

Date: 21 October 2004
On behalf of: Jelf Group plc
Embargoed until: 0800hrs

JELF GROUP plc ANNOUNCES SUCCESSFUL PLACING AND ADMISSION TO AIM

Jelf Group plc, an established corporate intermediary based in the West Country and Wales offering a range of corporate services principally in the areas of commercial insurance, healthcare and financial services, is pleased to announce that it has successfully raised £2.5 million gross through a Placing of 3,086,420 Ordinary Shares at 81p, valuing Jelf Group at £10.8 million. Shares begin trading today, 21 October 2004, on the Alternative Investment Market (AIM).

The Directors intend to use the net proceeds of the Placing as follows:

- to acquire healthcare and insurance intermediaries;
- to provide additional working capital to enhance organic growth of the Group.

Background

Jelf Group was founded by Chris Jelf in 1989. Today, the Jelf Group operates from a number of premises in the West Country and Wales and offers an extensive range of corporate services.

The Group advises over 4,000 corporate clients across a range of disciplines. These clients cover the spectrum from significant public companies to small owner managed businesses. Core Jelf clients are medium sized owner-managed businesses, typically employing between one to 50 staff, with a turnover of up to £10 million.

The Group has achieved a number of successes in introducing its clients to the full range of services and advice offered in each of the Group's areas of expertise. Corporate clients will typically deal with a relationship management team led by a senior account executive who will advise, say in respect of their business insurance and in addition receive specialist advice from other members of the team in connection with their employee benefits programme and their healthcare strategies.

Strategy

The Directors' strategy is to differentiate itself from larger Insurance and Financial Services organisations by creating a profitable corporate niche that the Directors believe will produce a platform to enable the Group's employees and services to succeed. It is the Directors' intention that the Group acts as a 'consolidator' in the market and that it pursues this strategy using both organic and acquisition growth.

The Board has identified a number of sector related pressures which are seen by the management team as providing business opportunities. The Board believes that these fall into the following categories: regulation, ageing population, skills shortage, and training and development.

Acquisition Growth Strategy

Jelf Group will supplement its organic growth with a targeted acquisition strategy which the Directors believe will provide additional growth. The Directors believe that the following benefits will be associated with such an acquisition strategy:

- Economies of Scale – Increased market share from an enlarged organisation will, in the opinion of the Directors, produce financial benefits through application of tight financial disciplines. The Directors believe that these will take the form of increased margins, stripping out duplicate costs, increased purchasing power and continuously re-engineering processes using technology as an enabler; and
- Exploiting existing and related markets – having established the corporate infrastructure, the Group will look to add breadth and depth to its market share by targeting profitable niches and/or expanding into related markets where opportunities exist.

Commenting on Jelf Group's Admission to AIM, Chris Jelf, Founder and Chairman, said:

“Jelf Group's admission to AIM marks another significant milestone in the Group's history and our infrastructure, experienced team and track record leave us well positioned to act as a consolidator in identified niche growth areas including health insurance. We are delighted with the response the Group has received in the City and are committed to delivering value for all its stakeholders as a leading provider of services to the corporate market.”

Jelf Group's Nominated Advisor is Daniel Stewart & Company Plc and its Broker is J.M. Finn & Co.

Ends

FOR FURTHER INFORMATION AND PUBLICATION QUALITY PHOTOS:

Emma Kane/Sanna Lehtinen
Redleaf Communications

Tel: 020 7955 1410
Mob: 07876 338339

NOTES TO EDITORS

The Group has developed a corporate support infrastructure that has enabled it to make a number of acquisitions over the last four years. These acquisitions span all core areas of the Group's business and have been made to either supplement existing operations or acquire a corporate client base that can be utilised by the enlarged Group. The significant acquisitions were as follows:

- 2000 – IFM – IFA based in Bristol – relocated to Yate, Bristol;
- 2001 – Corporate Healthcare Management – Healthcare partnership;
- 2002 – Spring Gate Insurance – Purchase of a book of commercial insurance;
- 2003 – Richard Levinge Associates – IFA business based in Cheltenham;
- 2003 – SLF Insurance (Services) Ltd – Purchase of a book of commercial insurance;
- 2003 – Kallender Walwyn Ltd – Purchase of commercial insurance business based in Trowbridge; and
- 2003 – Pontin and Stein – Corporate Healthcare partnership.

In addition the Group has also taken advantage of consolidation in the healthcare sector to acquire at a minimal price, a significant book of private medical insurance business from a provider withdrawing from direct distribution of this product.

Directors and Senior Management

Directors

Christopher Jelf – Group Chairman – Aged 45 – ACII/FPC

Chris established the business in 1989 after having worked in the industry in a number of positions for brokerages and providers (including Midland Bank and Royal Insurance). Chris is a qualified broker and independent financial advisor and has an active role with many of the Group's business insurance clients and business partners.

Alexander Alway – Group Chief Executive – Aged 44 – FCMA

Alex is a commercial accountant with over 16 years of experience working within the retail financial services sector. Alex worked for BP as a business accountant for 4 years. He was previously with AXA Sun Life plc for 10 years in a number of roles including finance, change management, IT strategy and commercial director IFA. Alex joined Jelf Group in 2001.

John Harding – Group Finance and Operations Director – Aged 52 – ACA & BSc

John is an accountant with over 20 years' experience in the financial services industry including previously holding the position of Head of Group Finance and Finance Director of Broker Sales with AXA Sun Life. He joined Jelf Group in 2004. John is also a non-executive director of the Bath Investment Building Society.

Peter Elliott – Healthcare – Managing Director – Aged 46

Peter has 20 years' experience in the healthcare sector previously working for BUPA, CIGNA and Hogg Robinson in a number of senior roles. Peter established the Jelf healthcare intermediary business as a start up in 1997.

It is the intention of the Board to appoint a non-executive director following Admission.

Senior Management

Glenn Thomas – Financial Services – Aged 40 – ACII

Glenn has worked in the sector for over 20 years during which he has specialised in advising on corporate employee benefits. Glenn joined Jelf in 1992.

Gary Chandler – Commercial Insurance – Aged 40 – ACII

Gary has worked in the sector for over 20 years and, prior to joining Jelf Group in 1993, worked for Commercial Union which later became Norwich Union. Since 2003 he has been managing director for Jelf Insurance.

Chris Clarke – Commercial Insurance – Aged 48

Chris was previously with NFU Mutual and one other large regional broker and has worked in the sector for over 29 years. Chris joined Jelf Group in 1989 to establish and develop what has since become the core commercial insurance business.

Phil Barton – Group Commercial – Aged 42 – Bsc & MBA

Phil is a financial services professional with over 20 years' experience within the sector, most recently with AXA where he was the Sales Director for IFA sales and at the Prudential dealing with large corporate accounts. Phil joined Jelf Group in 2003 with the specific brief to develop both a client focussed strategy and lead the Group's marketing activities.