22 October 2008

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 the publication of its interim results to 30 June 2008 up to the date of publication.

IPF has continued to make good progress. The key highlights are:

- On target to report full year results in line with expectations
- Good growth in all markets
- Credit quality remains stable
- Funding position strengthened by extension of £410 million of bank facilities to October 2011

Performance

The Central European businesses have continued to perform well. Customer numbers and credit issued have grown and credit quality has remained stable.

In Mexico, we have continued to make good progress towards our target for profit in 2009. We have seen controlled growth in customer numbers in both regions. The amount of credit issued per customer has also grown well following the introduction of longer term 40 and 50 week products for low risk customers. Credit quality has continued to improve and impairment as a percentage of revenue has continued to reduce.

Romania has continued to deliver strong growth in both customer numbers and credit issued while credit quality has remained stable. Our Russian pilot operation issued its first loans at the start of September.

Foreign exchange

We have continued to benefit from favourable exchange rates in Central Europe, which have been hedged through to the end of the year and are approximately 20% more favourable than in 2007. The estimated exchange rates for translating the results for the 2008 financial year, including hedging through to the end of the year, are attached as an appendix to this statement. Our policy is to hedge the translation of reported profits only within a reporting period. Therefore, we will review our hedging for 2009 in January.

Economic conditions

Our business model is well placed to rapidly identify and respond to changes in economic conditions. Our agents visit our customers each week and quickly see changes in customers' circumstances. We amend our lending approach accordingly. In addition, the short-term nature of our lending, with on average just 6 months of loans outstanding at any time, means that we are able to quickly change the risk profile of the loan book.

We have not seen a deterioration in credit performance in any of our markets. It is, however, probable that the impending recession in the US and Western Europe will have an adverse impact on the economies of the markets in which we operate. We have, therefore, recently tightened credit controls in all our markets of operation in order to minimise the impact on our business of an economic slowdown.

Balance sheet and funding

The balance sheet remains strong, with shareholders' funds currently representing 48% of net customer receivables. We also have significant headroom on committed bank facilities with approximately £600 million of facilities committed to March 2010, of which approximately £380 million are currently drawn. We have recently agreed the early extension of £410 million of these facilities to October 2011. As expected, this has entailed an increase in the cost of funding, with the margin we pay increasing by 90 basis points. There have been no changes in any of our banking covenants.

Changes in management structure

Effective from today, John Harnett, previously Chief Operating Officer, has been promoted to Chief Executive Officer, with Christopher Rodrigues moving from executive to non-executive Chairman.

Ray Miles, Deputy Chairman commented: "Since the demerger, Christopher's role as Executive Chairman has served the company extremely well and allowed John to fulfil the Board's expectations to step up into the CEO position. Much has been achieved in the last year or so to improve the business and we are confident that, with Christopher as non-executive Chairman and John leading a strong management team, the company will continue to make good progress.

Employees' Share Trust

IPF has entered into a loan agreement with the company's Employees' Share Trust to allow the trustees to draw down up to £10 million to acquire shares in the company on the market. The shares acquired will be used by the trust to satisfy awards made under the company's current and future incentive plans.

Summary

IPF continues to make good progress. Our businesses are performing well and we have strengthened our funding position through the early extension of our banking facilities. Credit quality remains stable, but in light of the challenging conditions for the world economy, we have already taken steps to tighten credit controls and we are well placed to respond to and weather a downturn. IPF remains on target to report full year results in line with expectations.

The preliminary announcement of our full year results for 2008 will be published on Wednesday 4 March 2009.

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Appendix: Estimated exchange rates for the 2008 financial year

Currency: £1	**2007**	**2008***
Poland	5.68	4.46
Czech Republic	40.74	32.63
Slovakia	48.20	40.39
Hungary	364.71	330.45
Mexico	20.82	21.18
Romania	4.87	4.69

* Based on actual results to the end of September 2008 plus the estimated results for the fourth quarter translated at contracted rates