

20 May 2014

Fairpoint Group plc
New Enlarged Bank Facility

Fairpoint Group plc (“Fairpoint” or “the Group”), the leading provider of advice and solutions to financially stressed consumers, is pleased to announce the signing of a new, enlarged £20m banking facility with AIB Group (UK) plc (“AIB”). This facility replaces the Group’s existing committed £13m facility with PNC Financial Services UK Limited (“PNC”), which was due to expire in April 2016.

The new committed facility, which is secured and has a five year term, comprises a £12m revolving credit facility and an £8m term loan. The term loan will be used to finance the initial cash consideration and deal costs relating to the proposed acquisition of Simpson Millar LLP (“Simpson Millar”), which was announced on 9 April 2014. The loan will be drawn down on legal completion of this acquisition, which is subject to approval by the Solicitors Regulation Authority (“SRA”) and is expected to be completed by 30 June 2014. £5m of this loan is repayable during the 5 year term and £3m will be repayable at the end of the 5 year term.

The Group will incur one-off legal, professional and other charges associated with this refinancing of approximately £0.5m in the first half ended 30 June 2014.

Chris Moat, Chief Executive Officer of the Group, said:

“The new facility supports the proposed acquisition of Simpson Millar and provides long term financing to underpin the Group’s strategy of diversification of its income streams, by both organic growth and acquisition.”

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Notes to editors:

Fairpoint Group plc is an AIM quoted consumer financial services business focused on serving financially stressed consumers. Our business is structured into the following primary business lines in order to serve the needs of this consumer group:

1. Individual Voluntary Arrangements (IVAs)
2. Debt Management Plans (DMPs)
3. Claims Management

www.fairpoint.co.uk

Simpson Millar LLP successfully represents the rights of individuals and their families via a network of 11 regional UK offices and through their long-standing association with membership organisations such as trade unions. Simpson Millar was the first ever UK law firm to obtain Lexcel Accreditation from the Law Society and, more recently, the first to obtain the Diversity in Business Accreditation.

www.simpsonmillar.co.uk