PRESS RELEASE

RIFCO Reports First Quarter Net Income of $0.68M

Red Deer, Alberta. September 27th, 2011; RIFCO Inc. (TSXV: RFC) has produced another period of solid earnings and is reporting record loan origination growth for the three months ended June 30, 2011. The Company implemented International Financial Reporting Standards (IFRS) as of April 1, 2011 and prior period results have been restated to an IFRS basis. Key results for the first quarter include:

Net income rose to $0.68M over a net loss of $0.12M in the prior year. Basic and diluted EPS were $0.03 per share an increase from a loss of $0.01 in the comparable period. Under IFRS the annualized year-to-date ROE is 102%, up from 23% ROE in the year ended March 31, 2011.

Revenue in the quarter grew to $3.92M, a 33% increase from $2.96M in the comparative quarter.

Undiscounted cash flows of finance receivables payments including principal and interest but before early loan payouts, operating expenses, the provision for impairment and credit losses total $120.90M. Total undiscounted financial liabilities including principal and interest but before any provision for credit losses and prepayments totals $93.30M. While the $27.60M difference ($1.35 per share) between these measures of finance receivables and total Company liabilities should not be relied upon as an indication of future cash flows, it does reflect the substantial value that has been created within RIFCO.

Loan originations in the first quarter increased to a record $15.01M from $11.72M in the prior quarter, a quarter over quarter increase of 28%, and an increase of 63% from the $9.19M in the comparative quarter. The increase in loan originations resulted in finance receivables growth to a record $81.03M from $59.57M in the prior year, a 36% growth rate.

In the quarter, delinquent accounts over 30 days decreased to 2.54% from 4.47% in the first quarter of the prior year. This rate increased from 1.85% at the end of the prior quarter.

RIFCO's average (12 month rolling) credit loss rate is now at the lowest point in 8 years. The Company's average credit loss rate stands at 3.17%, a decrease from 4.38% in the prior quarter and 5.73% in the prior year. Provision for impairment and credit losses for the quarter totaled $0.28M

Credit losses in the first quarter were unusually low at $0.05M, a decrease from $0.65M in the prior quarter and a decrease from $0.68M in the comparable period of the prior year. The decrease is unusual in its magnitude and should not be considered reflective the future levels of credit losses. However, the Company is observing a trend toward lower credit losses. Management views this strong credit performance trend as validation of its credit model, its dealer partner graduation system, and its systematic and non-adversarial approach to customer service.

The annualized quarterly credit loss rate decreased to 0.57% from 3.91% in the prior quarter. This is improved from 5.05% in Q1 of the prior year. The Company now expects to see the average (rolling 12 month) credit loss rate to remain below historical averages for the year.

The Company has implemented IFRS as its financial reporting framework on April 1, 2011, with a transition date of April 1, 2010. Transition as at April 1, 2010 required restatement of the Company's fiscal 2011 financial information from its original Canadian GAAP basis to the IFRS basis. This allows for inclusion of comparative information in the fiscal 2012 financial statements and management discussion and analysis. As discussed in the Company's quarterly and annual reports leading up to the implementation date, the primary impact of IFRS was a change in the accounting for securitization transactions. The Company now records the securitized loans as on -balance sheet loans along with securitization debt representing the funding received from the transaction. Interest income on the loans and interest expense on the liabilities is each recognized over the life of the securitized loans. The total amount of income earned over the life of a loan remains unchanged by the accounting transition. On April 1, 2010, the Company reduced shareholders' equity by $6.90M for the IFRS transition adjustment. This represents the difference between prior periods net income under Canadian GAAP compared to IFRS and is most impacted by the reversal of previously recognized securitization income that will now be recognized in future quarters.

RIFCO First quarter comparative results under IFRS

RIFCO's business model trends can be observed by comparing the variances in the consolidated statements of comprehensive income. Income and expense items are converted to a ratio as measured against the average outstanding finance receivables in the period.

The positive effects of a stable interest income rate, a declining interest expenses rate, a declining credit loss rate, and a declining operating expense rate are clear in the increasing return on average finance receivables for the quarter of 3.47%.

	30-Jun-11		31-Mar-11		30-Jun-10		
	Q1-12		Full Year		Q1-11		Comparable
Average Finance receivables in the period	**77,973,000**		**64,683,000**		**58,245,000**		**Quarter Variance**
Financial revenue		**Annualized % of Finance Receivables**		**Annualized % of Finance Receivables**		**Annualized % of Finance Receivables**	
Interest Income	3,878,741	19.90%	12,899,471	19.94%	2,915,177	20.02%	-0.12%
Administration and other fees	44,965	0.23%	184,727	0.29%	41,659	0.29%	-0.06%
	3,923,706	**20.13%**	**13,084,198**	**20.23%**	**2,956,836**	**20.31%**	-0.18%
Financial expenses							
Interest expenses	1,519,729	7.80%	5,548,988	8.58%	1,350,119	9.27%	-1.48%
Origination expenses	330,665	1.70%	1,041,884	1.61%	212,072	1.46%	0.24%
Net financial income before provision for impairment	**2,073,312**	**10.64%**	**6,493,326**	**10.04%**	**1,394,645**	**9.58%**	**1.06%**
Provision for impairment and credit losses	283,978	1.46%	2,195,741	3.39%	629,557	4.32%	-2.87%
Repossession and recovery costs	57,231	0.29%	242,564	0.38%	77,019	0.53%	-0.24%
	341,209	**1.75%**	**2,438,305**	**3.77%**	**706,576**	**4.85%**	-3.10%
Net financial income before operating expenses	**1,732,103**	**8.89%**	**4,055,021**	**6.27%**	**688,069**	**4.73%**	4.16%
Operating expenses	**790,150**	**4.05%**	**3,267,993**	**5.05%**	**694,171**	**4.77%**	-0.71%
Income before taxes	**941,953**	**4.83%**	**787,028**	**1.22%**	**(6,102)**	**-0.04%**	**4.87%**
Income tax recovery (expense) - current/future	(265,000)	-1.36%	(326,000)	-0.50%	(112,323)	-0.77%	-0.59%
Total comprehensive income (loss)	**676,953**	**3.47%**	**461,028**	**0.71%**	**(118,425)**	**-0.81%**	4.29%

RIFCO has been granting non-traditional loans in the automotive sector since 2002 and has granted over $200M in loans to date. The Company had confidence that its underwriting and operational systems would deliver predictable credit performance throughout all economic cycles. The economic environment in recent years has acted as a real life "stress test" and has validated the RIFCO business model.

RIFCO management continues to work to ensure that the Company has the financial resources to fund a business model that has sustainable growth while maintaining profitability. RIFCO's goal remains to become a $100M per year loan originator.

To fund the acquisition of a growing level of finance receivables, the Company uses borrowings under its Bank credit facilities with $10.00M authorized and subordinated debentures of $6.50M. Most of the Company's finance receivables are ultimately securitized through one of three available loan securitization facilities. Securitization facility limits currently total $100.00M. RIFCO is well positioned to meet its growing loan origination targets and has the confidence of its lending partners.

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 be available to select Canadian dealers through the national online credit application network; operated by DealerTrack Canada, Inc. On March 28th, 2011 the Company announced that a full dealer conversion would be completed by mid April 2011.

RIFCO now has the potential to access over 5,000 enrolled automotive dealers participating in the DealerTrack loan origination platform, the largest in Canada. The Company, currently receive our loan volume through less than 300 dealers. The Company will continue to have measured and selective growth in dealer enrolment. RIFCO will feel the full impact of this initiative during this year's fiscal results. RIFCO's participation in the DealerTrack Network has the potential to be transformational. This enhancement increases the Company's franchise value.

RIFCO remains steadfast in originating only loans that it believes can achieve acceptable profit margins. As margins are affected by funding rates and by expected credit performance, RIFCO adjusts targeted origination levels, credit requirements, and lending rates while maintaining market continuity.

Q1 Financial Highlights:

		Year over Year	
('000,000's except ratios and per share)	Q1-12	Q1-11	
Net Income	$0.68	($0.12)	Improved $0.80M
Revenue	$3.92	$2.96	Increase of 33%
Finance Receivables	$81.03	$59.57	Increased 36%
Loan Originations	$15.01	$9.19	Increased 63%
Basic and Diluted EPS	$0.03	($0.01)	Increased $0.04
Operating Expenses	$0.79	$0.69	Increased 14%
Credit Losses	$0.05	$0.68	Decreased 92%
Operating Expense Ratio	4.05%	4.77%	Decreased (Improved)
Average Interest Expense	8.13%	9.30%	Decreased (Improved)
Delinquency Ratio	2.54%	4.47%	Decreased (Improved)
Average (rolling 12 month) Credit Loss Rate	3.17%	5.73%	Decreased (Improved)

		Sequential Quarters	
('000,000's except ratios and per share)	Q1-12	Q4-11	
Net Income	$0.68	$0.05	Increased $0.63M
Revenue	$3.92	$3.54	Increased 11%
Finance Receivables	$81.03	$73.86	Increased 10%
Loan Originations	$15.01	$11.72	Increased 28%
Basic and Diluted EPS	$0.03	$0.00	Increased $0.03
Operating Expenses	$0.79	$1.03	Decreased 23%
Credit Losses	$0.05	$0.65	Decreased 92%
Operating Expense Ratio	4.05%	5.76%	Decreased (Improved)
Average Interest Expense	8.13%	8.15%	Decreased (Improved)
Delinquency Ratio	2.54%	1.85%	Increased (Worsened)
Average (rolling 12 month) Credit Loss Rate	3.17%	4.38%	Decreased (Improved)

Key Performance Measurement

PRESS RELEASE

As is RIFCO's custom, please note the June 30, 2011 (Q1-12) progress report against the specific objectives under IFRS for 2012 as published in the March 31, 2011 annual report to the shareholders.

1. **Achieve record loan originations of over $65 million**
   Loan originations in the first quarter were $15.01M.

2. **Achieve record managed assets of over $95 million**
   Financed receivables in the first quarter grew to $81.03M from $73.86M in the prior quarter.

3. **Achieve record revenue of over $17 million**
   Revenue in the first quarter was $3.92M.

4. **Achieve an average (12 month rolling) credit loss rate below 4.25%**
   Annualized quarterly credit loss rate currently stands at 0.57%.

5. **Achieve net income of over $1.6 million**
   Net income in the first quarter was $677K.

About Rifco

RIFCO Inc. operates through its wholly owned subsidiary Rifco National Auto Finance Corporation to provide automobile loans through its dealership network across Canada.

Rifco National Auto Finance provides consumers with financing options on new and used vehicles. Rifco National Auto Finance specializes in building long-term partnerships with dealers by investing time in personalized services through dedicated account representatives. Rifco's quick credit decisions, common sense lending, and expedited funding processes give its dealers better financing options and more closed deals. Rifco's most successful partnerships result in graduated recognition programs for its loyal dealerships.

Rifco is committed to continuing growth. Key strategies for achieving this growth include the expansion of its automobile dealer base, excellence in credit and collections processes.

The common shares of RIFCO INC. are traded on the TSX Venture Exchange under the symbol "RFC". There are 19.78 million shares (basic) outstanding and 21.34 million (fully diluted) shares.

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It's about time.