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Paragon Group Of Companies PLC
13 February 2013

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13 February 2013

THE PARAGON GROUP OF COMPANIES PLC

LAUNCH OF 6% UNSECURED STERLING RETAIL BONDS MATURING DECEMBER 2020

The Paragon Group of Companies PLC ("Paragon"), the specialist buy-to-let and consumer finance group, has today launched an offer of 6% sterling bonds due December 2020. The bonds are available to retail investors and are being issued by Paragon for general corporate purposes. This is the initial transaction under a £1 billion Euro Medium Term Note Programme.

Paragon, a leading independent UK specialist buy-to-let lender, is engaged in the provision of consumer loans and the buying and servicing of loan portfolios. A FTSE250 company with £9.6 billion of loan assets under management, Paragon has operated in the UK markets for over 25 years and has serviced more than one million loan accounts. The credit performance of its £8.2 billion buy-to-let mortgage portfolio is exemplary, with arrears over three months of 0.44% as at 31 December 2012, compared with the latest Council of Mortgage Lenders' data at 1.51%.

Fixed interest at the rate of 6% per annum, will be payable semi-annually in arrear on 5 March and 5 September of each year until 5 September 2020, with a final short coupon payable on 5 December 2020, the date the bonds mature. The first coupon payment will be on 5 September 2013. At any time during the life of the bonds, investors are permitted to sell the bonds (within market hours and in normal market conditions) on the open market through their stockbroker.

Canaccord Genuity Limited is acting as Manager on this issue.

The bonds have a minimum initial subscription amount of £2,000 and are available in multiples of £100 thereafter.

The offer period is now open and is expected to close at 5pm (London time) on 26 February 2013. The Manager retains the right to close the offer early, in conjunction with Paragon.

The bonds are expected to be listed on the UK Listing Authority's Official List and admitted to trading on the London Stock Exchange's regulated market and through the electronic Order Book for Retail Bonds.

Commenting on the launch, Nigel Terrington, Chief Executive of Paragon, said:

"The bonds will complement our already strong balance sheet, allow us to diversify our funding base and extend the tenor of our borrowings. We have operated in the UK markets for over 25 years with a business model that kept us profitable throughout the recent credit crunch. We continue to see strong growth opportunities in the markets in which we operate."

-Ends-

For further information, please see Paragon's website:

www.paragon-group.co.uk/group/Retail-Bond

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Notes to Editors

About The Paragon Group of Companies PLC

Paragon is a leading buy-to-let mortgage lender and specialist purchaser and servicer of loan assets, with £9.6 billion in loan assets under management. Since being established in 1985, it is the only specialist lender to maintain an independent position within the UK mortgage market.

The Group operates in two principal areas:

Lending: buy-to-let specialist lending to landlord customers through Paragon Mortgages and Mortgage Trust brands and the provision of consumer loans. In 1995, Paragon was the first lender to work with the private rented sector to develop the buy-to-let market and, in 2000, it became the only major UK mortgage lender to focus exclusively on buy-to-let products.

Portfolio acquisitions: the investment division of the Group, Idem Capital, undertakes acquisitions of loan portfolios, including first and second mortgages as well as unsecured assets.

In addition, the Group services mortgage and loan portfolios for itself and for clients such as banks, private equity houses and specialist lenders.

Paragon is a pioneer in the use of securitisation in the UK mortgage market, launching the UK's first residential mortgage-backed securitisation deal in 1987. To date, the Group has issued 53 public securitisations, raising over £20 billion.

Authorised Offerors

Barclays Stockbrokers	www.barclaysstockbrokers.co.uk/pages/Paragon.aspx
Collins Stewart Wealth Management	www.collinsstewartwealth.com
Interactive Investor	www.iii.co.uk/investing/new-issues
Redmayne-Bentley	www.redmayne.co.uk/paragon
Selftrade	www.selftrade.co.uk/paragon
Smith & Williamson Securities	www.smith.williamson.co.uk/fixed-income-dealing-service

About the bonds

1. The bonds may not be suitable for all investors. Investors should ensure they fully understand the risks and seek independent financial advice.
2. Investors should note that the market price of the bonds can rise and fall during the life of the investment and the price of the bonds could fall below the issue price of £100.
3. In the event that Paragon defaults, becomes insolvent or goes out of business, investors may lose some or all of their investment.

Disclaimer

This announcement is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC, as amended, and/or Part VI of the Financial Services and Markets Act 2000 (the "FSMA"). A prospectus dated 11 February 2013 (the "Prospectus") has been prepared and made available to the public as required by Part VI of the FSMA. Investors should not subscribe for any bonds referred to in this announcement except on the basis of information in the Prospectus. Full information on The Paragon Group of Companies PLC and the offer of the bonds is only available on the basis of the combination of the Prospectus to be published in respect to the bonds and the announcement which will be published by Paragon by Regulatory Information Service (expected to be the Regulatory News Service operated by the London Stock Exchange) on or about 26 February 2013 and setting out the aggregate principal amount of bonds to be issued (the "Sizing Announcement"). Investors may obtain copies of the Prospectus and the Sizing Announcement (once published) on the website of the Regulatory News Services operated by the London Stock Exchange.

The offering and the distribution of this announcement and other information in connection with any offer in certain jurisdictions may be restricted by law and persons into whose possession this announcement or any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase. Any purchase of bonds pursuant to any offer should only be made on the basis of the information contained in the Prospectus, available as described above.

The bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons. The bonds are being offered and sold outside of the United States in reliance on Regulation S of the Securities Act. There will be no public offering in the United States.

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