



## Consumer Portfolio Services, Inc. Reports 2006 First Quarter Earnings

IRVINE, Calif.--(BUSINESS WIRE)--April 25, 2006--Consumer Portfolio Services, Inc. (Nasdaq:CPSS) today announced earnings for its first quarter ended March 31, 2006.

Net income for the quarter ended March 31, 2006 was \$1.8 million, or \$0.07 per diluted share, compared to net loss of \$(239,000), or \$(0.01) per diluted share, for the quarter ended March 31, 2005. For the three months ended March 31, 2006 total revenues increased approximately \$16.2 million, or 38.7%, to \$58.0 million, compared to \$41.8 million for the three months ended March 31, 2005. Total expenses for the three months ended March 31, 2006 were \$56.2 million, an increase of \$14.2 million, or 33.7%, as compared to \$42.1 million for the three months ended March 31, 2005.

"We are pleased with the financial performance of the Company for the first quarter," said Charles E. Bradley, President and Chief Executive Officer. "We have now had four profitable quarters in a row and have re-established a financial base from which to grow. Operationally, we continued the successful execution of our business plan. During the first quarter, purchases of new receivables were the highest they have been in almost eight years. With respect to asset performance, delinquencies and credit losses improved vs. the fourth quarter as we expected given seasonal historical patterns. These asset performance metrics also compare favorably to those from the first quarter of 2005."

During the first quarter of 2006, Consumer Portfolio Services purchased \$254.5 million of contracts from dealers as compared to \$188.1 million during the fourth quarter of 2005 and \$144.2 million during the first quarter of 2005. As previously reported, the Company continued its regular quarterly securitization program with the March sale of \$245.0 million of AAA/Aaa rated asset backed notes. As of March 31, 2006, the Company's managed receivables totaled \$1,240.0 million, as follows (\$ in millions):

Owned by Consolidated Subsidiaries (1)	\$1,144.3
Owned by Non-Consolidated Subsidiaries	83.2
As Third Party Servicer for SeaWest Financial	12.5
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Total	\$1,240.0

(1) Before \$93.5 million of allowance for credit losses, deferred acquisition fees and repossessed vehicles.

As previously reported, in order to increase transparency of the Company's financial reports, in the third quarter of 2003 Consumer Portfolio Services began structuring its securitization transactions as secured financings, with receivables and associated debt remaining on the balance sheet, and without recognition of a gain on sale. Accordingly, net earnings are recognized over the life of the receivables as interest income and fee income, less related funding costs and a provision for losses. Such provisions are recorded upon acquisition and during the life of the receivables.

### Conference Call

Consumer Portfolio Services announced that it will hold a conference call tomorrow, April 26, 2006, at 1:30 p.m. EDT to discuss its quarterly earnings. Those wishing to participate by telephone may dial-in at 973-409-9261 approximately 10 minutes prior to the scheduled time.

A replay will be available between April 26, 2006 and May 5, 2006, beginning one hour after conclusion of the call, by dialing 877-519-4471 or 973-341-3080 for international participants, with pin number 7304946. A broadcast of the conference call will also be available live and for 30 days after the call via the Company's web site at [www.consumerportfolio.com](http://www.consumerportfolio.com) and at [www.streetevents.com](http://www.streetevents.com).

### About Consumer Portfolio Services, Inc.

Consumer Portfolio Services, Inc. is a consumer finance company that specializes in purchasing, selling and servicing retail automobile installment sale contracts originated by automobile dealers located throughout the United States. The Company is currently active in 47 states. Through its purchase of contracts, the Company provides indirect financing to car dealer

customers with limited credit histories, low incomes or past credit problems.

Forward-looking statements in this news release include the Company's recorded revenue, expense, gain on sale revenue and provision for credit losses because these items are dependent on the Company's estimates of future losses. The accuracy of such estimates may be adversely affected by various factors, which include (in addition to risks relating to the economy generally) the following: possible increased delinquencies; repossessions and losses on retail installment contracts; incorrect prepayment speed and/or discount rate assumptions; possible unavailability of qualified personnel, which could adversely affect the Company's ability to service its portfolio; possible increases in the rate of consumer bankruptcy filings or changes in bankruptcy law, which could adversely affect the Company's rights to collect payments from its portfolio; other changes in government regulations affecting consumer credit; possible declines in the market price for used vehicles, which could adversely affect the Company's realization upon repossessed vehicles; and economic conditions in geographic areas in which the Company's business is concentrated. All of such factors also may affect the Company's future earnings, as to which there can be no assurance.

Any implication that the results of the most recently completed quarter are indicative of future results is disclaimed, and the reader should draw no such inference. Factors such as those identified above in relation to gain on sale and provision for credit losses may affect future performance.

Consumer Portfolio Services, Inc. and Subsidiaries  
Condensed Consolidated Statements of Operations  
(In thousands, except per share data)  
(Unaudited)

	Three months ended March 31,	
	2006	2005
Revenues:		
Interest income	\$54,527	\$36,172
Servicing fees	1,005	2,264
Other income	2,492	3,397
	58,024	41,833
Expenses:		
Employee costs	9,357	10,450
General and administrative	5,111	5,138
Interest	18,035	10,384
Provision for credit losses	19,099	12,312
Other expenses	4,632	3,788
	56,234	42,072
Income (loss) before income taxes	1,790	(239)
Income taxes	-	-
Net income (loss)	\$1,790	\$(239)
	=====	=====
Earnings (loss) per share:		
Basic	\$0.08	\$(0.01)
Diluted	0.07	(0.01)
Number of shares used in computing earnings (loss) per share:		
Basic	21,732	21,528
Diluted	24,188	21,528

Condensed Consolidated Balance Sheets  
(In thousands)

(Unaudited)

	March 31, 2006	December 31, 2005
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Cash and restricted cash	\$237,932	\$175,451
Finance receivables, net	1,050,825	913,576
Residual interest in securitizations	22,608	25,220
Other assets	42,858	40,897
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	\$1,354,223	\$1,155,144
	=====	=====
Accounts payable and other liabilities	\$18,893	\$19,779
Warehouse lines of credit	75,056	35,350
Residual interest financing	37,728	43,745
Securitization trust debt	1,100,606	924,026
Senior secured debt	40,000	40,000
Subordinated debt	6,314	18,655
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	1,278,597	1,081,555
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Shareholders' equity	75,626	73,589
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	\$1,354,223	\$1,155,144
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SOURCE: Consumer Portfolio Services, Inc.