

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transision period from _____ to _____

Commission File Number 1-9733

CASH AMERICA INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation or
organization)

75-2018239
(I.R.S. Employer
Identification No.)

1600 West 7th Street
Fort Worth, Texas
(Address of principal executive offices)

76102
(Zip Code)

(817) 335-1100

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year,
if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

25,384,701 common shares, \$.10 par value, were outstanding as of November 5, 1999

CASH AMERICA INTERNATIONAL, INC.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS***(In thousands, except share data)***(UNAUDITED)**

	September 30,		December 31,
	1999	1998	1998
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,020	\$ 3,267	\$ 4,417
Loans	134,291	133,053	128,637
Merchandise held for disposition, net	73,352	64,653	65,417
Inventory	1,857	4,081	3,093
Finance and service charges receivable	21,530	19,772	19,733
Prepaid expenses and other	8,260	6,312	7,129
Income taxes recoverable	7,601	-	5,870
Deferred tax assets	7,393	14,681	10,134
Total current assets	257,304	245,819	244,430
Property and equipment, net	59,381	70,378	73,347
Intangible assets, net	91,568	89,394	88,284
Other assets	5,017	3,681	4,762
Investment in and advances to unconsolidated subsidiary	14,163	-	-
Total assets	\$ 427,433	\$ 409,272	\$ 410,823
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued expenses	\$ 16,418	\$ 17,984	\$ 19,848
Customer deposits	5,046	4,829	4,151
Income taxes currently payable	3,402	4,934	2,133
Current portion of long-term debt	4,706	4,625	4,686
Total current liabilities	29,572	32,372	30,818
Deferred tax liabilities	1,298	-	3,273
Long-term debt	203,317	192,455	189,288
Stockholders' equity:			
Common stock, \$.10 par value per share, 80,000,000 shares authorized	3,024	3,024	3,024
Paid in surplus	127,354	126,346	126,615
Retained earnings	108,918	98,677	102,722
Accumulated other comprehensive loss	(2,659)	(1,138)	(2,414)
Notes receivable - stockholders	(5,820)	(2,655)	(3,263)
Less -- shares held in treasury, at cost	(37,571)	(39,809)	(39,240)
Total stockholders' equity	193,246	184,445	187,444
Total liabilities and stockholders' equity	\$ 427,433	\$ 409,272	\$ 410,823

See notes to consolidated financial statements.

CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1999	1998	1999	1998
REVENUE				
Finance and service charges	\$ 30,641	\$ 30,096	\$ 92,169	\$ 85,963
Proceeds from disposition of merchandise	50,824	48,022	164,906	150,385
Check cashing machine sales	-	401	82	1,503
Check cashing royalties and fees	969	1,103	3,380	2,829
Rental operations	3,134	890	7,052	2,278
TOTAL REVENUE	85,568	80,512	267,589	242,958
COSTS OF REVENUE				
Disposed merchandise	34,774	31,106	110,266	96,692
Cost of check cashing machines sold	-	375	38	1,401
Rental operations	879	234	1,767	630
NET REVENUE	49,915	48,797	155,518	144,235
OPERATING EXPENSES				
Lending operations	30,667	28,402	90,533	82,830
Check cashing operations	-	1,882	1,728	4,899
Rental operations	1,503	378	2,981	1,056
Administration	6,279	6,370	19,938	18,940
Depreciation	3,601	3,535	11,329	10,094
Amortization	1,115	1,141	3,500	2,984
Total operating expenses	43,165	41,708	130,009	120,803
INCOME FROM OPERATIONS	6,750	7,089	25,509	23,432
Interest expense, net	3,433	3,666	9,990	9,942
Equity in loss of unconsolidated subsidiary	2,204	-	5,137	80
Loss (gain) from issuance of subsidiary's stock (net of income taxes)	125	-	(1,025)	-
Income before income taxes	988	3,423	11,407	13,410
Provision for income taxes	566	1,326	4,261	5,145
NET INCOME	\$ 422	\$ 2,097	\$ 7,146	\$ 8,265
Net income per share:				
Basic	\$.02	\$.08	\$.28	\$.33
Diluted	.02	.08	.27	.32
Weighted average shares:				
Basic	25,458	25,030	25,356	24,754
Diluted	26,021	26,417	26,337	26,186

See notes to consolidated financial statements.

CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Nine Months Ended September 30, 1999 And 1998
(In thousands, except share data)

(UNAUDITED)

	Common Stock		Paid In Surplus	Retained Earnings	Comprehensive Income	Accumulated Other Comprehensive Income (Loss)	Notes Receivable - Stock- holders	Treasury Stock	
	Shares	Amount						Shares	Amount
Balance at									
December 31, 1998	30,235,164	\$ 3,024	\$ 126,615	\$ 102,722	\$	(2,414)	\$ (3,263)	5,114,218	\$ (39,240)
Comprehensive income:									
Net income			7,146	\$ 7,146					
Other comprehensive income - Foreign currency translation adjustments				(245)	(245)				
Comprehensive income				\$ 6,901					
Dividends declared				(950)					
Treasury shares acquired								323,281	(2,491)
Treasury shares reissued			(212)					(544,807)	4,160
Tax benefit from exercise of option shares			951						
Change in notes receivable - stockholders							(2,557)		
Balance at									
September 30, 1999	30,235,164	\$ 3,024	\$ 127,354	\$ 108,918	\$	(2,659)	\$ (5,820)	4,892,692	\$ (37,571)
Balance at									
December 31, 1997	30,235,164	\$ 3,024	\$ 122,155	\$ 91,337	\$	(2,458)	\$ (2,362)	5,812,519	\$ (44,400)
Comprehensive income:									
Net income			8,265	\$ 8,265					
Other comprehensive income - Foreign currency translation adjustments				1,320	1,320				
Comprehensive income				\$ 9,585					
Dividends declared				(925)					
Treasury shares acquired								20,511	(286)
Treasury shares reissued			3,795					(641,269)	4,877
Tax benefit from exercise of option shares			396						
Change in notes receivable - stockholders							(293)		
Balance at									
September 30, 1998	30,235,164	\$ 3,024	\$ 126,346	\$ 98,677	\$	(1,138)	\$ (2,655)	5,191,761	\$ (39,809)

See notes to consolidated financial statements.

CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

(UNAUDITED)

	Nine Months Ended September 30,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 7,146	\$ 8,265
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	11,329	10,094
Amortization	3,500	2,984
Equity in loss of unconsolidated subsidiary	5,137	80
Gain from issuance of subsidiary's stock	(1,025)	-
Changes in operating assets and liabilities-		
Merchandise held for disposition and inventory	(7,850)	(8,395)
Finance and service charges receivable	(1,788)	(1,438)
Prepaid expenses and other	(1,543)	(2,866)
Accounts payable and accrued expenses	(2,162)	1,447
Customer deposits, net	883	801
Current income taxes	374	2,665
Deferred taxes, net	(320)	(2,074)
Net cash provided by operating activities	13,681	11,563
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans forfeited and transferred to merchandise held for disposition	107,583	95,206
Loans repaid or renewed	223,661	216,909
Loans made, including loans renewed	(335,576)	(325,126)
Net increase in loans	(4,332)	(13,011)
Acquisitions, net of cash acquired	(8,104)	(21,787)
Effect on cash of de-consolidation of subsidiary	(4,795)	-
Advances to unconsolidated subsidiaries	(602)	(120)
Purchases of property and equipment	(15,147)	(15,380)
Proceeds from sales of property and equipment	5,831	1,037
Net cash used by investing activities	(27,149)	(49,261)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings under bank lines of credit	18,705	48,745
Proceeds from capital lease obligations	-	1,853
Payments on notes payable and other obligations	(4,587)	(10,892)
Net proceeds from reissuance of treasury shares	1,391	1,307
Treasury shares purchased	(2,491)	(286)
Dividends paid	(950)	(925)
Net cash provided by financing activities	12,068	39,802
Effect of exchange rate changes on cash	3	44
Change in cash and cash equivalents	(1,397)	2,148
Cash and cash equivalents at beginning of period	4,417	1,119
Cash and cash equivalents at end of period	\$ 3,020	\$ 3,267
SUPPLEMENTAL DISCLOSURES		
Noncash investing and financing activities:		
Purchase transactions-		
Treasury shares reissued	\$ -	\$ 7,131
Liabilities assumed	-	8,227
Loans to stockholders for exercise of stock options	2,557	234

See notes to consolidated financial statements.

CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

The accompanying consolidated financial statements include the accounts of Cash America International, Inc. and its majority-owned subsidiaries (the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

In January 1999, the manned check cashing business of Mr. Payroll Corporation ("Mr. Payroll"), a wholly owned subsidiary of the Company, was transferred to a new wholly owned, consolidated subsidiary. Through March 9, 1999, Mr. Payroll's remaining assets and liabilities, consisting of its automated check cashing machine ("CCM") business, and the results of its operations were included in the consolidated financial statements. Effective as of the close of business on March 9, 1999, Mr. Payroll sold, in a private placement, newly issued shares of its senior convertible Series A preferred stock and common stock. Mr. Payroll's name was subsequently changed to innoVentry Corp. ("innoVentry"). As of September 30, 1999, the Company owned 39.1% of the voting interest in innoVentry, and it is accounting for its investment and its share of the results of innoVentry's operations after March 9, 1999, by the equity method (see Note 3).

The financial statements as of September 30, 1999 and 1998, and for the three month and nine month periods then ended are unaudited but, in management's opinion, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for such interim periods. Operating results for the three month and nine month periods are not necessarily indicative of the results that may be expected for the full fiscal year.

Certain amounts in the consolidated financial statements for the three month and nine month periods ended September 30, 1998, have been reclassified to conform to the presentation format adopted in 1999. These reclassifications have no effect on the net income previously reported.

These financial statements and related notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 1998 Annual Report to Stockholders.

2. Revenue Recognition

Lending Operations • Pawn loans ("loans") are made on the pledge of tangible personal property. The Company accrues finance and service charge revenue on all loans that the Company deems collectible based on historical loan redemption statistics. For loans not

repaid, the carrying value of the forfeited collateral (“merchandise held for disposition”) is stated at the lower of cost (cash amount loaned) or market.

Revenue is recognized at the time of disposition of merchandise. Interim customer payments for layaway sales are recorded as deferred revenue and subsequently recognized as revenue during the period in which final payment is received.

Check Cashing Operations • The Company records fees derived from its owned check cashing locations in the period in which the service is provided. Royalties derived from franchised locations are recorded on the accrual basis. Prior to the de-consolidation of the CCM business, CCM sales revenue was recorded upon installation and activation of the CCM.

Rental Operations • Tire and wheel rentals are paid on a weekly basis in advance and revenue is recorded when payment is received. Customers may return the tires and wheels at any time and have no obligation to complete the rental agreement. Rent-A-Tire, Inc. (“Rent-A-Tire”) has also entered into agreements to operate and manage stores for unrelated investors. The investors own the stores and incur all costs to operate them. Management fees earned by Rent-A-Tire are recorded in revenue over the life of the agreement. In addition, Rent-A-Tire receives initial compensation for its efforts in constructing and opening each store.

3. Issuance of Subsidiary's Stock

In March 1999, Wells Fargo Cash Centers, Inc. (“Cash Centers”), a wholly owned subsidiary of Wells Fargo Bank, N.A. (“Wells Fargo”), made a contribution to Mr. Payroll of \$21.0 million of cash and assets valued at \$6.0 million that primarily consisted of an existing network of approximately 200 automated teller machines operating in gaming establishments. In addition, Wells Fargo agreed to provide Mr. Payroll a \$5.0 million revolving credit facility, up to \$17.0 million in equipment lease financing, and cash for use in its CCMs and ATMs in specified markets at negotiated rates. In return, Cash Centers received newly issued shares of Mr. Payroll’s senior convertible Series A preferred stock representing 45% of its voting interest. Also, certain members of the newly constituted management of Mr. Payroll subscribed for newly issued shares of common stock of Mr. Payroll, representing 10% of its voting interest. In addition, the Company assigned 10% of its senior convertible Series A preferred stock to the former owners of Mr. Payroll in consideration for the termination of an option issued in conjunction with the Company’s original acquisition of Mr. Payroll. Mr. Payroll’s name was subsequently changed to innoVentry.

Since March 1999, innoVentry has sold additional newly issued shares of common stock, reducing the Company’s voting interest to 39.1%. The Company’s ownership is represented by the shares of senior convertible Series A preferred stock issued in March 1999. The Company recognized a net gain of \$1.0 million (after applicable income taxes of \$3.3 million) as a result of the transactions described above.

4. Acquisitions

During 1999, the Company acquired five pawnshops in purchase transactions for an aggregate cash consideration of \$4.3 million. The excess purchase price over net assets acquired of \$2.3 million is being amortized on a straight-line basis over the expected period of benefit of 20 to 40 years. Also during 1999, Rent-A-Tire acquired nine tire rental stores that it previously managed, in purchase transactions for \$3.8 million of cash. The excess purchase price over net assets acquired of \$2.4 million is being amortized on a straight-line basis over the expected period of benefit of 15 years.

5. Long-term Debt

The Company's long-term debt instruments and balances outstanding as of September 30 are as follows (balances in thousands of U.S. dollars):

	1999	1998
U.S. Line of Credit up to \$150 million due June 30, 2003	\$ 111,700	\$ 100,000
U.K. Line of Credit up to £10 million due April 30, 2001	11,859	3,570
Swedish Lines of Credit up to SEK 215 million	15,060	20,263
8.33% senior unsecured notes due 2003	17,143	21,429
8.14% senior unsecured notes due 2007	20,000	20,000
7.10% senior unsecured notes due 2008	30,000	30,000
Capital lease obligations payable	1,761	1,818
6.25% subordinated unsecured notes due 2004	500	--
	208,023	197,080
Less current portion	4,706	4,625
Long-term debt	\$203,317	\$192,455

6. Net Income Per Share

The reconciliation of basic and diluted weighted average common shares outstanding for the three month and nine month periods ended September 30, follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Weighted average shares - Basic	25,458	25,030	25,356	24,754
Effect of shares applicable to stock option plans	522	1,355	942	1,409
Effect of shares applicable to nonqualified savings plan	41	32	39	23
Weighted average shares - Diluted	26,021	26,417	26,337	26,186

7. Operating Segment Information

The Company has two reportable operating segments in the lending industry and one each in the rental and check cashing industries. While the United States and foreign lending segments offer the same services, each is managed separately due to the different operational strategies required. The rental operation is managed separately because different services and products are offered thus requiring its own technical, marketing and operational strategy. The same is true with respect to the CCM operations, which the Company has not controlled since March 1999 (see Note 3).

Information concerning the segments is set forth below (in thousands):

	Lending			Check Cashing (A)	Rental	Consolidated
	United States	Foreign	Total			
Three Months Ended September 30, 1999:						
Total revenue	\$ 74,396	\$ 8,038	\$ 82,434	\$ -	\$ 3,134	\$ 85,568
Income (loss) from operations	3,747	3,152	6,899	-	(149)	6,750
Total assets at end of period	307,948	88,822	396,770	14,163	16,500	427,433
Three Months Ended September 30, 1998:						
Total revenue	71,317	7,044	78,361	1,261	890	80,512
Income (loss) from operations	6,410	3,089	9,499	(2,296)	(114)	7,089
Total assets at end of period	306,065	79,047	385,112	18,856	5,304	409,272
Nine Months Ended September 30, 1999:						
Total revenue	\$ 236,975	\$ 23,108	\$ 260,083	\$ 454	\$ 7,052	\$ 267,589
Income (loss) from operations	19,024	9,056	28,080	(2,637)	66	25,509
Nine Months Ended September 30, 1998:						
Total revenue	216,946	19,956	236,902	3,778	2,278	242,958
Income (loss) from operations	21,153	8,575	29,728	(5,971)	(325)	23,432

(A) Only CCM operations are included in 1999. See Note 3.

8. Sale and Leaseback

During July and September 1999, under sale-leaseback agreements, the Company sold certain buildings and improvements utilized in lending operations with a net book value of \$4.2 million for \$5.8 million cash. Annual payments under the operating lease agreements are \$.7 million. The gain of \$1.6 million is being amortized over the 15 year basic lease term.

9. Litigation

The Company is a defendant in certain lawsuits encountered in the ordinary course of its business. In the opinion of management, the resolution of these matters will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

10. Subsequent Event

In October 1999, the Company, Cash Centers, and a third party each purchased \$10 million of innoVentry's newly issued senior convertible Series B preferred stock. As a result of the transactions, the Company's voting interest in innoVentry was reduced to 38.5% from 39.1%.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Summary Consolidated Financial Data

THIRD QUARTER ENDED SEPTEMBER 30, 1999 vs.

THIRD QUARTER ENDED SEPTEMBER 30, 1998

(Dollars in thousands)

The following table sets forth selected consolidated financial data with respect to the Company and its consolidated lending operations as of September 30, 1999 and 1998, and for the three months then ended.

	1999	1998	Change
REVENUE			
Finance and service charges	\$ 30,641	\$ 30,096	2%
Proceeds from disposition of merchandise	50,824	48,022	6%
Check cashing machine sales	-	401	(100)%
Check cashing royalties and fees	969	1,103	(12)%
Rental operations	3,134	890	252%
TOTAL REVENUE	85,568	80,512	6%
COSTS OF REVENUE			
Disposed merchandise	34,774	31,106	12%
Cost of check cashing machines sold	-	375	(100)%
Rental operations	879	234	276%
NET REVENUE	\$ 49,915	\$ 48,797	2%
OTHER DATA			
CONSOLIDATED OPERATIONS:			
Net revenue contribution by source—			
Finance and service charges	61.4%	61.7%	-
Margin on disposition of merchandise	32.2%	34.7%	(7)%
Check cashing operations	1.9%	2.3%	(17)%
Rental operations	4.5%	1.3%	236%
Expenses as a percentage of net revenue—			
Operations and administration	77.0%	75.9%	1%
Depreciation and amortization	9.4%	9.6%	(2)%
Interest, net	6.9%	7.5%	(8)%
Income from operations before depreciation and amortization as a percentage of total revenue	13.4%	14.6%	(8)%
Income before income taxes as a percentage of total revenue	1.2%	4.3%	(72)%
CONSOLIDATED LENDING OPERATIONS:			
Annualized yield on loans	91%	92%	(1)%
Average loan balance per average location in operation	\$ 286	\$ 282	1%
Average loan amount at end of period (not in thousands)	\$ 102	\$ 100	2%
Margin on disposition of merchandise as a percentage of proceeds from disposition of merchandise	31.6%	35.2%	(10)%
Average annualized merchandise turnover	2.0x	2.1x	(5)%
Average merchandise held for disposition per average location	\$ 148	\$ 131	13%
Lending locations in operation—			
Beginning of period	466	459	
Acquired	2	2	
Start-ups	1	2	
Combined or closed	-	(3)	
End of period	469	460	2%
Average number of locations in operation (a)	468	460	2%

(a) Averages based on accumulation of month-end balances and dividing aggregate total by total months in the period.

NINE MONTHS ENDED SEPTEMBER 30, 1999 vs.
NINE MONTHS ENDED SEPTEMBER 30, 1998

(Dollars in thousands)

The following table sets forth selected consolidated financial data with respect to the Company and its consolidated lending operations as of September 30, 1999 and 1998, and for the nine months then ended.

	1999	1998	Change
REVENUE			
Finance and service charges	\$ 92,169	\$ 85,963	7%
Proceeds from disposition of merchandise	164,906	150,385	10%
Check cashing machine sales	82	1,503	(95)%
Check cashing royalties and fees	3,380	2,829	19%
Rental operations	7,052	2,278	210%
TOTAL REVENUE	267,589	242,958	10%
COSTS OF REVENUE			
Disposed merchandise	110,266	96,692	14%
Cost of check cashing machines sold	38	1,401	(97)%
Rental operations	1,767	630	180%
NET REVENUE	\$ 155,518	\$ 144,235	8%
OTHER DATA			
CONSOLIDATED OPERATIONS:			
Net revenue contribution by source—			
Finance and service charges	59.3%	59.6%	-
Margin on disposition of merchandise	35.1%	37.2%	(6)%
Check cashing operations	2.2%	2.0%	10%
Rental operations	3.4%	1.2%	183%
Expenses as a percentage of net revenue—			
Operations and administration	74.1%	74.7%	(1)%
Depreciation and amortization	9.5%	9.1%	5%
Interest, net	6.4%	6.9%	(7)%
Income from operations before depreciation and amortization as a percentage of total revenue	15.1%	15.0%	1%
Income before income taxes as a percentage of total revenue	4.3%	5.5%	(22)%
CONSOLIDATED LENDING OPERATIONS:			
Annualized yield on loans	96%	96%	-
Average loan balance per average location in operation	\$ 277	\$ 274	1%
Margin on disposition of merchandise as a percentage of proceeds from disposition of merchandise	33.1%	35.7%	(7)%
Average annualized merchandise turnover	2.2x	2.3x	(4)%
Average merchandise held for disposition per average location	\$ 142	\$ 128	11%
Lending locations in operation—			
Beginning of period	464	401	
Acquired	5	58	
Start-ups	3	6	
Combined or closed	(3)	(5)	
End of period	469	460	2%
Average number of locations in operation (a)	465	435	7%

(a) Averages based on accumulation of month-end balances and dividing aggregate total by total months in the period.

GENERAL

The Company is a diversified provider of specialty financial services to individuals in the United States, United Kingdom and Sweden. The Company offers secured non-recourse loans, commonly referred to as pawn loans, to individuals through its lending operations. The pawn loan portfolio generates finance and service charge revenue. The disposition of merchandise, primarily collateral from unredeemed pawn loans, is a related but secondary source of net revenue from the Company's lending function. The Company also provides check cashing services through its franchised and company owned Mr. Payroll® manned check cashing centers and rental of tires and wheels through its subsidiary, Rent-A-Tire, Inc. ("Rent-A-Tire").

The Company expanded its lending operations during the twenty-one month period ended September 30, 1999, by adding a net sixty-eight locations. Ten locations were established, sixty-six operating units were acquired, and eight locations were combined or closed. As of September 30, 1999, the Company operated 469 lending units—417 in sixteen states in the United States, forty-one jewelry-only units in the United Kingdom, and eleven loan-only and primarily jewelry-only units in Sweden.

During the first quarter of 1999, the Company restructured the business of its check cashing subsidiary, Mr. Payroll Corporation ("Mr. Payroll"), in a series of transactions designed to isolate and accelerate the development and deployment of the automated check cashing machine ("CCM"). In January 1999, the Company transferred its manned check cashing operations out of Mr. Payroll into a new, wholly owned subsidiary of the Company. As of September 30, 1999, the Company operated 134 franchised and 10 company owned manned check cashing centers, continuing to do business under the Mr. Payroll name, in twenty states compared to 128 franchised and 10 company owned centers as of September 30, 1998. Operations related to the development of CCMs remained in Mr. Payroll. On March 9, 1999, Wells Fargo Cash Centers, Inc. ("Cash Centers"), a wholly owned subsidiary of Wells Fargo Bank, N.A. ("Wells Fargo"), made a contribution to Mr. Payroll of \$21.0 million of cash and assets valued at \$6.0 million that primarily consisted of an existing network of approximately 200 automated teller machines operated in gaming establishments. In return, Cash Centers received newly issued shares of Mr. Payroll's senior convertible Series A preferred stock representing 45% of Mr. Payroll's voting interest. Also, certain members of the newly constituted management of Mr. Payroll subscribed for newly issued shares of common stock of Mr. Payroll, representing 10% of its voting interest. In addition, the Company assigned 10% of its Series A preferred stock to the former owners of Mr. Payroll in consideration for the termination of an option issued in conjunction with the Company's original acquisition of Mr. Payroll. Upon completion of the transactions, the Company's residual ownership interest in Mr. Payroll was 40.5%, Mr. Payroll was de-consolidated, and the Company began accounting for its investment and its share of the results of Mr. Payroll's operations after March 9, 1999, by the equity method. Mr. Payroll subsequently changed its name to innoVentry

Corp. (“innoVentry”). Since March 1999, innoVentry has sold additional shares of newly issued common stock to certain employees, directors and consultants. As of September 30, 1999, the Company’s ownership interest in innoVentry was 39.1%. See Note 3 of Notes to Consolidated Financial Statements.

Through January 31, 1998, the Company had a 49% ownership interest in Express Rent A Tire, Ltd. (“Express”) that was accounted for by the equity method of accounting. Effective February 1, 1998, the Company increased its ownership interest to 99.9% and reorganized the operations of Express into Rent-A-Tire. The acquisition of additional interests was accounted for as a purchase and, accordingly, the assets and liabilities of Rent-A-Tire and the results of its operations have been included in the consolidated financial statements since February 1, 1998. As of September 30, 1999, Rent-A-Tire owned and operated thirteen tire and wheel rental stores, including nine that were previously managed and were purchased in 1999, and it managed nineteen additional tire and wheel rental stores under the Rent-A-Tire name, including fourteen that were added during the first nine months of 1999.

RESULTS OF OPERATIONS

Third Quarter Ended September 30, 1999, Compared To The Third Quarter Ended September 30, 1998

Net Revenue: Consolidated. Consolidated net revenue increased 2% to \$49.9 million during the third quarter ended September 30, 1999 (the “current quarter”), from \$48.8 million during the third quarter ended September 30, 1998 (the “prior year quarter”). The net increase of 2% consisted of a 3% contribution from new lending units in operation for less than one year during the quarter, a 2% decrease in net revenue from same unit lending operations (those in operation for more than one year), and a 1% increase in check cashing and rental operations net revenue.

Net Revenue: Lending Activities. Net revenue from lending operations increased \$.4 million to \$47.7 million during the current quarter from \$47.3 million during the prior year quarter. The new lending units in operation for less than one year during the quarter contributed \$.5 million of net revenue. The principal components of lending operations net revenue are finance and service charges, which increased \$.6 million, and net revenue from the disposition of merchandise, which declined \$.9 million. The remaining components, domestic manned check cashing operations and foreign check cashing operations, increased \$.7 million.

Fluctuations in finance and service charges are driven by changes in both the average outstanding balance of the pawn loan portfolio and the annualized yield on such loans. Finance and service charges increased a net amount of \$.6 million, or 2%, in the current quarter over the prior year quarter primarily as a result of the addition of new lending units. Virtually all of the growth occurred in the United Kingdom’s operations as a result of a

21% increase in average outstanding pawn loans, the effect of which was partially offset by a 2% decrease in annualized loan yield. The average investment in pawn loans, both domestically and in Sweden, remained constant compared to prior year averages as both the average number of loans outstanding and the average amount per outstanding loan remained relatively unchanged. While the domestic average outstanding loan balance remained constant, the balance outstanding declined 1% during the current quarter compared to a 7% increase during the prior year quarter. This decline is primarily attributable to a decrease in loan demand leading to a lower average loan amount and fewer loans outstanding at the end of the current quarter. Management believes this trend will continue, resulting in lower average domestic loan balances and finance and service charges until loan demand or customer count increases.

The consolidated annualized loan yield, which represents the blended result as derived from the distinctive loan yields realized in the three countries in which the Company operates, was 91% in the current quarter compared to 92% in the prior year quarter. The domestic annualized loan yield was virtually unchanged at 114.5% for the current quarter compared to 114.3% for the prior year quarter. The blended yield on average foreign pawn loans outstanding was 52% for both the current quarter and the prior year quarter. Slightly higher loan yields on redeemed loans in Sweden were offset by a slightly lower loan yield on redeemed loans in the United Kingdom and marginally lower returns on the disposition of unredeemed collateral at auction in both countries.

Net revenue from the disposition of merchandise represents the proceeds received from the disposition of merchandise in excess of the cost of merchandise disposed. Proceeds from the disposition of merchandise in the current quarter were \$2.8 million, or 6%, higher than the prior year quarter primarily due to a \$2.2 million increase from same units. The margin on disposition of merchandise declined to 31.6% in the current quarter from 35.2% during the prior year quarter. Excluding the effect of the disposition of scrap jewelry, the margin on disposition of merchandise fell to 33.2% for the current quarter from 36.6% in the prior year quarter primarily due to price discounting and a higher average cost of items disposed. The margin on disposition of scrap jewelry was negligible contributing to the lower overall margin on all merchandise disposed in the current quarter. The net result of the increased proceeds and reduced margin was a \$.9 million, or 5%, decrease in net revenue from the disposition of merchandise. The merchandise turnover rate declined to 2.0 times in the current quarter compared to 2.1 times in the prior year quarter due to higher average merchandise balances. In order to maintain merchandise at desired levels over the remainder of 1999, additional price discounting may be necessary, which may result in continued downward pressure on the Company's margin on disposition of merchandise.

Net Revenue: Other Activities. The restructuring of the Company's check cashing operations and de-consolidation of innoVentry caused a decline in other net revenue in the current year quarter of \$1.0 million from the prior year quarter. Following de-consolidation, the Company began accounting for its investment in innoVentry by the

equity method and, accordingly, the Company's share of the results of operations of innoVentry is recorded in "Equity in loss of unconsolidated subsidiary."

Net revenue of Rent-A-Tire increased to \$2.3 million in the current quarter from \$.6 million for the prior year quarter primarily due to the acquisitions of nine stores and an increase in the number of managed stores to 19 at September 30, 1999.

Operations and Administration Expenses. Consolidated operations and administration expenses as a percentage of net revenue increased to 77% in the current quarter compared to 76% for the prior year quarter primarily due to higher operations expenses in the domestic lending and rental segments that were partially offset by a \$3.0 million decline resulting from the de-consolidation of innoVentry. Total operations and administration expenses, excluding innoVentry, increased \$4.4 million, or 13%, in the current quarter as compared to the prior year quarter. Domestic lending operations contributed \$1.7 million of the increase as a result of higher personnel, selling, and administration expenses primarily attributable to new units which accounted for \$1.3 million of the domestic increase. Domestic manned check cashing operations accounted for \$.8 million of the increase including \$.2 million of losses from fraudulently cashed income tax refund checks. Foreign lending operations contributed \$.4 million of the increase and Rent-A-Tire accounted for the remaining \$1.5 million of the increase as a result of the expansion of its operations.

Depreciation and Amortization. Depreciation and amortization expenses as a percentage of net revenue were 9% in both the current quarter and the prior year quarter. The amount of depreciation and amortization expenses was approximately the same in both periods.

Interest Expense. Net interest expense as a percentage of net revenue declined to 6.9% in the current quarter from 7.5% in the prior year quarter. The amount decreased a net \$.2 million, or 6.4%, due to the effect of a 11.5% reduction in the Company's blended borrowing costs that was partially offset by a higher average debt balance. The effective blended borrowing cost decreased to 6.5% in the current quarter from 7.4% in the prior year quarter. Average debt outstanding increased 5.8% to \$208.6 million during the current quarter from \$197.1 million during the prior year quarter due to the Company's expansion and investments in innoVentry and Rent-A-Tire during the last twelve months.

Other Items. Equity in the loss of unconsolidated subsidiary includes \$2.2 million of losses in the current quarter from the Company's equity interest in the losses incurred by innoVentry following its de-consolidation. The Company anticipates that these losses will increase as innoVentry expands its operations.

Income Taxes. The Company's consolidated effective income tax rate increased to 57% for the current quarter from 39% for the prior year quarter. The effective tax rate of the domestic lending operations increased to 56% for the current quarter compared to 40%

for the prior year quarter primarily due to a greater proportion of non-deductible items in relation to pre-tax income in the current quarter. The effective tax rate of the foreign lending operations decreased to 31% for the current quarter from 32% for the prior year quarter as a result of a tax rate reduction on April 1, 1999, in the United Kingdom as well as a greater proportion of the foreign income in the current quarter being earned in Sweden, which has a lower tax rate than the United Kingdom. The Company has recognized deferred tax benefits from the equity losses arising from its investment in innoVentry. However, the Company anticipates that innoVentry's losses incurred after October 1999 will not provide recognizable tax benefits until it is more likely than not that such benefits will be realized. As a result, it is likely that the Company's consolidated effective income tax rate will increase in late 1999.

Nine Months Ended September 30, 1999, Compared To The Nine Months Ended September 30, 1998

Net Revenue: Consolidated. Consolidated net revenue increased 8% to \$155.5 million during the nine months ended September 30, 1999 (the "current period"), from \$144.2 million during the nine months ended September 30, 1998 (the "prior year period"). Of the 8% increase, 4% was attributable to the new lending units in operation for less than one year during the current period, 2% was attributable to the domestic and foreign manned check cashing operations, 1% was attributable to gains from same unit lending operations, and 1% was attributable to net increases in the CCM and rental operations of the Company.

Net Revenue: Lending Activities. Net revenue from lending operations increased \$9.6 million to \$149.8 million during the current period from \$140.2 million during the prior year period. The new lending units in operation for less than one year during the current period contributed \$6.0 million of the increase, same units contributed \$1.1 million, and domestic and foreign check cashing operations contributed \$2.5 million of the increase. Finance and service charges, net revenue from the disposition of merchandise, and domestic manned check cashing operations combined with foreign check cashing operations accounted for \$6.2 million, \$.9 million, and \$2.5 million, respectively, of the total increase.

The finance and service charges net increase of \$6.2 million was primarily attributable to an 8% increase in the average outstanding balance of pawn loans. This increase accounted for \$6.8 million in additional revenue, while a fractionally lower annualized loan yield resulted in a \$.6 million decline. Same units contributed \$2.9 million of the \$6.2 million net increase.

The consolidated annualized loan yield was constant at 96% in both the current period and the prior year period. The domestic annualized loan yield was 122% for the current period compared to 123% for the prior year period. The loan yield decline can be

attributed to a higher concentration of lower-yielding loans in the portfolio. The higher concentration arises from higher loan amounts in some markets and the expansion into lower-yielding markets during 1998. The blended yield on average foreign pawn loans outstanding increased to 53% for the current period from 52% in the prior year period primarily due to improved yields on redeemed loans in Sweden.

Proceeds from the disposition of merchandise in the current period were \$14.5 million, or 10%, higher than the prior year period. Same unit increases accounted for \$6.3 million of the \$14.5 million increase. The margin on disposition of merchandise declined to 33.1% in the current period from 35.7% during the prior year period. The margin from the disposition of scrap jewelry decreased \$.9 million in the current period as compared to the prior year period mostly due to the decline in the average price of gold during the period. Excluding the effect of the disposition of scrap jewelry, the margin on disposition of merchandise was 34.9% for the current period compared to 37.1% in the prior year period. The net result was a \$.9 million, or 2%, increase in net revenue from the disposition of merchandise. The merchandise turnover rate decreased slightly to 2.2 times from 2.3 times in the prior year period.

Net Revenue: Other Activities. The restructuring of the Company's check cashing operations and de-consolidation of innoVentry resulted in a decline in other net revenue in the current period of \$2.0 million from the prior year period.

Net revenue of Rent-A-Tire increased to \$5.3 million in the current period from \$1.6 million for the prior year period primarily due to the acquisitions of nine stores and an increase in the number of managed stores to nineteen at September 30, 1999. Also, prior to February 1, 1998, the Company's 49% share of earnings or losses of Rent-A-Tire's predecessor was recorded in "Equity in loss of unconsolidated subsidiary."

Operations and Administration Expenses. Consolidated operations and administration expenses as a percentage of net revenue were 74% in the current period compared to 75% for the prior year period. Excluding the effect of innoVentry's operations and administration expenses and net revenues, the ratios were 72% in the current period and 70% in the prior year period. Total operations and administration expenses, excluding innoVentry, increased \$12.3 million in the current period as compared to the prior year period. Domestic lending operations contributed \$6.6 million of the increase primarily due to higher personnel, occupancy, and other administrative expenses mostly attributable to new units that accounted for \$5.4 million of the increase. Domestic manned check cashing operations accounted for \$1.9 million of the increase and foreign lending operations contributed \$1.0 million. The expenses of Rent-A-Tire comprised \$2.8 million of the increase due to the growth in the number of tire rental stores in operation.

Depreciation and Amortization. Depreciation and amortization expenses as a percentage of net revenue increased to 10% in the current period from 9% in the prior year period. Depreciation and amortization expenses increased 13% principally due to the

effect of the increase in additional lending units during 1998 and the number of tire rental stores.

Interest Expense. Net interest expense as a percentage of net revenue decreased to 6.4% in the current period from 6.9% in the prior year period. The amount increased \$.1 million, or 1%, primarily due to the effect of a higher average debt balance outstanding to support increased growth of operations and investments in subsidiaries that was virtually offset by a lower effective blended borrowing cost. Average debt outstanding increased 16% to \$200.1 million during the current period from \$173.1 million during the prior year period. The effective blended borrowing cost declined to 6.7% for the current period from 7.7% for the prior year period.

Other Items. Equity in the loss of unconsolidated subsidiary includes \$5.1 million of losses in the current period from the Company's equity interest in the losses incurred by innoVentry after its de-consolidation. The prior year period includes \$80 thousand of losses attributable to the Company's equity interest in the losses of Express prior to its consolidation on February 1, 1998.

The Company recorded a gain of \$1.0 million, net of applicable income taxes, as a result of the transactions described above involving innoVentry.

Income Taxes. The Company's consolidated effective income tax rate, excluding the effect of the income taxes recorded on the reduction of its equity interest in the CCM business, increased to 41% for the current period from 38% for the prior year period. The effective tax rate of the domestic lending operations increased to 41% in the current period from 39% in the prior year period primarily as a result of higher non-deductible items in relation to pre-tax income in the current period. The effective tax rate of the foreign lending operations decreased to 31% for the current period from 33% for the prior year period primarily due to a greater proportion of foreign income in the current period being earned in Sweden and a reduction in the United Kingdom tax rate on April 1, 1999.

LIQUIDITY AND CAPITAL RESOURCES

In management's opinion, the Company's cash flow and liquidity remain strong. Cash and cash equivalents decreased \$1.4 million to \$3.0 million at September 30, 1999, from \$4.4 million at December 31, 1998. During the current period, \$13.7 million of cash was provided by net operating activities, \$18.7 million was provided by borrowings under bank lines of credit, \$5.8 million was provided by the sale of property and equipment and \$1.4 million was provided by the issuance of common shares pursuant to the Company's stock option plans. The cash increases were offset by the Company's investments of \$8.1 million to acquire five lending units and nine tire rental stores and \$15.1 million for capital expenditures, including \$3.3 million related to Mr. Payroll's CCM operations while consolidated. As a result of the de-consolidation of the CCM operations following the transactions described above, cash was reduced by \$4.8 million. The Company also

advanced \$.6 million on a short-term basis to innoVentry following the de-consolidation. In addition, the Company increased its pawn loan balances by \$4.3 million, repaid \$4.6 million of notes payable and capital lease obligations, paid \$1.0 million in dividends and purchased \$2.5 million of treasury shares.

As a result of the transactions described above involving innoVentry, the Company has eliminated its obligation to continue to fund the development and deployment of the CCM while remaining in a position to share in innoVentry's growth potential. However, in October 1999, the Company, Cash Centers, and a third party each purchased \$10 million of innoVentry's newly issued senior convertible Series B preferred stock. As a result, the Company's voting interest in innoVentry declined to 38.5%. In the event innoVentry requires additional capital in the future, the Company may make additional investments. In the event the Company does not participate in additional capital fundings of innoVentry, the Company's ownership interest will be diluted. Management believes that innoVentry intends to continue to develop and market the CCM as a financial services machine. The Company anticipates that innoVentry will incur future losses until sufficient revenues are generated from its sales and operations.

The Company may add up to 5 additional lending units during the remainder of 1999, for a net addition of approximately 10 units for the full year. These additions may occur through a combination of new openings and acquisitions of existing locations. Rent-A-Tire has purchased nine tire rental stores during the first nine months of 1999 and may purchase up to five additional stores during the remainder of the year.

Through September 30, 1999, the Company purchased 320,000 shares of its common stock in the open market for an aggregate amount of \$2.5 million. On October 19, 1999, the Company's Board of Directors terminated the open market purchase authorization established in 1997 and established a new authorization for the purchase of up to one million shares of its common stock in the open market. Purchases may be made from time to time and it is expected that funding of the program will come from operating cash flow and existing bank facilities.

Management believes that borrowings available under its revolving credit facilities, cash generated from operations and current working capital of \$227.7 million should be sufficient to meet the Company's anticipated future capital requirements.

IMPACT OF FOREIGN CURRENCY EXCHANGE RATES

The Company is subject to the risk of unexpected changes in foreign currency rates by virtue of its operations in the United Kingdom and Sweden. The Company's foreign assets, liabilities, and earnings are converted into U.S. dollars for consolidation into the Company's financial statements. At September 30, 1999, the Company had recorded a cumulative other comprehensive loss of \$2.7 million as a result of fluctuations in foreign currency exchange rates. Future earnings and comparisons with prior periods reported by

the Company may fluctuate depending on applicable currency exchange rates in effect during the periods.

COMPUTER SYSTEMS – THE YEAR 2000 ISSUE

Background. Many computer systems and equipment with embedded computer chips in use today were designed and developed using two digits, rather than four, to specify the year. As a result, such systems and equipment may recognize a date using “00” as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations.

The Company’s Year 2000 Efforts. In 1997, the Company began formulating a comprehensive plan to assess the actions and resources needed to address its Year 2000 issues. The plan provides for the identification and assessment of the Year 2000 issues for the Company’s various internal systems and equipment; necessary remediation, including modification, upgrading and replacement of hardware and software; and adequate testing to ensure Year 2000 compliance. The plan involves the utilization of both internal and external resources, including the engagement of an independent expert to assist in the evaluation of the various Year 2000 issues and efforts. The Company is applying all aspects of this plan to both its information technology (“IT”) systems and non-IT systems. Computer equipment and software commonly thought of as IT systems include point-of-sale, accounting, data processing, telephone, and other miscellaneous systems. Non-IT systems include alarm systems, security observation equipment, HVAC units, fax machines, and other miscellaneous systems. The Company believes that it has identified the internal business systems that are susceptible to system failures or processing errors as a result of the Year 2000 issue. Those systems considered most critical to continuing operations have received the highest priority.

Currently, the Company believes that its Year 2000 identification, assessment, and remediation efforts related to those systems most critical to continuing operations are substantially complete. While the majority of the testing efforts have been completed, the Company anticipates that additional testing will occur after September 30, 1999, on other support systems. The Company believes that its pawnshop operating systems constitute its only critical internal business systems. The Company’s proprietary pawnshop operating system used in its domestic lending business has been upgraded and tested for Year 2000 compliance. The Company is in the process of upgrading its Sweden pawnshop operating system for Year 2000 compliance. As of September 30, 1999, the upgrade has been completed for the majority of the Sweden pawnshops and the remainder are scheduled to be upgraded by November 30, 1999. A proprietary pawnshop operating system for the Company’s United Kingdom lending operations has been developed, implemented and tested for Year 2000 compliance. During the year, the Company upgraded its accounting applications, human resources, and payroll software systems to a version that its vendor has represented is Year 2000 compliant. Testing to ensure compliance was completed in October 1999.

The Company has completed the assessment of its non-IT systems issues and completed its remediation and testing efforts in October 1999.

Third Parties. The Company previously initiated formal communications with critical third parties that provide services or goods which are essential to its operations in order to: (1) determine the extent to which the Company is vulnerable to any failure by such third parties to remediate their respective Year 2000 problems; and (2) resolve such problems to the extent practicable. These third parties include financial institutions, utility suppliers, and providers of communication services and equipment. Based on the responses received to date from these third parties, the Company has no reason to believe that they will not address their significant Year 2000 issues on a timely basis. However, the responses of third parties are beyond the control of the Company. In the event that the Company is unable to obtain satisfactory assurance that a critical third party provider has successfully and timely achieved Year 2000 compliance, and the Company is unable to replace such a provider with an alternative provider, the Company's operations could be adversely impacted.

Estimated Year 2000 Costs. The Company currently estimates that its total Year 2000 project cost will be approximately \$2.7 million to \$3.0 million. Through September 30, 1999, the Company has expended approximately \$2.3 million. Costs to replace computerized systems, hardware or equipment (currently estimated to be approximately \$1.7 million to \$1.8 million) are included in the above estimate. The remaining costs include estimated internal and external costs to repair software problems, test all systems, and acquire license upgrades that have been accelerated due to Year 2000 issues. No major non-Year 2000 projects have been deferred because of Year 2000 activities. The Company has funded, and expects to continue to fund, the expenditures related to its Year 2000 initiatives either through cash generated from operations and current working capital, or its existing revolving credit facilities.

Risks of Year 2000 Problems. Based on the progress it has made in addressing its Year 2000 issues and its plan and timetable to complete its compliance program, the Company does not currently foresee significant risks associated with its Year 2000 issues. However, management believes that it is not possible to determine with complete certainty that all Year 2000 problems affecting the Company have been identified or will be corrected. Likewise, because of its constant progress in addressing its various Year 2000 issues, the Company has not yet determined the most reasonably likely worst case scenario relating to Year 2000 problems. Nevertheless, management expects that the Company could likely suffer the following consequences: (1) a significant number of operational inconveniences and inefficiencies for the Company and its customers that could divert management's time and attention and financial and human resources from its ordinary business activities; and (2) a lesser number of serious system failures that may require significant efforts by the Company to prevent or alleviate material business disruptions.

Contingency Planning. The Company has completed a comprehensive contingency plan with respect to the Year 2000 issue. The Company's lending operations can operate, if necessary, on a manual, non-computerized basis. As part of the contingency plan, manual operating procedures will be reviewed with the store personnel during the fourth quarter of 1999. Due to the widespread nature of potential Year 2000 issues, the contingency planning process is an ongoing one which may require further modifications as the Company obtains additional information regarding (1) the Company's progress on critical internal business systems during the remediation and testing phases; and (2) the status of third party Year 2000 readiness. Depending on the systems affected, these plans could include accelerated replacement of affected software or equipment, increased work hours for Company personnel or contract personnel to accelerate remediation efforts, or development of manual workarounds for information systems. If the Company is required to implement any of these contingency plans, the implementation could have an adverse effect on the Company's financial condition and results of operations.

Domestic Lending Operations

(Dollars in thousands)

The following table sets forth selected financial data for the Company's domestic lending operations as of September 30, 1999 and 1998, and for the three months then ended.

	1999	1998	Change
REVENUE			
Finance and service charges	\$ 24,107	\$ 24,076	-
Proceeds from disposition of merchandise	49,516	47,241	5%
Check cashing royalties and fees	773	-	-
TOTAL REVENUE	74,396	71,317	4%
COSTS OF REVENUE			
Disposed merchandise	33,760	30,452	11%
NET REVENUE	\$ 40,636	\$ 40,865	(1)%
OTHER DATA			
Net revenue contribution by source—			
Finance and service charges	59.3%	58.9%	-
Margin on disposition of merchandise	38.8%	41.1%	(6)%
Check cashing royalties and fees	1.9%	-	-
Expenses as a percentage of net revenue—			
Operations and administration	80.9%	74.4%	9%
Depreciation and amortization	9.9%	9.9%	-
Interest, net	6.2%	6.7%	(7)%
Income from operations before depreciation and amortization as a percentage of total revenue			
	10.4%	14.7%	(29)%
Income before income taxes as a percentage of total revenue			
	1.7%	5.2%	(68)%
Annualized yield on loans			
	115%	114%	1%
Average loan balance per average location in operation	\$ 201	\$ 204	(1)%
Average loan amount at end of period (not in thousands)	\$ 79	\$ 80	(1)%
Margin on disposition of merchandise as a percentage of proceeds from disposition of merchandise			
	31.8%	35.5%	(10)%
Average annualized merchandise turnover			
	2.0x	2.1x	(5)%
Average merchandise held for disposition per average location			
	\$ 160	\$ 143	12%
Lending locations in operation—			
Beginning of period	414	409	
Acquired	2	2	
Start-ups	1	2	
Combined or closed	-	(3)	
End of period	417	410	2%
Average number of locations in operation (a)	416	410	1%

(a) Averages based on accumulation of month-end balances and dividing aggregate total by total months in the period.

Domestic Lending Operations

(Dollars in thousands)

The following table sets forth selected financial data for the Company's domestic lending operations as of September 30, 1999 and 1998, and for the nine months then ended.

	1999	1998	Change
REVENUE			
Finance and service charges	\$ 73,074	\$ 68,533	7%
Proceeds from disposition of merchandise	161,461	148,413	9%
Check cashing royalties and fees	2,440	-	-
TOTAL REVENUE	236,975	216,946	9%
COSTS OF REVENUE			
Disposed merchandise	107,389	95,090	13%
NET REVENUE	\$ 129,586	\$ 121,856	6%
OTHER DATA			
Net revenue contribution by source—			
Finance and service charges	56.4%	56.2%	-
Margin on disposition of merchandise	41.7%	43.8%	(5)%
Check cashing royalties and fees	1.9%	-	-
Expenses as a percentage of net revenue—			
Operations and administration	75.6%	73.4%	3%
Depreciation and amortization	9.7%	9.3%	4%
Interest, net	5.7%	5.9%	(3)%
Income from operations before depreciation and amortization as a percentage of total revenue			
	13.4%	14.9%	(10)%
Income before income taxes as a percentage of total revenue			
	4.9%	6.4%	(23)%
Annualized yield on loans			
	122%	123%	(1)%
Average loan balance per average location in operation	\$ 194	\$ 193	1%
Margin on disposition of merchandise as a percentage of proceeds from disposition of merchandise			
	33.5%	35.9%	(7)%
Average annualized merchandise turnover			
	2.2x	2.3x	(4)%
Average merchandise held for disposition per average location			
	\$ 155	\$ 142	9%
Lending locations in operation—			
Beginning of period	414	352	
Acquired	3	57	
Start-ups	3	6	
Combined or closed	(3)	(5)	
End of period	417	410	2%
Average number of locations in operation (a)	414	385	8%

(a) Averages based on accumulation of month-end balances and dividing aggregate total by total months in the period.

Foreign Lending Operations

(Dollars in thousands)

The following table sets forth selected consolidated financial data in U.S. dollars for Harvey & Thompson, Ltd. and Svensk Pantbelåning as of September 30, 1999 and 1998, and for the three months then ended, using the following currency exchange rates:

	1999	1998	Change
Harvey & Thompson, Ltd. (U.K. pound sterling per U.S. dollar)—			
Balance sheet data - end of period rate	.6071	.5882	(3)%
Income statement data - three months average rate	.6245	.6040	(3)%
Svensk Pantbelåning (Swedish Kronor per U.S. dollar)—			
Balance sheet data - end of period rate	8.1441	7.8438	(4)%
Income statement data - three months average rate	8.3119	8.0026	(4)%
	1999	1998	Change
REVENUE			
Finance and service charges	\$ 6,534	\$ 6,020	9%
Proceeds from disposition of merchandise	1,308	781	67%
Check cashing fees	196	243	(19)%
TOTAL REVENUE	8,038	7,044	14%
COSTS OF REVENUE			
Disposed merchandise	1,014	654	55%
NET REVENUE	\$ 7,024	\$ 6,390	10%
OTHER DATA			
Net revenue contribution by source—			
Finance and service charges	93.0%	94.2%	(1)%
Margin on disposition of merchandise	4.2%	2.0%	110%
Check cashing fees	2.8%	3.8%	(27)%
Expenses as a percentage of net revenue—			
Operations and administration	48.3%	46.1%	5%
Depreciation and amortization	6.8%	5.6%	23%
Interest, net	4.3%	7.7%	(44)%
Income from operations before depreciation and amortization as a percentage of total revenue			
	45.2%	48.9%	(8)%
Income before income taxes as a percentage of total revenue			
	35.4%	36.8%	(4)%
Annualized yield on loans			
	52%	52%	-
Average loan balance per average location in operation	\$ 967	\$ 924	5%
Average loan amount at end of period (not in thousands)	\$ 189	\$ 179	6%
Margin on disposition of merchandise as a percentage of proceeds from disposition of merchandise			
	22.5%	16.3%	38%
Average annualized merchandise turnover			
	1.6x	1.8x	(11)%
Average merchandise held for disposition per average location			
	\$ 50	\$ 28	79%
Lending locations in operation—			
Beginning of period	52	50	
Acquired	-	-	
Start-ups	-	-	
Combined or closed	-	-	
End of period	52	50	4%
Average number of locations in operation (a)	52	50	4%

(a) Averages based on accumulation of month-end balances and dividing aggregate total by total months in the period.

Foreign Lending Operations

(Dollars in thousands)

The following table sets forth selected consolidated financial data in U.S. dollars for Harvey & Thompson, Ltd. and Svensk Pantbelåning as of September 30, 1999 and 1998, and for the nine months then ended, using the following currency exchange rates:

	1999	1998	Change
Harvey & Thompson, Ltd. (U.K. pound sterling per U.S. dollar)—			
Income statement data - nine months average rate	.6200	.6054	(2)%
Svensk Pantbelåning (Swedish Kronor per U.S. dollar)—			
Income statement data - nine months average rate	8.2381	7.9522	(4)%
	1999	1998	Change
REVENUE			
Finance and service charges	\$ 19,095	\$ 17,430	10%
Proceeds from disposition of merchandise	3,445	1,972	75%
Check cashing fees	568	554	3%
TOTAL REVENUE	23,108	19,956	16%
COSTS OF REVENUE			
Disposed merchandise	2,877	1,602	80%
NET REVENUE	\$ 20,231	\$ 18,354	10%
OTHER DATA			
Net revenue contribution by source—			
Finance and service charges	94.4%	95.0%	(1)%
Margin on disposition of merchandise	2.8%	2.0%	40%
Check cashing fees	2.8%	3.0%	(7)%
Expenses as a percentage of net revenue—			
Operations and administration	47.8%	47.5%	1%
Depreciation and amortization	7.4%	5.8%	28%
Interest, net	4.8%	9.2%	(48)%
Income from operations before depreciation and amortization as a percentage of total revenue	45.7%	48.3%	(5)%
Income before income taxes as a percentage of total revenue	35.0%	34.5%	1%
Annualized yield on loans	53%	52%	2%
Average loan balance per average location in operation	\$ 951	\$ 899	6%
Margin on disposition of merchandise as a percentage of proceeds from disposition of merchandise	16.5%	18.8%	(12)%
Average annualized merchandise turnover	1.9x	1.7x	12%
Average merchandise held for disposition per average location	\$ 40	\$ 25	60%
Lending locations in operation—			
Beginning of period	50	49	
Acquired	2	1	
Start-ups	-	-	
Combined or closed	-	-	
End of period	52	50	4%
Average number of locations in operation (a)	51	50	2%

(a) Averages based on accumulation of month-end balances and dividing aggregate total by total months in the period.

Other Operations

(Dollars in thousands)

The following table sets forth selected financial data with respect to the Company's other domestic operations as of September 30, 1999 and 1998, and for the three months then ended.

	1999	1998	Change
CHECK CASHING OPERATIONS (a):			
REVENUE			
Check cashing machine sales	\$ -	\$ 401	(100)%
Check cashing royalties and fees	-	860	(100)%
TOTAL REVENUE	-	1,261	(100)%
COSTS OF REVENUE			
Cost of check cashing machines sold	-	375	(100)%
NET REVENUE	\$ -	\$ 886	(100)%
RENTAL OPERATIONS:			
REVENUE			
Tire and wheel rentals	\$ 1,547	\$ 552	180%
Management fees	1,060	291	264%
Tire and wheel sales	288	22	1209%
Lease income and other	239	25	856%
TOTAL REVENUE	3,134	890	252%
COSTS OF REVENUE			
Tire and wheel rentals	665	217	206%
Tire and wheel sales	214	17	1159%
NET REVENUE	\$ 2,255	\$ 656	244%
OTHER DATA			
Owned rental locations--			
Rental agreements outstanding at end of period	\$ 4,319	\$ 1,374	214%
Average balance per rental agreement			
at end of period (not in thousands)	\$ 905	\$ 894	1%
Locations in operation at end of period	13	4	225%
Average locations in operation for the period (b)	13	4	225%
Managed rental locations--			
Locations in operation at end of period	19	10	90%
Average locations in operation for the period (b)	15	9	67%

(a) Only CCM operations are included in 1999. See Note 3 of Notes to Consolidated Financial Statements.

(b) Averages based on accumulation of month-end balances and dividing aggregate total by total months in the period.

Other Operations

(Dollars in thousands)

The following table sets forth selected financial data with respect to the Company's other domestic operations as of September 30, 1999 and 1998, and for the nine months then ended.

	1999	1998	Change
CHECK CASHING OPERATIONS (a):			
REVENUE			
Check cashing machine sales	\$ 82	\$ 1,503	(95)%
Check cashing royalties and fees	372	2,275	(84)%
TOTAL REVENUE	454	3,778	(88)%
COSTS OF REVENUE			
Cost of check cashing machines sold	38	1,401	(97)%
NET REVENUE	\$ 416	\$ 2,377	(82)%
RENTAL OPERATIONS:			
REVENUE			
Tire and wheel rentals	\$ 3,396	1,530	122%
Management fees	2,438	629	288%
Tire and wheel sales	589	57	933%
Lease income and other	629	62	915%
TOTAL REVENUE	7,052	2,278	210%
COSTS OF REVENUE			
Tire and wheel rentals	1,330	586	127%
Tire and wheel sales	437	44	893%
NET REVENUE	\$ 5,285	\$ 1,648	221%
OTHER DATA			
Owned rental locations--			
Average locations in operation for the period (b)	9	4	125%
Managed rental locations--			
Average locations in operation for the period (b)	14	6	133%

(a) Only CCM operations are included in 1999. See Note 3 of Notes to Consolidated Financial Statements.

(b) Averages based on accumulation of month-end balances and dividing aggregate total by total months in the period.

CAUTIONARY STATEMENT REGARDING RISKS AND UNCERTAINTIES THAT MAY AFFECT FUTURE RESULTS

Certain portions of this report contain forward-looking statements about the business, financial condition and prospects of the Company. The actual results of the Company could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties including, without limitation, changes in demand for the Company's services, changes in competition, the ability of the Company to open new operating units in accordance with its plans, economic conditions, real estate market fluctuations, interest rate fluctuations, changes in the capital markets, changes in tax and other laws and governmental rules and regulations applicable to the Company's business, and other risks indicated in the Company's filings with the Securities and Exchange Commission. Certain risks and uncertainties relating specifically to the Company's Year 2000 efforts include, but are not limited to, the availability of qualified personnel and other information technology resources; the ability to identify and remediate all date sensitive lines of computer code or to replace embedded computer chips in affected systems or equipment; and the actions of various third parties with respect to Year 2000 problems. These risks and uncertainties are beyond the ability of the Company to control, and, in many cases, the Company cannot predict all of the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements. When used in this report, the words "believes," "estimates," "plans," "expects," "anticipates" and similar expressions as they relate to the Company or its management are intended to identify forward-looking statements.

PART II

- Item 1. LEGAL PROCEEDINGS
See Note 9 of Notes to Consolidated Financial Statements
- Item 2. CHANGE IN SECURITIES
Not Applicable
- Item 3. DEFAULTS UPON SENIOR SECURITIES
Not Applicable
- Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
Not Applicable
- Item 5. OTHER INFORMATION
Not Applicable
- Item 6. EXHIBITS AND REPORTS ON FORM 8-K
- (a) Exhibits
- 10.1 Second Supplement (September 29, 1999) to Note Agreement between the Company and the various Purchasers named therein dated as of December 1, 1997.
- 10.2 Fifth Supplement (September 29, 1999) to Note Agreement between the Company and Teachers Insurance and Annuity Association of America dated as of July 7, 1995.
- 10.3 Eighth Supplement (September 29, 1999) to Note Agreement between the Company and Teachers Insurance and Annuity Association of America dated as of May 6, 1993.
- 10.4 Fifth Amendment (September 15, 1999) to Senior Revolving Credit Facility Agreement among the Company and the various Banks named therein dated June 19, 1996.
- 27 Financial Data Schedule
- (b) Reports on Form 8-K – None

SIGNATURE

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

CASH AMERICA INTERNATIONAL, INC.

(Registrant)

BY: /S/ Thomas A. Bessant, Jr.

Thomas A. Bessant, Jr.
Executive Vice President and
Chief Financial Officer

Date: November 12, 1999