EUROPEAN PAYMENT INDEX 2010

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CONTENT

Intrum Justitia, Europe‘s leading provider of Credit Management Services carries out a written survey in 25 European countries on an annual basis involving several thousand companies. The results of the survey are published in the present European Payment Index Report and the country reports, which are drafted in the respective national language.

This yearly interval is intended to capture and compare international trends and provide companies with a reliable basis for decision making and effective benchmarks.

The results in this report are based on a survey which was carried out during January – February – March 2010. All time-based comparisons relate to the survey results that have been obtained in 2007, 2008 and 2009.

Intrum Justitia would be happy to help if you require any further support or information.

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FOREWORD CEO: HIDDEN DEBT REALITIES OF RECESSION THREATEN EUROPEAN RECOVERY AND GROWTH

Is the worst of the recession over? The answer is both yes and no although financial markets are certainly healthier today than a year ago. More positive news also comes from the latest annual survey of European payment habits by Intrum Justitia, which showed that the public sector has speeded its payments on average by 6% or 4 days, despite serious variations from one country to another.

Nonetheless, the 2010 Intrum Justitia survey of business sentiment among 6,000 firms in 25 European countries reveals very many businesses remain concerned about the debt-related consequences of the downturn. The new European Payment Index (EPI) survey - implemented during the first quarter of this year – shows how the business, social and human costs of this recession are impacting national and regional wellbeing.

The written-off percentage rose 20% in last year's survey to 2.4%. This year the written-off percentage on a pan-European level increased 8% to 2.6%, a welcome tailing off. Although still a high percentage, it's positive the earlier sharp rise has decreased. However, the EPI survey shows strong variations between countries- and in the Nordic region the written-off percentages grew between 25%-100%.

The reality is that the 2.6% average annual amount being written-off by companies across Europe equals 300 billion euro. That figure is the equivalent of Greece's total national debt, which has sparked tough domestic austerity measures and a multi-billion euro zone loan package to solve the country's debt crisis.

No such breathing space exists for European businesses being strangled by late payment. For businesses large and small, the rule of the marketplace remains sink or swim with little or no government intervention coming to their aid. Today's marketplace reality is that the massive amounts being written-off by firms due to bad debt translates into even more companies going bust, more people ending up on unemployment benefit, reduced taxation income and less money available for R&D investment.

With banks still clearly reluctant to lend, companies are battling for survival by dipping into their own cash reserves, if they have them; and if not, saving money by laying off staff, slashing wages, staging fire sales of products and paying reduced dividends to shareholders.

The exceptional crisis measures put in place by the EU and its major trading partners helped avoid a 1930s-like depression. But current data is sending mixed signals about the future with European industrial output, retail sales and investments all remaining weak. Consumer spending is being dampened by rising unemployment, modest wage increases and growing inflation.

Against this backdrop, the latest 2010 European Payment Index reveals a mixed picture. Countries like Lithuania, Portugal, Slovakia, Spain and Greece show no improvement in payment risks, while countries such as Germany, France, Belgium and The Netherlands have stabilized somewhat. In the meantime, in the Nordic countries the index changed unfavourably.

The 2010 EPI survey asked respondents for individual feedback on the lessons being learnt from the tough market environment. The majority said they were striving harder than ever to achieve better insight into the payment ability of customers through deeper credit checks earlier in the sales process. Tellingly, some 60% of all respondents believe that implementing national and pan-European legislation on late payment by consumers would be a good idea, while more than 2.000 companies said that such a move would help their business.

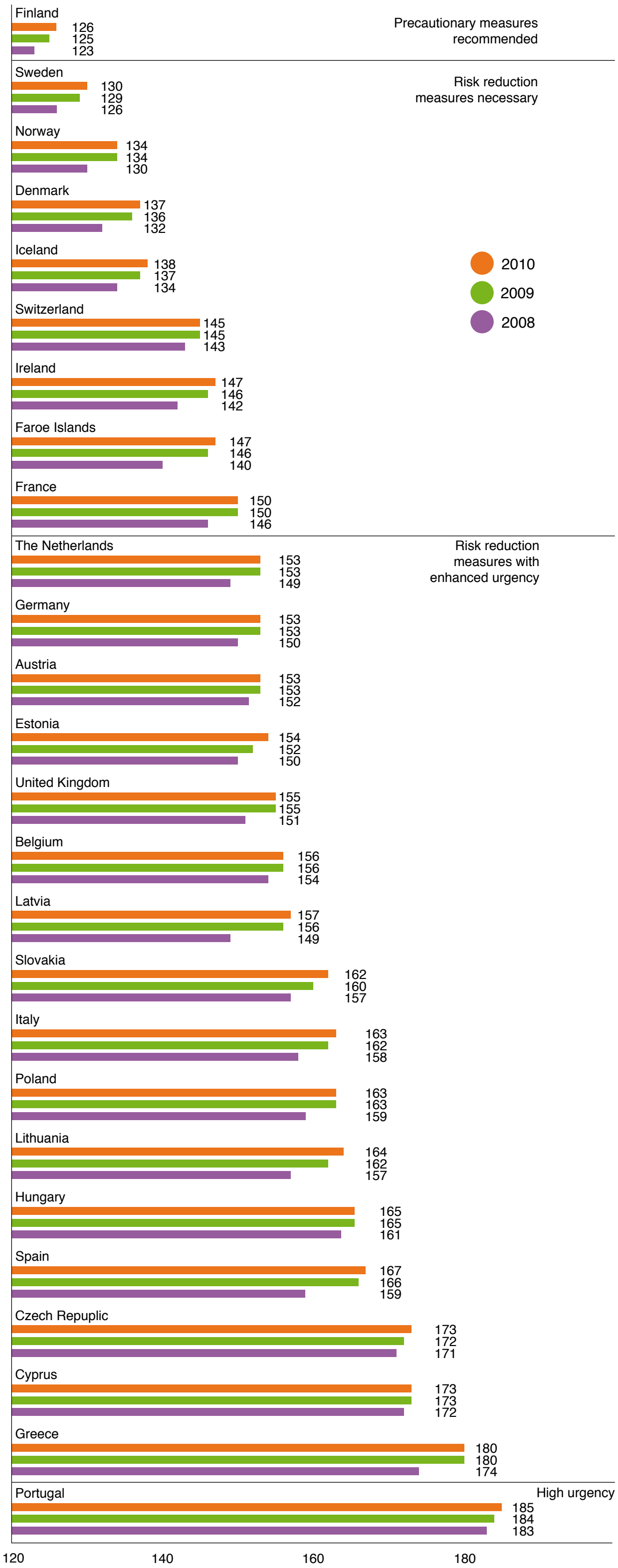
The simple truth is that if everyone paid on time, it would deliver an enormous boost to local, national and regional economies, certainly no bad thing as Europe struggles out of recession. Europe's firms could save at least 25 billion euro by not having to chase slow payers, which consumes time and money.

Finally, it is encouraging to see from the 2010 Intrum Justitia survey that ever more companies are focusing on their overall credit management processes. If there is any good news coming out of the downturn, it is that the recession is obliging companies to exercise greater financial control.

Stockholm, May 2010

Lars Wollung, President & CEO Intrum Justitia Group

IN BRIEF



Business confidence shaky

A major survey of over 6,000 companies, large and small, around Europe reveals an ongoing lack of confidence among businesses- and further underlines the fragility of economic recovery from the worst recession in decades. The survey – implemented during the first quarter of 2010 by Intrum Justitia, Europe's leading provider of Credit Management Services – showed companies finding little support from their banks and having to work harder than ever before to implement efficient credit management processes to avoid liquidity problems. There is some good news from the survey, though. Europe's businesses have clearly learnt from the recession of the importance to fine hone their credit management systems, with a large number of survey respondents reporting their firms are increasingly integrating credit evaluation into their sales operations. Each year Intrum Justitia surveys thousands of companies in 25 European countries on a variety of payment risk issues to better understand national and pan-European, the consequences of late payment by consumers and businesses.

Summary of the results for 2010

Although rates of growth across Europe are subdued, with weak domestic demand, evidence is emerging if one looks hard enough of economic recovery, no matter how uneven. The overall conclusion of the latest Intrum Justitia European Payment Index (EPI) survey into business sentiment regarding payment risks is that the late-payment situation has generally stabilised since 2009, but business confidence remains extremely jittery. And in those countries that have suffered worst from the business downturn that started in 2008, there are few signs of any improvement in getting paid on time for services and goods supplied. Not surprisingly, business pessimism is highest in those countries suffering the worst from the financial downturn.

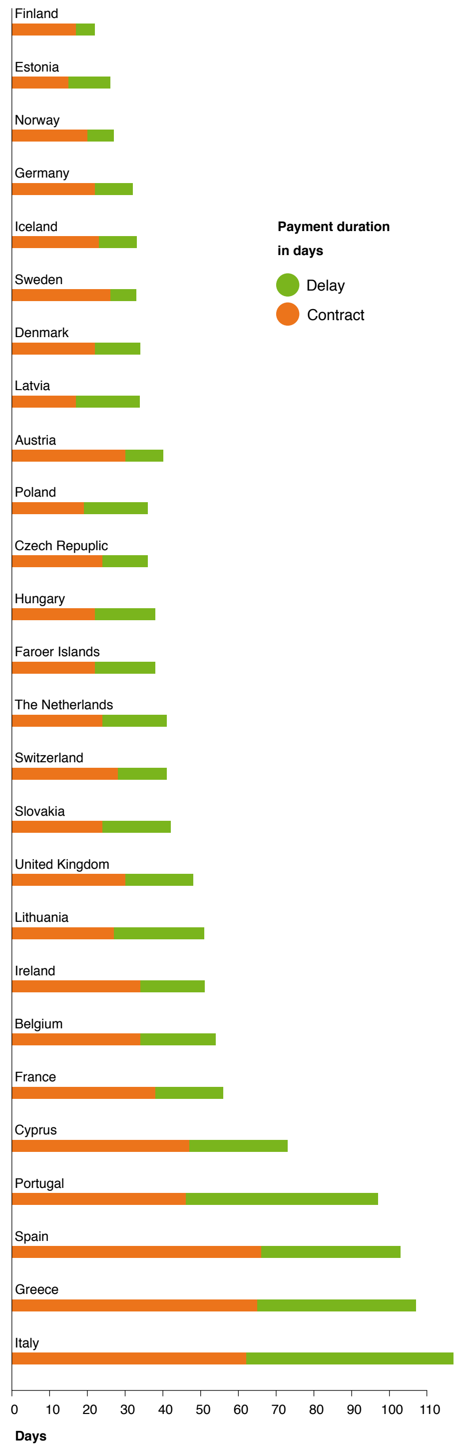
First some good news: The 2010 Intrum Justitia EPI survey reveals that the average delay across Europe in receiving payment beyond the agreed term has decreased by one (1) day to 18 days compared to the 19 days in 2009. This good news is somewhat countered by the fact that the 2010 survey revealed the average written off percentage increased to 2.6% from 1.9% in 2007, 2% in 2008 and 2.4% in 2009. Also worrying is the consistently long time lag it takes for companies to react to non-payment of bills. Despite the obvious downside of not seeking early payment, some 65% of businesses are still waiting an average 85 days before sending claims to a CMS company, according to the latest Intrum Justitia EPI survey.

One reason for the mounting written-offs is almost certainly the worrisome increase in bankruptcies during 2009 across Europe. Up to 200,000 corporate insolvencies are being predicted for 2010 by the Commission's department for small and medium sized enterprise (SME), an 18% increase over the 169,000 firms that folded in 2009. The reluctance of banks to lend to SME's will almost certainly force thousands of viable companies out of business.

The Intrum Justitia EPI survey confirmed that very many small to mid-sized firms, who account for 65% of the 6,000 companies surveyed, are suffering badly despite all the political talk of green shoots of recovery. At the front end of business and job generation, some 52% of SME respondents say a major cause of difficulty for them is reduced access to credit as banks remain less inclined to extend loans.

The havoc being caused for small and mid-size European firms by the finance and banking crisis somewhat mirrors events in the United States, which saw bankruptcies jump 32% in 2009 compared to a year earlier, with some 1.4 million petitions for bankruptcy by U.S. consumers and businesses. According to AP, there were 116,000 recorded bankruptcies in the world's largest economy in December 2009 alone, a massive 22 percent increase on the same month a year earlier.

Although Europe's economic rebound is more complicated and fragile than in the U.S., one very positive development is the decision by the European Investment Bank to ramp up its support for SME's by making some 30 billion Euros available over the next three years. There have been complaints that the funds have been slow to reach SME's, but the Bank and the European Commission insist the infrastructure is now in place to distribute loans. Meanwhile, efforts are also ongoing to ease the administrative burden on SMEs by implementing the Small Business Act, which was introduced in June 2009. The latest Intrum Justitia EPI Payment Risk Survey was implemented between January to March 2010, which means that effects of the



LEARNING FROM EXPERIENCE INDICATORS

financial crisis in 2009 are very visible, especially in the still increasing written-off percentages.

Pan European level	Average payment duration in days			
	2007	2008	2009	2010
Consumers	42	40	41	39
Business	59	56	57	55
Public sector	69	65	67	63

Lessons

A new element in the 2010 Intrum Justitia EPI survey was a question asking what major credit/default lesson the respondents had learnt from during the recession. Reassuringly, a very clear majority had obviously taken on the advice from Intrum Justitia in its 2008 and 2009 surveys of the need for businesses to enhance and sharpen their credit management procedures. The response of respondents underlines that those companies doing best are the ones who have understood the importance of having or putting in place working credit management processes.

The most typical top 6 answers to the question "what is the major credit/default lesson you have learnt from the recession?":

- More strict customer monitoring, already from the first day after the sale has been concluded
- Ensure sales and finance work more closely together to prevent and avoid bad debt
- Implement credit checks for all, with strict monitoring of the credit rates of customers as well as prospects
- Strive for more pre-payments and giving less credit, with new customers initially directed towards pre-payment
- Generate greater and more intensive customer contacts, especially by phone and email contact
- Develop improved CMS procedures and processes, and cascade awareness of the tools through all departments

Banks criticized

A substantial number (88%) of business respondents to the 2010 Intrum Justitia EPI survey also mentioned their needs and desires in meeting the special conditions sparked by the recession. In the majority of countries surveyed, banks especially came in for criticism with many respondents (52%) expressing the feeling they were not getting the support they need to grow their business or get through a bad patch due to the market conditions.

Legislation sought

There were calls for increased legislation especially regarding debtor fees and interest rates on overdue invoices from a large number of respondents in countries outside the Nordic Region, where local laws already support as a matter of course fees and interest being charged on late paid invoices. Several respondents mentioned their fear of endangering a client relationship by charging interest after due-by date as it was not an established 'norm' in their country.

Trend in payment risks

The good news from the 2010 Intrum Justitia EPI survey is that across Europe the average time it takes to receive payment has moved back to the 2008 level of 55 days (compared to 57 days in 2009). However, there are strong variations from one country to another, which means the 'improvement' should not be seen as a pan-European phenomena. On the downside, the average written-off percentage has increased across Europe, again with variations from one country to another. For example, in the Nordic countries where fast payment remains the rule, the average written-off percentage has grown considerably between 25 and 100%.

The reality is that while there may be a light visible at the end of the recessionary tunnel, the Intrum Justitia EPI survey shows few businesses feel confident about saying just how far away that light is. Most respondents said they expect little dramatic change in 2010, which a majority said they believed would be stable.

For all the upbeat talk, the recession in Europe is still biting hard with little market evidence of European economies gathering real steam, according to Intrum Justitia's business sentiment survey. With government debt at stupendous levels, Europe's economy with few exceptions failed to grow at all in the final three quarters of 2009. That revelation came from revised figures in early April from Eurostat, which had earlier predicted limited growth. By most forecasts, there is little hope that 2010 will be a whole lot better than 2009 and this picture is reflected in the new Intrum Justitia survey, which underlines the dangers of an ever widening cycle of longer-term financial squeeze restricting the growth and survival potential of even well-leveraged businesses.

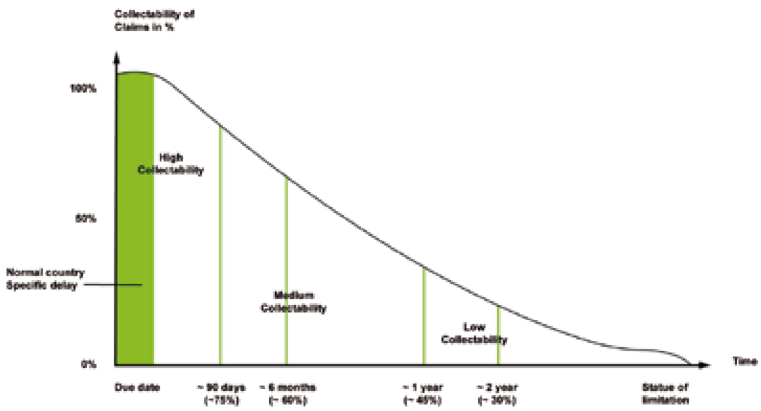
It is clear there is no silver bullet to get any business, public sector organisation or even individual consumers through tough economic times – except a total commitment to not allowing debt to mount up. The benefit of this approach has been confirmed by the Intrum Justitia 2010 EPI survey, probably the biggest annual survey of business payment and sentiment. The survey underlines that one piece of positive sentiment emerging in the marketplace is that the recession is obliging businesses to re-evaluate and improve their CMS focus, which in turn will help contribute to avoiding a double-dip downturn.

The Intrum Justitia 2010 EPI survey also provides clear insight into how business fears of not being paid for their goods and services is hampering cross border trade within the European Union. A growth in that trade will almost certainly be triggered by enforceable legislation at EU level that helps secure payments across borders and thereby will encourage greater intra-community trade, which will benefit local economies, employment and growth.

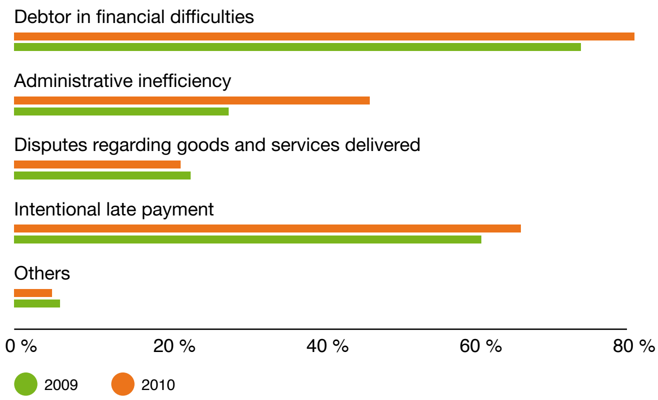
The 2010 Intrum Justitia survey reveals a solid level of discontent being felt by businesses across Europe in the treatment they receive from their banks. Many say their ability to ride out the financial crisis or indeed invest in expansion is being hampered by the unwillingness of banks to loan them money. This in turn is a further threat to unemployment in Europe, which already stands at worrying levels.

Clearly the main consequence for businesses of late payment is the loss of income and reduced liquidity. Ally this with the reduced confidence in getting financial support from their banks to help run or grow their business and the overall situation looks challenging. The fragile economic recovery in Europe is clearly leaving European business, especially SME's, feeling jittery about their future, as the Intrum Justitia EPI 2010 survey shows.

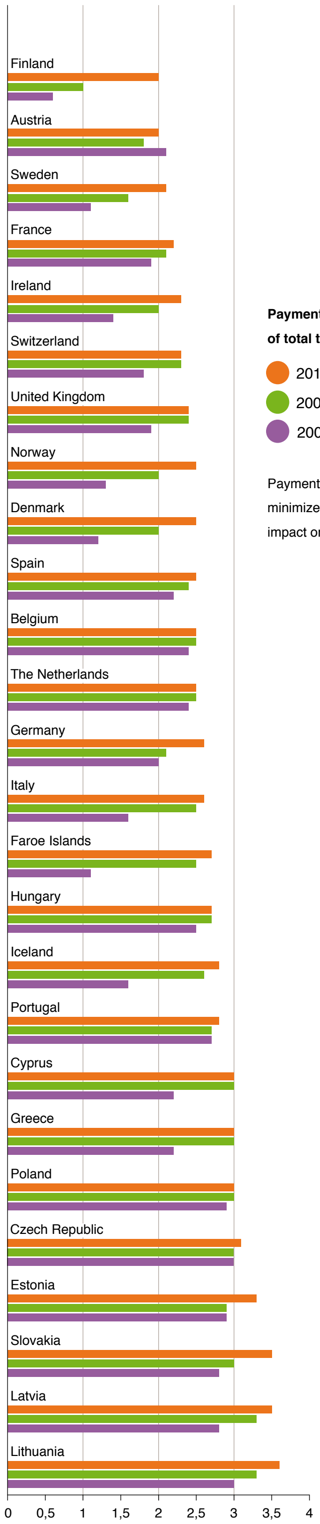
The effect of waiting



Reasons for late payments according to respondents



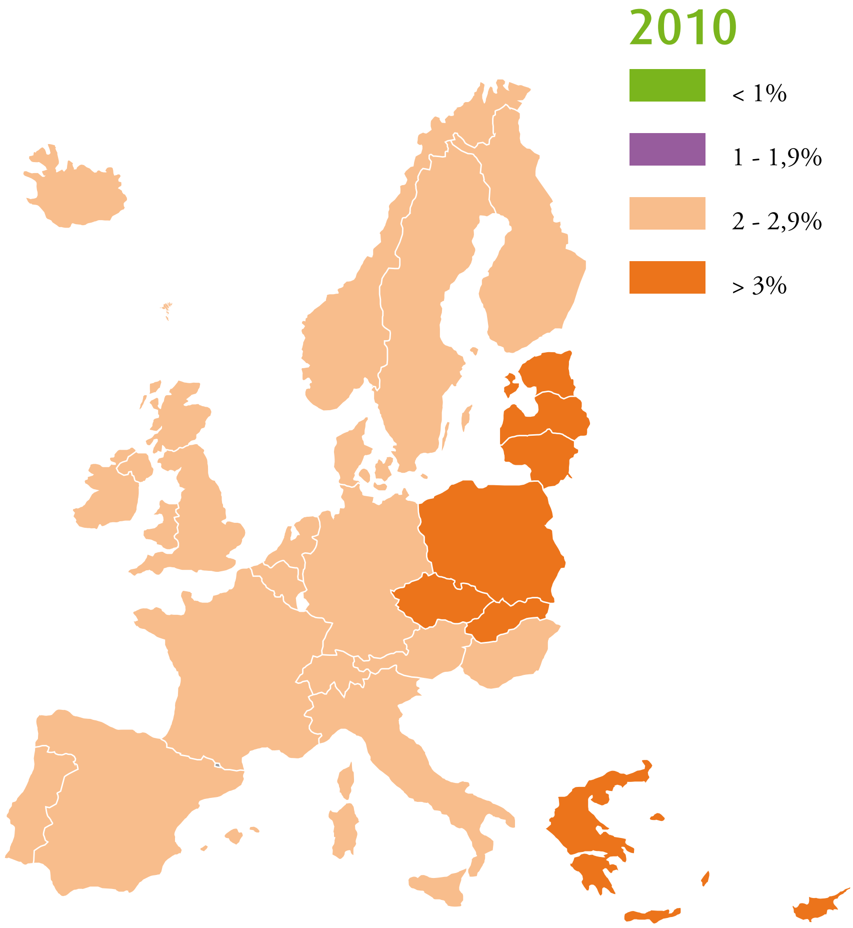
PAYMENT LOSS

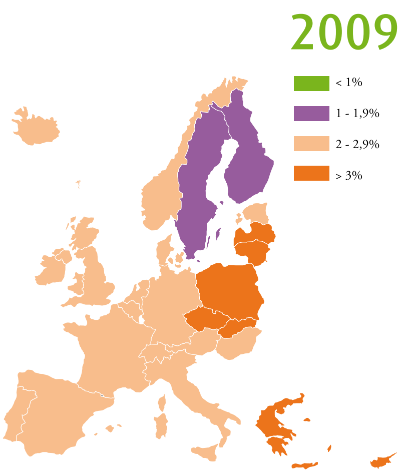


Payment loss in %
of total turnover

- 2010
- 2009
- 2008

Payment loss should be minimized as it has a high impact on the business.



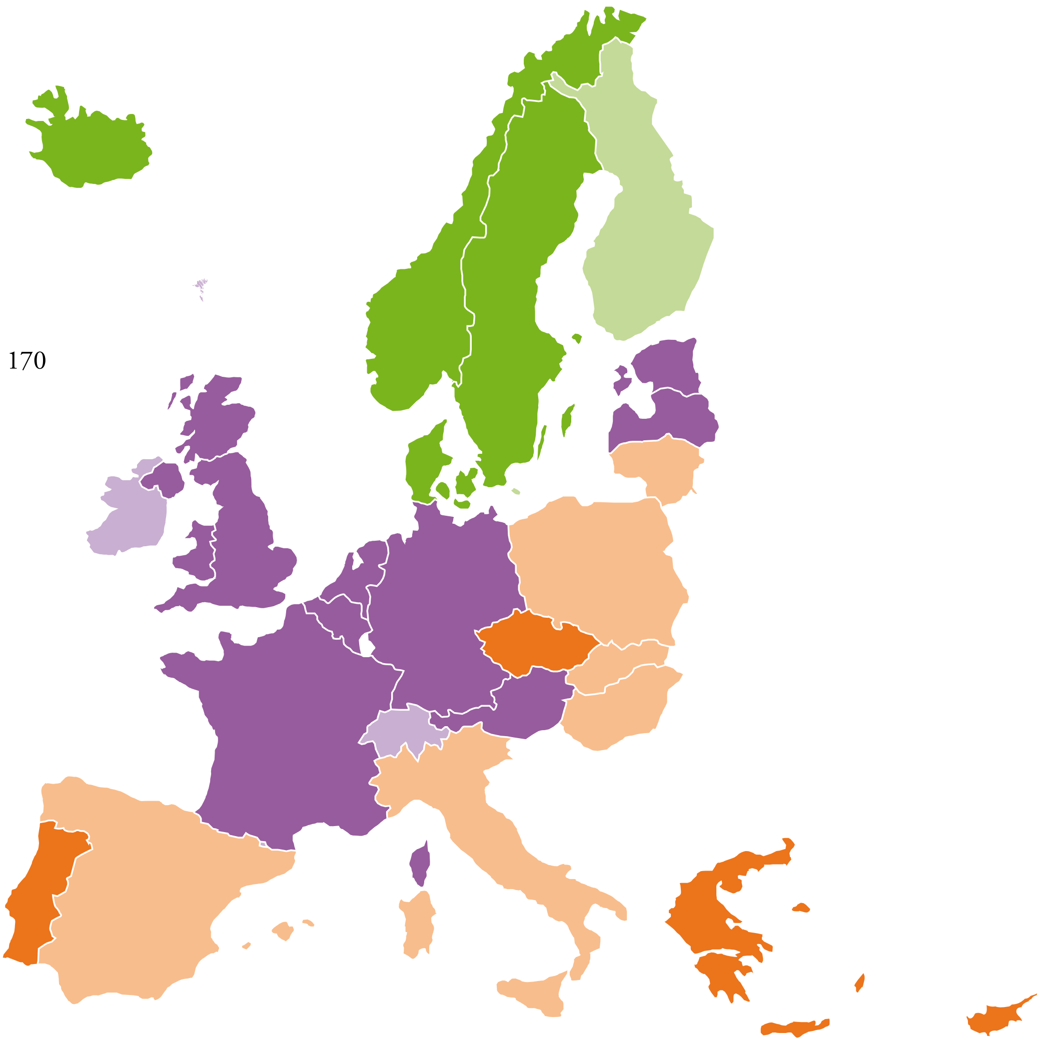


EUROPEAN PAYMENT INDEX

Risk Index	Explanation of the Risk Index values
100	No payment risk, cash payments, payment at delivery or pre-payment, no credit
101-129	Stay alert to keep present situation
130-149	Intervention necessary
150-169	Intervention inevitable, take measures to lower the risk profile
170-200	Intervention emergency, take measures to lower risk profile
> 200	Case of emergency, take measures to lower risk profile

Legend

- 101 - 129
- 130 - 139
- 140 - 149
- 150 - 159
- 160 - 169
- More than 170



COUNTRY REPORTS

Risk profile

Each country surveyed has been given an individual risk profile. In an easy to read way, the profile shows the basic criteria for the overall assessment of payment risks (Payment Index).

Explanation of risk indicators:

Duration	Calculation of the effective payment duration in days.
Delay	Calculation of the absolute duration of delay in days as well as in relation to the agreed payment term.
DSO	Calculation of the individual age groups in relation to the total value of the outstanding receivables. The different lengths of the contractually agreed payment terms are taken into consideration when assessing the age structure.
Loss	Calculation of the declared payment losses.
Forecast	Calculation of the forecast, prepared by the companies questioned, on how the payment risks are anticipated to develop.
Consequences	Calculation of the consequences stated by the companies of the payment risks for their company.

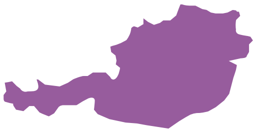
Please note the explanation below for a better understanding of the Payment Index.

Payment Index

The payment index is used to compare different economies, regions or sectors. Alongside technical financial figures, the index is based on assessments from the companies surveyed. The data forming the basis of the index is generated yearly using a standardised written panel survey. List of basic data elements: Contractual payment term (in days); Effective payment duration (in days); Age structure of receivables (DSO); Payment loss (in %); Estimate of risk trends; Characteristics of the consequences of late payment; Causes of late payment. The Payment Index is calculated from eight differently weighted sub-indices, which are based on a total of 21 individual values.

Payment Index - Implications for Credit Policy

100	no payment risks, i.e. payments are made in cash, on time (or in advance) and without any credit
101 - 129	preventive actions - measures to secure the current situation are recommended
130 - 149	need to take action
150 - 169	take measures to lower the risk profile
170 - 200	major need to take action
over 200	organise to immediate lower the risk profile



AUSTRIA

Payment Index

2008	152
2009	153
2010	**153**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	65	21	14
2009	64	34	2
2010	**62**	**33**	**5**

Payment loss (%)

total turnover

2008	2.1
2009	2.0
2010	**2.0**

Main export

Risk Index

Italy	163
Germany	153
Switzerland	145

Economic Development (%)

		Average EU27
GDP per capita in euro	34,610	
GDP growth	1.3	0.7
Unemployment rate	5.2	10
Inflation	1.4	1

(all 2010 estimates)

Austria's 8.3 million citizens saw their country economy contract by 3.6 percent in volume in 2009 as the global financial and economic crisis bit hard, hurting business and sending unemployment rocketing to the highest levels since the early 1950s. Goods exports, manufacturing output and investment in business equipment plunged strongly, although private consumption proved resilient, according to the Austrian Institute of Economic Research (WIFO). Although the downward trend seemingly ceased in mid-2009 with Austrian exports and industrial output picking up and predictions of 1.3 percent GDP growth in 2010, the recession is expected to have a lasting impact on the labour market and public finances. Amid predictions that unemployment will reach 5.4 percent in 2011, the Austrian government is fighting to contain expenditure by slashing public expenditure in a bid to save up to 3,4 billion annually and considering raising taxation without threatening consumption.

Payment: Behaviour and Risks

There is both good news and bad news from Austria. On the upside, the latest Intrum survey shows consumers are paying 10 days faster on average compared to a year ago, following on from 2009's initiatives to lower the average payment term granted to consumers from an average 24 days to 19 days. However, on the downside business and public sector transactions saw delays in payment increase by 3 days.

The share of receivables reveals a 2% decline in invoices being paid within 30 days. Some 57% (47%) of respondents believe the risk of late customer payment will remain the same as in 2009.

Because of the late payment situation, 45% of Austrian businesses expect to see interest rates increase. Altogether 81% (82%) of the respondents believed the reason for late payment was mainly the financial difficulties being suffered by those owing them money.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	19	27	29
Average payment duration, in days	25	38	43
Average delay, in days 2010	6	11	14
Average delay, in days 2009	16	8	11

BELGIUM

Economic Development (%)

		Average EU27
GDP per capita in euro	32,965	
GDP growth	1.0	0.7
Unemployment rate	9	10
Inflation	1.6	1

(all 2010 estimates)

With around three-quarters of its trade with other EU countries, Belgium was clearly going to suffer a massive hit from the 2009 recession. In its sharpest decrease since World War II, the country's 10 million citizens saw the national economy shrink by 3 percent, according to the annual report of the Belgian National Bank. In the wake of the recession the budget deficit amount to 6 percent of GDP and some 64,000 jobs have been lost, sending unemployment to 8.2 percent. The good news is that the negative cycle has been broken by a series of tough budgetary and monetary policies implemented by the government, and the bank predicts the Belgian economy will grow by one percent in 2010. Business confidence gained strength at the start of 2010 with surveys showing the services, trade and building sectors especially feeling more upbeat about the future. Consumers appear to be holding their breath. A survey by the Belgian National Bank in February revealed substantial scepticism among householders about their financial situation and future saving capacity.

Payment: Behaviour and Risks

The risk of late payment in Belgium appears to have stabilized in recent months. Only the share of receivables showed a shift towards later payments, with 5% fewer payments being made within 30 days compared to last year. Some 52% of Belgian respondents fear that payments risks will further increase during 2010, a figure sharply less negative than last year when 72% expressed fear about the increased risk of being paid late.
Altogether 50% of the business respondents admitted to feel the liquidity squeeze due to late payment and non-payment. As in last year's Intrum survey, 88% of the respondents believe they are getting paid later because their debtors have financial difficulties.
The majority of respondents feel that 2010 will remain much the same as 2009. And 30% of the respondents said the recession has left them feeling less confident when it comes to getting the financial support from their bank to run or grow their business.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	23	35	45
Average payment duration, in days	35	52	76
Average delay, in days 2010	12	17	31
Average delay, in days 2009	12	17	31

Payment Index

2008	154
2009	156
2010	**156**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	55	34	11
2009	55	33	12
2010	**50**	**40**	**10**

Payment loss (%)

total turnover	
2008	2.4
2009	2.5
2010	**2.5**

Main export

Risk Index	
UK	155
Germany	153
Netherlands	153
France	150

CYPRUS

Payment Index

2008	172
2009	173
2010	**173**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	25	38	37
2009	30	37	33
2010	**29**	**31**	**40**

Payment loss (%)

total turnover

2008	2.2
2009	3.0
2010	**3.0**

Main export

Risk Index

Spain	167
UK	155
Germany	153
France	150

Economic Development (%)

		Average EU27
GDP per capita in euro	23,212	
GDP growth	0.1	0.7
Unemployment rate	5.5	10
Inflation	1	1

(all 2010 estimates)

Cyprus did not follow its EU neighbours into recession until mid-2009. Heavily reliant on tourism, financial services and real estate, it was inevitable that the Republic would be affected by the global economic crisis and subsequent reduction in foreign demand. The number of tourists arriving on the Mediterranean island plummeted by 10.9 percent. GDP contracted by 0.8 percent during 2009, the budget deficit has risen to around 3.5 percent of GDP, exceeding the EU's budget deficit criteria. With unemployment forecast to rise to 5.5 percent this year and possibly even 7 percent in 2011, the government is tacking the deteriorating finances with state payroll cuts, potential cutbacks in social benefits and a crack-down on tax evasion.

Behaviour and Risks

According to the new 2010 Intrum Justitia EPI survey, businesses and public sector institutions on Cyprus are paying somewhat slower than a year ago, which means it still takes a considerable amount of time to get paid on Cyprus for goods and services. Plus, the balance of receivables has also changed negatively.
The written off percentage remains at the same worryingly high level of 3%.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	30	60	55
Average payment duration, in days	55	90	75
Average delay, in days 2010	25	30	20
Average delay, in days 2009	25	27	15

CZECH REPUBLIC

Economic Development (%)

		Average EU27
GDP per capita in euro	13,463	
GDP growth	0.8	0.7
Unemployment rate	9.0	10
Inflation	0.9	1

(all 2010 estimates)

Four years of non-stop strong growth in the open, export-driven Czech economy skidded to a halt in 2009 as a result of the global financial crisis, with GDP plunging around 4.3 percent. The contraction was worse than had been expected by the government and was prompted by the steep decline experienced by Czech industry as overseas orders slowed. Unemployment among the country's 5.4 million labour forces stands at around 9.3 percent. Analysts for the Komercni Banka bank said any recovery will be 'slow, small and very vulnerable' as consumers continue to tighten spending.

Payment: Behaviour and Risks

The latest Intrum survey reveals that while consumers and business are generally paying their bills off faster in the Czech Republic, the number of unpaid invoices seriously in arrears has grown substantially. Compared to last year, the payment delay in days decreased for consumers (6 days) and businesses (4 days), while the payment situation for public authorities remained unchanged. However, the share of receivables worsened, with 8% increase in invoices outstanding after 90 days. The written-off percentage also increased from 3% to 3.1%.

The majority of the respondents say that they expect the risks to remain stable at this high level, while 59% of respondents reported suffering additional interest charges, loss of income and liquidity squeezes due to late payment. Altogether 94% of respondent said they are getting paid later because their debtors are in financial difficulties or are paying later intentionally. Business respondents were generally pessimistic about the late payment future, expecting little change in the year ahead compared to last year.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	18	30	25
Average payment duration, in days	30	45	35
Average delay, in days 2010	12	15	10
Average delay, in days 2009	18	19	10

Payment Index

2008	171
2009	172
2010	**173**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	60	24	16
2009	60	30	10
2010	**60**	**22**	**18**

Payment loss (%)

total turnover	
2008	3.0
2009	3.0
2010	**3.1**

Main export

Risk Index	
Poland	163
Italy	163
Slovakia	162
Austria	153
UK	155
Germany	153
France	150

DENMARK

Payment Index

2008	132
2009	136
2010	**137**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	68.6	24.9	6.5
2009	63	27	10
2010	**59**	**28**	**13**

Payment loss (%)

total turnover

2008	1.2
2009	2.0
2010	**2.5**

Main export

Risk Index

UK	155
Germany	153
Netherlands	153
France	150
Norway	134
Sweden	130

Economic Development (%)

		Average EU27
GDP per capita in euro	35,349	
GDP growth	1.5	0.7
Unemployment rate	4.6	10
Inflation	1.3	1

(all 2010 estimates)

Denmark holds the dubious honour of being the first EU country to officially enter recession back in 2008 and it continues to struggle with the deepest downturn in its economy for four decades. The Danish economy has contracted more than the other Nordic economies since 2006, while in 2009 GDP fell by over 4 percent and unemployment that historically has been low rocketed as a result of the recession. Almost 4 percent of the country's 2.9 million workforce are without work. The Danish government launched extensive financial sector policy measures to deal with the economic crisis, but the lending slowdown has only been stemmed as demand for financing has also slowed in the face of cautious lending policies and lower house prices, for example.

Payment: Behaviour and Risks

The sharp negative payment trend in Denmark appears to have stabilized with payment delay remaining at the same level as last year across all sectors. However, the share of receivables saw a slight negative change, while the written-off percentage increased further from 2% to 2.5%, setting a new dubious record. The number of bankruptcies in Denmark also increased by 57% in Denmark from 2008-2009.
Some 60% (68%) of respondents expect further increases in payment risks over the coming 12 months. Altogether 77% (69%) of respondents believe they are being paid more slowly because their debtors have financial difficulties. And intentional late payments is listed as a major problem by many respondents, with 55% of firm's saying they have experienced liquidity squeezes because of bad payment habits.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	16	25	25
Average payment duration, in days	26	37	38
Average delay, in days 2010	10	12	13
Average delay, in days 2009	10	12	13

ESTONIA

Economic Development (%)

		Average EU27
GDP per capita in euro	9,996	
GDP growth	- 0.1	0.7
Unemployment rate	15	10
Inflation	0.4	1

(all 2010 estimates)

Estonia's free market, pro business economy plunged into gloomy recession in mid-2008 and saw one of the world's high rates of contraction in 2009 with GDP falling almost 15 percent. The once booming economy – built on strong electronic and telecommunications sectors and trade ties with Germany, Finland and Sweden -has yet to recover from the dramatic collapse in the real estate market that ushered in the country's recession. Unemployment among the 700,000 workforce has jumped to over 15 percent – the third highest in the EU after Latvia and Spain - with no sign of any immediate end to the agony. The recession may be winding down, but both retail sales and industrial are down substantially from their peaks in early 2008.

Payment: Behaviour and Risks

The good news in Estonia is that consumer and business payment behaviour remains stable. The bad news is that payment behaviour has worsened in the public sector where invoice payment is being delayed by an average 3 days beyond due date. The written-off percentage has increased substantially from 2.9% to 3.3%, while the share of receivables has shifted towards more and longer outstanding claims, even for payments older than 90 days.
On a slightly more positive note, 63% of the respondents believe payment risks will stabilize in the coming 12 months.
Some 92% believe the later payments are due to the financial problems being confronted by their debtors. A worrying 88% (84%) say they are being paid late intentionally by debtors, one of the highest percentages in Europe for intentional late payment. The main consequences of late payment are the loss of income and reduced liquidity according to (63%) of the business respondents.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	10	20	15
Average payment duration, in days	18	36	24
Average delay, in days 2010	8	16	9
Average delay, in days 2009	8	16	6

Payment Index

2008	150
2009	152
2010	**154**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	68.5	20.7	10.8
2009	66	25	9
2010	**63**	**22**	**15**

Payment loss (%)

total turnover

2008	2.9
2009	2.9
2010	**3.3**

Main export

Risk Index

Lithuania	164
Germany	153
Latvia	157
Sweden	130
Finland	126

FAROE ISLANDS

Payment Index

2008	140
2009	146
2010	**147**

Economic Development (%)

		Average EU27
GDP per capita in euro	34,200	
GDP growth	3.4	0.7
Unemployment rate	6.0	10
Inflation	1.0	1

(all 2010 estimates)

Private consumption fell by around 10 percent in 2009 in the Faroe Islands, a self-governing country within the Kingdom of Denmark. The economy – which moved into recession in the autumn of 2008 - is heavily dependent on fishing, which accounts for almost 95 percent of exports and around 50 percent of GDP. The unemployment rate rose during 2009 to around 3.5 percent and according to government predictions may increase further to approximately 5-6 percent in 2010. One of the biggest challenges facing the Faroese economy is the administration of the fishing industry, where fishing businesses are experiencing significant problems in operations, because of the shortage in fish stock, low selling prices and high oil prices, according to a government review.

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	48.3	36.5	15.2
2009	33	50	17
2010	**32**	**43**	**25**

Payment: Behaviour and Risks

The risks of later payment continue to rise in the Faroe Islands. The only positive sign is a slight improvement in the average payment delays with all sectors paying faster by 2-3 days on average. There has been a less favourable trend in the share of receivables with an 8% increase in the number of unpaid invoices older than 90 days. The downside of this is the fact that the longer it takes before an invoice gets paid, the less likely it will be paid in full. This is not good news in a country like the Faroe Islands that has an economy that is near totally reliant on its fishing industry. Some 90% of the respondents say that the main consequence of late payment for them is loss of income.

The written-off percentages have also increased further, from 2.5% to 2.7%, and 62% of the respondents believe that the payment risks will remain stable for the coming 12 months. A substantial majority of respondents,74%, say that they get paid late because their debtors have run into financial difficulties.

Payment loss (%)

total turnover	
2008	1.1
2009	2.5
2010	**2.7**

Main export

Risk Index	
UK	155
Netherlands	153
Denmark	137
Norway	134

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	18	22	25
Average payment duration, in days	35	40	39
Average delay, in days 2010	17	18	14
Average delay, in days 2009	19	21	17

FINLAND

Economic Development (%)

		Average EU27
GDP per capita in euro	35,349	
GDP growth	0.9	0.7
Unemployment rate	9	10
Inflation	0.2	1

(all 2010 estimates)

In 2009 Finland lost the fruits of three years of uninterrupted economic growth as recession drove a near 8 percent contraction in annual GDP volume. The recession has seen the Finnish economy beset by a number of acute problems, contracting unemployment and deteriorating public finances are just two. According to a forecast by the Bank of Finland, pre-crisis levels of GDP will not yet be restored until the end of 2011. The Bank predicts recovery will be slow and dependent upon world trade pulling the export-driven Finnish economy out of its current trough. The growth contribution of private consumption turned strongly negative in 2009 as heightened uncertainty caused households to increase their savings. Even if the decline in consumption comes to a halt in 2010, says the Bank of Finland, private consumption cannot be counted on as a driver of economic growth during the forecast period.

Payment: Behaviour and Risks

The latest Intrum survey brings good news and bad news from Finland. On the positive front, the share of receivables has changed favourably with 77% (74%) being paid within 30 days. Although the payment delay remained at the same average, the average payment terms in days actually declined a day for B2B and B2C transactions. On the downside is the 100% deterioration in payment losses, rising from 1% to 2%. One cause was the ongoing rapid rise in business closures, which in the second quarter of 2009 was up 5.4 per cent from the same period in 2008, while the number of new business start-ups fell by 10.7 per cent in the third quarter of 2009 against the corresponding quarter a year earlier

Some 60% of respondents believe payment risks will remain the same, while 27% think they will worsen. Almost 80% (77%) of respondents say that they are getting paid later because debtors have financial difficulties and 67% claim late payment is intentionally. A large 52% (50%) of respondents say that their companies liquidity has been affected negatively by the late payments. Interestingly, 70% of the Finnish respondents said that they have not been badly impacted by the recession thanks to the support they get from their banks and the strength of their credit management systems. Just 23% felt they were not getting support from their bank.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	12	20	20
Average payment duration, in days	17	27	24
Average delay, in days 2010	5	7	4
Average delay, in days 2009	5	7	4

Payment Index

2008	123
2009	125
2010	**126**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	74	22	4
2009	74	22	4
2010	**77**	**20**	**3**

Payment loss (%)

total turnover

2008	0.6
2009	1.0
2010	**2.0**

Main export

Risk Index

UK	155
Germany	153
Netherlands	153
Sweden	130

FRANCE

Payment Index

2008	146
2009	150
2010	**150**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	39	45	16
2009	42	36	22
2010	**44**	**36**	**20**

Payment loss (%)

total turnover

2008	1.9
2009	2.1
2010	**2.2**

Main export

Risk Index

Spain	167
Italy	163
Belgium	156
UK	155
Germany	153
Netherlands	153

Economic Development (%)

		Average EU27
GDP per capita in euro	32,289	
GDP growth	1.4	0.7
Unemployment rate	10.2	10
Inflation	1.4	1

(all 2010 estimates)

The French economy began emerging from recession in mid-2009 and an upbeat French President Nicolas Sarkozy has said he believes France's economic growth in 2010 may exceed the 1.4 percent predicted by the government. Several analysts say private consumption will to drive the French economy in 2010. However, the effects of the recession are still having troubling consequences for France. INSEE, the national statistics office, has predicted unemployment, which currently stands at a three year high, will continue to rise through the middle of 2010 to 10.2 percent. And the number of corporate bankruptcies is still climbing, rising by around 15 percent in 2009 compared to the year before. On the whole year, French gross domestic production declined by 2.2 percent in 2009, the largest drop since the World War II, while other figures from INSEE showed France's total annual production had dropped by 3.1 percent, the worst in 60 years.

Payment: Behaviour and Risks

France has seen a small improvement when it comes to late payment risks in the consumer sector with the average payment delay improving by 5 days. For both the public sector and business, payment delays remain at the same level as a year ago, while the written-off percentage increased from 2.1% to 2.2%.
French business sentiment is more optimistic than 12 months ago with just 47% (65%) of respondents fearing that late payment risks will increase in the year ahead. Nonetheless, over 50% see additional interest charges and lack of income due to late payments as posing a high threat their companies.
Some 84% (80%) of the French respondents say that financial difficulties faced by their debtors are the main reason for later payments while intentional late payments are also viewed seen as key factor for delays in getting paid.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	29	41	44
Average payment duration, in days	43	59	65
Average delay, in days 2010	14	18	22
Average delay, in days 2009	19	18	22

GERMANY

Economic Development (%)

		Average EU27
GDP per capita in euro	30,038	
GDP growth	1.2	0.7
Unemployment rate	8.3	10
Inflation	0.5	1

(all 2010 estimates)

Germany is Europe's largest economy and was considered by most economic analysts to be well on track to recovery from its recession towards the end of 2009. Germany emerged from recession last summer on the back of rising exports and growing consumer demand to move into a phase of weak recovery. Although a blip in Q4 resulting from weaker consumption and investment appeared to threaten stalling the recovery, analysts saw the slowdown as only being of temporary nature. Despite a statement from German Economy Minister in mid-February that the country's economic recovery was not yet self-sustaining, the German government has indicated it expects Germany's economy to grow by 1.2 percent during 2010, spurred by the strong rise in exports.

Payment: Behaviour and Risks

Perhaps reflecting the upturn in Germany's economy, invoices are getting paid faster across all sectors compared to a year ago. Payment terms have also been shortened. The share of receivables is better balanced, with 69% being paid on time, within 30 days.

The worrying aspect is the sharp increase in written-off's from 2.1% a year ago to 2.6%. German corporate bankruptcies jumped considerably last year, rising by more than 11 percent and marking the first annual increase since 2003. The insolvency of Germany's large corporations also impacted the total volume of debt, which the German statistics office said rose to around 85 billion euros ($116 billion) in 2009 from 33.5 billion euros one year earlier.

Some 54% of respondents believe payment risks will remain stable over the next 12 months, and 42% (59%) think the risks will increase. Over 70% of respondents said late payments seriously impacted income and liquidity.

Altogether 83% (79%) of German respondents say that they get paid late because their debtors have financial difficulties themselves, while a number also spontaneously said intentional late payment is a problem.

A substantial number of the German respondents, 45%, said they feel less confident as a result of the recession about getting the financial support they need from their bank to help run or grow their business.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	15	25	25
Average payment duration, in days	25	35	36
Average delay, in days 2010	10	10	11
Average delay, in days 2009	15	19	15

Payment Index

2008	150
2009	153
2010	**153**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	60	29	11
2009	60	24	16
2010	**69**	**23**	**8**

Payment loss (%)

total turnover

2008	2.0
2009	2.1
2010	**2.6**

Main export

Risk Index

Italy	163
Belgium	156
Austria	153
UK	155
Netherlands	153
France	150

GREECE

Payment Index

2008	174
2009	180
2010	**180**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	65	21	14
2009	64	34	2
2010	**62**	**33**	**5**

Payment loss (%)

total turnover

2008	2.2
2009	3.0
2010	**3.0**

Main export

Risk Index

Italy	163
UK	155
Germany	153
France	150

Economic Development (%)

		Average EU27
GDP per capita in euro	23,318	
GDP growth	- 0.3	0.7
Unemployment rate	10	10
Inflation	1	1

(all 2010 estimates)

Amid fears that Greece's financial problems could undermine the Eurozone, the Greek government in early March implemented a tough austerity package geared to save 4.8 billion euros. The measures encompassed tax increases and spending cuts, including cutting holiday bonuses paid to civil servants and freezing pensions. Greece joined up for the Euro in 2001. Public spending soared as Greece began benefitting from its membership, a government spending spree the country rues today as it struggles with a huge debt load to meet EU deficit rules. Greece public debt stands at about Euro's 300 billion, a debt that has ballooned as a result of the financial crisis and sparked a series of riots and national strikes by workers and students.

Payment: Behaviour and Risks

Despite the highly public problems the Greek economy is suffering, the feedback from the 2010 Intrum Justitia EPI report indicates that doing business with companies and public authorities has actually improved slightly compared to the same figures a year ago. In fact, both businesses and public sector institutions have improved payments by 5 days, while the share of receivables has not improved. The high written off percentage remains unchanged.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	30	75	90
Average payment duration, in days	60	105	155
Average delay, in days 2010	30	30	65
Average delay, in days 2009	30	35	70

HUNGARY

Economic Development (%)

		Average EU27
GDP per capita in euro	9.165	
GDP growth	0	0.7
Unemployment rate	10.5	10
Inflation	4.3	1

(all 2010 estimates)

Hungary is suffering a severe recession that has proven a catalyst for structural reforms, including tax reform, a pension reform and the introduction of new fiscal rules. These policies have restored confidence and helped stabile the economy, although many analysts believe the depth of the recession will leave scars in productive capacity. Unemployment in 2009 reached 10.7 percent and is predicted to grow further in 2010 to almost 12 percent. The International Monetary Fund, IMF, which provided a financial lifeline to Hungary in February was upbeat about the country's outlook: "The significant strengthening of policies over the past one-and-a-half years has improved confidence and placed Hungary on a path towards stability and growth. Government spending has been reduced in a durable way, while the fiscal deficit target was increased to 3.9 per cent of GDP in 2009 to avoid exacerbating the economic contraction."

Payment: Behaviour and Risks

Badly hit by the recession, Hungary has seen business confidence slide in the year since the last Intrum survey and a worsening in consumer payment habits. On the upside, payment habits by businesses and the public sector have improved compared to a year ago, but consumers are paying their bills on average 3 days after due date.
The written-off percentage remains stable at the high level of 2.7%, while the balance of receivables has worsened somewhat. Fewer invoices are being paid within 30 days on average and more are taking up to 90 days to be settled. The majority of Hungarian businesses think that payment risks will remain as they are now during the coming year.
Some 97% of business respondents believe that the reason for later payment is the financial problems being encountered by their debtors. Reduced sales are an immediate effect of the financial crisis, according to the Hungarian business respondents.
The recession has clearly hit business confidence in Hungary with 51% of respondents saying they felt less confident today about getting the financial support they need from their bank to help them run/grow their business.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	15	25	25
Average payment duration, in days	28	40	45
Average delay, in days 2010	13	15	20
Average delay, in days 2009	10	19	28

Payment Index

2008	161
2009	165
2010	**165**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	54	34	12
2009	55	27	18
2010	**52**	**35**	**13**

Payment loss (%)

total turnover	
2008	2.5
2009	2.7
2010	**2.7**

Main export

Risk Index	
Poland	163
Italy	163
Austria	153
UK	155
Germany	153
France	150

ICELAND

Payment Index

2008	134
2009	137
2010	**138**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	62	27	11
2009	59	24	17
2010	**60**	**23**	**17**

Payment loss (%)

total turnover	
2008	1.6
2009	2.6
2010	**2.8**

Main export

Risk Index	
Spain	167
UK	155
Germany	153
Netherlands	153

Economic Development (%)

		Average EU27
GDP per capita in euro	27,286	
GDP growth	- 6.5	0.7
Unemployment rate	6.7	10
Inflation	8.5	1

(all 2010 estimates)

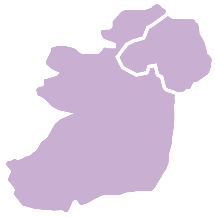
Until 2008 Iceland had carved out an envious reputation for its high growth, low unemployment and even distribution of income. That reputation disappeared in a flash following the collapse of the country's banking system as the global financial crisis bit home. Last year saw the Icelandic plunge into a deep recession that has wiped out substantial assets, slashed demand, pushed up unemployment and left households reeling. The Icelandic authorities have implemented a series of measures in consultation with the International Monetary Fund aimed at restoring the financial system, reopening the foreign exchange market and resolving the impact of the banking collapse on Treasury finances.

Payment: Behaviour and Risks

Iceland is still suffering from the consequences of its economic collapse with consumers paying their bills on average 5 days later than a year ago. On a positive note, the public sector is paying faster, improving payments by 6 days on average. Nonetheless, the most disturbing change is the further increase in the written-off percentage, from 2.6% to 2.8%. In addition, Iceland is also struggling with an increase in bankruptcies over the past 12 months.
Some 53% of the respondents think that payment risks will further increase over the next 12 months. The later payment is having a negative impact on business liquidity with 86% of respondents blaming the financial problems of their debtors for later payments.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	20	25	25
Average payment duration, in days	34	34	32
Average delay, in days 2010	14	9	7
Average delay, in days 2009	9	8	13

IRELAND



Economic Development (%)

		Average EU27
GDP per capita in euro	37,646	
GDP growth	- 3.0	0.7
Unemployment rate	15	10
Inflation	- 1.7	1

(all 2010 estimates)

Ireland was formerly dubbed the 'Celtic Tiger' for its spectacular economic growth, which saw it becoming a centre for hi-tech industries and paced an unprecedented property doom. Those not so distant days are gone with the Irish economy contracting by around 8 percent in 2009 and expected to fall 3 per cent in 2010. As the world's economy stumbled, Irish exports declined fiercely, businesses shut down and unemployment has rocketed with almost 15 percent of the population expected to be out of work in 2010. With government debt growing alarmingly and a budget deficit running at 14 percent of GDP, the Irish government has implemented austerity programmes mixing tax increases and spending cuts aimed at bringing the deficit down.

Payment: Behaviour and Risks

Mixed news from Ireland with figures showing consumers are paying bills faster and businesses a bit slower than a year ago. The public sector has also improved their payment habits, settling invoices speedier. The share of receivables shows an increase in the invoices still outstanding after 90 days section by 4%, while the written-off percentage increased from 2% to 2.3%, the highest percentage so far measured in Ireland.

In 2009, the Irish economy saw double-digit unemployment, deflation, a virtual standstill in credit availability, and a widening government budget deficit, all of which has impacted confidence. This is reflected in a majority of respondents expressing fears that payment risks will further increase during the coming 12 months. Some 90% (87%) of respondents agree that later payments are due to debtors falling into financial difficulties as Irish businesses suffer falling sales and liquidity.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	25	40	36
Average payment duration, in days	39	65	49
Average delay, in days 2010	14	25	13
Average delay, in days 2009	16	22	15

Payment Index

2008	142
2009	146
2010	**147**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	45.3	42.7	12
2009	36	44	20
2010	**35**	**41**	**24**

Payment loss (%)

total turnover

2008	1.4
2009	2.0
2010	**2.3**

Main export

Risk Index

Italy	162
Belgium	156
UK	155
Germany	153
France	150

ITALY

Payment Index

2008	158
2009	162
2010	**163**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	25	40	35
2009	25	40	25
2010	**29**	**39**	**32**

Payment loss (%)

total turnover	
2008	1.6
2009	2.5
2010	**2.6**

Main export

Risk Index	
Spain	167
UK	155
Germany	153
France	150

Economic Development (%)

		Average EU27
GDP per capita in euro	26,701	
GDP growth	- 4.9	0.7
Unemployment rate	7.8	10
Inflation	0.8	1

(all 2010 estimates)

Italy has been hit hard by the worldwide economic slowdown, seeing its GDP shrinking by 4.9 percent in 2009, higher than had been predicted by the government. The country's economic plight was underlined at the end of 2009 when Mario Draghi, the Governor of the Bank of Italy, said that it would take at least four years for the Italian economy to return to its 2007 size. Some analysts predict it could well take longer considering how dependent the country is on its exports, especially to Germany where demand seems to be faltering. Observers also point to Italy's own internal problems including the national debt level, high taxation, rigid labour laws and the financial burden of an expensive pension system in a fast ageing population. The Italian government is struggling to limit government spending, but the country's exceedingly high public debt remains. One piece of good news for the federal government came when an amnesty program to repatriate untaxed assets held abroad implemented netted over $135 billion in late 2009.

Payment: Behaviour and Risks

Payment risks are still very much on the rise in Italy, with the majority of invoices being paid after 60 days. The bad news is that the public sector is taking longer than ever to settle their bills and there has been a staggering rise in the delay - from 52 days a year ago to an average 86 days now. Businesses are also paying later, taking 9 days more than in 2009 on average. The written-off percentage increased from 2.5% to 2.6%. One fact is clear, with long outstanding receivables, 32% older than 90 days, it is getting harder to get paid than before in Italy. Some 50% (70%) of the respondents think that payment risks will further increase during 2010, while 70% of the respondents have seen loss of income and liquidity squeezes due to late payments. Altogether, 93% of Italian business respondents say that late payment is due to debtors in financial difficulties.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	40	66	100
Average payment duration, in days	70	96	186
Average delay, in days 2010	30	30	86
Average delay, in days 2009	30	21	52

LATVIA

Economic Development (%)

		Average EU27
GDP per capita in euro	7,918	
GDP growth	- 4.0	0,7
Unemployment rate	17.1	10
Inflation	3.5	1

(all 2010 estimates)

With economic output falling by almost 25 percent in the past two years and unemployment ranking the highest in the EU at almost 23 percent, Latvia's economy is in a perilous condition. Hailed just two years ago as a Baltic tiger for its abilities in generating rapid growth and lifting wages, the country is now in the ruthless grip of a fierce austerity programme that was the price of a IMF-led rescue loan of almost 7.5 billion Euro's. The government's fiscal toughness to balance the budget after years of overspending has resulted in tax increases and massive spending cuts. Public services are suffering with hospital budgets to be cut by 40 percent during 2010, for example. In the devastating economic climate, the pockets of Latvian consumers are also suffering as evidenced by the 30 percent fall in retail sales during 2009, which will in turn have a knock-on effect on business activities.

Payment: Behaviour and Risks

The positive news is that payment delays have decreased in all segments, with consumers especially reducing the average delay in making payment from 20 days to 15 days after due date. The share of receivables has also changed over the past 12 months changed to a more favourable balance with 50% being paid within 30 days. However, the written-off percentage shows a further increase from 3.3% to 3.5%.

Latvian business respondents expect no change in payment risks from their company's debtors developing during the next 12 months. An astounding 96% (86%) say their debtors are struggling with financial difficulties, which is why they are unable to pay on time.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	10	20	20
Average payment duration, in days	25	42	33
Average delay, in days 2010	15	22	13
Average delay, in days 2009	20	23	14

Payment Index

2008	149
2009	156
2010	**157**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	61	30	10
2009	48	34	18
2010	**50**	**40**	**10**

Payment loss (%)

total turnover	
2008	2.8
2009	3.3
2010	**3.5**

Main export

Risk Index	
Poland	163
Lithuania	164
Germany	153
Estonia	154
Sweden	130
Finland	126

LITHUANIA

Payment Index

2008	157
2009	162
2010	**164**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	59.3	29.7	9.7
2009	51	33	16
2010	**45**	**32**	**23**

Payment loss (%)

total turnover

2008	3.0
2009	3.3
2010	**3.6**

Main export

Risk Index

Poland	163
UK	155
Germany	153
Estonia	154
Latvia	157
Netherlands	153
France	150
Denmark	137
Sweden	130

Economic Development (%)

		Average EU27
GDP per capita in euro	7,973	
GDP growth	- 3.9	0.7
Unemployment rate	15	10
Inflation	4.7	1

(all 2010 estimates)

Lithuania's central bank has forecast zero economic growth for the country in 2010 following the staggering 15 percent shrinkage it suffered last year. Dismal though that predication may sound, a slight easing in the economic contraction in the fourth quarter of 2009 raised hopes that the economy has hit the bottom and could be slowly recovering even though it may be too early to speak of the recession ending. Lithuania's economic riches to rags saga came after a boom that had been fuelled by its entry into the EU in 2004 and sudden access to cheap loans that spurred domestic consumption and a real estate boom. Another signal the economy of the ex-Soviet Baltic state of 3.3 million may be turning upwards is a slight easing in the downturn that hit industrial production.

Payment: Behaviour and Risks

There is not much good economic news from Lithuania, which shows an overall negative business situation. Payment delay has increased across all sectors, with the public sector jumping by a daunting 50% compared to a year ago. Lithuanian public authorities are now taking an average 30 days beyond due date of an invoice to pay a bill rather than the 15 days a year ago.
The share of receivables is also grim. Fewer invoices are being paid within 30 days, while there has been a 7% increase in the number of invoices still unpaid after 90 days.
A major consequence of the worsening payment situation for Lithuanian companies is a drop in income that threatens their livelihood and survival. Some 98% (94%) say that the financial difficulties of their debtors is also frustrating the payment cycle further.
A majority of business respondents, 51%, say that since the start of the recession their confidence has slipped when it comes to getting the financial support they need from their bank to help them run/grow their business.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	21	30	30
Average payment duration, in days	38	54	60
Average delay, in days 2010	17	24	30
Average delay, in days 2009	15	17	15

THE NETHERLANDS

Economic Development (%)

		Average EU27
GDP per capita in euro	36,140	
GDP growth	0.3	0.7
Unemployment rate	6.5	10
Inflation	1.4	1

(all 2010 estimates)

The Dutch economy shrank by 4 percent in 2009, the highest fall since 1931 when it contracted by 3.6 percent. However, there are signs the Dutch economy may be tentatively mending with positive GDP growth reported in the final quarter of 2009 after five straight quarters of contraction. Dutch government think tank CPB has forecast GDP growth of 1.5 percent during 2010, rising to 2 percent in 2011. More cautious voices such as the Dutch central bank DNB have warned any recovery may be fragile due to risks stemming from rising unemployment – currently around 5.6 percent – and a decline in private sector wealth. The Dutch government is planning overhauls of the social services and pensions, including increasing the retirement age from 65 to 67. The government says it will continue its focus on creating and preserving jobs and has set aside some four billion euro in related stimulus measures.

Payment: Behaviour and Risks

Business sentiment in The Netherlands is improving, with a majority of business respondents (55%) expecting the risk of late payment in 2010 to remain at last year's level. Last year 60% of respondents feared a further increase in payment risks. Overall, the balance of receivables changed favourably, with shrinking levels of outstanding receivables and more paying within 30 days. On the downside, businesses and public authorities took a day longer to pay in 2009 than a year earlier, and the current trend is not positive.
The majority of the Dutch respondents feel that the financial crisis has left them suffering reduced liquidity and sales income. The financial problems of debtors and intentional late payment are seen as a major problem for business development.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	20	25	26
Average payment duration in days	31	42	49
Average delay in days 2010	11	17	23
Average delay in days 2009	11	16	22

Payment Index

2008	149
2009	153
2010	**153**

Shares of receivables (%)

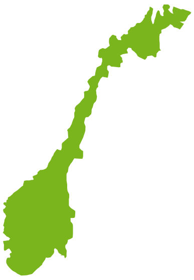
	Up to 30 days	31 to 90 days	Older than 90 days
2008	60.6	30.2	9.2
2009	57	30	13
2010	**60**	**32**	**8**

Payment loss (%)

total turnover	
2008	2.4
2009	2.5
2010	**2.5**

Main export

Risk Index	
Italy	163
Belgium	156
UK	155
Germany	153
France	150



NORWAY

Payment Index

2008	130
2009	134
2010	**134**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	69.4	21.7	8.9
2009	63	25	12
2010	**70**	**23**	**7**

Payment loss (%)

total turnover	
2008	1.3
2009	2.0
2010	**2.5**

Main export

Risk Index	
UK	155
Germany	153
Netherlands	153
France	150
Sweden	130

Economic Development (%)

		Average EU27
GDP per capita in euro	56,752	
GDP growth	2	0.7
Unemployment rate	3.3	10
Inflation	2.3	1

(all 2010 estimates)

The downturn in the Norwegian economy began levelling out by September 2009. Norway's vast oil and gas sector – which accounted for almost 60 percent of exports in 2009 - has made the country more resilient than most to the global downturn, although not immune to global turmoil. The country's economy contracted by 1.1 percent in 2009 as a result of both the financial slowdown and falling oil prices. Some of the risks facing Norway were outlined in late February by the governor of the Norwegian Central Bank, Svein Gjedrem. Although unemployment in Norway remains low at under 4 percent, he said Norway's economy is now vulnerable due to such factors as the high cost of labour, which is putting the country's businesses at a disadvantage internationally. He called for tighter banking regulation and a better tax system to help stabilise the financial system and better enable the economy to regulate itself.

Payment: Behaviour and Risks

Norway has not been immune to the global downturn despite its huge oil and gas resources. Although all sectors saw better average payment times of bills, improving by 2 – 3 days on average, the economy is hurting with company bankruptcies up 38% higher in 2009 compared to 2008. And despite the share of receivables improving with 70% is paid within 30 days, the written-off percentage also increased from 2% to 2.5%. The soaring written-off percentages is a new phenomena in all the Nordic countries that until a few years ago were considered good examples of on-time payment with the lowest written-off percentages in Europe.

The majority of Norwegian respondents expect that the payment risks will remain the same over the next 12 months with ongoing loss of income and worse than normal liquidity. Some 81% of respondents say that intentional late payment is the main cause of late payment by their debtors.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	14	21	25
Average payment duration, in days	21	29	30
Average delay, in days 2010	7	8	5
Average delay, in days 2009	9	11	8

POLAND

Economic Development (%)

		Average EU27
GDP per capita in euro	8,212	
GDP growth	3.0	0.7
Unemployment rate	8.9	10
Inflation	2.2	1

(all 2010 estimates)

Poland has come through the global financial downturn better than expected. As the only country in the EU whose economy did not contract, Poland saw its gross domestic product grow by 1.7 percent. Reasons cited for Poland's resilience are a relatively healthy banking system and low levels of consumer and corporate debt. The Polish finance ministry has predicted the economy will grow by 3 percent in 2010, despite the country being heavily dependent on exports to its EU neighbours, which account for three-quarters of all Poland's exports. With unemployment at around 8.5 percent the government has said that to help fuel growth it plans to implement measures making life easier for business by slashing red tape, among other things.

Payment: Behaviour and Risks

A clear sign of the relatively good health of the Polish economy is that all sectors paid invoices faster on average than a year ago In addition, the share of receivables shows a little improvement, although the written-off percentage remained at the high level of 3%. A majority of Polish respondents are positive about the future and believe that payment risks will not increase the coming 12 months.
Some 83% (97%) of respondents feel that they are getting paid late because of the financial difficulties being suffered by customers.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	17	20	20
Average payment duration, in days	32	35	40
Average delay, in days 2010	15	15	20
Average delay, in days 2009	18	18	24

Payment Index

2008	159
2009	163
2010	**163**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	61	28	11
2009	53	30	17
2010	**53**	**32**	**15**

Payment loss (%)

total turnover

2008	2.9
2009	3.0
2010	**3.0**

Main export

Risk Index

Czech Rep.	173
Italy	163
UK	155
Germany	153
France	150

PORTUGAL

Payment Index

2008	183
2009	184
2010	**185**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	25.1	50.3	24.6
2009	32	39	29
2010	**32**	**47**	**21**

Payment loss (%)

total turnover

2008	2.7
2009	2.7
2010	**2.8**

Main export

Risk Index

Spain	167
Italy	163
UK	155
Germany	153
Netherlands	153
France	150

Economic Development (%)

		Average EU27
GDP per capita in euro	15,858	
GDP growth	0.4	0.7
Unemployment rate	10.1	10
Inflation	0.7	1

(all 2010 estimates)

Any economic recovery in Portugal in 2010 is likely to be a slight one, although exports are showing signs of recovering. According to the National Statistics Institute (INE) gross domestic product showed zero growth in the fourth quarter of 2009 compared to the third-quarter when GDP expanded 0.7 percent. Portugal found itself in an unwelcome spotlight in mid-February when EU economics commissioner Joaquín Almunia was reported as saying the country (along with Greece and Spain) had shown 'a permanent loss of competitiveness' since joining the EU. In 2009 Portugal's budget deficit reached 9.3 percent of gross domestic product, which fell 2.7 percent during 2009 compared to the previous year. The Portuguese government has launched a budget consolidation process to reduce the country's fiscal deficit without undermining the fragile recovery. Austerity measures include freezing public service salaries in 2010 and pension scheme cuts.

Payment: Behaviour and Risks

Portugal paints a worrying picture. The payment delays for consumers and businesses have increased further and the public sector, who had started to pay faster, slipped dramatically. In total it takes Portugal's public authorities an average 141 days (almost 5 months) to settle an invoice.

The written-off percentage has increased from the already high level of 2.7% to 2.8%. The balance in the share of receivables also changed. More invoices were paid within 90 days.

Some 55% (77%) of the Portuguese respondents believe that the late payment risk will further increase during the coming 12 months. An amazing 91% (90%) say they are getting paid late because their debtors are suffering financial difficulties in the recession, leading to reduced sales, reduced liquidity, and additional interest charges. Because of the recession, 45% of the respondents said they felt less confident about getting the financial support they needed from their bank to help them develop their business.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	30	51	57
Average payment duration in days	62	88	141
Average delay in days 2010	32	37	84
Average delay in days 2009	30	35	72

SLOVAKIA

Economic Development (%)

		Average EU27
GDP per capita in euro	13,163	
GDP growth	1.9	0.7
Unemployment rate	13.7	10
Inflation	1.6	1

(all 2010 estimates)

Slovakia's economy is expected to see a gradual recovery unfold during 2010 following a contraction of 4.7 percent in 2009, slightly better than had been expected. Nonetheless, unemployment at over 12 percent and tight lending conditions are curbing domestic demand, while exports have yet to substantially recover from the downturn caused by recession the country's main markets. The Slovak economy depended heavily on the country's car industry, and the car scrapping incentives temporarily launched in several European countries during 2009 helped boost the country's export-dependent economy. According to the Statistical Office of the Slovak Republic, retails sales dropped by approximately 10.5 percent overall in the year.

Payment: Behaviour and Risks

The threat of late payment in Slovakia has increased as a result of the recession. Compared to one year ago, the risk of delayed payment has increased across the spectrum, especially in the public sector where it is taking an extra seven days to receive payment on average. The share of receivables balance has worsened in the past 12 months with fewer invoices being paid within 30 days or even up to 90 days. The written-off percentage has increased from 3% to 3.5%, a staggering number, especially bearing in mind the increased payment delays. Some 30% (47%) of Slovakian business respondents believe that payment risks will further increase, with 40% thinking it will remain stable. A growing number of respondents, 84% (72%), believe they will get paid late because of financial problems being suffered by those owing them money and intentional late payment is emerging as a major issue. Because of the financial crisis, many businesses say they are suffering from reduced sales, loss of income and a liquidity squeeze.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	18	26	29
Average payment duration in days	33	43	50
Average delay in days 2009	15	17	21
Average delay in days 2008	10	13	14

Payment Index

2008	157
2009	160
2010	**162**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	52	30	18
2009	52	33	15
2010	**50**	**29**	**21**

Payment loss (%)

total turnover	
2008	2.8
2009	3.0
2010	**3.5**

Main export

Risk Index	
Czech Rep.	173
Italy	163
Poland	163
Germany	153

SPAIN

Payment Index

2008	159
2009	166
2010	**167**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	29	47	24
2009	19	48	33
2010	**25**	**46**	**29**

Payment loss (%)

total turnover

2008	2.2
2009	2.4
2010	**2.5**

Main export

Risk Index

Italy	163
UK	155
Germany	153
France	150

Economic Development (%)

		Average EU27
GDP per capita in euro	23,472	
GDP growth	- 0.8	0.7
Unemployment rate	19	10
Inflation	1.3	1

(all 2010 estimates)

Spain is expected to remain in recession during 2010, the last major European economy not to be showing signs of recovery. With the highest rate of unemployment in Europe at almost 19 percent, the country has a fiscal deficit of 11.2 percent of GDP. Although Spanish banks did not take as big a hit as in countries like the UK or Ireland, Spain was hit hard by massive declines in its property market and the International Monetary Fund expects Spain to contract further by 0.6 percent in 2010. In January the government proposed a major austerity package designed to narrow its deficits by 50 billion Euro by 2013. The plan included a freeze in civil service hiring and increasing the retirement age from 65 to 67 years.

Payment: Behaviour and Risks

The responses from Spain to the latest Intrum survey demonstrate all too clearly how the financial crisis is still having a negative effect. Late payments have increased across the payment spectrum. In the public sector, the delay has increased by 14 days (10 days), while firms and consumers are delaying payment on average by 2 days.

The share of receivables shows a slightly better balance today compared to a year ago, with 25% (19%) being paid within 30 days, and a slight decrease in payments older than 90 days. However, the written-off percentage has increased again from 2.4% to 2.5%. Some 68% (82%) of the respondents fear that payment risks will further increase. Loss of income and reduced liquidity are still the main consequences being cited by Spanish business respondents of the financial crisis.

A total 93% (90%) of Spanish business respondents today report that they get paid late because the financial difficulties of those owing them money. Just 34% of Spanish firms say they are more confident about their credit management processes, while 44% say they are less confident about getting adequate support from their bank to help or grow their businesses.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	40	70	88
Average payment duration, in days	59	98	153
Average delay, in days 2010	19	28	65
Average delay, in days 2009	17	26	51

SWEDEN

Economic Development (%)

		Average EU27
GDP per capita in euro	31,928	
GDP growth	1.4	0.7
Unemployment rate	9.1	10
Inflation	- 0.5	1

(all 2010 estimates)

Sweden's economy is recovering from the impact of the recession stronger than expected. The Swedish finance ministry has lifted its GDP outlook saying it expects the country's economy to grow by 3 percent during 2010 - one percent more than it predicted at the tail end of last year. The Swedish government has also said unemployment is nearing the peak of 9.5 percent earlier predicted for 2010 with the labour market functioning better than forecast. Sweden's export-dependent economy began to slowly emerge from its recession by mid-2009 thanks to robust monetary stimuli and strong domestic demand. January saw strong a strong rise in retail sales over December, signalling the stronger household consumption was helping drive the upswing, although the finance minister warned the crisis was still not over with the industrial sector greatly dependent on the momentum of the global recovery.

Payment: Behaviour and Risks

As in the other Scandinavian countries, Sweden also shows signs of being impacted negatively by the financial crisis, although payment delays remain at the same low level. The share of receivables has changed, with more invoices being paid on time within 30 days.
However, a major rise in the written-off percentage was noted during 2009, from 1.6 to 2.1%, which may be due to the 25% increase in bankruptcies in Sweden last year compared to 2008. Compared to Nordic neighbours Norway and Denmark, Sweden fared relatively well.
Some 52% of Swedish respondents feel that the late payments they experience has a serious impact on their liquidity, while 97% (76%) believe that the late payments occur because their debtors are having financial difficulties. Refreshingly, 67% of the Swedish business respondents said that they view 2010 as a stable year with only 20% expecting an increase in financial risks.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	22	27	28
Average payment duration in days	28	35	35
Average delay in days 2010	6	8	7
Average delay in days 2009	6	8	7

Payment Index

2008	126
2009	129
2010	**130**

Shares of receivables (%)

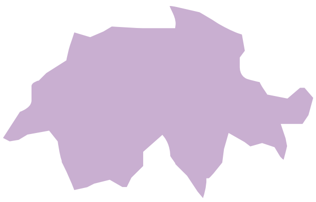
	Up to 30 days	31 to 90 days	Older than 90 days
2008	75	19	6
2009	67	24	9
2010	**70**	**21**	**9**

Payment loss (%)

total turnover	
2008	1.1
2009	1.6
2010	**2.1**

Main export

Risk Index	
UK	155
Germany	153
Denmark	137
Norway	134
Finland	126



SWITZERLAND

Payment Index

2008	143
2009	145
2010	**145**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	60	30	10
2009	60	29	11
2010	**63**	**29**	**8**

Payment loss (%)

total turnover

2008	1.8
2009	2.3
2010	**2.3**

Main export

Risk Index

Spain	167
Italy	163
UK	155
Germany	153
France	150

Economic Development (%)

		Average EU27
GDP per capita in euro	48,933	
GDP growth	- 0.1	0.7
Unemployment rate	3.9	10
Inflation	1.4	1

(all 2010 estimates)

Switzerland coped better with recession than many other European economies despite the significant losses suffered by the large international Swiss banks. According to the OECD this has been due to the sectored specialisation of the country's manufacturing base, the financial health of smaller domestic-oriented banks, the absence of a housing cycle and an expansionist monetary policy. According to government figures, economic output in Switzerland declined by 1.6 percent as the manufacturing industry saw international markets dry up and the financial sector took the pain of earlier investment going wrong. Engineering exports fell by 23 percent during the first half of 2009 and new orders slumped by over a third, the Swiss mechanical and electrical engineering organisation Swissmem reported. This impacted unemployment, which is forecast to peak at around five percent during 2010.

Payment: Behaviour and Risks

The overall payment situation in Switzerland looks stable. Consumers paid one day later on average compared to a year ago, while public authorities paid one day faster. The written-off percentage remained at the same level as in 2009 of 2.3%, following the steep rise in 2009. The share of receivables improved slightly, with 63% being paid within 30 days.

Swiss business respondents are optimistic about the future and do not expect much of a negative impact resulting from the financial crisis. Some 68% expect no changes in financial risk, while 40% expect an increase in late payments. Around 63% (75%) believe that financial difficulties being experienced by those owing them money is the reason for later payments. Overall, Swiss respondents are confident 2010 will be more or less the same as 2009.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	24	29	31
Average payment duration in days	36	42	46
Average delay in days 2010	12	13	15
Average delay in days 2009	11	13	16

UNITED KINGDOM

Economic Development (%)

		Average EU27
GDP per capita in euro	26,438	
GDP growth	0.9	0.7
Unemployment rate	8	10
Inflation	2.1	1

(all 2010 estimates)

The recession has wreaked havoc on the economy of the United Kingdom, which moved into 2010 in a fragile state. Although officially moving out of the country's longest and deepest postwar recession during the final quarter of 2009, gloomy financial figures for January showed the government had been obliged to borrow another £4.3 billion to prop up the UK's finances as a result of significantly lower levels of income tax and capital gains tax. The UK was the last major economy to start seeing growth again after suffering contraction for six consecutive quarters, and the government forecasts public sector borrowing in 2010 to peak at £178bn - equivalent to 12.6 percent of GDP. Government investment and strong car sales both contributed strongly to growth in the fourth quarter, the Office of National Statistics said, although hopes of a sustained firmer recovery were dented by downbeat figures relating to unemployment, retail sales and bank lending to businesses that underlined the ongoing perilous state of the UK economy. On the upside, the service sector in the UK, which encompasses transport and communication, financial advice, computing and IT, and hotels, grew at its fastest pace in three years in February, softening some fears the UK would slip back into recession.

Payment: Behaviour and Risks

The UK has been one of the European major economies hardest hit by the recession so the good news is that consumers, businesses and public authorities are all paying their bills slightly faster than a year ago. The balance in the share of receivables now shows fewer claims older than 90 days, although the number of invoices being paid on time within 30 days has declined by 5%. The written-off percentage remains unchanged at 2.4%.
The majority of UK respondents believe that payment risks will remain unchanged in 2010. Reduced liquidity was reported by 54% of respondents who blamed it on late payment, often due to their debtors having financial difficulties. Some 41% of respondents feel less confident since the recession started of getting the financial support they need from their bank to help them run/grow their business.

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	28	32	29
Average payment duration in days	44	50	48
Average delay in days 2010	16	18	19
Average delay in days 2009	18	20	20

Payment Index

2008	151
2009	155
2010	**155**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	43.5	45.2	11.3
2009	50	30	20
2010	**45**	**39**	**16**

Payment loss (%)

total turnover

2008	1.9
2009	2.4
2010	**2.4**

Main export

Risk Index

France	150
Germany	153
Ireland	147
Netherlands	153

RECOMMENDATIONS

Intrum Justitia recommends the following measures at all business levels (local, national and international):

Credit policy

The drawing up - and consistent implementation - of a clear credit policy, tailored to the individual risk orientation and financial strength of the company. The core of the credit policy should include: Requirements for delivery against invoice; solvency checks before decisions are made on whether deliveries can be made against invoice; payment targets; measures and consequences in the event of delayed payment (i.e. charging of interest on late payment, recovery costs, suspension of deliveries, working with a professional credit management company); credit limits; internal competence regulations.

Clients and all staff in contact with clients must be aware of the credit policy.

Credit limits

The development of the receivables of the individual regular customers has to be observed with the help of credit limits.

In practice, the provision of two limits of credit for each (key account) customer has proven to be particularly effective. The crossing of the lower limit serves as an early warning, i.e. gathering of additional information and taking of suitable measures, whereas the meeting of the upper limit will automatically lead to the discontinuation of delivery on account.

Address checks

Consistent checks on the billing address. Experience shows that preventing the use of invalid or out of date billing addresses is an important factor in optimising the credit management process. Addresses should be updated as an ongoing process and should be subject to routine checks.

Economic information

Consistent solvency checks before decisions on deliveries against invoice. If solvency is insufficient, deliveries should be made against an alternative form of payment.

Routine solvency checks on key clients

Experience shows that the majority of payment losses arise from deliveries to key clients. The insolvency of Key Accounts has particularly far reaching consequences. Repeated solvency checks, integrated consistently into operational procedures, are therefore an important element in the overall credit management process.

Flexible contractual payment terms

Offer flexible payment terms on the basis of the bonus-malus-principle. New customers are granted a shorter time period to settle than regular customers who pay by the agreed due date. At the same time, new customers are offered the benefit of a longer payment term to settle when they place repeat orders, provided that payment is made on or before the due date. On the other hand, regular customers can lose the privilege of a longer payment term should they fail to pay on time.

Swift reminders

Reminders should be issued rapidly and committedly. The most successful formula in practice, has been shown to be the so-called '2-2-2-Formula':

- Issuance of the first reminder letter two weeks after due date at the latest
- Issuance of only two further reminder letters before taking legal measures or retaining Intrum Justitia for the collection of the debt.
- Reminder rhythm of two weeks between reminder letters.

Default interest and billing of operating costs

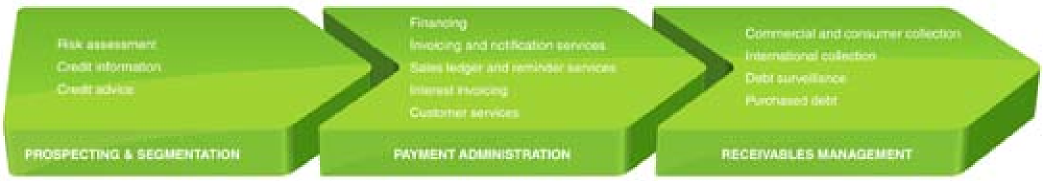
Bill late payers for default interest and the operating costs caused by the payment delay (operating costs for bank transactions, administration costs, cost of third parties, etc.).

Professional cooperation

Consistent cooperation with Intrum Justitia, integrated into the company's customer management process, allows efficient credit management tailored for rapid receipt of payments.

Extending client structure

Reduced reliance on one or a few large clients.



EXPLANATION OF ECONOMIC INDICATORS USED IN THE REPORT

Gross domestic product (GDP)

Gross domestic product (GDP) is a measure for economic activity. It is defined as the value of all goods and services produced less the value of any goods or services used in their creation.

GDP growth rate

All information given represents the real GDP growth rate (Growth rate of GDP volume - percentage change on previous year). The calculation of the annual growth rate of GDP volume allows comparisons of economic development both over time and between economies of different sizes, irrespective of changes in prices. Growth of GDP volume is calculated using data at previous year‘s prices.

Per capita GDP performance

All information given represents the GDP per capita in PPS (GDP per capita in Purchasing Power Standards [PPS] - EU27 = 100). The volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU27) average set to equal 100. If the index of a country is higher than 100, this country‘s level of GDP per head is higher than the EU average and vice versa. Basic figures are expressed in PPS, i.e. a common currency that eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries.

Level of capacity utilization

All information given represents the current level of capacity utilization in the manufacturing industry.

Consumer confidence indicator

All information given represents the seasonally adjusted balance of the consumer confidence indicator. The calculation of the indicator is based on four questions:

A Financial situation over the next 12 months

B General economic situation over the next 12 months

C Unemployment expectations over the next 12 months (with inverted sign)

D Savings over the next 12 months

Unemployment rate

All information given represents the total unemployment rate (men and women). Unemployment rates represent unemployed persons as a percentage of the labour force. The labour force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who were:

A without work during the reference week

B currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week

C actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months.

General government debt

All information given represents the General government consolidated gross debt as a percentage of GDP. EU defi nition: the general government sector comprises the subsectors of central government, state government, local government and social security funds. GDP used as a denominator is the gross domestic product at current market prices. Debt is valued at nominal (face) value, and foreign currency debt is converted into national currency using year-end market exchange rates (though special rules apply to contracts). The national data for the general government sector is consolidated between the sub-sectors. Basic data is expressed in national currency, converted into euro using year-end exchange rates for the euro provided by the European Central Bank.

Inflation rate

All information given represents the annual average rate of change in Harmonized Indices of Consumer Prices (HICPs). The inflation rate is the rate of increase of the average price level.

Source: Eurostat, IMF, National figures

INFORMATION ON THE SURVEY

The survey was conducted simultaneously in 25 countries between January and March 2010. The survey was conducted in written form. The questionnaire was translated into the respective national languages. Dispatch and return of the questionnaires was carried out on a decentralised basis by the countries concerned, whereas the analysis was carried out centrally in accordance with pre-determined guidelines. All information has been verified and uncertainties were not included in the evaluation. Furthermore, all anonymously sent questionnaires were not taken into account for the evaluation. Companies in England, Wales, Scotland and Ireland were questioned by telephone by a specialised company (Market Transformations UK).

Structure of the sample according to

Company size	up to 19 employees	42%
	20 to 49 employees	23%
	50 to 249 employees	22%
	250 to 499 employees	7%
	500 to 2,499 employees	4%
	more than 2,500 employees	2%
Business sector	manufacturing	25%
	wholesale	15%
	retail	15%
	services	41%
	public administration	4%
Customer groups	consumers (B2C)	33%
(share of turnover: more than 50%)	corporates (B2B)	57%
	public authorities	10%

QUESTIONNAIRE 2010

1 What payment terms do you allow your customers, on average? (your Contractual Payment Terms)

Consumer	(B-2-C)	…… days
Corporate	(B-2-B)	…… days
Public Sector		…… days

2 What is the average time that your customers actually take to pay your invoices?

Consumer	(B-2-C)	…… days
Corporate	(B-2-B)	…… days
Public Sector		…… days

3 Approximately how are your debtors spread (by amount owed) over the following categories?

Age of claim	up to 30 days	…… %
	31 to 60 days	…… %
	61 to 90 days	…… %
	91 to 120 days	…… %
	121 to 180 days	…… %
	over 180 days	…… %

“total = 100%

4 If any, what was your bad debt loss in 2009 as % of total revenue?

…… %

5 How do you see risks from your company’s debtors developing during the next 12 months?

O declining
O remaining stable
O increasing

6 On a scale of 0 to 5 (where 0 = no impact and 5 = high impact) how do you rate the consequences of late payments for your company with regard to?

Additional interest charges	…………… (0 - 5)
Loss of income	…………… (0 - 5)
Liquidity squeeze	…………… (0 - 5)
Threat to survival	…………… (0 - 5)
Risks to reputation	…………… (0 - 5)

7 What are the main causes of late payment of your own customers?

Debtors in financial difficulties	O Yes O No
Disputes regarding goods and services delivered	O Yes O No
Administrative inefficiency of your customers	O Yes O No
Intentional late payment	O Yes O No

Other reason..(free answer)

8 Do you currently outsource your credit management activities?

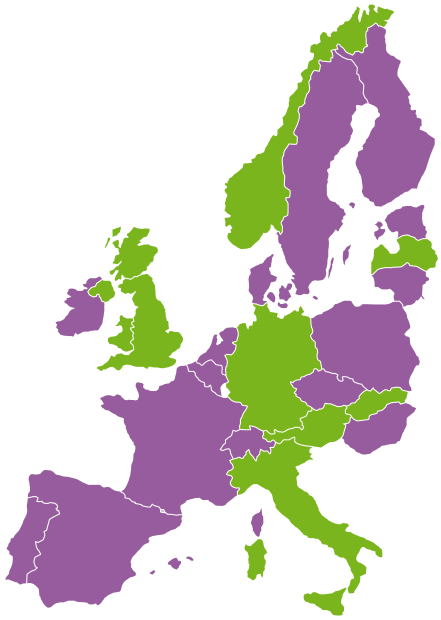
O Yes O No

ABOUT INTRUM JUSTITIA

Intrum Justitia is Europe's leading Credit Management Services (CMS) company. In each local market, Intrum Justitia offers efficient services and high quality in relations with both clients and debtors, thereby helping clients to improve their cash flow and long-term profitability.

Intrum Justitia's services cover the entire credit management chain, from credit information via invoicing, reminders and collection, to debt surveillance and recovery of written-off receivables. Intrum Justitia also offers sales ledger services, purchased debt services and a number of specialized services related to credit management.

The Group has more than 90,000 clients and around 3,400 employees in 22 markets. The head office is located in Stockholm, Sweden. The Intrum Justitia share has been listed on Stockholmsbörsen (Stockholm Exchange) since June 2002.



Top 5 position

Marketleader

Intrum Justitia values

We understand people

Behind every transaction, every company, every invoice, every debt and every ambition is a person. By understanding people, Intrum Justitia can contribute to profitable business relationships, unhindered trade and sound, long-term business practices for everyone involved.

We are committed to challenge

Intrum Justitia deals with situations that can impact the future of a business or an individual. Likewise, our work can influence the economy as a whole by contributing to fair trade and sound business practices.

Seeking insight to feed innovation

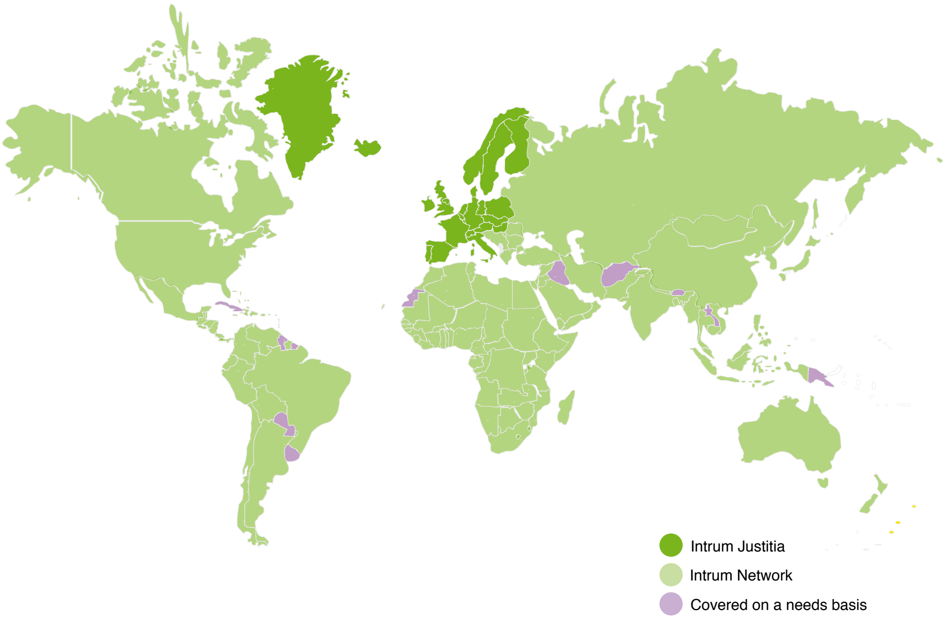
By understanding people, being a market leader, and having the necessary expertise, Intrum Justitia is creating new solutions that benefit clients, their customers and other stakeholders. The key to this work is the use of the unique information, knowledge and experience the group has gained from various aspects of sales, credit and payment processes.

We make a difference

Many companies and individuals need help managing their finances. Intrum Justitia's role is to develop solutions that contribute to a sound, stable economy and ultimately benefit our clients and their customers alike. In our work, we show respect for individuals and businesses, which, for whatever reason, face payment difficulties. Negotiation, realistic solutions and settlements increase the chances of obtaining payment.

Better business for all

Intrum Justitia provides global coverage for credit management services through its local offices and the Intrum Network



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Additional copies may be requested via www.intrum.com.

Impressum

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