

FAIRPOINT.

21 July 2010

Fairpoint Group plc

Trading Update

Fairpoint Group plc ("Fairpoint" or "the Group"), the leading provider of advice and solutions to financially stressed consumers, today releases a trading update ahead of its interim results announcement, which will be made on 15 September 2010.

Financial performance in line with expectations

Financial performance has been in line with expectations, with revenues and profits slightly ahead of the corresponding period in 2009. Case numbers have grown significantly over the period and are expected to enhance materially second half earnings. The directors continue to be confident that full year earnings expectations will be achieved and that the Group is well positioned for further growth into 2011.

Strong growth in customer numbers and a broader business

We continue to deliver:

- Growth in the IVA and debt management areas, with volumes remaining ahead of the prior year, whilst retaining a disciplined approach to marketing investment
- Volumes remain ahead of prior year and our debt management business has been significantly augmented by the acquisition and successful integration of third party case portfolios in the second quarter
- Fairpoint now has over 33,000 (31 December 2009: 26,342) customers in long term debt solutions, and the Group has built a strong proposition across the full range of debt solution products and services
- Our roll out of value added services has proven popular with customers, providing over 12,000 solutions in the first half of 2010 (Year to 31 December 2009: 4,706) and we have returned the financial services product line to profitability. Additional growth will be driven by the acquisition of Moneyextra, details of which are announced separately today

Continued cash generation to support investment in growth

Operating cash flow has improved further and allowed the Group to invest £1.2million to acquire debt management portfolios whilst reducing borrowings to £4.2million (FY2009: £4.5million).

The Group's focus for the second half of 2010 is to:

- Continue growth in its core services both organically and with further acquisition of debt management plan portfolios
- Extend rapidly its reach to a wider population of customers requiring money saving solutions, enhanced by the acquisition of Moneyextra

A growing market place

The market place for debt solutions over the first half of 2010 has been characterised by:

- Continued growth in demand for debt services, particularly IVAs, albeit at a slower pace than last year as a result of the somewhat more benign economic environment. This has enabled us as a market leader to take advantage of consolidation opportunities
- Growth in demand specifically from consumers with lower levels of debt than historically has been the case
- There has been an increase in competitive intensity as anticipated, particularly in the area of customer acquisition for new debt management plans. This has encouraged our strategy over the period of acquiring debt management plan portfolios

We anticipate further growth in the number of financially stressed consumers stimulated by public sector cut-backs and an expected increase in unemployment.

Chris Moat, CEO of Fairpoint, commented:

“We are pleased with the continued progress of the Group in line with our objectives of growing our core business and broadening our range of products and services whilst reducing our cost base and levels of borrowing. We look forward to the second half of 2010 and beyond with confidence.”

Preliminary results

There will be an analyst presentation to discuss the interim results at 9.30am on 15 September 2010 at Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB.

Those analysts wishing to attend are asked to contact Justine Cording at Financial Dynamics on +44 (0) 20 7269 7265 or at justine.cording@fd.com.

Enquiries:

Fairpoint Group plc

Chris Moat, Chief Executive Officer 0845 296 0100
Andy Heath, Finance Director 0845 296 0200

Shore Capital (Nomad and Joint Broker)

Pascal Keane 020 7408 4090

Oriel Securities (Joint Broker)

Tom Durie 020 7710 7600
Emma Griffin

Financial Dynamics

Nick Henderson 020 7269 7114
Laura Pope 020 7269 7243