



Press release: 18th March – for immediate release

Zopa secures additional funding for UK growth and launch in USA, and appoints new global CEO

Zopa today announced that it has raised an additional \$12.9 million investment from its backers and is delighted to announce the appointment of Douglas Dolton as its global CEO

Pioneering 'Social Lender' Zopa – the world's first online marketplace where people meet to lend and borrow money - today announces that it has secured additional investment of \$12.9 million from its VC backers led by Bessemer Venture Partners together with Benchmark Capital, and Wellington Partners. This Series C investment will fund continued development and growth of the UK business, as well as the launch of Zopa in the USA.

Zopa is also announcing today the appointment of Douglas Dolton - a highly successful senior executive in the unsecured lending industry in the USA - as its new global CEO with immediate effect. Doug is appointed to succeed Richard Duvall, cofounder and global CEO of Zopa who sadly died last year.

Rob Stavis of Bessemer Venture Partners said: "We are very happy to lead on this third round of funding. Zopa is an extremely innovative and exciting business with a spectacular future ahead of it – quite a rarity in the personal finance sector and much more akin to other consumer internet businesses we have invested in like Skype. Zopa now has two excellent years under its belt in the UK and is growing momentum, demonstrating that the model works very well. We are delighted now to be helping Zopa move into the American market."

Douglas Dolton is a highly experienced executive in the savings and lending industries in the USA. Previously CEO of two national internet-based consumer lending operations,

he has nearly 30 years' experience in the consumer banking sector. As CEO of Chela Education Financing in San Francisco, he transformed the organisation into one of the fastest growing student loan companies in the US. Chela was sold to Nelnet, the second largest student loan company in the country. Previously, as CEO of Servus Financial Corporation in Herndon, Virginia, he turned the company into a state-of-the-art originator and servicer of high quality consumer loans with numerous clients including Apple Computer, Microsoft and Bank One. Servus was sold to Wells Fargo Bank in 2000.

Douglas Dolton said: "I am very excited about this appointment as Zopa is the most innovative concept I have seen in my 13 years of being involved in loan businesses. I fully expect it to be the fastest-growing company I have ever led because of its outstanding consumer proposition: amazing rates on financial products, and a strong, safe, person-to-person connection that promises to change the way consumers think about money."

Phillip Riese, Chairman of Zopa, said: "We are delighted that Doug is joining us, especially at this crucial time in the company's evolution. With the UK business now well-established and growing rapidly, we want to build on this and make the same great start in the USA, an even larger market opportunity for Zopa and the emerging Social Lending category. Doug's vast experience and impressive leadership skills will be extremely important in this next stage of Zopa's growth. Combined with the additional investment from our backers, Zopa is now set to build further on our existing 'first and finest' status in the emerging Social Lending sector"

The UK Zopa business was two years old on March 7th 2007. Over those two years Zopa has recruited more than 135,000 members, with the pace of recruitment increasing each month as word spreads of Zopa and the excellent rates available by borrowing and lending with no bank involved.

Zopa lenders have enjoyed average returns of 6.75% p.a. and up to 14% p.a. (after fees and any bad debt but before tax), while Zopa borrowers have been able to access the cheapest loans in the UK.

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For further information, please contact:

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Notes for Editors

Zopa has been featured extensively in the media over recent times. The links below show coverage on the BBC and Channel 4:

BBC 6:00 News -

http://news.bbc.co.uk/nolavconsole/ukfs_news/hi/newsid_6170000/newsid_6178400/bb_wm_6178470.stm

Channel 4 News -

<http://www.channel4.com/news/special-reports/special-reports-storypage.jsp?id=4706>

About Zopa

Zopa is the online marketplace where people meet to lend and borrow money. Lenders get great returns and borrowers get low-cost loans. With no bank in the middle, both parties get better rates.

Zopa makes money human again - lenders can see where their money's going and borrowers, where their money's come from.

Lenders are enjoying a smart way of getting a return, alongside their savings and investments. Some lenders are earning up to 14% pa, and the average return on all money lent to date is 6.75% pa (figures are before tax, but after bad debt and fee). The business has maintained an extremely low default rate of just 0.2%.

Borrowers are finding it a fair and human way of getting a low-cost loan. They are enjoying market-leading rates, with a typical APR of just 5.3% (based on £3,000 over 3 years in the A* market), and the flexibility to repay their loan early at no extra cost.

To protect lenders' money, Zopa uses all the safety measures bank use, plus a few more. All borrowers are identity-checked, credit scored and risk-assessed, and anybody lending £500 or more has their money spread across at least 50 borrowers.

Zopa runs a simple and transparent charging model: lenders pay an annual fee of 0.5% on the money they lend, and borrowers pay 0.5% on the amount they borrow. There are no hidden charges or any form of early repayment fee.

Zopa was set up by many of the team that launched Egg, and is backed by the same investors that backed eBay, Betfair and Skype. Since launching in the UK in March 2005, over 135,000 people have joined.

Zopa was voted "Internet innovation of the Year" at the CNet Technology Awards in October 2006, and in the same month was named by Business 2.0 as 1 of 11 disruptive

companies “whose breakthroughs will change everything.” In August 2006 Zopa was given 5 stars from What Investment Magazine, the first time they've given a perfect score in years.

Zopa Ltd is authorised and regulated by the Financial Services Authority as a general insurance intermediary, holds Consumer Credit Licences from the Office of Fair Trading, uses the same processes and fraud prevention systems as banks (including Equifax, Experian and Call Credit for credit rating), and is a member of the Finance and Leasing Association.

Zopa stands for Zone of Possible Agreement. It is the overlap between one person's bottom line (the lowest they are prepared to get for something) and another person's top line (the most they are prepared to give for something).

Zopa can be found at www.zopa.com