

Issued on behalf of Invocas Group PLC by BDO LLP

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Immediate Release

**Invocas Group PLC
("Invocas" or the "Company")**

Closure of formal sale process

The Board of Invocas Group plc ("Invocas" or the "Company") makes the following update announcement to shareholders.

As indicated in the Company's announcement of 2 February 2012, the Board initiated a formal sale process ("FSP") in order to seek a strategic partner to assist in the future evolution of the Company and help it accelerate growth towards the scale and reach required to maximise value for shareholders.

As part of this exercise the Board has considered various options, including potential offers for the issued share capital of the Company and the sale of certain assets of the Company. Discussions were held with a number of parties and, as reported on 27 March 2012, whilst the Company had received indicative proposals in response to the FSP, there was no certainty that an offer capable of being recommended to shareholders would be delivered.

During this process, the Company received a significant refund from HMRC in respect of VAT wrongly charged on the provision of its core services following the decision in *Paymex Limited v The Commissioners for Her Majesty's Revenue & Customs*. The process of applying this refund across the Company's cases has now been completed. This has resulted in additional recoveries into the cases, allowing certain fees which had previously been considered irrecoverable to be collected. This will result in a material positive impact on the financial position of the Company.

As a result of these developments, the Board has concluded that there is no certainty that a sale of the Company or any of its assets or operations at the current time would maximise value for shareholders. The Board has therefore terminated the FSP with immediate effect and the Company is no longer deemed to be in an offer period under the Takeover Code.

This decision is considered by the Board to be the appropriate course of action and in the best interests of shareholders as a whole, who will be informed of further developments as soon as practicable.

The Board also announces the following changes to the management team, made to support the future growth and development of the Company. David Macmillan has resigned as Chairman for personal reasons. John Hall, currently Business Development Director, has been appointed Executive Chairman of the Company, Antoinette Thorpe, a well known and highly respected insolvency practitioner, will be appointed to the Board in July 2012 as Director of Insolvency Services and Andrew Parsliffe, who has been with the Company as interim Finance Director, is appointed as Finance Director with effect from 1 June 2012.

John Hall comments "I would like to recognise the very significant contribution made by David Macmillan in his roles as Non-Executive Director, CEO and, latterly, as Chairman. He has helped the business deal with some difficult legacy issues as well as restructure its operations in a manner that leaves the Company in a far stronger position and with a clear strategy for the future."

A copy of the announcement will appear on the Invocas website.

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