

CPPGROUP PLC

08 September 2014

Scheme of Arrangement

CPPGroup Plc (CPP or the Group) today publishes the following statement in relation to the Scheme of Arrangement (Scheme) which closed on 30 August 2014.

The value of Scheme redress claims in respect of direct sales made by the Group at the close date of 30 August 2014 is £32.0 million. The total cost provided for customer redress and associated costs remains unchanged at £69.8 million, as previously announced within the Group's Half Year Report on 29 August 2014. There are no additional changes to the Group's financing arrangements or financial position, which remain consistent with the Group's Half Year Report as published on 29 August 2014.

As previously disclosed on 24 April 2014, the Group's loan facilities contain covenants including an event of default where customer redress response rates leading to a successful claim under the Scheme exceed 40 per cent. Whilst claims throughout the Scheme process since February 2014 have tracked broadly within expectations, the response rate as at 30 August 2014 was c.41.5 per cent. CPP confirms that a waiver has been agreed with the Group's lenders with regard to this aspect of the Group's covenants.

As previously announced, the Group's plans to restructure the balance sheet remain essential and options are being evaluated to strengthen the reduced capital position in order to support the Group's future development.

Brent Escott, Group Chief Executive, said:

"The end of the Scheme represents a significant milestone for the business. Its impact, nonetheless, has been considerable and consequently, the Group's financial resources and liquidity is significantly reduced. Work is progressing to restructure the Group's balance sheet and to provide a stronger platform from which the business can look forward."

Enquiries

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