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NEWS RELEASE

1ST EXCHANGE ACQUIRES N4 SOLUTIONS, SIGNIFICANTLY ENHANCING ITS POINT OF SALE CAPABILITIES AND DELIVERING A MORTGAGE ORIGINATION OFFERING

Technology solutions provider 1st Exchange today announced its acquisition of N4 Solutions (N4), a leading provider of distribution and fulfilment software for the financial services industry.

The acquisition of N4 is a key component in 1st Exchange's strategy to take a market leading position in the delivery of financial planning and fulfilment solutions for the Enterprise¹ investment, life and mortgage markets.

The acquisition will provide both 1st Exchange and N4 Solutions with significant strategic benefits and enhance the capability, quality and end to end scope of the combined proposition offered to the market. N4's software solutions complement and already integrate with 1st Exchange's existing product range and, in particular, will significantly expand 1st Exchange's expertise across financial planning and the mortgage sales and origination process - delivering a significant extension to the online services offered to clients.

N4 is a leading provider of distribution and origination software for the financial services industry. Their clients include some of the biggest names in the business such as Nationwide Building Society, Aviva and Barclays Bank.

¹ The Enterprise business is 1st Exchange's dedicated team focused on developing tailored propositions for larger financial institutions looking to expand their business to business (B2B) and business to consumer (B2C) propositions.

The Company has the following suite of products:

- FPPOS - Financial Planning Point of Sale
- MPOS - Mortgage Point of Sale
- MSO - Mortgage Sales and Origination

The Retail Distribution Review (RDR), combined with continued pressure on the mortgage and credit markets, will increase the focus on quality and cost of distribution, driving the need for technology that can improve effectiveness, efficiency and quality.

Banks, building societies, life companies and IFAs are now looking at their channels to market and are seeking partners who can help them improve distribution and fulfilment across wealth, life, insurance and mortgages and across different client segments.

Providing a strong functional fit with 1st Exchange's existing product range and in particular, its direct to consumer proposition, the solutions developed by N4 provide a complete platform for joining up the distribution of all financial services products irrespective of route to market; mobile, web, phone or face to face.

Together 1st Exchange and N4 Solutions will leverage the full complement of their distribution capabilities to offer providers and intermediaries a holistic end to end platform that offers a step forward to meet the needs of the post RDR world.

Funding for the acquisition was provided by Lloyds TSB Development Capital (LDC) and Vertex. LDC last year bought a controlling stake in 1st Exchange. The company is part of LDC's over 70-strong £2 billion portfolio of businesses. LDC continues to back strong management teams through the cycle in the UK mid-market. Technology support services are a key area of focus for its London team which also specialises in Business and Support Services and Outsourcing.

David Child, Managing Director at 1st Exchange, said: "Not only does this acquisition broaden our services into the mortgage distribution space, but we are now able to further develop our Enterprise offering in response to the changing market and client demand. Distributors cannot ignore the effect of the RDR on their business models and this acquisition enables us to offer our clients a holistic platform for the multi-channel distribution of financial products. We are seeing more and more client demand for these types of solutions as companies such as banks and life insurers look at different models to grow distribution to the mass market."

Gary Muchmore, Managing Director of N4, who will be joining 1st Exchange as a sales director, commented: "N4 is industry leading in the provision of a complete platform for joining up the distribution of all financial services products. The combination of knowledge, skills and experience in the combined point of sale development teams at N4 and 1st Exchange creates an unequalled on and offline capability in the marketplace. We look forward to integrating our solutions with 1st Exchange's existing product offering to bring a dynamic end to end multi-distribution platform proposition to market."

Daniel Sasaki, Director, London, LDC said:

"When we took a controlling stake in 1st Exchange last year we recognised that it is a great business with a strong management team and dynamic potential. This latest acquisition illustrates those characteristics and gives the company a much stronger offering and compelling market position in the Enterprise space. We are very satisfied with our investment in 1st Exchange, which fits squarely within our strategy to support high quality businesses in the Telecomms, Media, Technology (TMT) sector and in the business services sector area generally."

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Journalists, for further details and more findings of the survey, please contact:

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Notes to Editors

About 1st Exchange

1st Exchange is a market leading provider of technology solutions to the financial services market. The company provides an integrated suite of technology solutions, software and consultancy to the financial services industry, to help support the key stages of a distributor's business process.

The Exchange is the largest provider of online comparative quotations and electronic new business applications in the UK financial services portal market. Its main product is Exweb, which is the UK's leading intermediary trading platform in the financial services market, used by approximately 28,500 registered users within authorised advisory firms. It provides online information and transaction services, with over 240 million client illustrations processed between March 2008 and March 2010.

1st develops, markets and supports software delivering financial planning, client management and full back office administration to financial intermediaries. 1st's 'Adviser Office' software, is the market-leading client management solution used by more than 1,600 Adviser firms offering wealth management and financial advice, both Multi-tied and Independent.

The latest solution from 1st Exchange is Advice Navigator. This technology harnesses the power of business data for direct and intermediated distribution, with full customer journeys that configure to the user's needs to deliver real competitive advantage. Over the past two years, 1st has developed its new technology in Microsoft's newest technologies. Advice Navigator is a new product which is designed for 1st Exchange's larger distribution clients who require customer journeys designed to meet the needs of their customers. The solution has very intuitive, simple to use interfaces with powerful self management tools to enable clients to manage their businesses effectively. The first client for this solution, Partnership has taken delivery of this solution in March 2010.

Based on Microsoft SQL Server and .net Technology, 1st Exchange's solutions link with over 60 partners, including product providers, portals and fund supermarkets to aggregate client data and avoid any data re-keying.

1st Exchange is a Microsoft Gold Certified Partner and also a member of the Origo working party for contract enquiry and is committed to delivering industry standards.

About N4 Solutions

N4 Solutions (N4) is one of the UK's leading providers of multi-channel point-of-sale distribution and application processing technology for mortgages and wealth management.

N4's offering supports multi-channel distribution from a single platform. A typical implementation would see an incremental deployment of components across all channels. Furthermore, the system is designed to be easily integrated with existing enterprise systems, to deliver seamless straight-through-processing to existing back-end servicing systems.

N4 not only maximises distribution while reducing and eliminating costs and overheads, but also provides the quickest and easiest sales process for customers and users. N4's products enable rapid customisation and deployment as well as cost effectively ongoing change and reaction to market changes.

N4 has leveraged vertical market knowledge, expertise and market leading products to gain an enviable track record of successful project delivery with clients including major banks, building societies, wealth management providers and advice networks.

For further information please visit www.n4s.co.uk.