

11 August 2009

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

Trading update

Notice of Results

S&U, Britain's foremost niche home credit and motor finance provider, today announces a trading update for the six months to 31 July. The Company is pleased to announce that it is currently trading in line with market expectations and intends issuing its Interim results on 24 September 2009.

HOME CREDIT

Current trading and profitability within our home credit division is very satisfactory and is encouraging for the full year outlook.

A more cautious sales and underwriting environment in the last six months has nevertheless seen a steady increase in customer numbers on shorter-term loan agreements and therefore more flexible book debt. This has been reflected in an improvement in collections quality and impairment against last year. Tight expense and overhead control has seen this represented in improved profitability; returning customer confidence should therefore see further profit advances in the second half of this financial year.

MOTOR FINANCE

Advantage Finance, our motor finance business which comprises just over 30% of Group revenue, continues to trade well and to exceed budget. Whilst applications continue to grow, a strict and prudent underwriting policy has seen revenue fall slightly by 4%, but overall collections are slightly ahead on stable book debt. Advantage continues to broaden its product range into the non-prime market and has seen significant improvements in debt quality as a result.

Although early redemptions are still lower than a year ago, borrowings are significantly lower too, thus allowing headroom for expansion in both its traditional sub-prime and newer non-prime markets.

FUNDING AND CAPITAL

In uncertain times, S&U's treasury and funding position is strong and continuing to strengthen. Gearing and borrowings are both less than last year, the latter by more than £4 m. Our medium term finance and overdraft facilities give us the potential for organic growth and careful acquisitions, particularly in the home credit sector.

OUTLOOK

As predicted S&U's trading has remained strong and the Company has strengthened its balance sheet, despite a particularly volatile and uncertain time in the economic cycle. Current trends suggest further progress in the second half, and a business performance which reflects the robust nature of our business model in the challenging economic environment.

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

"Trading is in line in the first half and the outlook for the full year remains positive".

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