

21 June 2012



**Fairpoint Group plc**

**Trading update**

Fairpoint Group plc ("Fairpoint or "the Group"), the leading provider of advice and solutions to financially stressed consumers, is pleased to issue the following update on trading.

The Board now expects that adjusted profit before tax for the year ending 31 December 2012 to be ahead of market expectations. The Group's claims management services for its IVA portfolio, which commenced in the second half of 2011, have continued to develop positively during the current year, resulting in strong growth in revenues and profits from those activities. The Board expects claims management activities to continue to contribute positively throughout the remainder of 2012 and into 2013. Market conditions in the Group's core activities remain subdued.

Cash generation within the business has continued to be strong, resulting in a reduction in Group net borrowings to £1.6m at 19 June 2012, compared to £6.4m at 31 December 2011. This excludes any cash arising from the application of the VAT reclaim recently received in IVA cases relating to the Paymex judgment.

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