International
Personal Finance

Half-yearly Financial Report for the six months ended 30 June 2009

International Personal Finance

CONTENTS

Operating and financial highlights	3
Summary	
Profit before taxation	4
Taxation	6
Balance sheet	6
Funding	6
Dividend	6
Strategy	6
Prospects for 2009	6
Review of operations	
Central Europe	8
Central Europe excluding Hungary	9
Hungary	10
Mexico	12
Romania	13
Consolidated income statement	14
Consolidated statement of comprehensive income	16
Consolidated balance sheet	17
Consolidated statement of cash flows	18
Reconciliation of profit after taxation to cash flows from operations	19
Notes to the condensed consolidated interim financial information	20
Report on review of condensed consolidated interim financial information	32
Contacts	34

International Personal Finance plc
Half-yearly financial report for the six months ended 30 June 2009

Operating and financial highlights

- Profit before tax from continuing operations[1] reduced to £9.1 million (June 2008: £26.3 million) reflecting increased impairment
- Weak performance in Quarter 1 was followed by strong recovery in Quarter 2, led by Poland and Czech-Slovakia as a result of action taken and stabilisation in economic conditions:
  - Quarter 1 pre-tax loss of £8.5 million (2008: pre-tax profit £6.3 million)
  - Quarter 2 pre-tax profit of £17.6 million (2008: pre-tax profit £20.0 million)
- Hungary worst affected by economic downturn but plan in place to return to profit for 2010
- Mexico progressing well and on track to report a full year profit for 2009
- Romania also progressing well towards profit for 2010, but we are cautious on economic outlook
- Interim dividend maintained at 2.30 pence per share (2008: interim dividend of 2.30 pence)
- Earnings per share from continuing operations of 3.52 pence (June 2008: 6.69 pence)
- Funding: Group expected to satisfy all banking covenants and committed bank facilities sufficient to fund business through to October 2011

Chief Executive Officer, John Harnett, commented:

"Following a difficult start to the year we are encouraged by the substantial improvement we have seen in the second quarter. Much will depend on whether this continues into the second half and in particular through the seasonal peak in the fourth quarter. Our business model is sensitive to economic conditions and the outlook for the economies in which we operate continues to be uncertain. However, based on current trends and the actions we have taken, we believe the Group is well positioned for an improved performance in the second half."

[1] Excluding fair value of derivatives

Summary

Profit before tax from continuing operations and before fair value adjustments for the six months ended 30 June 2009 was £9.1 million, compared with £26.3 million for the first half of 2008.

	2009 £m	2008 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**1,966**	1,960	6	0.3	0.3
Credit issued	**313.6**	373.8	(60.2)	(16.1)	(14.9)
Average net receivables	**473.5**	474.8	(1.3)	(0.3)	1.8
Revenue	**265.0**	260.7	4.3	1.6	2.8
Impairment	**(95.9)**	(61.3)	(34.6)	(56.4)	(53.2)
Finance costs	**(15.4)**	(13.8)	(1.6)	(11.6)	(12.4)
Agents' commission	**(31.6)**	(35.4)	3.8	10.7	9.5
Other costs	**(113.0)**	(123.9)	10.9	8.8	2.6
Profit before taxation and fair value adjustments	**9.1**	26.3	(17.2)	(65.4)	(67.5)
Fair value adjustments	**3.3**	(2.0)	5.3		
Profit before taxation – continuing operations	**12.4**	24.3	(11.9)		
Discontinued operations	**(10.8)**	(2.2)	(8.6)		
Profit before taxation	**1.6**	22.1	(20.5)		

Percentage change figures for all performance measures, other than profit or loss before taxation and earnings per share, unless otherwise stated, are quoted after restating prior year figures at a constant exchange rate (CER) for 2009 in order to present the underlying performance variance.

When, in the second half of last year, we built our plans and budgets for 2009 we anticipated that trading conditions across all of our markets would be challenging, particularly in the first half, as the global recession impacted our markets. We anticipated this would lead to higher levels of unemployment and so would reduce our customers' ability to repay their loans.

In preparation, we tightened our credit criteria in Central Europe and Romania in the second half of 2008. This constrained growth in customer numbers and significantly reduced the amount of credit issued in the final months of last year. In addition, we also took action to reduce our costs by deferring entry into new markets and new regions and actively lowering the cost base, particularly in Central Europe.

As expected, economic conditions deteriorated rapidly in the first half. As a result, impairment for the Group rose by £34.6 million (53.2%). This also impacted credit issued which reduced by 14.9% as a result of tight credit criteria and a reduction in the number of customers whose accounts were in sufficiently good order to receive the offer of a further loan.

Customer numbers, average net receivables and revenue were at a similar level to the previous half year, reflecting growth in the second half of last year.

Costs were reduced in the first half. Agents' commission costs, which are largely variable, reduced by 9.5% and other costs by 2.6%. This comprised substantial reductions in Central Europe, with agents' commission costs down by £5.7 million (16.4%) and other costs cut by £15.4 million (10.8%), partly offset by increased costs from the expansion of Mexico and Romania.

Finance costs increased by 12.4% reflecting an increase in the margin on borrowings from October last year.

The result for the six months to June 2009 includes a £3.3 million gain on derivative contracts to fix interest rates on forecast borrowings and foreign currency rates used to translate our forecast profits. Further details are provided in note 16.

In April 2009 we took the decision to close our pilot operation in Russia because we concluded that in the current economic environment our resources could be better used elsewhere in the Group. Total pre-tax costs of £10.8 million, including provision for closure costs, have been incurred in the first half of 2009. A breakdown of this amount is included in note 9. The closure of the business is progressing to plan and no significant further costs are expected.

The segmental split of profit before tax and fair value adjustments by market is as follows:

Profit before taxation	**2009 £m**	2008 £m	Change £m	Change %	Change at CER %
Central Europe	**20.7**	42.9	(22.2)	(51.7)	(53.9)
UK – central costs	**(6.2)**	(6.4)	0.2	3.1	3.1
Established markets	**14.5**	36.5	(22.0)	(60.3)	(62.3)
Mexico	**(3.5)**	(5.4)	1.9	35.2	37.5
Romania	**(1.9)**	(4.8)	2.9	60.4	61.2
Developing markets	**(5.4)**	(10.2)	4.8	47.1	48.6
Profit before taxation and fair value adjustments	**9.1**	26.3	(17.2)	(65.4)	(67.5)

As expected, the global recession had a sudden and sharp impact on our Central European markets from January 2009 leading to lower credit issued, reduced revenue and increased impairment charges. As the first half progressed conditions stabilised and the benefits of the actions we had taken last year became increasingly more influential and performance improved substantially.

These factors combined to deliver a strong recovery in performance in the second quarter. In the first quarter the Group recorded a pre-tax loss from continuing operations of £8.5 million (2008 Quarter 1: pre-tax profit of £6.3 million). This was followed in the second quarter by a pre-tax profit of £17.6 million (2008 Quarter 2: pre-tax profit of £20.0 million).

Central Europe was the key driver of this recovery, reporting a pre-tax profit of £22.1 million in Quarter 2 compared with a pre-tax loss of £1.4 million in Quarter 1. All of the Central European

markets, except Hungary, recovered strongly. Hungary suffered the most severe impact of the economic downturn and remained loss making, reporting a first-half pre-tax loss of £7.0 million (2008 first half: pre-tax profit of £4.9 million). Plans are in place to return it to profit for 2010.

Throughout the first half, the developing markets of Mexico and Romania progressed well despite the economic downturn, recording pre-tax losses £4.8 million lower than in the same period of 2008.

Taxation

The taxation charge for the first six months of 2009 represents an effective tax rate of 28%. This represents the Group's best estimate of the effective rate of taxation for the full year.

Balance sheet

At 30 June 2009 net assets were £212.9 million which represents a decrease of £45.9 million compared with the year end, primarily due to foreign exchange rate movements. Equity represented 47.9% of net receivables. Gearing, calculated as borrowings divided by shareholders' equity, was 1.4 times.

Funding

At 30 June 2009 the Group had borrowings of £304.1 million, down from £378.2 million (CER) at the start of the year, and committed facilities of £572.0 million. By March of next year our committed bank facilities will reduce by £175.0 million to £397.0 million with £357.0 million of this committed to October 2011. This is sufficient to support our business through to that date. We expect the Group to continue to satisfy all of its banking covenants.

Dividend

An interim dividend of 2.30 pence has been declared (2008: 2.30 pence). The dividend is payable on 2 October 2009 to shareholders on the register at close of business on 4 September 2009. The shares will be marked ex-dividend on 2 September 2009.

Strategy

In the medium-term the prospects for the Group will be driven by the growth and performance of its existing markets. There are significant opportunities to grow, particularly in Mexico and Romania where we continue to expand our geographic coverage. In addition, the less competitive market conditions in Central Europe now offer the prospect of improved growth. We are not planning any new country pilots because of the uncertainty of the global economic environment.

Prospects for 2009

The strong recovery in Quarter 2, 2009 in Poland and Czech-Slovakia and the continued good performances in Mexico and Romania give us a measure of confidence for the second half and we have a clear recovery plan for Hungary that we expect to return the market to profit for 2010.

We expect the benefit of the reduced level of Central European overheads we have delivered in the first half to continue into the second. In addition, from July we have amended our product

range to increase the service charge and extend the duration of new loans issued by up to 5 weeks in all markets except Romania. This reduces both the weekly repayment for any given loan size and the APR, whilst increasing the revenue earned. We expect this will yield a revenue benefit in the range of £10-12 million in the second half of this year which will continue into the first half of 2010. This will be negated by increased early settlement rebates on the introduction of the EU Consumer Credit Directive in July 2010.

The two key internal challenges for the business are to down-size our Hungarian operation without causing a costly dislocation of good quality agents and customers; and to re-commence growth in customer numbers and receivables in Poland and Czech-Slovakia, after a long period when our field force has been focused on collections.

Following a difficult start to the year we are encouraged by the substantial improvement we have seen in the second quarter. Much will depend on whether this continues into the second half and in particular through the seasonal peak in the fourth quarter. Our business model is sensitive to economic conditions and the outlook for the economies in which we operate continues to be uncertain. However, based on current trends and the actions we have taken, we believe the Group is well positioned for an improved performance in the second half.

Review of operations

Central Europe

The performance trends for Hungary as compared with the remainder of our Central European businesses are very different and so we set out below the performance of Central Europe, Central Europe excluding Hungary, and Hungary alone.

Central Europe reported a pre-tax profit of £20.7 million for the first half of 2009 as compared with £42.9 million for the same period of the prior year.

Profit before taxation	**H1 2009 £m**	H1 2008 £m	**Q2 2009 £m**	Q2 2008 £m	**Q1 2009 £m**	Q1 2008 £m
Central Europe excluding Hungary	**27.7**	38.0	**23.3**	24.2	**4.4**	13.8
Hungary	**(7.0)**	4.9	**(1.2)**	2.8	**(5.8)**	2.1
Central Europe	**20.7**	42.9	**22.1**	27.0	**(1.4)**	15.9

Economic conditions worsened rapidly in all of our Central European markets in January and February and as a result our collections performance was well below the same period of the previous year in all markets. In March we began to see some improvement in collections performance in Poland and Czech-Slovakia but not in Hungary, although in all markets it remained below the level of the previous year. As a result impairment charges increased significantly and this resulted in a loss of £1.4 million in Quarter 1 as compared with a profit of £15.9 million for the same quarter of the previous year.

Throughout Quarter 2, the benefit of the changes we had made to credit criteria in the last quarter of the previous year became increasingly influential. In addition, as the local impacts of the downturn became clearer, we tailored our responses at branch level to improve our effectiveness. As a result we continued to see improving collections performances in Poland and Czech-Slovakia resulting in much reduced levels of impairment. In these countries during May, performance in the majority of branches were such that we were able to shift our focus solely from collections to a more balanced approach with a stronger emphasis on growth in customer numbers and credit issued. In Hungary collections performance stabilised but despite intensive management action did not materially improve and although impairment was reduced the operation continued to be loss making.

Nonetheless, our Central European business made a strong recovery in Quarter 2, reporting pre-tax profit of £22.1 million (Quarter 2, 2008: £27.0 million), with the actions we took to reduce costs having made a positive contribution throughout the first and second quarters. Agents' commission costs, which are largely variable, fell by £5.7 million in the first half (16.4% at CER) and other costs were cut by £15.4 million (10.8% at CER).

Central Europe excluding Hungary

The performance of our Central European markets excluding Hungary for the first and second quarters of 2009 and 2008 is set out below:

	Q2 2009 £m	Q2 2008 £m	Change at CER %	**Q1 2009 £m**	Q1 2008 £m	Change at CER %
Customer numbers (000s)	**1,139**	1,279	(10.9)	**1,159**	1,268	(8.6)
Credit issued	**103.6**	142.7	(21.5)	**95.7**	118.5	(21.5)
Average net receivables	**316.5**	374.8	(8.1)	**343.9**	340.7	(0.6)
Revenue	**81.4**	92.9	(5.7)	**88.8**	86.1	0.5
Impairment	**(13.1)**	(13.4)	(1.6)	**(39.0)**	(22.7)	(62.5)
	68.3	79.5	(6.9)	**49.8**	63.4	(22.7)
Finance costs	**(4.8)**	(4.5)	(14.3)	**(5.5)**	(4.2)	(27.9)
Agents' commission	**(9.7)**	(11.3)	9.3	**(9.2)**	(10.4)	11.5
Other costs	**(30.5)**	(39.5)	10.3	**(30.7)**	(35.0)	9.2
Profit before taxation	**23.3**	24.2	(4.9)	**4.4**	13.8	(72.3)

Customer numbers reduced across both quarters as a result of tight credit criteria restricting recruitment and the focus of our agents on collections rather than sales. Credit issued reduced both as a result of lower customer numbers and also the reduced proportion of customers paying sufficiently well to qualify for a further loan. Lower credit issued in turn led to lower customer receivables and lower revenue. This was offset by reduced costs which were about 10% lower than 2008 in both quarters.

The sharp contrast between the performance in the first and second quarters of 2009 is evident. The key difference is the level of impairment: the results for Quarter 1 were dominated by the £16.3 million (62.5%) increase in impairment due to reduced collections performance. In Quarter 2, as a result of an improved collections performance, impairment was reduced substantially, returning to the same level as in Quarter 2, 2008.

Overall, in Quarter 2, 2009 pre-tax profit for Central Europe excluding Hungary returned to within £0.9 million (4.9%) of the same quarter in the previous year.

Hungary

Hungary reported a first half pre-tax loss of £7.0 million compared with a pre-tax profit of £4.9 million in the first half of 2008. The results for Hungary for the first and second quarters of 2009 and 2008 are set out below. The impact of the downturn was felt most strongly here and whilst performance in Quarter 2 improved, the operation remained loss making.

	Q2 2009 £m	Q2 2008 £m	Change at CER %	**Q1 2009 £m**	Q1 2008 £m	Change at CER %
Customer numbers (000s)	**280**	323	(13.3)	**300**	323	(7.1)
Credit issued	**19.9**	39.8	(48.0)	**23.7**	35.4	(36.6)
Average net receivables	**70.3**	92.0	(20.7)	**84.1**	82.8	(4.5)
Revenue	**21.3**	28.9	(23.4)	**25.9**	26.9	(9.1)
Impairment	**(8.9)**	(7.2)	(29.0)	**(16.2)**	(9.7)	(54.3)
	12.4	21.7	(40.7)	**9.7**	17.2	(46.1)
Finance costs	**(1.6)**	(1.7)	-	**(1.8)**	(1.6)	(5.9)
Agents' commission	**(3.5)**	(5.6)	34.0	**(4.2)**	(5.0)	22.2
Other costs	**(8.5)**	(11.6)	14.3	**(9.5)**	(8.5)	3.0
Profit before taxation	**(1.2)**	2.8	(144.4)	**(5.8)**	2.1	(422.2)

Collections performance was well below target in both quarters despite intensive management action. Whilst the immediate impact was an increase in impairment charges the worst of this was over by the end of the first quarter.

Future earnings have been most affected by the significant decline in the number of customers whose accounts were in sufficiently good order to qualify for a further loan ("re-servable customers"). This significantly reduced credit issued in Quarter 2, which was down by 48.0% compared with Quarter 2, 2008.

By early May, we reached the view that the decline in re-servable customers meant that the business would substantially under perform its targets for credit issued and revenue for the remainder of the year. We reflected this in our Interim Management Statement in May, indicating that the results for Hungary would be £20-£30 million below our original expectations: the budgeted profit of £15 million was expected to turn into a loss in the range of £5-£15 million.

During May we developed a plan to return Hungary to profit for 2010. Having started 2009 with 321,000 customers, by the end of May this had reduced to 295,000. This population divided into 210,000 who we classed as "good payers" and who collectively had a payment performance close to the average of the previous year, and 85,000 "bad payers" who collectively were paying at less than 20% of the contracted weekly rate. In the normal course of events most "bad paying" customers retain agent service and repay their loans slowly over a number of years. However, we took the view that, given the large size of this group in Hungary, it would be better to withdraw agent service and transfer them to our debt recovery teams and so reduce the agent serviced business to a core of about 210,000 "good paying" customers. During the second half of this year, we intend to reduce our costs in line with the smaller customer base. We expect to return the business to profit in 2010.

We have analysed why Hungary has performed so much worse than the other Central European markets. Our view is that it was impacted simultaneously by a number of factors that were individually important and which in combination resulted in extreme conditions that were hard to predict. As recession hit, unemployment rose rapidly from levels that were already high. Additionally, household income was reduced throughout 2009, reflecting higher levels of direct and indirect taxation and lower state benefits as the government sought to redress its funding deficit. Foreign currency loans ("FX loans"), which accounted for about 80% of national consumer borrowing, and to which about 40% of our customers had exposure, became more expensive when the Forint devalued at the end of 2008. Furthermore, dislocation in the capital markets increased costs for lenders who in turn increased their loan margins. All of this happened rapidly and was overlaid by further economic disruption, with factory closures in January and February caused by the effects of the Ukraine-Russia gas dispute.

Whilst we do not believe exposure to FX loans was the most important factor driving the reduced collections performance in Hungary, we have surveyed our other markets and found that the use of FX loans is small except in Romania where about 15% of customer households have FX loans.

Mexico

The results of our Mexican operation for the first half of the year are set out below:

	2009	2008	Change	Change	Change at CER
	£m	£m	£m	%	%
Customer numbers (000s)	**427**	307	120	39.1	39.1
Credit issued	**44.2**	27.0	17.2	63.7	61.9
Average net receivables	**42.1**	23.9	18.2	76.2	73.3
Revenue	**32.3**	21.1	11.2	53.1	50.9
Impairment	**(12.4)**	(7.3)	(5.1)	(69.9)	(65.3)
	19.9	13.8	6.1	44.2	43.2
Finance costs	**(2.4)**	(1.8)	(0.6)	(33.3)	(33.3)
Agents' commission	**(3.6)**	(2.6)	(1.0)	(38.5)	(38.5)
Other costs	**(17.4)**	(14.8)	(2.6)	(17.6)	(15.2)
Loss before taxation	**(3.5)**	(5.4)	1.9	35.2	37.5

The loss before taxation is analysed by region as follows:

	Q2 2009	**Q1 2009**	**H1 2009**	H1 2008	Change at CER
	£m	**£m**	**£m**	£m	%
Puebla region	**0.5**	**(0.8)**	**(0.3)**	(2.0)	85.7
Guadalajara region	**0.5**	**(0.1)**	**0.4**	(0.8)	150.0
Central costs	**(1.6)**	**(2.0)**	**(3.6)**	(2.6)	(33.3)
	(0.6)	**(2.9)**	**(3.5)**	(5.4)	37.5

In Mexico, we continued to grow customer numbers and credit issued strongly, and maintained good credit quality despite the sharp economic downturn and the Swine-flu outbreak. Customer numbers were up by 39.1% to 427,000, credit issued up by 61.9% to £44.2 million and revenue increased by 50.9%. Start-up losses reduced by £1.9 million to £3.5 million reflecting the growth in the business and in Quarter 2, 2009 both regions in which we operate in Mexico, Puebla and Guadalajara, made a positive contribution to profit, before the costs of the Mexico head office. We are on track, to report a profit for Mexico for both the second half of the year and for 2009 as a whole.

Romania

The results for Romania for the six months ended 30 June 2009 are set out below:

	2009 £m	2008 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**120**	51	69	135.3	135.3
Credit issued	**26.5**	10.4	16.1	154.8	157.3
Average net receivables	**24.0**	7.4	16.6	224.3	224.3
Revenue	**15.3**	4.8	10.5	218.8	218.8
Impairment	**(6.3)**	(1.0)	(5.3)	(530.0)	(530.0)
	9.0	3.8	5.2	136.8	136.8
Finance costs	**(0.3)**	(1.1)	0.8	72.7	72.7
Agents' commission	**(1.4)**	(0.5)	(0.9)	(180.0)	(180.0)
Other costs	**(9.2)**	(7.0)	(2.2)	(31.4)	(29.6)
Loss before taxation	**(1.9)**	(4.8)	2.9	60.4	61.2

In Romania, following rapid geographic expansion during 2008, we focused this year on growth from the existing branch infrastructure. Customer numbers rose from 51,000 to 120,000 and revenue trebled to £15.3 million for the first half of 2009.

Credit quality remains satisfactory taking into account the high proportion of new customers in the portfolio and although some impact on collections performance from the global recession is apparent, it has been relatively mild and credit quality has improved since we refined our credit controls in November of last year. Start-up losses were £1.9 million for the first half of 2009, a reduction of £2.9 million compared with the first half of 2008. Overall, Romania has progressed well towards its target for profit for 2010. However, we are cautious about the outlook because the Romanian economy is showing some signs of further weakening. We continue to monitor local conditions closely.

International Personal Finance plc
Condensed consolidated interim financial information for the six months ended 30 June 2009

Consolidated income statement

	Notes	**Unaudited Six months ended 30 June 2009 £m**	Unaudited Six months ended 30 June 2008 £m	Audited Year ended 31 December 2008 £m
Revenue[2]	5	**265.0**	260.7	557.1
Impairment	5	**(95.9)**	(61.3)	(127.2)
Revenue less impairment		**169.1**	199.4	429.9
Finance costs		**(15.4)**	(13.8)	(29.1)
Other operating costs		**(36.5)**	(57.0)	(111.8)
Administrative expenses		**(104.8)**	(104.3)	(212.7)
Total costs		**(156.7)**	(175.1)	(353.6)
Profit before taxation – continuing operations	5	**12.4**	24.3	76.3
Tax expense – UK		**-**	-	(1.3)
– Overseas		**(3.5)**	(7.1)	(19.9)
Total tax expense	6	**(3.5)**	(7.1)	(21.2)
Profit after taxation from continuing operations		**8.9**	17.2	55.1
Loss after taxation from discontinued operations		**(12.8)**	(1.7)	(4.5)
(Loss)/profit after taxation attributable to equity shareholders		**(3.9)**	15.5	50.6

Earnings per share – continuing operations

	Notes	**Unaudited Six months ended 30 June 2009 pence**	Unaudited Six months ended 30 June 2008 pence	Audited Year ended 31 December 2008 pence
Basic	7	**3.52**	6.69	21.48
Diluted	7	**3.52**	6.68	21.45

[2] All amounts included in revenue are defined as finance income under IFRS 7

Loss/earnings per share

	Notes	**Unaudited Six months ended 30 June 2009 pence**	Unaudited Six months ended 30 June 2008 pence	Audited Year ended 31 December 2008 pence
Basic	7	**(1.54)**	6.03	19.73
Diluted	7	**(1.54)**	6.02	19.70

Dividend per share

	Notes	**Unaudited Six months ended 30 June 2009 pence**	Unaudited Six months ended 30 June 2008 pence	Audited Year ended 31 December 2008 pence
Interim dividend	8	**2.30**	2.30	2.30
Final dividend	8	**-**	-	3.40
Total dividend		**2.30**	2.30	5.70

Dividends paid

	Notes	**Unaudited Six months ended 30 June 2009 £m**	Unaudited Six months ended 30 June 2008 £m	Audited Year ended 31 December 2008 £m
Interim dividend of 2.30p per share	8	**-**	-	5.9
Final dividend of 3.40p (2008: 2.85p) per share	8	**8.6**	7.3	7.3
Total dividends paid		**8.6**	7.3	13.2

Consolidated statement of comprehensive income

	Unaudited Six months ended 30 June 2009 £m	Unaudited Six months ended 30 June 2008 £m	Audited Year ended 31 December 2008 £m
(Loss)/profit after taxation attributable to equity shareholders	**(3.9)**	15.5	50.6
Other comprehensive income:			
Exchange (losses)/gains on foreign currency translations	**(34.9)**	29.5	30.2
Net fair value gains/(losses) – cash flow hedges	**1.7**	3.0	(8.9)
Actuarial losses on retirement benefit asset/obligation	**(1.3)**	(1.2)	(3.3)
Tax (charge)/credit on items taken directly to equity	**(0.1)**	(0.4)	3.4
Other comprehensive (expense)/income, net of taxation	**(34.6)**	30.9	21.4
Total comprehensive (expense)/income for the period attributable to equity shareholders	**(38.5)**	46.4	72.0

The notes to the condensed consolidated financial information form an integral part of this consolidated interim financial information.

Consolidated balance sheet

	Notes	**Unaudited 30 June 2009 £m**	Unaudited 30 June 2008 £m	Audited 31 December 2008 £m
Assets				
Non-current assets				
Intangible assets		**15.0**	18.5	17.5
Property, plant and equipment	10	**39.4**	46.7	52.4
Retirement benefit asset	13	**-**	0.7	-
Deferred tax assets		**29.6**	32.6	37.5
		84.0	98.5	107.4
Current assets				
Amounts receivable from customers				
- due within one year		**435.2**	497.3	552.2
- due in more than one year		**9.2**	24.7	22.2
	11	**444.4**	522.0	574.4
Derivative financial instruments		**10.6**	4.6	1.7
Cash and cash equivalents		**33.0**	59.6	62.2
Current tax asset		**0.1**	-	-
Trade and other receivables		**16.7**	12.8	19.2
		504.8	599.0	657.5
Total assets		**588.8**	697.5	764.9
Liabilities				
Current liabilities				
Bank borrowings	12	**(8.6)**	(11.2)	(1.2)
Derivative financial instruments		**(13.3)**	(4.0)	(14.4)
Trade and other payables		**(55.7)**	(53.6)	(53.4)
Current tax liabilities		**-**	(7.6)	(2.5)
		(77.6)	(76.4)	(71.5)
Non-current liabilities				
Retirement benefit obligation	13	**(2.8)**	-	(1.5)
Bank borrowings	12	**(295.5)**	(377.6)	(433.1)
		(298.3)	(377.6)	(434.6)
Total liabilities		**(375.9)**	(454.0)	(506.1)
Net assets		**212.9**	243.5	258.8
Shareholders' equity				
Called-up share capital	14	**25.7**	25.7	25.7
Other reserves	14	**(10.3)**	37.0	23.4
Retained earnings	14	**197.5**	180.8	209.7
Total equity	14	**212.9**	243.5	258.8

The notes to the condensed consolidated financial information form an integral part of this consolidated interim financial information.

Consolidated statement of cash flows

	Unaudited Six months ended 30 June 2009 £m	Unaudited Six months ended 30 June 2008 £m	Audited Year ended 31 December 2008 £m
Cash flows from operating activities			
Continuing operations			
Cash generated from operations	**85.5**	30.5	70.4
Interest paid	**(15.4)**	(13.9)	(25.6)
Income tax paid	**(7.5)**	(2.6)	(23.9)
Discontinued operations	**(5.1)**	(0.9)	(5.1)
Net cash generated from operating activities	**57.5**	13.1	15.8
Cash flows from investing activities			
Continuing operations			
Purchases of property, plant and equipment	**(2.1)**	(7.8)	(20.5)
Proceeds from sale of property, plant and equipment	**2.3**	2.6	3.6
Purchases of intangible assets	**(2.9)**	(1.6)	(3.2)
Discontinued operations	**-**	(0.4)	(1.0)
Net cash used in investing activities	**(2.7)**	(7.2)	(21.1)
Cash flows from financing activities			
Continuing operations			
Repayment of bank borrowings	**(71.0)**	(33.1)	(9.1)
Purchase of shares by employee trust	**-**	-	(5.7)
Dividends paid to company shareholders	**(8.6)**	(7.3)	(13.2)
Discontinued operations	**-**	-	-
Net cash used in financing activities	**(79.6)**	(40.4)	(28.0)
Net decrease in cash and cash equivalents	**(24.8)**	(34.5)	(33.3)
Cash and cash equivalents at the start of the period	**62.2**	88.8	88.8
Exchange (losses)/gains on cash and cash equivalents	**(4.4)**	5.3	6.7
Cash and cash equivalents at the end of the period	**33.0**	59.6	62.2

Certain companies within the Group are required to keep certain cash and short-term deposits strictly segregated from the rest of the Group and these amounts are therefore not available to repay Group borrowings. At 30 June 2009 such cash and short-term deposits held by these companies amounted to £nil (30 June 2008: £21.0 million, 31 December 2008: £8.1 million).

Reconciliation of profit after taxation to cash flows from continuing operations

	Unaudited Six months ended 30 June 2009 £m	Unaudited Six months ended 30 June 2008 £m	Audited Year ended 31 December 2008 £m
Profit after taxation from continuing operations	**8.9**	17.2	55.1
Adjusted for:			
Tax expense	**3.5**	7.1	21.2
Finance costs	**15.4**	13.8	29.1
Share-based payment charge	**1.2**	0.8	2.0
Pension charge/(credit)	**0.3**	(0.1)	0.3
Depreciation of property, plant and equipment	**7.3**	4.7	13.3
Profit on sale of property, plant and equipment	**(0.2)**	-	(0.1)
Amortisation of intangible assets	**2.4**	1.7	4.4
Changes in operating assets and liabilities:			
Amounts receivable from customers	**50.1**	(8.6)	(40.9)
Trade and other receivables	**(7.8)**	(3.9)	(8.4)
Trade and other payables	**11.9**	(4.5)	(9.0)
Retirement benefit asset/obligation	**(0.3)**	(0.1)	(0.4)
Derivative financial instruments	**(7.2)**	2.4	3.8
Cash generated from continuing operations	**85.5**	30.5	70.4

Cash generated from continuing operations can be analysed by business unit as follows:

	Unaudited Six months ended 30 June 2009 £m	Unaudited Six months ended 30 June 2008 £m	Audited Year ended 31 December 2008 £m
Established markets	**99.0**	40.8	105.5
Developing markets	**(13.5)**	(10.3)	(35.1)
Continuing operations	**85.5**	30.5	70.4

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009

1. Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Services Authority and with IAS 34 'Interim financial reporting' as adopted by the European Union. This condensed consolidated interim financial information should be read in conjunction with the Annual Report and Financial Statements for the year ended 31 December 2008, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). This interim financial information was approved for release on 23 July 2009.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Annual Report and Financial Statements for the year ended 31 December 2008 (the Financial Statements) were approved by the board on 23 March 2009 and delivered to the Registrar of Companies. The Financial Statements contained an unqualified audit report and did not include an emphasis of matter paragraph or any statement under Section 498 of the Companies Act 2006. The Financial Statements are available on the Group's website (www.ipfin.co.uk).

This condensed consolidated interim financial information has been reviewed by the Group's auditors PricewaterhouseCoopers LLP but has not been audited.

Except as described below, the accounting policies adopted in this interim financial information are consistent with those adopted in the Financial Statements for the year ended 31 December 2008. The accounting polices are detailed in those Financial Statements.

The following standards have been adopted in 2009 with no significant impact:

IAS 1 (revised), 'Presentation of Financial Statements' – The revised standard brings new disclosure requirements regarding 'non-owner changes in equity' and 'owner changes in equity', which are now required to be shown separately. Under this revised guidance the Group has elected to continue to present two performance statements: an income statement and a statement of comprehensive income (previously the 'Statement of Recognised Income and Expense'). This half-yearly financial report has been prepared under the revised disclosure requirements.

IFRS 8, 'Operating segments' – IFRS 8 replaces IAS 14, 'Segment reporting'. IFRS 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change to reported segments, which remain as Central Europe, Mexico and Romania.

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but do not have any impact on the Group.

- IFRIC 13 ‘Customer loyalty programmes’
- IFRIC 15 ‘Agreements for the construction of real estate’
- IFRIC 16 ‘Hedges of a net investment in a foreign operation’
- IAS 39 (amendment) ‘Financial instruments: Recognition and measurement’
- IFRS 2 (amendment) ‘Share-based payments – vesting conditions and cancellations’
- IAS 23 (revised) ‘Borrowing costs’
- IAS 27 (revised) ‘Consolidated and separate financial statements’
- IAS 32 and IAS 1 (amendment) ‘Puttable financial instruments and obligations arising on liquidation’

The following amendment to a standard is expected to have a disclosure only impact on the financial statements for the year ending 31 December 2009.

- IFRS 7 (amendment) ‘Financial instruments: Disclosures’

2. Principal risks

The directors believe that the Group’s principal business risks have not changed since the publication of the Annual Report and Financial Statements 2008. These risks are set out in full in the section ‘Principal Business Risks’ on pages 28 to 29 of that document. The risks relate to the following areas; economic downturn; competition; business development; funding; counterparty risk; currency risk; tax risk; financial services regulation and legislation; risk to reputation; credit risk; service disruption; and health and safety.

3. Related parties

The Group has not entered into any material transactions with related parties in the first six months of the year.

4. Statement of directors’ responsibilities

The following statement is given by each of the directors: namely; John Harnett, Chief Executive Officer; David Broadbent, Finance Director; Craig Shannon, Development Director; Christopher Rodrigues, Non-executive Chairman; Charles Gregson, Non-executive director; Tony Hales, Non-executive director; Ray Miles, Non-executive director; and Nick Page, Non-executive director. The directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union, and that this interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

5. Segmental information

Geographical segments

	Unaudited Six months ended 30 June 2009 £m	Unaudited Six months ended 30 June 2008 £m	Audited Year ended 31 December 2008 £m
Revenue			
Central Europe	**217.4**	234.8	493.2
Mexico	**32.3**	21.1	48.4
Romania	**15.3**	4.8	15.5
	265.0	260.7	557.1
Impairment			
Central Europe	**77.2**	53.0	106.0
Mexico	**12.4**	7.3	17.2
Romania	**6.3**	1.0	4.0
	95.9	61.3	127.2
Profit before taxation			
Central Europe	**20.7**	42.9	106.0
UK – central costs[3]	**(6.2)**	(6.4)	(13.2)
Established markets	**14.5**	36.5	92.8
Mexico	**(3.5)**	(5.4)	(8.7)
Romania	**(1.9)**	(4.8)	(7.8)
Developing markets	**(5.4)**	(10.2)	(16.5)
Profit before fair value adjustments	**9.1**	26.3	76.3
Fair value adjustments[3]	**3.3**	(2.0)	-
Profit before taxation – continuing operations	**12.4**	24.3	76.3
Discontinued operations	**(10.8)**	(2.2)	(6.0)
Profit before taxation	**1.6**	22.1	70.3
Total assets			
Central Europe	**462.2**	591.4	602.4
Mexico	**59.2**	37.3	52.1
Romania	**35.1**	16.2	36.3
UK[3]	**32.3**	48.8	68.8
Continuing operations	**588.8**	693.7	759.6
Discontinued operations	**-**	3.8	5.3
	588.8	697.5	764.9

[3] Although the UK central costs and the fair value adjustments are not classified as a separate segment in accordance with IFRS 8 'Operating Segments', they are shown separately above in order to provide a reconciliation to profit before taxation

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

5. Segmental information (continued)

The segments shown above (Central Europe, Mexico and Romania) are the segments for which management information is presented to the board which is deemed to be the Group's chief operating decision maker. Certain other, more detailed, information is provided to the board on a country basis and this information is shown in note 17.

6. Tax expense

The tax expense for the period in respect of continuing operations has been calculated by applying the directors' best estimate of the effective tax rate for the year, which is 28.0% (30 June 2008: 29.2%, 31 December 2008: 27.8%) to the profit for the period.

The tax charge in respect of discontinued operations is £2.0 million (30 June 2008: credit of £0.5 million, 31 December 2008: credit of £1.5 million).

7. Earnings per share

	Unaudited Six months ended 30 June 2009 pence	Unaudited Six months ended 30 June 2008 pence	Audited Year ended 31 December 2008 pence
Basic EPS – continuing operations	3.52	6.69	21.48
Dilutive effect of options	-	(0.01)	(0.03)
Diluted EPS – continuing operations	**3.52**	6.68	21.45

Basic EPS analysed as:

	Unaudited Six months ended 30 June 2009 pence	Unaudited Six months ended 30 June 2008 pence	Audited Year ended 31 December 2008 pence
Central Europe	**5.88**	11.81	29.85
UK central costs	**(1.76)**	(1.76)	(3.72)
Established markets	**4.12**	10.05	26.13
Mexico	**(1.00)**	(1.49)	(2.45)
Romania	**(0.54)**	(1.32)	(2.20)
Fair value adjustments	**0.94**	(0.55)	-
EPS from continuing operations	**3.52**	6.69	21.48

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

7. Earnings per share (continued)

Basic earnings per share (EPS) from continuing operations is calculated by dividing the earnings attributable to shareholders of £8.9 million (30 June 2008: £17.2 million, 31 December 2008: £55.1 million) by the weighted average number of shares in issue during the period of 253.2 million which has been adjusted to exclude the weighted average number of shares held by the employee trust (30 June 2008: 257.2 million, 31 December 2008: 256.5 million).

For diluted EPS the weighted average number of shares has not been adjusted as there are no potentially dilutive shares (30 June 2008: adjusted to 257.5 million, 31 December 2008: adjusted to 256.9 million to take account of all potentially dilutive shares).

Loss/earnings per share – including discontinued operations

	Unaudited Six months ended 30 June 2009 pence	Unaudited Six months ended 30 June 2008 pence	Audited Year ended 31 December 2008 pence
Basic EPS – including discontinued operations	**(1.54)**	6.03	19.73
Dilutive effect of options	**-**	(0.01)	(0.03)
Diluted EPS – including discontinued operations	**(1.54)**	6.02	19.70

The loss/earnings per share including discontinued operations has been calculated by dividing the loss in respect of continuing and discontinued operations of £3.9 million (30 June 2008: profit of £15.5 million, 31 December 2008: profit of £50.6 million) by the same number of shares as in the EPS from continuing operations calculation.

8. Dividends

The final dividend for 2008 of 3.40 pence per share was paid to shareholders on 22 May 2009 at a total cost to the Group of £8.6 million. The directors propose an interim dividend in respect of the financial year ended 31 December 2009 of 2.30 pence per share payable to shareholders who are on the register at 4 September 2009. This will amount to a total dividend payment of £5.8 million. This dividend is not reflected as a liability in the balance sheet as at 30 June 2009.

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

9. Discontinued operations

On 29 April 2009 the board took the decision to close the Russian pilot operation. The operation has not traded since that date and has therefore been classified as a discontinued operation in this condensed interim financial information. Total costs of £12.8 million are included in the income statement in respect of Russia for the six months ended 30 June 2009. These costs can be analysed as follows:

	Unaudited Six months ended 30 June 2009 £m
Trading losses to end of April 2009	**3.0**
Write-off of goodwill	**3.0**
Write-off of other assets including customer receivables and property, plant and equipment	**0.9**
Other closure costs	**3.9**
Loss before taxation	**10.8**
Taxation	**2.0**
Loss from discontinued operations	**12.8**

10. Property, plant and equipment

	Unaudited Six months ended 30 June 2009 £m	Unaudited Six months ended 30 June 2008 £m	Audited Year ended 31 December 2008 £m
Net book value at start of period	**52.4**	40.8	40.8
Exchange adjustments	**(5.7)**	5.0	7.0
Additions	**2.1**	8.2	21.5
Disposals	**(2.1)**	(2.6)	(3.5)
Depreciation	**(7.3)**	(4.7)	(13.4)
Net book value at end of period	**39.4**	46.7	52.4

As at 30 June 2009 the Group had £3.1 million of capital expenditure commitments with third parties that were not provided for (30 June 2008: £3.5 million, 31 December 2008: £2.2 million).

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

11. Amounts receivable from customers

	Unaudited 30 June 2009 £m	Unaudited 30 June 2008 £m	Audited 31 December 2008 £m
Central Europe	**374.0**	486.2	513.6
Mexico	**44.6**	25.6	38.1
Romania	**25.8**	10.2	22.7
Total receivables	**444.4**	522.0	574.4

12. Borrowings

	Unaudited 30 June 2009 £m	Unaudited 30 June 2008 £m	Audited 31 December 2008 £m
Due in less than one year	**8.6**	11.2	1.2
Due between one and two years	**90.9**	328.9	134.9
Due between two and five years	**204.6**	48.7	298.2
	295.5	377.6	433.1
Total borrowings	**304.1**	388.8	434.3

13. Retirement benefit obligation/asset

The amounts recognised in the balance sheet in respect of the retirement benefit obligation/asset are as follows:

	Unaudited 30 June 2009 £m	Unaudited 30 June 2008 £m	Audited 31 December 2008 £m
Equities	**14.2**	17.3	14.7
Bonds	**6.2**	4.7	5.9
Index-linked gilts	**4.1**	4.7	4.0
Other	**2.1**	4.9	2.1
Total fair value of scheme assets	**26.6**	31.6	26.7
Present value of funded defined benefit obligation	**(29.4)**	(30.9)	(28.2)
Net (obligation)/asset recognised in the balance sheet	**(2.8)**	0.7	(1.5)

The charge recognised in the income statement in respect of defined benefit pension costs is £0.3 million (30 June 2008: £0.1 million credit, 31 December 2008: charge of £0.3 million).

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

14. Consolidated statement of changes in shareholders' equity

	Unaudited				
	Called-up share capital £m	Other reserve £m	Other reserves[4] £m	Retained earnings £m	Total £m
Balance at 1 January 2008	**25.7**	**(22.5)**	**27.8**	**172.6**	**203.6**
Exchange gains on foreign currency translations	-	-	29.5	-	29.5
Net fair value gains – cash flow hedges	-	-	3.0	-	3.0
Actuarial losses on retirement benefit asset/obligation	-	-	-	(1.2)	(1.2)
Tax (charge)/credit on items taken directly to equity	-	-	(0.8)	0.4	(0.4)
Net income/(expense) recognised directly in equity	-	-	31.7	(0.8)	30.9
Profit for the period	-	-	-	15.5	15.5
Total comprehensive income for the period	-	-	31.7	14.7	46.4
Transactions with owners:					
Share-based payment adjustment to reserves	-	-	-	0.8	0.8
Dividends paid	-	-	-	(7.3)	(7.3)
Balance at 30 June 2008	**25.7**	**(22.5)**	**59.5**	**180.8**	**243.5**
	Unaudited				
Balance at 1 July 2008	**25.7**	**(22.5)**	**59.5**	**180.8**	**243.5**
Exchange gains on foreign currency translations	-	-	0.7	-	0.7
Net fair value losses – cash flow hedges	-	-	(11.9)	-	(11.9)
Actuarial losses on retirement benefit asset/obligation	-	-	-	(2.1)	(2.1)
Tax credit on items taken directly to equity	-	-	3.3	0.5	3.8
Net expense recognised directly in equity	-	-	(7.9)	(1.6)	(9.5)
Profit for the period	-	-	-	35.1	35.1
Total comprehensive (expense)/ income for the period	-	-	(7.9)	33.5	25.6
Purchase of shares by employee trust	-	-	(5.7)	-	(5.7)
Transactions with owners:					
Share-based payment adjustment to reserves	-	-	-	1.3	1.3
Dividends paid	-	-	-	(5.9)	(5.9)
Balance at 31 December 2008	**25.7**	**(22.5)**	**45.9**	**209.7**	**258.8**

[4] Includes foreign exchange reserve, hedging reserve and amounts paid to acquire shares by employee trust

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

14. Consolidated statement of changes in shareholders' equity (continued)

	Unaudited				
	Called-up share capital £m	**Other reserve £m**	**Other reserves[4] £m**	**Retained earnings £m**	**Total £m**
Balance at 1 January 2009	**25.7**	**(22.5)**	**45.9**	**209.7**	**258.8**
Exchange losses on foreign currency translations	-	-	(34.9)	-	(34.9)
Net fair value gains – cash flow hedges	-	-	1.7	-	1.7
Actuarial losses on retirement benefit asset/obligation	-	-	-	(1.3)	(1.3)
Tax (charge)/credit on items taken directly to equity	-	-	(0.5)	0.4	(0.1)
Net expense recognised directly in equity	-	-	(33.7)	(0.9)	(34.6)
Loss for the period	-	-	-	(3.9)	(3.9)
Total comprehensive expense for the period	-	-	(33.7)	(4.8)	(38.5)
Transactions with owners:					
Share-based payment adjustment to reserves	-	-	-	1.2	1.2
Dividends paid	-	-	-	(8.6)	(8.6)
Balance at 30 June 2009	**25.7**	**(22.5)**	**12.2**	**197.5**	**212.9**

15. Average and closing foreign exchange rates

The table below shows the average exchange rates for the relevant reporting periods, closing exchange rates at the relevant period ends, together with the rates at which the Group has economically hedged a proportion of its expected profits for the second half of the year. This second half profit hedging has resulted in a "mark-to-market" fair value adjustment of £4.2 million at 30 June 2009 as a result of a depreciation in Central European currencies against Sterling. This charge will unwind as the contracts mature.

	Average H1 2008	Closing June 2008	2008 Year	Closing Dec 2008	**Average H1 2009**	**Closing June 2009**	**Contract H2 2009**
Poland	4.51	4.23	4.46	4.33	4.58	5.22	4.55
Czech Republic	32.64	30.19	32.94	27.92	29.70	30.38	29.17
Slovakia	1.38	1.27	1.36	1.04	1.14	1.17	1.10
Hungary	327.23	297.19	329.48	274.78	337.68	319.12	n/a
Mexico	20.95	20.50	21.30	20.07	20.05	21.70	n/a
Romania	4.73	4.60	4.68	4.19	4.65	4.93	n/a

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

16. Fair value adjustments

In January 2009 we entered into foreign currency contracts to lock-in a proportion of our forecast profits at the exchange rate in place at that time. As currencies have depreciated since this date the result for the six months to June 2009 includes a gain of £4.2 million on the contracts that relate to the second half of the year. This is offset by a fair value loss of £0.9 million on interest rate contracts which have become ineffective as our actual borrowings are lower than expected. The net gain of £3.3 million is included as a credit within other operating costs in the consolidated income statement.

17. Additional information by country

The following additional information is provided to give a more detailed analysis on a country basis of certain key income statement headings.

Central Europe

	H1 2009 £m	H1 2008 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**1,419**	1,602	(183)	(11.4)	(11.4)
Credit issued	**242.9**	336.4	(93.5)	(27.8)	(26.6)
Average net receivables	**407.4**	443.5	(36.1)	(8.1)	(6.0)
Revenue	**217.4**	234.8	(17.4)	(7.4)	(6.1)
Impairment	**(77.2)**	(53.0)	(24.2)	(45.7)	(42.7)
	140.2	181.8	(41.6)	(22.9)	(21.0)
Finance costs	**(13.7)**	(12.0)	(1.7)	(14.2)	(15.1)
Agents' commission	**(26.6)**	(32.3)	5.7	17.6	16.4
Other costs	**(79.2)**	(94.6)	15.4	16.3	10.8
Profit before taxation	**20.7**	42.9	(22.2)	(51.7)	(53.9)

Central Europe comprises our operations in Poland, Czech-Slovakia and Hungary.

Poland

	H1 2009 £m	H1 2008 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**765**	877	(112)	(12.8)	(12.8)
Credit issued	**122.9**	168.6	(45.7)	(27.1)	(18.8)
Average net receivables	**214.2**	243.5	(29.3)	(12.0)	(2.5)
Revenue	**107.7**	116.9	(9.2)	(7.9)	2.1
Impairment	**(35.2)**	(20.9)	(14.3)	(68.4)	(79.6)
	72.5	96.0	(23.5)	(24.5)	(15.6)

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

17. Additional information by country (continued)

Czech Republic and Slovakia

	H1 2009 £m	H1 2008 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**374**	402	(28)	(7.0)	(7.0)
Credit issued	**76.4**	92.6	(16.2)	(17.5)	(26.3)
Average net receivables	**116.0**	112.4	3.6	3.2	(7.5)
Revenue	**62.5**	62.1	0.4	0.6	(10.2)
Impairment	**(16.9)**	(15.2)	(1.7)	(11.2)	2.3
	45.6	46.9	(1.3)	(2.8)	(12.8)

Hungary

	H1 2009 £m	H1 2008 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**280**	323	(43)	(13.3)	(13.3)
Credit issued	**43.6**	75.2	(31.6)	(42.0)	(42.7)
Average net receivables	**77.2**	87.6	(10.4)	(11.9)	(12.7)
Revenue	**47.2**	55.8	(8.6)	(15.4)	(16.3)
Impairment	**(25.1)**	(16.9)	(8.2)	(48.5)	(45.9)
	22.1	38.9	(16.8)	(43.2)	(43.6)

Mexico

	H1 2009 £m	H1 2008 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**427**	307	120	39.1	39.1
Credit issued	**44.2**	27.0	17.2	63.7	61.9
Average net receivables	**42.1**	23.9	18.2	76.2	73.3
Revenue	**32.3**	21.1	11.2	53.1	50.9
Impairment	**(12.4)**	(7.3)	(5.1)	(69.9)	(65.3)
	19.9	13.8	6.1	44.2	43.2
Finance costs	**(2.4)**	(1.8)	(0.6)	(33.3)	(33.3)
Agents' commission	**(3.6)**	(2.6)	(1.0)	(38.5)	(38.5)
Other costs	**(17.4)**	(14.8)	(2.6)	(17.6)	(15.2)
Loss before taxation	**(3.5)**	(5.4)	1.9	35.2	37.5

Notes to the condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

17. Additional information by country (continued)

Mexico (continued)

	H1 2009 £m	H1 2008 £m	Change £m	Change %	Change at CER %
Puebla	**(0.3)**	(2.0)	1.7	85.0	85.7
Guadalajara	**0.4**	(0.8)	1.2	150.0	150.0
Head Office	**(3.6)**	(2.6)	(1.0)	(38.5)	(33.3)
Loss before taxation	**(3.5)**	(5.4)	1.9	35.2	37.5

Romania

	H1 2009 £m	H1 2008 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**120**	51	69	135.3	135.3
Credit issued	**26.5**	10.4	16.1	154.8	157.3
Average net receivables	**24.0**	7.4	16.6	224.3	224.3
Revenue	**15.3**	4.8	10.5	218.8	218.8
Impairment	**(6.3)**	(1.0)	(5.3)	(530.0)	(530.0)
	9.0	3.8	5.2	136.8	136.8
Finance costs	**(0.3)**	(1.1)	0.8	72.7	72.7
Agents' commission	**(1.4)**	(0.5)	(0.9)	(180.0)	(180.0)
Other costs	**(9.2)**	(7.0)	(2.2)	(31.4)	(29.6)
Loss before taxation	**(1.9)**	(4.8)	2.9	60.4	61.2

Report on review of condensed consolidated interim financial information for the six months ended 30 June 2009

Introduction

We have been engaged by the Group to review the condensed consolidated interim financial information in the half-yearly financial report for the six months ended 30 June 2009, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial information

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority. As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated interim financial information included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Group a conclusion on the condensed consolidated interim financial information in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Group for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on review of condensed consolidated interim financial information for the six months ended 30 June 2009 (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
Leeds
23 July 2009

Investor relations and media contacts:

For further information contact:

Finsbury

James Leviton
Vanessa Neill
+44 (0) 20 7251 3801

International Personal Finance plc

Helen Spivey – Investor relations
+44 (0) 113 285 6876

Victoria Richmond – Media
+44 (0) 113 285 6873