PRESS RELEASE

RIFCO Reports Annual Net Income of $2.13M a 589% increase

Red Deer, Alberta, June 27, 2011: RIFCO Inc. (TSX.V-RFC) today announced its annual results and filed it's audited consolidated financial statements for the year ended March 31, 2011, and the related management's discussion and analysis have been filed with Canadian securities authorities. Copies can be obtained on SEDAR at www.sedar.com.

Annual Results

RIFCO is reporting a fifth consecutive year of profitability.

In the fiscal year ending March 31, 2011, net income increased to $2,129,355 from $308,962 in the prior year a 589% increase. EPS increased to $0.11 from $0.02 in the prior year.

- RIFCO's revenue increased 46.9% to $16.58M from $11.29M in the prior year.
- Net financial income before operating expenses increased 107% to $6,275,053 from $3,025,681 in the prior year.
- Net income before taxes increased 656% to $3.01M from $398K in the prior year.
- Total managed assets increased 30.1% to $73.33M from $56.38M in the prior year.
- Loan originations increased 52.5% to $43.90M from $28.79M in the prior year.
- Operating expenses increased 24.2% to $3,263,698 from $2,627,219 in the prior year.
- Loan delinquency decreased to 1.85% from 4.55% in the prior year.
- Annualized Loan loss rate decreased to 4.38% from 5.90% in the prior year.
- The Company is reporting an increase in ROAE to 21.85% from 3.52% in the prior year.
- Book value per share has increased to $0.57 from $0.46.

While the Canadian economy had been deteriorating for some time, RIFCO's credit performance remains improved and within our published targets.

RIFCO is seeing a significant reduction in loan delinquency which has resulted in reduced frequency of defaults to 6.49% from 8.90% in the prior year. This improvement has assisted in achieving an annualized loan loss rate for the year of 4.38% down significantly from 5.90% in the prior year. The Company is very pleased that this ratio is well below our target loss rate range for the year of below 5.5%. Over the last year, RIFCO staff and management redoubled their efforts in both the credit adjudication and payment collections functions in order to maintain these very acceptable credit results.

Other key metrics that affected the Company's reported results include:

- The average portfolio yield has increased to 19.94% from 19.86% in the prior year.
- The average cost of borrowing reduced to 7.13% from 7.90% in the prior year.
- Securitization levels in comparison to loan originations decreased to 81% from 96% in the prior year. This resulted in an increased level of on-book finance receivables which helps reduce the overall cost of borrowing on a managed basis.
- The Company enjoyed improved loan securitization pricing over the prior year.
- In the prior year as loan losses increased, the Company experienced an elevated prepayment loss rate on securitized loans. The prepayment losses on securitized loans remained high in the current year at $3.69M up slightly from $3.67M in the prior year. As securitization pricing improves, a larger gain on sale is recognized which results in an increase in prepayment loss severity.
- The operating expense ratio increased to 5.05% from 4.88%. This reflects investments in systems and the increase in staffing from 28 to 37 to meet the anticipated rapid growth rate in loan originations.

Statements of Income For the year ended March 31	**2011**	**2010**
Revenue		
Loan Interest	2,135,040	1,405,677
Income from Securitized assets	14,190,863	9,649,684
Administration and other fees	254,705	230,005
Total Revenue	**16,580,608**	**11,285,366**
Financing fees & insurance	1,487,002	988,437
Interest	772,812	654,684
Net financing Income	**14,320,794**	**9,642,245**
Provision for Credit & Prepayment Losses	7,803,177	6,371,750
Repossession & recovery costs	242,564	244,814
Net financing income after provision for losses	**6,275,053**	**3,025,681**
Operating Expense		
Wages & Benefits	2,371,262	1,789,720
Professional Fees	170,326	163,683
Office & General	629,060	571,129
Stock-based compensation	53,583	68,358
Amortization	39,467	34,329
Total Operating Expenses	**3,263,698**	**2,627,219**
Income before taxes	**3,011,355**	**398,462**
Income Tax (expense) recovery - current	(1,148,000)	147,500
Income Tax (expense) recovery - future	266,000	(237,000)
Net Income (loss)	**2,129,355**	**308,962**
Earnings per share Basic/Diluted	**0.11**	**0.02**
Issued and Outstanding Shares	19,534,064	19,229,598
Fully Diluted Basis	20,932,207	20,811,060

During the year, RIFCO has had no interruptions in funding. At year end, RIFCO's funding solutions remained as a $10.0M senior debt warehouse line from BMO. The Company also had three securitization facilities, $30M from Securcor Trust, $30M from a schedule 1 Canadian Chartered Bank and $20M from an Alberta Regional Credit Union.

During the year, RIFCO completed a number of important funding initiatives that will continue to contribute positively to results in the future fiscal quarters:

- In June 2010, the Company announced that it had secured a new securitization facility for $10M from an Alberta Regional Credit Union. In January 2011, this facility was increased to $20M.
- In September 2010, the Company renewed its existing $30M securitization facility with Securcor Trust. The Company has had continuous facilities with Securcor Trust since March of 2005.
- In November 2010, the Company announced its 1st annual renewal of a securitization facility with a schedule 1 Canadian Chartered Bank for $30M.
- In January 2010, the Company received an increase with its annual renewal of its senior credit facility with BMO bringing the limit to $10M.

RIFCO took a major step toward becoming a $100M per year originator in November 2010 when it announced the Company's auto lending program would soon be available to select Canadian dealers through DealerTrack, the national online credit application network; operated by DealerTrack Canada, Inc. The Company completed testing the interface with a limited number of dealers on March 28th, 2011. The full roll out was completed early in April.

RIFCO now has potential access to over 5,000 enrolled automotive dealers participating in the DealerTrack loan origination platform, the largest in Canada. RIFCO's total loan originations are currently done through less than 300 enrolled dealers. Participation in the DealerTrack Network may be transformational for the Company.

As RIFCO grows its loan origination volumes and servicing capabilities, the intrinsic value of the Company's lending platform is being magnified. We believe that the value of the lending platform will be unlocked as increasing amounts of reasonably priced funding is deployed to generate high yielding auto loans with very predictable performance. This enhancement to RIFCO's loan origination platform increases the Company's franchise value.

RIFCO is well positioned to embrace a period of high growth. The Company is now seeing improved funding costs, improved access to capital, and improving credit performance from existing loans. This is being combined with a marketplace that has seen half of the direct competitors cease operations over the past few years. The result is a unique growth opportunity for RIFCO.

Quarterly Results:

RIFCO is reporting a Q4 net income of $388K, compared to net loss of $237K in the prior year. EPS was a positive of $0.02 compared to a $0.01 loss in the prior year. Revenues in Q4 were $3,847K compared to $1,977K for the same period in the prior year, an increase of 94.5%. Interest revenue in the quarter increased 75.2% on increased average on-book assets in the quarter.

Revenues were reduced by 16.8% from the reported Q3 $4,624K due to a 22.6% decrease in loans securitized. This reduction in loans securitized resulted in decreased taxable income in the quarter and the fiscal year. This also resulted in "on-book" finance receivables increasing by $3.4M in the quarter. These finance receivables could be securitized in future quarters. The Company had sufficient working capital to accommodate the lower securitization level. The Company also reduced revenues in Q4 of the prior year to decrease taxable income.

In Q4, loan originations reached $11.72M an increase of 70.8% from $6.86M in the prior year. Loan originations reduced 5.7% over the prior quarter which is a seasonal reduction. In the quarter, the Company received 4,402 loan applications a 14.8% increase over the previous quarter.

Expenses for Q4 increased to $1.02M compared to $651K for the same period of the prior year. This represents a 56.8% increase quarter over quarter. The largest increase is in wages with a 74.2% increase. At the end of the prior year, the Company's staff count was 28 compared to our current staff level of 37. In the last year we have increased staffing to handle the current and expected future growth rate. No executive bonuses were paid in Q4 last year and in the current quarter $175K has been accrued for this purpose. Without this accrual the increase in wages and benefits would be reduced to 34.9% which represents the increase of 9 new staff, a 32.1% increase.

Interest expense in Q4 is unchanged in the current year at $184K. The average cost of borrowing in the quarter decreased to 6.82% from 7.64% in the same quarter of the prior year. The Company benefited due to a lower level of outstanding unsecured debentures in the quarter.

Actual loans written off during the quarter totaled $653K compared to $791K in the prior year. With the addition of collection expenses this corresponds to an annualized quarterly loss rate of 3.91% compared to 5.91% in the prior year. This was a very positive contribution to our year end average loss rate of 4.38%.

Actual prepayment losses during the quarter totaled $1.07M compared to $.94M in the prior year. Prepayment losses increase in periods of rising delinquency and losses and will stabilize when these items level off or start to recede. We expect to see reduced loan losses in future quarters which may have a positive effect on prepayment losses.

The provisioning that RIFCO has been making for the past seven quarters is significantly higher than accrued for earlier securitizations. This increase coincided with greatly improved discount rates on securitizations. Improved pricing will result in larger prepayment losses on early payouts.

Statements of Income **For the three months ended March 31**	**2011**	**2010**
Revenue		
Loan interest	592,717	338,357
Income from securitized assets	3,186,771	1,583,193
Administration and other fees	67,073	55,666
Total Revenue	**3,846,561**	**1,977,216**
Financing fees & insurance	381,489	241,528
Interest	183,820	183,770
Net financing income before provision for losses	**3,281,252**	**1,551,918**
Provision for credit & prepayment losses	1,662,758	1,205,201
Repossession & recovery costs	71,185	55,026
Net financing income before operating expense	**1,547,309**	**291,691**
Operating Expense		
Wages & benefits	775,723	445,382
Professional fees	76,340	56,446
Office & general	152,981	127,022
Stock-based compensation	5,809	13,728
Amortization	10,401	8,711
Total Operating Expenses	**1,021,254**	**651,289**
Income (Losses) before taxes	526,056	(359,598)
Income tax recovery (expense)	(137,637)	122,121
Net Income (Loss)	**388,419**	**(237,477)**
Earnings per share Basic/Diluted	**0.02**	**(0.01)**

Adapting to IFRS accounting changes

On June 30, 2011, the Company will report its first quarter under the adopted International Financial Reporting Standards (IFRS). The primary impact of these new standards will be in the way that we report our securitization activities. As these securitized loans will not be removed from our assets for accounting purposes, the timing of the recognition of income will be over the life of the loan. Moving forward, we will continue to generate growth in profitability on an IFRS basis. The adoption of IFRS has not changed the overall strategies we employ to drive growth and profitability.

RIFCO will continue to be an auto finance Company that creates auto loans from Canadian auto dealer referrals. Loans are created, and often sold to third party securitizers for a profit. The securitizers own these loan assets.

Under IFRS, RIFCO will report as an auto finance Company that creates and services loans generated from Canadian auto dealers. It will appear as if the Company borrows to fund loans rather than sell them for a profit. We will continue to pay tax on the gain on sale profit from loan sales. The tax has previously been paid and under IFRS the Company will now report a large future tax asset.

All loans that have been securitized will be reported as if RIFCO had not actually sold them. The securitizers will be reported as lenders not purchasers. The amounts owing net of the cash holdback accounts will be reported as an outstanding debt. The previous gain on sale income will be reversed and replaced with the interest income that the Company would have earned on the sold loans in the periods. The securitizers' discount rate will now be converted to interest costs. These two changes will have a large impact on the balance sheet.

The result will be that RIFCO will report a sizable reduction in retained earnings; a large increase in debt and a large increase in finance receivables and future profit will be negatively affected in relation to historical profits.

With the reversing of the gain on sale revenue, the retained earnings will be negatively affected. The Company expects the GAAP shareholders equity for the IFRS opening position on April 1, 2010 to be reduced by 50-60%.

The reduced portion of the retained earnings, in essence, will move off of the balance sheet and into the Financial Instruments Note in the financial statements. This is where the financial instruments of the Company are "Fair Valued". In this note, all the total loan receivables are fair valued at the current rates available to the Company or in other terms what would we receive for the finance receivables if we sold them again today. The difference between the fair value and the loan principal, (formally reflected as a gain) is where the IFRS caused reduction in retained earnings will be materially reflected. In effect, the gain on sale of securitization formally reflected in the Income Statement on a cumulative basis is now disclosed in the financial statement notes as a fair value disclosure.

When RIFCO originates a loan, a commission is paid to the dealer. As a result, the Company will now report a prepaid origination cost asset.

The adoption of IFRS will eliminate reported prepayment expenses and provisioning, reported servicing liability provisioning and the reported retained interest account. Loan loss provisioning methods will be adjusted to industry standards.

Initially future profits will be negatively affected and historical profit levels will be reduced, as gain on sale revenue, is replaced by interest revenue and the related interest costs are added for the new debt reported. However, moving forward under IFRS reporting, we expect to see quarterly profits grow at a faster rate than previously reported. In an IFRS environment, we believe that efficiencies of scale, improved loan performance and improving cost of funds will be more readily recognized in RIFCO's growing profits.

The large debt and associated asset increases to the balance sheet of sold loans will require some key lender ratios to be adjusted. Ongoing discussions with our lenders are underway.

RIFCO's Annual Shareholders meeting will be held on September 8, 2011 at 3:00PM at the Red Deer Lodge, 4311 - 49th Avenue, Red Deer, Alberta. We look forward to meeting with our shareholders and interested parties to share our vision for the future.

About RIFCO Inc.

RIFCO is one of Canada's fastest-growing automotive finance companies. Non-traditional auto loans are indirectly originated through a growing network of selected new and used vehicle dealers operating in all provinces except Saskatchewan and Quebec.

The common shares of RIFCO INC. are traded on the TSX Venture Exchange under the symbol "RFC". There are 19.69 million shares (basic) outstanding and 20.93 million (fully diluted) shares.

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