



SAV Credit
Limited



FOR IMMEDIATE RELEASE
15 March 2006

Palamon portfolio company, SAV Credit, secures £140 million funding package for further expansion

SAV Credit Limited ("SAV"), a provider of credit cards and financial services products to consumers who are overlooked by mainstream financial services providers, is pleased to announce that it has secured an investment of up to £25 million by Electra Private Equity PLC ("Electra") managed by Electra Partners Limited ("Electra Partners"). The investment, together with the simultaneous closing of a new debt facility of £115 million led by Credit Suisse, will support the next stage of SAV's development.

SAV's lead product, the aqua MasterCard, is aimed at the under-served market often overlooked by mainstream providers and which represents some 20% of the UK adult population (approximately 10 million people). SAV accesses this market through a series of innovative partnerships with other organisations that have access to these consumers through their own distribution networks. With this transaction, SAV will have the foundations in place to achieve its objective of building a book of more than £300 million in the next few years.

Founded in 2001 by Richard Langstaff, the company is managed by a specialist team from within the credit card industry, and is built around information-based risk management techniques. Since 2002 Palamon Capital Partners LP, together with its co-investors Morgan Stanley Alternative Investment Partners, have invested in SAV to finance the initial account origination and testing phases of the business. Since its inception SAV has developed its own unique underwriting, servicing and marketing models to serve its target market, which is different from that of the standard prime issuers.

David Symondson, Director of Electra Partners, said: "In line with recent statements by Electra that it now has more funds available, we are delighted to be making this investment in SAV. This transaction draws on our previously successful involvement with Premium Credit, an insurance premium financing business in the UK. We have been highly impressed with the SAV management team, their strong focus on risk management, and the Company's unique positioning in an under-penetrated marketplace."

Richard Langstaff, SAV Chief Executive Officer, said: "The investment by Electra, a leading player in the UK private equity market, is further validation of the success of the business model SAV has developed, and allows us to rapidly grow the Company. Electra adds further strength to an already blue chip investor base including Palamon Capital Partners and Morgan Stanley Alternative Investment Partners."

Daan Knottenbelt, Partner, Palamon Capital Partners, said: "SAV has made tremendous progress in establishing itself as the leading independent player in the non-standard market. We are delighted that the Company has been able to attract Electra, a strong new external shareholder, to support the next phase of its development in the UK credit card market, an area with great potential."

Citigroup Corporate and Investment Banking acted as placement agent to SAV on this transaction.

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About SAV Credit

SAV Credit, a financial services business built by a management team from within the credit card industry, has developed the aqua credit card for the underserved market in the UK. SAV was founded in January 2001 by Chief Executive Richard Langstaff, who has held senior investment banking roles with Citibank and Deutsche Bank and most recently, started one of the UK's first and leading purchasers and servicers of non-performing consumer debt. SAV is chaired by John Crewe, a former President of International Marketing and Development, Global Financial Services Group at American Express. It is backed by management and a group of leading private equity investors including Palamon Capital Partners, Electra Private Equity, Morgan Stanley Alternative Investment Partners, Acus Management Partners Limited, and Audant Investments.

To find out more about SAV Credit visit <http://www.savcredit.co.uk>

About Electra Partners and Electra Private Equity

Electra Partners is an independent private equity fund management group with £800 million under management. Electra Partners has accumulated considerable expertise and built a strong track record in private equity investments. The team has managed the assets of Electra Private Equity plc for more than fifteen years, as well as a number of other funds during that time. Electra Private Equity Plc (formerly Electra Investment Trust) is a £550m listed investment trust which focuses on unquoted companies, selected and managed by Electra Partners. In the year to September 2005 Electra Private Equity reported NAV growth of 31% and over the 12 months to March 2006 a share price rise of over 40%, one of the highest in the investment trust sector.

To find out more about Electra Partners visit <http://www.electrapartners.com> and Electra Private Equity visit <http://www.electraequity.com>

About Palamon Capital Partners

Palamon Capital Partners, LP is an independent private equity partnership founded in 1999, which is focused on providing equity for European growth services companies. Palamon, as a pan-European investor, originates, executes and manages investments in the UK, Italy, Spain, Denmark, Belgium, Sweden, France, and Germany. The Firm targets investments in companies where it can be the lead private equity provider and where the partnership's experienced principals can provide strategic direction and support to help build equity value.

With funds under management of approximately €1 billion, the Firm has one of the largest pools of private equity capital dedicated to growth investment opportunities in Europe's mid market arena. Investors in the Palamon funds are based in the US, Europe and the Middle East and are among the most significant investment institutions in the world.

To find out more about Palamon Capital Partners visit <http://www.palamon.com>