

11 August 2014



Fairpoint Group plc

Acquisition of Debt Line

Fairpoint Group Plc ("**Fairpoint**" or the "**Group**"), one of the UK's leading providers of consumer professional services including debt solutions and legal services, is pleased to announce the acquisition of Debt Line Topco Limited ("**Debt Line**"). Debt Line, based in Bournemouth, is a debt solutions provider specialising in the provision of debt management plans ("DMP's"), with in excess of 9,000 plans under its management.

This represents the third DMP acquisition completed by the Group this year as we have taken advantage of consolidation opportunities in line with strategy. Management expectations for the financial year remain unchanged.

The acquisition of Debt Line will be satisfied by cash consideration of £3.0 million, payable at completion on a cash free/debt free basis.

In the financial year ended 31 March 2014, Debt Line generated consolidated revenues of £5.1 million. Profit before tax, adjusted to eliminate non-recurring items and to reflect the Group's accounting practices, was £0.9 million, before charging vendor loan note interest of £1.4 million, and a loss before tax of £0.5 million after this charge. Debt Line reported consolidated gross assets of £6.4 million as at 31 March 2014.

The Group expects to incur exceptional transactional costs of £0.2 million and restructuring costs of up to £1.1 million associated with this acquisition in the second half of 2014.

Chris Moat, Chief Executive Officer, said:

"We are pleased to have completed the acquisition of Debt Line, which represents further progress in line with the Group's consolidation strategy in the debt solutions market. This acquisition now brings our cases under management to almost 29,000 and, as planned, represents substantial growth over our position at the start of this year (15,688 cases under management)."

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