

EOS Five Nations Survey 2009 'European Payment Practices'  
**Payment behaviour investigated in Bulgaria, Germany,  
the United Kingdom, Switzerland and Hungary**






**High proportion of payments paid punctually in Switzerland and Germany / Comparatively small proportion in Hungary and Bulgaria / Hardly any bad debt losses reported in the UK and Switzerland / Deterioration in payment behaviour expected**

*Hamburg, 31 July 2009* – Companies in Switzerland and Germany benefit from their customers' relatively high level of payment. This is one result from the EOS five-nation survey 2009 'European Payment Practices'. For the purposes of the survey, 1200 companies in five European countries were questioned by the international EOS Group, a provider in the areas of information management, arrears management and receivables management, in cooperation with the independent market research institute Ipsos.

The proportion of punctual payments is 75% in Switzerland and 77% in Germany. In contrast, 59% of invoices are settled on time in the United Kingdom, 53% in Bulgaria and 21% in Hungary. On average, the companies in the survey grant their customers a payment period of between 31 and 33 days. Germany is the exception to this: there, the average payment period is considerably shorter at 25 days. Financial bottlenecks in companies are one of the possible consequences of late payments. Cash flow problems have already been encountered by nearly one in three Hungarian companies (29%) as a result of delayed payments or bad debt losses.

Late payments do not necessarily mean a high ratio of bad debt losses in companies: a large number of Britons, for example, neglect to pay their bills on time (59%).

And yet British companies – like Swiss companies – actually have to write off only 1.4% of all their receivables. This is the lowest level among all the countries surveyed. Companies in Hungary (5.3%), Bulgaria (4%) and Germany (2.1%) report a considerably higher proportion of bad debt losses.

	 <b>BULGARIA (BG)</b>	 <b>SWITZERLAND (CH)</b>	 <b>GERMANY (D)</b>	 <b>UNITED KINGDOM (GB)</b>	 <b>HUNGARY (HU)</b>
Average proportion of new customers	21 Per cent	14 Per cent	11 Per cent	22 Per cent	12 Per cent
Average proportion of unpaid receivables	16 Per cent	10 Per cent	10 Per cent	13 Per cent	11 Per cent
Average amount of receivables	primarily up to EUR 5000	primarily up to EUR 5000	primarily up to EUR 5000	primarily up to EUR 5000	primarily up to EUR 5000
Average payment period granted	33 Days	33 Days	25 Days	31 Days	31 Days
Proportion of receivables paid punctually	53 Per cent	75 Per cent	77 Per cent	59 Per cent	21 Per cent
Average proportion of bad debt losses (receivables that have actually been written off)	4,0 Per cent	1,4 Per cent	2,1 Per cent	1,4 Per cent	5,3 Per cent
Future trend in payment behaviour	Trend worsening	Trend worsening	Trend worsening	trend the same or worsening	Trend worsening
Future trend					
– private insolvencies	- increasing	- increasing	- increasing	- increasing	- increasing
– corporate insolvencies	- increasing	- increasing	- increasing	- increasing	- increasing
Company has in-house receivables management department	26 Per cent	13 Per cent	24 Per cent	66 Per cent	13 Per cent
Use of external service providers	24 Per cent	55 Per cent	84 Per cent	60 Per cent	45 Per cent
Future significance of risk/receivables management	remaining the same or increasing	remaining the same or increasing	remaining the same or increasing	remaining the same or increasing	increasing

Source: EOS Five Nations Survey 2009 'European Payment Practices'

In all the countries surveyed, the companies questioned are tending towards pessimism about the future: A large number – 49% – are expecting payment behaviour to deteriorate in the next two years. A majority (82%) of the managers questioned are expecting an increase in private and company insolvencies.

## DISMAL PROSPECTS

Most companies are acting on the assumption that payment behaviour will get worse.



>> The percentage proportion of companies which believe payment behaviour has deteriorated in the last two years or will deteriorate over the next two years.

Source: EOS Five Nations Survey 2009 'European Payment Practices'

Hans-Werner Scherer, Chairman of the EOS Group's Board of Directors, comments on the purpose of the survey as follows: 'The results of the survey supply companies with important information for the organization of their credit and receivables management, especially if they operate internationally. This should help them to keep their business risks low.'

### About the EOS Five Nations Survey 2009 'European Payment Practices'

In the spring of 2009, in cooperation with the independent market research organization Ipsos, the EOS Group asked a total of 1200 companies in five countries about prevailing payment practices in their respective countries. 200 companies in Bulgaria, Switzerland, the United Kingdom and Hungary respectively and 400 companies in Germany answered questions on all aspects of their payment experiences, economic trends in their home countries and the general topics of risk management and receivables management. Further results from the survey can be found online at [www.eos-solutions.com/surveys](http://www.eos-solutions.com/surveys).

### The EOS Group

With approximately 4000 employees in more than 20 countries, the EOS Group, an Otto Group company, is one of the leading financial services providers in Europe. The over 40 subsidiaries in the Group provide services in Information Management, Arrears Management and Receivables Management. EOS has over 20,000 clients world-wide representing the banking, insurance, manufacturing, mail order, utility and telecom industries, as well as many others. Further information: [www.eos-solutions.com](http://www.eos-solutions.com).

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