



## **News Release**

April 28, 2009

### **Cash Store Financial reports strong net income growth of 48% for the quarter**

EDMONTON, April 28, 2009 /CNW/ - The Cash Store Financial Services Inc. ("Cash Store Financial") today announced third Quarter results for the period ended March 31, 2009.

#### **Third Quarter Highlights (table of results at end of release)**

- Net income up 47.6% to \$3.1 million, compared to \$2.1 million for the same quarter last year.
- Diluted earnings per share of \$0.18 up 80.0%, compared to \$0.10 for the same quarter last year.
- Branch operating income up 33% to \$11.7 million, compared to \$8.8 million for the same quarter last year.
- Same branch revenues increased 11.5% to \$93,200 from \$83,600 for the same quarter last year.
- 10 new branches added during the quarter, with 45 net new branches added since March 31, 2008.
- Retention payments of \$4.5 million (3.2% of loans brokered), compared to \$4.8 million (3.9% of loans brokered) for the same quarter last year.

- Cash position increased to \$17.5 million at quarter end from \$15.6 million at June 30, 2008.
- Declared a quarterly dividend of 6.5 cents per share, to be paid on May 20, 2009 to shareholders of record as of May 5, 2009.

#### **Year to date highlights (nine months)**

- Net income up 76.3% to \$13.4 million, compared to \$7.6 million for the same period last year.
- Diluted earnings per share of \$0.73 up 97.3%, compared to \$0.37 for the same quarter last year.
- Branch operating income up 41.1% to \$39.8 million, compared to \$28.2 million for the same quarter last year.
- Same branch revenues increased 10.4% to \$290,800 from \$263,400 for the same period last year.
- Retention payments of \$13.4 million (3.1% of loans brokered), compared to \$15.9 million (4.1% of loan volume) for the nine months ended March 31, 2009.
- Shares repurchased of 2.72 million for a total cost of \$16.1 million compared to 1.4 million shares at a \$5.6 million for the same period last year, which leaves 16,927,482 common shares issued and outstanding.
- Total dividend payments of \$4.2 million compared to \$3.1 million for the same period last year.

Mr. Gordon Reykdal, Chairman and CEO commented, "The third quarter of fiscal 2009 was solid with both top and bottom line growth strongly up relative to the same period last year, despite the expected seasonal slow-down and the current recession. The Company continues to realize income and efficiency gains from its maturing branch network, with revenues up and retention payments down year-over-year. During the quarter we incurred specific new operational expenses designed to further improve long-term efficiencies and staff retention."

He further commented, "During the quarter, along with our Chief Operating Officer, I completed our annual President's Tour during which we met directly with every manager in our national branch network. This tour is a fundamental component of our hands-on management program. It enables us to quickly identify positive and negative trends and to respond accordingly. Based on this exchange with our managers, at this stage, we feel confident that the recession will have no significant negative impacts on our business. We will continue to closely monitor our Company's performance in relation to both industry trends and economic conditions."

He added: "Key positive developments over the quarter on a year-over-year comparative basis included a marked increase in same branch revenues, improved contributions to earnings from our ancillary products, a significant reduction in retention payments, and improved overall branch earnings. Over the past several quarters, we have concentrated significantly on the training and development of our associates. This effort has been rewarded through our improved performance and management will continue to focus on these operational areas in future periods."

Mr. Reykdal concluded, "Overall, we are very well positioned for future periods given the regulatory environment and our liquidity position. Many provinces are currently working through a process to establish consumer protection measures for the payday loan industry. These measures will include rate caps. We expect all Provinces to have provided full clarity on rate caps by the close of calendar 2009. All Canadian jurisdictions appear committed to facilitating a competitive industry. Current liquidity restrictions in Canada's capital markets have had no impact on the accessibility of funds for our customers."

### **About Cash Store Financial**

Cash Store Financial is the only payday advance broker in Canada publicly traded on the Toronto Stock Exchange (**TSX:CSF**). Cash Store Financial operates more than 420 branches across Canada under the banners: The Cash Store and Instalozans.

The Cash Store and Instalozans act as brokers to facilitate payday advance services to income-earning consumers who may not be able to obtain them from traditional banks. Cash Store Financial also provides a private-label debit card - the Freedom card and a prepaid credit card - the Freedom MasterCard, and other ancillary products.

Cash Store Financial employs more than 1,600 associates and is headquartered in Edmonton, Alberta.

## Summary Financial Information

<i>Thousands of dollars, except for per share amounts and branch figures</i>		<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
<b>Consolidated results</b>		<b>March 31</b>	March 31	<b>March 31</b>	March 31
		<b>2009</b>	2008	<b>2009</b>	2008
	<i>No. of branches</i>	<b>423</b>	378	<b>423</b>	378
Revenue					
Brokerage		\$ 36,294	\$ 31,305	\$ 110,553	\$ 96,077
Corporate		12	41	222	181
		<b>36,306</b>	31,346	<b>110,775</b>	96,258
Branch expenses		<b>20,110</b>	17,724	<b>57,582</b>	52,217
Retention payments		<b>4,537</b>	4,800	<b>13,388</b>	15,882
Branch operating income		<b>11,659</b>	8,822	<b>39,805</b>	28,159
Regional expenses		<b>2,140</b>	1,730	<b>5,885</b>	5,455
Corporate expenses		<b>4,523</b>	2,829	<b>11,619</b>	7,661
Other amortization		<b>311</b>	234	<b>807</b>	576
Income from continuing operations before income taxes, class action settlement and discontinued operations		<b>4,685</b>	4,029	<b>21,494</b>	14,467
Class action settlement		-	-	<b>1,920</b>	-
Income from continuing operations		<b>3,067</b>	2,706	<b>13,413</b>	9,332
Loss from discontinued operations		-	(650)	-	(1,716)
EBITA		<b>6,447</b>	5,433	<b>24,669</b>	18,657
Net income and comprehensive income		\$ <b>3,067</b>	\$ 2,056	\$ <b>13,413</b>	\$ 7,616
Weighted average number of shares outstanding - basic		<b>16,927</b>	19,856	<b>18,299</b>	20,276
Basic earnings per share					
Income from continuing operations		\$ <b>0.18</b>	\$ 0.14	\$ <b>0.73</b>	\$ 0.46
Loss from discontinued operations		-	(0.04)	-	(0.08)
Net income and comprehensive income		<b>0.18</b>	0.10	<b>0.73</b>	0.38
Diluted earnings per share					
Income from continuing operations		<b>0.18</b>	0.13	<b>0.73</b>	0.46
Loss from discontinued operations		-	(0.03)	-	(0.09)
Net income and comprehensive income		\$ <b>0.18</b>	\$ 0.10	<b>0.73</b>	\$ 0.37
<b>Consolidated Balance Sheet Information</b>					
Working capital		\$ <b>10,360</b>	\$ 14,407	\$ <b>10,360</b>	\$ 14,407
Total assets		<b>80,213</b>	81,092	<b>80,213</b>	81,092
Total long-term liabilities		<b>2,267</b>	1,960	<b>2,267</b>	1,960
Total liabilities		<b>14,984</b>	12,246	<b>14,984</b>	12,246
Shareholders' equity		\$ <b>65,229</b>	\$ 68,846	\$ <b>65,229</b>	\$ 68,846

For further information on Cash Store Financial, please contact:

Gordon J. Reykdal, Chairman and Chief Executive Officer, (780) 408-5118

or

Nancy L. Bland, Chief Financial Officer, (780) 732-5683

or

Michael J.L. Thompson, Senior Vice President & Corporate Secretary,

(780) 408-5595, Cell: (780) 934-4729

*This News Release contains "forward-looking information" within the meaning of applicable Canadian and United States securities legislation. Forward-looking information includes, but is not limited to, information with respect to our objectives, strategies, operations and financial results, competition as well initiatives to grow revenue or reduce retention payments. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". In particular this News Release contains forward-looking statements in connection with the Cash Store Financials goals and strategic priorities, introduction of products, share repurchase initiatives and branch openings. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Cash Store Financial, to be materially different from those expressed or implied by such forward-looking information, including, but not limited to, changes in economic and political conditions, legislative or regulatory developments, technological developments, third-party arrangements, competition, litigation, risks associated with but not limited to, market conditions, and other factors described in our Annual Information Form ("AIF") dated August 28, 2008 under the heading "Risk Factors". All material assumptions used in making forward-looking statements are based on management's knowledge of current business conditions and expectations of future business conditions and trends, including our knowledge of the current credit, interest rate and liquidity conditions affecting us and the Canadian economy. Although we believe the assumptions used to make such statements are reasonable at this time and have attempted to identify in our continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material factors or assumptions are applied by us in making forward-looking statements, include without limitation, factors and assumptions regarding our continued ability to fund our payday loan business, rates of customer defaults, relationships with, and payments to, third party lenders, demand for our products, as well as our operating cost structure and current consumer protection regulations. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except in accordance with applicable securities laws.*