

FAIRPOINT.

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 six month period ended 30 June 2009.

Trading Performance

The financial performance of the Group in the first half of 2009 was in line with management expectations. Improvements delivered in the second half of 2008 have provided continued momentum through the first six months of 2009, leading to gains in operational efficiency and cash generation. Overall profitability is significantly improved on the same period in 2008 and bodes well for the seasonally stronger second half of the year. The Board is confident that full year results will be in line with market expectations.

- Continued operational improvements have resulted in historically high conversion rates from a lower cost base. We have continued to be selective in marketing channels used and this is generating strong year-on-year profit growth from lower spend and lower lead volumes.
- Operating cash flow has improved further and the Group expects to see a significant reduction in net borrowings from £8.6 million at 31 December 2008 to £6.5 million at 30 June 2009. The Board remains confident that the target of reducing net borrowings to below one year’s profit before tax adjusted for brand amortisation will be achieved in the second half of 2009.
- Revenue diversification remains a priority with the debt management business continuing to grow despite a high number of clients who previously may have opted for a Debt Management Plan (DMP) now able to access a higher yielding Individual Voluntary Arrangement (IVA).
- Creditor relationships are positive with IVA approval rates at Meeting of Creditors exceeding 95% and a greater acceptance of the benefits of IVAs in comparison to DMPs contributing to the improved IVA conversion rates.
- The Group is now focusing on growth and has put the first building block in place with the relaunch of ClearStart and the roll out of innovative new debt management structures to open up distribution options with creditors and debt agencies.

Chris Moat, CEO of Fairpoint, commented:

“The first half of 2009 has seen the Group build on the operational turnaround achieved in 2008 to deliver a materially improved result on the same period last year. The Board looks forward to the remainder of 2009 with confidence”.

Interim Results

Fairpoint will be announcing its interim results on 15 September 2009. There will be an analyst presentation to discuss the interim results at 09:30 on 15 September 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 +44 207 269 7418 or at yasmeen.amorese@fd.com

Enquiries:

Fairpoint Group Plc

0845 296 0137

Chris Moat, Chief Executive Officer
Andy Heath, Finance Director

084 5296 0100
084 5296 0200

Oriel Securities

Tom Durie
Emma Ormond

020 7710 7600

Financial Dynamics

Nick Henderson
David Cranmer

020 7269 7114
020 7269 7217