



Close Brothers Group plc

5 August 2008

**CLOSE BROTHERS GROUP PLC ANNOUNCES ACQUISITION OF
KAUPTHING SINGER & FRIEDLANDER PREMIUM FINANCE LTD**

Close Brothers Group plc (“Close Brothers”) announces the acquisition today of Kaupthing Singer & Friedlander Premium Finance Ltd (“PF”) for £2.4 million in cash. The business, which has a loan book of approximately £80 million, will be integrated into Close Brothers’ Banking Division, Close Brothers Limited.

PF is a specialist finance business which lends to both individuals and businesses to finance their general insurance premiums. In the year to 31 December 2007, PF generated a pre-tax loss of £0.1 million. As at 30 June 2008, PF had a loan book of approximately £80 million and as part of the terms of the deal Close Brothers has refinanced all the company’s existing loan facilities. The business was acquired from Kaupthing Singer & Friedlander Ltd for a consideration of £2.4 million with goodwill arising on acquisition also anticipated to be £2.4 million.

PF will be integrated into Close Brothers’ existing premium finance business, Close Premium Finance, by the end of financial year 2008/9. Once the business has been integrated, the loan book is expected to generate a return on gross assets in line with the returns produced by the Banking Division. Accordingly the transaction will be earnings enhancing in FY 2009/10.

Commenting on the acquisition, Stephen Hodges, Managing Director of Close Brothers, and Executive Chairman of Close Brothers Limited said: “This is an excellent acquisition in an area – premium finance – which we know extremely well and where we have a well established profit track record. I am delighted that we are again able to demonstrate our ability to create value for shareholders through the strategic deployment of our management expertise and our capital and funding strength.”

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