

Unlocking the value
in your debt



About TDX Group



TDX Group helps our clients maximise the returns from their debts, revolutionising the industry with an information based approach.

We have worked on behalf of all of the major banks in the UK, several major utility companies and a number of other financial services companies. In the UK we sell over 40% of all debt, manage debt portfolios for financial services and utility companies, and provide end to end financial difficulty solutions - covering over 80% of the IVA market.

With offices in the UK and Spain, we're expanding our presence in international markets where our unique intermediary position gives us unrivalled information across our service offerings. Through sophisticated analysis of this information, TDX Group is enabling creditors and debt portfolio owners to improve their returns, with typical increases over 20%.

We offer a full range of services across:

Recoveries management

Financial difficulties solutions

Asset sale

Advisory and consultancy services

Innovative and insightful – a great combination

From the start, our vision has been to build a business that couples a unique position in the market with a team of great people to add value and generate real insight and innovation for our clients.

We have built a position at the hub of our markets to give us access to data from all elements of the industry including: creditors, debtors, insolvency practitioners, debt collection agencies and debt purchasers. It is this unrivalled collection of data that gives us a unique view which is not available to any one client or participant in the market.

From this data foundation, we have created an environment where our highly skilled analysts work hand in hand with our delivery experts to genuinely innovate on behalf of our clients. Our innovations come in many shapes and sizes - from developing industry changing services such as TIX, through to finding a different approach to the payment of field collectors in order to increase returns. We view every challenge individually and take a team approach to finding a solution.

Within this brochure we have provided you with a few examples of our work, illustrating how we have delivered significant value back to our clients' businesses. For me, this is the true measure of our success - when I see the improvements in results that we achieve for our clients.

As we continue to expand our business, developing new products and services both in the UK and internationally, we will always retain our core values of being the most well informed provider in our industry, and using the best people to deliver innovative, tailored solutions for our clients.

I hope you will enjoy reading about our work and that it gives a useful insight into the way that we work and the value that we bring.

Regards



Mark Onyett
CEO, TDX Group

Recoveries management

Analysis of our work with clients in recoveries management has shown that our combination of strengths typically delivers a 20% improvement in net recoveries from outstanding debts over a 12 month period.

We provide full recovery services to creditors who believe there is a huge opportunity to improve performance. We leverage our diverse portfolio of data, alongside rigorous test and learn processes, to assign and execute the optimal strategy for each debt based on the customer's situation. Clients have found that by working with TDX Group, they are able to eliminate both cost and technology barriers from their recovery processes.

We work with clients across financial services, the utility sector and debt portfolio owners, using our unique data sets to analyse and then segment the portfolio. This ensures that each individual account receives the most appropriate treatment for the customer's circumstances. In a world where creditors must consider whether they are treating customers fairly, a 'one size fits all' approach is no longer appropriate, and with a growing focus on the need to improve recoveries performance, intelligent tailoring of treatments can also have a major impact on returns to the balance sheet.

In addition to our view of the world from a creditor point of view, our place at the hub of the industry also gives us access to a large network of debt collection agencies. We work with over thirty of the leading collection agencies in the UK. Having segmented our clients' debt, this network enables us to place the right debt with the right agency to achieve the best results for their businesses.

Leading agencies choose to work with us as they can also benefit from being part of the TDX Group network. They benefit from receiving data that has been analysed and segmented by TDX Group analysts - enabling the agency to work with a defined strategy and a segment-specific commercial arrangement.



"TDX Group have provided a capability that far outweighs any other individual organisation, be it utility or financial services. The expertise, flexibility and scalability of their team has been invaluable as we restructured our operation to compete at the highest level amongst our peers."

David Hollely

Head of Credit Management, E.ON UK Energy Retail

TDX Group worked with E.ON to define and execute an overall arrears management strategy. A key element of this strategy was to transform the processes in Finals by focusing on the P&L benefits as opposed to the more traditional 'cost centre' mentality.

Over the first 12 months of the partnership, the value of recoveries doubled. By 2007 the value of recoveries was four times higher than in 2005. In addition to the considerable P&L benefit, E.ON benefited from an improved customer experience through more appropriate segment level treatments.



Our approach to recoveries management

Access to a panel of over 30 debt collection agencies including niche specialists

Access to a level of scale which makes your segments of data actionable and meaningful

Use of our proprietary platform, resulting in effective reconciliation and fast placement of accounts

Consolidated reporting and MI across all agencies

TDX Group result

20% net liquidation improvement

Financial difficulties solutions

After developing TIX (The Insolvency Exchange), which has revolutionised the IVA industry and now covers over 80% of the market, we have expanded our offering to provide a complete range of solutions to deal with all financial difficulties.

Over the last decade, debt and over-indebtedness have become a reality for many consumers. Rises in mortgage borrowing costs and general costs of living have driven a massive growth in the 'financial difficulties' segment of consumers, creating additional complexity for those creditors trying to recover debts.

As the number of 'third party providers' has grown, so customers have sought the debt management plan, IVA (Individual Voluntary Arrangement) and bankruptcy solutions that these providers offer. As a result, creditors have identified a need for a more sophisticated, data based and integrated solution to manage these third party interactions.

Of all of the innovation that we have driven across the debt industry, one of our biggest successes was the introduction of The Insolvency Exchange (now known as TIX). This area of our business provides an end to end insolvency management service for IVAs on behalf of creditors.

Our Debt Management Exchange (known as DMX) also acts on behalf of creditors to improve returns where consumers have entered into debt management plans.

DMX provides a technology platform and infrastructure that enable it to deliver a significantly enhanced service. The service has been well received by creditors at a time when they are being challenged to deliver both improved returns and cost efficiencies. It also supports the BBA guidelines which expect creditors to assess each customer in financial difficulty as an individual case.

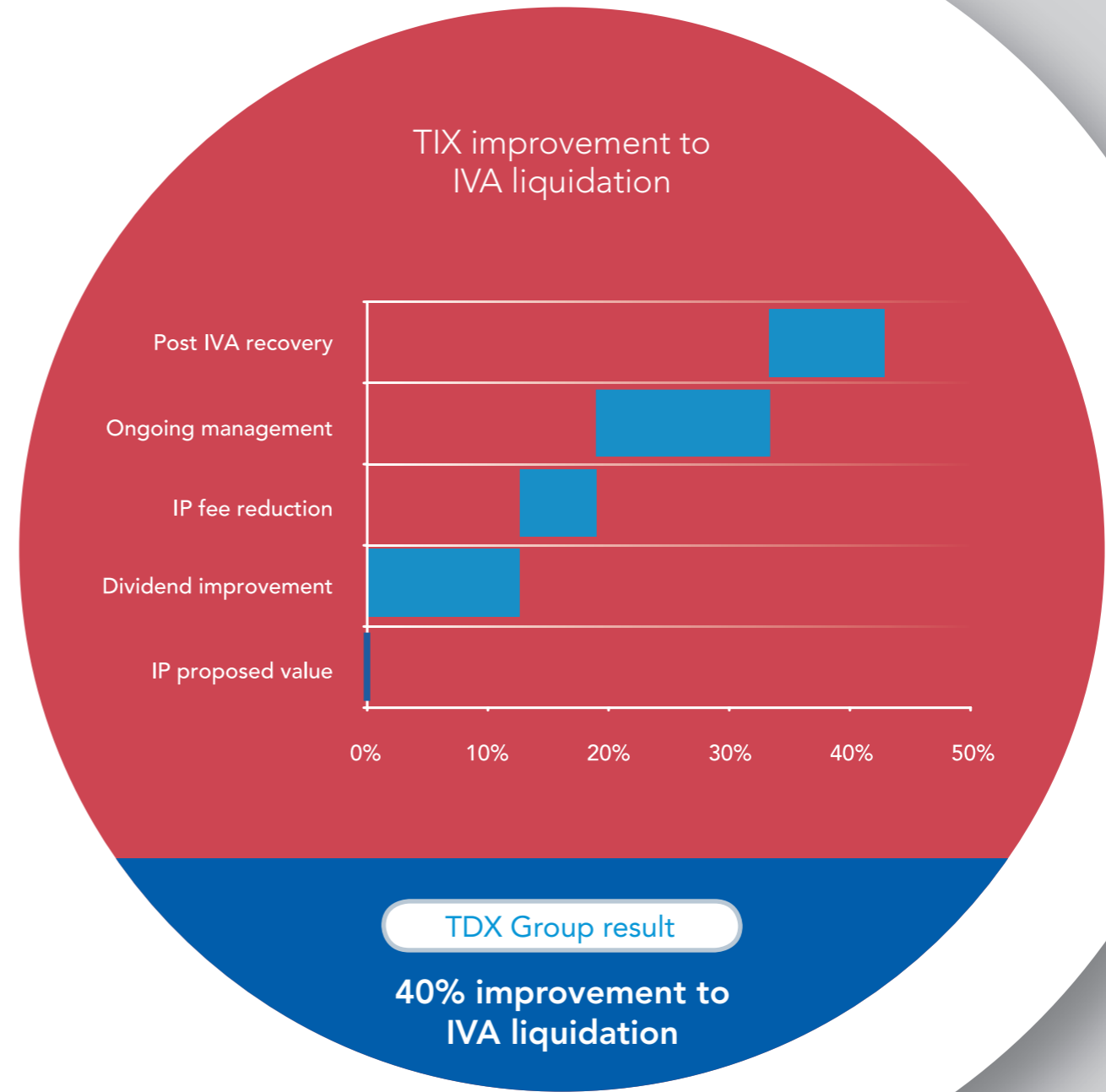
In all of our financial difficulties solutions, we work closely with the third parties involved to achieve improved outcomes for both the consumer and our clients.



"TDX Group is an increasingly important partner for HSBC in an extremely competitive marketplace. This is due to their ability to offer new and innovative solutions that have met our individual business needs and delivered exceptional results."

Gary Jones
Senior Credit Manager, HSBC

Using an analytical approach, our service decisions individual proposals, assessing whether an IVA is the best solution for all parties and if so, locking in a fair return for the creditor. Working with the Insolvency Practitioner, TIX manages each IVA through the 5 year term of the arrangement, resulting in optimised returns. TIX has grown to become the market leader in this area.



Asset sale

In the UK, nearly every creditor now uses asset sale. It has become a major tool for managing increasing volumes of bad and doubtful debt. At TDX Group, we handle over 40% of all debt sold in the UK.

Historically, most sales have been operational, executed to create cash returns from non-performing debt portfolios. Sales were typically executed at specific points in the recoveries process with limited consideration for overall value maximisation. The implementation of Basel 2 and IFRS has increased the economic cost of high risk or highly volatile assets, making sale an increasingly attractive alternative to help optimise the value of assets in the portfolio.

As creditors begin to evaluate broader parts of their portfolios, seeking opportunities to optimise asset value, there are a number of key activities that need to be considered including: defining the overall objective, completing the right level of analysis, evaluating key metrics to identify opportunities and actually creating value by applying the right sale solution.

In addition to the now familiar asset sale market, we also provide resale services. We believe that this will be a huge area for growth in the market across the next 12 months.

Having seen the role that the secondary market has played in the USA, where it has been critical in improving returns, and has enabled higher and more stable pricing for primary sales, we believe the European market will ultimately follow this model.

Beyond the financial services markets, the asset sale tool is also available to utility companies. Debt sale in the utilities space is a viable option for dealing with non-performing assets. The process takes the same form as in the financial services industry, with some additional VAT complexities which must be thoroughly understood before embarking on developing a sales strategy.

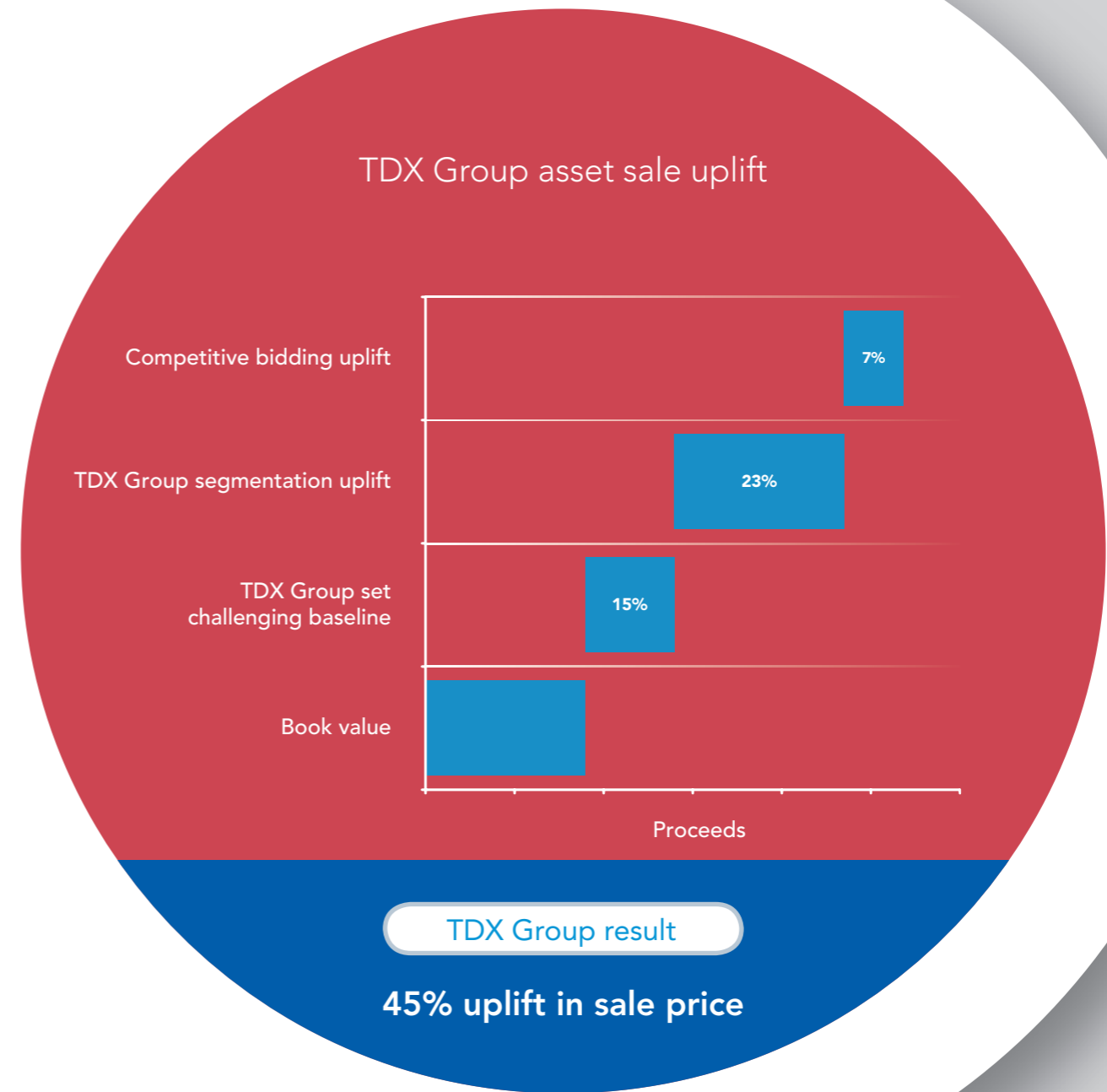
One of the key barriers to the wider use of debt sale amongst utilities has been the perceived reputational risk that exists around selling the ownership of debt to a third party. With the vast majority of the leading financial services organisations now utilising debt sale, the industry has become increasingly focused on its reputation and so many of the original concerns have been mitigated.



In working with one of the UK's biggest banks on their asset sale projects for the past few years, we have helped them achieve significant improvements in value through our approach.

Our process for this client begins with assisting in the selection of the most appropriate assets for sale. We then focus on segmenting the files into separate sales packages, ensuring maximum market relevance and appeal. We manage the end to end sales process, typically delivering uplifts of 25% to 45% on our debt sale transactions against the initial baseline provided by the bank. The improvement in returns is primarily achieved through our ability to add market intelligence, enabling us to segment the debt into valuable packages, and allowing the bank to interact with a number of purchasers with different requirements rather than a single purchaser.

Our client has requested that they remain anonymous.



Advisory

Our advisory practice helps clients to maximise value by identifying opportunities to improve their internal capabilities. From recoveries management strategies to asset value optimisation, we take a broad view of our clients' debt challenges looking for opportunities to increase performance.



As an example, our asset value optimisation process identifies individual commercially relevant segments of the balance sheet and outlines the optimal treatment for those segments. Our methodology takes all factors into account, including internal provisioning methods and market conditions such as seasonal impacts on sale pricing, to deliver improved strategies and returns to our clients.

Other outputs from the Advisory team have included detailed management information packs, providing creditors with the data they need to manage their portfolios, and major benchmarking studies which enable clients to understand their strengths as well as areas for focus in comparison to the rest of their sector.

We also work with potential investors in the debt market to help them evaluate the market and to value potential investment opportunities and methods of entry. Our international presence and experience is often relevant for these projects, as clients are increasingly seeking advice and knowledge in other markets as they expand their businesses.

All of our advisory projects are enriched by the addition of TDX Group's unique data sets and our operational knowledge, giving unrivalled insights which lead to greater value being returned to our clients' businesses.

We recently worked with a major high street bank on an Asset Value Optimisation project.

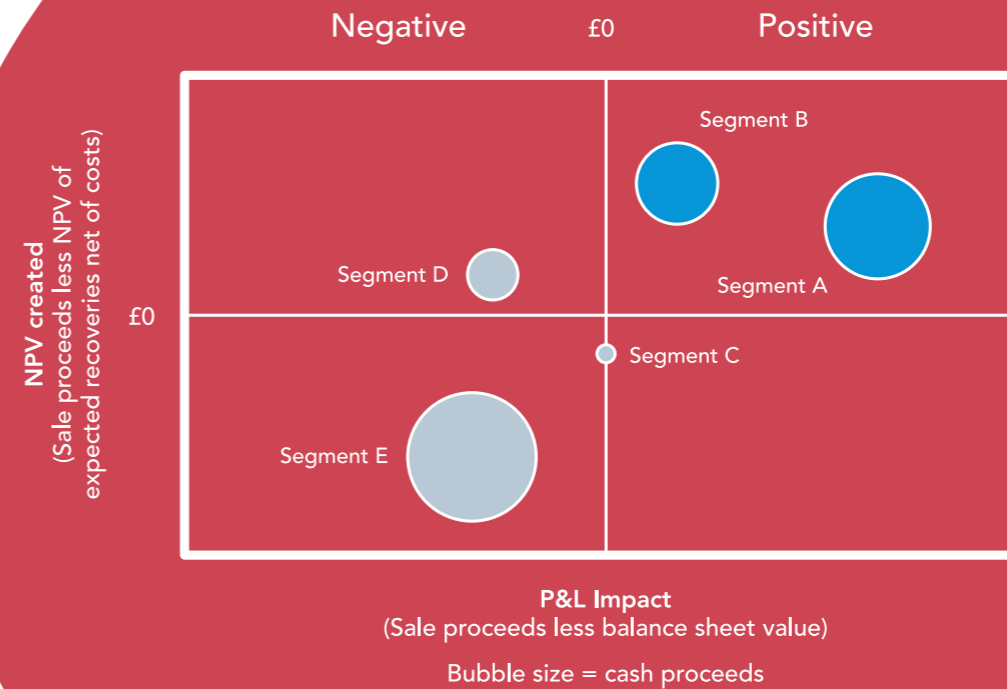
As a sophisticated financial services organisation, the bank had been engaged in the practice of debt sale for a significant period of time. The forward flow arrangement that they had been utilising was coming to an end. At this point, the bank decided to review their debt sale strategy to ensure that they were receiving the maximum value from their assets, and so they invited TDX Group to work with them.

Our analysts used the bank's historical data, as well as our own industry and market pricing data, to build segmentation models and to value each of the identified segments. In just over 4 weeks, we had completed the project and shared the valuations and recommendations with the management team at the bank, leading to a significant change in the strategies adopted.

Our client has requested that they remain anonymous.



Understanding the value and optimal treatment for segments of the balance sheet



TDX Group result

A final recommendation for each of the segments of assets is made based on the client's own strategy, combined with our knowledge of market conditions.

Our team

Our people are key to making our market knowledge and expertise easily accessible to our clients and their teams.



Mark Onyett

Chief Executive Officer

Experience Mark is a co-founder of TDX Group. After graduating from Cambridge University, he worked for a leading strategy consulting firm in Europe and Asia. In 1996, he joined Capital One as a founding member of the Executive team in the UK, and worked in a number of executive roles in the UK and US in Marketing, Credit Risk and Risk Operations.

Back in 2003, Mark identified an opportunity in the market for a more modern, analytical approach to debt management that would help both creditors and consumers. As a result, TDX Group was born. Mark's focus is driving the growth and development of the business through new services, partnerships and international growth. He also continues to be involved on a day to day basis, regularly meeting clients, partners and suppliers. Mark hosts a number of industry roundtables and is a regular speaker at industry and government events.

Favourite innovation "My favourite innovation has to be my Tomtom GO 510. It is so simple to use - I literally lifted it out of the box and started using it. I also like the fact that they keep innovating to improve it, for example I can now get traffic updates via Bluetooth. At the risk of sounding overly dramatic, it really has transformed driving for me - no more reading maps (or mis-reading maps) and no more time wasted whilst driving around trying to find your way."



Mark Sanders

UK Managing Director

Experience Mark has nearly 15 years' experience in the UK financial services sector including senior roles with Capital One, First Direct and LloydsTSB. He has held executive level roles in sales, marketing and analysis, fraud, and risk operations. Prior to joining TDX Group he was VP for Service Operations across all of Capital One's European product offerings. Mark has a MBA from Warwick Business School.

Since joining TDX Group as our UK Managing Director, Mark has steered the business from 60 employees to over 120. In line with his own passion, he has also ensured that we have a customer orientation that obsesses about us delivering benefits back to our clients. Mark is heavily involved in developing our long term strategy, but remains close to the day to day operation of the business, and recently lead the development of a number of new industry solutions in the financial difficulties arena.

Favourite innovation "My favourite innovation is Sky Plus. Someone has taken the unfathomable process of programming the video recorder and has reinvented it with a piece of technology and a user interface that, simply put, just works. I love the fact that I no longer upset my wife by recording the wrong programme, that I can record a whole series (so I don't miss an episode) and that I can record two things at the same time (something my video recorder could never do). It is also one of those things that sells itself - once you've seen it in action, you'll want it. Game changing and simple to use - that's a great innovation."

Director of Recoveries Management

Experience John has over 20 years' experience in debt purchase, financial services, credit services and receivables management. Prior to joining TDX Group, John served as Senior Vice President (SVP) for OSI, one of the leading debt purchasers and debt management outsourcers in the US market, where he managed 750 people across 120 offices in the US and Puerto Rico. Prior to OSI, John was SVP and General Manager of the Thomas Cook Group Financial Services Group and has worked in the UK, France, Canada and the US.

John has lead a number of business areas in his time with TDX Group. He has worked with the majority of the 'Top 5' financial institutions, major financial retail players, asset purchasers and organisations across the energy sectors. John has directly overseen more than £4 billion in asset sales, structured the first brokered asset resale in the UK market, and looks after over 1.5 million accounts under current management in our Recoveries Management business.

Favourite Innovation "Screw top wine has to be one of my favourite innovations. Whilst initially flawed in delivery, the screw top has now ensured a level of defence against the ever dreaded "corked wine". OK, so it's not romantic, but then neither is opening up a properly stored, favourite bottle of wine only to smell the stench of a Nebraska barn. What better innovation could there be for a wine lover?"

John Telford



Director of Financial Difficulties Solutions

Experience Mark is a founding member of TDX Group and heads up the Financial Difficulties team. He brings with him extensive knowledge of the collections, recoveries and insolvency industry with over 17 years of experience leading teams and managing debt with major blue chip companies, including Capital One and GE Capital as well as a range of roles with NatWest Bank.

Mark was involved in establishing the TDX Group Agency Network - a panel of over 30 debt collection agencies who provide capabilities across the whole collections spectrum. The value delivered through this network exceeded £1.25 million for one client alone. Mark was also responsible for the launch of TIX, which designed, built and delivered a bespoke platform for managing IVAs for creditors. In just 15 months TIX has become the industry leading solution and has enabled us to present savings of £56 million back to our creditors from IVA fees.

Favourite innovation "My favourite innovation was the introduction of a veterans' league in rugby. This league is only for players over 35. It has enabled me to continue to trot around a rugby pitch without the embarrassment of young fit 18 year olds running around me to score!"

Mark Hover



Director of Asset Sales

Experience Stuart heads up the Asset Sale team and has 10 years' prior experience in the financial services sector in both the UK and Australia. Prior to joining TDX Group, Stuart worked for Barclaycard in the Corporate Finance and International Finance teams, focusing on the expansion of the unsecured lending business across Europe and into emerging markets. Stuart has a BSc in Economics from the University of St Andrews.

Since joining TDX Group in mid 2007, Stuart has overseen consultancy projects for over 10 key clients including a number of complex portfolio valuation and asset value optimisation projects. From an asset sale perspective, he has brokered more than 15 individual sales in a 6 month period.

Favourite innovation "Harrison's Marine Chronometer, as it allowed navigators to establish the longitude of a ship at sea. The innovation opened up the world to commerce, trade and exploration as well as saving the lives of many merchants and navigators."

Stuart Bungay



Who we work with



Financial services

Most of the major financial services players in the UK have worked with TDX Group, including all of the 'big 5' banks and over 15 other blue chip financial organisations. Across the entire sector, financial services organisations are looking for the best approach to manage growing and changing debt portfolios. As volumes increase and the debtor profile shifts, information-based credit risk strategies are needed to achieve the best returns for different categories of assets. In addition, the requirement to treat customers fairly means that a 'one size fits all' approach is no longer appropriate, and each customer must be targeted with the optimal treatment.

Utility sector

We have worked with utility companies across energy, water and telecommunications and across all areas of debt management; from helping to optimise credit risk strategies through to improving returns from recoveries management activity. Throughout the 1990s and in the aftermath of de-regulation, energy retail businesses experienced a huge shift from the traditional operational approach to customer management to a highly competitive market environment. Coupled with this, organisations across the sector are now amongst the increasing number of creditors affected by an over-indebted society. As the customer base becomes increasingly delinquent, the subject of recoveries and collections, and the wider questions of debt and its management, are high on the priority list at board room level.

Debt portfolio owners

As the total asset sale market has increased, many new debt purchasers have invested in non-performing assets. Maximising returns requires access to a broad range of servicing and resale strategies. Our portfolio management and resale brokerage services are specifically designed for debt portfolio owners, and provide access to the optimal range of strategies with the ease of a single relationship with TDX Group.

Private equity

With increasing levels of over-indebtedness hitting the UK, the most forward thinking investors are looking at the debt market as an attractive investment option. The combined benefits of a growing industry alongside the improving clarity about how such assets perform, make this a market worth further investigation.

TDX Group is helping private equity investors to understand and successfully enter this market, using our unique data and our industry leading experts to give a 'hands-on' view of the operational challenges involved.

Our international experience



Through our UK and Spanish offices we deliver our services across Europe and North & South America.

Through sophisticated analysis of our unique data, TDX Group is enabling creditors and debt portfolio owners to improve returns on their semi and non-performing assets.

UK office:

TDX Group
City Gate East
Tollhouse Hill
Nottingham NG1 5FS
T: +44 (0)115 953 1200
F: +44 (0)870 460 2694

Spanish office:

TDX Indigo
Sagasta 18 - 4ª
28004 Madrid
T: +34 91 446 2350

W: www.tdxgroup.com E: info@tdxgroup.com



All our work is entirely confidential. We reveal information only with the total agreement of our clients.