



**International Personal Finance**  
**Q3 IMS investor and analyst call transcript - Wednesday 17 October 2012**

**IPF Speaker key**

GR Gerard Ryan, Chief Executive Office  
DB David Broadbent, Finance Director

**Operator** Welcome to International Personal Finance's third quarter Interim Management Statement briefing hosted by Gerard Ryan, Chief Executive Officer. Also on the call is Finance Director, David Broadbent. For the duration of the call your lines will be on listen only. However, you will have the opportunity to ask questions at the end of the call. I will now hand you over to Gerard Ryan to begin today's conference. Thank you.

**GR** Thank you very much everybody for joining. This is Gerard Ryan here and I'm joined by Dave Broadbent, our Finance Director. Hopefully you've all had a chance now to read through the IMS this morning so just a very brief introduction and then hopefully we'll go straight to questions. Clearly the message that we're sending out in the IMS is that we're pleased with our performance in Q3. We feel it follows the momentum that we established earlier in the year. Basically I suppose we started out the year trying to overcome the twin headwinds of FX and ESRs (early settlement rebates) and we feel like we're succeeding in that respect. Profits for the quarter are £27.2 million, marginally ahead of this time last year which is good as well. From the top line numbers in terms of growth, all of those numbers from our point of view are very positive.

In Poland we had very good growth. Hungary - excellent growth and you can see that we're beginning to take more calculated risk in Hungary which is what we wanted to do. Czech-Slovakia - a bit more subdued but we've got a new management team in there and we look forward to what they can do in terms of renewed energy and renewed vigour in that business. Clearly a tougher time in Romania but whilst the first half of the year was particularly slow, we see momentum building in Q3 into Q4. Mexico is the business that everybody likes to talk about these days. Clearly we're happy with the way the credit relaxation strategies are working so we've now progressed from eight branches through to 18, there's about 50 plus branches there, on that strategy but the really good news is that impairment to revenue is looking very good.

One thing I'd like to add is a new piece of news and it's that last night, our business in Hungary was awarded the Employer of the Year in Hungary which in my point of view says a lot actually in terms of the amount of work that we're putting into our reputation in each of the businesses in each of the countries in which we operate.

Our share buy-back program is progressing well, so we're about 60% of the way through that and I was just working it through yesterday; I think based on the current run-rate we're purchasing about 100,000 plus shares a day at a price, I think, of about 310p, 320p, something like that. So that will probably take another six to eight weeks to complete.

As regards the strategy for growth, clearly there are quite a few things that I know you would like to talk about in the strategy for growth in terms of how we're progressing against those. The only thing I would say is that it's probably about 12 or 14 weeks since we introduced that so we're probably not going to have a whole lot to say on the call today regarding strategy for growth and we'll be in a much better position to talk that through in detail with the year-end results.

But in conclusion, just to say that the third quarter, from our point of view, was very solid. We're pleased with the progress we're making and looking to perform, I guess, as planned and as indicated earlier. So with that we'd be happy now to take any questions that you have. So operator, I'd be happy if you'd open it up for questions to anybody on the line. Thank you.

**Q1** Hi, good morning gentlemen. Just a quick question on your share buy-back program; you're talking about 100,000 shares per day but sometimes your percentage of on-exchange volume could be as high as 70%. Are there any limits to the maximum amount of shares you will buy today or are you willing to limit that to take up a smaller portion of on-exchange volume? Thanks.

**DB** Morning, it's David here. There is no specific volume limit but volumes are effectively regulated by the share price so we're limited to a proportion of the share price over the five previous trading days. So when the share price is moving upwards then you'll see less volume and if it's moving down that's when you'll probably see a higher volume but there's no specific volume limit that we're working to.

**GR** And the two teams that are doing the buy-back are diligently trying to be out of the way of any serious investors who want to buy into the company.

**Q1** Great. Thank you gentlemen.

**Q2** I know you don't want to talk too much about the strategy but [at] the interims you set a number of targets that you hoped to have in place by the end of 2012 so I think, preferential pricing, broadening the product range, changing the rewards structure and the IT strategy. And I think particularly in terms of broadening the product range you talked about having an insurance product potentially in place by the end of the year. I was just wondering if you could give us any update on any of those 2012 issues.

**GR** Hi, it's Gerard here. I'd have to check but I think what we said was that by the time of our next announcement we would probably have the insurance product in place. There isn't anything at this point in time that leads us to believe that we should miss that target or if we did it would be within a month or so of that. So as regards all the major planks of the strategy for growth we're happy that we're tracking what we said previously, as in the timeline for each of those key components.

**Q2** Okay, thank you.

**GR** Well, thank you very much everybody for joining and thank you for those questions. As I said earlier, we've had a good solid performance in the quarter and we look forward to catching up with you again with the next set of results. Thanks very much. Have a good day. Bye.