



## Consumer Portfolio Services, Inc. Reports 2009 Second Quarter Operating Results

IRVINE, CA, Aug 14, 2009 (MARKETWIRE via COMTEX) -- Consumer Portfolio Services, Inc. (NASDAQ: CPSS) ("CPS" or the "Company") today announced operating results for its second quarter ended June 30, 2009.

Total revenues for the second quarter of 2009 were \$58.3 million, a decrease of approximately \$40.5 million, or 41.0%, compared to \$98.8 million for the second quarter of 2008. Total operating expenses for the second quarter of 2009 were \$64.3 million, a decrease of \$31.8 million, or 33.1%, as compared to \$96.1 million for the 2008 period. Pretax loss for the second quarter of 2009 was \$(6.0) million compared to pretax income of \$2.7 million in the second quarter of 2008. Net loss for the second quarter of 2009 was \$(6.0) million, or \$(0.32) per diluted share, compared to net income of \$1.5 million, or \$0.08 per diluted share, for the year-ago quarter.

For the six months ended June 30, 2009, total revenues decreased approximately \$77.7 million, or 38.5%, to \$124.4 million, compared to \$202.1 million for the six months ended June 30, 2008. Total expenses for the six months ended June 30, 2009 were \$130.8 million, a decrease of \$64.8 million, or 33.1%, as compared to \$195.6 million for the six months ended June 30, 2008.

The pretax loss for the six months ended June 30, 2009 was (\$6.5) million, compared to pretax income of \$6.5 million for the six months ended June 30, 2008. Net loss for the six months ended June 30, 2009 was (\$6.5) million, or (\$0.34) per diluted share, compared to net income of \$3.6 million, or \$0.18 per diluted share, for the six months ended June 30, 2008.

During the second quarter of 2009, CPS purchased \$937,000 of contracts from dealers as compared to \$1.1 million during the first quarter of 2009 and \$79.8 million during the second quarter of 2008. The Company's managed receivables totaled \$1,333.9 million as of June 30, 2009, a decrease of \$645.6 million, or 32.6%, from \$1,979.5 million as of June 30, 2008, as follows (\$ in millions):

	June 30, 2009	June 30, 2008
Owned by Consolidated Subsidiaries*	\$ 1,173.1	\$ 1,979.4
Owned by Non-Consolidated Subsidiaries	160.8	0.0
As Third Party Servicer for SeaWest Financial	0.0	0.1
Total	\$ 1,333.9	\$ 1,979.5

\* Before \$86.0 million and \$152.7 million of allowance for credit losses, deferred acquisition fees and repossessed vehicles for 2009 and 2008, respectively.

Annualized net charge-offs during the first half of 2009 quarter were 11.12% of the average owned portfolio as compared to 6.75% during the same period in 2008. Delinquencies greater than 30 days (including repossession inventory) were 6.99% of the total owned portfolio as of June 30, 2009, as compared to 6.12% as of June 30, 2008. The increase in net charge-off and delinquency percentages vs. the year-ago period can be partly attributed to the aging of the portfolio and the significant decrease in the size of the managed portfolio as nominal new contract purchases have not replaced portfolio run-off.

"While our financial results for the second quarter continued to be affected by the recession and the decline in our total managed portfolio, we are cautiously optimistic that the worst of the contraction in the economy and its impact on our customers is behind us," said Charles E. Bradley, Jr., Chief Executive Officer. "Over the last few months we have seen improvement in our early-stage asset performance metrics vs. the same period last year. In addition, recoveries on liquidated vehicles at the wholesale auction market have continued to improve and should be relatively stable given increasing sales of used cars. Both of these developments should bode well for delinquencies and charge-offs in the near future."

"On the capital markets front, during the quarter we were able to extend the maturity of our residual financing facility for a year until June 2010, which provides us with additional financial flexibility. The securitization market continues to improve as well as the first subprime auto deal this year was completed in July and yields required by investors have decreased significantly since the first quarter."

## Conference Call

CPS announced that it will hold a conference call next Monday, August 17, 2009, at 1:30 p.m. ET to discuss its quarterly operating results. Those wishing to participate by telephone may dial-in at 973-582-2717 approximately 10 minutes prior to the scheduled time.

A replay will be available between August 17, 2009 and August 24, 2009, beginning one hour after conclusion of the call, by dialing 800-642-1687 or 706-645-9291 for international participants, with conference identification number 25347904. 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 specialty finance company engaged in purchasing and servicing new and used retail automobile contracts originated primarily by franchised automobile dealerships and to a lesser extent by select independent dealers of used automobiles in the United States. We serve as an alternative source of financing for dealers, facilitating sales to sub-prime customers, who have limited credit history, low income or past credit problems and who otherwise might not be able to obtain financing from traditional sources.

Forward-looking statements in this news release include the Company's recorded revenue, expense 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 the effects of recent 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 financial results, 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 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)		(Unaudited)	
	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Revenues:				
Interest income	\$ 54,960	\$ 94,856	\$ 116,139	\$ 194,218
Servicing fees	942	280	1,971	708
Other income	2,420	3,645	6,261	7,156
	58,322	98,781	124,371	202,082
Expenses:				
Employee costs	8,980	12,886	18,242	26,368
General and administrative	5,842	7,574	12,452	14,921
Interest	28,971	40,955	61,103	79,989
Provision for credit losses	18,489	30,894	34,578	65,803
Other expenses	1,993	3,763	4,458	8,518
	64,275	96,072	130,833	195,599
Income before income taxes	(5,953)	2,709	(6,462)	6,483
Income taxes	-	1,220	-	2,880

Net income	\$ (5,953)	\$ 1,489	\$ (6,462)	\$ 3,603
Earnings per share:				
Basic	\$ (0.32)	\$ 0.08	\$ (0.34)	\$ 0.19
Diluted	(0.32)	0.08	(0.34)	0.18
Number of shares used in computing earnings per share:				
Basic	18,744	18,830	18,874	19,063
Diluted	18,744	19,411	18,874	19,692

Condensed Consolidated Balance Sheets  
(In thousands)  
(Unaudited)

	June 30, 2009	December 31, 2008
Cash	\$ 21,506	\$ 22,084
Restricted cash	139,580	153,479
Total Cash	161,086	175,563
Finance receivables	1,130,705	1,417,343
Allowance for finance credit losses	(43,597)	(78,036)
Finance receivables, net	1,087,108	1,339,307
Residual interest in securitizations	4,019	3,582
Deferred tax assets, net	52,727	52,727
Other assets	42,040	67,628
	\$ 1,346,980	\$ 1,638,807
Accounts payable and other liabilities	\$ 23,807	\$ 21,702
Warehouse line of credit	5,119	9,919
Residual interest financing	62,650	67,300
Securitization trust debt	1,128,158	1,404,211
Senior secured debt, related party	20,649	20,105
Subordinated debt	22,855	25,721
	1,263,238	1,548,958
Shareholders' equity	83,742	89,849
	\$ 1,346,980	\$ 1,638,807

Operating and Performance Data  
(\$ in thousands)

	At and for the Three months ended June 30,		At and for the Six months ended June 30,	
	2009	2008	2009	2008
Contract purchases	937	79,834	2,033	255,924
Total managed portfolio	1,333,919	1,979,492	1,333,919	1,979,492
Average managed portfolio	1,384,290	2,023,572	1,466,377	2,068,129
Net interest margin (1)	25,989	53,901	55,036	114,229
Risk adjusted margin (2)	7,500	23,007	20,458	48,426
Core operating expenses (3)	16,815	24,223	35,152	49,807
Annualized % of average managed portfolio	4.86%	4.79%	4.79%	4.82%
Allowance for finance credit losses as % of fin. receivables	3.86%	4.63%		
Aggregate allowance as % of				

fin. receivables (4)	5.82%	5.91%		
Delinquencies				
31+ Days	4.29%	4.13%		
Repossession Inventory	2.71%	1.99%		
Total Delinquencies and Repossession Inventory	6.99%	6.12%		
Annualized net charge-offs as % of average owned portfolio	10.59%	6.85%	11.12%	6.75%

(1) Interest income less interest expense.

(2) Net interest margin less provision for credit losses.

(3) Total expenses less interest and provision for credit losses.

(4) Includes allowance for finance credit losses and allowance for repossession inventory.

#### Investor Relations Contact

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SOURCE: Consumer Portfolio Services, Inc.