April 28th 2016

LOWELL GFKL GROUP ANNOUNCES STRONG 2015 ANNUAL RESULTS AND THE ACQUISITION OF IS INKASSO SERVICE

Lowell GFKL Group, a European leader in credit receivables management businesses, today announces strong growth for the period ended 31 December 2015. The first annual results since the combination of Lowell and GFKL demonstrate the successful first phase integration of the two businesses with sustained growth, high returns and visible earnings. The Group also announces the acquisition of IS Inkasso Service, the Austrian market leader in third party collections.

Financial Highlights

- Strong year-on-year growth reported across key income and balance sheet metrics
- Group year-on-year Cash Income growth of 13% and Cash EBITDA growth of 18% to £212m, largely driven by higher Non Performing Loans (NPL) cash collections
- £250m invested in NPLs across multiple sectors; up 43% year-on-year
- Investment diversification continues with 295 NPL Portfolios acquired with a face value of £2.8bn
- FY16 acquisition profile supported by 37 Forward Flow agreements – up 28% year-on-year
- High Estimated Remaining Collection (ERC) accuracy with the Group achieving 100.2% of the collections forecast for the period.
- 120m ERC growth of 24% to £1.4bn

Operational Highlights

- Successful first phase integration of two of the leading players in the largest European credit markets
- James Cornell appointed sole Group CEO; Kamyar Niroumand appointed Chairman of the Supervisory Board of GFKL and Senior Advisor to the Group Board
- GFKL minority shareholder squeeze out successfully completed
- Lowell retained and improved its 'Exceptional' rating from Investor in Customers
- Lowell Solicitors Limited went live in H2-15 and is outperforming initial expectations

Commenting on the results, Colin Storrar, CFO, said:

"We are pleased to present such a strong set of financial results for 2015; the first annual results since the successful combination of two of Europe's leading credit receivables management businesses. The integration of Lowell Group and GFKL offers clients the most comprehensive debt management and data analytics service in Europe and, with the support of our partners Permira Funds and Ontario Teachers' Pension Plan, we look forward to driving the business forward together."

Acquisition of IS Inkasso Service

Lowell GFKL Group has entered into agreement to acquire IS Group Management GmbH, trading as IS Inkasso Service. Closing is expected at the end of May subject to anti-trust approvals. IS Inkasso Service is the Austrian market leader in third party collections (3PC) with a strong Swiss business.

It adds a third, highly attractive market position to the Lowell GFKL Group which is an important step towards becoming a pan-European leader in credit receivables management. It also extends the diversification of business mix in the Group's portfolio.

Context and Insights

The combination of Lowell and GFKL is progressing well with the successful completion of the first integration steps and the appointment of James Cornell as sole Group CEO. The appointment of Kamy Niroumand, CEO of GFKL for the last three and a half years, to the Supervisory Board of GFKL and as Senior Advisor to the Group Board ensures the continuity of key client relationships and access to his extensive experience and expertise.

With the visibility of forward flow agreements, together with the Group's diversified origination capabilities across different sectors and across the two largest consumer credit markets in Europe, the pipeline for future portfolio acquisitions is encouraging.

Compliance with the evolving regulatory environment and focus on treating customers fairly to achieve the right customer outcomes, continues to be at the forefront of this business.

The focus on creating value remains paramount and the Group is dedicated to building long-term strategic relationships with clients by delivering the best product and service mix across the end to end credit management cycle. It is a source of pride that the Group's long term commitment to building good relationships with customers has been recognised by the award, once again, of an 'Exceptional' rating from Investor in Customers, along with an improved performance on all measures.

The Group believes that sharing best practice is vital to customer experience and customer growth. The approach is to build a strong platform for Europe expansion whilst maintaining a disciplined approach to pricing and investment.

Outlook

Overall, the outlook for the Group remains positive and the Group is well placed to benefit from the structural drivers of growth in the UK, German and now Austrian consumer credit markets.

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The Lowell GFKL Group was created in October 2015 following the merger of German and UK market leaders GFKL and the Lowell Group. This union created one of the largest credit management companies in Europe. It benefits from the backing of global investment company Permira Funds and Ontario Teachers' Pension Plan (OTPP). The Group's experience, expertise and core strengths in data analytics and operational efficiency underpin its vision to be the most reputable and trusted partner in the European credit management sector. For more information on the Group, please visit our investor website: http://investors.garfunkelux.com. For information on the individual companies, please visit https://www.gfkl.com and http://www.lowellgroup.co.uk.

Non- IFRS financial measures

We have included certain non-IFRS financial measures in this annual report, including estimated remaining collections ("ERC") and Cash EBITDA.

We present ERC because it represents our expected gross cash proceeds of the purchased debt portfolios recorded on our balance sheet (the "Purchased Assets") over the 84-month, 120-month and 180-month periods. ERC is calculated as of a point in time assuming no additional purchases are made. ERC is a metric that is also often used by other companies in our industry. We present ERC because it represents our best estimate of the undiscounted cash value of our Purchased Assets at any point in time, which is an important supplemental measure for our board of directors and management to assess our performance, and underscores the cash generation capacity of the assets backing our business. In addition, the instruments governing our indebtedness use ERC to measure our compliance with certain covenants and, in certain circumstances, our ability to incur indebtedness. ERC is a projection, calculated by our proprietary analytical models, which utilize historical portfolio collection performance data and assumptions about future collection rates, and we cannot guarantee that we will achieve such collections. ERC, as computed by us, may not be comparable to similar metrics used by other companies in our industry.

We present Cash EBITDA because we believe it may enhance an investor's understanding of our profitability and cash flow generation that could be used to service or pay down debt, pay income taxes, purchase new debt portfolios and for other uses, and because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies generally. In addition to ERC, our board of directors and management also use Cash EBITDA to assess our performance. Cash EBITDA is not a measure calculated in accordance with IFRS and our use of the term Cash EBITDA may vary from others in our industry. For a reconciliation of Cash EBITDA to operating profit, see the "Reconciling the Statutory Accounts to this Presentation" section of this document.

ERC and Cash EBITDA and all the other non-IFRS measures presented have important limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under IFRS.