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June 17, 2010 by Divya Balji in Toronto

<u>The Financial Results quoted are for the fiscal year ending March 31, 2009. Not March 31, 2010 as reported.</u>

RIFCO (TSX.V: RFC), the Red Deer, Alberta-based auto purchase finance company, will consider acquisitions of smaller regional auto loan providers, according to Chief Financial Officer Lance Kadatz.

Ontario and British Columbia are two provinces, where RIFCO would like to get a wider foothold; companies and loan books in the two would be highly attractive. Targets would have a similar business structure to that of RIFCO, he said.

The company provides motorists with near-prime and non-prime financing through a network of selected new and used vehicles dealers across Canada, except in Saskatchewan and Quebec.

RIFCO has a market cap of CAD 8m (USD 7.7m) and generated revenue of CAD 13.6m (USD 13.2m) for the fiscal 2009 (which ended in March 2010). The company could attract takeover interest when it originates about CAD 100m (USD 96.7m) in loans, which could happen in two years.

RIFCO originated about CAD 38m (USD 36.7m) in loans last year and it expects to grow in the 50-100% range annually. People talk to us all the time. M A in this marketplace almost always works as the integration is easy. If someone wants to get into this industry, [they] would look at us, the CFO said.

This news service previously reported that RIFCO's two competitors - Scotiabank and TD Bank - could eventually buy the company. However, Kadatz disagreed and noted both TD and Scotiabank already have auto purchase finance platforms and would not need to acquire RIFCO. They don't need what we have to offer, he added.

Instead a buyout could come from anywhere and would have to be from a company that has access to capital and has to put it to work for yield, the CFO pointed out. Kadatz and Bill Graham, the CEO, own about 18% of the company. RIFCO's corporate legal counsel is Davis LLP and its commercial bank is Bank of Montreal.