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LOWELL GFKL GROUP ANNOUNCES IMPRESSIVE TRADING PERFORMANCE DURING SECOND QUARTER 2016

Lowell GFKL Group, a European leader in credit receivables management, today announces impressive results for its second quarter ended 30 June 2016.

Financial Highlights

- Q2 cash EBITDA* increased by 19% year on year to £60m
- NPL portfolio acquisitions up 27% to £247m in the last 12 months – well diversified across originating verticals
- 120 month gross Estimated Remaining Collections (ERC) at a record £1.5bn, up 20% from June 2015 and up 11% since Q4 2015
- In excess of £175m of portfolio acquisitions already closed and contractually committed for 2016
- Long-term forward flow agreements signed in H1 give visibility of in excess of £320m spend out to FY-21
- Pricing and collections performance in line with underwriting and model assumptions

*Cash EBITDA as quoted is defined as Garfunkelux Holdco 2 S.A.'s operating profit excluding exceptional items, depreciation and amortization, and adjusted for acquired debt portfolio write ups and amortization amounts as reflected in the unaudited consolidated statement of financial position for Garfunkelux Holdco 2 S.A.

Operational Highlights

- Acquisition of IS Inkasso Service successfully completed in May
- Integration of Lowell, GFKL and IS Inkasso Service continues to make good progress
- Focus on value creation remains paramount:
    - Sharing best practice to increase competitiveness
    - Building a strong platform for future Pan-European expansion
    - Maintaining a disciplined approach to pricing and investment
- Extension of our value proposition to clients continues through the development of our one stop shop offering
- Compliance with the regulatory environment and the customer experience remain at the forefront of all activities

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:

"I am delighted to announce impressive results for the Group this quarter. Cash EBITDA performance in the quarter is particularly pleasing, as is the step change in medium-term, forward flow acquisition visibility. The combination of our H1 trading, along with the future NPL acquisitions we've secured to date, means we look to the second half of 2016 and beyond with optimism."

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About GFKL Lowell Group:

*The GFKL Lowell Group was created in October 2015 following the merger of German a*nd 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 Q2 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.