25 October 2011

International Personal Finance plc ("IPF")
Interim Management Statement

In accordance with the UK Listing Authority's Disclosure and Transparency Rules, the purpose of this Interim Management Statement is to provide an update on the performance and financial position of IPF since 1 July 2011 up to the date of publication. The quarterly figures presented in this statement are unaudited.

Quarter 3 highlights

- Controlled growth across all markets:
    - 10% growth in customers to 2.3 million, 13% growth in credit issued to £214.2 million and 13% growth in average net receivables to £588.3 million
- Profit before tax increased by 11% to £27.0 million after absorbing the impact of higher funding costs and early settlement rebates of £6.3 million:
    - Revenue, net of early settlement rebates, up 9%
    - Impairment as a percentage of revenue in line with 2010 at 25%
    - Cost-income ratio improved by 0.5 percentage points to 40.6%
- Profit before tax for the nine months to September increased by 14% to £62.7 million, after absorbing an additional £17.7 million of higher funding costs and early settlement rebates
- Strong balance sheet with equity to receivables of 58.1%, gearing at 0.9 times and borrowings reduced to £282.4 million, reflecting a cash generative business model

Chief Executive Officer, John Harnett, commented:

"I am pleased that IPF has performed well in Quarter 3, combining steady growth with sound credit quality and improved cost efficiency. Overall our business is in good shape to deal with the uncertain economic outlook."

Review of Quarter 3 performance

Percentage change figures for all performance measures, other than profit or loss before taxation and earnings per share, unless otherwise stated, are quoted after restating prior year figures at a constant exchange rate (CER) for 2011 in order to present the underlying performance variance.

Profit before taxation	**2011 £m**	2010 £m
Q1	**8.3**	2.0
Q2	**27.4**	28.5
Q3	**27.0**	24.4
Q4	**-**	37.2
Full year	**-**	92.1*

** 2010 is stated before exceptional items.*

The Group has a clear strategy to deliver sustained long-term growth through a combination of further development in existing markets and investment in new markets. Our key aim at the start of the year, after a period of slower growth as we weathered the global recession, was to accelerate growth against the backdrop of improving economic conditions. We have successfully delivered on this objective in the first three quarters of the year, although growth in credit issued has moderated in Quarter 3 as a result of declining consumer confidence in our European markets resulting in increased caution amongst customers and our agents.

Nonetheless, IPF performed well in Quarter 3 and delivered an 11% increase in third quarter profits to £27.0 million, after absorbing the impact of higher funding costs and early settlement rebates of £6.3 million.

	Q3 2011 £m	Q3 2010 £m	Change at CER %	**YTD 2011 £m**	YTD 2010 £m	Change at CER %
Customer numbers (000s)	**2,345**	2,140	10	**2,345**	2,140	10
Credit issued	**214.2**	183.7	13	**620.6**	536.1	14
Average net receivables	**588.3**	499.5	13	**578.9**	513.3	10
Revenue	**164.8**	145.6	9	**491.5**	448.3	8
Impairment	**(40.9)**	(36.6)	(8)	**(139.4)**	(133.9)	(3)
Finance costs	**(11.3)**	(8.2)	(30)	**(33.1)**	(22.8)	(43)
Agents' commission	**(18.7)**	(16.6)	(9)	**(54.9)**	(49.7)	(7)
Other costs	**(66.9)**	(59.8)	(8)	**(201.4)**	(187.0)	(5)
Profit before taxation	**27.0**	24.4*		**62.7**	54.9*	

** 2010 is stated before exceptional items.*

Growth in the third quarter was good, although a little below that reported for the first half of the year, with customers increasing by 57,000 to 2,345,000 (representing year-on-year growth of 10%) and credit issued increasing by 13%.

The growth in credit issued during the year to date has resulted in a 13% increase in average net receivables. Revenue has increased at the slightly lower rate of 9% due to the impact of higher early settlement rebates ('ESRs') following the implementation of the EU Consumer Credit Directive in most of our European markets (ESRs are netted off the revenue line in the profit and loss account). The impact of higher ESRs in Quarter 3, net of the residual impact of the 2009 price increase, was £3.7 million.

Credit quality has remained good during the third quarter with an impairment charge that increased at a slightly lower rate than revenue. This resulted in impairment as a percentage of revenue of 25%, which is in line with the third quarter of 2010. Impairment as a percentage of revenue for the first three quarters of the year is 28.4% down from 29.9% for the same period of 2010.

As expected, following the refinancing of the business during 2010, finance costs in the quarter have increased, up by £3.1 million compared to 2010. The higher cost of funding resulted in a £2.6 million increase in costs on a like-for-like basis, which is lower than the increase reported in previous quarters because the EMTN bond was a component of the funding structure for part of the third quarter of last year.

Agent commission costs, which are directly linked to the value of collections, have increased by 9% and represent 11% of revenue, which is in line with 2010. Other costs have increased by 8% which is slower than revenue growth, thus resulting in a 0.5 percentage point improvement in our cost-income ratio.

Performance by market

	Quarter 3 2011 £m	Quarter 3 2010 £m	**YTD 2011 £m**	YTD 2010 £m
Poland	**17.1**	15.5	**41.9**	29.5
Czech-Slovakia	**9.5**	9.3	**26.8**	29.7
Hungary	**3.2**	2.6	**4.9**	4.1
Mexico	**0.5**	0.5	**(1.6)**	1.2
Romania	**1.1**	0.2	**1.6**	0.4
UK - central costs	**(4.4)**	(3.7)	**(10.9)**	(10.0)
Profit before taxation	**27.0**	24.4*	**62.7**	54.9*

** 2010 is stated before exceptional items.*

The following table analyses the impact of higher borrowing costs on the results of each market together with the impact of additional ESRs net of the benefit from the 2009 price increase.

	2011	2011	2011	2011	2010
	Reported profit £m	Increased borrowing costs £m	ESR impact £m	**Adjusted profit £m**	Reported profit £m
Poland	**17.1**	0.9	(0.4)	**17.6**	15.5
Czech-Slovakia	**9.5**	0.4	1.5	**11.4**	9.3
Hungary	**3.2**	0.6	1.6	**5.4**	2.6
Mexico	**0.5**	0.3	(0.1)	**0.7**	0.5
Romania	**1.1**	0.2	1.1	**2.4**	0.2
UK - central costs	**(4.4)**	0.2	-	**(4.2)**	(3.7)
Profit before taxation	**27.0**	2.6	3.7	**33.3**	24.4*

** 2010 is stated before exceptional items.*

Poland performed well during Quarter 3, continuing the improvement seen in the first half of the year. Quarterly profit has increased by 10% to £17.1 million. The key drivers of this were good growth in customers (increased by 7% to 813,000) coupled with stronger growth in credit issued (9%), an improved collections performance and tight cost control.

Our business in Czech-Slovakia continues to perform steadily, although customer growth remains subdued at 1%. Quarterly profit has increased by 2% to £9.5 million, after absorbing an additional £1.9 million of interest and ESR costs. This improved performance has been driven by growth in the receivables book, which has largely been delivered by higher sales to existing quality customers, with credit issued up by 15%.

Hungary has continued to perform well with a combination of good growth and excellent credit quality. Profit increased by £0.6 million to £3.2 million (adjusted profit increased by £2.8 million). The key ingredients of this were customer growth of 7%, controlled credit issued growth of 8%, a strong collections performance and close management of costs.

Mexico reported a quarterly pre-tax profit of £0.5 million, which is in line with 2010. Customer numbers increased by 16% year-on-year to 660,000 at the end of September, and growth in credit issued was 21%. The growth in average net receivables was more modest due to the continued impact of lower issue growth in Quarter 4 2010 and Quarter 1 2011, whilst we implemented the new field management structure. Revenue increased by 7%. Investment in the new operations management structure and new branches resulted in a higher cost base that absorbed the increase in revenues in the quarter. We believe that this additional investment provides a strong platform for future growth and we are now seeing the benefit in progressive improvement in the effectiveness of our field management, with strong growth being coupled with good collections performance.

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Our Romanian business performed well in Quarter 3 despite challenging economic conditions, increasing profit to £1.1 million (2010: £0.2 million), after absorbing an additional £1.3 million of funding and ESR costs. The key drivers of this were strong growth, with customer numbers and credit issued ahead by 21% and 17% respectively, together with a strong collections performance and continued good credit quality.

Balance sheet and funding

At 30 September 2011 the Group had net assets of £330.2 million (September 2010: £295.4 million) and receivables of £568.4 million, which is an increase on the prior year (at CER) of 13% (September 2010: £522.3 million). The Group balance sheet has, therefore, continued to strengthen in Quarter 3 with shareholders' equity as a percentage of receivables increasing to 58.1% (September 2010: 56.6%).

Borrowings at the end of September were £282.4 million compared with £293.8 million at the same point last year and this represents a reduction in borrowings of £3.0 million (at CER), despite the strong increase in receivables, reflecting the cash generative nature of the business. Gearing has reduced to 0.9 times (September 2010: 1.0 times). The Group's total bank and bond facilities at 30 September 2011 were £468.5 million with £186.1 million of headroom on these facilities.

Regulation

We announced on 12 September 2011 that Prime Minister Orban had suggested that the Hungarian government might propose legislation to limit the APR on consumer loans to no more than 30%. To date no legislation has been submitted for consideration by the Hungarian parliament. We will keep the situation under review and a further announcement will be made as appropriate.

Debate continues on a proposal to introduce a Financial Services Transaction Tax within the European Union. As currently proposed, we would not expect the tax, should it come into effect, to have any material impact on our business.

Outlook

During Quarter 3, IPF performed well: Collections performance and credit quality remained sound and sales growth was good although there was a modest slowdown in growth as customers and agents became more cautious.

In Quarter 4, we will continue to target growth in customer numbers and credit issued, although we have recently implemented a slight credit tightening to better manage any potential deterioration in collections performance if external conditions were to worsen.

Overall our business is in good condition and is well positioned to deal with the uncertain economic outlook.

Investor relations and media contacts:

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International Personal Finance will host two conference calls for analysts and investors at 09.30hrs (BST) and 15.00hrs (BST) today. Dial-in details for these calls can be obtained from Yasmin Charabati at Finsbury on +44 (0)20 7251 3801 or at yasmin.charabati@RLMFinsbury.com.

A copy of this statement can be found on the company's website – www.ipfin.co.uk

Appendices

Average and closing foreign exchange rates

The table below shows the average exchange rates for the relevant reporting periods, closing exchange rates at the relevant period ends, together with the rates at which the Group has economically hedged a proportion of its expected profits for the last quarter of the year.

	Average Q3 2011	Average Q3 2010	Average YTD 2011	Average YTD 2010	Closing Sep 2011	Closing Dec 2010	Contract Q4 2011
Poland	4.65	4.72	4.62	4.69	5.01	4.61	4.69
Czech Republic	28.90	29.41	28.91	29.43	28.22	29.12	28.94
Slovakia	1.15	1.18	1.16	1.15	1.15	1.16	1.15
Hungary	306.32	325.89	312.57	318.75	331.02	324.02	327.54
Mexico	19.60	20.76	19.34	20.04	20.93	19.26	19.83
Romania	4.94	4.98	5.54	4.83	4.92	4.94	5.14

Year to date adjusted profit

The following table analyses the year to date impact of higher borrowing costs on the results of each market together with the impact of additional ESRs net of the benefit from the 2009 price increase.

	2011 Reported profit £m	2011 Increased borrowing costs £m	2011 ESR impact £m	**2011 Adjusted profit £m**	2010 Reported profit £m
Poland	**41.9**	3.7	(3.6)	**42.0**	29.5
Czech-Slovakia	**26.8**	2.2	3.1	**32.1**	29.7
Hungary	**4.9**	2.4	5.5	**12.8**	4.1
Mexico	**(1.6)**	0.7	(0.6)	**(1.5)**	1.2
Romania	**1.6**	0.8	3.3	**5.7**	0.4
UK - central costs	**(10.9)**	0.2	-	**(10.7)**	(10.0)
Profit before taxation	**62.7**	10.0	7.7	**80.4**	54.9*

** 2010 is stated before exceptional items.*