

21 May 2010

## 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 1 February 2010 to 20 May 2010, ahead of its Annual General Meeting being held later today.

### Home Credit

Loansathome4u, our home credit business, increased revenues by 2% in this period versus the same period last year which reflects a 4% growth in customer numbers offset by continued customer borrowing caution in the current economic climate. Collections have remained robust, being up by over 3% on last year with impairment charges being reduced by 2%. These results are testimony to the well-established and mutually beneficial relationships our representatives have with our customers. Administrative expenses are stable but will reflect an extra £350,000 charge in the first half year due to accelerated remuneration payments made before the Government tax legislation changes at the end of March 2010. This £350,000 charge will reverse in the second half year.

### Motor Finance

Advantage, our motor finance business, has followed up on a strong finish to the last financial year with an excellent start to this financial year. In a less competitive market, new business written is up over 40% on the same period last year and initial repayment quality continues to be higher in line with recent trends. Revenues are up over 20% on the same period last year, whilst impairment charges have only risen by 11% and overall collections are good. Early redemptions continue to be lower than last year and current levels of profitability are encouraging.

### Funding and Capital

S&U's financial position is strong and becoming stronger. Since the year end Group borrowings have been reduced to £26.1m (May 2009: £27.6m) as the trading cash generated has more than funded good motor finance growth and covered £2.4m of accelerated dividend and remuneration payments made in the first quarter. We anticipate that Group borrowings should reduce further in the second quarter, increasing the likely headroom available for further organic growth and acquisition.

### Outlook

S&U is cautiously optimistic about the outlook and is trading in line with its expectations for the year to date.

S&U will issue a further trading update following its half year ending 31 July 2010. The interim results are scheduled for release towards the end of September 2010.

**Commenting, Mr Anthony Coombs, S&U Chairman, said:**

“Whilst economic conditions will take time to become more certain, the resilience of our own performance and current positive trading trends give cause for continued cautious optimism.”

**For further information, please contact:**

**S&U plc**

Anthony Coombs, Chairman

[www.suplc.co.uk](http://www.suplc.co.uk)

0121 705 7777

**Charles Stanley Securities**

Mark Taylor / Dugald Carlean

020 7149 6000

**Smithfield**

Rupert Trefgarne/ Rebecca Whitehead

020 7360 4900