



MERCHANT HOUSE FINANCE LTD

PRESS RELEASE

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MERCHANT HOUSE FINANCE CONTINUES ITS STRATEGY OF DEVELOPMENT THROUGH DIRECT MARKETING AND STRATEGIC PARTNERSHIPS

2007 saw the first full year of trading for Merchant House Finance Ltd, the 51% owned leasing subsidiary of Industrial Investment Group Ltd.

IIG partnered with AIM listed Merchant House Group plc in July 2006 to develop a 'one stop shop' for equity and debt. The company has recruited 7 seasoned professionals from the leasing industry to cover a number of specialist areas including marine, aircraft finance, invoice discounting, media, print finance and turnaround.

John Lutterloch, Chairman & Chief Executive confirmed "2007 was an exciting year for us building an extremely capable team who now offer a wide basket of financing products. Our first challenge was to cross train all group executives to recognise the skills of the other companies. The leasing team produced over £200 million of corporate finance opportunities last year in addition to its normal business lines."

Merchant House Group acts like a small merchant bank offering corporate finance services including pre IPO financing, asset finance and leasing, stock broking and wealth management.

Phil Betts, who was appointed to the MHF board in April last year, introduced Countryliner Coaches as a leasing client in 2006. In addition to financing in excess of £2 million of vehicles the group is now working with the company to raise acquisition financing and a possible stock exchange listing in 2009.

Peter Curtis joined MHF last year predominantly to develop the marine sector. However, he has also continued to service his previous relationships including the Can Media Group, whose main UK activity is the delivery of The Life Channel TV network in doctor's surgeries, health centres and schools.

"We have provided over £1 million of lease facilities to date to Can Media and are mandated to provide an additional £1.5 million for the remainder of 2008." explains Curtis "The finance is used to purchase additional PC's and screens located at The Life Channel's customer locations throughout the UK.

The original introduction came when I was a guest speaker at a Digital Media conference attended by over 150 delegates. This resulted in a number of direct approaches from suppliers and customers which led to a meeting with Phil Austin - CEO of Can Media Group. Phil is also well aware of our corporate finance capabilities and discussions are already underway with our sister companies".

MHF has also signed a number of Strategic Partner Agreements with companies who work in other areas of financial services and where each others' skills are complimentary.

The most recent agreement is with Meridian Corporate Finance LLP ("MCF"). MCF provides specialist corporate finance advice covering a full range of corporate transactions, including; acquisitions, disposals, fund-raising, and management buy outs. Over the past 2 years MCF has advised on over 20 successful transactions with a value of over £250m.

Other Partners signed to date are: The Practice Loan Company plc, The Hammond Partnership, Clarendon Associates, Burdett Capital, Western Industrial Finance, and The Evans Partnership.

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