KAMADA LTD
Form 6-K
August 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

of the Securities Exchange Act of 1934

For the Month of August, 2013

Commission File Number 001-35948

Kamada Ltd.

(Translation of registrant's name into English)

7 Sapir St.
Kiryat Weizmann Science Park
P.O Box 4081
Ness Ziona 74140
Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F T Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No T

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____

Attached hereto and incorporated herein by reference is a press release of the Company, dated August 1st, 2013, entitled “Second Quarter 2013 Financial Results”.

News Release

Kamada Reports Second Quarter 2013 Financial Results

Net Income of $1 million and Adjusted EBITDA of $4 million

Phase 3 clinical trial of Inhaled AAT for AATD in EU on track to complete this year

Conference Call Begins Today at 10:00 a.m. Eastern Time

NESS ZIONA, Israel (August 1, 2013) – Kamada Ltd. (Nasdaq and TASE: KMDA), a plasma-derived protein therapeutics company focused on orphan indications, announces financial results for the three and six months ended June 30, 2013.

“This year’s second quarter was an exceptionally exciting time for Kamada, highlighted by our successful U.S. IPO and the expansion of our strategic distribution agreement with Baxter in the U.S. In addition, we made excellent progress growing proprietary product revenue, advancing our clinical development programs, fortifying our patent portfolio, maintaining Good Manufacturing Practice (GMP) compliance for Israel, and strengthening our balance sheet,” said David Tsur, Chief Executive Officer of Kamada.

“We were particularly pleased to announce an extension to our strategic agreement with Baxter under which minimum revenues expected from 2010 through 2016 increased to $165 million from $110 million previously. The agreement also expanded our production of Glassia for Baxter’s distribution through 2016, pushing out the transition to royalty payments for Glassia produced by Baxter until 2017. Until that time, we will continue to produce Glassia for distribution by Baxter, which we expect will result in higher profitability for Kamada in 2015 and 2016. During the quarter, we also achieved a milestone under the technology transfer agreement for which we received a $4.5 million payment.

“We remain on track to complete the European pivotal, multi-center Phase 2/3 clinical trial of our inhaled Alpha-1 Antitrypsin (AAT) for the treatment of AAT deficiency (AATD) and expect to report top-line results in early 2014. We have enrolled a high percentage of eligible patients from this study into the open-label extension (OLE) study. With 70 patients enrolled to date in the OLE, we believe participation underscores physician and patient preference for an inhaled treatment for AATD.

“We expect to initiate a U.S. Phase 2 study of our inhaled AAT to treat AATD in the second half of 2013. In addition, we are making progress with plans for a Phase 2/3 clinical trial in Israel to treat newly diagnosed type 1 diabetes with D1-AAT, our intravenously administered AAT product. In a Phase 1/2 clinical trial D1-AAT was shown to be safe and well-tolerated and demonstrated potential to exert a protective effect on beta-cells, thereby slowing disease progression and re-modulation of the autoimmune attack. We expect to begin this study by the end of the year.

“In order to meet expected growth in product demand, we designed and implemented enhancements to our manufacturing processes to significantly improve capacity for our AAT products. We filed a request for approval of these enhancements with the U.S. Food and Drug Administration (FDA), and intend to provide requested additional data during the second half of 2013. We expect the FDA to approve these improvements in the first half of 2014. In the meantime we are distributing finished goods produced by the existing approved process as planned. Our 2013 revenue forecast does not assume U.S. approval of the improved manufacturing process.

“We recently announced the Israeli Ministry of Health (IMOH) completed a GMP audit of our manufacturing facility in Beit Kama, Israel. The audit was performed as part of their routine evaluation of our manufacturing process and concluded that we comply with the GMP requirements of the IMOH. This audit also qualifies as an audit by the European Union.

“We continue to build on our achievements and expect to report significant revenue growth while advancing our robust pipeline of plasma-derived protein therapeutics throughout the second half of 2013,” concluded Mr. Tsur.

Second Quarter Financial Results

Total revenue for the second quarter of 2013 increased 17% to $16.1 million from $13.7 million for the second quarter of 2012, with higher proprietary product revenue mainly attributed to the milestone achieved under the agreement with Baxter, partially offset by expected declines from distributed products.

Revenue from the Proprietary Products Segment increased 70% to $11.9 million from $7.0 million in the year-ago quarter. Revenue from the Distribution Segment declined 37% to $4.2 million from $6.7 million in the second quarter of 2012.

Research and development (R&D) expenses in the second quarter of 2013 of $2.6 million were in line with $2.7 million in the second quarter of 2012 and down from the $3.7 million in the first quarter of this year, which was impacted by production facility costs that were allocated to R&D.

Selling, general and administrative (SG&A) expenses in the second quarter of 2013 of $3.2 million increased from $1.6 million in the second quarter of 2012, and included a one-time management compensation payment of $1.4 million associated with the successful U.S. IPO.

Gross profit for the second quarter of 2013 increased to $7.4 million from $3.3 million a year ago, while gross margin increased to 46% from 24% in the second quarter of 2012. Gross margin expansion is due to milestone revenues under the technology transfer agreement with Baxter.

For the second quarter of 2013 the Company reported operating income of $1.6 million compared with an operating loss of $1 million for the second quarter of 2012. Net income for the second quarter of 2013 was $0.90 million or $0.03 diluted income per share, compared with a net loss of $2.3 million or $0.08 loss per share for the same period in 2012.

Adjusted EBITDA for the second quarter of 2013 was $4.2 million compared with $0.1 million Adjusted EBITDA for the same quarter last year.

Six Months Financial Results

Total revenue for the first half of 2013 decreased 14% to $28.7 million from $33.4 million for the first half of 2012 due to expected declines in revenue in the Distribution Segment.

For the first half of 2013 revenue in the Proprietary Products Segment was $20.0 million, up slightly from $19.5 million for the same period in 2012. Revenue in the Distribution Segment declined 37% to $8.8 million from $13.9 million in the first half of 2012.

Gross profit for the first half of 2013 increased to $11.6 million from $8.9 million, while gross margin increased to 40% from 27% in the comparable prior-year period.

Operating income for the first six months of 2013 of $0.35 million compared with an operating loss of $0.71 million for the first six months of 2012. Net loss for the six months ended June 30, 2013 narrowed to $1.1 million or $0.04 per share, compared with a net loss of $2.7 million or $0.10 per share for the same period in 2012.

Adjusted EBITDA for the first six months of 2013 was $3.9 million, an increase of 165% compared with $1.5 million Adjusted EBITDA for the same period last year.

Balance Sheet Highlights

As of June 30, 2013, the Company had cash and cash equivalents and short term investments of $82.6 million, including net proceeds of $53.0 million raised in the U.S. IPO, compared with $33.8 million as of December 31, 2012.

Conference Call

Kamada management will host an investment community conference call today beginning at 10:00 a.m. Eastern time to discuss these results and answer questions. Shareholders and other interested parties may participate in the conference call by dialing (888) 803-5993 (from within the U.S.) or (706) 634-5454 (from outside the U.S.) and entering passcode 21054403. The call also will be broadcast live on the Internet at www.streetevents.com, www.earnings.com and www.kamada.com.

A replay of the conference call will be accessible two hours after its completion through August 6, 2013 by dialing (855) 859-2056 (from within the U.S.) or (404) 537-3406 (from outside the U.S.) and entering passcode 21054403. The call will also be archived for 90 days at www.streetevents.com, www.earnings.com and www.kamada.com.

About Kamada

Kamada Ltd. is focused on plasma-derived protein therapeutics for orphan indications, and has a commercial product portfolio and a robust late-stage product pipeline. The company uses its proprietary platform technology and know-how for the extraction and purification of proteins from human plasma to produce Alpha-1 Antitrypsin (AAT) in a highly-purified, liquid form, as well as other plasma-derived proteins. AAT is a protein derived from human plasma with known and newly-discovered therapeutic roles given its immunomodulatory, anti-inflammatory, tissue-protective and antimicrobial properties. The Company’s flagship product is Glassia®, the first and only liquid, ready-to-use, intravenous plasma-derived AAT product approved by the U.S. Food and Drug Administration. Kamada markets Glassia in the U.S. through a strategic partnership with Baxter International. In addition to Glassia, Kamada has a product line of nine other injectable pharmaceutical products that are marketed through distributors in more than 15 countries, including Israel, Russia, Brazil, India and other countries in Latin America, Eastern Europe and Asia. Kamada has five late-stage plasma-derived protein products in development, including an inhaled formulation of AAT for the treatment of AAT deficiency that is in pivotal Phase 2/3 clinical trials in Europe and will be entering Phase 2 clinical trials in the U.S. Kamada also leverages its expertise and presence in the plasma-derived protein therapeutics market by distributing 10 complementary products in Israel that are manufactured by third parties.

Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements that involve risks, uncertainties and assumptions, such as statements regarding assumptions and results related to financial results forecast, commercial results, clinical trials, the EMA and US FDA authorizations and timing of clinical trials. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors including, but not limited to, unexpected results of clinical trials, delays or denial in the US FDA or the EMA approval process, additional competition in the AATD market or further regulatory delays. The forward-looking statements made herein speak only as of the date of this release and the Company undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law.

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CONSOLIDATED BALANCE SHEETS

	As of June 30, 2013	As of June 30, 2012	As of December 31, 2012
	In thousands		
Current Assets			
Cash and cash equivalents	$73,403	$18,278	$ 16,866
Short-term investments	9,152	14,353	16,929
Trade receivables	12,340	11,053	13,861
Other accounts receivables	1,400	1,062	1,661
Inventories	23,901	17,066	20,513
	120,196	61,812	69,830
Non-Current Assets			
Long-term inventories	165	394	238
Property, plant and equipment, net	19,993	17,859	18,827
Other long-term assets	193	166	219
	20,351	18,419	19,284
	140,547	80,231	89,114
Current Liabilities			
Short term credit and Current maturities of convertible debentures	5,534	12	5,370
Trade payables	9,098	12,593	12,220
Other accounts payables	5,481	3,026	3,413
Deferred revenues	8,596	5,601	8,176
	28,709	21,232	29,179
Non-Current Liabilities			
Loans from others	-	6	-
Warrants	-	19	23
Convertible debentures	19,930	22,367	18,747
Employee benefit liabilities, net	770	715	718
Deferred revenues	10,149	13,700	12,054
	30,849	36,807	31,542
Equity			
Share capital	8,983	7,015	7,204
Share premium	148,655	93,706	96,874
Warrants	-	325	-
Conversion option in convertible debentures	3,794	3,794	3,794
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)

Capital reserve from hedges	121	-	229
Other capital reserves	4,762	4,494	4,473
Accumulated deficit	(81,836)	(83,652)	(80,691)
	80,989	22,192	28,393
	$ 140,547	$ 80,231	$ 89,114

Consolidated Statements of Comprehensive Income (loss)

	Six months period Ended June 30		Three months period Ended June 30		Year ended December 31
	2013	2012	2013	2012	2012
	Thousands of US dollar (Except for per-share loss data)				
Revenues from proprietary products	$19,957	$19,502	$11,897	$7,024	$ 46,445
Revenues from distribution	8,754	13,852	4,218	6,728	26,230
Total revenues	28,711	33,354	16,115	13,752	72,675
Cost of revenues from proprietary products	9,682	12,137	5,121	4,544	26,911
Cost of revenues from distribution	7,412	12,314	3,573	5,928	23,071
Total cost of revenues	17,094	24,451	8,694	10,472	49,982
Gross profit	11,617	8,903	7,421	3,280	22,693
Research and development expenses	6,334	6,210	2,604	2,744	11,821
Selling and marketing expenses	963	966	450	494	1,853
General and administrative expenses	3,975	2,433	2,719	1,085	4,781
Operating income (loss)	345	(706)	1,648	(1,043)	4,238
Financial income	165	336	79	153	578
Income (expense) in respect of currency exchange and translation differences and derivatives instruments, net	(70)	(49)	(132)	15	(100)
Expense in respect of revaluation of warrants to fair value		(573)		(518)	(576)
Financial expense	(1,549)	(1,709)	(693)	(836)	(3,357)
Income (loss) before taxes on income	(1,109)	(2,701)	902	(2,229)	783
Taxes on income	36	-	12	-	523
Net Income (loss)	(1,145)	(2,701)	890	(2,229)	260
Other Comprehensive Income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Net gain (loss) on cash flow hedge	(108)	-	(67)	-	229
Items that will not be reclassified to profit or loss in subsequent periods:					
Actuarial net gain of defined benefit plans	-	-	-	-	46
Total comprehensive income (loss)	$(1,253)	$(2,701)	$823	$(2,229)	$ 535

Income (loss) per share attributable to equity holders of the Company:					
Basic loss per share	$(0.04)	$(0.10)	$0.03	$(0.08)	$ 0.01
Diluted loss per share	$(0.04)	$(0.10)	$0.03	$(0.08)	$ 0.01

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period Ended June 30, 2013	Six months period Ended June 30, 2012	Three months period Ended June 30, 2013	Three months period Ended June 30, 2012	Year Ended December 31, 2012
	Thousands of US dollar				
Cash Flows from Operating Activities					
Net income (loss)	$(1,145)	$(2,701)	$890	$(2,229)	$260
Adjustments to reconcile loss to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Depreciation and amortization	1,515	1,507	692	755	3,044
Finance expenses, net	1,454	1,994	747	1,186	3,455
Cost of share-based payment	649	686	436	338	1,267
Loss from sale of fixed assets	67	14	67	14	523
Taxes on income	36	-	12	-	-
Change in employee benefit liabilities, net	52	(11)	32	(134)	38
	3,773	4,190	1,986	2,159	8,327
Changes in asset and liability items:					
Decrease (increase) in trade receivables	1,743	(4,343)	(3,097)	197	(6,662)
Decrease (increase) in other accounts receivables	207	831	649	933	451
Increase in inventories and long-term inventories	(3,315)	(1,571)	(85)	(1,135)	(4,861)
Decrease (increase) in deferred expenses	28	39	139	(4)	89
Increase (decrease) in trade payables	(3,178)	347	(3,716)	1,561	(157)
Increase (decrease) in other accounts payables	960	(14)	1,190	(378)	322
Decrease in deferred revenues	(1,485)	(4,035)	(1,351)	(1,658)	(3,438)
	(5,040)	(8,746)	(6,271)	(484)	(14,256)
Cash paid and received during the period for:					
Interest paid	(1,062)	(1,140)	(527)	(555)	(2,200)
Interest received	195	430	112	272	249
Taxes paid	(54)	(36)	(23)	(33)	(642)
	(921)	(746)	(438)	(316)	(2,593)
Net cash used in operating activities	$(3,333)	$(8,003)	$(3,833)	$(870)	$(8,262)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period Ended June 30,		Three months period Ended June 30,		Year Ended December 31,
	2013	2012	2013	2012	2012
	Thousands of US dollar				
Cash Flows from Investing Activities					
Short-term investments	$7,848	$1,912	$1,279	$6,247	$ 665
Purchase of property and equipment	(2,747)	(1,982)	(1,473)	(1,422)	(4,609)
Proceeds from sale of equipment	3	-	3	-	-
Restricted cash	-	1,512	-	-	1,512
Net cash provided by (used in) investing activities	5,104	1,442	(191)	4,825	(2,432)
Cash Flows from Financing Activities					
Exercise of warrants and options into shares	309	582	136	476	2,978
Proceeds from issuance of ordinary shares, net	53,958	<			

	Total	2008	2009-2010	2011-2012	Thereafter
	Payments Due by Period (In thousands)				
Contractual Cash Obligations					
Senior Credit Facilities (including current portion)	$ 753,964(1)	$ 4,318	$ 114,536	$ 635,110	$
7 1/2% Senior Subordinated Notes(2)	276,431	9,014	267,417		
Operating Leases	471,638	45,600	284,559	124,843	16,636
Capital Leases	11,107	1,579	8,117	1,411	
Total(3)	$ 1,513,140	$ 60,511	$ 674,629	$ 761,364	$ 16,636

(1) Includes amounts due under the Intrust line of credit. Amount referenced does not include interest payments. Our senior credit facilities bear interest at varying rates

equal to the Eurodollar rate plus .75% to 1.75% or the prime rate plus up to .75% at our election. The weighted average Eurodollar rate on our outstanding debt at September 30, 2008 was 2.84%.

(2) Includes interest payments of $9.0 million on each of May 1 and November 1 of each year.

(3) As of September 30, 2008, we have $5.1 million in uncertain tax positions, net of federal benefit. Because of the uncertainty of the amounts to be ultimately paid as well as the timing of such payments, these liabilities are not reflected in the contractual obligations table.

Repurchases of Outstanding Securities. Our Board of Directors has authorized a common stock repurchase program, permitting us to purchase, from time to time, in the open market and privately negotiated transactions, up to an aggregate of $500.0 million of Rent-A-Center common stock. As of September 30, 2008, we had purchased a total of 18,610,950 shares of Rent-A-Center common stock for an aggregate of $447.4 million under this common stock repurchase program.

We repurchased $29.6 million and $30.0 million of our subordinated notes in May 2008 and August 2008, respectively, for a net gain of approximately $278,000.

Economic Conditions. Although our performance has not suffered in previous economic downturns, we cannot assure you that demand for our products, particularly in higher price ranges, will not significantly decrease in the event of a prolonged recession. Fluctuations in our targeted customers monthly disposable income could adversely impact our results of operations.

Restructuring. Our expected total cash outlay related to the 2007 store consolidation plan and other restructuring items is expected to be between $26.1 million and $30.4 million. The total amount of cash used through September 30, 2008 was approximately $15.2 million, which primarily related to lease terminations. We expect to use approximately $10.9 million to

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$15.2 million of cash on hand for future payments, which will primarily relate to the satisfaction of lease obligations at the stores. We expect the lease obligations will be substantially settled in twelve to eighteen months, with total completion no later than the second quarter of 2013. Please refer to Note 7, Restructuring, in the Notes to Consolidated Financial Statements on page 8 of this report for more information on our 2007 store consolidation plan.

Seasonality. Our revenue mix is moderately seasonal, with the first quarter of each fiscal year generally providing higher merchandise sales than any other quarter during a fiscal year, primarily related to federal income tax refunds. Generally, our customers will more frequently exercise their early purchase option on their existing rental purchase agreements or purchase pre-leased merchandise off the showroom floor during the first quarter of each fiscal year. We expect this trend to continue in future periods. Furthermore, we tend to experience slower growth in the number of rental purchase agreements on rent in the third quarter of each fiscal year when compared to other quarters throughout the year. As a result, we would expect revenues for the third quarter of each fiscal year to remain relatively flat with the prior quarter. We expect this trend to continue in future periods unless we add significantly to our store base during the third quarter of future fiscal years as a result of new store openings or opportunistic acquisitions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Sensitivity

As of September 30, 2008, we had $240.4 million in subordinated notes outstanding at a fixed interest rate of 7^{1}/2% and $754.0 million in term loans outstanding at interest rates indexed to the Eurodollar rate. The fair value of the 7^{1}/2% subordinated notes, based on the closing price at September 30, 2008, was $223.5 million.

Market Risk

Market risk is the potential change in an instrument s value caused by fluctuations in interest rates. Our primary market risk exposure is fluctuations in interest rates. Monitoring and managing this risk is a continual process carried out by our senior management. We manage our market risk based on an ongoing assessment of trends in interest rates and economic developments, giving consideration to possible effects on both total return and reported earnings.

Interest Rate Risk

We hold long-term debt with variable interest rates indexed to prime or Eurodollar rates that exposes us to the risk of increased interest costs if interest rates rise. As of September 30, 2008, we have not entered into any interest rate swap agreements. The credit markets have recently experienced adverse conditions, including wide fluctuations in rates. Continuing volatility in the credit markets may increase the costs associated with our existing long-term debt. Based on our overall interest rate exposure at September 30, 2008, a hypothetical 1.0% increase or decrease in interest rates would have the effect of causing a $7.6 million additional pre-tax charge or credit to our statement of earnings.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures. An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this quarterly report. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is (1) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding required disclosure. Based on that evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that our disclosure controls and procedures were effective.

Changes in internal controls. For the quarter ended September 30, 2008, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II Other Information

Item 1. Legal Proceedings.

From time to time, we, along with our subsidiaries, are party to various legal proceedings arising in the ordinary course of business. We account for our litigation contingencies pursuant to the provisions of SFAS No. 5 and FIN 14, which require that we accrue for losses that are both probable and reasonably estimable. We expense legal fees and expenses incurred in connection with the defense of all of our litigation at the time such amounts are invoiced or otherwise made known to us.

As of September 30, 2008, we had accrued $20.2 million relating to probable losses for our outstanding litigation as follows (in millions):

Shafer/Johnson Matter	$ 11.0
California Attorney General Settlement	9.1
Other Litigation	0.1
Total Accrual	$ 20.2

We continue to monitor our litigation exposure, and will review the adequacy of our legal reserves on a quarterly basis in accordance with applicable accounting rules. Please refer to *Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Involving Critical Estimates, Uncertainties or Assessments in Our Financial Statements* regarding our process for evaluating our litigation reserves. Except as described below, we are not currently a party to any material litigation and, other than as set forth above, we have not established any other reserves for our outstanding litigation.

California Attorney General Inquiry. In October 2006, we announced that we had reached a settlement with the California Attorney General to resolve the inquiry received in the second quarter of 2004 regarding our business practices in California with respect to cash prices and our membership program. Under the terms of the settlement, which has now been documented and approved by the court, we will create a restitution fund in the amount of approximately $9.1 million in cash, to be distributed to certain groups of customers. Restitution checks will contain a restrictive endorsement releasing us from claims that arise from or relate to the cash price set forth in the rental purchase agreement and the customer s purchase of the Preferred Customer Club. We have reached an agreement with the Attorney General and the settlement administrator with respect to the implementation procedures for the restitution program and expect to fund the restitution account in the first quarter of 2009. We also agreed to a civil penalty in the amount of $750,000, which was paid in the first quarter of 2007. As of September 30, 2008, we had accrued $9.1 million relating to this settlement.

State Wage and Hour Class Actions

Eric Shafer, et al. v. Rent-A-Center, Inc. The previously announced settlement of the *Eric Shafer et al. v. Rent-A-Center, Inc.* and *Victor E. Johnson et al. v. Rent-A-Center, Inc.* coordinated matters pending in state court in Los Angeles, California has now received final approval from the court. These matters allege violations by us of certain wage and hour laws of California. Under the terms of the settlement, we will pay an aggregate of $11.0 million in cash, including settlement costs and plaintiffs attorneys fees, to be distributed to an agreed-upon class of our employees from May 1998 through March 31, 2008. We are entitled to any settlement fund monies not distributed under the terms of the settlement. In connection with the settlement, we are not admitting liability for our wage and hour practices in California. To account for the aforementioned costs, we recorded a pre-tax expense of $11.0 million during the fourth quarter of 2007. We expect to fund settlement costs and plaintiffs attorneys fees in the amount of approximately $5.0 million in the fourth quarter of 2008, and the balance of the settlement amount in the first quarter of 2009.

We believe that the cash flow generated from operations, together with amounts available under our senior credit facilities, will be sufficient to fund these settlements without adversely affecting our liquidity in a material way.

RENT-A-CENTER, INC. AND SUBSIDIARIES

Item 1A. Risk Factors.

You should carefully consider the risks described below before making an investment decision. We believe these are all the material risks currently facing our business. Our business, financial condition or results of operations could be materially adversely affected by these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. You should also refer to the other information included in this report, including our financial statements and related notes.

We may not be able to successfully increase revenue in our rent-to-own stores, which could cause our future earnings to grow more slowly or even decrease.

Our continued growth depends on our ability to increase sales in our existing rent-to-own stores. For the nine months ended September 30, 2008, our same store sales increased by 2.8% compared to the nine months ended September 30, 2007. Our same store sales increased by 2.1% and 1.9% for all of 2007 and 2006, respectively, and decreased by 2.3% for all of 2005. As a result of new store openings in existing markets and because mature stores will represent an increasing proportion of our store base over time, our same store revenues in future periods may be lower than historical levels. If we are unable to increase revenue in our rent-to-own stores, our earnings may grow more slowly or even decrease.

If we fail to effectively manage the growth and integration of our financial services business, we may not realize the economic benefit of our financial investment in such operations.

A primary focus of our growth strategy is expansion into the financial services business. We face risks associated with integrating this new business into our existing operations, including the development of appropriate information technology and financial reporting systems. Further, a newly opened financial services location generally does not attain positive cash flow during its first year of operations. In addition, the financial services industry is highly competitive and regulated by federal, state and local laws.

Our expansion into the financial services business could place a significant demand on our management and our financial and operational resources. If we are unable to effectively implement our financial services business, we may not realize the operational benefits of our investment in the financial services business that we currently expect.

Rent-to-own transactions are regulated by law in most states. Any adverse change in these laws or the passage of adverse new laws could expose us to litigation or require us to alter our business practices.

As is the case with most businesses, we are subject to various governmental regulations, including specifically in our case, regulations regarding rent-to-own transactions. Currently, 47 states, the District of Columbia and Puerto Rico have passed laws regulating rental purchase transactions and one additional state has a retail installment sales statute that excludes rent-to-own transactions from its coverage if certain criteria are met. These laws generally require certain contractual and advertising disclosures. They also provide varying levels of substantive consumer protection, such as requiring a grace period for late fees and contract reinstatement rights in the event the rental purchase agreement is terminated. The rental purchase laws of ten states limit the total amount of rentals that may be charged over the life of a rental purchase agreement. Several states also effectively regulate rental purchase transactions under other consumer protection statutes. We are currently subject to litigation alleging that we have violated some of these statutory provisions.

Although there is currently no comprehensive federal legislation regulating rental purchase transactions, adverse federal legislation may be enacted in the future. From time to time, legislation has been introduced in Congress seeking to regulate our business. In addition, various legislatures in the states where we currently do business may adopt new legislation or amend existing legislation that could require us to alter our business practices.

Financial services transactions are regulated by federal law as well as the laws of certain states. Any adverse changes in these laws or the passage of adverse new laws with respect to the financial services business could slow our growth opportunities, expose us to litigation or alter our business practices in a manner that we may deem to be unacceptable.

Our financial services business is subject to federal statutes and regulations such as the USA Patriot Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act, the Anti-Money Laundering Act, and similar state laws. In addition, we are subject to various state regulations regarding the terms of our short term consumer loans and our policies, procedures and operations relating to those

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loans, including the fees we may charge, as well as fees we may charge in connection with our other financial services products. The failure to comply with such regulations may result in the imposition of material fines, penalties, or injunctions. Congress and/or the various legislatures in the states where we currently operate or intend to offer financial services products may adopt new legislation or amend existing legislation with respect to our financial services business that could require us to alter our business practices in a manner that we may deem to be unacceptable, which could slow our growth opportunities.

We may be subject to legal proceedings from time to time which seek material damages. The costs we incur in defending ourselves or associated with settling any of these proceedings, as well as a material final judgment or decree against us, could materially adversely affect our financial condition by requiring the payment of the settlement amount, a judgment or the posting of a bond.

In our history, we have defended class action lawsuits alleging various regulatory violations and have paid material amounts to settle such claims. We cannot assure you that we will not be the subject of similar lawsuits in the future. Significant settlement amounts or final judgments could materially and adversely affect our liquidity. The failure to pay any material judgment would be a default under our senior credit facilities and the indenture governing our outstanding subordinated notes.

Our debt agreements impose restrictions on us which may limit or prohibit us from engaging in certain transactions. If a default were to occur, our lenders could accelerate the amounts of debt outstanding, and holders of our secured indebtedness could force us to sell our assets to satisfy all or a part of what is owed.

Covenants under our senior credit facilities and the indenture governing our outstanding subordinated notes restrict our ability to pay dividends, engage in various operational matters, as well as require us to maintain specified financial ratios. Our ability to meet these financial ratios may be affected by events beyond our control. These restrictions could limit our ability to obtain future financing, make needed capital expenditures or other investments, repurchase our outstanding debt or equity, withstand a future downturn in our business or in the economy, dispose of operations, engage in mergers, acquire additional stores or otherwise conduct necessary corporate activities. Various transactions that we may view as important opportunities, such as specified acquisitions, are also subject to the consent of lenders under the senior credit facilities, which may be withheld or granted subject to conditions specified at the time that may affect the attractiveness or viability of the transaction.

If a default were to occur, the lenders under our senior credit facilities could accelerate the amounts outstanding under the credit facilities, and our other lenders could declare immediately due and payable all amounts borrowed under other instruments that contain certain provisions for cross-acceleration or cross-default. In addition, the lenders under these agreements could terminate their commitments to lend to us. If the lenders under these agreements accelerate the repayment of borrowings, we may not have sufficient liquid assets at that time to repay the amounts then outstanding under our indebtedness or be able to find additional alternative financing. Even if we could obtain additional alternative financing, the terms of the financing may not be favorable or acceptable to us.

The existing indebtedness under our senior credit facilities is secured by substantially all of our assets. Should a default or acceleration of this indebtedness occur, the holders of this indebtedness could sell the assets to satisfy all or a part of what is owed. Our senior credit facilities also contain certain provisions limiting our ability to modify or refinance our outstanding subordinated notes.

A change of control could accelerate our obligation to pay our outstanding indebtedness, and we may not have sufficient liquid assets to repay these amounts.

Under our senior credit facilities, an event of default would result if a third party became the beneficial owner of 35.0% or more of our voting stock or upon certain changes in the constitution of Rent-A-Center s Board of Directors. As of September 30, 2008, $754.0 million was outstanding under our senior credit facilities.

Under the indenture governing our outstanding subordinated notes, in the event that a change in control occurs, we may be required to offer to purchase all of our outstanding subordinated notes at 101% of their original aggregate principal amount, plus accrued interest to the date of repurchase. A change in control also would result in an event of default under our senior credit facilities, which would allow our lenders to accelerate indebtedness owed to them.

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RENT-A-CENTER, INC. AND SUBSIDIARIES

If the lenders under our debt instruments accelerate these obligations, we may not have sufficient liquid assets to repay amounts outstanding under these agreements.

Rent-A-Center s organizational documents and our debt instruments contain provisions that may prevent or deter another group from paying a premium over the market price to Rent-A-Center s stockholders to acquire its stock.

Rent-A-Center s organizational documents contain provisions that classify its Board of Directors, authorize its Board of Directors to issue blank check preferred stock and establish advance notice requirements on its stockholders for director nominations and actions to be taken at annual meetings of the stockholders. In addition, as a Delaware corporation, Rent-A-Center is subject to Section 203 of the Delaware General Corporation Law relating to business combinations. Our senior credit facilities and the indenture governing our subordinated notes each contain various change of control provisions which, in the event of a change of control, would cause a default under those provisions. These provisions and arrangements could delay, deter or prevent a merger, consolidation, tender offer or other business combination or change of control involving us that could include a premium over the market price of Rent-A-Center s common stock that some or a majority of Rent-A-Center s stockholders might consider to be in their best interests.

Rent-A-Center is a holding company and is dependent on the operations and funds of its subsidiaries.

Rent-A-Center is a holding company, with no revenue generating operations and no assets other than its ownership interests in its direct and indirect subsidiaries. Accordingly, Rent-A-Center is dependent on the cash flow generated by its direct and indirect operating subsidiaries and must rely on dividends or other intercompany transfers from its operating subsidiaries to generate the funds necessary to meet its obligations, including the obligations under the senior credit facilities and the outstanding subordinated notes. The ability of Rent-A-Center s subsidiaries to pay dividends or make other payments to it is subject to applicable state laws. Should one or more of Rent-A-Center s subsidiaries be unable to pay dividends or make distributions, its ability to meet its ongoing obligations could be materially and adversely impacted.

Our stock price is volatile, and you may not be able to recover your investment if our stock price declines.

The price of our common stock has been volatile and can be expected to be significantly affected by factors such as:

- quarterly variations in our results of operations, which may be impacted by, among other things, changes in same store sales, when and how many rent-to-own stores we acquire or open, and the rate at which we add financial services to our existing rent-to-own stores;
- quarterly variations in our competitors results of operations;
- changes in earnings estimates or buy/sell recommendations by financial analysts; and
- the stock price performance of comparable companies.

In addition, the stock market as a whole has experienced extreme price and volume fluctuations that have affected the market price of many specialty retailers in ways that may have been unrelated to these companies operating performance.

Failure to achieve and maintain effective internal controls could have a material adverse effect on our business and stock price.

Effective internal controls are necessary for us to provide reliable financial reports. If we cannot provide reliable financial reports, our brand and operating results could be harmed. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

While we continue to evaluate and improve our internal controls, we cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations.

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RENT-A-CENTER, INC. AND SUBSIDIARIES

If we fail to maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Failure to achieve and maintain an effective internal control environment could cause investors to lose confidence in our reported financial information, which could have a material adverse effect on our stock price.

Item 6. Exhibits.

The exhibits required to be furnished pursuant to Item 6 are listed in the Exhibit Index filed herewith, which Exhibit Index is incorporated herein by reference.

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RENT-A-CENTER, INC. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned duly authorized officer.

RENT-A-CENTER, INC.

By: /s/ Robert D. Davis
Robert D. Davis
Executive Vice President-Finance,
Chief Financial Officer and
Treasurer

Date: November 3, 2008

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RENT-A-CENTER, INC. AND SUBSIDIARIES
INDEX TO EXHIBITS

Exhibit No.	Description
3.1	Certificate of Incorporation of Rent-A-Center, Inc., as amended (Incorporated herein by reference to Exhibit 3.1 to the registrant s Current Report on Form 8-K dated as of December 31, 2002.)
3.2	Certificate of Amendment to the Certificate of Incorporation of Rent-A-Center, Inc., dated May 19, 2004 (Incorporated herein by reference to Exhibit 3.2 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.)
3.3	Amended and Restated Bylaws of Rent-A-Center, Inc. (Incorporated herein by reference to Exhibit 3.1 to the registrant s Current Report on Form 8-K dated as of September 17, 2008.)
4.1	Form of Certificate evidencing Common Stock (Incorporated herein by reference to Exhibit 4.1 to the registrant s Registration Statement on Form S-4/A filed on January 13, 1999.)
4.2	Indenture, dated as of May 6, 2003, by and among Rent-A-Center, Inc., as Issuer, Rent-A-Center East, Inc., ColorTyme, Inc., Rent-A-Center West, Inc., Get It Now, LLC, Rent-A-Center Texas, L.P. and Rent-A-Center Texas, L.L.C., as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.9 to the registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.)
4.3	First Supplemental Indenture, dated as of December 4, 2003, between Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.6 to the registrant s Annual Report on Form 10-K/A for the year ended December 31, 2003.)
4.4	Second Supplemental Indenture, dated as of April 26, 2004, between Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.7 to the registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.)
4.5	Third Supplemental Indenture, dated as of May 7, 2004, between Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.8 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.)
4.6	Fourth Supplemental Indenture, dated as of May 14, 2004, between Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.9 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.)
4.7	Fifth Supplemental Indenture, dated as of June 30, 2005, between Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.10 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2005.)

4.8	Sixth Supplemental Indenture, dated as of April 17, 2006, between Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.10 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.)
4.9	Seventh Supplemental Indenture, dated as of October 17, 2006, between Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.11 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2006.)
4.10	Eighth Supplemental Indenture, dated as of November 15, 2006, between Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York, as Trustee (Incorporated herein by reference to Exhibit 4.12 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006.)
10.1	Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.1 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2003.)

RENT-A-CENTER, INC. AND SUBSIDIARIES

Exhibit No.	Description
10.2	Amended and Restated Guarantee and Collateral Agreement, dated as of May 28, 2003, as amended and restated as of July 14, 2004, made by Rent-A-Center, Inc. and certain of its Subsidiaries in favor of JPMorgan Chase Bank, as Administrative Agent (Incorporated herein by reference to Exhibit 10.2 to the registrant s Current Report on Form 8-K dated July 15, 2004.)
10.3	Franchisee Financing Agreement, dated April 30, 2002, but effective as of June 28, 2002, by and between Texas Capital Bank, National Association, ColorTyme, Inc. and Rent-A-Center, Inc. (Incorporated herein by reference to Exhibit 10.14 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.)
10.4	Supplemental Letter Agreement to Franchisee Financing Agreement, dated May 26, 2003, by and between Texas Capital Bank, National Association, ColorTyme, Inc. and Rent-A-Center, Inc. (Incorporated herein by reference to Exhibit 10.23 to the registrant s Registration Statement on Form S-4 filed July 11, 2003.)
10.5	First Amendment to Franchisee Financing Agreement, dated August 30, 2005, by and among Texas Capital Bank, National Association, ColorTyme, Inc. and Rent-A-Center East, Inc. (Incorporated herein by reference to Exhibit 10.7 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.)
10.6	Amended and Restated Franchise Financing Agreement, dated October 1, 2003, by and among Wells Fargo Foothill, Inc., ColorTyme, Inc. and Rent-A-Center East, Inc. (Incorporated herein by reference to Exhibit 10.22 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2003.)
10.7	First Amendment to Amended and Restated Franchisee Financing Agreement, dated December 15, 2003, by and among Wells Fargo Foothill, Inc., ColorTyme, Inc. and Rent-A-Center East, Inc. (Incorporated herein by reference to Exhibit 10.23 to the registrant s Annual Report on Form 10-K/A for the year ended December 31, 2003.)
10.8	Second Amendment to Amended and Restated Franchisee Financing Agreement, dated as of March 1, 2004, by and among Wells Fargo Foothill, Inc., ColorTyme, Inc. and Rent-A-Center East, Inc. (Incorporated herein by reference to Exhibit 10.24 to the registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.)
10.9	Third Amendment to Amended and Restated Franchisee Financing Agreement, dated as of September 29, 2006, by and among Wells Fargo Foothill, Inc., ColorTyme, Inc. and Rent-A-Center East, Inc. (Incorporated herein by reference to Exhibit 10.10 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2006.)
10.10	Fourth Amendment to Amended and Restated Franchisee Financing Agreement, dated as of December 19, 2006, by and among Wells Fargo Foothill, Inc., ColorTyme, Inc. and Rent-A-Center East, Inc. (Incorporated herein by reference to Exhibit 10.10 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006.)

10.11	Form of Stock Option Agreement issuable to Directors pursuant to the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.20 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2004.)
10.12	Form of Stock Option Agreement issuable to management pursuant to the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.21 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2004.)
10.13	Summary of Director Compensation (Incorporated herein by reference to Exhibit 10.13 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006.)
10.14	Form of Stock Compensation Agreement issuable to management pursuant to the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.15 to the registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.)
10.15	Form of Long-Term Incentive Cash Award issuable to management pursuant to the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.16 to the registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.)
10.16	Form of Loyalty and Confidentiality Agreement entered into with management (Incorporated herein by reference to Exhibit 10.17 to the registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.)

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RENT-A-CENTER, INC. AND SUBSIDIARIES

Exhibit No.	Description
10.17	Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.17 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.)
10.18	Form of Stock Option Agreement issuable to management pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.18 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.)
10.19	Form of Stock Compensation Agreement issuable to management pursuant to the Rent-A-Center, Inc. 2006 Equity Incentive Plan (Incorporated herein by reference to Exhibit 10.19 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006.)
10.20	Form of Long-Term Incentive Cash Award issuable to management pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.20 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006.)
10.21	Rent-A-Center, Inc. 2006 Equity Incentive Plan and Amendment (Incorporated herein by reference to Exhibit 4.5 to the registrant s Registration Statement on Form S-8 filed with the Securities and Exchange Commission on January 4, 2007)
10.22	Form of Stock Option Agreement issuable to management pursuant to the Rent-A-Center, Inc. 2006 Equity Incentive Plan (Incorporated herein by reference to Exhibit 10.22 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006.)
10.23	Form of Stock Compensation Agreement issuable to management pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.23 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006.)
10.24	Form of Stock Option Agreement issuable to Directors pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.24 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006.)
10.25	Form of Executive Transition Agreement entered into with management (Incorporated herein by reference to Exhibit 10.21 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2006.)
10.26	Employment Agreement, dated October 2, 2006, between Rent-A-Center, Inc. and Mark E. Speese (Incorporated herein by reference to Exhibit 10.22 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2006.)
10.27	Non-Qualified Stock Option Agreement, dated October 2, 2006, between Rent-A-Center, Inc. and Mark E. Speese (Incorporated herein by reference to Exhibit 10.23 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2006.)
10.28	

	Rent-A-Center, Inc. Non-Qualified Deferred Compensation Plan (Incorporated herein by reference to Exhibit 10.28 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.)
10.29	Third Amended and Restated Credit Agreement, dated as of November 15, 2006, among Rent-A-Center, Inc., the several banks and other financial institutions or entities from time to time parties thereto, Union Bank of California, N.A., as documentation agent, Lehman Commercial Paper Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent (Incorporated herein by reference to Exhibit 10.1 to the registrant s Current Report on Form 8-K dated November 15, 2006.)
21.1	Subsidiaries of Rent-A-Center, Inc. (Incorporated herein by reference to Exhibit 21.1 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2007.)
31.1*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 implementing Section 302 of the Sarbanes-Oxley Act of 2002 by Mark E. Speese
31.2*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 implementing Section 302 of the Sarbanes-Oxley Act of 2002 by Robert D. Davis
32.1*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Mark E. Speese
32.2*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Robert D. Davis

Management contract or compensatory plan or arrangement

* Filed herewith.

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