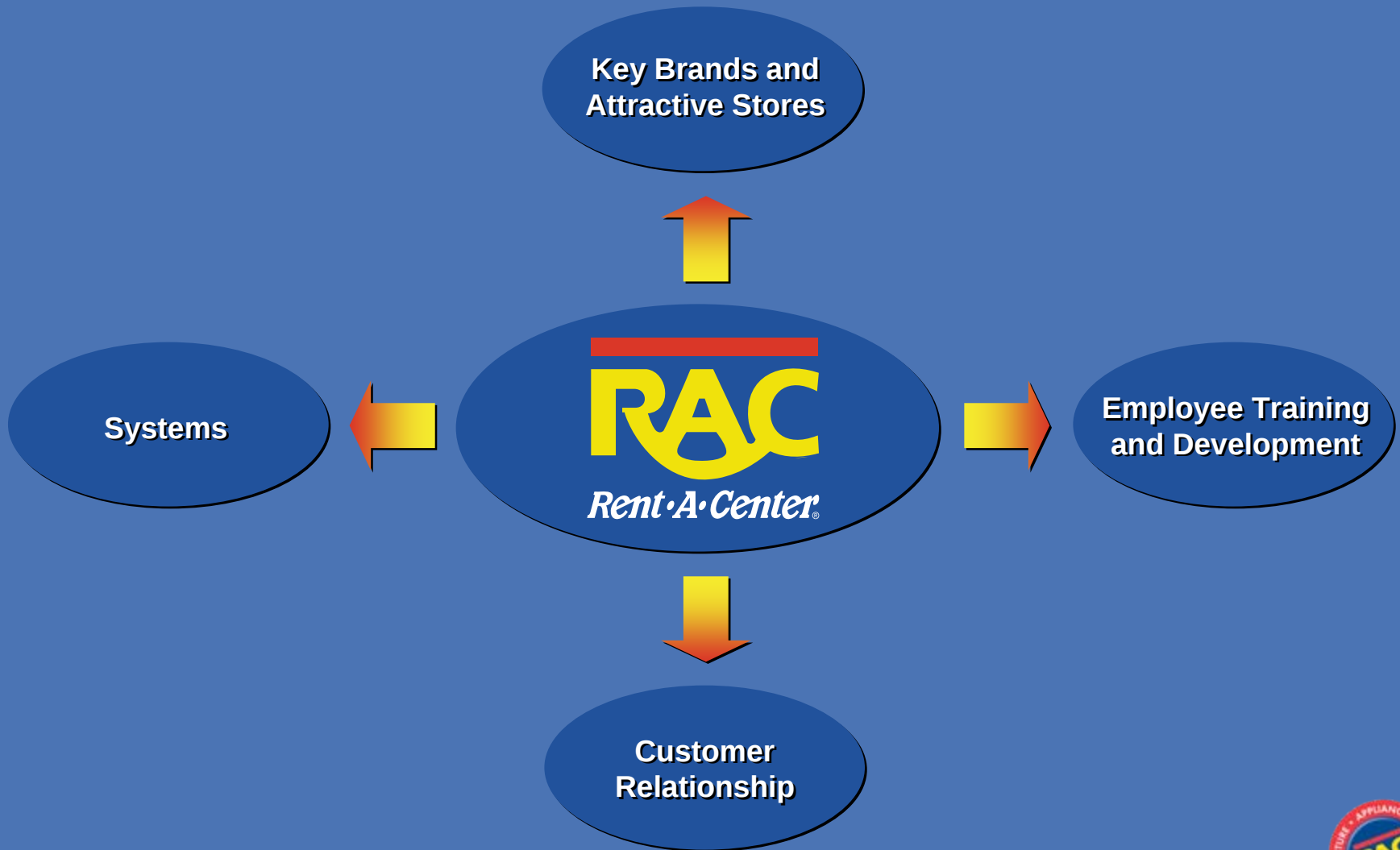
Notes: (1) America's Research Group, August 2004
(2) U.S. Census Bureau - 2001
(3) APRO 2006 Industry Survey (based on 2005 results)



...With Attractive Economics



Proven Business Model



Easily Accessible, Highly Visible Sites



Leased Sites Only

No Warehouses – Vendors Ship Directly to the Stores



High Quality, Brand-Name Merchandise

Furniture
35% of Rental
Revenue



STANDARD
furniture



Electronics
34% of Rental
Revenue

SONY®



TOSHIBA

JVC®

PHILIPS

Appliances
16% of Rental
Revenue



Computers
15% of Rental
Revenue



COMPAQ

SONY®

DELL™

TOSHIBA

Actual data for the twelve months ended September 30, 2007



Experienced Management Team

- Senior management team is the most experienced in RTO industry
 - CEO Mark Speese has over 28 years of RTO experience
 - President Mitch Fadel has over 24 years of RTO experience
 - Senior executives average over 15 years of RTO experience
- Attracting the best personnel with industry-leading salary and incentive plans



Strategic Objectives

- Enhance store level operations and profitability
 - Grow same store sales
 - Maintain expense control
- Improve operational efficiencies
- Growth opportunity adding financial services within our existing store locations
- Focus on de-levering of our balance sheet with potential opportunistic repurchases of our common stock



Strong New Store Economics

- Start-up investment of approximately \$500,000 (3/4 for inventory)
- Begin turning a monthly profit in approximately nine months
- Cumulative break even within 18–24 months
- Internal Rate of Return of approximately 50%⁽¹⁾

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	\$425,000	\$675,000	\$750,000	\$800,000	\$825,000
EBITDA ⁽¹⁾	(\$50,000)	\$110,000	\$140,000	\$160,000	\$170,000
EBITDA Margin ⁽¹⁾	(12%)	16%	19%	20%	21%

Note: (1) Before market and corporate allocation and income tax expense, terminal value of 6.5 x EBITDA in Year 5



Financial Services – Business Rationale



- Financial Services Industry
 - High growth – analyst estimate of high single digit store growth
 - Fragmented – similar to rent-to-own 25 years ago
 - Customer within RAC's national footprint

- RAC's Strengths
 - Developing ongoing and lasting relationships with customers
 - Leveraging our real estate
 - Operating cash flow to support growth
 - Legislative expertise



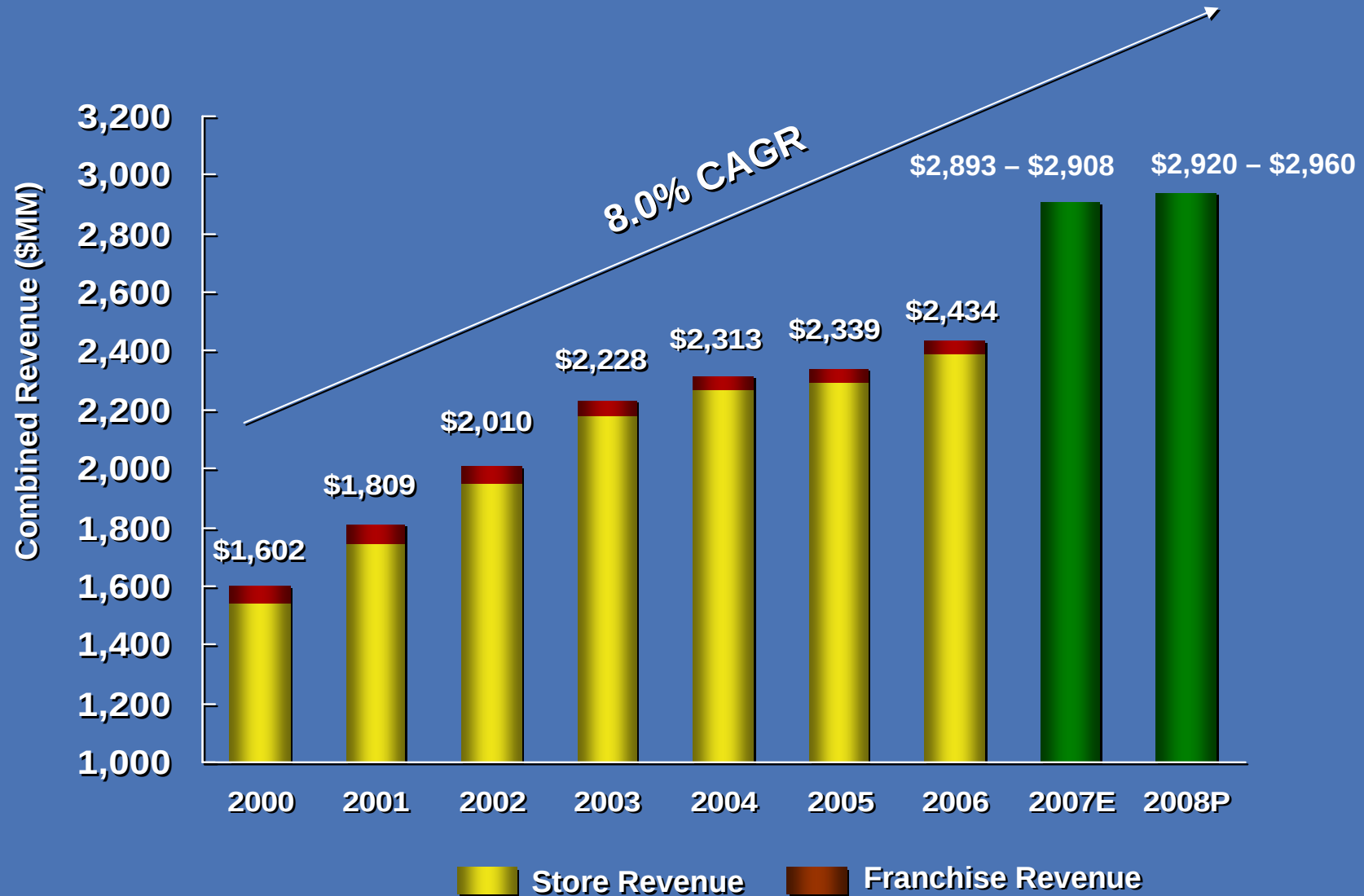
Financial Services – Measured Approach Implementation

- Product offerings – primarily include deferred deposit and unsecured loans, check cashing, money transfers and money orders, debit cards and tax preparation
- Focusing on states that have enabling legislation
- Continue to fine-tune processes
 - Approval and collection
 - Cash control and cash management
 - Measure and manage losses
- Build scale
 - Technology
 - Infrastructure
 - Management

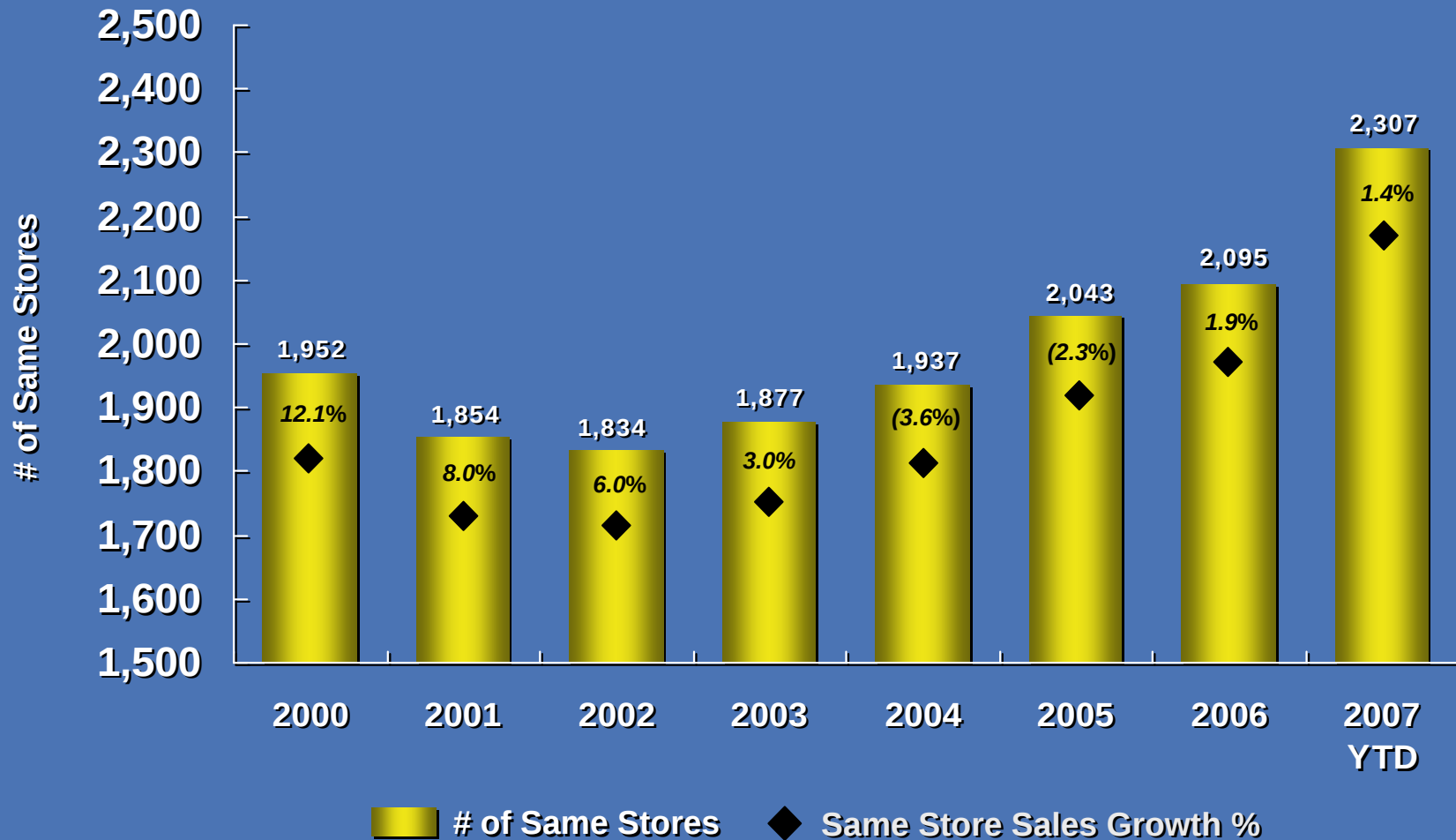


Financial Overview

Sales Growth



Same Store Sales Growth



Current Capital Structure

<i>(in millions of dollars)</i>	Sep 30 2006	% of Book Capital	Sep 30 2007	% of Book Capital
Cash and Equivalents	\$53.7	N/A	\$100.3	N/A
Senior Credit Facilities	358.5	22.3%	901.8	41.8%
Subordinated Notes	300.0	18.7%	300.0	13.9%
Total Debt	658.5	41.0%	1,201.8	55.7%
Shareholder's Equity	947.6	59.0%	954.3	44.3%
Total Capitalization	\$1,606.1	100.0%	\$2,156.1	100.0%

Consolidated Leverage Ratio 2.75x (Q3'07)

Consolidated Interest Coverage Ratio 4.63x (Q3'07)



Operating Cash Flow



EBITDA and EBITDA Margin



(1) Excludes non-recurring charges and credits



Schedule of Free Cash Flow

2008 Estimate (\$MM)

EBITDA	\$370 - \$390
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Net Cash Interest	(\$85)
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CapEx	(\$70)
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Working Capital	(\$20)
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Taxes	(\$65)
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Free Cash Flow	\$130 - \$150
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OPERATING CASH FLOW	\$200 - \$220
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CapEx	(\$70)
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Free Cash Flow	\$130 - \$150
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Guidance (per October 29, 2007 press release)

QUARTERLY

Q4'06A

Q4'07P

Total Revenue

\$656.1 MM

\$708.0-\$723.0 MM

Diluted EPS

\$0.50 ^(1,2)

\$0.38 - \$0.44

- (1) Excludes the effects of a \$2.6 million pre-tax expense in the fourth quarter of 2006 for the refinancing of the Company's senior credit facility. Excluding this expense increased diluted earnings per share by approximately \$0.02 in the fourth quarter of 2006.
- (2) Excludes the effects of a \$58.0 million pre-tax expense in the fourth quarter of 2006 associated with the litigation expense with Respect to the Perez case. Excluding this expense increased diluted earnings per share by approximately \$0.51 in the fourth quarter of 2006.



Guidance (per October 29, 2007 press release)

<u>ANNUAL</u>	<u>2006A</u>	<u>2007P</u>	<u>2008P</u>
Total Revenue	\$2.434 <i>BN</i>	\$2.893-\$2.908 <i>BN</i> ⁽²⁾	\$2.92-\$2.96 <i>BN</i>
Diluted EPS	\$2.15 ⁽¹⁾	\$1.95 - \$2.01 ^(2,3)	\$1.95 - \$2.10

(1) Excludes the effects of a \$58.0 million pre-tax litigation expense associated with the *Perez* case; a \$4.95 million pre-tax expense associated with the settlement of the *Burdusis/French/Corso* litigation; a \$4.8 million pre-tax expense for the refinancing of the Company's senior credit facility; and a \$10.4 million pre-tax expense associated with the settlement with the California Attorney General. Excluding these expenses increased diluted earnings per share by approximately \$0.69 for the twelve month period ended December 31, 2006.

(2) Excludes the effects of \$3.9 million in franchise royalty income in the third quarter of 2007 for the settlement agreement with five affiliated ColorTyme franchisees. The royalty income decreased diluted earnings per share by approximately \$0.04 in both the third quarter of 2007 and the nine month period ended September 30, 2007.

(3) Excludes the effects of a \$51.3 million pre-tax litigation expense in the first quarter of 2007 associated with the settlement in the *Perez* case. Excluding this expense increased diluted earnings per share by \$0.47 for the nine month period ended September 30, 2007.



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Safe Harbor Statement

This presentation 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 rent-to-own stores; the Company's ability to acquire additional rent-to-own stores on favorable terms; the Company's ability to identify and successfully enter new lines of business offering products and services that appeal to its customer demographic, including its financial services products; the Company's ability to enhance the performance of acquired stores, including the Rent-Way stores acquired in November 2006; the Company's ability to control costs; the Company's ability to identify and successfully market products and services that appeal to its customer demographic; the Company's ability to enter into new and collect on its rental purchase agreements; the Company's ability to enter into new and collect on its short term loans; the passage of legislation adversely affecting the rent-to-own or financial services industries; interest rates; economic pressures affecting the disposable income available to the Company's targeted consumers, such as high fuel and utility costs; changes in the Company's stock price and the number of shares of common stock that it may or may not repurchase; changes in estimates relating to self-insurance liabilities and income tax and litigation reserves; changes in the Company's effective tax rate; the Company's ability to maintain an effective system of internal controls; changes in the number of share-based compensation grants, methods used to value future share-based payments and changes in estimated forfeiture rates with respect to share-based compensation; the resolution of the Company's litigation; the court hearing the Walker case could refuse to approve the settlement or could require changes to the settlement that are unacceptable to the Company or the plaintiffs; one or more parties filing an objection to the settlement of the Walker case; and the other risks detailed from time to time in our SEC reports, including but not limited to, the Company's annual report on Form 10-K for the year ended December 31, 2006, and its quarterly reports for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007. 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.

