

10 December 2008

S&U plc

("S&U" or "the Company")

## Interim Management Statement

S&U, Britain's foremost niche home credit and motor finance provider, today issues an interim management statement for the period from 1st August 2008 to 9th December 2008.

### Home Credit

Home Credit operations account for about 70% of group revenues and these operations have benefitted from our new marketing and internet initiatives and from more restricted credit conditions elsewhere. Home credit revenues are ahead by £0.4m (5%) whilst impairment has risen by £0.2m compared to the same period last year. Cash generation during the period was positive and stable and we continue to benefit from the hard work of our representatives who are rewarded on collections. We have further tightened our credit control and continue to lend over slightly shorter terms. We, therefore, anticipate lower sales growth in the last quarter but are well placed to maintain the robust quality of our collections going forward.

### Motor Finance

Advantage, our motor finance business which accounts for approximately 30% of revenue, continues to trade well and to budget. Advances are up 7% year to date from applications up 29%; early settlements are down 19% as customers trade their cars on less often. Collection and impairment levels continue to be stable as we approach the key Christmas collection period and over 70% of Advantage customers are up to date in line with our expectations. In order to maintain this level of collection performance in a slowing economy we continue to be more selective in our underwriting and have reduced our maximum term and loan size on new deals.

### Funding

S&U's balance sheet remains strong and total borrowings are similar to the level reported at the half year ended 31 July 2008. The recent fall in interest rates is expected to benefit our results next year, although we will incur higher hedging costs this year.

Commenting on the IMS, Anthony Coombs, Chairman of S&U plc, said:

"Despite the current macro economic instability, underlying trading remains stable and resilient. Although we will be cautious going forward, the Company remains robust and well placed to deliver a good performance for 2008 and beyond."

For further information, please contact:

S&U plc

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