

EQUIDEBT LIMITED

News Release

17 December 2007

Equidebt secures £110m new funding for next phase of growth as consumer lending soars to £222 billion

Equidebt Holdings Limited ("Equidebt"), one of the leading UK specialists in the purchase and collection of receivable portfolios in the consumer finance sector and RJD Partners, the Company's major institutional shareholder, have secured a new funding line of £110m.

With consumer finance lending in the UK now totalling over £222 billion, the funding line strengthens the company's balance sheet enabling Equidebt to acquire an increased number of debt portfolios.

Equidebt and RJD Partners, the lead investor since acquiring its stake in September 2005, secured the funding made up of a new banking syndicate providing a revolving credit facility of £70m and an injection of £40m equity from a new private equity partner, Patron Capital Partners ("Patron").

Patron is making an initial investment of £10m, with an additional minimum of £30m of growth capital committed over the medium term.

Arrangers and Bookrunners on the transaction were Lloyds TSB Corporate Markets and KBC Bank N.V. The syndicate has shown significant support against the backdrop of the challenging conditions in the banking markets. The involvement of KBC as a new lender to Equidebt and the ability of the Arrangers to raise £70m demonstrate the strength of Equidebt's position in the debt buying and collection market.

Equidebt specialises in the purchase of debt portfolios from financial services companies, including major high street banks, at a percentage of their face value. Once the debt has been purchased, the company goes about recovering the debts in an ethical manner.

Increasingly, the banking sector has sought to sell off delinquent debts at an earlier stage. During 2006, £6 billion worth of debts were sold off (source: Credit Services Association), and a further £15 billion worth of consumer debts were pursued in the more traditional manner of commission-based debt collection, a service which Equidebt also offers.

Wes Mulligan, Chief Executive, Equidebt Limited says:

"Equidebt has consolidated its position over the last few years as one of the UK's leading debt purchase and debt collection agencies, specialising in the ethical recovery of financial sector consumer debt.

"We are excited by the prospects for further growth in the sector and welcome our new funders on board in order to help achieve our strategic goals. Equidebt's growth strategy is to provide a full service business model through the two principal divisions: debt purchase, debt collection and trace operations.

"We have an excellent reputation, strong management team and a highly trained and capable work force and the new funding lines will allow us to take the company to its next stage of growth.

"The £110m new funding is a massive boost for the business and will help cement credibility with our banking trading partners – the debt sellers - and so increase their level of comfort in selling larger volumes of debt to us. A key objective for us is to look at acquiring more portfolios than we do at present."

Shane Law, Chief Operating Officer, Patron Capital Limited (investment adviser to Patron Capital Partners) says:

"Patron is delighted to have the opportunity to invest alongside RJD Partners in a business with a strong management team, high quality service offering and reputation, and strong future growth potential in the secured and unsecured debt purchase market. This investment represents the continuation of Patron's successful investments in the financial institutions sector, including the £511m management buyout of igroup, which on exit won BVCA deal of the year in 2001."

Richard Smith, Birmingham based Relationship Director for Lloyds TSB Corporate Markets added:

"Equidebt has an enviable market position and clear plans to consolidate upon its history of continued, successful growth. The fact that we have acted as mandated lead arranger, book runner and facility agent clearly demonstrates our confidence in the company and we look forward to working with them in the future."

Nigel Barker, Regional Director UK Corporates, KBC Bank commented:

"KBC Bank is very pleased to fund Equidebt. It is a strong company that has built an excellent reputation in its sector. KBC is proud to be part of the team that supports Equidebt in its next stage of development."

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Notes to editors

Background information on Equidebt

Equidebt Holdings is one of the leading UK specialists in the purchase and collection of receivable portfolios in the consumer finance sector. The

Company is based in Wellesbourne, Warwickshire with a debt collection and investigations team in Surbiton, Surrey. In September 2005, there was an investment by the Company's current controlling shareholder RJD Partners.

Equidebt operates in a market which has seen significant growth (unsecured consumer lending has grown by 42% over the last five years) with total UK unsecured consumer lending reaching a record level of £211 billion in November 2006. As a consequence of rising levels of delinquency, lenders have written off larger amounts of debt and increased their bad debt provisions. This has led to lenders increasingly utilising the services of debt collection agents.

Mainstream consumer finance lenders, typically have in-house functions to manage accounts in arrears and early collections debt collection agencies. If these activities are unsuccessful or uneconomical to execute then either the debts are referred to a Debt Collection Agency, who are paid commission on monies recovered, or the debts are sold at a discount to the face value of the debt to a Debt Purchaser, which then owns the portfolio and retains the collections it makes.

Lenders have increasingly attempted to reduce bad debt provisions by seeking a more immediate impact on the balance sheet which can be achieved by debt sale. The Directors believe that new liquidity and accounting requirements resulting from Basel II and the ability to generate quicker financial returns, have led to lenders selling debt earlier in the collections cycle. Lenders continue to assess the optimum approach to their bad debt provisioning and debt collection policies. Certain lenders have withdrawn delinquent debt from DCAs and focused on a DP led strategy. The principal growth in recent years has been in debt sale and the Company has recognised this and positioned itself to take advantage of this development. Although, the DP approach is acknowledged as having distinct benefits to lenders over other strategies, most of the Company's clients are still committed to utilising a dual approach of DCA and DP.

Debt passed to DCAs for recovery has more than trebled in the last 6 years to £21 billion face value for 2006 of which £15 billion is commission earning debt and the balance of £6 billion is sold. (Source: Credit Services Association).

Equidebt's growth strategy is to provide a full service business model (i.e. both DP and DCA). Equidebt focuses on consumer finance debt in the UK, such as credit cards, current accounts and personal loans.

The Company has positioned itself with the intention of exploiting what the Directors regard as the Company's principal strengths, namely:

- well established market position

- defined and consistent ethical approach
- dual offering of debt purchase (DP) and debt collection agency (DCA)
- focus on consumer finance sector
- well trained and skilled resource and a focused and experienced management team
- predictable revenue stream
- strong relationships with leading lenders since 1992