Fresh Market, Inc.
Form 10-Q
December 08, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 30, 2011

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission File Number: 1-34940

THE FRESH MARKET, INC.

(Exact name of registrant as specified in its charter)

Delaware	**56-1311233**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification number)

628 Green Valley Road, Suite 500

Greensboro, North Carolina 27408

(Address of principal executive offices)

(336) 272-1338

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ¨ No x

The number of shares of the registrant s common stock, $0.01 par value, outstanding as of November 30, 2011 was 48,028,643 shares.

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PART I FINANCIAL INFORMATION

PART II OTHER INFORMATION

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Introductory Note

The Fresh Market, Inc., a Delaware corporation, is referred to herein as the Company, we, us, our, and words of similar import.

Change in Fiscal Year-End

On January 26, 2011 our Board of Directors approved a change in our fiscal year-end from a calendar year-end of December 31 to a fiscal year-end ending on the last Sunday of January commencing with fiscal 2011. In connection with the change of our fiscal year-end, we had a 30-day transition period from January 1, 2011 to January 30, 2011.

We changed our fiscal year-end in order to offer more comparable quarterly and annual data to our investors. As a specialty retailer focused on foods, our operations are more active during the periods surrounding holidays and can be subject to seasonal differences in the event that holiday periods fall within a particular fiscal period one year and a different fiscal period in a subsequent year. By changing our fiscal year-end, revenues, including the use of gift cards given as holiday gifts, in the months of December and January will now appear in the same fiscal quarter and fiscal year resulting in greater comparability of our period to period financial results regardless of whether significant shopping occurs at the end of December or the beginning of January. In addition, the Easter holiday and the time periods surrounding Easter are significant shopping periods for us and the change in our fiscal year-end means that these periods will always be in our first fiscal quarter rather than occurring variously from one year to the next in the first quarter or the second quarter. We believe that this change in fiscal year-end will provide investors with a more comparable quarterly and annual picture of our operations.

Availability of Transition Period Financial Statements

We previously included audited financial statements for the one month transition period ended January 30, 2011 in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 22, 2011 and, as a result, have included only the balance sheet for the one month transition period ended January 30, 2011 in this Quarterly Report on Form 10-Q.

Recasting of Prior Periods

As a result of the change in our fiscal year-end, our first three fiscal quarters of each fiscal year, each of which fiscal quarter will now consist of three periods of four, four and five weeks, will also end on different dates from prior periods. Accordingly, we have recast our prior year fiscal quarters in a Form 8-K filed with the Securities and Exchange Commission on June 14, 2011. By recasting these periods, the quarterly and year to date information for fiscal 2010 is comparable to the information for fiscal 2011.

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Forward Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements in addition to historical information. The forward-looking statements relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. We use words such as anticipate, believe, could, estimate, expect, forecast, intend, looking forward, may, plan, potential, project, should, target, will and would or any variations of these words or other words with similar meanings. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements may relate to such matters as our industry, business strategy, goals and expectations concerning our market position, future operations, future performance or results, margins, profitability, capital expenditures, liquidity and capital resources, interest rates and other financial and operating information and the outcome of contingencies such as legal and administrative proceedings.

Our forward-looking statements contained in this Form 10-Q are based on management s current expectations and are subject to uncertainty and changes in circumstances. We cannot guarantee that the results and other expectations expressed, anticipated or implied in any forward-looking statement will be realized. Actual results may differ materially from these expectations due to unexpected expenses and risks associated with our business; our ability to remain competitive in the areas of merchandise quality, price, breadth of selection, customer service and convenience; the effective management of our merchandise buying and inventory levels; our ability to anticipate and/or react to changes in customer demand; changes in consumer confidence and spending; unexpected consumer responses to promotional programs; unusual, unpredictable and/or severe weather conditions including their effect on our supply chain and our store operations; the effectiveness of our logistics and supply chain model, including the ability of our third-party logistics providers to meet our product demands and restocking needs on a cost competitive basis; the execution and management of our store growth and the availability of acceptable real estate locations for new store openings; the actions of third parties involved in our store growth activities, including property owners, landlords, property managers, those involved in the construction of our new store locations and current tenants who occupy one or more of our proposed new store locations, all of whom may be impacted by their financial condition, their lenders, their activities outside of those focused on our new store growth and other tenants, customers and business partners of theirs; global economies and credit and financial markets; our ability to maintain the security of electronic and other confidential information; serious disruptions and catastrophic events; competition; personnel recruitment and retention; acquisitions and divestitures including the ability to integrate successfully any such acquisitions; information systems and technology; commodity, energy and fuel cost increases; inflation of the cost of goods purchased by us and the cost of products sold by us; compliance with laws, regulations and orders; changes in laws and regulations; outcomes of litigation and proceedings; tax matters and other factors, many of which are beyond our control. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements. You should bear this in mind as you consider forward-looking statements.

Any forward-looking statement made by us in this Form 10-Q speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws. You are advised, however, to consult any further disclosures we may make in our future reports to the Securities and Exchange Commission, on our website, or otherwise.

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Part 1

Item1. Financial Information

The Fresh Market, Inc.

Balance Sheets (unaudited)

(In thousands, except share amounts)

	October 30, 2011	January 30, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 9,696	$ 7,867
Accounts receivable, net	3,164	1,296
Inventories	39,068	31,141
Prepaid expenses and other current assets	5,234	5,306
Deferred income taxes	7,662	6,109
Total current assets	64,824	51,719
Property and equipment:		
Land	5,451	1,685
Buildings	4,579	-
Store fixtures and equipment	224,474	206,909
Leasehold improvements	126,166	109,203
Office furniture, fixtures, and equipment	9,699	8,735
Automobiles	1,155	1,007
Construction in progress	37,261	17,042
Total property and equipment	408,785	344,581
Accumulated depreciation	(161,359)	(139,427)
Total property and equipment, net	247,426	205,154
Other assets	3,444	1,984
Total assets	$ 315,694	$ 258,857
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	$ 33,914	$ 25,398
Accrued liabilities	52,463	41,040
Total current liabilities	86,377	66,438
Long-term debt	76,000	81,850
Closed store reserves	2,014	2,145
Deferred income taxes	30,233	23,293
Other long-term liabilities	13,820	13,054

Total noncurrent liabilities	122,067	120,342
Commitments and contingencies (*Notes 2 and 8)*		
Stockholders equity:		
Preferred stock $0.01 par value; 40,000,000 shares authorized,none issued	-	-
Common stock $0.01 par value; 200,000,000 shares authorized, 47,997,218 and 47,991,045 shares issued and outstanding at October 30, 2011 and January 30, 2011, respectively	481	481
Additional paid-in capital	97,522	95,852
Accumulated other comprehensive loss interest rate swaps	(308)	(674)
Retained earnings (accumulated deficit)	9,555	(23,582)
Total stockholders equity	107,250	72,077
Total liabilities and stockholders equity	$ 315,694	$ 258,857

See accompanying notes.

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The Fresh Market, Inc.

Statements of Income (unaudited)

(In thousands, except share and per share amounts)

	For the Thirteen Weeks Ended October 30, 2011	For the Thirteen Weeks Ended October 31, 2010	For the Thirty-Nine Weeks Ended October 30, 2011	For the Thirty-Nine Weeks Ended October 31, 2010
Sales	$ 263,260	$ 235,768	$ 787,263	$ 704,609
Cost of goods sold	179,066	158,974	528,530	475,083
Gross profit	84,194	76,794	258,733	229,526
Operating expenses:				
Selling, general and administrative expenses	60,283	55,000	178,088	158,755
Store closure and exit costs	99	217	338	646
Depreciation	9,309	8,525	26,681	24,674
Income from operations	14,503	13,052	53,626	45,451
Other (income) expenses:				
Interest expense	481	536	1,450	1,732
Other income, net	(2)	-	(2)	(165)
	479	536	1,448	1,567
Income before provision for income taxes	14,024	12,516	52,178	43,884
Tax provision	4,874	125	19,041	297
Net income	$ 9,150	$ 12,391	$ 33,137	$ 43,587
Net income per share:				
Basic and diluted	$ 0.19	$ 0.26	$ 0.69	$ 0.91
Dividends declared per common share	$ -	$ 0.17	$ -	$ 0.66
Weighted average common shares outstanding:				
Basic	47,996,697	47,991,045	47,993,688	47,991,045
Diluted	48,127,549	47,991,045	48,124,656	47,991,045
Pro forma net income data:				
Income before provision for income taxes		$ 12,516		$ 43,884
Pro forma tax provision		4,884		17,124
Pro forma net income		$ 7,632		$ 26,760
Pro forma net income per share:				
Basic and diluted		$ 0.16		$ 0.56
Pro forma weighted average common shares outstanding:				
Basic and diluted		47,991,045		47,991,045

See accompanying notes.

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The Fresh Market, Inc.

Statements of Stockholders Equity and Comprehensive Income (unaudited)

(In thousands, except share amounts)

e **A**

Consumer Loans **-** The Company offers short-term unsecured loan products referred to as consumer loans (formerly referred to as ca ances) and arranges for customers to obtain consumer loans from independent third-party lenders through many of its retail services ations and over the internet. Consumer loan fees include revenue from the loan portfolio owned by the Company and fees paid to the mpany for arranging or processing loans from independent third-party lenders for customers through the CSO program (as defined ow) and through the Company s micro line of credit (or MLOC) services channel (formerly referred to as the Company s card servi iness). Consumer loan fees also include fees generated from the Company s MLOC services channel and revenues from a longer-term allment loan product offered by the Company that typically has an average term of four to 24 months. Although consumer loan nsactions may take the form of loans, deferred check deposit transactions, credit services transactions, or the processing of, and the ticipation in receivables originated by, a third-party lender s MLOC product, the transactions are referred to throughout this discussion consumer loans for convenience.

Consumer loans provide customers with cash, typically in exchange for a promissory note or other repayment agreement supported, in st cases, by that customer s personal check or authorization to debit that customer s account via an electronic Automated Clearing Hou CH) transaction for the aggregate amount of the payment due. The customer may repay the consumer loan in cash or by allowing the ck to be presented for collection by manual deposit or through an electronic debit ACH for the amount due. The Company accrues fees interest on consumer loans on a constant yield basis ratably over the term of the loan.

The Company provides a consumer loan product in some markets by acting as a credit services organization on behalf of consumers in ordance with applicable state laws (the CSO program). Under the CSO program, the Company provides consumers with certain cred vices, such as arranging loans with independent third-party lenders, assisting in the preparation of loan applications and loan uments and accepting loan payments. The Company also guarantees the customer s payment obligations in the event of default if the tomer is approved for and accepts the loan. A customer who obtains a loan through the CSO program pays the Company a fee for these dit services (CSO fees). CSO fees are deferred and amortized over the term of the loan and recorded as Consumer loan fees in the ompanying consolidated statements of income. The contingent loss on the guaranteed loans is accrued and recorded as a liability, ch approximates the fair value of the liability.

As of September 30, 2010, $222.5 million of combined gross consumer loans were outstanding, including $47.4 million of active sumer loans owned by third-party lenders that were guaranteed by the Company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

In connection with the Company s MLOC services channel, the Company provides loan processing services for a third-party bank ued MLOC on certain stored-value debit cards the bank issues (Processing Program). The Company also acquires a participation erest in the receivables originated by the bank in connection with the Processing Program and other similar processing programs ized by the bank. The Company records revenue from its participation interest in the receivables, as well as processing and other cellaneous fee income originated from its MLOC services channel as consumer loan fees recognized ratably over the loan period.

owance for Losses on Consumer Loans

See Note 3 for a discussion of the Company s allowance for losses on consumer loans.

odwill and Other Intangible Assets

In accordance with ASC 350-20-35, *Goodwill Subsequent Measurement* and ASC 350-30-35, *Intangibles Goodwill and Other sequent Measurement,* the Company performs an impairment review of goodwill and intangible assets with an indefinite life at least ually. This review is performed for each reporting unit as of June 30. The Company realigned its reportable segments in the second rter of 2010. The Company completed its June 2010 test both before and after the realignment of its reportable segments and ermined that there was no evidence of impairment of goodwill or other indefinite lived intangible assets. As a result, the Company ocated a portion of the goodwill relating to its previously reported cash advance segment to the retail services segment based on the tive fair values of those reporting units. See Note 6.

The Company amortizes intangible assets with an estimable life on the basis of their expected periods of benefit, generally three to ten rs. The costs of start-up activities and organization costs are charged to expense as incurred.

All of the amounts of goodwill recorded in the Company s acquisitions, except for the acquisition of Prenda Fácil, are expected to be uctible for tax purposes.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

cent Accounting Pronouncements

In July 2010, the FASB issued Accounting Standards Update (ASU) 2010-20, *Disclosures about the Credit Quality of Financing eivables and the Allowance for Credit Losses* (ASU 2010-20). ASU 2010-20 will expand the existing disclosure requirements rounding the Company s pawn and consumer loans and the allowance for loan losses. The objectives of the enhanced disclosures are to vide information that will enable readers of financial statements to understand the nature of credit risk in these loans and how that risk nalyzed in determining the related allowance for loan losses. The new disclosures are required for interim and annual reporting periods ing on or after December 15, 2010. The Company does not anticipate the adoption of ASU 2010-20 will have a material effect on its ncial position or results of operations.

In January 2010, FASB issued ASU 2010-06, *Fair Value Measurements and Disclosures* (ASU 2010-06), which updates ASC -10-20, *Fair Value Measurements and Disclosures.* ASU 2010-06 requires new disclosures for fair value measurements and provides ification for existing disclosure requirements. More specifically, ASU 2010-06 requires (a) an entity to disclose separately the amounts ignificant transfers in and out of Level 1 and 2 fair value measurements from one measurement date to another and to describe the sons for the transfers and (b) information about purchases, sales, issuances and settlements to be presented separately (*i.e.,* the activity st be presented on a gross basis rather than net) in the reconciliation for fair value measurements using significant unobservable inputs vel 3 inputs). ASU 2010-06 clarifies existing disclosure requirements for the level of disaggregation used for classes of assets and ilities measured at fair value and requires disclosures about the valuation techniques and inputs used to measure fair value for both urring and nonrecurring Level 2 and Level 3 fair value measurements. The Company adopted ASU 2010-06 as of January 1, 2010, and adoption did not have a material effect on the Company s financial position or results of operations.

In December 2009, FASB issued ASU 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest ities* (ASU 2009-17), which updates ASC 810-10, *Consolidations.* ASU 2009-17 clarifies the definition of a variable interest entity a ates the definition of the primary beneficiary of a variable interest entity. The Company adopted ASU 2009-17 as of January 1, 2010, the adoption did not have a material effect on the Company s financial position or results of operations.

Acquisitions

enda Fácil

Pursuant to its business strategy of expanding storefront operations for the pawn business in the United States and Latin America, the mpany, through its wholly-owned subsidiary, Cash America of Mexico, Inc., completed the Prenda Fácil acquisition in cember 2008. The Company paid an aggregate initial consideration of $90.5 million, net of cash acquired, of which $82.6 million was d in cash, including acquisition costs of approximately $3.6 million. The remainder of the initial consideration was paid in the form of ,236 shares of the Company s common stock with a fair value of $7.9 million as of the closing date. The Company also agreed to pay plemental earn-out payment in an amount based on a five times multiple of the consolidated earnings of Prenda Fácil s business as cifically defined in the Stock Purchase Agreement (generally Prenda Fácil s earnings before interest, income taxes, depreciation and ortization expenses) for the twelve-month period ending June 30, 2011, reduced by amounts previously paid. If the calculation of the plemental payment produces an amount that is zero or less, there would be no supplemental payment. Any earned supplemental ment is expected to be paid in cash on or before August 15, 2011 and will be accounted for as goodwill. As of September 30, 2010, no plemental payment has been accrued with respect to the June 30, 2011 determination date. The Company paid post-closing acquisition ts of $0.3 million, resulting in a total of $82.9 million paid in cash for

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

acquisition, net of cash acquired. As further described in Note 6, the activities of Prenda Fácil are included in the results of the mpany s retail services segment.

mary Innovations, LLC

Pursuant to its business strategy of expanding its product offerings and offering new credit alternatives, the Company, through its olly-owned subsidiary, Primary Cash Holdings, LLC (now known as Primary Innovations, LLC, or Primary Innovations), on July 23 08, purchased substantially all the assets of Primary Business Services, Inc., Primary Finance, Inc., Primary Processing, Inc. and mary Members Insurance Services, Inc. (collectively, PBSI), a group of companies in the business of, among other things, providing n processing services for, and participating in receivables associated with, a bank issued MLOC made available by the bank on certain red-value debit cards the bank issues. The Company paid approximately $5.6 million in cash, of which approximately $4.9 million was d to repay a loan that the Company had made to PBSI, and transaction costs of approximately $0.3 million. The Company also agreed pay up to eight supplemental earn-out payments during the four-year period after the closing. Through the end of the current period, the mpany has made supplemental payments of approximately $23.8 million. The amount of the February 2010 and August 2010 payments each subsequent supplemental payment were and will be based on a multiple of 3.5 times the earnings attributable to Primary ovations business, as defined in the Asset Purchase Agreement, for the twelve-month period ending on the scheduled supplemental ment measurement date, reduced by amounts previously paid. As of September 30, 2010, no additional supplemental payment has n accrued for the December 31, 2010 measurement date based on the amounts previously paid in connection with the initial purchase ce and the previous supplemental payments. All of the supplemental payments associated with the earn-out will be accounted for as odwill and will be payable in cash. The remaining supplemental payments will be calculated as described above based on measurement es (each December 31 and June 30) through June 30, 2012, with each payment, if any, due approximately 45 days after the asurement date. The total of all payments to the sellers cannot exceed $50.0 million pursuant to the terms of the asset purchase eement. As further described in Note 6, the activities of Primary Innovations are included in the results of the Company s e-commerce ment.

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During the first quarter of 2010, the Company acquired three domestic retail services locations for approximately $1.9 million.

See Note 10 for a description of the Company s acquisition of substantially all of the assets of Maxit Financial, LLC (Maxit) in ober 2010.

Allowances and Accruals for Losses on Consumer Loans

In order to manage the portfolio of consumer loans effectively, the Company utilizes a variety of underwriting criteria, monitors the formance of the portfolio and maintains either an allowance or accrual for losses on consumer loans (including fees and interest) at a el estimated to be adequate to absorb credit losses inherent in the portfolio. The portfolio includes balances outstanding from all sumer loans, including short-term single payment loans, participation interests in receivables acquired through the MLOC services nnel, and multi-payment installment loans. In addition, the Company maintains an accrual for losses related to loans guaranteed under O programs. The allowance for losses on Company-owned consumer loans offsets the outstanding loan amounts in the consolidated ance sheets. See Note 1 for a discussion of the Company s consumer loan products.

The Company stratifies the outstanding combined consumer loan portfolio by age, delinquency, and stage

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

collection when assessing the adequacy of the allowance or accrual for losses. It uses historical collection performance adjusted for ent portfolio performance trends to develop the expected loss rates used to establish either the allowance or accrual. Increases in either allowance or accrual are recorded as a consumer loan loss provision expense in the consolidated statements of income. The Company rges off all consumer loans once they have been in default for 60 consecutive days, or sooner if deemed uncollectible. Recoveries on ses previously charged to the allowance are credited to the allowance when collected.

The allowance deducted from the carrying value of consumer loans was $45.6 million, $24.7 million, and $27.4 million at tember 30, 2010 and 2009, and December 31, 2009, respectively. The accrual for losses on consumer loan guaranty obligations was 8 million at both September 30, 2010 and 2009, and $2.9 million at December 31, 2009, and is included in Accounts payable and rued liabilities on the Company s consolidated balance sheet.

The components of Company-owned consumer loans and receivables at September 30, 2010 and 2009, and December 31, 2009 were follows (in thousands):

	Balance at		
	September 30,		December 31,
	2010	2009	2009
nsumer loans and fees receivable	**$129,532**	$ 96,766	$107,765
ans purchased under guarantees	**24,338**	14,946	16,821
ans purchased under participation agreements	**21,196**	6,448	11,553
mpany-owned consumer loans and fees receivable, gross	**175,066**	118,160	136,139
s: Allowance for losses	**45,586**	24,688	27,350
nsumer loans and fees receivable, net	**$129,480**	$ 93,472	$108,789

Changes in the allowance for losses for the Company-owned portfolio and the accrued loss for third-party lender-owned portfolios ing the three and nine months ended September 30, 2010 and 2009 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	**2010**	2009
owance for losses for Company-owned consumer ns:				
ance at beginning of period	**$ 36,723**	$ 22,163	**$ 27,350**	$ 21,495
nsumer loan loss provision	**51,671**	36,933	**130,117**	90,961
arge-offs	**(48,935)**	(38,749)	**(131,768)**	(101,890)
coveries	**6,127**	4,341	**19,887**	14,122
ance at end of period	**$ 45,586**	$ 24,688	**$ 45,586**	$ 24,688
crual for third-party lender-owned consumer ns:				
ance at beginning of period	**$ 3,325**	$ 2,059	**$ 2,944**	$ 2,135

rease (decrease) in loss provision	**(535)**	757	**(154)**	681
ance at end of period	**$ 2,790**	$ 2,816	**$ 2,790**	$ 2,816

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

Earnings Per Share Computation

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during period. Diluted earnings per share is calculated by giving effect to the potential dilution that could occur if securities or other contracts ssue common shares were exercised and converted into common shares during the period. Restricted stock units issued under the mpany s equity plans are included in diluted shares upon the granting of the awards even though the vesting of shares will occur over e.

The following table sets forth the reconciliation of numerators and denominators for the basic and diluted earnings per share nputation for the three and nine months ended September 30, 2010 and 2009 (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	**2010**	2009
merator:				
income attributable to Cash America International, Inc.	**$27,908**	$22,478	**$80,830**	$62,995
nominator:				
al weighted average basic shares[(a)]	**29,462**	29,702	**29,601**	29,757
res applicable to outstanding option award agreements	**133**	283	**144**	263
res applicable to unvested restricted stock unit award eements	**408**	444	**407**	437
nvertible debt[(b)]	**1,035**	269	**1,446**	67
al weighted average diluted shares	**31,038**	30,698	**31,598**	30,524
income basic	**$ 0.95**	$ 0.76	**$ 2.73**	$ 2.12
income diluted	**$ 0.90**	$ 0.73	**$ 2.56**	$ 2.06

Included in Total weighted average basic shares are vested restricted stock units of 196 and 248, as well as shares in the Company s non-qualified savings plan of 34 and 42 for the three months ended September 30, 2010 and 2009, respectively, and vested restricted stock units of 190 and 258, as well as shares in the Company s non-qualified savings plan of 33 and 46 for the nine months ended September 30, 2010 and 2009, respectively.

The shares issuable related to the Company s 2009 Convertible Notes due 2029 have been calculated using the treasury stock method. The Company intends to settle the principal portion of the convertible debt in cash; therefore, only the shares related to the conversion spread have been included in weighted average diluted shares. See Note 5 for a discussion of the 2009 Convertible Notes due 2029.

There were no anti-dilutive shares for the three and nine months ended September 30, 2010 and 2009.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

.ong-Term Debt

The Company s long-term debt instruments and balances outstanding at September 30, 2010 and 2009, and December 31, 2009 were a ows (in thousands):

	Balance at		
	September 30,		December 31,
	2010	2009	2009
D line of credit up to $300,000 due 2012	**$173,358**	$199,325	$189,663
P line of credit up to £7,500 due 2009		8,392	
1% senior unsecured notes due 2021	**25,000**	25,000	25,000
9% senior unsecured notes due 2016	**35,000**	35,000	35,000
2% senior unsecured notes due 2012	**40,000**	40,000	40,000
6% senior unsecured notes due 2017	**25,000**		
riable rate senior unsecured note due 2012	**28,880**	38,000	38,000
5% convertible senior unsecured notes due 2029	**103,488**	100,891	101,520
al debt	**$430,726**	$446,608	$429,183
s current portion	**25,493**	17,512	25,493
al long-term debt	**$405,233**	$429,096	$403,690

The Company s $300.0 million domestic line of credit (the USD Line of Credit) matures in March 2012. Interest on the USD Line c dit is charged, at the Company s option, at either the London Interbank Offered Rate (LIBOR) plus a margin or at the agent s base margin on the USD Line of Credit varies from 0.875% to 1.875% (1.125% at September 30, 2010), depending on the Company s casl v leverage ratios as defined in the amended agreement. The Company also pays a fee on the unused portion ranging from 0.25% to 0% (0.25% at September 30, 2010) based on the Company s cash flow leverage ratios. The weighted average interest rate (including rgin) on the USD Line of Credit at September 30, 2010 and 2009 and December 31, 2009 was 1.46%, 1.92% and 1.91% respectively.

At September 30, 2010 and 2009, borrowings under the Company s USD Line of Credit consisted of three pricing tranches with urity dates ranging from one to 30 days. However, pursuant to the credit agreement, the Company routinely refinances these rowings within this long-term facility. Therefore, these borrowings are reported as part of the line of credit and as long-term debt. The mpany had outstanding letters of credit of $26.9 million at September 30, 2010, which are considered usage under the Company s USD e of Credit for purposes of determining available borrowings under that line of credit, but are excluded from the long-term debt ance in the consolidated balance sheet.

In December 2008, the Company issued $38.0 million of senior unsecured long-term variable rate notes, due in November 2012 suant to a Credit Agreement dated November 21, 2008. Interest is charged, at the Company s option, at either LIBOR plus a margin of 0% or at the agent s base rate plus a margin of 3.50%. Beginning March 31, 2010, the notes became payable in quarterly installments c 0 million, and any outstanding principal will be due at maturity in November 2012. The notes may be prepaid at the Company s option time after November 20, 2009 without penalty. The weighted average interest rate (including margin) on the $38.0 million term notes eptember 30, 2010 was 3.81% and was 3.75% at both September 30, and December 31, 2009.

On May 19, 2009, the Company completed the offering of $115.0 million aggregate principal amount of 5.25% Convertible Senior tes due May 15, 2029 (the 2009 Convertible Notes). The 2009 Convertible Notes

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
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senior unsecured obligations of the Company. The 2009 Convertible Notes bear interest at a rate of 5.25% per year, payable ni-annually on May 15 and November 15 of each year. The 2009 Convertible Notes will be convertible, in certain circumstances, at an ial conversion rate of 39.2157 shares per $1,000 aggregate principal amount of 2009 Convertible Notes (which is equivalent to a version price of approximately $25.50 per share), subject to adjustment upon the occurrence of certain events, into either, at the mpany s election: (i) shares of common stock or (ii) cash up to their principal amount and shares of its common stock with respect to remainder, if any, of the conversion value in excess of the principal amount. The Company may not redeem the 2009 Convertible tes prior to May 14, 2014. The Company may, at its option, redeem some or all of the 2009 Convertible Notes on or after May 15, 2014 ely for cash. Holders of the 2009 Convertible Notes will have the right to require the Company to repurchase some or all of the standing 2009 Convertible Notes, solely for cash, on May 15, 2014, May 15, 2019 and May 15, 2024 at a price equal to 100% of the ncipal amount plus any accrued and unpaid interest.

As of September 30, 2010, the principal amount of the 2009 Convertible Notes was $115.0 million, the carrying amount was 03.5 million, and the unamortized discount was $11.5 million. As of September 30, 2010, the carrying amount of the equity component orded as additional paid-in capital was $9.4 million, net of deferred taxes and equity issuance costs. Accumulated amortization related he 2009 Convertible Notes was $4.4 million as of September 30, 2010. The 2009 Convertible Notes have an effective interest rate of 6%. The non-cash interest expense recognized in the Company s consolidated statements of income was $0.8 million and $2.5 million the three and nine months ended September 30, 2010, respectively, and $0.8 million and $1.2 million for the three and nine months ed September 30, 2009, respectively.

In connection with the issuance of the 2009 Convertible Notes, the Company incurred approximately $3.9 million in issuance costs, ch primarily consisted of underwriting fees, legal and other professional expenses. These costs are being amortized to interest expense r five years. The unamortized balance of these costs at September 30, 2010 is included in Other assets in the Company s consolidate ance sheets.

On January 28, 2010, the Company issued and sold $25.0 million aggregate principal amount of its 7.26% senior unsecured notes (the 017 Notes) due January 28, 2017 in a private placement pursuant to a note purchase agreement dated January 28, 2010 by and among t mpany and certain purchasers listed therein (the Note Purchase Agreement). The 2017 Notes are senior unsecured obligations of the mpany. The 2017 Notes are payable in five annual installments of $5.0 million beginning January 28, 2013.

See Note 9 for a discussion of the Company s interest rate cap agreements.

Each of the Company s credit facility agreements and senior unsecured notes require the Company to maintain certain financial ratios. of September 30, 2010, the Company was in compliance with all covenants or other requirements set forth in its debt agreements.

Operating Segment Information

During the second quarter of 2010, the Company renamed its Internet Services Division as the E-Commerce Division and realigned its rating segments into two reportable segments: retail services and e-commerce. The retail services segment covers all of the operations he Company s Retail Services Division, which is comprised of both domestic and foreign storefront locations that offer some or all of following services: pawn lending, consumer loans, check cashing and other ancillary services such as money orders, wire transfers and -paid debit cards. (Most of these ancillary services are provided through third-party vendors.) The e-commerce segment covers all of operations of the Company s E-Commerce Division, which is comprised of the Company s domestic and foreign online channel (whi ers the Company s internet lending

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vities, as well as online gold buying activities and other ancillary services) and the Company s MLOC services channel. The segment ignment was in response to a number of changing factors within the Company s business. First, the Company s business strategy at il services locations now emphasizes a broad array of products such as pawn loans, gold buying, and consumer loans in most ations, such that the previously reported delineation of pawn and consumer loan-centric locations became obsolete. Second, the mpany s management performance assessment, allocation of resources, and operating decisions have migrated to a two segment cture with one Division President overseeing retail services activities and another Division President overseeing e-commerce vities. Third, the Company s e-commerce products have expanded and now include activities such as MLOC services and online gold ing. Financial information for prior years reflects the current segment structure.

The Company allocates corporate administrative expenses to each operating segment based on personnel expenses at each segment. In e-commerce segment, certain administrative expenses are allocated between the domestic and foreign components based on the ount of loans written for each geographic location. For comparison purposes, all prior periods in the tables below reflect the current ssification of administrative and operating expenses.

	Retail Services[1]			E-Commerce[2]			
	Domestic	Foreign	Total	Domestic	Foreign	Total	Consolidated
ree Months Ended tember 30, 2010							
venue							
vn loan fees and vice charges	$ 56,638	$ 7,330	$ 63,968	$	$	$	$ 63,968
ceeds from position of rchandise	116,998		116,998				116,998
nsumer loan fees	29,250		29,250	77,720	27,899	105,619	134,869
er	3,184	65	3,249	276		276	3,525
al revenue	206,070	7,395	213,465	77,996	27,899	105,895	319,360
t of revenue posed merchandise	73,796		73,796				73,796
revenue	132,274	7,395	139,669	77,996	27,899	105,895	245,564
penses							
erations	73,515	4,078	77,593	19,707	8,509	28,216	105,809
nsumer loan loss vision	4,966		4,966	32,433	13,737	46,170	51,136
ministration	11,189	2,132	13,321	11,732	2,785	14,517	27,838
preciation and ortization	7,041	1,307	8,348	2,004	70	2,074	10,422
al expenses	96,711	7,517	104,228	65,876	25,101	90,977	195,205
ome (loss) from rations	$ 35,563	$ (122)	$ 35,441	$ 12,120	$ 2,798	$ 14,918	$ 50,359

of September 30, 0							
al assets	$844,756	$121,271	$966,027	$343,870	$53,653	$397,523	$1,363,550
odwill			$305,063			$210,282	$ 515,345

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	Retail Services[1]			E-Commerce[2]			
	Domestic	Foreign	Total	Domestic	Foreign	Total	Consolidated
ree Months Ended ptember 30, 2009							
venue							
vn loan fees and vice charges	$ 52,428	$ 7,492	$ 59,920	$	$	$	$ 59,920
ceeds from position of rchandise	114,786		114,786				114,786
nsumer loan fees	31,619		31,619	54,897	11,693	66,590	98,209
er	2,718	195	2,913	296		296	3,209
al revenue	201,551	7,687	209,238	55,193	11,693	66,886	276,124
t of revenue posed merchandise	75,542		75,542				75,542
revenue	126,009	7,687	133,696	55,193	11,693	66,886	200,582
penses							
erations	68,833	3,131	71,964	13,119	4,285	17,404	89,368
nsumer loan loss vision	7,190		7,190	25,007	5,493	30,500	37,690
ministration	10,590	1,879	12,469	8,549	857	9,406	21,875
preciation and ortization	7,352	966	8,318	1,892	9	1,901	10,219
al expenses	93,965	5,976	99,941	48,567	10,644	59,211	159,152
ome from rations	$ 32,044	$ 1,711	$ 33,755	$ 6,626	$ 1,049	$ 7,675	$ 41,430
of September 30, 09							
al assets	$816,025	$114,039	$930,064	$278,256	$20,692	$298,948	$1,229,012
odwill			$297,906			$195,478	$ 493,384

	Retail Services[1]			E-Commerce[2]			
	Domestic	Foreign	Total	Domestic	Foreign	Total	Consolidated
e Months Ended ptember 30, 2010							
venue							
vn loan fees and vice charges	$158,580	$ 23,176	$181,756	$	$	$	$ 181,756
	372,731		372,731				372,731

ceeds from position of rchandise							
nsumer loan fees	83,576		83,576	207,631	67,969	275,600	359,176
er	9,907	139	10,046	794		794	10,840
al revenue	624,794	23,315	648,109	208,425	67,969	276,394	924,503
st of revenue posed merchandise	234,158		234,158				234,158
revenue	390,636	23,315	413,951	208,425	67,969	276,394	690,345
penses							
erations	219,568	12,486	232,054	50,120	22,085	72,205	304,259
nsumer loan loss vision	12,971		12,971	85,312	31,680	116,992	129,963
ministration	34,571	6,305	40,876	28,932	9,024	37,956	78,832
preciation and ortization	21,539	3,681	25,220	5,935	200	6,135	31,355
al expenses	288,649	22,472	311,121	170,299	62,989	233,288	544,409
ome from rations	$101,987	$ 843	$102,830	$ 38,126	$ 4,980	$ 43,106	$ 145,936
of September 30, 0							
al assets	$844,756	$121,271	$966,027	$343,870	$53,653	$397,523	$1,363,550
odwill			$305,063			$210,282	$ 515,345

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	Retail Services[1]			E-Commerce[2]			
	Domestic	Foreign	Total	Domestic	Foreign	Total	Consolidated
ne Months Ended otember 30, 2009							
venue							
vn loan fees and vice charges	$146,297	$ 20,862	$167,159	$	$	$	$ 167,159
ceeds from position of rchandise	354,719		354,719				354,719
nsumer loan fees	85,661		85,661	152,452	25,006	177,458	263,119
er	10,374	329	10,703	896		896	11,599
al revenue	597,051	21,191	618,242	153,348	25,006	178,354	796,596
st of revenue posed merchandise	229,578		229,578				229,578
revenue	367,473	21,191	388,664	153,348	25,006	178,354	567,018
penses							
erations	209,792	8,669	218,461	33,449	9,374	42,823	261,284
nsumer loan loss vision	15,632		15,632	63,829	12,181	76,010	91,642
ministration	35,368	4,933	40,301	23,057	2,673	25,730	66,031
preciation and ortization	22,760	2,697	25,457	5,469	27	5,496	30,953
al expenses	283,552	16,299	299,851	125,804	24,255	150,059	449,910
ome from rations	$ 83,921	$ 4,892	$ 88,813	$ 27,544	$ 751	$ 28,295	$ 117,108
of September 30, 09							
al assets	$816,025	$114,039	$930,064	$278,256	$20,692	$298,948	$1,229,012
odwill			$297,906			$195,478	$ 493,384

The retail services segment is composed of the Company s domestic and foreign storefront operations.

The e-commerce segment is composed of the Company s online channel, which has domestic and foreign operations, and the Company s MLOC services channel.

Litigation

On August 6, 2004, James E. Strong filed a purported class action lawsuit in the State Court of Cobb County, Georgia against Georgia
h America, Inc., Cash America International, Inc. (together with Georgia Cash America, Inc., Cash America), Daniel R. Feehan, and
eral unnamed officers, directors, owners and stakeholders of Cash America. The lawsuit alleges many different causes of action,
ong the most significant of which is that Cash America made illegal short-term loans in Georgia in violation of Georgia s usury law, th
orgia Industrial Loan Act and Georgia s Racketeer Influenced and Corrupt Organizations Act. Community State Bank (CSB) for so
e made loans to Georgia residents through Cash America s Georgia operating locations. The complaint in this lawsuit claims that Cash
erica was the true lender with respect to the loans made to Georgia borrowers and that CSB s involvement in the process is a mere
terfuge. Based on this claim, the suit alleges that Cash America is the de facto lender and is illegally operating in Georgia. The
nplaint seeks unspecified compensatory damages, attorney s fees, punitive damages and the trebling of any compensatory damages. A
vious decision by the trial judge to strike Cash America s affirmative defenses based on arbitration (without ruling on Cash America s
viously filed motion to compel arbitration) was upheld by the Georgia Court of Appeals, and on September 24, 2007, the Georgia
preme Court declined to review the decision. The case was returned to the State Court of Cobb County, Georgia, where Cash America
d a motion requesting that the trial court rule on Cash America s pending motion to compel arbitration and stay the State Court
ceedings. The Court denied the motion to stay and ruled that the motion to compel arbitration was rendered moot after the Court struck
h America s affirmative defenses based on arbitration. The Georgia

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preme Court declined to review these orders and remanded the case to the State Court of Cobb County, Georgia. On November 2, 2009, State Court granted the plaintiff s request to certify the case as a class action, and Cash America appealed the decision to the appellate rt. On October 4, 2010 the appellate court upheld the State Court s decision on class certification. Cash America is challenging the ellate court s decision on the class certification issue, and accordingly filed its notice of appeal with the Georgia Supreme Court on ober 8, 2010. Cash America believes that the Plaintiffs claims in this suit are without merit and is vigorously defending this lawsuit.

Cash America and CSB also commenced a federal lawsuit on September 7, 2004 in the U.S. District Court for the Northern District of orgia seeking to compel Plaintiffs to arbitrate their claims against Cash America and CSB. The U.S. District Court dismissed the eral action for lack of subject matter jurisdiction, and Cash America and CSB appealed the dismissal of their complaint to the U.S. urt of Appeals for the 11th Circuit. The 11th Circuit issued a panel decision on April 27, 2007 reversing the district court s dismissal of action and remanding the action to the district court for a determination of the issue of the enforceability of the parties arbitration eements. Plaintiff requested the 11th Circuit to review this decision en banc and this request was granted. The en banc rehearing took ce on February 26, 2008. The 11th Circuit stayed consideration of this matter pending the resolution of the United States Supreme urt case, *Vaden v. Discover Bank*. In March 2009, the United States Supreme Court determined, in *Vaden v. Discover Bank*, that the eral courts were able to compel arbitration of a state court action if the underlying issues involved a federal question. Following the ted States Supreme Court ruling in *Vaden v. Discover Bank*, the 11th Circuit en banc court, without ruling on the case, remanded the e to the 11th Circuit panel for further consideration in light of the decision in *Vaden*. The 11th Circuit panel requested the parties vide additional briefing following the decision in *Vaden*, which has been completed, and the parties are awaiting the court s decision. Strong litigation is still at an early stage, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, with pect to this litigation can be determined at this time.

On July 26, 2008, the Pennsylvania Department of Banking issued a notice announcing a change in policy, effective February 1, 200 notice concluded that out-of-state lenders such as the Company were lending in Pennsylvania. Accordingly, the notice purported to ject such lenders to the licensing requirements of the Pennsylvania Consumer Discount Company Act (the CDCA), which sets the ximum permissible interest at a level well below the interest rate the Company charges on its online consumer loans. On January 8, 9, the Company brought suit against the Pennsylvania Department of Banking in the Pennsylvania Commonwealth Court, arguing that notice was invalid because it was adopted in violation of applicable procedural requirements and because it conflicted with the plain guage of the CDCA. As a part of these proceedings, the Pennsylvania Department of Banking filed a counterclaim against the mpany seeking a declaratory judgment that the Company s internet lending activities to Pennsylvania consumers are not authorized by nsylvania law, however, the Pennsylvania Department of Banking represented that it had no intent to pursue a retroactive financial nedy against the Company or any similarly situated lender for loans made prior to the date of the decision by the Commonwealth Cour July 10, 2009, the Commonwealth Court issued a decision in favor of the Pennsylvania Department of Banking. On July 15, 2009, the mpany filed an appeal of this decision with the Pennsylvania Supreme Court, and on October 19, 2010, the Pennsylvania Supreme urt upheld the Commonwealth Court s decision in favor of the Pennsylvania Department of Banking. As a result of the Commonwealth urt s initial decision, the Company ceased offering consumer loans in Pennsylvania in July 2009.

On March 5, 2009, Peter Alfeche filed a purported class action lawsuit in the United States District Court for the Eastern District of nsylvania against Cash America International, Inc., Cash America Net of Nevada, LLC (CashNet Nevada), Cash America Net of nsylvania, LLC and Cash America of PA, LLC, d/b/a

CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

hNetUSA.com (collectively, CashNetUSA). The lawsuit alleges, among other things, that CashNetUSA s online consumer loan ding activities in Pennsylvania were illegal and not in accordance with the Pennsylvania Loan Interest Protection Law or the licensing uirements of the CDCA. The lawsuit also seeks declaratory judgment that several of CashNetUSA s contractual provisions, including ice of law and arbitration provisions, are not authorized by Pennsylvania law. The complaint seeks unspecified compensatory nages, attorney s fees and the trebling of any compensatory damages. CashNetUSA filed a motion to enforce the arbitration provision ated in the agreements governing the lending activities. The Court has not yet ruled on this motion. The Alfeche litigation is still at an y stage, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, with respect to this litigation can be ermined at this time. CashNetUSA believes that the Plaintiffs claims in this suit are without merit and will vigorously defend this suit.

On April 21, 2009, Yulon Clerk filed a purported class action lawsuit in the Court of Common Pleas of Philadelphia County, nsylvania, against CashNet Nevada and several other unrelated third-party lenders. The lawsuit alleges, among other things, that the endants lending activities in Pennsylvania, including CashNet Nevada s online consumer loan lending activities in Pennsylvania, wer gal and in violation of various Pennsylvania laws, including the Loan Interest Protection Law, the CDCA and the Unfair Trade ctices and Consumer Protection Laws. The complaint seeks payment of potential fines, unspecified damages, attorney s fees and the oling of certain damages. The defendants removed the case to the United States District Court for the Eastern District of Pennsylvania ere the lawsuit now resides. The case was subsequently reassigned to the same judge presiding in the Alfeche litigation. On August 26, 9, the Court severed the claims against the other defendants originally named in the litigation. CashNet Nevada filed a motion with the eral court to enforce the arbitration provision located in the agreements governing the lending activities on May 4, 2009, and the Court not yet ruled on this motion. The Clerk litigation is still at an early stage, and neither the likelihood of an unfavorable outcome nor the mate liability, if any, with respect to this litigation can be determined at this time. CashNet Nevada believes that the Plaintiffs claims i suit are without merit and will vigorously defend this lawsuit.

The Company is also a defendant in certain lawsuits encountered in the ordinary course of its business. Certain of these matters are ered to an extent by insurance. In the opinion of management, the resolution of these matters will not have a material adverse effect on Company s financial position, results of operations or liquidity.

air Value Measurements

__curring Fair Value Measurements__

In accordance with ASC 820-10, *Fair Value Measurements and Disclosures,* the Company s assets and liabilities, which are carried at value, are classified in one of the following three categories:

vel 1: Quoted market prices in active markets for identical assets or liabilities.
vel 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
vel 3: Unobservable inputs that are not corroborated by market data.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
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The Company s financial assets that are measured at fair value on a recurring basis as of September 30, 2010 and 2009 and cember 31, 2009 are as follows (in thousands):

	September 30, 2010	Fair Value Measurements Using Level 1	Level 2	Level 3
ancial assets:				
erest rate contracts	$ 4	$	$ 4	$
ward currency exchange contracts	42		42	
nqualified savings plan assets	6,498	6,498		
rketable equity securities	8,480	8,480		
al	$15,024	$14,978	$46	$

	September 30, 2009	Fair Value Measurements Using Level 1	Level 2	Level 3
ancial assets:				
erest rate contracts	$ 187	$	$187	$
ward currency exchange contracts	(75)		(75)	
nqualified savings plan assets	5,067	5,067		
al	$5,179	$5,067	$112	$

	December 31, 2009	Fair Value Measurements Using Level 1	Level 2	Level 3
ancial assets:				
erest rate contracts	$ 143	$	$143	$
ward currency exchange contracts	(88)		(88)	
nqualified savings plan assets	5,159	5,159		
al	$5,214	$5,159	$ 55	$

The Company measures the value of its interest rate contracts and forward currency exchange contracts under Level 2 inputs as defined ASC 820-10. For its interest rate contracts the Company relies on a mark-to-market valuation based on yield curves using observable rket interest rates for the interest rate contracts. For its forward currency exchange contracts, standard valuation models are used to ermine fair value. The significant inputs used in these models are derived from observable market transactions. The fair value of the qualified savings plan assets and marketable equity securities are measured under a Level 1 input. These assets are publicly traded ity securities for which market prices are readily observable.

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ner Fair Value Disclosures

The carrying amounts and estimated fair values of financial instruments at September 30, 2010 and 2009 and December 31, 2009 were follows (in thousands):

	Balance at September 30,				Balance at December 31,	
	2010		2009		2009	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
ancial assets:						
h and cash equivalents	**$ 52,427**	**$ 52,427**	$ 28,532	$ 28,532	$ 46,004	$ 46,004
vn loans	**196,278**	**196,278**	190,478	190,478	188,312	188,312
nsumer loans, net	**129,480**	**129,480**	93,472	93,472	108,789	108,789
ancial liabilities:						
nk lines of credit	**$173,358**	**$168,687**	$207,717	$203,250	$189,663	$185,623
ior unsecured notes	**153,880**	**154,338**	138,000	142,217	138,000	133,370
9 Convertible Notes	**103,488**	**177,963**	100,891	160,425	101,520	178,825

Cash and cash equivalents bear interest at market rates and have maturities of less than 90 days. Pawn loans have relatively short urity periods that are generally 90 days or less. Consumer loans typically have a loan term of seven to 45 days. Since cash and cash ivalents, pawn loans and consumer loans generally have maturities of less than 90 days, their fair value approximates their carrying ue. Pawn loan fee and service charge rates are determined by regulations and bear no valuation relationship to the capital markets erest rate movements. Generally, pawn loans may only be resold to a licensed pawnbroker.

The fair values of the Company s long-term debt instruments are estimated based on market values for debt issues with similar racteristics or rates currently available for debt with similar terms. The Company s senior unsecured notes have a higher fair market ue than the carrying value due to the difference in yield when compared to recent issuances of similar senior unsecured notes. The 2009 nvertible notes have a higher fair value than carrying value due to the Company s stock price as of September 30, 2010 exceeding the licable conversion price for the 2009 Convertible Notes, thereby increasing the value of the instrument for bondholders.

Derivative Instruments

The Company periodically uses derivative instruments to manage risk from changes in market conditions that may affect the mpany s financial performance. The Company primarily uses derivative instruments to manage its primary market risks, which are erest rate risk and foreign currency exchange rate risk.

The Company uses interest rate contracts for the purpose of managing interest rate exposure on its floating rate debt. For derivatives ignated as cash flow hedges, the effective portions of changes in the estimated fair value of the derivative are reported in other nprehensive income (or OCI) and are subsequently reclassified into earnings when the hedged item affects earnings. The change in tl mated fair value of the ineffective portion of the hedge, if any, will be recorded as income or expense.

On December 27, 2007, the Company entered into an interest rate cap agreement with a notional amount of $10.0 million to hedge the mpany s outstanding floating rate line of credit for a term of 24 months at a fixed rate of 4.75%. On December 3, 2008, the Company ered into an interest rate contract with a notional amount of $15.0 million to hedge the Company s outstanding floating rate line of dit for a term of 36 months at a fixed rate

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.25%. On March 27, 2009, the Company entered into an interest rate contract with a notional amount of $15.0 million to hedge the mpany s outstanding floating rate line of credit for a term of 36 months at a fixed rate of 3.25%. These interest rate contracts have been ermined to be perfectly effective cash flow hedges, pursuant to ASC 815-20-25, *Derivatives and Hedging Recognition* (ASC 815) eption and on an ongoing basis.

The Company periodically uses forward currency exchange contracts and foreign debt instruments to minimize risk of foreign currency hange rate fluctuations in the United Kingdom, Mexico and Australia. The Company s forward currency exchange contracts are -designated derivatives. Any gain or loss resulting from these contracts is recorded as income or loss and is included in Foreign rency transaction gain (loss) in the Company s consolidated statements of income. The Company does not currently manage its osure to risk from foreign currency exchange rate fluctuations through the use of forward currency exchange contracts in Canada. As Company s foreign operations continue to grow, management will continue to evaluate and implement foreign exchange rate risk nagement strategies.

The fair values of the Company s derivative instruments at September 30, 2010 and 2009 and December 31, 2009 were as follows (in usands):

		Balance at					
ets	Balance Sheet Location	**September 30, 2010**		September 30, 2009		December 31, 2009	
rivatives designated as hedges:		**Notional Amount**	**Fair Value**	Notional Amount	Fair Value	Notional Amount	Fair Value
erest rate contracts	Prepaid expenses and other assets	**$30,000**	**$ 4**	$40,000	$187	$30,000	$143
n-designated derivatives:							
ward currency exchange tracts	Prepaid expenses and other assets	**$44,548**	**$42**	$ 6,287	(75)	$ 8,849	$ (88)

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

The following table presents information on the effect of derivative instruments on the consolidated results of operations and other nprehensive income for the three and nine months ended September 30, 2010 and 2009 (in thousands):

	Losses Recognized in Income Three months ended September 30,		Gains (losses) Recognized in OCI Three months ended September 30,		Gains (losses) Reclassified From OCI into Income Three months ended September 30,	
	2010	2009	**2010**	2009	**2010**	2009
rivatives designated as hedges:						
erest rate contracts	**$**	$	**$ 4**	$ (30)	**$**	$
al	**$**	$	**$ 4**	$ (30)	**$**	$
n-designated derivatives:						
ward currency exchange contracts (a)	**$ (432)**	$ (15)	**$**	$	**$**	$
al	**$ (432)**	$ (15)	**$**	$	**$**	$

	Losses Recognized in Income Nine months ended September 30,		Gains (losses) Recognized in OCI Nine months ended September 30,		Gains (losses) Reclassified From OCI into Income Nine months ended September 30,	
	2010	2009	**2010**	2009	**2010**	2009
rivatives designated as hedges:						
erest rate contracts	**$**	$	**$ (114)**	$ 31	**$**	$
al	**$**	$	**$ (114)**	$ 31	**$**	$
n-designated derivatives:						
ward currency exchange contracts (a)	**$ (706)**	$ (177)	**$**	$	**$**	$
al	**$ (706)**	$ (177)	**$**	$	**$**	$

The loss on these derivatives substantially offsets the gain on foreign intercompany balances.

Subsequent Events

Pursuant to its business strategy of expanding storefront operations for the pawn business in the United States, on October 4, 2010, the mpany s wholly-owned subsidiary, Cash America, Inc. of Nevada, closed on the purchase of substantially all of the assets of Maxit. xit owned and operated a 39-store chain of pawn lending locations that operate in Washington and Arizona under the names Maxit a awn X-Change. At closing, the Company funded approximately $70.0 million for substantially all of the assets of Maxit and various ustments and items related to the transaction per the terms of the Asset Purchase Agreement, including (a) a cash payment of $59.3 lion, which was funded with borrowings under the Company s line of credit, and (b)

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

,097 shares of the Company s common stock, par value $0.10 per share, issued to Maxit. The initial accounting for the acquisition has been finalized.

One of the components in the Company s e-commerce segment is earnings from its MLOC services channel. The MLOC services nnel has most recently generated its earnings through loan processing services the Company provided for MetaBank related to the vance MLOC product the bank made available on certain stored-value debit cards the bank issues, as well as from fees generated from ticipation interests the Company acquired in the receivables originated by the bank in connection with the iAdvance program. taBank has announced that it discontinued offering its iAdvance Program as of October 13, 2010. In accordance with ASC -20-35-30, *Intangibles Goodwill and Other*, the Company tested goodwill at the e-commerce reporting unit for impairment following announcement and noted no impairment.

On October 19, 2010, the Pennsylvania Supreme Court upheld the Commonwealth Court of Pennsylvania s prior decision from July 9 against the Company and in favor of the Pennsylvania Department of Banking. As a result of the initial decision by the mmonwealth Court, the Company ceased offering consumer loans in Pennsylvania in July 2009. See Note 7.

n 2. Management s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion of results of operations, liquidity and capital resources and certain factors that may affect future results, uding economic and industry-wide factors, of Cash America International, Inc. (the Company) should be read in conjunction with th mpany s consolidated financial statements and accompanying notes included under Part I, Item I of this Quarterly Report on Form Q, as well as with Management s Discussion and Analysis of Financial Condition and Results of Operations included in the Company nual Report on Form 10-K for the calendar year ended December 31, 2009.

neral

The Company provides specialty financial services to individuals through retail services locations and through electronic distribution tforms known as e-commerce activities. These services include secured non-recourse loans, commonly referred to as pawn loans, sumer loans (formerly referred to as cash advances), which includes short-term single-payment loans, installment loans, credit services services rendered in connection with the Company s micro line of credit (or MLOC) services channel (formerly referred to as the mpany s card services business), check cashing services and other miscellaneous consumer financial services. Pawn loan fees and vice charges revenue are generated from the Company s pawn loan portfolio. A related activity of the pawn lending operations is the position of collateral from unredeemed pawn loans and the liquidation of a smaller volume of merchandise purchased directly from d-parties or from customers. Consumer loan fees are generated from the Company s short-term loan products, from credit service fees erated from customers for arranging and guaranteeing consumer loans with independent third-party lenders through a credit services anization program (the CSO program) and by the Company s MLOC services channel through which the Company provides loan cessing services for a third-party bank issued MLOC on certain stored-value debit cards and purchases a participation interest in tain MLOC receivables originated by the bank.

During the second quarter of 2010, the Company renamed its Internet Services Division as the E-Commerce Division and realigned its rating segments into two reportable segments: retail services and e-commerce. The retail services segment covers all of the operations he Company s Retail Services Division, which is comprised of both domestic and foreign storefront locations that offer some or all of following services: pawn lending, consumer loans, check cashing and other ancillary services such as money orders, wire transfers and -paid debit cards. (Most of these ancillary services are provided through third-party vendors.) The e-commerce segment covers all of operations of the Company s E-Commerce Division, which is comprised of the Company s domestic and foreign online channel (whi ers the Company s internet lending activities, as well as online gold buying activities and other ancillary services) and the Company s OC services channel. The segment realignment was in response to a number of changing factors within the Company s business. First, Company s business strategy at retail services locations now emphasizes a broad array of products such as pawn loans, gold buying, consumer loans in most locations, such that the previously reported delineation of pawn and consumer loan-centric locations became olete. Second, the Company s management performance assessment, allocation of resources, and operating decisions have migrated to vo segment structure with one Division President overseeing retail services activities and another Division President overseeing ommerce activities. Third, the Company s e-commerce products have expanded and now include activities such as MLOC services and ine gold buying. Financial information for prior years reflects the current segment structure.

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ail Services Segment

The following table sets forth the number of domestic and foreign locations in the Company s retail services segment offering pawn ding, consumer lending, and other services as of September 30, 2010 and 2009.

	As of September 30,					
	2010			2009		
	Domestic(a)(b)	**Foreign(c)(d)**	**Total**	Domestic(a)	Foreign(c)	Total
ail services locations ering:						
h pawn and consumer ding	569		569	549		549
vn lending only	77	202	279	70	157	227
nsumer lending only	89		89	132		132
er (e)	125		125	126		126
al retail services	860	202	1,062	877	157	1,034

Includes locations that operate under the names Cash America Pawn, SuperPawn, Cash America Payday Advance and Cas of September 30, 2010 and 2009, respectively, includes 426 and 433 locations that primarily engage in pawn lending activities (of which, nine and 15, respectively, are unconsolidated franchised pawn lending locations) and 143 and 116 locations that primarily engage in consumer loan activities.

Includes locations that operate in 28 states in the United States.

Includes locations that operate in central and southern Mexico under the name Prenda Fácil (referred to as Prenda Fácil), of wh the Company is a majority owner.

Includes locations that operate in 21 jurisdictions in Mexico.

Includes check cashing locations operating in the United States under the name Mr. Payroll. This amount represents five consolidated Company-owned check cashing locations operating in one state and includes 120 unconsolidated franchised locations operating in 17 states.

Commerce Segment

As of September 30, 2010, the Company s e-commerce operating segment offered consumer loans over the internet to customers in:

33 states in the United States at http://www.cashnetusa.com,

in the United Kingdom at http://www.quickquid.co.uk,

in Australia at http://www.dollarsdirect.com.au, and

in Canada at http://www.dollarsdirect.ca.

The e-commerce segment also includes the Company s MLOC services channel, which processes MLOC advances on behalf of a d-party lender and had a participation interest in MLOC receivables that were outstanding in all 50 states and four other U.S. sdictions as of September 30, 2010.

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SULTS OF OPERATIONS

ghlights

The Company s financial results related to the three months ended September 30, 2010 (the current quarter) are summarized below.

Consolidated net revenue increased 22.4%, to $245.6 million, for the current quarter compared to the three months ended September 30, 2009 (the prior year quarter), primarily due to increased revenue from higher average consumer loan balances in the -commerce segment and to a lesser extent, higher average pawn loan balances and higher gross profit on the disposition of merchandise in the retail services segment.

Consolidated operations expenses, net of consumer loan loss provision, increased 18.4%, to $105.8 million, in the current quarter compared to the prior year quarter, primarily due to increases in personnel and marketing expenses.

ncome from operations increased 21.6%, to $50.4 million, in the current quarter compared to the prior year quarter.

Net income increased 24.2%, to $27.9 million, in the current quarter compared to the prior year quarter. Diluted net income per share was $0.90 in the current quarter compared to $0.73 in the prior year quarter.

nsolidated Net Revenue, Reduced by Consumer Loan Loss Provision**:** Consolidated net revenue, reduced by consumer loan loss vision, is composed of pawn loan fees and service charges from pawn loans plus the profit from the disposition of merchandise plus sumer loan fees, less the consumer loan loss provision plus other revenue (loss adjusted net revenue). This net figure becomes the ome available to satisfy remaining operating and administrative expenses and is the measure management uses to evaluate top-line formance.

The following tables show the components of loss adjusted net revenue for the three and nine months ended September 30, 2010 and 9 (dollars in thousands):

	Three Months Ended September 30,											
	Retail Services				E-Commerce				Consolidated			
	2010	**% of Total**	2009	% of Total	**2010**	**% of Total**	2009	% of Total	**2010**	**% of Total**	2009	% of Total
loan and ce es	**$ 63,968**	**47.5%**	$ 59,920	47.4%	**$**	**%**	$	%	**$ 63,968**	**32.9%**	$ 59,920	36.8
eeds sition of handise, f cost of ue	**43,202**	**32.1**	39,244	31.0					**43,202**	**22.2**	39,244	24.1
related	**$107,170**	**79.6%**	$ 99,164	78.4%	**$**	**%**	$	%	**$107,170**	**55.1%**	$ 99,164	60.9
umer fees	**$ 29,250**	**21.7%**	$ 31,619	25.0%	**$105,619**	**176.8%**	$66,590	183.0%	**$134,869**	**69.4%**	$ 98,209	60.3
	4,966	**3.7**	7,190	5.7	**46,170**	**77.3**	30,500	83.8	**51,136**	**26.3**	37,690	23.1
umer oss												

sion												
umer related	**$ 24,284**	**18.0%**	$ 24,429	19.3%	**$ 59,449**	**99.5%**	$36,090	99.2%	**$ 83,733**	**43.1%**	$ 60,519	37.2
r	**$ 3,249**	**2.4%**	$ 2,913	2.3%	**$ 276**	**0.5%**	$ 296	0.8%	**$ 3,525**	**1.8%**	$ 3,209	1.9
adjusted evenue	**$134,703**	**100.0%**	$126,506	100.0%	**$ 59,725**	**100.0%**	$36,386	100.0%	**$194,428**	**100.0%**	$162,892	100.0

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	Nine Months Ended September 30,											
	Retail Services				E-Commerce				Consolidated			
	2010	**% of Total**	2009	% of Total	**2010**	**% of Total**	2009	% of Total	**2010**	**% of Total**	2009	% of Tota
loan nd e es	**$181,756**	**45.3%**	$167,159	44.8%	**$**	**%**	$	%	**$181,756**	**32.5%**	$167,159	35.2
eds sition of andise, cost of ue	**138,573**	**34.6**	125,141	33.6					**138,573**	**24.7**	125,141	26.3
related	**$320,329**	**79.9%**	$292,300	78.4%	**$**	**%**	$	%	**$320,329**	**57.2%**	$292,300	61.5
umer ees	**$ 83,576**	**20.8%**	$ 85,661	23.0%	**$275,600**	**172.9%**	$177,458	173.4%	**$359,176**	**64.1%**	$263,119	55.3
mer oss sion	**12,971**	**3.2**	15,632	4.2	**116,992**	**73.4**	76,010	74.3	**129,963**	**23.2**	91,642	19.2
umer elated	**$ 70,605**	**17.6%**	$ 70,029	18.8%	**$158,608**	**99.5%**	$101,448	99.1%	**$229,213**	**40.9%**	$171,477	36.1
	$ 10,046	**2.5%**	$ 10,703	2.8%	**$ 794**	**0.5%**	$ 896	0.9%	**$ 10,840**	**1.9%**	$ 11,599	2.4
djusted venue	**$400,980**	**100.0%**	$373,032	100.0%	**$159,402**	**100.0%**	$102,344	100.0%	**$560,382**	**100.0%**	$475,376	100.0

For the current quarter, loss adjusted net revenue increased $31.5 million, or 19.4%, to $194.4 million from $162.9 million for the prior r quarter. Pawn lending activities accounted for 55.1% and 60.9% of total loss adjusted net revenue for the current quarter and prior r quarter, respectively. Pawn lending activities increased $8.0 million, to $107.2 million during the current quarter from $99.2 million he prior year quarter, which accounted for 25.4% of the increase in loss adjusted net revenue. The increase in pawn-related tribution was primarily due to an increase in pawn loan fees and service charges that resulted from higher pawn loan yields on higher rage pawn loan balances at the Company s domestic retail services locations and an increase in gross profit on the disposition of rchandise. Consumer loan activities increased $23.2 million, to $83.7 million during the current quarter from $60.5 million in the prior r quarter, which accounted for 73.6% of the increase in loss adjusted net revenue, mainly due to an increase in consumer loan fees, net oss provision, on more loans written from the e-commerce segment.

For the nine-month period ended September 30, 2010 (the current nine-month period), loss adjusted net revenue increased .0 million, or 17.9%, to $560.4 million from $475.4 million for the same period in 2009 (the prior year nine-month period). Pawn ding activities accounted for 57.2% and 61.5% of total loss adjusted net revenue for the current nine-month period and the prior year e-month period, respectively. Pawn lending activities increased $28.0 million, to $320.3 million during the current nine-month period n $292.3 million in the prior year nine-month period, which accounted for 33.0% of the increase in loss adjusted net revenue. The rease in pawn-related contribution was primarily due to an increase in pawn loan fees and service charges that resulted from higher vn loan yields on higher average pawn loan balances at the Company s domestic and foreign retail services locations and an increase in ss profit from the disposition of merchandise. Consumer loan activities increased $57.7 million, to $229.2 million during the current e-month period from $171.5 million in the prior year nine-month period, which accounted for 67.9% of the increase in loss adjusted revenue, mainly due to an increase in consumer loan fees, net of loss provision, on more loans written from the e-commerce segment.

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justed Earnings Per Share

In addition to reporting financial results in accordance with Generally Accepted Accounting Principles (GAAP), the Company has vided adjusted earnings and adjusted earnings per share, which are non-GAAP measures. Management believes these measures are ful to help investors better understand the Company s financial performance, competitive position and prospects for the future. These -GAAP measures are used by management in evaluating the Company s results of operations. The following table provides onciliation between net income attributable to the Company and diluted earnings per share calculated in accordance with GAAP to usted earnings and adjusted earnings per share, respectively (dollars in thousands except per share data):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010		2009		**2010**		2009	
	$	**Per Share**	$	Per Share	**$**	**Per Share**	$	Per Share
income ibutable to Cash erica International,	**$27,908**	**$0.90**	$22,478	$0.73	$**80,830**	$**2.56**	$62,995	$2.06
ustments:								
ngible asset ortization, net of	**643**	**0.02**	955	0.03	**2,060**	**0.07**	2,943	0.10
n-cash ity-based npensation, net of	**594**	**0.02**	489	0.02	**1,774**	**0.06**	1,476	0.05
nvertible debt -cash interest and ance cost ortization, net of	**515**	**0.01**	501	0.02	**1,543**	**0.04**	725	0.02
eign exchange loss in), net of tax	**(45)**		95		**62**		12	
usted earnings	**$29,615**	**$0.95**	$24,518	$0.80	$**86,269**	$**2.73**	$68,151	$2.23

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arter Ended September 30, 2010 Compared To Quarter Ended September 30, 2009

Pawn Lending Activities: Pawn lending activities consist of pawn loan fees and service charges on pawn loans from the retail services ment during the period and the profit on disposition of collateral from unredeemed pawn loans, as well as the sale of merchandise uired from customers directly or from third-parties. Routinely, the largest component of net revenue from pawn lending activities is the vn loan fees and service charges from pawn loans, which are impacted by the trend in pawn loan balances and the yield on pawn loans ing the period.

The following table sets forth selected data related to the Company s pawn lending activities as of and for the three months ended tember 30, 2010 and 2009 (dollars in thousands except where otherwise noted):

	Three Months Ended September 30,					
	2010			2009		
	Domestic	**Foreign**	**Total**	Domestic	Foreign	Total
vn loan fees and service rges	**$ 56,638**	**$ 7,330**	**$ 63,968**	$ 52,428	$ 7,492	$ 59,920
erage pawn loan ance outstanding	**$170,703**	**$21,013**	**$191,716**	$163,412	$21,140	$184,552
ount of pawn loans tten and renewed	**$181,665**	**$20,418**	**$202,083**	$171,480	$29,633	$201,113
nualized yield on pawn ns	**131.6%**	**138.4%**	**132.4%**	127.3%	141.0%	128.9%
ss profit margin on position of merchandise	**36.9%**	**(1)**	**36.9%**	34.2%	(1)	34.2%
rchandise turnover	**2.6**	**(1)**	**2.6**	2.7	(1)	2.7

	As of September 30,					
	2010			2009		
ding pawn loan balances	**$175,880**	**$20,398**	**$196,278**	$168,049	$22,429	$190,478
ding merchandise ance, net	**$120,244**	**$ (1)**	**$120,244**	$116,890	$ (1)	$116,890

With respect to the Company s foreign pawn operations, collateral underlying unredeemed pawn loans is not owned by the Company therefore, proceeds from disposition are recorded as pawn loan fees and service charges in the Company s consolidated statements o operations.

Pawn loan fees and service charges. Pawn loan balances in domestic and foreign locations at September 30, 2010 were 6.3 million, which was $5.8 million, or 3.0%, higher than at September 30, 2009. The average balance of pawn loans outstanding ing the current quarter increased by $7.2 million, or 3.9%, compared to the prior year quarter, primarily due to seasonal growth in the nestic retail services segment. The Company typically experiences a seasonal increase in pawn loan balances during the second and d quarter of each year after the heavy pawn loan repayments from customer tax refund proceeds reduce pawn loan balances during the t quarter of each year.

Pawn loan fees and service charges from pawn loans increased $4.1 million, or 6.8%, to $64.0 million in the current quarter, from .9 million in the prior year quarter. The increase is mainly due to higher average pawn loan balances during the current quarter, which tributed $2.4 million of the increase, and an increase in annualized yield on pawn loans, which increased pawn loan fees and service rges by $1.7 million during the current quarter.

Annualized pawn loan yield was 132.4% in the current quarter, compared to 128.9% in the prior year quarter. The higher annualized d is primarily a function of improved year-over-year performance of the pawn loan portfolio, as cash payments of fees and service rges on pawn loans were higher. During the current quarter, the Company experienced higher loan redemption rates, which contributed he favorable yield comparison.

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Proceeds from disposition of merchandise. Profit from the disposition of merchandise represents the proceeds received from the position of merchandise in excess of the cost of disposed merchandise. Retail sales include the sale of jewelry and general merchandise ect to consumers through any of the Company s retail services locations or over the internet. Commercial sales include the sale of ned gold, platinum and diamonds to brokers or manufacturers. The following table summarizes the proceeds from the disposition of rchandise and the related profit for the current quarter as compared to the prior year quarter (dollars in thousands):

	Three Months Ended September 30,					
	2010			2009		
	Retail	**Commercial**	**Total**	Retail	Commercial	Total
ceeds from disposition	**$64,578**	**$52,420**	**$116,998**	$60,036	$54,750	$114,786
ss profit on disposition	**$26,203**	**$16,999**	**$ 43,202**	$23,670	$15,574	$ 39,244
ss profit margin	**40.6%**	**32.4%**	**36.9%**	39.4%	28.4%	34.2%
centage of total gross fit	**60.7%**	**39.3%**	**100.0%**	60.3%	39.7%	100.0%

The total proceeds from disposition of merchandise increased $2.2 million, or 1.9%, in the current quarter compared to the prior year rter, and the total profit from the disposition of merchandise increased $4.0 million, or 10.1%, during the current quarter compared to prior year quarter. The overall profit margin percentage increased to 36.9% in the current quarter from 34.2% in the prior year quarter, nly due to a higher profit margin on both retail and commercial sales and a slightly higher mix of retail sales. The consolidated rchandise turnover rate in the Company s retail services locations decreased slightly to 2.6 times during the current quarter from 2.7 es during the prior year quarter.

Proceeds from the disposition of merchandise in retail services locations increased $4.5 million, or 7.6%, during the current quarter npared to the prior year quarter. In addition, the profit margin on the disposition of merchandise increased slightly to 40.6% in the rent quarter from 39.4% in the prior year quarter.

Proceeds from commercial dispositions decreased $2.3 million, or 4.3%, during the current quarter compared to the prior year quarter, narily due to lower refined gold sales volume as a result of lower forfeiture rates on the Company s pawn loan portfolio. The profit rgin on commercial sales increased to 32.4% in the current quarter from 28.4% in the prior year quarter, due to higher average market ces for gold and diamonds.

Management expects that the profit margin on the disposition of merchandise will likely remain similar to current levels, dominantly due to the prevailing market price for gold and increased consumer demand for value-priced pre-owned general rchandise.

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The table below summarizes the age of merchandise held for disposition related to the Company s domestic pawn operations before uation allowance of $0.7 million as of both September 30, 2010 and 2009 (dollars in thousands).

	Balance at September 30,			
	2010		2009	
	Amount	**%**	Amount	%
rchandise held for one year or less				
elry	**$ 77,729**	**64.3%**	$ 73,108	62.2%
er merchandise	**37,215**	**30.7**	36,014	30.6
al merchandise held for one year or less	**114,944**	**95.0**	109,122	92.8
rchandise held for more than one year				
elry	**3,033**	**2.5**	5,207	4.4
er merchandise	**2,967**	**2.5**	3,261	2.8
al merchandise held for more than one year	**6,000**	**5.0**	8,468	7.2
al merchandise held for disposition	**$120,944**	**100.0%**	$117,590	100.0%

nsumer Loan Activities: Consumer loan activities include consumer loan fees, which are partially offset by the provision for sumer loan losses from the Company s retail services and e-commerce segments. The contribution to earnings from these activities is acted by the volume of loans written and the magnitude of the loan loss provision, which offsets a portion of this revenue. Consumer n fees include fees from loans funded by the Company and fees paid to the Company for arranging, guaranteeing and processing loans m independent third-party lenders through the CSO program as well fees from participation interests in certain MLOC receivables ginated by a third-party lender and acquired by the Company through its MLOC services channel.

One of the components in the Company s e-commerce segment is earnings from its MLOC services channel. The MLOC services nnel has most recently generated its earnings through loan processing services the Company provided for MetaBank related to the vance MLOC product the bank made available on certain stored-value debit cards the bank issues, as well as from fees generated from ticipation interests the Company acquired in the receivables originated by the bank in connection with the iAdvance program. taBank has announced that it discontinued offering its iAdvance program as of October 13, 2010. In accordance with ASC -20-35-30, *Intangibles Goodwill and Other*, the Company tested goodwill at the e-commerce reporting unit for impairment following announcement and noted no impairment. The Company intends to develop new opportunities to offer its MLOC services to other ties; however, revenue related to processing, and participating in, MetaBank s iAdvance receivables will decrease significantly during fourth quarter of 2010 when compared to the trends during the first three quarters of 2010 due to the wind down of the iAdvance eivables portfolio. The Company s earnings in its MLOC services program are not material to the Company s consolidated revenues o rations and the Company does not expect MetaBank s decision to have a material effect on its fourth quarter of 2010.

Consumer loan fees and consumer loan loss provision. Consumer loan fees increased $36.7 million, or 37.3%, to $134.9 million in current quarter as compared to $98.2 million in the prior year quarter. The increase in consumer loan fees is primarily due to growth in e-commerce segment from internet lending in the United States and the United Kingdom, and to a lesser extent, the Australian and nadian markets. In addition, consumer loan fees from the MLOC services channel increased during the current quarter, mainly due to ncrease in the demand for the third-party lender s MLOC products. These increases offset the loss of revenue from certain domestic kets in which the Company either no longer offers consumer loans or has reduced its offering. See Regulatory Developments for her discussion of regulatory changes affecting the Company s consumer loan business.

The consumer loan loss provision increased by $13.4 million, to $51.1 million in the current quarter, from $37.7 million in the prior r quarter, primarily due to higher consumer loan balances in the current quarter compared to the prior year quarter. The loss provision percentage of consumer loan fees decreased to 37.9% in the current quarter

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n 38.4% in the prior year quarter, primarily due to an improvement in charge-offs as a percentage of loans written for the current rter, which decreased to 5.2% compared to 5.6% in the prior year quarter.

The following table sets forth consumer loan fees by channel and segment adjusted for the deduction of the loan loss provision for the rent quarter and the prior year quarter (dollars in thousands):

	Three Months Ended September 30,									
	2010					2009				
	Retail Services Segment	**Internet Lending**	**MLOC**	**Total E-Commerce Segment**	**Total Company**	Retail Services Segment	Internet Lending	MLOC	Total E-Commerce Segment	Tot Comp
er Loan Fees	**$29,250**	**$95,447**	**$10,172**	**$105,619**	**$134,869**	$31,619	$63,751	$2,839	$66,590	$98,2
ss Provision	**4,966**	**41,975**	**4,195**	**46,170**	**51,136**	7,190	29,394	1,106	30,500	37,6
usted Consumer es	**$24,284**	**$53,472**	**$ 5,977**	**$ 59,449**	**$ 83,733**	$24,429	$34,357	$1,733	$36,090	$60,5
r year change $	**$ (145)**	**$19,115**	**$ 4,244**	**$ 23,359**	**$ 23,214**	$ (1,878)	$ 5,812	$1,234	$ 7,046	$ 5,1
r year change %	**(0.6)%**	**55.6%**	**244.9%**	**64.7%**	**38.4%**	(7.1)%	20.4%	247.3%	24.3%	

Combined consumer loan balances. In addition to reporting financial results in accordance with GAAP, the Company has provided nbined consumer loans and combined consumer loans written, which are non-GAAP measures. Combined consumer loans and nbined consumer loans written include (i) consumer loans written by the Company, which are GAAP measures, (ii) consumer loans tten by third-party lenders through the CSO program, which are non-GAAP measures and (iii) the Company s participation interests in sumer loans written by a third-party lender s MLOC product, which are GAAP measures. Management believes these measures are ful in evaluating the consumer loan portfolio on an aggregate basis, including its evaluation of the loss provision for the mpany-owned portfolio and third-party lender-owned portfolios that the Company guarantees.

The outstanding combined portfolio balance of consumer loans, net of allowances for losses, increased $40.7 million, or 30.4%, to 4.1 million at September 30, 2010 from $133.4 million at September 30, 2009, primarily due to increased demand for consumer loan ducts in the e-commerce segment. The combined loan balance includes $175.1 million and $118.2 million at September 30, 2010 and 9 of Company-owned consumer loan balances, respectively, before the allowance for losses of $45.6 million and $24.7 million, pectively, which has been provided in the consolidated financial statements for September 30, 2010 and 2009, respectively.

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The following table summarizes consumer loan balances outstanding as of September 30, 2010 and 2009 (dollars in thousands):

	As of September 30,					
	2010			2009		
	Company Owned (a)	**Guaranteed by the Company(b)**	**Combined(b)**	Company Owned (a)	Guaranteed by the Company(b)	Combined(b)
ding consumer loan ances:						
ail Services	**$ 46,874**	**$ 9,401**	**$ 56,275**	$ 49,505	$11,200	$ 60,705
ernet Lending	**104,036**	**37,991**	**142,027**	62,207	31,568	93,775
.OC	**24,156**		**24,156**	6,448		6,448
al ending loan balance, ss	**$175,066**	**$47,392**	**$222,458**	$118,160	$42,768	$160,928
s: Allowance for losses	**(45,586)**	**(2,790)**	**(48,376)**	(24,688)	(2,816)	(27,504)
al ending loan balance,	**$129,480**	**$44,602**	**$174,082**	$ 93,472	$39,952	$133,424

GAAP measure.

Non-GAAP measure.

Consumer loans written and loss experience. The Company maintains an allowance for losses on consumer loans at a level projected be adequate to absorb credit losses inherent in the outstanding consumer loan portfolio as well as expected losses in the third-party der-owned portfolios that are guaranteed by the Company. The allowance is based on historical trends in portfolio performance and the us of the balance owed by the customer. The Company generally charges off all consumer loans once they have been in default for 60 secutive days, or sooner if deemed uncollectible. Recoveries on losses previously charged to the allowance are credited to the owance when collected.

Combined allowance for losses as a percentage of combined consumer loans and fees receivable increased in the current quarter to 7% from 17.1% in the prior year quarter predominately due to the change in the mix of loans in the e-commerce segment. First time tomers tend to have a higher risk of default and bad debt than customers with a history of successfully repaying loans, and the ommerce portfolio had a higher mix of new customers in the current quarter compared to the prior year quarter. In addition, ommerce consumer loans have historically experienced higher loss rates than retail services consumer loans, and the e-commerce tfolio comprises a higher overall percentage of the combined portfolio than the prior year.

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e following table shows consumer loan information for each of the last five quarters:

	2009			2010	
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	**Third Quarter**
nsumer loan balances:					
nsumer loans and fees receivable, ss Company owned(a)	118,160	136,139	124,844	152,018	175,066
nsumer loans and fees receivable, ss Guaranteed by the Company(b)	42,768	49,862	40,999	51,013	47,392
mbined consumer loans and fees eivable, gross(b)	$160,928	$186,001	$165,843	$203,031	**$222,458**
mbined allowance for losses on sumer loans (a)	27,504	30,294	28,116	40,048	**48,376**
mbined consumer loans and fees eivable, net(b)	$133,424	$155,707	$137,727	$162,983	**$174,082**
mbined allowance for losses and rued third-party lender losses as a % ombined consumer loans and fees eivable, net(b)	17.1%	16.3%	17.0%	19.7%	**21.7%**

GAAP measure.

Non-GAAP measure.

The amount of combined consumer loans written increased $209.8 million, or 34.3%, to $821.1 million in the current quarter from 1.3 million in the prior year quarter mainly due to increases in demand for consumer loans in the e-commerce segment in domestic rkets and the Company s expansion into international markets. The average amount per consumer loan decreased to $413 from $431 ing the current quarter over the prior year quarter, primarily due to a greater mix of the Company s participation interest in consumer ns purchased through the MLOC services channel, which typically have a lower average amount per consumer loan.

The following table summarizes the consumer loans written for the three months ended September 30, 2010 and 2009, respectively llars in thousands, except as noted):

	Three Months Ended September 30,					
	2010			2009		
	Company Owned(a)	**Guaranteed by the Company(b)**	**Combined(b)**	Company Owned (a)	Guaranteed by the Company(b)	Combined(b)
ount of consumer ns written:						
ail Services	**$181,651**	**$ 51,871**	**$233,522**	$187,428	$ 58,553	$245,981
ernet Lending	**241,075**	**235,806**	**476,881**	174,492	163,446	337,938
OC	**110,710**		**110,710**	27,411		27,411
al consumer loans tten	**$533,436**	**$287,677**	**$821,113**	$389,331	$221,999	$611,330

erage amount per nsumer loan:						
ail Services	**$ 434**	**$ 578**	**$ 460**	$ 429	$ 558	$ 454
ernet Lending	**417**	**669**	**512**	391	689	495
.OC	**202**		**202**	141		141
mbined	**$ 345**	**$ 650**	**$ 413**	$ 361	$ 649	$ 431

GAAP measure.

Non-GAAP measure.

The following table summarizes the consumer loan loss provision for the three months ended September 30, 2010 and 2009, pectively (dollars in thousands):

	Three Months Ended September 30,	
	2010	2009
nsumer loan loss provision:		
s provision on Company owned consumer loans	**$51,671**	$36,933
s provision on consumer loans guaranteed by the Company	**(535)**	757
mbined consumer loan loss provision	**$51,136**	$37,690
arge-offs, net of recoveries	**$42,808**	$34,408

Due to the short-term nature of the consumer loan product and the high velocity of loans written, seasonal trends are evidenced in rter-to-quarter performance. In the typical business cycle, losses are lowest in the first quarter and

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rease throughout the year, with the final two quarters generally combining for the peak levels of loss provision expense. During the rent year, losses have decreased from the second quarter to the third quarter, due to an improvement in charge-offs as a percentage of sumer loans written. The loss provision as a percentage of combined loans written remained flat at 6.2% in the current quarter and the or year quarter and decreased slightly from the second quarter.

The following table shows the Company s loss experience for each of the last five quarters:

	2009		2010		
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	**Third Quarter**
nsumer loans written:					
mpany owned[(a)]	$389,331	$446,856	$419,699	$470,077	$533,436
aranteed by the Company[(b)]	221,999	256,292	225,551	248,386	287,677
mbined consumer loans written	$611,330	$703,148	$645,250	$718,463	$821,113
nsumer loan loss provision as a % of nbined consumer loans written [(b)]	6.2%	5.6%	5.3%	6.3%	**6.2%**
arge-offs (net of recoveries) as a % combined consumer loans written [(b)]	5.6%	5.2%	5.6%	4.6%	**5.2%**
mbined consumer loan loss vision as a % of consumer loan fees	38.4%	36.0%	31.3%	38.8%	**37.9%**

GAAP measure.

Non-GAAP measure.

erations Expenses: Total operations expense increased $16.4 million, or 18.4%, to $105.8 million in the current quarter, compared to .4 million in the prior year quarter. During the current quarter, operating expenses at the retail services segment increased $5.6 million, '.8%, to $77.6 million, when compared to the prior year quarter. The operations expenses for the e-commerce segment increased .8 million, or 62.1%, to $28.2 million in the current quarter compared to the prior year quarter.

Marketing expenses increased by $8.3 million, primarily due to an increase of $7.6 million at the Company s e-commerce segment, nly from the online channel s efforts to expand the Company s customer base both domestically and internationally, as well as expens new product development activities. Management believes that the increase in marketing expenses contributed to the increase in sumer loans written during the quarter.

Personnel expenses increased across both segments, including an increase of $3.4 million and $2.5 million at the retail services ment and the e-commerce segment, respectively. The increase in personnel expenses, which include wages, performance incentives benefits, is primarily due to the addition of 45 new locations in the foreign pawn lending operations since September 30, 2009, the wth of the Company s online channel, normal recurring salary adjustments, and higher year-over-year incentive program accruals marily at the Company s e-commerce segment due to higher earnings and growth in that segment.

Occupancy expenses increased by $1.3 million, primarily at the retail services segment. The increase in occupancy expense, which udes rent, property taxes, insurance, utilities and maintenance, is primarily due to recurring rent and property tax increases, as well as her expense associated with stores in the Company s foreign retail services operations where additional locations were added during 9 and 2010.

ninistration Expenses: Total administration expense increased $5.9 million, or 27.3% to $27.8 million in the current quarter, npared to $21.9 million in the prior year quarter. The increase was primarily due to increased expense related he Company s long-term incentive plan due to higher earnings during 2010, and personnel and overhead costs at the Company s onlin nnel. The increase was also due, to a lesser extent, to normal recurring salary adjustments related to administrative functions.

preciation and Amortization: Depreciation and amortization expense as a percentage of total revenue was 3.3% in the current quarter npared to 3.7% in the prior year quarter. Total depreciation and amortization expense increased $0.2 million, or 2.0%. Management ects that the implementation of the Company s new proprietary point-of-sale system, the development of which is expected to be stantially complete in the first half of 2011, will result in a substantial increase in depreciation expense in 2011.

erest Expense: Interest expense increased $0.2 million, or 3.9%, to $5.6 million in the current quarter as compared to $5.4 million in prior year quarter. The Company s effective blended borrowing cost was 4.7% in the current quarter, up from 4.4% in the prior year rter, mainly due to the Company s offering of its 7.26% senior unsecured notes due 2017 (the 2017 Notes) during the first quarter o 0, as relatively lower cost floating rate debt was replaced by relatively higher cost fixed rate debt. During the current quarter, the rage amount of debt outstanding decreased $25.1 million to $423.5 million from $448.6 million during the prior year quarter, primarily to the net repayment of $16.3 million in the Company s domestic line of credit in 2010. The Company incurred non-cash interest ense of $0.8 million in the current quarter from its 2009 Convertible Notes issued in May 2009 (the 2009 Convertible Notes). See N f the Notes to Consolidated Financial Statements for further discussion of the 2009 Convertible Notes.

ome Taxes: The Company s effective tax rate increased to 38.8% for the current quarter from 36.6% for the prior year quarter primaril to an increase in foreign taxes related to taxes incurred at a third-party entity, Huminal, S.A. de C.V., a Mexican *sociedad anónima de ital variable* (Huminal), that compensates and maintains the labor force of Prenda Fácil. The Company has no ownership interest in minal. Therefore, 100% of the net income or loss related to Huminal is allocated to net income attributable to noncontrolling interests.

ncontrolling Interest: Noncontrolling interest decreased to a loss of $0.4 million in the current quarter compared to income of 3 million in the prior year quarter, primarily due to an increase in foreign taxes related to taxes incurred at a third-party entity, minal, that compensates and maintains the labor force of Prenda Fácil. The Company has no ownership interest in Huminal. Therefore, % of the net income or loss related to Huminal is allocated to net income attributable to noncontrolling interests.

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ne Months Ended September 30, 2010 Compared To Nine Months Ended September 30, 2009

wn Lending Activities: The following table sets forth selected data related to the Company s pawn lending activities as of and for the e-month periods ended September 30, 2010 and 2009 (dollars in thousands except where otherwise noted):

	Nine Months Ended September 30,					
		2010			2009	
	Domestic	**Foreign**	**Total**	Domestic	Foreign	Total
wn loan fees and service rges	**$158,580**	**$23,176**	**$181,756**	$146,297	$20,862	$167,159
erage pawn loan ance outstanding	**$157,343**	**$22,286**	**$179,629**	$149,433	$18,893	$168,326
ount of pawn loans tten and renewed	**$491,602**	**$66,398**	**$558,000**	$467,833	$72,776	$540,609
nualized yield on pawn ns	**134.8%**	**139.0%**	**135.3%**	130.9%	147.8%	132.8%
ss profit margin on position of merchandise	**37.2%**	(1)	**37.2%**	35.3%	(1)	35.3%
rchandise turnover	**2.9**	(1)	**2.9**	2.9	(1)	2.9

	As of September 30,					
		2010			2009	
ding pawn loan balances	**$175,880**	**$20,398**	**$196,278**	$168,049	$22,429	$190,478
ding merchandise ance, net	**$120,244**	**$ (1)**	**$120,244**	$116,890	$ (1)	$116,890

With respect to the Company s foreign pawn operations, collateral underlying unredeemed pawn loans is not owned by the Company; therefore, proceeds from disposition are recorded as pawn loan fees and service charges in the Company s consolidated statements of operations.

Pawn loan fees and service charges. Pawn loan balances in domestic locations and foreign locations at September 30, 2010 were)6.3 million, which was $5.8 million, or 3.0% higher than at September 30, 2009. The average balance of pawn loans outstanding for current nine-month period increased by $11.3 million, or 6.7%, compared to the prior year nine-month period, primarily due to growth he number of locations offering pawn lending within the retail services segment.

Pawn loan fees and service charges increased $14.6 million, or 8.7%, to $181.8 million in the current nine-month period from 57.2 million in the prior year nine-month period. The increase is mainly due to higher average loan balances on pawn loans, which tributed $11.2 million of the increase, and higher annualized yield on pawn loans, which contributed $3.4 million of the increase ing the current nine-month period.

Annualized pawn loan yield on pawn loans was 135.3% for the current nine-month period, compared to 132.8% in the prior year e-month period. The higher annualized yield is a function of improved year-over-year performance of the pawn loan portfolio, as cash ments of fees and service charges on pawn loans were higher. During the current nine-month period, the Company experienced higher n redemption rates, which resulted in a favorable yield comparison. The Company s domestic annualized loan yield increased to .8% in the current nine-month period compared to 130.9% in the prior year nine-month period mainly due to improved performance in portfolio. The foreign pawn loan yield decreased to 139.0% in the current nine-month period from 147.8% in the prior year e-month period due to a lower yield on the liquidation of forfeited loans.

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Proceeds from disposition of merchandise. The following table summarizes the proceeds from the disposition of merchandise and the ted profit for the current nine-month period as compared to the prior year nine-month period (dollars in thousands):

	Nine Months Ended September 30,					
	2010			2009		
	Retail	**Commercial**	**Total**	Retail	Commercial	Total
ceeds from disposition	**$214,750**	**$157,981**	**$372,731**	$202,520	$152,199	$354,719
ss profit on position	**$ 86,106**	**$ 52,467**	**$138,573**	$ 81,547	$ 43,594	$125,141
ss profit margin	**40.1%**	**33.2%**	**37.2%**	40.3%	28.6%	35.3%
centage of total gross fit	**62.1%**	**37.9%**	**100.0%**	65.2%	34.8%	100.0%

The total proceeds from disposition of merchandise increased $18.0 million, or 5.1%, during the current nine-month period from the r year nine-month period, and the total profit from the disposition of merchandise increased $13.4 million, or 10.7%, during the rent nine-month period from the prior year nine-month period, mainly due to higher proceeds and profit margin on commercial sales higher proceeds from retail sales. The consolidated merchandise turnover rate remained flat at 2.9 times in the current nine-month iod compared to the prior year nine-month period.

Proceeds from disposition of merchandise in retail services locations, including jewelry, increased $12.2 million, or 6.0%, during the rent nine-month period from the prior year nine-month period. In addition, the profit margin on the disposition of merchandise reased slightly to 40.1% in the current nine-month period from 40.3% in the prior year nine-month period.

Proceeds from commercial dispositions increased $5.8 million, or 3.8%, during the current nine-month period over the prior year e-month period. The profit margin on commercial sales increased to 33.2% in the current nine-month period from 28.6% in the prior r nine-month period. Both the increases in proceeds and profit margin on commercial sales are mainly due to a higher average market ce of gold and diamonds sold, which more than offset a lower volume of gold and diamonds sold during the current nine-month period npared to the prior year nine-month period.

nsumer Loan Activities: Consumer loan fees increased $96.1 million, or 36.5%, to $359.2 million in the current nine-month period, as npared to $263.1 million in the prior year nine-month period, primarily due to higher consumer loan balances in the current nine-month iod compared to the prior year nine-month period. The increase in revenue from consumer loan fees is primarily due to growth in the ommerce segment from internet lending in the United States and United Kingdom, and to a lesser extent, the Australian and Canadian rkets. In addition, consumer loan fees generated by the MLOC services channel increased during the current nine-month period, mainly to an increase in the demand for the third-party lender s MLOC products. These increases offset the loss of revenue from certain nestic markets in which the Company either no longer offers consumer loans or has reduced its offering. See Regulatory Development further discussion of regulatory changes affecting the Company s consumer loan business.

Consumer loan fees and consumer loan loss provision. The consumer loan loss provision increased by $38.4 million to 0.0 million in the current nine-month period, from $91.6 million in the prior year nine-month period, primarily due to higher loan ances in the current nine-month period compared to the prior year nine-month period. The loss provision as a percentage of consumer n fees increased to 36.2% in the current nine-month period from 34.8% in the prior year nine-month period due to a change in the mix oans in the e-commerce segment. First-time customers tend to have a higher risk of default and bad debt than customers with a history uccessfully repaying loans, and the e-commerce portfolio has a higher mix of new customers. In addition, e-commerce consumer loans e historically experienced higher loss rates than retail services consumer loans, and the e-commerce portfolio comprises a higher rall percentage of the combined portfolio than the prior year.

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The following table sets forth consumer loan fees by channel and segment adjusted for the deduction of the loan loss provision for the rent nine-month period (dollars in thousands):

	Nine Months Ended September 30, 2010					2009				
	Retail Services Segment	**Internet Lending**	**MLOC**	**Total E-Commerce Segment**	**Total Company**	Retail Services Segment	Internet Lending	MLOC	Total E-Commerce Segment	T Co
Loan Fees	**$83,576**	**$249,980**	**$25,620**	**$275,600**	**$359,176**	$ 85,661	$170,361	$7,097	$177,458	$263
Provision	**12,971**	**106,124**	**10,868**	**116,992**	**129,963**	15,632	73,065	2,945	76,010	9
ted Consumer	**$70,605**	**$143,856**	**$14,752**	**$158,608**	**$229,213**	$ 70,029	$ 97,296	$4,152	$101,448	$17
ear change $	**$ 576**	**$ 46,560**	**$10,600**	**$ 57,160**	**$ 57,736**	$(14,376)	$ 10,407	$3,653	$ 14,060	$
ear change %	**0.8%**	**47.9%**	**255.3%**	**56.3%**	**33.7%**	(17.0)%	12.0%	732.1%	16.1%	

Consumer loans written. The amount of combined consumer loans written increased $556.2 million, or 34.2%, to $2.18 billion in the rent nine-month period from $1.63 billion in the prior year nine-month period, due to increases in demand for consumer loans in the ommerce segment in domestic markets and due to the Company s expansion into international markets. The average amount per sumer loan decreased to $415 from $436 during the current nine-month period over the prior year nine-month period, primarily due to reater mix of the Company s participation interest in consumer loans purchased through the MLOC services channel, which typically e a lower average amount per loan.

The following table summarizes selected data related to the Company s consumer loan activities for the current nine-month period npared to the prior year nine-month period (dollars in thousands):

	Nine Months Ended September 30, 2010			2009		
	Company Owned[(a)]	**Guaranteed by the Company[(b)]**	**Combined[(b)]**	Company Owned[(a)]	Guaranteed by the Company[(b)]	Combined[(b)]
ount of consumer ns written:						
ail Services	**$ 511,026**	**$148,088**	**$ 659,114**	$ 503,940	$160,298	$ 664,238
ernet Lending	**634,578**	**613,526**	**1,248,104**	510,038	385,799	895,837
OC	**277,608**		**277,608**	68,510		68,510
al consumer loans tten	**$1,423,212**	**$761,614**	**$2,184,826**	$1,082,488	$546,097	$1,628,585
erage amount per sumer loan:						
ail Services	**$ 436**	**$ 575**	**$ 461**	$ 430	$ 558	$ 455
ernet Lending	**412**	**680**	**511**	402	714	495
OC	**199**		**199**	147		147
mbined	**$ 346**	**$ 657**	**$ 415**	$ 372	$ 660	$ 436

GAAP measure.

Non-GAAP measure. See Quarter Ended September 30, 2010 Compared to Quarter Ended September 30, 2009 Consumer Loan Activities Consumer loan fees and loan loss provision section above for a discussion of the Company s use of non-GAAP measures with respect to combined consumer loans.

The following table summarizes the consumer loan loss provision for the nine months ended September 30, 2010 and 2009, pectively (dollars in thousands):

	Nine Months Ended September 30,	
	2010	2009
nsumer loan loss provision:		
s provision on Company owned consumer loans	**$130,117**	$90,961
s provision on consumer loans guaranteed by the Company	**(154)**	681
mbined consumer loan loss provision	**$129,963**	$91,642
arge-offs, net of recoveries	**$111,881**	$87,768
mbined consumer loan loss provision as a % of combined consumer loans written [(a)]	**5.9%**	5.6%
arge-offs (net of recoveries) as a % of combined consumer loans written [(a)]	**5.1%**	5.4%

Non-GAAP measure.

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*Operations Expenses***:** Total operations expense increased $43.0 million, or 16.4% to $304.3 million in the current nine-month period, npared to $261.3 million in the prior year nine-month period. Operations expense at the retail services segment increased $13.6 million, .2%, to $232.1 million during the current nine-month period, when compared to the prior year nine-month period. Operations enses for the e-commerce segment increased $29.4 million, or 68.6% to $72.2 million in the current nine-month period compared to prior year nine-month period.

Marketing expense increased by $19.9 million, primarily due to a $22.0 million increase in marketing expenses in the Company s ommerce segment, mainly from the online channel s efforts to expand the Company s customer base both domestically and rnationally, as well as expenses for new product development activities. Management believes that the increase in marketing expenses tributed to the increase in consumer loans written during the current nine-month period.

Personnel expenses increased across both segments, including an increase of $10.2 million and $5.6 million at the retail services ment and the e-commerce segment, respectively. The increase in personnel expenses, which include wages, performance incentives benefits, is primarily due to the addition of 45 new locations in the foreign pawn lending operations since September 30, 2009, the wth of the Company s online channel, normal recurring salary adjustments, and incentive program accruals at the Company s ommerce segment resulting from higher earnings in that segment.

Occupancy expenses increased by $5.6 million, primarily at the retail services segment. The increase in occupancy expense, which udes rent, property taxes, insurance, utilities and maintenance, is primarily due to recurring rent and property tax increases, as well as her expense associated with stores in the Company s foreign retail services operations where additional locations were added during 9 and 2010.

*ninistration Expense***s:** Total administration expense increased $12.8 million, or 19.4% to $78.8 million in the current nine-month iod, compared to $66.0 million in the prior year nine-month period. The increase in administration expenses was mainly due to reased expense related to the Company s long-term incentive plan, due to higher earnings during 2010, and personnel and overhead ts at the Company s online channel. The increase was also due, to a lesser extent, to normal recurring salary adjustments related to ninistrative functions.

preciation and Amortization: Depreciation and amortization expense, as a percentage of total revenue, was 3.4% in the current e-month period, compared to 3.9% in the prior year nine-month period. Total depreciation and amortization expense increased 4 million, or 1.3%. Management expects that the implementation of the Company s new proprietary point-of-sale system, the elopment of which is expected to be substantially complete in the first half of 2011, will result in a substantial increase in depreciation ense in 2011.

erest Expense: Interest expense increased $0.9 million, or 5.9%, to $16.5 million in the current nine-month period as compared to .6 million in the prior year nine-month period. The prior year nine-month period interest expense included a $1.3 million fee related to deferral of a payment associated with the Company s acquisition of The Check Giant, LLC. The Company s effective blended rowing cost was 5.0% in the current nine-month period, up from 4.0% in the prior year nine-month period, mainly due to the npany s offering of the 2009 Convertible Notes during the second quarter of 2009 and the Company s offering of the 2017 Notes duri first quarter of 2010, as relatively lower cost floating rate debt was replaced by relatively higher cost fixed rate debt. During the rent nine-month period, the average amount of debt outstanding decreased $29.4 million to $399.9 million from $429.3 million during prior year nine-month period, primarily due to the net repayment of $16.3 million in the Company s domestic line of credit during the rent nine-month period. The Company incurred non-cash interest expense of $2.5 million in the current nine-month period from the 9 Convertible Notes. See Note 5 of the Notes to Consolidated Financial Statements for further discussion of the 2009 Convertible es.

ome Taxes: The Company s effective tax rate was 37.9% for the current nine-month period compared to 37.2% for the prior year e-month period. The income tax provision increased $11.4 million in the current nine-month period over the prior year nine-month iod, primarily due to higher taxable income.

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QUIDITY AND CAPITAL RESOURCES

sh Flows Highlights

The Company s cash flows and other key indicators of liquidity are summarized as follows (dollars in thousands):

	Nine Months Ended September 30,	
	2010	2009
h flows provided by operating activities	**$ 213,550**	$ 178,205
h flows used in investing activities		
vn loans	**$ 20,877**	$ (16,110)
nsumer loans	**(147,417)**	(98,955)
quisitions	**(23,012)**	(42,481)
perty and equipment additions	**(37,466)**	(29,418)
estment in marketable securities	**(5,652)**	
er investing	**(120)**	517
al cash flows used in investing activities	**$(192,790)**	$(186,447)
h flows (used in) provided by financing activities	**$ (14,210)**	$ 5,855
rking capital	**$ 474,559**	$ 404,528
rent ratio	**4.4x**	4.8x
rchandise turnover	**2.9x**	2.9x

sh flows from operating activities. Net cash provided by operating activities increased $35.4 million, or 19.8%, from $178.2 million the prior year nine-month period to $213.6 million for the current nine-month period. A significant component of the increase in net h provided by operating activities was a $16.6 million increase in net income during the current nine-month period. An additional .4 million of net cash provided by operating activities was generated by an increase in the consumer loan loss provision, a non-cash ense, during the current nine-month period. This increase was partially offset by a $6.8 million use of cash due to changes in deferred es payable, which is also a non-cash expense. Changes in operating assets and liabilities and current accounts combined to use .5 million of net cash provided by operating activities, which is predominately related to increased purchases of merchandise from tomers and third-party vendors and lower deferred taxes, partially offset by increased accrued expenses related to the timing of payroll les in the current nine-month period compared to the prior year nine-month period.

Management believes cash flows from operations and available cash balances and borrowings will be sufficient to fund the Company s rating liquidity needs.

Cash flows from investing activities. Net cash used in investing activities increased $6.3 million, or 3.4%, in the current nine-month iod compared to the prior year nine-month period. Cash provided by pawn lending activities increased $37.0 million, primarily due to ncipal recovered through the disposition of forfeited loans, which increased $19.2 million, reflecting greater proceeds from retail and nmercial sales. Also, the combined impact of pawn loans made and repaid provided $17.8 million of additional cash as the Company erienced higher repayment activity during the current nine-month period compared with the prior year nine-month period. Consumer ns made or purchased and consumer loans repaid combined used cash of $48.5 million when compared to the prior year nine-month iod, due to a 36.5% increase in consumer loans made or purchased, mostly due to growth in the Company s e-commerce segment.

During the current nine-month period, cash used for acquisition activities decreased by $19.5 million, to $23.0 million, compared to .5 million in the prior year nine-month period, as explained below.

The Company made supplemental payments of $21.1 million in the current nine-month period, and approximately $2.7 million in the or year nine-month period, in connection with the acquisition of substantially all the assets of

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mary Business Services, Inc., Primary Finance, Inc., Primary Processing, Inc. and Primary Members Insurance Services, Inc. on 23, 2008. The measurement dates for the remaining supplemental payments are each December 31 and June 30 through June 30, 2, with each payment, if any, due approximately 45 days after the measurement date. As of September 30, 2010, no additional plemental payment has been accrued for the December 31, 2010 measurement date based on the amounts previously paid in nection with the initial purchase price and the previous supplemental payments. The total of all payments to the sellers cannot exceed .0 million pursuant to the terms of the asset purchase agreement. All supplemental payments were accounted for as goodwill. Through tember 30, 2010, the Company has made supplemental payments totaling $23.8 million. See Note 2 to the Notes to Consolidated ancial Statements.

On March 31, 2009, the Company made payments totaling $36.0 million, including a deferral fee of approximately $1.3 million that recognized as interest expense, in connection with the acquisition of substantially all of the assets of The Check Giant, LLC, which urred on September 15, 2006.

During the current nine-month period, the Company acquired three domestic retail services locations for approximately $1.9 million.

Management anticipates that expenditures for property and equipment for the remainder of 2010 will be between $20.0 and .0 million primarily for the remodeling of selected operating units, for the continuing development of product delivery and information tems, including the multi-year project to upgrade the Company s proprietary point-of-sale system, and for the establishment of roximately five to 15 new retail services locations. Included in this aggregate range of capital expenditures are minor strategic estments and small scale acquisitions of neighborhood retail services locations.

On October 4, 2010, the Company s wholly-owned subsidiary, Cash America, Inc. of Nevada, closed on the purchase of substantially of the assets of Maxit Financial, LLC (Maxit). Maxit owned and operated a 39-store chain of pawn lending locations that operate in shington and Arizona under the names Maxit and Pawn X-Change. At closing, the Company funded approximately $70.0 million stantially all of the assets of Maxit and various adjustments and items related to the transaction per the terms of the Asset Purchase reement, including (a) a cash payment of $59.3 million, which was funded with borrowings under the Company s line of credit, and 366,097 shares of the Company s common stock, par value $0.10 per share, issued to Maxit. See Note 10. Subsequent Events to the tes to Consolidated Financial Statements.

sh flows from financing activities. Net cash used by financing activities increased $20.1 million, or 342.7%, from a source of 9 million in the prior year nine-month period to a use of $14.2 million in the current nine-month period. During the current nine-month iod, the Company repaid $18.7 million more debt, net of debt issuance costs, than the Company repaid in the prior year nine-month iod. Net cash used in financing activities in the current nine-month period included proceeds of $25.0 million for long-term debt issued he Company in January 2010 (as more fully described below). In addition, the Company repurchased $4.0 million more of shares of mpany common stock through open market transactions pursuant to a 2007 authorization by the Board of Directors of the Company through the repurchase of shares of common stock for tax payments related to stock based compensation.

On January 28, 2010, the Company issued and sold $25.0 million aggregate principal amount of its 2017 Notes in a private placement suant to a note purchase agreement dated January 28, 2010 by and among the Company and certain purchasers listed therein. The 2017 tes are senior unsecured obligations of the Company. The 2017 Notes are payable in five annual installments of $5.0 million beginning uary 28, 2013. In addition, the Company may, at its option, prepay all or a minimum portion of no less than $1.0 million of the 2017 tes at a price equal to the principal amount thereof plus a make-whole premium and accrued interest. The 2017 Notes are guaranteed by of the Company s U.S. subsidiaries. The Company used a portion of the net proceeds of the 2017 Notes to repay existing indebtedness, uding outstanding balances under its bank line of credit. The remaining portion was used for general corporate purposes.

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As of September 30, 2010 and 2009, the Company was in compliance with all financial ratio covenants and other requirements set h in its debt agreements.

The Company had outstanding letters of credit of $26.9 million at September 30, 2010, which are considered usage under the mpany s long-term unsecured line of credit for purposes of determining available borrowings under that line of credit. Management eves that the borrowings available ($99.8 million at September 30, 2010) under the credit facilities, cash generated from operations current working capital of $474.6 million is sufficient to meet the Company s anticipated capital requirements for its businesses. uld the Company experience a significant decline in demand for the Company s products and services or other unexpected changes in ncial condition, management would evaluate several alternatives to ensure that it is in a position to meet liquidity requirements. These rnatives may include the sale of assets, reductions in capital spending and changes to its current assets and/or the issuance of debt or ity securities, all of which could be expected to generate additional liquidity. The characteristics of the Company s current assets, cifically the ability to rapidly liquidate gold jewelry inventory and adjust outflows of cash in its lending practices, gives the Company ibility to quickly modify its business strategy to increase cash flow from its business, if necessary.

-Balance Sheet Arrangements

The Company arranges for consumers to obtain consumer loan products from multiple independent third-party lenders through the) program. When a consumer executes a credit services agreement with the Company under the CSO program, the Company agrees, a fee payable to the Company by the consumer, to provide a variety of credit services to the consumer, one of which is to guarantee the sumer s obligation to repay the loan received by the consumer from the third-party lender if the consumer fails to do so. For consumer products originated by third-party lenders under the CSO program, each lender is responsible for evaluating each of its customers lications, determining whether to approve a consumer loan based on an application and determining the amount of the consumer loan. ile the Company performs its own analysis of customers before agreeing to guarantee such loans, the Company is not involved in the ders consumer loan approval processes or in determining the lenders approval procedures or criteria. As of September 30, 2010 and)9, the outstanding amount of active consumer loans originated by third-party lenders under the CSO program was $47.4 million and .8 million, respectively, which were guaranteed by the Company.

The Company purchases a participation interest in the receivables originated by a third-party lender through the Company s MLOC vices channel. Therefore, the Company owns only its participation interest in these consumer loan balances. The participation interest ncluded in the Company s consolidated consumer loan balance, and the Company does not guarantee the remaining percentage of these sumer loans.

gulatory Developments

On October 19, 2010, the Pennsylvania Supreme Court upheld the Commonwealth Court of Pennsylvania s prior decision from July)9 against the Company and in favor of the Pennsylvania Department of Banking. As a result of the initial decision by the mmonwealth Court, the Company ceased offering consumer loans in Pennsylvania in July 2009. See Note 7 to the Notes to nsolidated Financial Statements for further information.

The legislation under which the Company offered consumer loans over the internet and through its retail services locations in Arizona ired on July 1, 2010, and the Company has discontinued offering consumer loans in that state. The Company has continued to serve tomers in Arizona by offering pawn loans in its pawn lending locations in that state.

Due to legislation that was adopted in Maryland that became effective October 1, 2010, the Company has ceased offering consumer dit services through the CSO program in Maryland. The Company has developed an alternative consumer loan product for Maryland tomers and is currently assessing its viability.

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Recently passed legislation in the States of Colorado, which became effective in August 2010, Illinois and Wisconsin, which will ome effective in late 2010 and early 2011, affect consumer loans offered by the Company in each of those states. The Company is still luating the effects of this legislation and expects that it will reduce the profitability and/or the volume of loans written in these states.

The Company is still evaluating the effects of recent regulatory changes in Colorado, Illinois and Wisconsin and the loss of consumer ns in Arizona and the CSO program in Maryland but does not expect that any of these losses or changes, individually or in the regate, will have a material effect on the Company in the current fiscal year, including its consolidated revenues or operations. nagement expects that the offering of alternative products and the growth in consumer loans from other markets during the remainder 2010, including both domestic and foreign markets, may offset a portion of the loss of revenue it may experience.

In addition, the United States Congress recently passed the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. s legislation authorizes the creation of a consumer financial protection bureau with broad regulatory powers over consumer credit ducts such as those offered by the Company. The Company cannot currently predict whether the Bureau will impose additional ulations that could affect the credit products offered by the Company.

n-GAAP Disclosure

In addition to the financial information prepared in conformity with GAAP, the Company provides historical non-GAAP financial ormation. Management uses the non-GAAP financial measures for internal managerial purposes and believes that presentation of -GAAP financial information is meaningful and useful in understanding the activities and business metrics of the Company s rations. Management believes that these non-GAAP financial measures reflect an additional way of viewing aspects of the Company s iness that, when viewed with the Company s GAAP results, provide a more complete understanding of factors and trends affecting the mpany s business.

Management provides non-GAAP financial information for informational purposes and to enhance understanding of the Company s AP consolidated financial statements. Readers should consider the information in addition to, but not instead of, the Company s ancial statements prepared in accordance with GAAP. This non-GAAP financial information may be determined or calculated ferently by other companies, limiting the usefulness of those measures for comparative purposes.

m 3. Quantitative and Qualitative Disclosures About Market Risk

Market risks relating to the Company s operations result primarily from changes in interest rates, foreign exchange rates, and gold ces. The Company does not engage in speculative or leveraged transactions, nor does it hold or issue financial instruments for trading poses. There have been no material changes to the Company s exposure to market risks since December 31, 2009.

m 4. Controls and Procedures

Under the supervision and with the participation of the Company s Chief Executive Officer and Chief Financial Officer, management c Company has evaluated the effectiveness of the design and operation of the Company s disclosure controls and procedures (as defined Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or the Exchange Act) as of September 30, 2010 (the valuation Date). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the luation Date, the Company s disclosure controls and procedures are effective (i) to ensure that information required to be disclosed in orts that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time iods specified in the Securities and Exchange Commission rules and forms; and (ii) to ensure that information required to be disclosed he reports that the Company files or submits under the Exchange Act is accumulated and communicated to management, including the mpany s Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

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There was no change in the Company s internal control over financial reporting during the quarter ended September 30, 2010 that has terially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

The Company s management, including its Chief Executive Officer and Chief Financial Officer, does not expect that the Company s closure controls and procedures or internal controls will prevent all possible error and fraud. The Company s disclosure controls and cedures and internal controls are, however, designed to provide reasonable assurance of achieving their objectives.

RT II. OTHER INFORMATION

n 1. Legal Proceedings

See Note 7 of Notes to Consolidated Financial Statements.

n 1A. Risk Factors

Except as set forth below, there have been no material changes from the Risk Factors described in Part 1 Item 1A. Risk Factors of th mpany s Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

ks Related to the Company s Business and Industry

verse changes in laws or regulations affecting the Company s consumer loan services could negatively impact the Company s rations.

The Company s products and services are subject to extensive regulation and supervision under various federal, state, local and foreign s, ordinances and regulations. In addition, as the Company develops new products and services, it will become subject to additional eral, state, local and foreign laws, ordinances and regulations. Failure to comply with applicable laws and regulations could subject the mpany to regulatory enforcement action that could result in the assessment against the Company of civil, monetary or other penalties. Company faces the risk that restrictions or limitations resulting from the enactment, change, or interpretation of laws and regulations ld negatively affect the Company s business activities or effectively eliminate some of the Company s current loan products.

In particular, short-term consumer loans have come under increased regulatory scrutiny in the United States in recent years that has ulted in increasingly restrictive regulations and legislation that makes offering such loans less profitable or unattractive to the mpany. Regulations adopted by some states require that all borrowers of certain short-term loan products be listed on a database and it the number of such loans a borrower may have outstanding. Other regulations adversely impact the availability of the Company s rt-term loan products to active duty military personnel. Legislative or regulatory activities may also limit the amount of interest and s to levels that do not permit the offering of short-term loans to be feasible or may limit the number of short-term loans that customers y receive or have outstanding.

Certain consumer advocacy groups and federal and state legislators have also asserted that laws and regulations should be tightened so o severely limit, if not eliminate, the availability of certain short-term products to consumers, despite the significant demand for it. In ticular, both the executive and legislative branches of the federal government have recently exhibited an increasing interest in debating slation that could further regulate short-term consumer loan products. The U.S. Congress has debated, and may in the future debate, posed legislation that could, among other things, place a cap on the effective annual percentage rate on consumer loan transactions hich could encompass both the Company s consumer loan and pawn businesses), place a cap on the dollar amount of fees that may be rged for short-term loans, ban rollovers (payment of a fee to extend the term of a short-term loan), require the Company to offer an

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ended payment plan, allow for minimal origination fees for advances, limit refinancings and the rates to be charged for refinancings require short-term lenders to be bonded.

In addition, the United States Congress recently passed the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. s legislation authorizes the creation of a consumer financial protection bureau with broad regulatory powers over consumer credit ducts such as those offered by the Company. The Company cannot currently predict whether the Bureau will impose additional ulations that could affect the credit products offered by the Company. However, if the Bureau were to promulgate regulations that ersely impact the credit products offered by the Company, such regulations could have a material adverse effect on the Company s iness, prospects, results of operations and financial condition.

The Company is currently following legislative and regulatory developments in individual states where it does business. For example, ent legislative changes in Arizona, Maryland, Wisconsin, Colorado and Illinois impact the consumer loan products the Company has orically offered in those States. Due to these legislative changes, the Company has ceased offering consumer loans in the State of zona, and the Company has also ceased offering consumer credit services through the CSO program in Maryland. In addition, these nges have also altered the parameters upon which the Company offers consumer loans to consumers in the other States mentioned ve reducing the profitability and the volume of the consumer loans the Company offers to customers in these other States. In addition, Company is closely monitoring legislative and regulatory developments in other States where it does business.

The Company cannot currently assess the likelihood of any future unfavorable federal or state legislation or regulations being proposed enacted. Also, there can be no assurance that additional legislative or regulatory initiatives will not be enacted which would severely rict, prohibit or eliminate the Company s ability to offer a short-term loan product. Any federal or state legislative or regulatory action severely restricts, by imposing a national annual percentage rate limit on consumer loan transactions or otherwise prohibits, or places rictions on, consumer loans and similar services, if enacted, could have a material adverse impact on the Company s business, spects, results of operations and financial condition and could impair the Company s ability to continue current operations.

In addition to state and federal laws and regulations, the Company s business is subject to various local rules and regulations such as al zoning regulation and permit licensing. Local jurisdictions efforts to restrict pawnshop operations and short-term lending through th of local zoning and permitting laws have been on the increase. Actions taken in the future by local governing bodies to require special permits for, or impose other restrictions on pawn lending locations or short-term lenders could have a material adverse effect on the mpany s business, results of operations and financial condition.

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n 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides the information with respect to purchases made by the Company of shares of its common stock, par value 10, during each of the months in the first nine months of 2010:

iod	Total Number of Shares Purchased [(1)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan [(2)]	Maximum Number of Shares that May Yet Be Purchased Under the Plan [(2)]
uary 1 to January 31	1,493	$36.19		860,524
ruary 1 to February 28	13,242	$37.59		860,524
rch 1 to March 31	47,863	$39.65	40,000	820,524
il 1 to April 30				820,524
y 1 to May 31	155,478	$36.03	155,100	665,424
e 1 to June 30				665,424
1 to July 31	100,085	$34.98	100,000	565,424
gust 1 to August 31	90,445	$32.25	90,000	475,424
tember 1 to September 30	966	$33.34		475,424
al	409,572	$35.41	385,100	

Includes shares purchased on the open market relating to compensation deferred by a director under the 2004 Long-Term Incentive Plan, as amended, and dividends reinvested in shares of the Company s common stock in the Company s Non-Qualified Savings Plan of 286, 30, 31, 378 and 417 shares for the months of January, February, March, May and August, respectively, and shares withheld from employees as partial tax payments for shares issued under stock-based compensation plans of 1,207, 13,212, 7,832, 85, 28 and 966 shares for the months of January, February, March, July, August and September, respectively.

On October 24, 2007, the Board of Directors authorized the Company s repurchase of up to a total of 1,500,000 shares of its common stock.

m 3. Defaults Upon Senior Securities

None.

m 4. (Removed and Reserved)

m 5. Other Information

None.

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n 6. Exhibits

		Incorporated by Reference				
hibit No.	**Exhibit Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewitl**
	Asset Purchase Agreement dated July 28, 2010 by and among Cash America, Inc. of Nevada and Maxit Financial, LLC and its principal listed therein	8-K	001-09733	2.1	8/2/10	
	First Amendment to Asset Purchase Agreement dated September 29, 2010 by and among Cash America, Inc. of Nevada and Maxit Financial, LLC and its principal listed therein					X
	Supplemental Disclosure Agreement and Second Amendment to Asset Purchase Agreement dated October 4, 2010 by and among Cash America, Inc. of Nevada and Maxit Financial, LLC and its principal listed therein					X
1	Certification of Chief Executive Officer					X
2	Certification of Chief Financial Officer					X
1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
.INS*	XBRL Instance Document					X**
.SCH*	XBRL Taxonomy Extension Schema Document					X**
.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document					X**
.LAB*	XBRL Taxonomy Label Linkbase Document					X**
.DEF*	XBRL Taxonomy Extension Definition					X**

	Linkbase Document	
.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document	X**

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets at September 30, 2010, September 30, 2009 and December 31, 2009; (ii) Consolidated Statements of Income for the three and nine months ended September 30, 2010 and September 30, 2009; (iii) Consolidated Statements of Equity at September 30, 2010 and September 30, 2009; (iv) Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2010 and September 30, 2009; (v) Consolidated Statements of

Cash Flows for the nine months ended September 30, 2010 and September 30, 2009; and (vi) Notes to Consolidated Financial Statements (tagged as a block of text).

Submitted electronically herewith.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its alf by the undersigned thereunto duly authorized.

e: October 21, 2010	CASH AMERICA INTERNATIONAL, INC.
	By: /s/ Thomas A. Bessant, Jr. Thomas A. Bessant, Jr. Executive Vice President and Chief Financial Officer (On behalf of the Registrant and as Principal Financial Officer)

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EXHIBIT INDEX

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	Linkbase Document	
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