

RIFCO Inc. Reports 4th Quarter 2004 Results: Revenue up 255%

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RED DEER, ALBERTA--(CCNMatthews - May 5, 2004) - RIFCO INC. (TSXV-RFC) today reported Fiscal 2004 fourth quarter results for the twelve months ending March 31, 2004, which reflect the Company's accelerated growth path. The March 31, 2004 quarter end and year to date numbers are management's unaudited results. In comparison to the corresponding reporting period, revenue increased by 255%, total assets by 109% and net finance receivables by 182%. Comparative results are as follows:

	Three Months Mar 31, 2004	Twelve Months Mar 31, 2004	Twelve Months Mar 31, 2003
Gross Revenue	438,930	1,411,612	397,806
Gross Profit	267,547	862,999	205,836
Gross Profit Margin	61.0%	61.1%	51.7%
Loan Originations	1.4 Million	4.6 Million	1.8 Million
Repair/Dealer Network	1,100	1,100	606
Net Receivable Portfolio	3.9 Million	3.9 Million	1.4 Million
Provision for Credit Losses	73,203	207,315	73,558
Operating Expenses	280,262	976,838	538,764
Operating Expenses % of Revenue	63.9%	69.2%	135%
Net Profit (loss) before Income Tax	(84,699)	(382,751)	(416,496)
Issued Common Shares (undiluted)	11,472,108	11,472,108	7,870,437
Net Loss Per Common Share	(0.005)	(0.02)	(0.03)

Loan originations were \$4.6 million in the twelve months up to March 31, 2004 which is an increase of 153% over the prior year.

Net Finance Receivables increased \$2,541,366 (182%) from the \$1,397,615 at March 31, 2003 to \$3,938,981. Management maintains a current Provision for Credit Loss of \$207,315 calculated at 5.0% of Finance Receivables. The actual write off and collection costs expense for the year was \$140,221 net of recoveries. Collection related revenues totaled \$51,448.

RIFCO reported a loss before income taxes in the fourth quarter of \$84,699, an improvement of \$30,132 over the third quarter loss of \$114,831. The loss for the year is \$382,751 compared to \$416,496 in the year ending March 31, 2003.

In the last year, RIFCO has increased its Gross Profit by 238% while only increasing operational expenses 55% as we becoming increasingly more efficient.

The gross profit, as a percentage of sales, increased to 61.1% in the twelve months ending March 31, 2004 from 51.7% reported in the twelve months ending March 31, 2003. Operating expenses for the twelve month period ended March 31, 2004 increased to \$976,838 (69.2% of Revenue) compared to \$538,764 (135% of Revenue) for the twelve months ending March 31, 2003. This in large part is attributable to increases in staff and marketing initiatives, which is reflective of the Company's growth.

Since March 31, 2003 RIFCO has grown its point of sale network to 1,100 sites, an 82% increase in the last twelve months. RIFCO continues to expand its network in 4 provinces, Ontario, Alberta, B.C. and Manitoba.

In the last quarter, RIFCO engaged the Howard Group as its investor relations firm and on March 30, 2004 closed a \$500,000 non brokered private placement of 1 million shares of RFC at \$0.50. The financing was in high demand and many participants were prorated.

RIFCO intends to use the proceeds to speed expansion growth in the Ontario market, provide working capital to support internal infrastructure and reduce debt to lower borrowing costs.

About RIFCO INC

RIFCO is a specialty consumer finance corporation with a focus on the Automotive Aftermarket Industry. RIFCO provides Automotive and Commercial Vehicle Repair Financing, Vehicle Purchase Financing ("Convenient Payment Plan") to mid-market motorists through a growing network of licensed repair facilities and select used vehicle retailers. RIFCO's customers benefit by being able to convert major repair or purchase costs into affordable monthly payments.

RIFCO is committed to growth. Key strategies for achieving this growth include the expansion of its network, ever-increasing leverage of this network, excellence in credit and collections processes, and exceptional service to its network members and customers.

Contact:

RIFCO Inc.
Lance A. Kadatz
Chief Financial Officer
Phone: (888) 303-2001
Fax: (888) 303-2181
Email: kadatz@rifco.net
Website: www.rifco.net
or

The Howard Group
Grant Howard
Investor Relations
Phone: (888) 221-0915
Fax: (403) 237-8387
or

The Howard Group
Peter Weichler
Investor Relations
Phone: (888) 221-0915
Fax: (403) 237-8387
Email: info@howardgroupinc.com
Website: www.howardgroupinc.com

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