



25 September 2003

Debt Free Direct Group Plc **Placing**

The Directors of Debt Free Direct plc ("Debt Free Direct" or the "Company"), the consumer debt advice and solutions company, are pleased to announce that at the Company's Annual General Meeting held earlier today all the proposed resolutions were passed.

The Company has today placed 6,416,667 ordinary shares at 60p per share principally with institutional investors through its Nominated Adviser and Broker, WH Ireland Limited. Immediately following the placing, such shares represented 22.2% of the Company's enlarged issued ordinary share capital.

Background

Debt Free Direct was successfully admitted to AIM in December 2002 and since then has continued to grow its customer base. The Directors believe that the Company has an opportunity to build upon its existing reputation for delivering best advice to over-indebted consumers.

The Directors believe that due to the underlying economics of the UK's consumer debt market, the Company is well placed to increase significantly its operating capacity. The growth in business is anticipated both from traditional sources (targeted advertising) and from the opening of several new and exciting routes to market. The Directors believe that these new routes will help broaden the business model and allow the Company to develop new demand for its product offerings.

Use of Proceeds

The placing will significantly reduce the level of gearing in the Company's balance sheet and will allow Debt Free Direct to increase its operating capacity as well as increasing its flexibility to pursue new business opportunities.

The Directors anticipate that investment will be made in increasing its operational and management resources, together with investment in additional marketing and advertising, as well as new premises to accommodate the expected growth.

Trading Update

Management accounts show trading for the first 4 months in the current year has been in-line with expectations.

The Group now plans to invest significant funds in additional staffing and management together with further marketing and advertising, as well as new premises to accommodate this growth.

The Directors anticipate that this investment will lead to increased costs over those originally budgeted in the current financial year, but the Group will reap the benefits in the next financial year and those to follow.



Grenville Folwell, Chairman, said:

“I am delighted that Debt Free Direct has raised additional financing to take the Group to the next stage in its development. The market for our services is rapidly expanding and we are now in a prime position to successfully grow our business further.”

Notes to Editors

Debt Free Direct helps individuals find the best solution to their debt problems, based upon an analysis of their particular financial circumstances. Financial information on an individual is processed through a computer model (the Best Advice Model) developed by Debt Free Direct in order to recommend a solution suitable for that individual's particular financial circumstances.

The solutions offered range from basic advice, such as simply destroying credit cards and curbing unnecessary expenditure, to the following solutions:

- consolidation loan
- re-mortgage
- informal arrangement
- individual voluntary arrangement (IVA)
- bankruptcy

Debt Free Direct is [unique] in the marketplace in that unlike most of its competitors who sell specific products, Debt Free Direct looks to provide the best advice to the consumer and recommends them the most appropriate service.

Debt Free Direct is based in Chorley, Lancashire and was admitted to AIM in December, 2002.