



Article by TDX Group

IN SEARCH OF VALUE

Despite market challenges, innovative sale design can maximise value from asset sale

Driven by the recession, changing portfolio performance and the disappearance of cheap credit, the asset sale bubble has burst. Much has changed in the last year and the market continues to be full of uncertainty. Despite these changes, TDX Group continues to innovate to make the most of sale in today's market.

A NEW MARKET?

Low transaction volume characterises the current market and three key realities are making deals harder to complete:

1) Fewer Purchasers

With mainstream funders stepping back from the market, funding is hard to come by with investors demanding higher returns. *As a result, there are measurably fewer active purchasers in the market. We have monitored a 45 per cent drop in purchaser participation in last 12 months.*

2) Diverging Valuations

With purchaser pricing reflecting continued performance reductions and creditors stuck with backward looking valuation models, the difference between their views of valuation has grown. *As a result, year on year sale volumes are down 75 per cent in the first half of 2009.*

3) Lower Prices

The paradigm shift in supply-demand dynamics caused by rising bank losses and dropping purchaser demand combined with the differences in value expectations has *reduced market prices by over 50 per cent in some segments.*

SALE REMAINS A POWERFUL TOOL

In spite of the challenging environment, sale remains the best tool for crystallising returns; removing risk from the balance sheet; reducing operational costs; and rapidly responding to changing debt volumes.

However, to realise the benefits of sale, transactions must complete, and this means creating deals that work for both parties.

NEW PRODUCTS FOR NEW CHALLENGES

We have updated TDX Group's Asset Sale offering to address the challenges of today's market. Combined with our unique market insight, these products provide flexible sale solutions to enable valuable deals in all market conditions.

• Sale Design

From sale strategy to portfolio selection and valuation, we ensure the sale is designed to fit the market conditions and the seller's objectives.

• Sale Structuring

With new tools such as liquidation bonds, vendor financing and structured upside, we can create deals that maximise value.

• Sale Execution

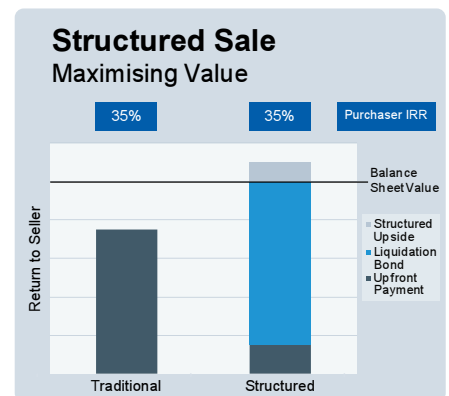
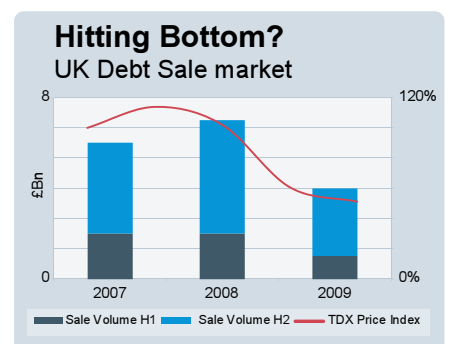
With the largest purchaser network and a proven track record, we remove the hassle and bring certainty to completing transactions.

As the largest seller of debt in Europe, TDX Group is the ideal partner to ensure that sale continues to add value to your overall debt management strategy.

WHAT'S NEXT?

Without cheap funding, prices are unlikely to return to previous levels in the next two to three years. Sale will remain a valuable tool, and many creditors will need and want to sell through the rest of 2009 and beyond. By focusing on deals that work, the market will stabilise and liquidity will increase. It may even result in a more stable and efficient market.

A transaction focus means shifting from maximising price to maximising value created. Best value sales require advanced sale design to **sell the right portfolio at the right time to the right buyer through the right structure.**



TDX Group's Structured Sale increases a seller's overall return and eliminates balance sheet write-offs while creating a deal that works for purchasers and their funders.

Visit www.tdxgroup.com/sale to find out how we can help you sell in 2009.

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