May 25th 2016

LOWELL GFKL GROUP ANNOUNCES CONTINUED STRONG TRADING DURING FIRST QUARTER 2016

Lowell GFKL Group, a European leader in credit receivables management, today announces continued strong performance during the first quarter ended 31 March 2016.

Financial Highlights

- Cash EBITDA growth of 13% year-on-year to £59m for the three months to March 2016
- NPL portfolio acquisitions up 79% year-on-year to £71m for the three months to March 2016
- In excess of £140m of portfolio acquisitions already closed and contractually committed for 2016
- Continued diversification of mix and sector evident with 34% of acquisitions through Forward Flow agreements and 61% of acquisitions across Financial Services
- 120 month Estimated Remaining Collections (ERC) up 32% to £1.45bn, and 7% higher than 2015 year end

Operational Highlights

- Integration of GFKL and Lowell continues to make strong progress
- Continuing to extend our value proposition to our clients by developing our one stop shop offering in all countries where we operate
- Maintaining our disciplined approach to pricing and investment
- Compliance with the regulatory environment and focus on treating customers fairly to achieve the right customer outcomes remain at the forefront of our business
- Acquisition of IS Group Management GmbH expected to close by the end of May subject to anti-trust approvals
- Performance of Lowell Solicitors continues to exceed initial expectations

Outlook

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 Austrian consumer credit markets.

Commenting on the results, Colin Storrar CFO said:

"We are delighted to present another strong set of results for this first quarter. The structural drivers for market growth exist across all of our markets. The integration of GFKL and Lowell continues to make good progress and with the acquisition of IS Inkasso Service in its final stages, the outlook for the future remains positive."

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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: investors.garfunkelux.com.

For information on the individual companies, please visit:

www.gfkl.com
www.lowellgroup.co.uk.

Non- IFRS financial measures

We have included certain non-IFRS financial measures in this trading update, 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 utilise 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 Q1 Interim Numbers to this Presentation" page within the Investor Presentation 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.