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RIFCO records second-quarter profit

By The Canadian Press

Auto repair finance company RIFCO Inc. (TSX:RFC) reported Friday its second-quarter net profits fell but revenues grew nearly 14 percent and the company reduced its losses.

The Red Deer Company said it earned \$57,000 for the three months ended Sept. 30, down from \$89,000 for the same period the previous year.

Three month revenues rose 13.6 percent to \$1.64 million from \$1.44 million.

The company also noted that loan losses were significantly reduced in the quarter and credit quality remains within the company's target levels.

RIFCO said it "has witnessed significant competition in the Canadian auto finance market over the past quarter."

"Most notably, unusually aggressive non-prime auto loan pricing had been witnessed.

"Certain non-captive competitors had relaxed their documentation requirements and-or their underwriting standards as compared to interest rate pricing.

"Certain auto dealers have also reported that original equipment manufacturer captive finance companies had also been aggressive in credit approvals in order to finance the sale of remaining inventories of 2007 models.

RIFCO operates through its wholly owned subsidiary Repair Industry Finance Corp. and provides motorists with non-prime auto purchase financing and mid-market auto repair financing.

The company does business across Canada except in Saskatchewan and Quebec.