

# FAIRPOINT.

14 January 2009

## FAIRPOINT GROUP PLC

### TRADING UPDATE

Fairpoint Group plc ("Fairpoint" or "the Group"), the leading provider of advice and solutions to financially stressed consumers, today announces a trading update in relation to the twelve month period ended 31 December 2008.

#### Trading Performance

The financial performance of the business in the second half of 2008 was in line with management expectations and improvements have been delivered in each of the three key focus areas which were outlined in our interim results announcement on 9 September 2008.

- Good progress has been made on improving operating cash flow and the Group has seen a reduction in borrowings from £10.9million as at 30 June 2008 to £8.7million as at 31 December 2008, ahead of previous guidance. The business is now firmly cash generative and we expect to remain so in 2009;
- Operational performance improvements have shown strong positive momentum. The weakness from mortgage volumes, which we outlined in the interim results, has been offset by continued improvement in the IVA business through a combination of falling acquisition costs and rising IVA conversion rates;
- The Debt Management Plan roll out has delivered a material contribution to 2008 cash generation and profits. Volumes are below expectations because the deteriorating economic environment has made a greater proportion of people qualify for IVAs.

Chris Moat, CEO of Fairpoint, commented "I am pleased with the operational and financial progress made in the second half of 2008. We have a stable platform upon which to build and the Board looks forward to 2009 with confidence."

Fairpoint will be announcing its preliminary results on 17 March 2009. There will be an analyst presentation to discuss the preliminary results at 9.30am on 17 March 2009 at Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB. Those analysts wishing to attend are asked to contact Yasmeen Amorese at Financial Dynamics on +44 20 7269 7148 or at [yasmeen.amorese@fd.com](mailto:yasmeen.amorese@fd.com).

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