BIIA NEWSLETTER

Market Intelligence - Industry Developments & Trends - Information Technology - Regulatory Issues - User Community

BIIA NEWSLETTER ISSUE 07 - 2007

IN THIS ISSUE:

BIIA was formed in June of 2005 with the support of nine information companies. Within two years the BIIA membership has grown to a network of 37 entities with 200 information professionals.

EVENTS

SIIA

GLOBAL INFORMATION SUMMIT

September 5 – 7, 2007
Berlin, Germany

www.siia.net

FCIB

4th China International Credit and Risk Management Conference

September 19 – 21st , 2007
Shenzhen, China

www.fcibglobal.com

Outsell Inc. and BIIA Events

Outsell Inc. BrainGain Event:

- Future of Business Information in Asia -
- Digital Media Executives to meet B2B Business Information Executives on the Subject of Convergence -

The Third BIIA Forum:

- BIIA Informs Users of Information -
- Discussion about Trends in Trade Credit and the Implications on Credit Information -
- The Issue about Public Sector Information -

Week of January 21, 2008*
Hong Kong

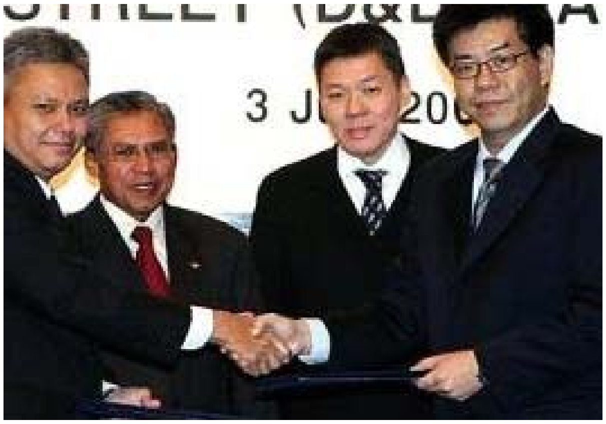
* Exact Dates to be Announced Shortly

MEMBER NEWS:

SME CREDIT BUREAU TO BE FORMED IN MALAYSIA

The **Credit Guarantee Corporation Malaysia Berhad (CGC)** and **Dun & Bradstreet Malaysia Sdn Bhd (D&B)** announced that they have entered into a strategic alliance to establish a ***SME Credit Bureau***. CGC, a subsidiary of Bank Negara Malaysia, is in the business of providing credit enhancement services to SMEs in Malaysia, a niche area in which the corporation has served for 35 years. D & B Malaysia Sdn Bhd, is the franchisee of the New York-based Dun & Bradstreet Corporation, a global operator and provider of credit bureau and risk management solutions.

The ***SME Credit Bureau* (the Bureau)** is a central databank of credit information on SMEs and will act as a key source of information on registration details, credit track records, debt level and obligations, financial statements and trade partners of SMEs. SMEs will be rated by the bureau based on their credit profiles. SMEs with strong credit ratings would be able to reap the benefits of lower funding costs and greater access to financing, while the weak ones are expected to leverage on the informational value of their credit ratings to improve their credit standing. Banks and other financial institutions will be able to avail themselves to a comprehensive range of information on the SMEs in the country from the central database of the Bureau. Convenient, timely and efficient access to SME information and credit ratings is expected to assist the lending institutions to make more objective and speedier evaluation of loan applications from SMEs.



Both CGC and D&B are confident that the establishment of the Bureau will further promote the development of a sound credit culture among financial institutions and SMEs. The Bureau would also encourage non-financial entities, including the SMEs themselves to share information through the Bureau. In this regard, the members of the business community could use the Bureau to decide with confidence when evaluating existing and prospective trade credit or other business deals. The Bureau is poised to be an integral component of the developing credit information infrastructure in Malaysia. Its establishment is expected to contribute significantly towards assisting or enabling SMEs to gain access to the financial markets. The signing of strategic alliance therefore represents a meeting of the common objective of both parties to bridge the gaps in the availability and access to SME credit information in the country.

Source: Audrey Chia | Director, Product Development & Marketing Dun & Bradstreet (Singapore) Pte Ltd - DID +65 6318 7868 | Fax +65 6318 7867 | Mobile +65 9662 1883 www.dnb.com.sg

Picture: Credit Guarantee Corp CEO Datuk Wan Azhar Wan Ahmad (left) exchanging documents with D&B Malaysia Managing Director Tan Sze Chong (right) witnessed by Bank Negara Malaysian Deputy Governor Datuk Zamani Abdul Ghani and D&B Malaysia Group Executive William Lim Wah Liang

MEMBER NEWS:

VEDA ADVANTAGE ACQUIRES AUSTRALIAN BUSINESS RESEARCH AND THE NATIONAL TENANCY DATABASE

Veda Advantage (ASX/NZX: VEA) has agreed to acquire Australian Business Research (ABR) and the National Tenancy Database (NTD) from Collection House Limited for an enterprise value of $32 million (subject to certain completion adjustments). The businesses are being sold by Collection House as part of its move to divest divisions which are not part of its core debt collection business.

ABR is a provider of commercial credit information and information brokerage services. The National Tenancy Database is designed for the real estate market in Australia and New Zealand and holds information on 1.4 million tenants. NTD services 4000 clients, including real estate agents and property managers. The ABR and NTD businesses had combined earnings before interest, tax, depreciation and amortization (EBITDA) of $4.2 million in the 2006 financial year. The sale is subject to approval by the Australian Competition and Consumer Commission. The sale has no effect on the privatization of Veda Advantage, which ceased trading on the Australian Securities Exchange and the New Zealand Stock Exchange last week. The final special dividend of 10 cents per share will be paid to Veda Advantage shareholders on 6 July 2007. The $3.51 per share Scheme consideration will be paid on 9 July 2007. ***Source: www.vedaadvantage.com***

VEDA ADVANTAGE TO INTERNALIZE NEW ZEALAND CREDIT BUREAU REBUILD PROJECT

Following an in-depth review of the New Zealand Bureau Rebuild (NBR) project in conjunction with Capgemini, Veda Advantage (ASX/NZX: VEA) has decided to focus on completion of the data stream (Phase 1). The project is being brought in-house and Veda will take direct ownership and management of the project going forward. Capgemini will complete current work in relation to the data stream and hand the project over to Veda Advantage around 3 August.

Phase 2 of the NBR project, the development and delivery of a new credit bureau platform, will cease and the updated bureau data will remain in New Zealand on the existing technology platform. This change to the NBR project has no effect on the privatisation of Veda Advantage, which ceased trading on the Australian Securities Exchange and the New Zealand Stock Exchange this week. ***Source: www.vedaadvantage.com***

VEDA ADVANTAGE NEW ZEALAND ACQUIRES MARKETING DIVISION OF ATLANTIS GROUP

Veda Advantage, New Zealand announced the acquisition of the Atlantis Group’s marketing services division. The purchase signals Veda Advantage’s intention to expand its marketing services offering in New Zealand, mirroring the range of products and services the company offers in Australia. This enhanced capability includes data quality, market segmentation and campaign management tools. In addition, the acquisition gives Veda Advantage clients access to Atlantis’ extensive marketing lists: Driving Force, Titlebase and Precision. As a result of the acquisition, the specialist marketing services personnel of Atlantis will join Veda Advantage. ***Source: www.vedaadvantage.com***

INDUSTRY NEWS:

CREDITREFORM AND COFACE PRESENT *EasyNumber* TO WORLDWIDE PARTNERS

Creditreform and Coface, respectively the No. 1 and number 2 in the European Credit Management services sector (company information and receivables management), presented the ***EasyNumber***, a universal identifier for searching and identifying companies, to potential partners in a recent meeting in Brussels, Belgium.

According to a press release from the initiating parties, ***EasyNumber*** is an innovative solution with a compelling value proposition providing: Powerful searching to uniquely identify companies anywhere in the world. Simplified access to a comprehensive and reliable worldwide company database. Allocation of any business worldwide with a single, unique and universal ID, complementary to national ID numbers. Quality enhancements to client's company databases. Permanent maintenance of worldwide company identification information. A web-based toolkit to easily integrate services into software applications. The basis for depicting global company ownership structures.

For Coface, this project enhances the quality of the information services that we offer companies explains Jerome Cazes, CEO of Coface. "We have now exceeded the 25 million mark in terms of the number of companies listed. Our aim is to reach 44 million by the end of the year and to cover most European countries and the United States. The goal is to have 50 million companies on the ***EasyNumber*** repository as early as 2008." According to Udo Pyszny, CEO of Creditreform, there is currently no open and effective solution available which is capable of creating a unique, global business identifier and providing access to a standardized global business repository. Due to its open and neutral approach, the ***EasyNumber*** will create significant opportunities for internationally operating businesses. An open solution to be made available via an open partner network.

EasyNumber is the first open initiative of this scale and in order to promote the widest possible adoption by internationally operating companies, its objective is to be used and distributed very widely by business information companies of all types, e.g. credit information companies, credit insurers, marketing information companies, debt management companies, CRM software companies, system integrators, etc. The ***EasyNumber*** also involves a large-scale software infrastructure and will have a specific organization.. Stephen Lord of Coface will lead all Production activities and will notably be responsible for all operational, technical and fulfillment aspects of the ***Easy system***. Richard Dey of Creditreform will lead all Sales & Marketing activities and will notably be responsible for promoting the service and developing the network of Easy partners. Presented for the first time to partners today, the ***EasyNumber*** and the Easy web-based services will officially be made available to customers in January, 2008. ***Source: Creditreform and Coface Press Releases***

BIIA Commentary: Apart from local company tax and corporate registration numbers there are now three universal company Identification numbers: ***D-U-N-S® Number*** (owned by D&B) has been the leading universal numbering system for over forty years. It is endorsed by many international industry association and governmental institutions. D&B database has over 110 million companies linked to the ***D-U-N-S® Number***. In 2006 Equifax acquired Austin Tetra, a b2b information company. The cornerstone of Austin-Tetra's offerings is ***the A-T Number®,*** a unique nine-digit identifier for individual business entities such as parent companies, subsidiaries, headquarters and branches. Austin Tetra's database is said to contain 30 million businesses. The Creditreform / Coface ***EasyNumber*** initiative is the third standard to be introduced as company identification.

INDUSTRY NEWS:

IMPRESSIVE INCREASE IN UNISTRAT COFACE'S TURNOVER: +23.9% IN 2006

A major player on the single risk credit insurance market for the last 20 years, Unistrat Coface is pursuing its development both in France and abroad, with 2006 yielding excellent business results. To achieve this, Unistrat Coface is relying on the Coface network as well as a network of specialized brokers throughout the world. In order to fulfill its international development objectives, Unistrat Coface is restructuring its business to establish closer contact with its customers.

2006: A very good year for business Unistrat Coface recorded excellent results in 2006, with premiums amounting to a total of €47.6 million, up from €38.4 million, an increase of 23.9%.

Rolling-out the product range through the Coface network: To roll out its offer quickly throughout all the countries, Unistrat Coface is relying on Coface's network, with local representation in 60 countries and direct presence via the CreditAlliance network in 106 countries.

A new structure, closer to the customer: While France continues to be entrusted to Raisy Bivas, a new division is being created, which will be headed by Bernard Sauvage and based in Singapore, to develop business in Asia, Oceania and Japan. Florence Mognetti will be responsible for rolling out the company's offer in the rest of the world, with a team that has been strengthened by the arrival of Marie-Hélène Alexis who was acknowledged investment guarantee specialist at Coface's Medium-Term Department. An organization chart is enclosed. In June 2006, Coface in the UK recruited a new team led by Joe Blenkinsopp to promote political risk products on the London market, under the supervision and support of Unistrat Coface.

Source: Febis www.febis.org and Coface websites www.coface.com

BUREAU VAN DIJK

Limited Interest in Bureau van Dijk.

As reported in the April 2007 BIIA Newsletter, European private equity house Candover has put global electronic publisher Bureau van Dijk up for sale, in a move which could see the company fetch £500m - £600m (US$ 1 bn – US$ 1,2bn). Candover acquired a 60 per cent stake in Bureau van Dijk in 2004, with the remaining 40 per cent thought to be owned by management.

Industry analysts had speculated that the recent growth of consolidation in the industry and relatively high multiples may spark a bidding war. As it turns out there has hardly been any interest.

There is value in knowledge and today's multiples may be the inducement to sell, however to expect a value of US$ 1.2 bn for a company with less than US$ 100 million in revenues may be far fetched. BIIA Partner Password, Germany reported that the seller still expects a relatively high price of Euro 650 to Euro 700 million (US$900 to 970 million) and a second round of bidding has been opened. Offers from private equity firms are now being considered (previously excluded).

Limited Interest in Bureau van Dijk (continued): Insiders assume that the current lack of interest is based on the fact that van Dijk does not, technically speaking, own the underlying data of its services.

BIIA wrote in April: "Perhaps there may be another reason for cashing in. As an aggregator of financial statements Bureau van Dijk is sandwiched between public sector information providers and end users. Increased emphasis on disclosure and advances in technology drives the availability of structured financial information from the public sector, which in turn will be accessible by end-users directly". ***Source: Password, Germany – BIIA Archive***

INDUSTRY NEWS:

EQUIFAX ANNOUNCES SECOND QUARTER 2007 RESULTS

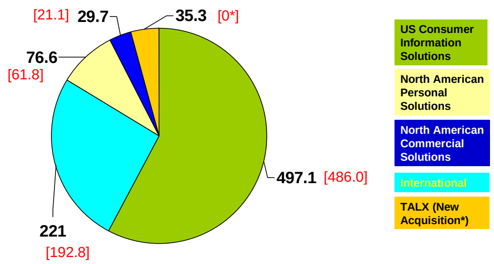
Equifax Inc. (NYSE: EFX) reported second quarter results on July 23, 2007. Revenue increased to $454.5 million, up 17 percent compared to the second quarter of 2006. *"In the second quarter we completed, ahead of schedule, the acquisition of TALX, a leading provider of employment and income verification and human resources outsourcing services," said Richard F. Smith, Equifax Chairman and Chief Executive Officer. "At the same time, we kept our focus on customers of the traditional Equifax businesses and, excluding the impact of TALX, delivered 8 percent revenue growth, including double-digit growth in our International, North America Personal Solutions and North America Commercial Solutions businesses."*

Second Quarter 2007 Highlights included: Solid double-digit revenue growth in our International, North America Personal Solutions and North America Commercial Solutions operating segments and the acquisition of TALX contributed to a 17 percent increase in revenue in the second quarter of 2007, when compared to the same period in 2006. Operating margin was 26.4 percent compared to 24.9 percent in the second quarter of 2006. Operating income grew to $119.8 million, up 24 percent from the second quarter of 2006. On a non-GAAP basis, excluding the impact of the second quarter 2006 litigation matters mentioned above, operating income grew 8 percent. Net income rose to $70.1 million, a one percent increase from the second quarter of 2006, which included the favorable net impact of the 2006 litigation-related matters. On a non-GAAP basis excluding the impact of these litigation matters, net income increased 9 percent.

Total debt increased to $1.2 billion in the second quarter of 2007, from $503.9 million at December 31, 2006. The increase resulted primarily from the issuance of an aggregate of $550 million of ten- and thirty-year fixed rate senior notes in late June, assumption of $75 million in senior guaranteed notes of TALX and commencement of a commercial paper program on May 22, 2007 to refinance certain other outstanding debt. Equifax repurchased 4.2 million of our common shares for $179.3 million in the quarter, as part of our previously announced share repurchase programs. ***Source: Equifax Press Release***

EQUIFAX 2007 RESULTS AT A GLANCE

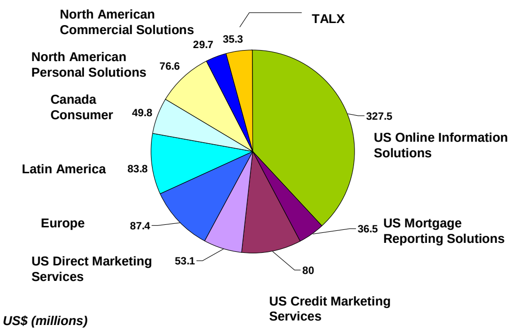
Six Months 2007 Revenues by Geography



US $ 859.7 (millions) [vs. same Period 2006 US $ 761.7]

* TALX Acquired in Q2 2007

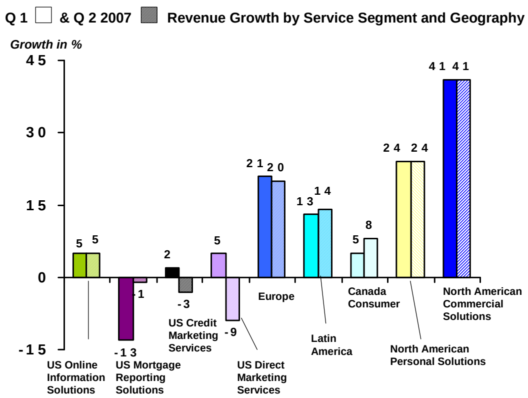
EQUIFAX 2007 SIX MONTHS REVENUES BY SERVICE SEGMENT AND GEOGRAPHY



INDUSTRY NEWS:

EQUIFAX ANNOUNCES SECOND QUARTER 2007 RESULTS (CONTINUED)

EQUIFAX REVENUE GROWTH COMPARISONS



Difficulties in the US Subprime mortgage market poses challenges for consumer credit information companies:

Equifax reported solid demand for online consumer information was offset by weakness in the mortgage and market services markets. Online Consumer Information Solutions was US$ 165.4 million up 5% compared to the second quarter of 2006. Mortgage Reporting Solutions revenue was $19.0 million, down 1 percent compared to the second quarter of 2006. Credit Marketing Services revenue was $39.6 million, down 3 percent compared to the second quarter of 2006. Direct Marketing Services revenue was $26.0 million, down 9 percent compared to the second quarter of 2006. ***Source: Equifax Press Release***

SUBPRIME TURMOIL IMPACTS EXPERIAN RESULTS

Difficult trading conditions in the **US subprime** mortgage market and the UK consumer credit industry were among "challenges" **Experian** Group faced during the first quarter of its financial year, reported the Financial Times on July 12th, 2007. Revenues at ***LowerMyBills***, Experian's US business, which provides leads to subprime mortgage lenders, fell more than 20 per cent in the April-June quarter, following an 8 per cent dip in the last quarter of 2006-07. That held back a rise in sales at the group's Americas interactive division to 10 per cent. Paul Brooks, chief financial officer, quoted: "We do see clients taking leads, there is demand, but it's significantly reduced. It makes good money even in these difficult times." He added that ***LowerMyBills*** had been looking to diversify from the mortgage market and was now more actively pursuing that strategy.

Experian also reported that the environment for UK financial services companies remains tough, with lenders more focused on portfolio management than new business. With UK interest rates rising, unsecured lending has almost come to a halt.

Excluding businesses acquired in the previous 12 months, Experian group sales increased by 7 per cent at constant exchange rates. Adding in sales by the several acquisitions, including five in the first quarter, and translating into dollars at current rates, sales increased by 11 per cent. Experian, which reports in dollars, benefited from the fall in that currency. Sales from the Americas rose 8 per cent in total, those from the UK, Ireland and the rest of the world rose by 17 per cent in dollar terms. As BIIA News reported in the June 2007 newsletter, the Experian group spent $1.6bn on acquisitions this year. Nevertheless the purchase of ***Serasa*** and ***Hitwise***, an online market intelligence business, did little to benefit first-quarter sales.

Source: Financial Times

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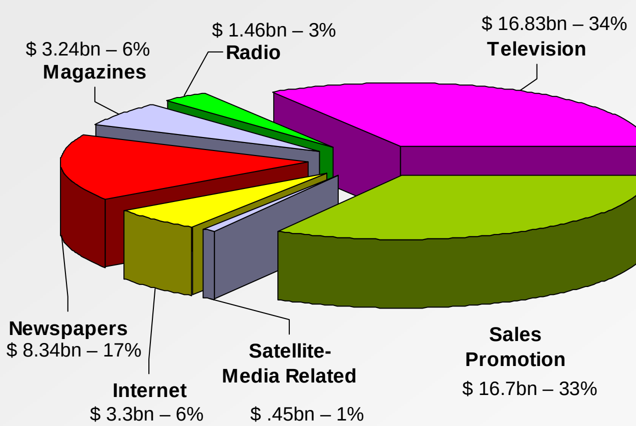
B2B MEDIA IN JAPAN

INDUSTRY REPORT COURTESY OF BUSINESS STRATEGIES GROUP, HONG KONG

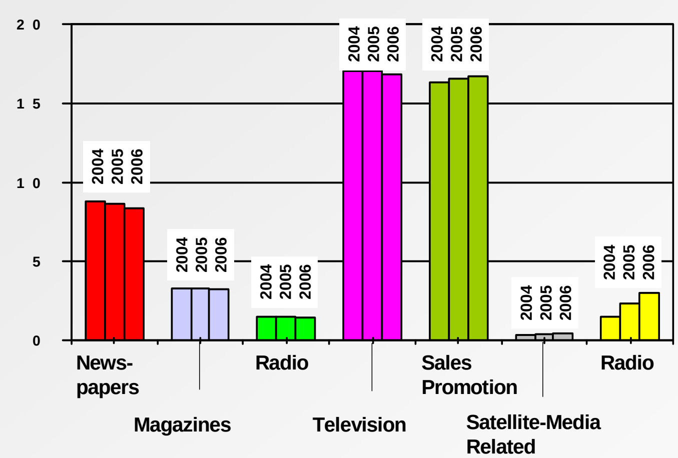
AD EXPENDITURE 2006 BY MEDIA TYPE



Source: Dentsu Inc. – Courtesy of Business Strategies Group, Hong Kong

AD EXPENDITURE BY MEDIA TYPE

US$ 50.05bn 2006



Source: Dentsu Inc. – Courtesy of Business Strategies Group, Hong Kong

Japan's media market is the largest in Asia. Advertising expenditures in Japan topped US$50 billion in 2006**. TV and sales promotion** were the largest media segments accounting for 34% and 33% respectively of the market. **Newspapers (17%), Internet (6%)** and **magazines (6%)** round out the top five. Ad revenues from the Internet are growing rapidly.

For the past decade, the publishing market in Japan has been at best stagnant. Sales of Japanese magazines have fallen from US$13.1 billion in 1997 down to US$10.7 billion in 2005.

Top magazines in Japan still have impressive circulation figures. Nikkei Business is the leading Japanese business magazine with a circulation of just over 332,000 followed by President Magazine (210,000) and Diamond Weekly (111,000).

Print publishers are under pressure as the ad market for newspapers and magazines shrinks, while ad spend on the Internet has recently doubled to US$3.03 billion.

The Internet is also undermining the traditional print distribution system in Japan. Simultaneously, the youth market is reportedly less interested in print and embracing new formats such as serial novels delivered to mobile phones. As a result, B2B publishers in Japan are beginning to employ strategies that utilise a combination of platforms. They are adding resources and capital into the development of print magazines, targeted websites, e-newsletters and specialized seminars and events to attract and retain readers.

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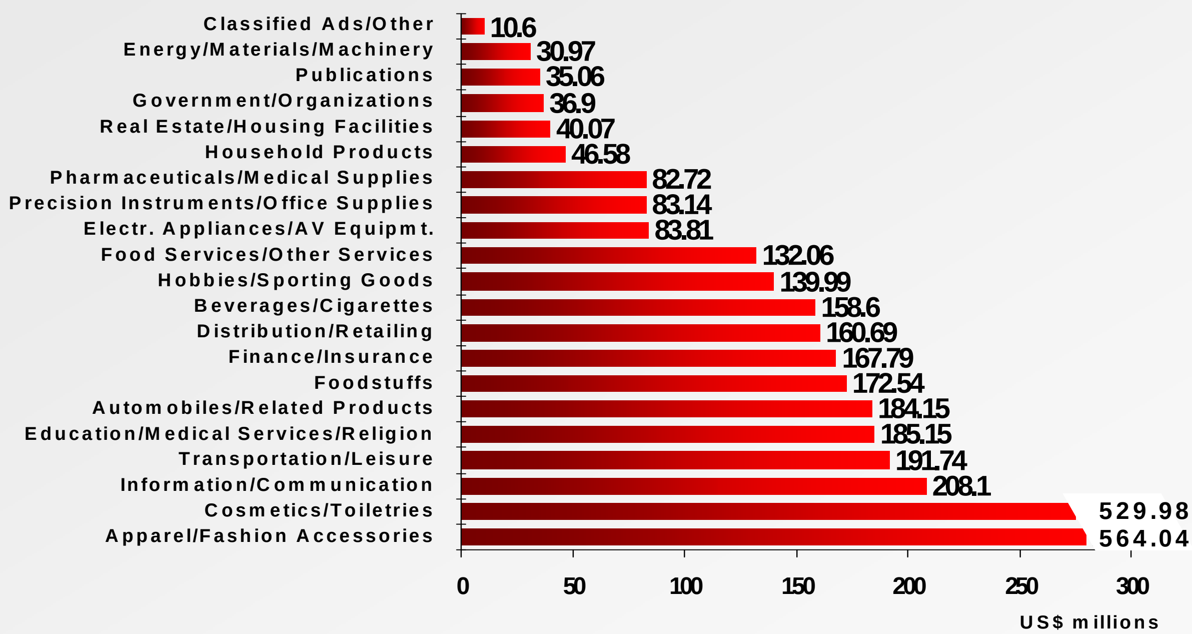
B2B MEDIA IN JAPAN (CONTINUED FROM PREVIOUS PAGE)

MAGAZINE ADVERTISING EXPENDITURE 2006



Source: Dentsu Inc. – Courtesy of Business Strategies Group, Hong Kong

Japan's business events industry is the second largest in Asia. In 2005, almost 2.1 million square metres of space was sold at Japanese trade fairs. The largest industry segment was engineering, industrial and manufacturing shows which generated almost 300,000sqm of sold space. Online B2B media in Japan is dynamic and moving in interesting directions. Blogs are very popular across Japan and they are popping up in a wide variety of industries. This explosion in popularity has caught the attention of B2B businesses and publishers. Blogs are rapidly being integrated into vertical industry sites and news websites across Japan. Japan has always had a strong mobile Internet service market, but the use of the mobile phone as an Internet access device gained significant momentum in the last few years. Mobile phones in Japan are now used to send and receive emails, download music and access popular websites. Consequently, B2B online publishers and other online businesses will need to adapt to this trend in order to accommodate the growing user preference for mobile devices. Many of the traditional B2B media firms in Japan appear unsure of how to capitalise on these market changes. As a result, they are reacting somewhat tentatively to new trends such as blogs and mobile publishing. Perhaps the most significant factor hindering change is Japan's unique distribution system which employs thousands of small print distributors. Although their progress is slow, newspapers, magazines and TV broadcasters are developing B2B online services, but time will tell if they move fast enough to meet the shifting demands of their readership and the market.

This is an excerpt of a recent report issued by Business Strategies Group, Hong Kong – www.bsgasia.com. To buy the entire report please contact Candice Siu, Assistant Manager – Research: Candice@bsgasia.com

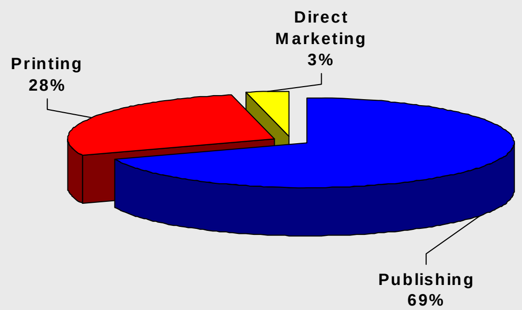
B2B MEDIA IN ASIA

INFOMEDIA INDIA

Infomedia is a leading company in India's B2B media industry. The company's primary business lines are publishing special interest magazines, publishing business directories, offering publishing business process outsourcing (BPO) and direct marketing services. Publishing accounts for 65.6% of revenues, printing services accounts for 26.5% and direct marketing services generates 3.1% of revenues. The company has offices in 22 cities across India and employs a staff of 1,600. Infomedia's network offers solid coverage of the India market including an established national ad sales team of 600 people and a comprehensive distribution network. In the 2006-07 financial year, Infomedia recorded revenues of US$49.3 million.

INFOMEDIA, INDIA – PRODUCT MIX

Total Revenues 2006/07 Financial Year US$49.3 million



Source: Business Strategies Group, Hong Kong www.bsgasia.com

Previously known as Tata Infomedia, the company is now publicly traded on the Bombay Stock Exchange and the National Stock Exchange. Following its split from the Tata group, the company's largest shareholder has been ICICI Venture which is the private equity arm of the ICICI Bank. This means that Infomedia is one of the only B2B media companies in Asia which is primarily owned by a financial institution. Although, this is an increasingly common trend in North America and Europe with the growing importance of private equity funds in the industry. In May of this year, there were press reports that ICICI would sell its entire stake in Infomedia to Reed. Infomedia flatly denied these reports.[1]

Infomedia has completed several acquisitions in order to enter the publishing business process outsourcing industry in India. In 2005, the company acquired Bangalore-based Cepha Imaging as well as the Keyword Group which is based in the UK. Clients of Infomedia's outsourcing service are primarily in the UK and the US. Customers include blue chip publishers such as McGraw-Hill, Thomson Learning, Wolters Kluwer and Pearson Education.

Infomedia's publishes special interest consumer magazines as well as B2B trade titles and business directories. The company currently publishes 20 titles – 12 trade magazines and 8 consumer titles and claims to have a database of over 40,000 subscribers. Infomedia supports these publications with a strong distribution network featuring 125 distribution partners connecting to 40,000 outlets across 400 cities and towns in India.

In addition to being a media partner at many trade shows in India, Infomedia has established a joint venture with Reed Business International which primarily focuses on publishing Indian editions of Reed titles. Infomedia also maintains a partnership with Ringier to share editorial content and advertising. Infomedia has a variety of other smaller-scale partnerships. Through its relationship with Future Publishing, Infomedia launched *T3* in India. *CHIP* is a consumer IT title that is published under license from the Vogel-Burda joint venture. Infomedia is also looking at new media platforms with Nokia, STAR India and Google.

The above is an abstract of a report published recently by Business Strategies Group, Hong Kong. To obtain the full report contact Candice Siu, E-mail: Candice@bsgasia.com

B2B MEDIA IN ASIA

EMAP BUYS INTO INDIA

UK's Emap has acquired 40.1% of **NextGen Publishing** in India for £3.7m in cash. NextGen, dominated by former senior management of Infomedia, is primarily a consumer publisher producing *Car India* and *Bike India*. It also, however, has a business directories division and publishes *Commercial Vehicle* magazine in the B2B sector.

NextGen is currently jointly owned by Forbes Gokak Limited (68.29%), one of India's oldest business groups (and unrelated to the American publisher of the same name), and HDFC Limited, a leading Indian bank (16.83%).

Commenting on the acquisition, Paul Keenan, Chief Executive of Emap Consumer Media, said: "As one of the fastest growing economies in the world experiencing a marked increase in wealth and consumerism, we see India as a prime market that will be highly receptive to our brands. Already an established publisher of English language consumer magazines and business services directories, NextGen's presence in the market will provide us with a strong base from which to explore opportunities to develop both our consumer and B2B brands. Having worked with the management team since the company was first founded, we are confident in their ability to achieve our joint objectives".

Source: EMAP and NextGen press releases – Business Strategies Group, Hong Kong www.bsgasia.com

XINHUA FINANCE MEDIA ACQUIRES ADVERTISING BUSINESS

Xinhua Finance Media has acquired a 100% interest in Convey Advertising Company, an outdoor advertising operator in Hong Kong and across southern China for an initial US$33 million. The company stated that the deal "expands XFMedia's outdoor advertising network to seven additional cities and includes significant high traffic and key transit routes linking mainland China with Hong Kong and Macau". Additional payments may be made to Convey depending on performance.

Source: XFML press release - Business Strategies Group, Hong Kong www.bsgasia.com

XINHUA FINANCE MEDIA RAISES GUIDANCE FOR Q2

The management at **Xinhua Finance Media** continues to fight back in the face of several weeks of negative press. This week, the company announced that it expected second quarter revenues to be significantly higher than previously announced. Management stated in a press release that they anticipate revenues will be between US$27 million – US$29 million – up from the previous figure of US$23 million. They also stated that they would revise full-year revenues upwards when they announce second quarter revenues.

On July 5th, Xinhua Finance Media also announced that the company has signed an exclusive five-year deal to sell advertising on House.china.cn, a real estate portal which is owned by China.com.cn. Earlier this year, XFMedia also signed a similar deal with Sina.com's real estate portal.

Source: Xinhua Finance Media Press Releases, July 5th and 9th, 2007 - Business Strategies Group, Hong Kong www.bsgasia.com

B2B MEDIA IN ASIA

NEW ALIBABA.COM CHIEF FINANCIAL OFFICER

AFX News reports that **KPMG partner Maggie Wu** has been appointed as CFO of Alibaba.com. Joe Tsai will continue as CFO of the Alibaba Group which includes Alibaba.com, the B2B business, Taobao.com and Yahoo! China. Wu will start work at Alibaba at the end of this month.

BSG understands that preparations for Alibaba.com's IPO in Hong Kong continue. No date for the listing has yet been indicated.

Source: Forbes - Business Strategies Group, Hong Kong www.bsgasia.com

ALIBABA IPO MAY BE BOOSTING PRICES

BSG has noted that some of the B2B media stocks that it tracks have increased remarkably over the past 3 to 4 months. In particular, the B2B online companies with a China-focus have done well. These increases are far in excess of the general market increases. Since the first week of April, **Kenfair** which is listed in Hong Kong is up 94% rising from HK$0.62 to HK$1.20. Earlier this month, Kenfair closed as high as HK$1.69, but the price has pulled back considerably since then.

Global Sources is up 62% in the same period. At the beginning of April, Global Sources was trading at US$14.76 and yesterday the NASDAQ-listed stock closed at US$23.91. **Zhejiang Netsun** has increased from just over RMB50 in April to RMB79.38 yesterday – an increase of 53% which makes it the most expensive stock on the Shenzhen exchange. Hong Kong-listed **TradeEasy** is up an impressive 143%. In the same period, the NASDAQ rose 12.3% and The Hang Seng Index increased by nearly 17%. All of this may be the result of anticipation of the Alibaba IPO which will likely occur in Hong Kong in September. With that in mind, it will certainly be worthwhile watching how these shares perform in the coming six months.

Source: BSG Analysis www.bsgasia.com

LAYOFFS AT NINETOWNS

Press reports suggest that Ninetowns Internet Technology Group Company Limited has laid off 140 staff in its B2B division. According to 163.com, the company will be closing its search engine division. As reported by Business Strategies Group, Ninetowns acquired B2B search engine Yaphon earlier this year for US$27 million. Its tootoo.com B2B site is a relatively small competitor to Alibaba.com and HC360.com.

Sources: 163.com/Pacific Epoch - Business Strategies Group, Hong Kong www.bsgasia.com

162 MILLION INTERNET USERS IN CHINA

In its latest update on Internet usage in China, the Chinese Internet Network Information Center (CNNIC) has reported that there are now 162 million users in China of which 122 million have Broadband access. 44.3 million people in China are accessing the Internet via mobile phone.

According to the China Tech Story blog's report on the data, "Only 15% of net users search jobs online. 25.5% make online purchases. There are merely 3.9% make online travel reservations". It suggests, though, that almost 20% of internet users trade stocks online.

Source: CNNIC report, China Tech Story - Strategies Group, Hong Kong www.bsgasia.com

BIIA NEWSLETTER

Market Intelligence - Industry Developments & Trends - Information Technology - Regulatory Issues - User Community

BIIA NEWSLETTER ISSUE 07 - 07

CREDIT AND PRIVACY:

BIIA WAS A GUEST AT THE RECENT ACCIS ANNUAL MEETING IN PRAGUE.

ACCIS is the European Consumer Credit Information Association. Various speakers presented topics and issues that impact credit information not only in Europe, but have global implications:

- There is greater scrutiny around 'responsible lending'. Legislators in many countries are concerned about 'over-indebtedness' of consumers. Credit Bureaus are responding with consumer education at schools, providing meaningful research and insights about the benefits of credit information and the effect on lending.
- High growth of retail credit in emerging markets is driving the need for creating legal frameworks for data sharing and the creation of credit bureaus. According to the IFC there were less than 30 private credit bureaus twenty years ago. By 1997 there were over 40 and by 2007 there are over 70 in operation.
- Accordingly there is increasing awareness of credit reporting and the privacy aspects that go with it. Breaches in data security heighten concerns of consumers and regulators.
- Increased regulatory risk for consumer credit bureaus is prevalent with the European Commission working on a new directive.
- The European Commission has launched a review of current consumer directives, and a new consumer policy to: Empower consumers by providing real choices. Enhance welfare in terms of price, quality, etc. Protect consumers from risks and threats. Commission approach to financial education. Help consumers better understand information. Make financial services easier to understand. The European Commission to launch focus group – what do consumers need to know on financial services?

Source: Excerpts from ACCIS presentations

CREDIT CLIMATE:

CREDIT DEALS ARE STARTING TO COLLAPSE WORLDWIDE

For months, various financial authorities have warned that the global credit environment was getting shaky and that a seminal event would jolt the sector into more defensive behavior. A number of major bond issues and deals were yanked off the table and there is an expectation that this process will accelerate for weeks to come. Few are talking openly about a meltdown at this stage, but the possibility of a major retreat is very likely*.

The impetus for the current round of withdrawal is concern that the U.S. subprime market crisis has finally spilled out of its borders and is threatening wider financial circles. The investment community is becoming risk averse and is demanding more protection and better returns. They are shunning the more creative and highly leveraged deals that drove so much of the private equity world in the last few years. The reaction from analysts and regulators varies according to how much they counted on the current game continuing.

Source: Armada Corporate Intelligence and FCIB

* Financial Markets dropped sharply on Thursday July 26, 2007

Tightening of credit will impact trade credit granting necessitating increased scrutiny of debtors.

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