Garfunkelux 2 Holdco S.A.

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FINANCIAL INFORMATION

The following English-language consolidated financial statements of GFKL Financial Services AG (now GFKL Financial Services GmbH – which arose through transformation in accordance with the resolution of the Shareholders' Meeting of February 16, 2016 as a result of the successful squeeze-out) are free translations of the respective German-language consolidated financial statements of GFKL Financial Services AG.

Lowell Finance Holdings Limited
Unaudited Consolidated Interim Financial Statements
Three months ended or as of June 30 2015

GFKL Financial Services AG
Unaudited Condensed Consolidated Interim Financial Statements
Three months ended or as of June 30 2015

1 Highlights

- 120 Month Estimated Remaining Collections ("ERC") at £972.3m as of June 30, 2015, up 34% since June 30, 2014.
- 84 Month ERC at £830.7m as of June 30, 2015, up 27% since June 30, 2014.
- Cash asset return (LTM Adjusted EBITDA / Average ERC) of 19.1%, for the 12 months to June 30, 2015.
- Portfolio investments acquired for the quarter up 65.3% to £60.0m compared to the quarter ended June 30, 2014.
- Collections of £57.8m in the quarter, up 13% compared to the quarter ended June 30, 2014.
- Adjusted EBITDA for the quarter up 12% to £36.3m compared to the quarter ended June 30, 2014.
- Customer account numbers since inception increased to 18.2m from 17.0m as at March 31, 2015 and 14.4m as at June 30, 2014. This is an increase of 27% since June 30, 2014.
- As at June 30, 2015, the aggregate face value of debt purchased since inception totalled £14.7bn, a 19% increase from the same period in 2014.
- Loan to value ratio (net debt/ERC) reduced from 57% at original bond issuance to 47% as of June 30, 2015, (June 30, 2014: 51%).
- Net debt to Adjusted EBITDA is at 2.8x cover at June 30, 2015 with fixed charge cover ratio at 3.3x cover at the same date.

1 Highlights (continued)

Colin Storrar, Chief Financial Officer of Lowell Group, commented:

"I'm delighted to announce another excellent set of results in a quarter where we've seen record quarterly portfolio acquisitions.

Outside of our ongoing acquisition success, our principle key metrics show further strong quarter on quarter growth, with collections increasing 13% to £58 million and Adjusted EBITDA increasing 12% to £36 million.

At the same time, our balance sheet continues to grow – our 84 month estimated remaining collections now stands at £831 million and 120 month at £972 million.

As a result of changing legislation which allows corporate entities to own a solicitors firm under the ABS rules, the Solicitors Regulation Authority (SRA) has granted us approval to establish our own in-house legal firm, Lowell Solicitors. We are one of the few businesses in our industry who have applied and received confirmation from the SRA to proceed. The company will begin to operate on completion of the change in ownership.

Finally the announcement that a company backed by the Permira funds has entered into an agreement to acquire Lowell Group from majority shareholder TDR Capital is great news for all parties. The merger of Lowell and GFKL, a company already owned by the Permira funds, will significantly broaden the scope and reach of our combined services and leverage the significant client, skill and process synergies between both businesses. GFKL is one of Germany's leading experts in outsourcing of receivables management services."

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Lowell Group ("Lowell") is a leading acquirer of non-performing portfolio investments in the United Kingdom, having acquired assets with a face value of £14.7bn. The three main sectors from which the business has primarily acquired portfolio investments are financial services, communications and home retail credit. Lowell typically acquires unsecured, low-balance portfolio investments consisting of a high number of accounts, and is able to acquire these at a substantial discount to their face value. The business aims to collect the balances owed on these portfolio investments through in-house, technology-driven call centre operations.

We seek to recover outstanding balances by offering customers realistic, affordable and sustainable long-term payment plans with the instalments tailor-made to their individual circumstances. The collection strategy is centred on the ability to assess a customer's ability to pay through data intelligence and analytics. The business places significant importance on the ethical and fair treatment of customers to protect our and the originators' reputations.

Due to the diversification of the portfolio investments on our statement of financial position across millions of accounts and our focus on establishing sustainable, long-term payment plans, we believe our acquired assets provide significant, predictable and cash generative asset backing. As of June 30, 2015 and based on our proprietary analytical models, which utilise historical portfolio collection performance data and assumptions about future cash collection rates, the gross cash proceeds which we expect to collect over the subsequent 84 months from our purchased assets (our "Estimated Remaining Collections" or "ERC") amount to £830.7m. ERC is only a projection and is based on historical and current data, trends and assumptions, and we cannot guarantee that we will achieve such collections.

2 Operating & financial review

The following table summarises key financial data and key performance indicators as of the dates and for the periods indicated.

(£ in millions, except for percentages and ratios or unless otherwise noted)	Three months ended or as of June 30 2014	Three months ended or as of June 30 2015	12 months ended or as of June 30 2015
Portfolio investments acquired	36.3	60.0	155.5
Number of owned accounts acquired (in millions)	0.5	1.3	3.8
Number of owned accounts (in millions)	14.4	18.2	18.2
Aggregate face value of debt (in £ billions)	12.4	14.7	14.7
Cash collections	51.2	57.8	220.5
Adjusted EBITDA	32.3	36.3	138.0
Adjusted EBITDA ratio	63.0%	62.7%	62.6%
84 month ERC	655.7	830.7	830.7
120 month ERC	726.2	972.3	972.3
Net debt	336.8	386.8	386.8
LTV ratio	51%	47%	47%

Estimated Remaining Collections (ERC)

The table below summarises the ERC over the 84-month outlook period, split by the financial year in which the portfolios were acquired. 47% of the 84 month ERC is likely to be recovered in the next 24 months, with 74% of these projected collections expected to be recovered in the next four years.

ERC on owned portfolios as of June 30, 2015 by year of purchase

£'000	0 – 12 Months	13 – 24 Months	25 – 36 Months	37 – 48 Months	49 – 60 Months	61 – 72 Months	73 – 84 Months	Total
Financial Year of purchase								
2005	0.7	0.6	0.5	0.4	0.5	0.3	0.3	3.3
2006	1.3	1.0	0.8	0.7	0.6	0.6	0.5	5.5
2007	2.7	2.3	1.7	1.4	1.2	1.0	0.9	11.2
2008	4.8	3.8	3.1	2.5	2.1	1.9	1.7	19.9
2009	8.4	6.8	5.4	4.4	3.7	3.2	2.9	34.8
2010	9.1	7.1	5.6	4.3	3.6	3.2	2.8	35.7
2011	13.6	10.6	8.3	6.5	5.4	4.6	4.0	53.0
2012	23.3	18.2	14.4	11.5	9.6	8.5	7.6	93.1
2013	38.2	29.1	22.7	17.8	14.8	13.0	11.4	147.0
2014	61.2	45.0	35.2	27.9	23.0	19.9	17.4	229.6
2015	57.3	41.3	31.0	23.4	18.2	14.6	11.8	197.6
Total	220.6	165.8	128.7	100.8	82.7	70.8	61.3	830.7
Cumulative Percentage	26.6%	46.5%	62.0%	74.1%	84.1%	92.6%	100.0%	

2 Operating & financial review (continued)

Collections

Strong quarterly collections of £57.8m were achieved by the business in the three months ending June 30, 2015, an increase of 13% on the corresponding three months to June 30, 2014.

Operating Profit

Operating expenses including exceptional costs (excluding depreciation and amortisation) were £23.9m for the three months ended June 30, 2015, £1.6m higher than the three months ended June 30, 2014. Collection costs continue to be in line with management expectations and reflect the mix, phasing and volume of portfolio purchases during the period and the back book of the business.

Finance Cost

Finance costs were £10.0m for the three months ended June 30, 2015. These were £0.2m higher than the three months ended June 30, 2014. The higher costs arose due to the fees incurred in increasing the Revolving Credit Facility to £215m on June 9, 2015.

Taxation

A tax charge arose in the quarter further utilising the deferred tax asset brought forward from Q2. No corporation tax will be payable until all the losses created from the conversion of accounting standards from UK GAAP to IFRS have been utilised. These losses were created due to revenue and subsequently taxable profits significantly reducing with revenue now recognised under the EIR method.

The Group anticipated that almost all of the losses would have been utilised by June 30, 2015 therefore made payments on account to HMRC totalling £0.9m. However, between the end of the reporting period and the date of this report (August 26, 2015) the corporation tax returns for the year ended 2014 were finalised. Tax-deductible expenses and capital allowances were greater than originally thought and so the Group does not expect to make any more corporation tax payments for the current financial year. The returns are expected to be filed by the end of the August 2015.

2 Operating & financial review (continued)

Cash flow

Net cash outflow from operating activities decreased to £11.8m during the quarter to June 30, 2015 when compared to the corresponding period in 2014. This is primarily due to increased pre-tax profits in the current quarter.

While returns achieved on an individual portfolio can vary, the company has a track record of generating strong and consistent unlevered returns on its aggregate purchased portfolios. Gross cash-on-cash multiple as at June 30, 2015 is shown below:

	As of June 30, 2015	
Segment	Invested (£ millions)	Gross cash-on-cash multiple(i)
Total	873.0	2.43x

(i) Gross Cash-On-Cash Multiple presented in this quarterly report only includes actuals to date and forecast collections for the next 120 months, although collections can extend past that period.

3 Recent developments & outlook

Recent developments

On Friday 7 August Lowell, Permira and TDR Capital announced that a company backed by Permira funds had entered into an agreement to acquire Metis Bidco Limited (the Lowell Group holding company) from its majority shareholder, funds advised by TDR Capital.

Completion of the transaction is subject to customary regulatory clearances and other approvals and consents.

The Group recently received approval for its Alternative Business Structure (ABS) application from the SRA and trading will commence following the completion of the above transaction.

Outlook

The company continues to focus on the segments of the market where it believes it has the greatest operational advantages, and to seek to develop long-term strategic relationships with our clients.

Lowell Finance Holdings Limited

Consolidated interim statement of comprehensive income
3 months ended 30th June 2015

	Note	3 months to 30th June 2015 £000	3 months to 30th June 2014 £000
Continuing operations			
Revenue			
Income from portfolio investments	*1, 3*	31,718	27,507
Portfolio write up	*1, 3*	10,503	6,331
Portfolio fair value release	*1, 3*	(936)	(1,221)
		41,285	32,617
Other revenue	*1*	2,391	2,950
Total revenue		**43,676**	**35,567**
Operating expenses			
Collection activity costs	*1*	(10,312)	(9,508)
Other expenses		(14,523)	(13,844)
Total operating expenses		**(24,835)**	**(23,352)**
Operating profit		**18,841**	**12,215**
Interest income		6	48
Finance costs	*2*	(10,032)	(9,888)
Profit before tax		**8,815**	**2,375**
Tax (expense) / credit		(1,582)	993
Profit for the period attributable to equity shareholders		**7,233**	**3,368**
Other comprehensive income		-	-
Total comprehensive income for the period attributable to equity shareholders		**7,233**	**3,368**

The notes on pages 10 to 15 form part of the interim financial statements.

Lowell Finance Holdings Limited

Consolidated interim statement of financial position
As at 30th June 2015

	Note	30th June 2015 £000	30th June 2014 £000
Fixed assets			
Non-current assets			
Goodwill		177,247	177,247
Intangible assets		4,577	6,343
Property, plant and equipment		3,928	4,260
Portfolio investments	*3*	236,372	206,342
Deferred tax asset		(1,110)	4,311
Total non-current assets		**421,014**	**398,503**
Current assets			
Portfolio investments	*3*	182,640	137,924
Trade and other receivables	*4*	39,685	32,821
Cash and cash equivalents		11,222	53,179
Total current assets		**233,547**	**223,924**
Total assets		**654,561**	**622,427**
Equity			
Share capital		182,913	182,913
Retained earnings		33,999	17,059
Total equity attributable to shareholders		**216,912**	**199,972**
Liabilities			
Non-current liabilities			
Borrowings	*6*	403,918	395,786
Current liabilities			
Trade and other payables	*5*	33,731	26,669
Total equity and liabilities		**654,561**	**622,427**

The notes on pages 10 to 15 form part of the interim financial statements.

Lowell Finance Holdings Limited

Consolidated interim statement of cash flows
3 months ended 30th June 2015

	3 months to 30th June 2015 £000	3 months to 30th June 2014 £000
Net cash used in operating activities	**(11,818)**	**(19,732)**
Investing activities		
Interest received	6	48
Purchases of tangible and intangible assets	(811)	(1,258)
Net cash used in investing activities	**(805)**	**(1,210)**
Financing activities		
New borrowings	-	-
Drawdown / (repayment) of borrowings	8,000	(15,000)
Net cash from financing activities	**8,000**	**(15,000)**
Net decrease in cash and cash equivalents	(4,623)	(35,942)
Cash and cash equivalents at beginning of period	15,845	89,121
Cash and cash equivalents at end of period	**11,222**	**53,179**

Net cash from operating activities

	3 months to 30th June 2015 £000	3 months to 30th June 2014 £000
Profit for the period	7,233	3,368
Adjustments for:		
Depreciation	219	218
Amortisation	669	812
Loss on disposal of fixed assets	77	-
Interest received	(6)	(48)
Tax (credit)/expense	1,582	(993)
Interest expense	10,032	9,888
	19,806	13,245
Changes in:		
Increase in trade and other receivables	(1,805)	(4,602)
Increase in portfolio investments	(43,406)	(17,764)
Increase in trade and other payables	18,556	(8,854)
Cash generated from operating activities	**(6,849)**	**(17,975)**
Interest and fees paid	(4,412)	(851)
Income taxes paid	(557)	(906)
Net cash from operating activities	**(11,818)**	**(19,732)**

Lowell Finance Holdings Limited

Notes to the interim financial statements
3 months ended 30th June 2015

1. Accounting policies

General information and basis of accounting

These interim financial statements are prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU). Those standards have been applied consistently to the historical periods.

Basis of consolidation

The Group interim financial statements consolidate the interim financial statements of Lowell Finance Holdings Limited ("the Company") and all its subsidiary undertakings (together "the Group") drawn up to 30 June 2015. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

There are long-term business plans and short-term forecasts in place, which are reviewed and updated on an ongoing regular basis by management. The Group is in a net assets position.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they adopt the going concern basis of accounting in preparing these interim financial statements.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the statement of comprehensive income ("SCI") as incurred.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually.

Lowell Finance Holdings Limited

Notes to the interim financial statements
3 months ended 30th June 2015

1. Accounting policies (continued)

Revenue recognition and effective interest rate method

Finance revenue on portfolio investments

Income from portfolio investments represents the yield from portfolio investments, net of VAT, all of which arose in the UK. Portfolio investments are financial instruments that are accounted for using IAS 39, and are measured at amortised cost using the effective interest method.

The effective interest rate ("EIR") is the rate that exactly discounts 84 months of estimated future cash receipts through the expected life of the portfolio investment. The EIR is determined at the acquisition of the portfolio investment, and then reassessed up to 12 months after the acquisition to reflect refinements made to estimates of future cash flows based on actual data collected during that time period.

Portfolio investments are acquired at a deep discount and as a result, the estimated future cashflows reflect the likely credit losses within each portfolio.

Upward adjustments to carrying values as a result of reassessments to forecasted cashflows are recognised in the portfolio write up line item within revenue, with subsequent reversals also recorded in this line. If these reversals exceed cumulative revenue recognised to date, a provision for impairment is recognised as a separate SCI line item.

When an individual portfolio's carrying value is completely recovered, the Group recognises collections as revenue as they are received.

As part of the acquisition accounting around the purchase of Lowell Group Limited by Metis Bidco Limited on 15 September 2011 and subsequent acquisition of Lowell Group Limited by Lowell Finance Holdings Limited on 19 March 2012, the portfolios were uplifted to their fair value at the date of acquisition. The portfolio fair value release represents the unwinding of this fair value uplift. This uplift is being unwound in line with the profile of gross ERC over an 84-month period.

Other revenue

Other revenue represents commission on collections for third parties, recognised in line with the services provided.

Impairment of portfolio investments

Portfolio investments are reviewed for indications of impairment at the Statement of Financial Position ("SFP") date in accordance with IAS 39. Where portfolios exhibit objective evidence of impairment, an adjustment is recorded to the carrying value of the portfolio. If the forecast portfolio collections exceed initial estimates, a portfolio basis adjustment is recorded as an increase to the carrying value of the portfolio and is included in revenue. If the forecast portfolio collections are lower than previous forecasts the revenue from previous upward revaluations are reversed and this reversal is recognised in revenue, up to the point that the reversals equal the previously recognised cumulative revenue. If these reversals exceed the previously recognised cumulative revenue then a provision for impairment is recognised as a separate SCI line item.

Lowell Finance Holdings Limited

Notes to the interim financial statements
3 months ended 30th June 2015

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's SFP when the Group becomes a party to the contractual provisions of the instrument.

Loans and receivables

Portfolio investments are acquired from institutions at a substantial discount from their face value. The portfolios are initially recorded at their fair value, being their acquisition price, and are subsequently measured at amortised cost using the effective interest method.

The portfolio investment is analysed between current and non-current in the SFP. The current asset is determined using the expected cash flows arising in the next twelve months after the SFP date. The residual amount is classified as non-current.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Trade and other receivables'. Trade and other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables (including Trade receivables) when the recognition of interest would be immaterial.

The Group has forward flow agreements in place in relation to the future acquisition of portfolio investments. The fair value and subsequent amortised cost of portfolios acquired under these agreements are determined on the same basis as the Group's other portfolio investments.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss (FVTPL), are assessed for indicators of impairment at each period end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For impairment of loans and receivables please see section under impairment of portfolio investments.

Financial liabilities

All financial liabilities held by the Group are measured at amortised cost using the effective interest method, except for those measured at fair value through profit or loss, e.g. derivative liabilities. As at 30 June 2015 and 2014 the Group had no outstanding derivatives. All contracts mature or were closed out as at 30 March 2012. No other contracts have been entered into since this date.

Litigation costs

Litigation costs represent upfront fees paid during the litigation process. The fees are legally recoverable from the customer and are added to the customer account balance to be recovered at a later date. Litigation costs are deferred to the SFP on initial recognition and released to the SCI in line with the forecast collections profile over seven years.

Lowell Finance Holdings Limited

Notes to the interim financial statements
3 months ended 30th June 2015

1. Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the SCI because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Collection activity costs

Collection activity costs represents the direct third party costs incurred in providing services as a debt collection agency or collecting debts on acquired portfolio investments; examples include printing and postage, third party commissions, search and trace costs, litigation, telephone and SMS text costs. They are recognised as the costs are incurred (accruals basis).

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Group will be required to settle that obligation and if a reliable estimate of the amount of the obligation can be made.

Lowell Finance Holdings Limited

Notes to the interim financial statements
3 months ended 30th June 2015

2. Finance costs

	3 months to 30th June 2015 £000	3 months to 30th June 2014 £000
Bond interest & fees	9,302	9,335
RCF interest & fees	730	553
	10,032	9,888

3. Portfolio investments

	30th June 2015 £000	30th June 2014 £000
As at the period brought forward	375,608	326,502
Portfolios acquired during the period	59,964	36,297
Collections in the period	(57,845)	(51,150)
Income from portfolio investments	31,718	27,507
Portfolio fair value release	(936)	(1,221)
Portfolio write-up	10,503	6,331
	419,012	344,266

4. Trade and other receivables

	30th June 2015 £000	30th June 2014 £000
Trade receivables	1,905	2,008
Litigation deferred costs	16,400	11,824
Other receivables	7,899	11,335
Prepayments and accrued income	10,717	7,176
Amounts owed by immediate parent	-	478
Corporation tax repayable	2,764	-
	39,685	32,821

Lowell Finance Holdings Limited

Notes to the interim financial statements
3 months ended 30th June 2015

5. Trade and other payables

	30th June 2015 £000	30th June 2014 £000
Trade payables	4,882	3,187
Other payables	3,499	4,432
Other payables – acquired portfolio investments	20,475	4,399
Other payables – contingent consideration	-	5,200
Accruals and deferred income	3,739	3,440
Other taxes and social security	1,112	1,169
Corporation tax payable	-	63
Amounts owing to company's immediate parent	24	-
Amounts owing to company's immediate parent for group relief	-	4,779
	33,731	26,669

6. Borrowings

	30th June 2015 £000	30th June 2014 £000
Bond principal	390,000	390,000
Bond interest	9,080	9,474
Bond premium	4,357	5,519
Prepaid bond costs	(7,519)	(9,207)
Revolving credit facility	8,000	-
	403,918	395,786

Reconciliations

Operating Profit to Adjusted EBITDA

(£ in millions)	3 months to 30th June 2015 £000	3 months to 30th June 2014 £000
Profit for the period attributable to equity shareholders	7.2	3.4
Net finance costs	10.0	9.8
Taxation charge / (credit)	1.6	(1.0)
Operating profit	**18.8**	**12.2**
Portfolio amortisation	26.2	23.8
Portfolio write up	(10.5)	(6.3)
Portfolio fair value adjustment	0.9	1.2
Non recurring costs	-	0.4
Depreciation and amortisation	0.9	1.0
Adjusted EBITDA	**36.3**	**32.3**

Decrease in Cash in the Period to Cash-flow before Debt Service and Adjusted EBITDA

(£ in millions)	3 months to 30th June 2015 £000	3 months to 30th June 2014 £000
Decrease in cash in the period	(4.6)	(35.9)
Movement in debt	(8.0)	15.0
Portfolio purchases	41.5	47.3
Debt servicing	4.4	0.9
Tax servicing	0.6	0.9
Cash flow before debt and tax servicing	**33.9**	**28.2**
Capital expenditure	0.8	1.3
Working capital	1.6	2.8
Adjusted EBITDA	**36.3**	**32.3**

Cash Collections to Adjusted EBITDA

(£ in millions)	3 months to 30th June 2015 £000	3 months to 30th June 2014 £000
Cash collections	57.8	51.2
Other income	2.4	3.0
Operating expenses	(24.8)	(23.3)
Non recurring costs	-	0.4
Depreciation and amortisation	0.9	1.0
Adjusted EBITDA	**36.3**	**32.3**

1) Highlights

Strong performance:

- Impressive growth in portfolio acquisitions from diversified origination sources: +326% y-o-y to €26,4 million
- Strong net revenue[1] growth to €253,2 million over LTM (+16% y-o-y) and €63,6 million for Q2 2015 (+8% q-o-q), with an increased debt purchase contribution
- 8 new key accounts wins in 3PC division (secured 24 new key clients accounts year to date)
- Continued focus on diversified business with 3PC and DP representing 56% and 44% of Q2 2015 net revenue, respectively
- Sustained cash generation with €75,9 million Adjusted EBITDA over LTM (+10% year on year) and €19,4 million Adjusted EBITDA for Q2 2015 (+20% q-o-q) and visibility backed by €408,9 million ERC for 120 months (up from €382,0 million as of December 31, 2014)

Acquisition by Permira:

- On 17 May 2015, Permira entered into an agreement to acquire GFKL from Advent International
- Acquisition ultimately financed via the issuance of €365 million senior secured notes completed on 20 July 2015
- New shareholder fully supportive of GFKL's strategy as a leading non captive receivables management company in Germany

Lowell and GFKL:

- On 7 August Lowell, Permira and TDR Capital announced that a company backed by Permira funds had entered into an agreement to acquire Metis Bidco (the Lowell Group holding company) from its majority shareholder, funds advised by TDR Capital
- As part of this transaction, Lowell will merge with GFKL combining two premium large-scale operators in the two largest European credit markets
- Complementary operational strengths with product, client and sector diversification
- Significant opportunity for growth in European markets with a multi-national operating model which mirrors that of the larger credit providers
- Complementary competencies in debt purchase and outsourced credit services

[1] Net revenue includes debt purchase and 3PC only, other revenue is excluded

GFKL Forderungsmanagement

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The GFKL Group is the largest non-captive receivables management company in Germany specialising in debt collection, debt purchasing and services for unsecured consumer debt. GFKL manages €15,8 billion of overdue and defaulted receivables and is one of the most successful receivable management businesses in Germany in carving out debt collection platforms from clients.

The business is diversified with 56% of revenues from third party collections and services and 44% from debt purchasing activities for Q2 2015, with leading positions across sectors like banking, insurance and retail. The business is built upon strong relationships with a diversified client base including several large companies and long standing client relationships dating back up to 10 years providing repeat business for both debt collection and debt purchase segments.

The GFKL Group is the only service provider in Germany with the best possible "Strong" servicer rating by Standard & Poor's[2] and has demonstrated its ability to implement strategic and operational projects to drive change, build differentiated capabilities and improve competitiveness based on well-invested and state-of-the-art operating IT-platforms.

GFKL Group has shown a strong financial track record and a high cash generating capability with an ERC of €346,1 million over 84 months and €471,9 million over 180 months, each as of June 30, 2015. The sustainability of strong future cash flows is assured by an outstanding renewal performance of current contracts being renewed, due to the high satisfaction with GFKL services.

[2] Standard & Poor's Servicer Evaluations provide investors with an independent, objective view of a company's ability to service loan and asset portfolios. Servicer Evaluations are developed by a team of Standard & Poor's analysts who have experience in evaluating operating risk. Ratings provided for operating companies PCS and SIR.

2) Operating & financial review

Core financial figures

The following table summarizes the most important key financial figures for the GFKL Group:

(€ in millions, except for percentage figures and ratios)	Q2 2015	Q2 2014	Last 12 months 2014/2015
Portfolio investments acquired	26,4	6,2	52,0*
Number of owned accounts (in millions)	2,3	1,9	1,9**
Number of serviced accounts (in millions)	1,4	1,3	1,5**
Gross collections (3PC & DP)	78,9	80,7	332,5*
Adjusted EBITDA	19,4	16,2	75,9*
84 month ERC	346,1	*n.a.****	319,0**
120 month ERC	408,9	*n.a.****	382,0**
180 month ERC	471,9	*n.a.****	452,0**

* June 30st 2015

** December 31st 2014

*** ERC figures are currently not available for this reporting date. Definition due to the current development of newly defined ERC figures

Estimated Remaining Collections (ERC)

The table below summarizes the ERC over the 84-month outlook period, split by the vintage year in which the portfolios were acquired. 45.0% of the 84 month ERC is likely to be recovered in the next 24 months. 72.6% of the 84 month ERC is likely to be recovered in the next 48 months.

ERC on owned portfolios as of June 30, 2015 by year of purchase

€ in millions	0-12 Months	13-24 Months	25-36 Months	37-48 Months	49-60 Months	61-72 Months	73-84 Months	0-84 Months
Year of purchase (vintage year)								
2003	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8
2004	1.2	1.0	0.8	0.7	0.6	0.6	0.5	5.5
2005	0.4	0.4	0.3	0.3	0.3	0.2	0.2	2.1
2006	2.2	1.8	1.6	1.3	1.1	1.0	0.9	10.0
2007	12.5	10.9	9.6	8.5	7.6	6.8	6.1	61.8
2008	0.7	0.5	0.3	0.2	0.1	0.1	0.1	2.0
2009	17.6	15.3	13.3	11.7	10.3	9.1	8.1	85.3
2010	3.8	3.2	2.9	2.7	2.5	2.3	2.2	19.5
2011	1.8	1.4	1.0	0.9	0.7	0.6	0.5	6.8
2012	5.2	3.8	2.9	2.1	1.5	1.1	0.9	17.4
2013	8.2	5.9	4.3	3.3	2.5	2.0	1.6	27.7
2014	19.7	12.3	9.2	7.0	5.5	4.1	3.1	60.9
2015	16.9	8.7	5.9	4.5	3.7	3.4	3.1	46.2
Total	**90.4**	**65.3**	**52.2**	**43.2**	**36.5**	**31.3**	**27.2**	**346.1**
Total in percentage*	**26.1%**	**45.0%**	**60.1%**	**72.6%**	**83.1%**	**92.2%**	**100.0%**	

* in cumulative percentage as of 84 months ERC

€ in millions	0-84 Months	85-120 Months	121-180 Months	0-180 Months
Year of purchase (vintage year)				
2003	0.8	0.3	0.4	1.5
2004	5.5	1.2	1.3	8.0
2005	2.1	0.5	0.6	3.3
2006	10.0	2.1	2.4	14.5
2007	61.8	15.0	17.5	94.4
2008	2.0	0.1	0.1	2.2
2009	85.3	19.3	21.2	125.8
2010	19.5	5.9	8.1	33.6
2011	6.8	1.0	0.9	8.7
2012	17.4	1.5	1.0	20.0
2013	27.7	3.1	2.4	33.1
2014	60.9	5.1	1.7	67.8
2015	46.2	7.5	5.4	59.0
Total	**346.1**	**62.7**	**63.1**	**471.9**
Total in percentage*	**73.3%**	**13.3%**	**13.4%**	**100.0%**

* in cumulative percentage as of 180 months ERC

Consolidated interim statement of comprehensive income
Q2 2015

	Q2 2015 €000	Q2 2014 €000
Revenue	**64.291,2**	**58.868,9**
t/o Investment	*27.922,0*	*22.148,4*
t/o Service	*35.711,4*	*36.731,7*
Other operating income	1.387,6	681,6
Personnel expenses	-11.587,9	-11.147,8
Other operating expenses	-41.096,5	-38.514,6
Cost of goods purchased and purchased services	-238,0	0,0
EBITDA (normalised)	**12.756,4**	**9.888,1**
Depreciation, amortization and impairment expenses	-681,3	-605,0
EBIT (normalised)	**12.075,1**	**9.283,1**
Memo: EBIT w/o normalizations	**11.321,2**	**7.938,2**
Interest income and similar income	177,9	0,3
Interest expenses and similar expenses	-2.126,9	-3.184,4
EBT (normalised)	**10.126,1**	**6.099,1**
Income Taxes	-2.291,8	-1.261,9
EAT Discontinued Operations	0,0	-1.236,2
Net profit/loss before minority interest (normalised)	**7.834,3**	**3.601,0**
Normalized One Offs Total (Sum)	-2.970,1	-2.085,4
Net profit/loss before minority interest	**4.864,2**	**1.515,5**
Profit/Loss attributable to non controlling interest	-11,6	0,9
Net profit/loss after minority interest	**4.852,6**	**1.516,4**

GFKL Group

Consolidated interim statement of cash flows
Q2 2015

	Q2 2015 €000	Q2 2014 €000
Cash and cash equivalents BoP	**45.540,4**	**77.437,8**
Earmarked funds BoP	31.716,2	22.617,5
Free Cash BoP	**13.824,2**	**54.820,3**
Cash flow from operating activities	**30.540,3**	**10.934,1**
Consolidated profit or loss for the period	4.864,2	1.515,5
Change in non cash effecting items	2.682,4	597,8
Change in NPL	6.675,3	6.297,2
Change in other assets and liabilities*	16.318,4	2.523,6
Cash flow from investing activities	**-26.850,9**	**-9.057,3**
Cash paid for investments in NPL portfolios (net)	-25.771,9	-5.716,6
Other CF from investing activities**	-1.079,0	-3.340,7
Cash flow from financing activities	**3.084,5**	**-5.180,9**
Incoming capital payments from debt instruments	6.500,0	0,0
Payments (net) from structured NPL funding	-3.415,5	-5.180,9
Free Cash EoP	**20.598,1**	**51.516,2**
Earmarked funds EoP	19.120,7	22.417,6
Cash and cash equivalents EoP	**39.718,8**	**73.933,8**

*Change in other assets and liabilities include: Trade and other receivables, Trade payables and other liabilities and Other net assets

**Other CF from investing activities include: Changes in fixed assets; Cash recvd. for sale and reimbursm. of NPL portfolios; Cash recvd. from the disposal of assets; Acquis. of companies and shares net of cash acquired

a) Collections

Increase in collections from portfolio investments of 22% as at June 30, 2015 compared to Q2 2014 is mainly driven by a purchase of serviced portfolios (in telecommunication sector). The slight decrease in overall collections quarter on quarter is due to a single non-recurring secured portfolio collection in Q2 2014. Normalizing this effect shows overall increased collections year on year.

b) Operating Profit

The significant increase in DP collections resulted in a disproportionate increase in EBITDA supporting the theme of predictable cash flows, which drive real bottom line profitability. Direct Costs are above prior year due to investments in additional measures for generating future collections.

c) Finance Cost

Effective as of June 30, 2015, the parent company Carl Holding GmbH of GFKL Financial Services AG, which was previously held indirectly by Advent International Corporation, Boston, USA, was sold to Permira Holding Limited, Guernsey. Permira now indirectly holds 94,48% of the shares in the company.

Upon the change in ownership, GFKL Financial Services AG raised a loan from the company's new majority shareholder (Garfunkel Holding GmbH) in the same amount in order to repay the syndicated credit facility with Commerzbank, NIBC Deutschland, Frankfurt und ING Branch, Frankfurt, acting as syndicate leader for NIBC Deutschland, Frankfurt am Main, as security trustee. The loan granted by the shareholder amounted to EUR 93,3 million as of June 30, 2015.

d) Cash flow

There was a significant increase of operating cash flow which was primarily the result of a change in other assets and liabilities especially through reduction of liabilities from retained amounts and reclassification into obligation transfer payments following the purchase of service portfolios (telecommunication sector).

Cash flow from investing activities as at June 30, 2015 was higher than prior year mainly due to investments in the telecommunication and banking sector.

The drawing of the revolving credit facility in May and June totaling 6,5m€ was one of the main reason for the change in cash flow from financing activities to prior year.

GFKL Group

Consolidated interim statement of financial position
6 months ended 31st June 2015

	As at 30st June 2015 €000	As at 30st June 2014 €000
Assets	**230,719.7**	**260,206.2**
Property, plant and equipment	3,513.2	3,646.2
Intangible assets	19,329.7	18,636.5
Goodw ill	21,585.4	23,994.8
NPLs and receiv. acquired for settlement	122,106.0	100,967.9
Derivatives w ith positive fair values	0.0	0.0
Remaining other financial assets	6,943.8	14,421.9
Deferred tax assets	0.0	0.0
Inventories	17.6	15.0
Trade and other receivables	11,178.2	11,931.1
Income tax refund claims	4,544.1	4,312.5
Prepayments	2,846.9	2,715.1
Other security deposit	37.8	38.6
Receivables from bill discounting	16.2	16.2
Allow ance for other financial assets	-2,546.8	-2,893.2
Creditors w ith debit balance	1,428.9	1,411.6
Assets classified as held for sale	0.0	7,078.9
Cash and cash equivalents	39,718.8	73,913.1
Equity and Liabilities	**230,719.7**	**260,206.2**
Equity	**19,141.2**	**167.4**
Liabilities	**211,578.5**	**260,038.8**
Liabilities to banks	43.9	111,119.6
Derivatives w ith negative fair values	1,420.4	2,155.4
Liab. to GFKL-groupext. affiliated comp.	114,434.1	20,460.3
Liabilities from NPL financing	4,244.6	23,325.0
Other financial Liabilities	9,516.6	11,100.1
Provisions	39,323.6	46,460.0
Tax liabilities	15,586.4	7,753.2
Advanced Payments	2,712.6	2,748.7
Trade payables and other payables	5,191.0	7,402.6
Obligation transfer payments portfolio admin.	6,025.5	12,519.4
Receipts of payment debtors	3,136.1	3,879.3
Outstanding invoices	1,988.9	1,736.3
Liab. and interest from potential treasury shares	7,401.6	7,202.4
Restructuring costs	553.4	948.9
Liabilities classified as held for sale	0.0	1,227.5

3) Recent developments & outlook

a) Recent developments

GFKL Group achieved a positive performance in net revenue of 8% in Q2 2015 largely due to securing key new 3PC contracts and additional portfolio purchases.

GFKL Group continues its strong positive performance by achieving an Adjusted EBITDA of €75,9 million over LTM (+10% year on year) and €19,4 million Adjusted EBITDA for Q2 2015 (+20% q-o-q).

The growth in Adjusted EBITDA was mainly driven by increased purchases in highly realizable non-performing loans that were in line with the company strategy of the GFKL Group.

b) Outlook

We believe GFKL Group has a strong pipeline of opportunities in the German market and is expected to continue to leverage its competitive advantages.

GFKL will continue to focus on its business model with 3PC and DP representing 56% and 44% of Q2 2015 revenue, respectively.

Further debt purchasing in the future will be backed by cash inflows from the €408,9 million ERC for 120 months (up from €382,0 million as of December 31, 2014).

Bringing together Lowell and GFKL as leading credit management businesses in Europe's two largest markets has the potential to create a leading premier Pan-European credit management business with significant opportunities for growth.