

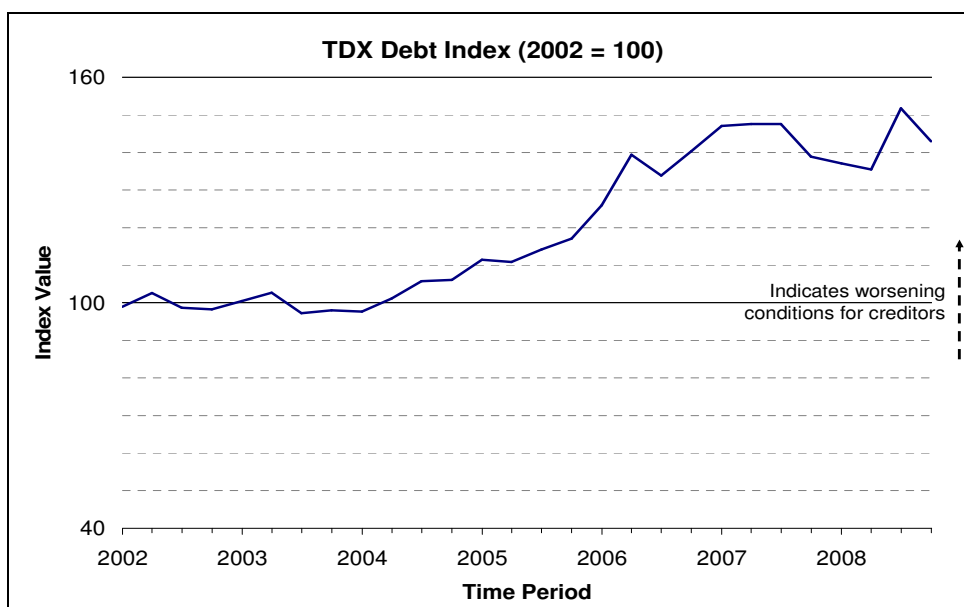
Uncertain outlook despite a small improvement in the Debt Index

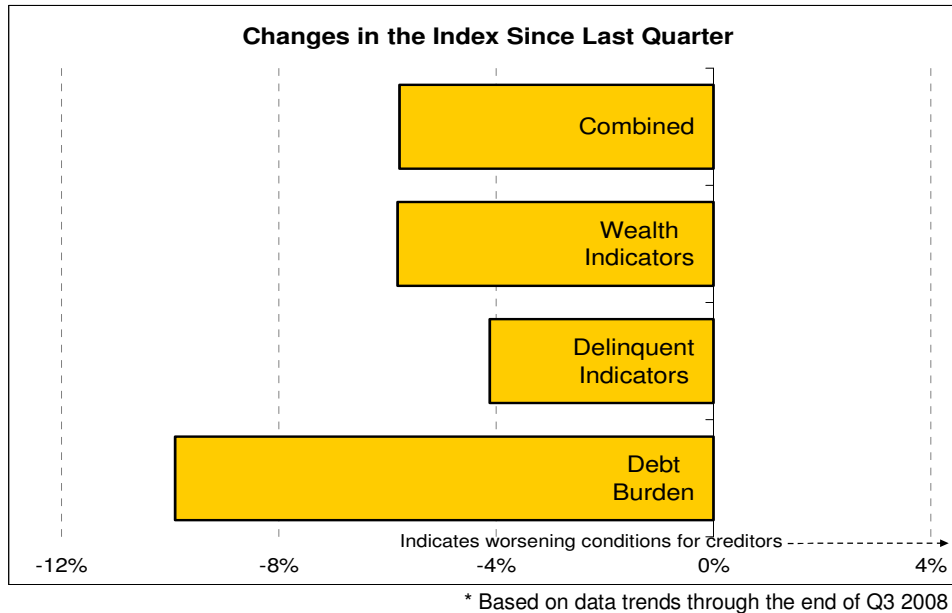
14 January 2009 – The TDX Group Debt Index has shown a 6% reduction in Q4 2008 since the record highs of the previous quarter, with volatility in the underlying indices highlighting the effects of the current economic climate.

The small improvement in conditions for creditors is largely a result of a fall in Debt Burden Indicators, with reductions of 5% in the secured debt level indices and 2% in unsecured debt. This follows the recent trend of creditors tightening their lending criteria as well as the reduction in activity in the housing market and the decline in demand for new mortgages.

Despite the ongoing fall in house prices, the Wealth Indicator has also improved as personal savings ratios have risen off historic lows as consumers seemingly ‘tighten their belts’ in the face of continued economic uncertainty. However at 1.8% the savings ratio is still less than half the average levels during the 2006-7 period.

With economic conditions continuing to worsen, evidenced by rising unemployment and increasing levels of corporate and personal insolvency, it is too early to tell if the small improvement in the general picture offers any comfort. It is unclear whether the worsening conditions indicated by the general upward trend in the Debt Index will continue or whether the Q4 results represent a turning-point off last quarter’s historic high.





About The Debt Index

The Debt Index has been developed by TDX Group to represent the impact of current macroeconomic and credit sector factors on creditors' efforts to collect on their outstanding balances. The index is based on 2002 = 100 and has been calibrated such that a rise in the index value represents worsening conditions from a creditor's perspective. The index comprises of a number of macroeconomic variables and industry performance measures which are weighted based on their predicted impact. Each variable is assigned to one of three categories, with each category representing an underlying cause for a worsening debt market;

Debt Burden Indicators: This category contains factors that indicate the overall levels of personal debt and the difficulty that a typical household will be experiencing meeting those debt commitments.

Delinquent Indicators: This category contains factors that indicate levels of adverse behaviour within the debtor population and the population as a whole, such as insolvencies and unemployment.

Wealth Indicators: This category contains factors that indicate the overall wealth level of the UK population and due to the nature of the index, an increase in relative wealth causes a decrease in this category's contribution to the index.

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About TDX Group

TDX Group is the leading provider of analytics-based debt management, and it has revolutionised the debt management industry with this approach.

TDX Group sells over 40% of all debt sold in the UK; manages debt portfolios for leading financial services companies, utility providers and debt portfolio owners; and runs The Insolvency Exchange, providing an industry-wide solution for IVAs. They are one of the UK's fastest growing companies.

Because of its unique intermediary position, TDX Group has a client focus that is independent of collection agencies, debt purchasers, insolvency practitioners and technology providers. The company's breadth of services and scale of operations gives it unrivalled data on debt sale, debt purchase, IVAs and recoveries strategy and performance. This data, when combined with TDX Group's core analytics capability, supports its analytics-based debt management approach.

TDX Group works for creditors and debt portfolio owners to deliver improved returns from their semi- and non-performing assets. Key clients include Halifax-Bank of Scotland, HSBC, Alliance & Leicester and Powergen.