



**PROXY STATEMENT FOR
AND NOTICE OF
2006 ANNUAL MEETING OF STOCKHOLDERS**

- Annual Meeting:** May 19, 2006
9:30 a.m. local time
- Location:** Grand Hyatt DFW Hotel
Dallas/Fort Worth International Airport, Texas
- Record Date:** Close of business on March 24, 2006. If you were a stockholder of record at the close of business on March 24, 2006, you may vote at the meeting.
- Number of Votes:** Holders of our Common Stock are entitled to one vote for each share of Common Stock they owned on March 24, 2006.
- Agenda:**
1. To elect two Class III directors;
 2. To approve the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan; and
 3. To transact any other proper business.
- Proxies:** Unless you tell us on the proxy card to vote differently, we will vote signed returned proxies (1) "FOR" the Board's nominees for Class III director and (2) "FOR" the approval of the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan. The proxy holders will use their discretion on other matters. If a nominee cannot or will not serve as a director, the proxy holders will vote for a person whom they believe will carry on our present policies.
- Proxies Solicited By:** We have retained Mellon Investor Services, L.L.C. ("Mellon") to aid in the solicitation of proxies. It is estimated that the cost of these services will be approximately \$9,500 plus expenses. We will bear the entire cost of soliciting proxies in the accompanying form. In addition to the solicitation of proxies by mail, proxies may also be solicited by telephone, telegram, electronic mail or personal interview by officers and regular employees of Mellon and us. We will reimburse brokers or other persons holding stock in their names or in the names of their nominees for their reasonable expenses incurred in forwarding proxy materials to beneficial owners of stock.
- First Mailing Date:** This proxy statement is dated March 31, 2006. We are first mailing this proxy statement on or about April 17, 2006.
- Revoking Your Proxy:** You may revoke your proxy before it is voted at the meeting. To revoke, follow the procedures listed on page 32 under "Voting Procedures/Revoking Your Proxy – How You May Revoke Your Proxy."

PLEASE VOTE BY RETURNING YOUR PROXY– YOUR VOTE IS IMPORTANT
Prompt return of your proxy will help reduce the costs of re-solicitation.

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**PROPOSAL ONE:
ELECTION OF DIRECTORS**

Board Structure: The number of directors currently constituting our entire Board is eight. The directors are divided into three classes. In general, directors in each class serve for a term of three years.

Number of Directors to be Elected: Two Class III directors are to be elected by our stockholders.

BOARD NOMINEES **Our Board, upon recommendation of the Nominating and Corporate Governance Committee, has nominated J.V. Lentell and Michael J. Gade to be re-elected as Class III directors by all of the stockholders. We urge you to vote "FOR" Messrs. Lentell and Gade.**

Terms to Expire at the 2009 Annual Meeting:	J.V. Lentell	Mr. Lentell has served as one of our directors since February 1995. Since July 1993, he has served as a director and Vice Chairman of the Board of Directors of Intrust Bank, N.A., successor by merger to Kansas State Bank & Trust Co. Mr. Lentell was employed by Kansas State Bank & Trust Co., in Wichita, Kansas from 1966 until July 1993, serving as Chairman of the Board from 1981 until July 1993. Mr. Lentell's term as a Class III director expires at our 2006 annual stockholders meeting. Mr. Lentell is 67 years old.
	Michael J. Gade	Mr. Gade was appointed to our Board to fill a vacancy in May 2005. Since 2004, Mr. Gade has been an Executive in Residence at the University of North Texas as a professor of marketing and retailing. From 2003 to 2004, Mr. Gade served as senior executive for the southwest region of Home Depot, Inc. From 2000 to 2003, Mr. Gade served as Senior Vice President, Merchandising, Marketing and Business Development for 7-Eleven, Inc. From 1995 to 2000, Mr. Gade was employed by Associates First Capital Corporation as Executive Vice President, Strategic Marketing and Development. Mr. Gade was also a founding partner of Challance Group, LLP and also serves as a director of The Crane Group. Mr. Gade's term as a Class III director expires at our 2006 annual stockholders meeting. Mr. Gade is 54 years old.

WE RECOMMEND THAT YOU VOTE "FOR" EACH OF THE BOARD NOMINEES

**CONTINUING
DIRECTORS**

**Terms to Expire at
the 2007 Annual
Meeting:**

Mitchell E. Fadel

Mr. Fadel has served as our President since July 2000, as our Chief Operating Officer since December 2002 and as a director since December 2000. From November 1992 until July 2000, Mr. Fadel served as President and Chief Executive Officer of our subsidiary, ColorTyme, Inc. We acquired ColorTyme in May 1996. Mr. Fadel's term as a Class I director expires at our 2007 annual stockholders meeting. Mr. Fadel is 48 years old.

Mary Elizabeth Burton

Ms. Burton has served as a director since May 2002. Since July 1992, Ms. Burton has also served as the Chairman and Chief Executive Officer of BB Capital, Inc., a retail advisory services firm, which she owns. From June 1998 until April 1999, Ms. Burton served as the Chief Executive Officer of The Cosmetic Center, Inc. During her twenty-five year career, Ms. Burton has also served as the Chief Executive Officer of Supercuts, Inc. and PIP Printing, Inc., as well as serving in various other senior executive level capacities in the retail industry. Ms. Burton also currently serves on the Board of Directors of Zale Corporation, an operator of specialty retail jewelry stores, Staples, Inc., an operator of office supply stores, The Sports Authority, Inc., an operator of sporting goods and apparel stores, and Aeropostale, Inc., an operator of casual apparel stores. Ms. Burton is currently serving as the interim Chief Executive Officer of Zale Corporation. Ms. Burton's term as a Class I director expires at our 2007 annual stockholders meeting. Ms. Burton is 54 years old.

Peter P. Copses

Mr. Copses has served as one of our directors since August 1998. Mr. Copses is a Senior Partner of Apollo Management, L.P. and its investment affiliates, where he has worked since 1990. Prior to joining Apollo, Mr. Copses was an investment banker at Drexel Burnham Lambert, and subsequently at Donaldson, Lufkin, & Jenrette Securities, primarily concentrating on the structuring, financing and negotiation of mergers and acquisitions. Mr. Copses is also a director of General Nutrition Centers, Inc., a specialty retailer of nutritional supplements. Mr. Copses' term as a Class I director expires at our 2007 annual stockholders meeting. Mr. Copses is 47 years old.

**Terms to Expire at
the 2008 Annual
Meeting:**

Mark E. Speese

Mr. Speese has served as our Chairman of the Board and Chief Executive Officer since October 2001 and has served as one of our directors since 1990. Mr. Speese previously served as our Vice Chairman from September 1999 until March 2001. From 1990 until April 1999, Mr. Speese served as our President. Mr. Speese also served as our Chief Operating Officer from November 1994 until March 1999. Mr. Speese's term as a Class II director expires at our 2008 annual stockholders meeting. Mr. Speese is 48 years old.

Richard K. Armev

Mr. Armev has served as one of our directors since his appointment by the Board to fill a vacancy in May 2004. Mr. Armev is Senior Policy Advisor at DLA Piper Rudnick Gray Cary, a position he has held since January 2003. Previously, Mr. Armev served in the U.S. House of Representatives for 18 years, the last eight as Majority Leader. Mr. Armev holds a Ph.D. from the University of Oklahoma, and taught economics at the university level, primarily at the University of North Texas, prior to entering political life. Mr. Armev's term as a Class II director expires at our 2008 annual stockholders meeting. Mr. Armev is 65 years old.

Laurence M. Berg

Mr. Berg has served as one of our directors since August 1998. Mr. Berg is a Senior Partner of Apollo Management, L.P. and its investment affiliates, where he has worked since 1992. Prior to joining Apollo, Mr. Berg was a member of the Mergers and Acquisition Group at Drexel Burnham Lambert. Mr. Berg is also a director of Hayes Lemmerz International, Inc., a manufacturer of automobile wheels, and Educate, Inc., a national provider of tutoring and other supplemental education services. Mr. Berg's term as a Class II director expires at our 2008 annual stockholders meeting. Mr. Berg is 39 years old.

BOARD INFORMATION

Board Meetings: During 2005, our Board met 18 times, including regularly scheduled and special meetings. Each director attended all meetings of the Board during his or her service as a director, except that Messrs. Arme y, Berg, Copses and Fadel were unable to attend seven meetings, six meetings, four meetings and two meetings, respectively, after receiving or waiving proper notice. Except for Messrs. Arme y and Berg, all of our directors attended more than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings of the Board committees on which they serve. The Board also took action by unanimous written consent two times during 2005.

Independent Directors: The Board has determined that the following directors are "independent" as defined under Nasdaq rules: Richard K. Arme y, Laurence M. Berg, Mary Elizabeth Burton, Peter P. Copses, Michael J. Gade, and J.V. Lentell.

Board Committees: The standing committees of the Board during 2005 included the Audit Committee, the Compensation Committee, the Finance Committee and the Nominating and Corporate Governance Committee. Each of the Audit, Compensation and Nominating and Corporate Governance Committees has the authority to retain independent advisors and consultants, with all fees and expenses to be paid by us.

The Audit Committee assists the Board in fulfilling its oversight responsibilities by reviewing (1) the financial reports and other financial information provided by us to any governmental body or the public, (2) our systems of controls regarding finance, accounting, legal compliance and ethics that management and the Board have established, (3) our independent auditor's qualifications and independence, (4) the performance of our internal audit function and our independent auditors, and (5) the efficacy and efficiency of our auditing, accounting and financial reporting processes generally. The Audit Committee has the direct responsibility for the appointment, compensation, retention and oversight of our independent auditors, and reviews our internal audit department's reports, responsibilities, budget and staffing. The Audit Committee also pre-approves all audit and non-audit services provided by our independent auditors and oversees compliance with our Code of Ethics. A copy of the Audit Committee Charter is available on our website at www.rentacenter.com and is also attached to this Proxy Statement as Appendix "A." The Audit Committee reviews, updates and assesses the adequacy of the Audit Committee Charter on an annual basis.

The Board has determined that each of Messrs. Arme y and Copses and Ms. Burton is "independent" as defined by SEC and Nasdaq rules. In addition, the Board has determined that each of them is an "audit committee financial expert" as defined by SEC rules and meets the financial sophistication requirements of Nasdaq. The Audit Committee held 13 meetings in 2005, including regularly scheduled and special meetings, and acted by unanimous written consent one time during 2005. *Members: Mr. Copses, Chairman, Mr. Arme y and Ms. Burton.*

The Compensation Committee discharges the Board's responsibilities with respect to all forms of compensation of our Chief Executive Officer and other senior executives, administers our equity incentive plans, and produces the annual report on executive compensation set forth later in this proxy statement. The Compensation Committee held four meetings in 2005, including regularly scheduled and special meetings, and acted by unanimous written consent five times during 2005. All members of the Compensation Committee are non-employee directors and are "independent" under Nasdaq rules. The Board has adopted a charter for the Compensation Committee, which can be found at www.rentacenter.com. *Members: Mr. Lentell, Chairman, and Messrs. Arme y and Berg.*

The Finance Committee. The Finance Committee generally approves the issuance of our debt and equity securities. The Finance Committee held one meeting during 2005. *Members: Mr. Speese, Chairman, and Messrs. Copses and Lentell.*

The Nominating and Corporate Governance Committee. Under our Bylaws, only persons who are nominated in accordance with the procedures set forth in our Bylaws are eligible for election as, and to serve as, members of our Board. Under our Bylaws,

nominations of persons for election to our Board may be made at a meeting of our stockholders (1) by or at the direction of our Board or (2) by any stockholder, provided they comply with the provisions of Article I, Section 9 of our Bylaws. The Board has delegated the screening and recruitment process for board members to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee selects individuals it believes are qualified to be members of the Board, and recommends those individuals to the Board for nomination for election or re-election as directors. From time to time, the Nominating and Corporate Governance Committee may engage a consultant to conduct a search to identify qualified candidates. The Nominating and Corporate Governance Committee then undertakes the evaluation process described below for any candidates so identified.

The Nominating and Corporate Governance Committee believes that the minimum requirements for a person to be qualified to be a member of the Board are that a person must be committed to equal opportunity employment, and must not be a director, consultant, employee of or to any competitor of ours (i.e., a company in the rent-to-own business). The Nominating and Corporate Governance Committee also believes that members of the Board should possess character, judgment, skills (such as an understanding of the retail and rent-to-own industries, business management, finance, accounting, marketing, operations and strategic planning), diversity, and experiences with businesses and other organizations of a comparable size and industry. The Nominating and Corporate Governance Committee evaluates whether certain individuals possess the foregoing qualities and recommends to the Board for nomination candidates to serve as our directors. This process is the same regardless of whether the nominee is recommended by one of our stockholders.

The Nominating and Corporate Governance Committee will consider candidates for nomination proposed by stockholders, so long as the stockholder provides notice and information on the proposed nominee to the Nominating and Corporate Governance Committee through the Secretary in accordance with the provisions of Article I, Section 9 of our Bylaws relating to direct stockholder nominations. For the Nominating and Corporate Governance Committee to consider candidates recommended by stockholders, Section I, Article 9 of our Bylaws requires that the stockholder provide notice to our Secretary (1) not less than 90 days prior to the anniversary date of the immediately preceding annual meeting of stockholders, or (2) with respect to an election to be held at a special meeting of stockholders for the election of directors, not later than the close of business on the tenth day following the day on which notice of the date of the special meeting was mailed to the stockholders or public disclosure of the date of the special meeting was made, whichever occurs first. The notice to our Secretary must set forth (1) as to each person whom the stockholder proposes to nominate for election or re-election as a director, information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serve as a director if elected), and (2) as to the stockholder giving the notice (a) the name and address, as they appear on our books, of such stockholder and (b) the class and number of shares of our voting stock which are beneficially owned by such stockholder.

The Board has determined that each member of the Nominating and Corporate Governance Committee is "independent" as defined by Nasdaq listing standards. The Nominating and Corporate Governance Committee met two times in 2005, including regularly scheduled and special meetings, and did not act by unanimous written consent during 2005. The Board has adopted a written charter for the Nominating and Corporate Governance Committee, which is available on our website at www.rentacenter.com.
Members: Ms. Burton, Chairperson, and Messrs. Copses and Lentell.

BOARD COMPENSATION

Retainer and Fees: In 2005, non-employee directors each received an annual retainer of \$30,000, payable in four equal installments on the first day of each fiscal quarter. Additionally, non-employee directors each received \$2,000 for each Board meeting and \$1,000 for each committee meeting attended in person and were reimbursed for their expenses in attending such meetings. Non-employee directors also each received \$500 for each telephonic Board or committee meeting attended. The Chairpersons of each committee do not receive any additional compensation for serving in such position. Messrs. Speese and Fadel did not receive any compensation for their services as a director during 2005.

Option Grants: Non-employee directors receive options to purchase 9,000 shares of our Common Stock on the first business day of the first full fiscal year of service as a director and options to purchase 5,000 shares of our Common Stock on the first business day of each year thereafter. The exercise price of the options is the fair market value of shares of our Common Stock on the grant date. These options vest and are exercisable immediately. Messrs. Speese and Fadel were not granted any options for their services as a director during 2005.

Director Compensation: Set forth below is a summary of all compensation paid to our directors during 2005. These amounts do not include any amounts received by any director as reimbursement for expenses in connection with attending Board or committee meetings.

<u>Name</u>	<u>Fees Earned or Paid in Cash⁽¹⁾</u>	<u>Option Awards⁽²⁾</u>
Richard K. Armey	\$53,500	5,000
Laurence M. Berg	\$44,500	5,000
Mary Elizabeth Burton	\$58,000	5,000
Peter P. Copses	\$54,200	5,000
Michael J. Gade	\$31,127	-0-
J.V. Lentell	\$53,500	5,000

(1) Represents (a) the annual retainer of \$30,000, payable in quarterly installments and (b) compensation for attendance at Board and committee meetings.

(2) On January 3, 2005, each listed director, with the exception of Mr. Gade, was granted the corresponding number of options to purchase common stock at an exercise price of \$26.64. Mr. Gade joined our Board in May 2005.

CORPORATE GOVERNANCE

Board Code of Ethics: Our Board has adopted a Code of Business Conduct and Ethics applicable to all of the members of the Board. The Board Code of Business Conduct and Ethics provides guidance to our directors to help them recognize and deal with ethical issues and provides a mechanism to report unethical conduct. The Board Code of Business Conduct and Ethics is available on our website at www.rentacenter.com.

Stockholder Communications with the Board: Our Board has established a process by which stockholders may communicate with our Board. Stockholders may contact the Board or any committee of the Board by any one of the following methods:

By telephone:	By mail:	By e-mail:
1-800-275-2696 Ext. 1140	Rent-A-Center, Inc. Attn: Compliance Officer 5700 Tennyson Parkway Third Floor Plano, Texas 75024	complianceofficer@rcenter.com

All such communications submitted under this process will be compiled by our Compliance Officer and submitted to the Board or the requisite Board committee on a periodic basis. Complaints or concerns relating to our accounting, internal controls or auditing matters will be referred to the Audit Committee under the procedures adopted by the Audit Committee.

Procedures for Reporting Accounting Concerns: The Audit Committee has established procedures for (1) the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, and (2) the submission by our employees, on a confidential and anonymous basis, of concerns regarding questionable accounting or auditing matters. These procedures are posted at www.rentacenter.com.

Policy of Director Attendance at the Annual Meeting of Stockholders: Our Board has adopted a policy stating that each member of the Board should attend our annual meeting of stockholders. All of our directors attended the 2005 Annual Meeting of Stockholders.

**PROPOSAL TWO:
APPROVAL OF THE RENT-A-CENTER, INC.
2006 LONG-TERM INCENTIVE PLAN**

Overview: The stockholders are being asked to approve the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (the "2006 Plan"). On March 24, 2006, upon the recommendation of the Compensation Committee, the Board adopted, subject to stockholder approval, the 2006 Plan and has directed that it be submitted for the approval of the stockholders. The 2006 Plan will become effective on the date it is approved by our stockholders. Upon approval of the 2006 Plan, our existing Long-Term Incentive Plan will terminate and no additional awards will be granted under that plan.

The following description of the 2006 Plan is only a summary of certain provisions of the 2006 Plan and does not contain all of the terms and conditions of the 2006 Plan. This summary is qualified in its entirety by the full text of the 2006 Plan, which is attached to this Proxy Statement as Appendix "B."

Board Recommendation: **Our Board, upon the recommendation of the Compensation Committee, has approved and adopted the 2006 Plan, subject to the approval by our stockholders. We urge you to vote "FOR" the approval of the 2006 Plan.**

Purpose: The purpose of the 2006 Plan is to foster our ability to attract, motivate and retain key personnel and enhance stockholder value through the use of certain equity and cash incentive compensation opportunities.

Eligibility: Any of our present or future directors, officers, employees, consultants and other personnel are eligible to participate in the 2006 Plan. Actual selection of any eligible individual to participate in the 2006 Plan is within the sole discretion of the Compensation Committee. If awards are made under the 2006 Plan as they were under the Long-Term Incentive Plan, the eligible individuals would consist of eight members of the Board, 29 senior officers and approximately 3,200 employees that are not senior officers.

Term: Upon approval by the stockholders, the 2006 Plan will become effective. Assuming the 2006 Plan is approved at the annual stockholder meeting, unless terminated sooner by the Board, the 2006 plan will terminate on May 19, 2016. The rights of any person with respect to an award made under the 2006 Plan that is outstanding at the time of its termination will not be affected solely by reason of the termination of the 2006 Plan.

Administration: The 2006 Plan will be administered by the Compensation Committee. The Compensation Committee will have the full power and authority to:

- select the persons to whom awards will be made;
- prescribe the terms and conditions of each award and make amendments thereto;
- construe, interpret and apply the provisions of the 2006 Plan and of any agreement or other document governing the terms of an award made under the 2006 Plan; and
- make any and all determinations and take any and all other actions as it deems necessary or desirable to carry out the terms of the 2006 Plan.

The Board will have the sole responsibility and authority for matters relating to the grant and administration of awards to non-employee directors.

Limitations on Plan Awards: If approved, the 2006 Plan would authorize us to issue a total of 7,000,000 shares of Common Stock, of which no more than 3,500,000 shares may be issued in the form of restricted stock, deferred stock or similar forms of stock award which have value without regard to future appreciation in value of or dividends declared on the underlying shares of stock. In applying these limitations, the following shares will be deemed not to have been issued: (1) shares covered by the unexercised portion of an option that terminates,

expires, or is cancelled or settled in cash, and (2) shares that are forfeited or subject to awards that are forfeited, canceled, terminated or settled in cash. In any calendar year, (1) no employee may receive options and stock appreciation rights for more than 600,000 shares of Common Stock; (2) no employee may earn more than 600,000 shares of Common Stock pursuant to performance-based equity awards under the 2006 Plan (other than options and stock appreciation rights), increased by the unused limit, if any, from prior calendar years; and (3) no employee may earn more than \$3,000,000 pursuant to performance-based cash awards under the 2006 Plan, increased by the unused limit, if any, from prior calendar years.

Stock Options: The 2006 Plan permits the granting of stock options at such times and upon such vesting and other conditions as determined by the Compensation Committee. The purchase price per share of Common Stock covered by an option granted under the 2006 Plan may not be less than the fair market value per share on the grant date. The exercise price under an option which is intended to qualify as an "incentive stock option" (within the meaning of Section 422 of the Internal Revenue Code of 1986 (the "Code")) granted to an employee who is a 10% stockholder within the meaning of Section 422(b)(6) of the Code, may not be less than 110% of the fair market value per share on the date the option is granted. Unless approved by our stockholders, the Compensation Committee may not reduce the exercise price for shares covered by an outstanding option granted under the 2006 Plan, whether directly or in any manner which constitutes a "repricing" under applicable stock exchange rules or financial accounting principles.

Subject to earlier termination according to its terms, an option granted under the 2006 Plan will expire on the tenth anniversary of its grant (or the fifth anniversary of its grant in the case of an option which is intended to qualify as an "incentive stock option" granted to an employee who is a 10% stockholder).

No option granted under the 2006 Plan shall be assignable or transferable except upon the optionee's death to a beneficiary designated in a manner so prescribed or approved by the Compensation Committee or, if no designated beneficiary shall survive the optionee, pursuant to the optionee's will or by the laws of descent and distribution. During an optionee's lifetime, options may be exercised only by the optionee or the optionee's guardian or legal representative. Notwithstanding the foregoing, the Compensation Committee may permit the inter vivos transfer of an optionee's options (other than options designated as "incentive stock options") by gift to any "family member," on such terms and conditions as the Compensation Committee may deem appropriate.

An option granted under the 2006 Plan may be exercised by transmitting to the Secretary (or such other person designated by the Compensation Committee) a written notice identifying the option being exercised and specifying the number of shares being purchased, together with payment of the exercise price and the amount of the applicable tax withholding obligations (unless other arrangements are made for the payment of such exercise and/or the satisfaction of such withholding obligations). The Compensation Committee may permit the exercise and withholding obligation to be paid in whole or in part in cash or by check, by means of a cashless exercise procedure to the extent permitted by law, by the surrender of previously-owned shares of Common Stock (to the extent of the fair market value thereof) or, subject to applicable law, by any other form of consideration deemed appropriate.

The maximum number of shares of Common Stock which may be issued under the 2006 Plan covering options granted as "incentive stock options" is 500,000.

Stock Awards: The 2006 Plan permits the granting of restricted stock, deferred stock, stock units, stock bonus and other stock awards at such times and upon such vesting and other conditions and restrictions as determined by the Compensation Committee.

Unless otherwise determined by the Compensation Committee, (1) the holder of a stock award will not be entitled to receive dividend payments (or in the case of an award of stock units, dividend equivalent payments) with respect to the shares covered by the award, and (2) the holder of shares of restricted stock may exercise voting rights pertaining to such shares. Under the 2006 Plan, the Compensation Committee may

impose vesting and deferral conditions on the payment of dividends, corresponding to the vesting and deferral conditions applicable to the corresponding stock award.

Except as permitted by the Compensation Committee in connection with transfers at death or pursuant to inter vivos gifts, no outstanding stock award and no shares of stock covered by an outstanding stock award may be sold, assigned, transferred, disposed of, pledged or otherwise hypothecated other than as in accordance with the terms of the award or the 2006 Plan.

Other Equity Awards: Under the 2006 Plan, the Compensation Committee may grant stock appreciation rights, dividend equivalent payment rights, phantom shares, phantom stock units, bonus shares and other forms of equity-based awards to eligible persons, subject to such terms and conditions as it may establish; provided, however, that no dividend or dividend equivalent payment rights shall be attributable to awards of stock appreciation rights or stock options. The base price for a stock appreciation right granted under the 2006 Plan may not be less than the fair market value per share of stock covered by the award at the time it is granted. Unless sooner termination in accordance with its terms, a stock appreciation right will automatically expire on the tenth anniversary of its grant date. Such awards may entail the transfer of shares of Common Stock to a participant or the payment in cash or other property determined with reference to shares of Common Stock.

Cash Awards: Under the 2006 Plan, the Compensation Committee may grant awards in cash with the amount of eventual payment subject to future service and such other restrictions and conditions as may be established by the Compensation Committee and set forth in the underlying agreement, including, but not limited to:

- continuous service with us,
- achievement of specific business objectives,
- increases in specified indices,
- attaining specified growth rates, and
- other measures of performance.

Performance-Based Equity and Cash Awards: The Compensation Committee may condition the grant, exercise, vesting or settlement of equity-based awards as well as the grant, vesting or payment of annual or long-term cash incentive awards made under the 2006 Plan on the achievement of specified performance goals over any period specified by the Compensation Committee. Any such performance goal must be (1) objective, (2) prescribed in writing by the Compensation Committee before the applicable performance period or at such later date when fulfillment is substantially uncertain not later than 90 days after the commencement of the performance period and in any event before completion of 25% of the performance period, and (3) based on any one or more of the following business criteria (which may be applied to an individual, a subsidiary, a business unit or division, or us and any one or more of our subsidiaries as a whole, as determined by the Committee):

- total revenue or any key component thereof;
- operating income, pre-tax or after-tax income from continuing operations; earnings before interest, taxes and amortization (i.e. EBITA); earnings before interest, taxes, depreciation and amortization (i.e., EBITDA); or net income;
- cash flow (including, without limitation, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations or cash flow in excess of cost of capital);
- earnings per share or earnings per share from continuing operations (basic or diluted);
- return on capital employed, return on invested capital, return on assets or net

assets;

- after-tax return on stockholders' equity;
- economic value created;
- operating margins or operating expenses;
- value of the Common Stock or total return to stockholders;
- value of an investment in the Common Stock assuming the reinvestment of dividends;
- strategic business criteria, consisting of one or more objectives based on meeting specified market penetration goals, geographic business expansion goals, cost targets, management of employment practices and employee benefits, or supervision of litigation or information technology goals, or goals relating to acquisitions or divestitures of subsidiaries, affiliates or joint ventures; and/or
- a combination of any or all of the foregoing criteria.

At the expiration of the applicable performance period, the Compensation Committee shall determine the extent to which the relevant performance goals are achieved and the extent to which each performance-based award has been earned. The Compensation Committee may not exercise its discretion to increase the amount or value of such an award that would otherwise be payable in accordance with its terms.

Adjustments: In the event of a split-up or consolidation of shares or any like capital adjustment, the payment of any stock dividend, and/or to reflect a change in the character or class of shares covered by the 2006 Plan arising from a readjustment or recapitalization of our capital stock, the share authorization limits under the 2006 Plan will be automatically adjusted proportionately, and the shares then subject to each award will automatically be adjusted to reflect any such resulting increase or decrease in the number of issued shares of Common Stock without any change in the aggregate purchase price for such award.

Cash, Stock or Other Property for Stock: Under the 2006 Plan, in the event of a:

- merger (other than a merger of us in which the holders of the Common Stock immediately prior to the merger have the same proportionate ownership of common stock in the surviving corporation immediately after the merger),
- consolidation,
- acquisition or disposition of property or stock,
- separation,
- reorganization (other than a reincorporation or the creation of a holding company),
- liquidation of us, or
- any other similar transaction or event so designated by the Board as a result of which our stockholders receive cash, stock or other property in exchange for or in connection with their shares of Common Stock, (each an "exchange transaction"),

all optionees shall be permitted to exercise their outstanding options immediately prior to such exchange transaction, and any outstanding options not exercised before the exchange transaction shall terminate. Instead, if as part of an exchange transaction, our stockholders receive capital stock of another corporation ("exchange stock") in exchange

for their shares of Common Stock, and if the Board so directs, then all outstanding options shall be converted in whole or in part into options to purchase shares of exchange stock. The Board may accelerate vesting of non-vested stock awards and other awards, provide for cash settlement of options and/or make such other adjustments to the terms of any outstanding award as it deems appropriate in the context of an exchange transaction, taking into account, as applicable, the manner in which outstanding options are being treated.

Amendment and Termination: The Board may at any time amend the 2006 Plan, or the terms of any agreement or award made under the 2006 Plan, or terminate the 2006 Plan, but such amendment or termination shall not adversely affect any outstanding award without the consent of the affected participant. In addition, the Board may not, without the prior approval of the stockholders, make any amendment which would (1) increase the aggregate number of shares of Common Stock issuable under the 2006 Plan, (2) increase the maximum number of shares with respect to which options, stock appreciation rights or other equity awards may be granted to any employee in any calendar year, or (3) modify the class of persons eligible to receive awards. The Compensation Committee may amend the terms of any agreement or award made under the 2006 Plan at any time and from time to time, provided, however, that any amendment which would adversely affect a holder's rights under an outstanding award may not be made without his or her consent.

Federal Income Tax Effects: The Federal income tax consequences of awards under the 2006 Plan are summarized below.

The grant of an option or stock appreciation right, or SAR, is not a taxable event for the participant or us. In general, at the time an option is exercised, a participant will recognize ordinary income equal to the difference between the exercise price and the fair market value of the shares. At the time an SAR is exercised, a participant will recognize ordinary income equal to the fair market value of the shares received. We will be entitled to claim a deduction equal to the amount of ordinary income recognized by a participant upon the exercise of an option or SAR. Upon a later sale of the shares, a participant will realize capital gain or loss equal to the difference between the selling price and the fair market value of the shares on the date the option or SAR is exercised.

We may grant options under the 2006 Plan that qualify for special tax treatment which is different than what is described above. The IRS calls these options "incentive stock options," or ISOs. No taxable income is recognized when a participant exercises an ISO, although alternative minimum tax may apply. If shares acquired upon the exercise of an ISO are held by a participant for at least one year from the date the ISO is exercised and two years from the date the ISO is granted, any gain or loss realized on a sale of the shares will be treated as long-term capital gain or loss. However, if a participant sells the shares before the minimum holding periods are met, the gain realized on the sale will be taxable as ordinary income to the extent of the difference between the exercise price paid for the shares and the fair market value of the shares on the date the ISO was exercised. The balance of the gain, if any, will be treated as capital gain. We will be entitled to claim a deduction equal to any ordinary income recognized by a participant upon the sale of shares acquired by the exercise of an ISO.

In general, participants will recognize ordinary income with respect to other types of awards under the 2006 Plan at the time those awards are settled with vested shares or cash, equal to the amount of cash or the then fair market value of the shares. Thus, for example, if we grant a restricted stock award to a participant under the 2006 Plan, then, unless the participant makes a special tax election to recognize income as of the date of the award, the participant will recognize ordinary income equal to the value of the shares as and when they become vested under the terms of the award. Similarly, if we make a deferred stock award, a participant will recognize ordinary income equal to the fair market value of the shares as and when the shares are delivered to the participant in accordance with the terms of the award. We will be entitled to claim a tax deduction equal to the ordinary income recognized by a participant.

Compensation that qualifies as "performance-based" compensation is excluded from the \$1 million deductibility cap of Code Section 162(m), and therefore remains fully deductible by the employer. We believe that compensation attributable to options and

SARs granted under the 2006 Plan, as well as compensation under certain other awards which is conditioned upon achievement of performance goals set forth in the 2006 Plan, will be able to qualify as “performance-based” compensation and, as such, would not be subject to the deduction limitations of Section 162(m). A number of requirements must be met in order for particular compensation to so qualify, however, so there can be no assurance that such compensation under the 2006 Plan will be fully deductible under all circumstances. In addition, compensation earned under certain types of awards permitted by the 2006 Plan, including, for example, restricted stock awards and deferred stock awards that are not subject to performance-based vesting conditions, generally will not qualify for the 162(m) “performance based” compensation exemption and will be taken into account in applying the annual deduction limitation.

This summary provides only a general description of the application of Federal income tax laws to certain awards under the 2006 Plan. This discussion is intended for the information of stockholders considering how to vote at the annual meeting and not as tax guidance to participants in the 2006 Plan. The summary does not address the effects of gift, estate, excise and other federal taxes or taxes imposed under state, local, or foreign tax laws.

**WE RECOMMEND THAT YOU VOTE “FOR” THE APPROVAL OF THE
RENT-A-CENTER, INC. 2006 LONG-TERM INCENTIVE PLAN.**

EXECUTIVE OFFICERS

The Board appoints our executive officers at the first Board meeting following our annual stockholders meeting and updates the executive officer positions as needed throughout the year. Each executive officer serves at the behest of the Board and until their successors are appointed, or until the earlier of their death, resignation or removal.

The following table sets forth certain information with respect to our executive officers as of March 24, 2006:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Mark E. Speese	48	Chairman of the Board of Directors and Chief Executive Officer
Mitchell E. Fadel	48	President and Chief Operating Officer
Robert D. Davis.....	34	Senior Vice President — Finance, Chief Financial Officer and Treasurer
Christopher A. Korst.....	46	Senior Vice President — General Counsel and Secretary
Robert F. Bloom.....	54	President and Chief Executive Officer of ColorTyme, Inc.

Mark E. Speese Mr. Speese has served as the Chairman of our Board and Chief Executive Officer since October 2001 and has served as one of our directors since 1990. Mr. Speese previously served as our Vice Chairman from September 1999 until March 2001. From 1990 until April 1999, Mr. Speese served as our President. Mr. Speese also served as our Chief Operating Officer from November 1994 until March 1999.

Mitchell E. Fadel Mr. Fadel has served as our President since July 2000, as our Chief Operating Officer since December 2002 and as a director since December 2000. From November 1992 until July 2000, Mr. Fadel served as President and Chief Executive Officer of ColorTyme. We acquired ColorTyme in May 1996.

Robert D. Davis Mr. Davis has served as our Senior Vice President - Finance since September 1999, as our Chief Financial Officer since March 1999 and as our Treasurer since January 1997. From September 1998 until September 1999, Mr. Davis served as our Vice President - Finance and Treasurer. Mr. Davis is a licensed certified public accountant in the State of Texas.

Christopher A. Korst Mr. Korst has served as our Senior Vice President — General Counsel since May 2001 and as Secretary since September 2004. From January 2000 until May 2001, Mr. Korst owned and operated AdvantEdge Quality Cars, which he acquired in a management buyout.

Robert F. Bloom Mr. Bloom joined ColorTyme in June 2004 and was appointed President and Chief Executive Officer of ColorTyme by the Board in September 2004. Mr. Bloom was employed by EZCORP, Inc., a leading operator of pawn shops, from June 2000 until May 2004, serving in various capacities, including as Senior Vice President of Operations since October 2003. From January 1999 to April 2000, Mr. Bloom served as Regional Vice President of Franchise Operations for the Family Steakhouse division of Metromedia Restaurant Group.

Code of Ethics: Our Board has adopted a Code of Business Conduct and Ethics governing all of our employees, including our Chief Executive Officer, Chief Financial Officer, our principal accounting officer and controller. A copy of this Code of Business Conduct and Ethics is published on our website at www.rentacenter.com. We intend to make all required disclosures concerning any amendments to, or waivers from, the Code of Business Conduct and Ethics on our website.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Committee: The Compensation Committee is appointed annually by the Board to discharge the Board's responsibilities with respect to all forms of compensation paid to our Chief Executive Officer and other senior executives. The Committee also evaluates the performance of our senior executives, administers our equity incentive plans and considers any related matters for us. The Committee is composed of three independent directors, *Messrs. Lentell (Chairman), Armev and Berg*.

Overall Philosophy and Objectives: The objectives of our executive compensation program are to :

- reward performance that increases the value of our stock;
- attract, retain and motivate senior executives with competitive compensation opportunities;
- build and encourage ownership of our shares;
- balance short-term and long-term strategic goals; and
- address the concerns of our stockholders, employees, the financial community and the general public.

During 2005, the Committee retained an executive compensation consulting firm to review our executive compensation practices and to provide the Committee independent advice with respect to our executive compensation program, including providing independent competitive compensation data, making recommendations to the Committee as to the forms of and overall compensation paid to our senior executives and assisting in the development and review of the 2006 Plan.

As in prior years, the Committee's judgments regarding executive compensation for 2005 were based primarily on the Committee's assessment of each executive officer's performance, taking into account the input received by the Committee from the Chief Executive Officer. The Committee relied upon its judgment and not upon rigid guidelines, formulas or short-term changes in our stock price in determining the amount and mix of compensation elements for each executive officer. Key factors affecting the Committee's judgments included our financial performance, the individual contribution of each senior executive, the input received from the Chief Executive Officer, compensation practices of comparable companies and general economic factors. While the Committee does consider our stock price performance, it has not been the primary consideration in determining annual compensation because the price of our common stock is subject to a variety of factors outside our control. The Committee also considered the information compiled by the executive compensation consulting firm regarding the compensation levels (including long-term incentives) of corporate executives in companies in our competitive business group and the competitive market in which we compete for executive talent.

In assessing compensation levels for our senior executives for 2006, the Committee targeted total compensation to fall in the lower 25% quartile relative to pay practices of comparable publicly traded companies in the retail industry.

Senior Executive Compensation: Our executive compensation program for our senior executives (other than our Chief Executive Officer) for 2005 was comprised of the following forms of compensation:

Salary. Senior executives' salaries are determined by evaluating our financial performance, the most recent comparative peer data, the senior executive's role and responsibilities and their historical performance. Individual salaries are reviewed annually and salary increases are based on the senior executive's performance and compensation of similarly situated individuals at comparable companies. The Committee reviews statistical compensation studies of comparable companies in similar industry, size, and region to determine base salaries for our senior executives. Base salaries are targeted at the lower 25% quartile relative to pay practices of comparable publicly traded companies in the retail industry.

Cash Bonus. The Committee approved a cash bonus program for the 2005 fiscal year in which our senior executives, other than our Chief Executive Officer, were eligible to

participate. Bonuses were capped at a certain percentage of the eligible participant's base salary, with the percentage depending on the individual's position with us. Of the maximum cash bonus amount an eligible participant could earn, generally 40% was contingent on the achievement by us of a target amount of after-tax profit, and the remaining 60% was subject to the achievement of individual goals and objectives, which were set at the beginning of the fiscal year. During 2005, we did not achieve the targeted after-tax profit, and as a result, none of our executives received that portion of their cash bonus under the 2005 cash bonus program.

Long Term Incentives. In addition to base salary and the cash bonus program, the Committee from time to time may consider long-term stock incentives to senior executives. Any grants of long-term incentive awards to senior executives are discretionary and determined by the Committee using its business judgment. The Committee believes that grants of stock options provide incentive for the creation of stockholder value since the full benefit of the grant to each senior executive can only be realized with an appreciation in the price of our common stock. Stock options granted to our senior executives have been granted only pursuant to our Long-Term Incentive Plan. Other than awards to newly-hired or promoted senior executives, no stock options were granted to any of our senior executives, including our Chief Executive Officer, in 2005.

As part of the Committee's review of our executive compensation program, the Committee determined that a greater emphasis should be placed on "at risk" opportunities for compensation through a performance-based cash bonus (with respect to our Chief Executive Officer) and performance-based restricted stock unit awards (for our other senior executives). Accordingly, it was recommended and we determined it appropriate that we revisit our long-term incentive program and grant new forms of long-term incentive awards to our senior executives for 2006. In January 2006, we awarded, pursuant to our existing Long-Term Incentive Plan, long-term incentive equity awards to our senior executives (other than our Chief Executive Officer as discussed below). Each award was comprised of three tranches: (1) 50% of which was issued in stock options, which vest ratably over a four year period, (2) 25% of which was issued in restricted stock units, which will vest upon the senior executive's completion of three years of continuous service, and (3) 25% of which was issued in restricted stock units subject to a performance-based vesting requirement.

Perquisites. Our executive compensation programs have been relatively free of perquisites. To reinforce this position, the Board adopted a formal policy in 2002 regarding the personal use of our company aircraft by certain of our executive officers. Under this policy, our corporate aircraft is available for non-business use by our Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer and Executive Vice Presidents. Use of the corporate aircraft by these executives for reasonable non-business use is subject to availability and must be pre-approved by the Chairman of the Audit Committee. Upon approval by the Chairman of the Audit Committee, the requesting executive must pay to us, in advance, 110% of the estimated total cost of the requested use of the corporate aircraft. If the actual cost for the non-business use of the corporate aircraft exceeds the advance deposit made by the requesting executive, the additional amount is deemed compensation to the requesting executive and reflected on his W-2 earnings statement for the year.

In addition, our senior executives generally participate in benefit plans generally available for all of our employees. The Committee's charter requires the approval of the Committee of all severance arrangements, change in control arrangements, perquisites and other personal benefits.

Retirement Benefits. Our senior executives are eligible to participate in our 401(k) plan. We may make discretionary matching cash contributions to the 401(k) plan in the amount of 50% of the senior executives' contributions, up to an amount not to exceed 4% of the senior executives' compensation (subject to highly compensated employee limits).

Chief Executive Officer Compensation: *2005 Compensation.* The compensation paid to Mr. Speese, our Chief Executive Officer, during 2005 was generally comprised of salary and a cash bonus.

Salary. In determining the base salary for Mr. Speese for the 2005 fiscal year, the Committee considered our performance in 2004, and the level of compensation paid to the highest paid executive at comparable publicly owned companies. Based on these factors, the Committee established Mr. Speese's 2005 base salary effective January 1, 2005, at \$685,000, which was a 5.4% increase from his 2004 salary level. This placed Mr. Speese's compensation below the lower 25% quartile of base salaries paid to chief executive officers of comparable publicly owned companies in the retail industry.

While Mr. Speese was not eligible to participate in the 2005 cash bonus program, the Committee retained the option of awarding a cash bonus to Mr. Speese at its discretion. In reviewing Mr. Speese's contributions to us during the 2005 fiscal year, the Committee determined that some bonus payment should be made to Mr. Speese for his 2005 performance. Factors considered by the Committee in determining Mr. Speese's cash bonus amount for 2005 were our financial performance in 2005, Mr. Speese's industry experience and past performance, total cash compensation necessary to retain top executive talent, the fact that our other senior executives did not attain the financial performance portion of their bonus under the 2005 cash bonus program, and other subjective factors. On this basis, the Committee determined it appropriate to award a bonus to Mr. Speese calculated in a manner consistent with the bonus compensation paid to our other senior executives under the 2005 cash bonus plan, and awarded Mr. Speese a bonus of \$205,500 for services rendered in 2005. The Committee specifically noted that Mr. Speese's total compensation for 2005, taking into account the bonus approved by the Committee was below the lower 25% quartile of total compensation paid to chief executive officers by comparable publicly owned companies in the retail industry.

2006 Compensation. The compensation to be paid to Mr. Speese for 2006 as established by the Committee is as follows:

Salary. In determining the base salary for Mr. Speese for the 2006 fiscal year, the Committee considered our performance in 2005, and the level of compensation paid to the highest paid executive at comparable publicly owned companies. The Committee specifically noted that Mr. Speese's salary remained below the lower 25% quartile of compensation paid to chief executive officers of comparable publicly owned companies. Based on these factors, the Compensation Committee established Mr. Speese's 2006 base salary effective January 1, 2006, at \$740,000, which was a 8.0% increase from his 2005 salary level. This adjustment was made to place Mr. Speese's salary at the lower 25% quartile of base salaries paid to chief executive officers by comparable publicly owned companies in the retail industry.

Cash Bonus. Mr. Speese does not participate in the 2006 cash bonus program established for our senior executives. The bonus, if any, to be awarded to Mr. Speese for the 2006 fiscal year will be determined by the Committee and recommended to the Board of Directors for approval, up to a maximum of 60% of Mr. Speese's 2006 base salary.

Long-Term Incentives. As part of our review of our executive compensation program, it was recommended and we determined it appropriate that we revisit our long-term incentive program and grant a long-term incentive award to Mr. Speese. Given Mr. Speese's significant ownership of our common stock, the Committee determined that such long-term incentive award should be a cash award, containing substantially the same vesting schedule and requirements as those of the long-term incentive equity awards granted to our other senior executives. Accordingly, in January 2006, we awarded a long-term incentive cash award to Mr. Speese pursuant to the Long-Term Incentive Plan, (1) \$250,000 of which vests ratably over a four year period (\$62,500 on each anniversary date), (2) \$125,000 of which will vest upon Mr. Speese's completion of three years of continuous service from January 31, 2006, and (3) \$125,000 of which will vest upon the attainment of a performance-based vesting requirement.

Perquisites. During 2005, Mr. Speese received compensation in the amount of (1) \$3,698 as a result of non-business use of the corporate aircraft and (2) \$810 of dollar value of insurance premiums paid by, or on behalf of us with respect to life insurance for the benefit of Mr. Speese.

Retirement Benefits. Mr. Speese does not participate in any retirement plan sponsored by us, including our 401(k) program.

Conclusion: *Review of All Components of Executive Compensation.* The Committee has reviewed all components of our Chief Executive Officer's and our other senior executives' compensation, including salary, bonus, long-term incentive compensation, and the dollar value to the senior executive and cost to us of all perquisites and other personal benefits.

The Compensation Committee's Conclusion. Based on this review, the Committee found our Chief Executive Officer's and our senior executives' total compensation, individually and in the aggregate, to be reasonable and not excessive. The Committee specifically considered that we do not maintain any employment contracts or change of control agreements with such individuals and noted that the total compensation paid to such individuals was in the lower 25% quartile of compensation paid to similarly situated executives. In addition, when the Committee considers any component of our Chief Executive Officer's and our other senior executives' total compensation, the aggregate amounts and mix of all the components, including stock holdings, are taken into consideration in the Committee's decisions.

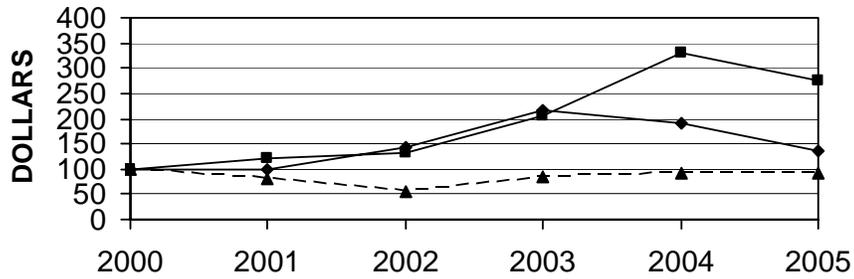
Internal Pay Equity. The Committee reviews each component of senior executive compensation, as well as total senior executive compensation, for internal consistency relative to other officers and employees at our corporate office. The Committee believes that the relative difference between senior executive compensation and the compensation of our other officers and employees at our corporate office is consistent with such differences found in our peer group and our reference labor market.

Section 162(m). Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation over \$1,000,000 paid for any fiscal year to the chief executive officer and four other most highly compensated executive officers. Awards of stock options issued pursuant to our Long-Term Incentive Plan qualify as deductible performance-based compensation under Section 162(m), so that any compensation realized from the exercise of stock options would not be affected by Section 162(m). Compensation paid during 2005 which is subject to the Section 162(m) cap did not exceed \$1 million for any senior executive, including our Chief Executive Officer. Therefore, the Compensation Committee believes that we will not be subject to any Section 162(m) limitations on the deductibility of compensation paid to our senior executives for 2005. The Committee may in the future award compensation which would not comply with the Section 162(m) requirements for deductibility if the Committee concluded that to be in our best interest.

COMPENSATION COMMITTEE
J. V. Lentell, Chairman
Richard K. Arney
Laurence M. Berg

PERFORMANCE GRAPH ¹

Comparison of Cumulative Total Return Among
Rent-A-Center, NASDAQ Stock Market – Market Index and Rent-A-Center’s “Peer Group” ²



¹ Assumes \$100 invested on December 29, 2000 and dividends reinvested, if any. Historical performance does not necessarily predict future results.

² Our peer group for the 2005 fiscal year consisted of Aaron Rents, Inc. and Rent-Way, Inc.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Summary of Compensation: The following table summarizes the compensation we paid our Chairman and Chief Executive Officer and each of the four other most highly compensated executive officers, or our “named executive officers,” based on compensation earned by them in 2005:

<u>Name & Principal Position</u>		<u>Annual Compensation⁽¹⁾</u>		<u>Long-Term Compensation</u>	
		<u>Salary</u>	<u>Bonus</u>	<u>Securities Underlying Options (#)</u>	<u>All Other Compensation</u>
Mark E. Speese	2005	\$685,000	\$205,500	—	\$4,508 ⁽²⁾
Chairman of the Board & Chief Executive Officer	2004	\$650,000	\$142,500	—	\$2,012 ⁽³⁾
	2003	\$600,000	\$220,000	—	\$585 ⁽⁴⁾
Mitchell E. Fadel	2005	\$500,000	\$110,400	—	\$4,965 ⁽⁵⁾
President	2004	\$475,000	\$85,500	—	\$5,458 ⁽⁶⁾
& Chief Operating Officer	2003	\$450,000	\$120,000	—	\$6,025 ⁽⁷⁾
Robert D. Davis.....	2005	\$295,000	\$61,950	—	\$4,406 ⁽⁸⁾
Senior Vice President -	2004	\$265,000	\$47,700	—	\$16,182 ⁽⁹⁾
Finance, Treasurer & Chief Financial Officer	2003	\$180,000	\$54,000	—	\$38,633 ⁽¹⁰⁾
Dana F. Goble ⁽¹¹⁾	2005	\$285,700	\$45,707	—	\$275 ⁽¹²⁾
Executive Vice President	2004	\$279,000	\$47,750	—	—
– Operations	2003	\$265,000	\$80,000	—	—
Christopher A. Korst.....	2005	\$270,600	\$43,837	—	\$364 ⁽¹³⁾
Senior Vice President	2004	\$252,000	\$34,000	—	—
– General Counsel & Secretary	2003	\$240,000	\$46,800	—	—

-
- (1) During 2005, the named executive officers did not receive any annual compensation not properly categorized as salary or bonus, except for certain perquisites or other benefits the aggregate cost of which did not exceed the lesser of \$50,000 or 10% of the total of annual salary and bonus for each such officer. All such amounts are set forth in the "All Other Compensation" column.
- (2) Represents (a) \$3,698 of deemed compensation as a result of non-business use of our corporate aircraft and (b) \$810 of dollar value of insurance premiums paid by, or on behalf of us with respect to life insurance for the benefit of Mr. Speese.
- (3) Represents (a) \$1,428 of deemed compensation as a result of non-business use of our corporate aircraft and (b) \$584 of dollar value of insurance premiums paid by, or on behalf of us with respect to life insurance for the benefit of Mr. Speese.
- (4) Represents dollar value of insurance premiums paid by, or on behalf of us with respect to life insurance for the benefit of Mr. Speese.
- (5) Represents (a) \$4,200 of annual contributions or other allocations by us to our 401(k) Plan and (b) \$765 of dollar value of insurance premiums paid by, or on behalf of us with respect to life insurance for the benefit of Mr. Fadel.
- (6) Represents (a) \$4,100 of annual contributions or other allocations by us to our 401(k) Plan, (b) \$704 of dollar value of insurance premiums paid by, or on behalf of us with respect to life insurance for the benefit of Mr. Fadel, and (c) \$654 of deemed compensation as a result of non-business use of corporate aircraft.
- (7) Represents (a) \$5,500 of annual contributions or other allocations by us to our 401(k) Plan and (b) \$525 of dollar value of insurance premiums paid by, or on behalf of us with respect to life insurance for the benefit of Mr. Fadel.
- (8) Represents (a) \$4,200 of annual contributions or other allocations by us to our 401(k) Plan and (b) \$206 of dollar value of insurance premiums paid by, or on behalf of, us with respect to life insurance for the benefit of Mr. Davis.
- (9) Represents (a) \$11,780 of tuition paid by us for an Executive Masters of Business Administration (EMBA) program attended by Mr. Davis, (b) \$4,100 of annual contributions or other allocations by us to our 401(k) Plan, and (c) \$302 of the dollar value of insurance premiums paid by, or on behalf of, us with respect to life insurance for the benefit of Mr. Davis.
- (10) Represents (a) \$34,345 of tuition paid by us for an Executive Masters of Business Administration (EMBA) program attended by Mr. Davis, (b) \$4,000 of annual contributions or other allocations by us to our 401(k) Plan, and (c) \$288 of the dollar value of insurance premiums paid by, or on behalf of, us with respect to life insurance for the benefit of Mr. Davis.
- (11) Mr. Goble resigned from his position as Executive Vice President – Operations on January 4, 2006.
- (12) Represents the dollar value of insurance premiums paid by, or on behalf of us with respect to life insurance for the benefit of Mr. Goble.
- (13) Represents the dollar value of insurance premiums paid by, or on behalf of, us with respect to life insurance for the benefit of Mr. Korst.

Use of Corporate Aircraft: We own and operate a corporate jet for use by management for business purposes. From time to time, the corporate aircraft is available for non-business use to our Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer and Executive Vice Presidents. Use of the corporate aircraft by these executives for reasonable non-business use is subject to availability and must be pre-approved by the Chairman of the Audit Committee. Upon approval by the Chairman of the Audit Committee, the requesting executive must pay to us, in advance, 110% of the estimated total cost of the requested use of the corporate aircraft. If the actual cost for the non-business use of the corporate aircraft exceeds the advance deposit made by the requesting executive, the additional amount is deemed compensation to the requesting executive and reflected on his W-2 earnings statement for the year. During 2005, Mr. Speese received compensation in the amount of \$3,698 as a result of non-business use of the corporate aircraft.

Employment Agreements: We currently do not maintain employment agreements or change in control agreements with any of our executive officers.

Loyalty and Confidentiality Agreements: In February 2006, each of our executive officers, including Messrs. Speese, Fadel, Davis, Korst and Bloom, entered into a Loyalty and Confidentiality Agreement with us in connection with their participation in the Long-Term Incentive Plan. Under the terms of each agreement, each executive officer agreed to, among other things:

- avoid conflicts of interest with us and promptly inform us of any business opportunities that are related to our line of business;
- avoid competing with us, setting up a business to compete with us, or undertaking other disloyal acts while employed with us;
- not engage in any unauthorized use or disclosure of any of our confidential information;
- during employment with us and for two years thereafter, generally not solicit, induce, or encourage any of our employees to leave us nor help another person or entity to hire away an employee of ours;
- during employment with us and for two years thereafter, not, directly or indirectly, interfere with the relationship between us and a customer; and
- during employment with us and for two years thereafter, not, directly or indirectly, accept or participate in any position of a competing business within a certain restricted area.

2005 Option Holdings: The following table contains the values for “in the money” options, meaning a positive spread between the year-end share price of \$18.86 and the exercise price for the options held by our named executive officers. These values have not been, and might never be, realized. The options might never be exercised, and the value, if any, will depend on the share price on the exercise date. None of our named executive officers exercised any options held by them during 2005.

**AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR END OPTION VALUES**

<u>Name</u>	<u>Number of Unexercised Options at Fiscal Year End</u>		<u>Value of Unexercised In-the-Money Options At Fiscal Year End</u>	
	<u>Exercisable (E)/Unexercisable (U)</u>	<u>Exercisable (E)/Unexercisable (U)</u>	<u>Exercisable (E)/Unexercisable (U)⁽¹⁾</u>	
Mark E. Speese	522,500 (E)	-0- (U)	\$4,362,163 (E)	\$-0- (U)
Mitchell E. Fadel	375,000 (E)	-0- (U)	\$3,447,502 (E)	\$-0- (U)
Dana F. Goble	112,500 (E)	-0- (U)	\$968,875 (E)	\$-0- (U)
Robert D. Davis	50,000 (E)	-0- (U)	\$423,200 (E)	\$-0- (U)
Christopher A. Korst	43,750 (E)	75,000 (U)	\$15,750 (E)	\$27,000 (U)

⁽¹⁾ The closing market price of our Common Stock on December 30, 2005 of \$18.86, as reported on the Nasdaq National Market of the Nasdaq Stock Market, Inc., was used in the calculation to determine the value of unexercised options.

Long-Term Incentive Plans:

Long-Term Incentive Plan. We currently have one stock option plan entitled the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan. The Long-Term Incentive Plan is for the benefit of certain key employees, consultants and directors, and has been approved by our stockholders. The Long-Term Incentive Plan provides the Board broad discretion in creating equity incentives. Under the Long-Term Incentive Plan, 14,562,865 shares of our Common Stock were reserved for issuance under stock options, stock appreciation rights or restricted stock grants, of which, as of March 24, 2006, 6,008,037 have been issued under the Long-Term Incentive Plan and 4,866,499 have been allocated to outstanding awards which have not been exercised. Options granted to employees under the Long-Term Incentive Plan generally become exercisable over a period of one to four years from the date of grant and may be exercised up to a maximum of ten years from date of grant. Options granted to directors are exercisable immediately. There have been no grants of stock appreciation rights and all options have been granted with fixed prices. There were no options issued to any of our named executive officers under the Long-Term Incentive Plan during 2005.

2006 Long-Term Incentive Awards. On January 31, 2006, the Compensation Committee approved the issuance of long-term incentive awards to certain key employees, including Messrs. Fadel, Davis and Korst, under the Long-Term Incentive Plan. The awards were issued as equity awards which were separated into three distinct tranches, (1) 50% of which were issued in options to purchase Common Stock vesting ratably over a four year period, (2) 25% of which were issued in restricted stock units which will vest upon the employee's completion of three years of continuous employment with us from January 31, 2006, (3) 25% of which were issued in restricted stock units subject to performance-based vesting based upon our achievement of a specified three year earnings before interest, taxes, depreciation and amortization (EBITDA). Such awards were as follows:

<u>Name</u>	<u>Options Granted⁽¹⁾</u>	<u>Time-Based Restricted Stock Units Granted</u>	<u>Performance-Based Restricted Stock Units Granted⁽²⁾</u>
Mitchell E. Fadel	11,960	3,340	3,340
Robert D. Davis	5,320	1,485	1,485
Christopher A. Korst	3,190	890	890

(1) The exercise price with respect to the options is \$19.52 per share, based on the 30-day average price of our Common Stock as of January 25, 2006.

(2) The performance-based vesting condition is based upon our achievement of a specified three-year EBITDA target. In addition, each of the performance-based aspects of the long-term incentive awards is subject to adjustment dependent upon the achievement of the performance-based target. The issuance of the stock underlying the performance-based restricted stock units granted to Messrs. Fadel, Davis and Korst will range from a minimum of zero shares to each individual if we achieve less than 87.0% of the target EBITDA, to a maximum of 5,010 shares with respect to Mr. Fadel, 2,228 shares with respect to Mr. Davis and 1,335 shares with respect to Mr. Korst, if we achieve at least 115.1% of the target EBITDA.

In addition, on January 31, 2006, the Compensation Committee approved the issuance of a long-term incentive award to Mr. Speese in the form of a cash award, (1) \$250,000 of which vests ratably over a four-year period (\$62,500 on each anniversary date), (2) \$125,000 of which vests upon Mr. Speese's completion of three years of continuous employment with us from January 31, 2006, and (3) \$125,000 of which is subject to the performance-based vesting condition described above. The payout of the \$125,000 of Mr. Speese's long-term incentive award that is subject to such performance-based vesting condition will range from a minimum of \$0 if we achieve less than 87.0% of the target EBITDA up to a maximum of \$187,500 if we achieve at least 115.1% of the target EBITDA.

2006 Plan. On March 24, 2006, the Board, upon recommendation of the Compensation Committee, adopted, subject to stockholder approval, the 2006 Plan and has directed that it be submitted for the approval of the stockholders. The 2006 Plan will become effective on the date it is approved by our stockholders. Upon approval of the 2006 Plan, our existing Long-Term Incentive Plan will terminate and no additional shares will be granted under the Long-Term Incentive Plan. The Board recommends that you vote "FOR" the approval of the 2006 Plan.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information concerning all equity compensation plans previously approved by our stockholders and all equity compensation plans not previously approved by our stockholders as of December 31, 2005.

<u>Plan category</u>	<u>Number of Securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plan⁽¹⁾</u>
Equity compensation plans approved by security holders.....	5,018,977	18.70	3,859,283
Equity compensation plans not approved by security holders.....	-0-	-0-	-0-
Total.....	5,018,977	18.70	3,859,283

- (1) Pursuant to the terms of the Long-Term Incentive Plan, when an optionee leaves our employ, unvested options granted to that employee terminate and become available for re-issuance. Vested options not exercised within 90 days from the date the optionee leaves our employ terminate and become available for re-issuance.

COMPENSATION COMMITTEE INTERLOCKS, INSIDER PARTICIPATION AND RELATED PARTY TRANSACTIONS

Intrust Bank: J.V. Lentell, one of our directors, serves as Vice Chairman of the Board of Directors of Intrust Bank, N.A., one of our lenders. Intrust Bank, N.A. is a \$7.0 million participant in our senior credit facility. We also maintain operational checking and other accounts, including a \$10.0 million revolving line of credit, with Intrust Bank, N.A., of which \$2.7 million was drawn down as of March 24, 2006. In addition, Intrust Bank, N.A. serves as trustee of our 401(k) plan. During 2005, we paid Intrust a total of \$974,573 in fees in connection with banking services provided by them, of which \$718,422 was for administration fees and trustee fees for our 401(k) plan.

Apollo Management IV, L.P.: On August 5, 1998, affiliates of Apollo Management IV, L.P. purchased \$250 million of our Preferred Stock. Apollo had voting control of 100% of our Preferred Stock, which gave them the right to elect two individuals to our Board. In addition, pursuant to the stockholders agreement we entered into with Apollo and Mr. Speese, Apollo had the right to designate a third individual for nomination as a director who was to be elected by all of our stockholders.

In connection with the issuance of our Preferred Stock, we entered into a registration rights agreement with Apollo, which, among other things, granted them two rights to request that their shares be registered. We registered the shares of common stock acquired by Apollo upon the conversion of the shares of our Preferred Stock held by them on a Form S-3 registration statement that was declared effective in September 2004. In May 2005, Apollo converted the remaining two shares of Preferred Stock held by them into shares of Common Stock, and sold all of the shares of Common Stock held by them in a public offering pursuant to the registration statement on Form S-3. Upon the closing of such offering, no shares of our Preferred Stock remained outstanding. Accordingly, Apollo no longer has any rights to elect any individuals to our Board. In addition, upon the closing of the offering, the stockholders agreement among us, Apollo and Mr. Speese terminated.

Texas Capital Bank: ColorTyme is a party to an agreement with Wells Fargo Foothill, Inc., who provides \$50.0 million in aggregate financing to qualifying franchisees of ColorTyme. Under this agreement, the occurrence of certain events may result in ColorTyme paying the outstanding debt to Wells Fargo Foothill and then succeeding to the rights of Wells Fargo Foothill under the debt agreements. An additional \$20.0 million of financing is provided by Texas Capital Bank, National Association under an agreement similar to the Wells Fargo financing. Mr. Speese is a passive investor in Texas Capital Bank, owning less than 1% of its outstanding equity. We guarantee the obligations of ColorTyme under these agreements up to a maximum amount of \$70.0 million, of which \$30.3 million was outstanding as of December 31, 2005.

Committee Interlocks: None of our executive officers served as a member of the compensation or similar committee or as a member of the Board of Directors of any other entity of which an executive officer served on the Compensation Committee or Board of Directors of Rent-A-Center.

OTHER BUSINESS

The Board does not intend to bring any business before the annual stockholders meeting other than the matters referred to in this notice and at this date has not been informed of any matters that may be presented to the annual stockholders meeting by others. If, however, any other matters properly come before the annual stockholders meeting, it is intended that the persons named in the accompanying proxy will vote pursuant to the proxy in accordance with their best judgment on such matters.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM INFORMATION

Grant Thornton LLP served as our independent registered public accounting firm for the 2005 and 2004 fiscal years. We paid the following fees to Grant Thornton for professional and other services rendered by them during fiscal 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Audit Fees ⁽¹⁾	\$723,256	\$728,829
Audit-Related Fees ⁽²⁾	\$25,940	\$117,210
Tax Fees ⁽³⁾	\$69,640	\$62,195
All Other Fees ⁽⁴⁾	\$0	\$0

- (1) Represents the aggregate fees billed by Grant Thornton for (a) professional services rendered for the audit of our annual financial statements for 2005 and 2004, (b) the audit of management's assessment of the effectiveness of the Company's internal controls over financial reporting as of December 31, 2005 and 2004, (c) the reviews of the financial statements included in our Forms 10-Q filed with the SEC and (d) services in connection with regulatory filings during 2005 and 2004. Such amount includes of fees of \$147,654 and \$199,100 for services related to Sarbanes-Oxley planning and testing for internal control reporting for 2005 and 2004, respectively.
- (2) Represents the aggregate fees billed by Grant Thornton for 2005 and 2004 for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under the caption "Audit Fees."
- (3) Represents the aggregate fees billed by Grant Thornton for professional services rendered for tax compliance, tax advice and tax planning. For 2005, consists of fees related to state tax work of \$31,000, acquired company tax return services of \$32,200 and Canadian tax work of \$6,440. For 2004, consists of fees for IRS audit services of \$30,650 and acquired company tax return services of \$31,545.
- (4) There were no fees paid to Grant Thornton in 2005 or 2004 for products and services not included above under the captions "Audit Fees," "Audit Related Fees" and "Tax Fees."

The Audit Committee reviews and pre-approves both audit and all permissible non-audit services provided by our independent registered public accounting firm, and accordingly, all services and fees in 2005 provided by Grant Thornton were pre-approved by the Audit Committee. The Audit Committee of the Board has considered whether Grant Thornton's provision of services, other than services rendered in connection with the audit of our annual financial statements, is compatible with maintaining Grant Thornton's independence.

Representatives of Grant Thornton LLP, our independent registered public accounting firm for the fiscal year ended December 31, 2005, will attend the annual stockholders meeting and be available to respond to appropriate questions which may be asked by stockholders. These representatives will also have an opportunity to make a statement at the meeting if they desire to do so.

The Audit Committee annually reviews the performance of our independent registered public accounting firm and the fees charged for their services. The Audit Committee anticipates, from time to time, obtaining competitive proposals from other registered independent public accounting firms for our annual audit. Based upon the Audit Committee's analysis of this information, we will determine which registered independent public accounting firm to engage to perform our annual audit each year.

AUDIT COMMITTEE REPORT

In accordance with its written charter adopted by the Board of Directors, the Audit Committee assists the Board in fulfilling its oversight responsibilities by, among other things, reviewing the financial reports and other financial information provided by the Company to any governmental body or the public.

In discharging its oversight responsibilities, the Audit Committee obtained from the independent registered public accounting firm a formal written statement describing all relationships between the firm and the Company that might bear on the auditors' independence consistent with Independent Standards Board Standard No. 1, discussed with the independent auditors any relationships that may impact their objectivity and independence, and satisfied itself as to the auditors' independence. The Audit Committee also discussed with management, the internal auditors and the independent auditors the integrity of the Company's financial reporting processes, including the Company's internal accounting systems and controls, and reviewed with management and the independent auditors the Company's significant accounting principles and financial reporting issues, including judgments made in connection with the preparation of the Company's financial statements. The Audit Committee also reviewed with the independent auditors their audit plans, audit scope and identification of audit risks.

The Audit Committee discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, and, with and without management present, discussed and reviewed the results of the independent auditors' examination of the consolidated financial statements of the Company.

The Audit Committee reviewed and discussed the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2005 with management and the independent auditors. Management is responsible for the Company's financial reporting process, including its system of internal control over financial reporting (as defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934), and for the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles. The independent auditor is responsible for auditing those financial statements, and expressing an opinion on (1) management's assessment of the effectiveness of internal control over financial reporting and (2) the effectiveness of internal control over financial reporting. The Audit Committee's responsibility is to monitor and review these processes. The members of the Audit Committee are "independent" as defined by SEC and Nasdaq rules, and, although our Board has determined each member of the Audit Committee is an "audit committee financial expert" as defined by SEC rules, none of the members of the Audit Committee represent themselves to be, or to serve as, accountants or auditors by profession or experts in the field of accounting or auditing.

For the fiscal year 2005, management completed the documentation, testing and evaluation of the Company's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002, and related regulations. The Audit Committee monitored the progress of the evaluation and provided oversight and guidance to management during the process. In connection with this oversight, the Audit Committee received periodic updates provided by management and the independent auditors. At the conclusion of the process, management provided the Audit Committee with a report on management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2005.

Based upon the above-mentioned review and discussions with management and the independent auditors, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2005, for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE
Peter P. Copses, Chairman
Richard K. Arney
Mary Elizabeth Burton

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based on a review of reports filed by our directors, executive officers and beneficial holders of 10% or more of our shares of Common Stock, and upon representations from those persons, we believe that all SEC stock ownership reports required to be filed by those reporting persons during 2005 were timely made.

RENT-A-CENTER STOCK OWNERSHIP

The following table lists our stock ownership for our directors, our named executive officers, and our known 5% stockholders. Ownership includes direct and indirect (beneficial) ownership, as defined by SEC rules. To our knowledge, each person, along with his or her spouse, has sole voting and investment power over the shares unless otherwise noted. Information in the table is as of March 24, 2006, unless otherwise indicated.

<u>Name and Address of Beneficial Owner</u>	<u>Number</u>	<u>Shares of Common Stock Beneficially Owned</u>	<u>Percent Of Class</u>
Mark E. Speese	2,969,080 ⁽¹⁾		4.25%
Mitchell E. Fadel	385,138 ⁽²⁾		*
Richard K. Arney	14,000 ⁽³⁾		*
Laurence M. Berg	77,500 ⁽³⁾		*
Mary Elizabeth Burton	37,500 ⁽³⁾		*
Peter P. Copses	77,500 ⁽³⁾		*
Michael J. Gade	11,400 ⁽⁴⁾		*
J.V. Lentell	70,000 ⁽³⁾		*
Robert D. Davis	52,341 ⁽⁵⁾		*
Dana F. Goble	-0- ⁽⁶⁾		*
Christopher A. Korst	119,281 ⁽⁷⁾		*
Pzena Investment Management, LLC ⁽⁸⁾	8,604,213		12.42%
Artisan Partners Limited Partnership ⁽⁹⁾	5,594,200		8.07%
Shapiro Capital Management LLC ⁽¹⁰⁾	5,054,377		7.29%
Barclays Global Investors, NA ⁽¹¹⁾	4,499,744		6.49%
All executive officers and directors as a group (11 total)	3,813,740 ⁽¹²⁾		5.40%

* Less than 1%.

- ⁽¹⁾ Represents (a) 1,731,772 shares held directly and 4,500 shares held by Mr. Speese's children, (b) 522,500 options granted under the Long-Term Incentive Plan, all of which are currently exercisable, (c) 539,218 shares held directly by Mr. Speese's spouse, (d) 57,030 shares held in the Jessica Elizabeth Speese 2000 Remainder Trust, Stephen F. Elken Trustee, (e) 57,030 shares held in the Allison Rebecca Speese 2000 Remainder Trust, Stephen F. Elken Trustee, and (f) 57,030 shares held in the Andrew Michael Speese 2000 Remainder Trust, Stephen F. Elken Trustee. Mr. Elken, as trustee of the foregoing trusts, has sole voting and investment power over the shares held in such trusts.
- ⁽²⁾ Represents (a) 375,000 shares issuable pursuant to options granted under the Long-Term Incentive Plan, all of which are currently exercisable, (b) 6,313 shares held pursuant to our 401(k) Plan, and (c) 3,825 shares held in a personal IRA account.
- ⁽³⁾ Represents shares issuable pursuant to options granted under the Long-Term Incentive Plan, all of which are currently exercisable.
- ⁽⁴⁾ Represents (a) 9,000 shares issuable pursuant to options granted under the Long-Term Incentive Plan, all of which are currently exercisable, and (b) 2,400 shares held directly.
- ⁽⁵⁾ Represents (a) 50,000 shares issuable pursuant to options granted under the Long-Term Incentive Plan, all of which are currently exercisable and (b) 2,341 shares held pursuant to our 401(k) Plan.
- ⁽⁶⁾ Mr. Goble resigned from his position as Executive Vice President – Operations on January 4, 2006.
- ⁽⁷⁾ Represents (a) 118,750 shares issuable pursuant to options granted under the Long-Term Incentive Plan, 43,750 of which are currently exercisable, and 75,000 of which may become exercisable within 60 days, and (b) 531 shares held pursuant to our 401(k) Plan.
- ⁽⁸⁾ The address of Pzena Investment Management, LLC is 120 West 45th Street, 20th Floor, New York, New York 10036. Pzena Investment Management, LLC exercises sole investment control over all 8,604,213 of these shares and sole voting power over 6,980,688 of these shares. This information is based on a Schedule 13G/A filed by Pzena Investment Management, LLC with the Securities and Exchange Commission on February 14, 2006.
- ⁽⁹⁾ The address of Artisan Partners Limited Partnership is 875 East Wisconsin Avenue, Suite 800, Milwaukee, Wisconsin 53202. Artisan Partners Limited Partnership exercises shared investment and voting control over all of these shares. This information is based on a Schedule 13G filed by Artisan Partners Limited Partnership with the Securities and Exchange Commission on January 27, 2006.
- ⁽¹⁰⁾ The address of Shapiro Capital Management LLC is 3060 Peachtree Road, Suite 1555 N.W., Atlanta, Georgia 30305-2240. Shapiro Capital Management LLC exercises sole investment control over all of these shares, sole voting control over 4,379,311 of these shares and shared voting control over 675,066 of these shares.
- ⁽¹¹⁾ The address of Barclays Global Investors, NA is 45 Fremont Street, San Francisco, California 94105. Barclays Global Investors, NA exercises sole investment control over all 4,499,744 of these shares and sole voting control over 4,042,471 of these shares. This information is based on a Schedule 13G filed by Barclays Global Investors, NA with the Securities and Exchange Commission on January 26, 2006.
- ⁽¹²⁾ Includes 1,351,750 shares issuable pursuant to options granted under the Long-Term Incentive Plan, 1,276,750 of which are currently exercisable and 75,000 of which may become exercisable within 60 days.

VOTING PROCEDURES / REVOKING YOUR PROXY

- Quorum:** For purposes of electing our directors and for all other purposes, the holders of a majority of the votes entitled to vote at this year's annual stockholders meeting, present in person or by proxy, will constitute a quorum.
- Votes Required to Approve a Proposal:** To be elected, directors must receive a plurality of the shares voting in person or by proxy, provided a quorum exists. A plurality means receiving the largest number of votes, regardless of whether that is a majority. A majority of the votes cast is required to approve the 2006 Plan as well as all other matters submitted to you at the meeting, provided a quorum exists, except as otherwise provided by law or our Certificate of Incorporation or Bylaws.
- Shares Outstanding and Number of Votes:** On the Record Date, there were 69,303,008 shares of our Common Stock outstanding. Each share of Common Stock entitles the holder to one vote per share.
- Abstentions and Broker Non-Votes:** Those who fail to return a proxy or attend the meeting will not count towards determining any required plurality, majority or quorum. Stockholders and brokers returning proxies or attending the meeting who abstain from voting on the election of our directors or on the approval of the 2006 Plan will count towards determining a quorum. However, such abstentions will have no effect on the outcome of the election of our directors or on the approval of the 2006 Plan.
- Brokers holding shares of record for customers generally are not entitled to vote on certain matters unless they receive voting instructions from their customers. In the event that a broker does not receive voting instructions for these matters from its customers, a broker may notify us that it lacks voting authority to vote those shares. These "broker non-votes" refer to votes that could have been cast on the matter in question by brokers with respect to uninstructed shares if the brokers had received their customers' instructions. These broker non-votes will be included in determining whether a quorum exists, but will have no effect on the outcome of the election of our directors or the approval of the 2006 Plan.
- How the Proxies Will be Voted:** The enclosed proxies will be voted in accordance with the instructions you place on the proxy card. Unless otherwise stated, all shares represented by your returned, signed proxy will be voted as noted on the first page of this proxy statement.
- How You May Revoke Your Proxy:** You may revoke your proxy by:
- Delivering a signed, written revocation letter, dated later than the proxy, to Christopher A. Korst, Senior Vice President – General Counsel and Secretary, at 5700 Tennyson Parkway, Suite 100, Plano, Texas 75024;
 - Delivering a signed proxy, dated later than the first one, to Mellon Investor Services LLC, 480 Washington Boulevard, Jersey City, NJ 07310, Attn: Proxy Department; or
 - Attending the meeting and voting in person or by proxy. Attending the meeting alone will not revoke your proxy.
- Proxy Solicitation:** We have retained Mellon to aid in the solicitation of proxies. It is estimated that the cost of these services will be approximately \$9,500 plus expenses. We will bear the entire cost of soliciting proxies. In addition to the solicitation of proxies by mail, proxies may also be solicited by telephone, telegram, electronic mail or personal interview by officers and regular employees of Mellon and us. We will reimburse banks, brokers, custodians, nominees and fiduciaries for reasonable expenses they incur in sending these proxy materials to you if you are a beneficial holder of our shares.

SUBMISSION OF STOCKHOLDER PROPOSALS

**Dates for
Submission of
Stockholders'
Proposals:**

From time to time, stockholders may seek to nominate directors or present proposals for inclusion in the proxy statement and form of proxy for consideration at an annual stockholders meeting. To be included in the proxy statement or considered at an annual or any special meeting, you must timely submit nominations of directors or proposals, in addition to meeting other legal requirements. We must receive proposals for the 2007 annual stockholders meeting no later than December 18, 2006, for possible inclusion in the proxy statement, or prior to March 3, 2007, for possible consideration at the meeting, which is expected to take place on May 18, 2007. Direct any proposals, as well as related questions, to the undersigned.

ANNUAL REPORT ON FORM 10-K

You may obtain a copy of our Annual Report on Form 10-K that we filed with the Securities and Exchange Commission, without charge, by submitting a written request to:

**Christopher A. Korst, Senior Vice President – General Counsel and Secretary
Rent-A-Center, Inc.
5700 Tennyson Parkway, Suite 100
Plano, Texas 75024.**

You may also obtain our SEC filings through the internet at www.sec.gov.

By order of the Board of Directors,

Christopher A. Korst
Senior Vice President – General Counsel and Secretary

PLEASE VOTE – YOUR VOTE IS IMPORTANT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12
- Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))

RENT-A-CENTER, INC.

(Name of Registrant as Specified in Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - 1) Title of each class of securities to which transaction applies: _____
 - 2) Aggregate number of securities to which transaction applies: _____
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): _____
 - 4) Proposed maximum aggregate value of transaction _____
 - 5) Total fee paid: _____
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - 1) Amount Previously Paid: _____
 - 2) Form, Schedule or Registration Statement No.: _____
 - 3) Filing Party: _____
 - 4) Date Filed: _____