

BIIA NEWSLETTER

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

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EADP ANNUAL CONGRESS

Prague 16 to 18 September 2009

Key Note on Global Credit Information
Joachim C Bartels will speak on the 'State of Global Business Information'

For further information click on the link:
<http://www.eadp.org/?q=node/17224>

EVENTS:



Turkey: 23 – 25th September 2009 Annual General Meeting

To register contact: c.steinhoefer@herford.creditreform.de
<http://www.febs.org>

2nd World Credit Congress & Exhibition (WCCE)

November 24 – 25, 2009 Dublin, Ireland
For further information click on the link:

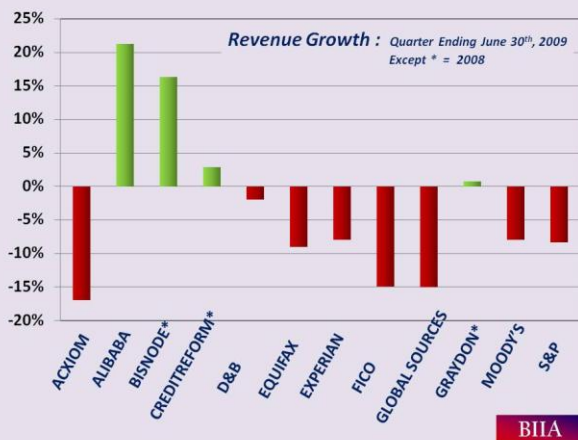
<http://www.creditcongress.com/2009/home.html>

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LATE BREAKING NEWS

RECENT INDUSTRY GROWTH COMPARISONS



Major industry players are still reporting declining revenues for the quarter ending June 30th 2009. There are some notable exceptions: Alibaba and Bisnode, which still report double digit growth. Most information companies report distressed markets, credit conditions have not improved and customers are reducing their information consumption. Major players expect little improvement for the remainder of 2009.

GERMAN CREDIT MANAGEMENT ASSOCIATION APPLAUDS FLAT RATE FOR CREDIT INFORMATION

Hoppenstedt, Germany (BISNODE) has introduced a flat rate of EURO 450.00 per annum for its **CreditCheck** product. The annual subscription permits unlimited usage in checking credit standing of customers, suppliers and business partners. The CreditCheck product contains a credit score, credit index, payment experiences and credit limit. Full reports with financial data can be obtained with **CreditCheck Premium** (annual subscription EURO 1,890).

Source: German Credit Management Association VfCM

US GDP: IT WILL TAKE TIME TO DIG OUT OF THE (GDP) HOLE

What information companies in Asia should tell their cross border clients with an interest in exporting to the USA:

The shape of things to come. This recession is the worst since World War II. The advance estimate of US GDP for the second quarter of 2009 fell at an annual rate of 1% from the first quarter. The first quarter's decline was revised upwards to an annual rate of 6.4%. Real GDP is now down by 3.7% from its peak in the fourth quarter of 2007.

Negative contributors were personal consumption (-0.88%) and private investment (-2.64, of which -0.83% represented a decline in inventories). Positive contributors were net exports (1.38%), federal and state government spending (1.12%)

The federal budget deficit is now 13% of GDP, double the previous peacetime record of 6.4% in 1983, which helped to bail out the recession of 1980/81.

US consumer discovered frugality driving up the savings to 5.2%, the highest level since 1998.

More timely economic indicators such as the Chicago purchasing managers' index remains at a 43.4 recession level, suggesting a slowing decline rather than a rapid recovery. The US economy may be at the bottom of this (economic) pit for a considerable time. Digging out being slow and difficult. **Source: Breakingviews.com**

US information industry executives reported in Q2 earnings reports continued declines in revenues and that they do not see any improvement short term. D&B's management stated that the commercial credit information business was more sensitive to economic conditions than previously anticipated.

LATE BREAKING NEWS

TWITTER'S PAINS ARE COMPETITORS GAINS

TWITTER, the micro-blogging service has suffered network failures several times in August and unexpectedly the earth kept spinning and the sun rose

In addition to its regular outages Twitter has other problems on its hand. Firstly, it does not make any revenue. Secondly, its rivals (Google and Facebook) are closing in by introducing similar services Twitter is offering. If the Twitter network continues to be unreliable, users will have an incentive to switch to more dependable sights like Google. **Robert Cyran of *Breakingviews.com*** writes: "Humanity can live without vapid hourly updates from B-list stars and the unwashed masses. Fold in a reputation of frequent outages, and it's easy to imagine Twitter becoming little more than a footnote in the Internet history books." **Source: *Breakingviews.com* (A BIIA Member)**

THOMSON REUTERS: PROJECT 'INSIDER' GOES TO BETA

During July the new Thomson Reuters multimedia interface moves out of its trial stage and into a widespread beta testing environment prior to formal launch early in 2010.

This may be one of the most important moves in these markets in a decade. It indicates the point at which the most traditionally narrow-focus digital marketplace began to adjust to the culture of the broadband web, from which all of today's young traders and analysts gained their education. The 'Insider' platform grasps the fundamentals of personalization, and builds from the willingness of users, faced with impossible content overload, to refine and adjust the aggregation aperture to get what is needed and exclude what is not. **Writes David Worlock in a recent *Outsell Insight* report: [Thomson Reuters Insider goes to Beta](#)**

ALIBABA EYES CHINA ACQUISITION

According to the Financial Times (Aug 14th, 2009) Alibaba is said to be close to an acquisition in China. Quoting chief executive David Wei "We are relatively close to making an announcement in the coming months ... and the acquisition was not global in nature."

Speculations are now abound in respect to the target or target services. Although Alibaba is going global it has its focus on the China domestic market with its millions of SMEs. It has also set its sights previously on verification, content and research services. Another possibility is to expand its reach into sourcing verticals.

Alibaba is also said to be in partnership talks with a number of companies in the USA. The deals are part of an aggressive expansion drive. Alibaba has focused on the small and medium size business segments that are turning to e-commerce to win orders. Alibaba's exposure to millions of SMEs makes it a lead indicator on export trends.

Source: *Financial Times*

CHINA CONSIDERS APPEAL ON WTO RULING ON PUBLISHING

The WTO ruling demands an end to state enterprise monopolies on import and distribution of foreign made books, films and digital video discs. The ruling is expected to help transform China's publishing and book retailing sectors. Following the ruling China expressed regret and said it may appeal against it according to a statement of the Ministry of Commerce. **Source: *Financial Times***

LATE BREAKING NEWS

WAL-MART ENTERS THE DATA BUSINESS WITH ECO RATINGS

“Living in interesting times” as Wal-Mart enters the information business ...

Giant retailer **Wal-Mart**, as part of a number of bold moves in recent years to improve its image as a good corporate citizen, has just announced that it is now going to display **eco-ratings** on the products it sells. There's only one small catch, of course: such ratings do not currently exist. Wal-Mart, however, has the answer: it is going to insist that its suppliers participate in this initiative, with Wal-Mart funding the development effort. Wal-Mart is said to partner with leading technology companies to create an open platform that powers eco-ratings.

Wal-Mart sees this as a three-step process: first, collect data from its suppliers that will be input into a central database. The second step is to collaborate with universities and other groups to work through the various weights to be assigned to each data element. The third step will be to translate the weighted data into a single "sustainability index number," that will essentially reflect how green a product is in terms of how it is manufactured, how it is distributed, and the extent to which it can be recycled.

Infocommerce writes: This is a huge initiative, and one that many others have looked at, although generally on a less ambitious scale. Offering meaningful sustainability ratings is not only a worthwhile business; it can be a lucrative business as well. The key, of course, is getting market acceptance and critical mass. That where it helps to have the clout of Wal-Mart, with sales equating to 2% of GDP, and a proven willingness to use supplier mandates to enforce participation. **Source: Infocommerce Group**

BIIA Comment: One can spin the wheel further, as over time most likely other criteria will be added about supplier performance in terms of quality, delivery delays, environmental accidents, perhaps financial statements and how suppliers treat their suppliers down the value chain. No doubt Wal-Mart will ask others to contribute data. BIIA Chairman David Worlock commented in a recent Outsell Insight (July 31, 2009): "One of the oldest maxims of electronic publishing is that the customers are the next competitors." And in the case of Wal-Mart it will be a juggernaut on its way "to making the world better for all of us, (and Wal-Mart) will break the bones of some small players and force the re-alignment of some larger players on the way." Wal-Mart seems to have discovered that there is value in information, let us see whether the consumer will eat it.

PRITZKER: FAMILY POLITICS DRIVE DIVESTITURES

“If it weren't for family politics, would the Pritzker family be taking Hyatt Hotels Corp. public?” Preliminary offering documents filed late Wednesday with the Securities and Exchange Commission suggest there is little other reason to sell shares in the Chicago family's crown jewel during the worst economy since the Great Depression". Writes the **Chicago Tribune**.

The Pritzkers own **TransUnion** and the latest divestiture raises the question within the information industry: Will **TransUnion** be next and when? The Pritzker family has squabbled for nearly a decade over the family business. To pay out family members Goldman Sachs and Madrone invested US\$ 1bn in Hyatt and Warren Buffet's Berkshire Hathaway paid US\$ 4.5 million for Marmon Corporation, a manufacturing conglomerate owned by the Pritzker family. **Source: Chicago Tribune / Breakingviews.com**

Latest industry news are on: http://www.bii.com/industry_news.php

LATE BREAKING NEWS

GREEN SHOOTS: SINGAPORE SEES SHARP RISE IN Q2 GDP NUMBERS

The jump in Singapore's Q2 GDP was most unexpected and welcome news. This tiny Asian city-state takes on a very significant role as its economy is almost entirely dependent on export activity and finance. If it is suffering, the whole of Asia is in trouble and by the same token its recovery bodes well for everybody else. The good news is still a matter of seeing less bad results than expected. The decline year over year in the first quarter was 9.6% and now the level is 3.7%. It looks like the year will see a GDP decline of about 4 to 6 percent as opposed to a 6 to 9 percent contraction.

Analysis: The sector that has been driving this expansion has been bio-med, but there are signs that technology in general is gaining and so has the financial community. Most of the growth has been connected to China, but other states in the region are figuring into all this as well.

Courtesy Dr. Chris Kuehl, Armada Corporate Intelligence 2009-07-14

POSITIVE ECONOMIC NEWS ACROSS MOST OF ASIA

There has been generally strong economic news from around Asia led by news that China's economy grew by 7.9% in the second quarter. The New York Times noted that this was "fuelled by an ambitious economic stimulus program and aggressive bank lending".

Meanwhile Reuters has reported that China imports are "surprisingly robust due to domestic demand" and that the pace of export decline has also slowed although "not as sharply". It adds though, that Prime Minister Wen Jiabao had sounded cautious when telling analysts that the "economic recovery is not on a solid foundation, and the negative impacts from the international crisis have not eased".

Singapore's trade ministry was cautious in response to this news saying "A sizeable part of Singapore's manufacturing uptick came from a spike in biomedical manufacturing output and electronics inventory restocking, both of which may not be sustained." *Courtesy: BSG Hong Kong*

BLOOMBERG TERMINAL SALES FALL

The contraction in the financial services industry finally hits Bloomberg's sales.

Falling terminal sales have prompted Bloomberg to make one-off payments to staff whose pay packages would otherwise have come in more than 20 per cent below expectations.

In a rare disclosure by the privately held news and data company, Bloomberg said its total terminal numbers had fallen by 11,470, or 4 per cent, from a peak last November of 268,800. Sales of its distinctive black screens had been growing at 25,000-30,000 a year.

Source: [Financial Times](#)

FOUR OUT OF FIVE COMPANIES CAN'T FORECAST CASH FLOW

Four out of five of the world's largest companies are unable to accurately forecast mid-term cash flow, according to a new study from The Hackett Group, Inc., its REL working capital division and the National Association of Corporate Treasurers (NACT).

The Hackett study found that only 22% of companies say they can forecast mid-term (two-three months out) operating cash flow to within 5% accuracy. Previous Hackett research also showed that only one in three companies can forecast earnings to within 5% accuracy, and less than half can make the same claim about sales forecasting.

Source: Hackett Group - courtesy NACM

LATE BREAKING NEWS

CREDIT AGENCIES GET ANTITRUST DISMISSALS

Two of the three U.S. credit-reporting companies, **TransUnion LLC and Experian PLC**, won the dismissal of antitrust claims filed in federal court by the Minneapolis credit-score provider Fair Isaac Corp.

Judge Ann Montgomery of the U.S. District Court in Minneapolis granted a motion last week to throw out Fair Isaac's claim that Trans-Union and Experian, along with Equifax Inc., tried to monopolize the credit-scoring market by forming a joint venture and announcing the VantageScore credit-reporting model in 2006 in an effort to compete against Fair Isaac's popular FICO score product. "A strategy of persuading the market that one product is equal or superior to another product and that the price of the first product presents a higher value proposition than does the second is the very nature of competition," Judge Montgomery wrote in a 52-page opinion. In her decision Judge Montgomery also dismissed Fair Isaac's contract and false-advertising claims against TransUnion and Experian. She declined a request to dismiss claims that the two credit-reporting companies violated Fair Isaac's trademarks.

Fair Isaac claimed the three credit bureaus illegally tried to use VantageScore to eliminate its FICO score, which it licenses to the companies.

Equifax was not included because it agreed to settle the case on undisclosed terms in 2008 and entered into a partnership with Fair Isaac.

"VantageScore has introduced innovation, choice and competition into a marketplace that long had been dominated by FICO," Kerry Williams, Experian's group president of credit services and decision analytics, said in a press release Monday.

Fair Isaac said in a press release that it believes "VantageScore remains an illegal presence in the market" and plans to appeal the decision after trial of the remaining claims in the case.

Source: *American Banker* 2009-07-31

COURT ORDER CLEARS WAY FOR CONSUMER CREDIT SCORING TRIAL

Court denies motions by Experian, TransUnion and VantageScore Solutions to dismiss claims of Trademark Infringement and Unfair Competition

MINNEAPOLIS, July 27, 2009 – In a case brought by FICO (NYSE: FIC) claiming trademark infringement, misleading consumer advertising and unfair competitive tactics by Experian, TransUnion and VantageScore Solutions, the United States District Court in Minneapolis has denied the defendants' motions to dismiss FICO's trademark infringement, unfair competition and passing off claims, clearing the way for the case to be brought to trial later this year.

For more information go to [FICO press release](#)

FAIR ISAAC IS NOW FICO™

In the interests of clarity and consistency, Fair Isaac Corporation (NYSE: FIC), the leading provider of analytics and decision management technology, today announced that it has officially adopted the brand FICO™ as its corporate identity. For more information go to [FICO press release](#)

LATE BREAKING NEWS

TRANSUNION APPLAUDS ANTITRUST DISMISSAL

TransUnion applauded the importance of U.S. District Court judge Ann D. Montgomery's dismissal of legal complaints brought by Fair Isaac Corp. in its lawsuit against VantageScore Solutions LLC, Experian Information Solutions Inc. and TransUnion, LLC.

The court's decision to dismiss these complaints marks a significant victory for the principles that rest behind the development of VantageScore and, more importantly, for consumers and lenders who want and deserve choice.

VantageScore, which launched in March 2006, is the first scoring model of its kind to leverage a consistent scoring methodology across all three national credit reporting companies, bringing clarity to businesses and consumers through an easily interpreted numeric score, and choice to the marketplace through a highly predictive scoring option.

Following the launch, Fair Isaac Corp. filed suit, claiming the three national credit reporting companies, along with VantageScore Solutions, LLC, were engaging in unfair and anti-competitive practices that would harm FICO's brand. Last summer Fair Isaac Corp. agreed to drop Equifax as a defendant in the suit based on an individual settlement with that company.

"The court's decision dispels a perception that there can be only one scoring model that holds relevance for lenders and consumers," said Jeff Hellinga, president of TransUnion's U.S. Information Services division. "The outcome is a victory for the kind of choice, clarity and consistency that the marketplace demands and deserves."

Source: CHICAGO, July 28 /PRNewswire/

NIELSEN CHALLENGED BY USER CONSORTIUM

Users are at it again: Dissatisfaction with Nielsen TV ratings drive users into revolt and they intend to chastise and humble Nielsen with a new independent service. Nevertheless they have thrown Nielsen a bone in the form of an invitation to participate. Of course Nielsen's quasi monopoly in the field of TV ratings has irked users before. They tried to revolt in the 1990' but Nielsen rebuffed them due to its entrenched position in US homes. However the Internet has no respect for established business models, and forces market research companies to change.

Context News: A consortium of media giants and advertisers are challenging Nielsen with an independent user operated rating system. Participants are networks owned by NBC Universal, Time Warner, News Corp, Viacom, CBS, Discovery and Walt Disney. Procter & Gamble, AT&T and Unilever. The new TV rating system is to become operational in September.

Audience measurement is considered the lifeblood of the media industry. The \$70bn spent on US TV advertising each year is allocated according to viewer numbers. The explosion of online viewing has made the measuring of total audiences across all media platforms more difficult.

Source: Financial Times Lex Column

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[HTTP://WWW.BIIA.COM/LIBRARY.PHP#196](http://www.biaa.com/library.php#196)

MEMBER NEWS

McGRAW-HILL EXPLORES OPTIONS FOR BusinessWeek

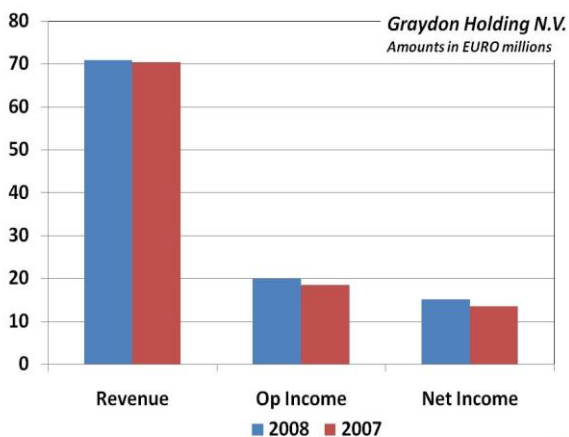
McGraw-Hill has begun "exploring strategic options for BusinessWeek," a brand that debuted in 1929. Print ad pages at BusinessWeek and competitors Forbes and Fortune began plummeting after the dot-com bust. In 2000, BusinessWeek sold 6,005 print ad pages; in 2008 it was down to 1,882, only 31% of that number, and down 37% again this year over the same period last year. Print ad revenue collapsed alongside ad pages count; 2008 revenue is estimated reach only 41% of 2000 revenue, and observers estimate losses in 2008 were \$75 million and \$20 million already this year. The print ad page decline at BusinessWeek is similar to the plunge at its longtime competitors, Forbes and Fortune. Forbes' pages dropped 30.2% in the first half of this year, while Fortune's fell 38.2%.

Outsell's lead analyst Chuck Richard commented in his recent Outsell Insight (July 24th, 2009): No one can be surprised that McGraw-Hill is no longer willing to subsidize any more \$75 million losses. This is the tangible sign of the withering away of the "news weekly" as a product: it is a broken pairing, a mis-match of medium (print and online "digest of the week that passed") with today's users' expectation of news (instant, not a week old). **Source:** *Outsell Inc.* www.outsellinc.com

VIETNAM TOP LISTED COMPANY – PUBLICATION & AWARD EVENT

The State Bank of Vietnam (CIC) and Dun & Bradstreet are organizing a listed company – publications & award event on August 26th, 209 at the Equatorial Hotel in Ho Chi Minh City. This annual event has been a success since 2007 as well as a great event to participate in. **For details on advertisement and sponsorships in this and future events contact:** vuongtuh@dnb.com

GRAYDON HOLDING N.V. PUBLISHES 2008 FINANCIAL RESULTS



Source: Graydon Annual Report 2008



Consolidated revenue growth was flat compared to prior year; however operating income grew by almost 8% which management contributes to a combination of further volume growth in products with higher value added and a consistent approach to product improvement.

In its home markets, Graydon reported substantial growth in credit information services in the UK, modest growth in the Netherlands and flat revenues in Belgium. The largest growth was generated by Graydon International information services, which saw its revenue increase by 31%.

Revenues for marketing services, debt collection activities and *secondment, training and publication* had declined.

Source: *Graydon Holding Annual Report 2008*

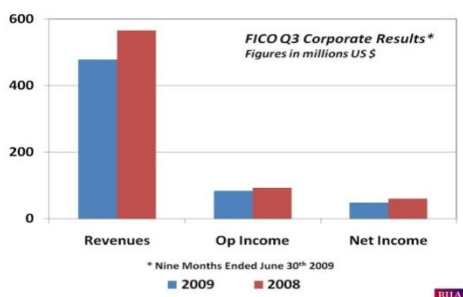
MEMBER NEWS

FICO 08 CREDIT SCORE AVAILABLE AT ALL THREE NATIONAL CREDIT REPORTING AGENCIES

MINNEAPOLIS—July 22, 2009—FICO (NYSE:FIC), the leading provider of analytics and decision management technology, today announced that its FICO® 08 credit score will be available at all three national credit reporting agencies by the end of July. FICO noted that since the first credit reporting agency introduced the FICO 08 score early this year, over 400 lenders have begun using or testing FICO 08 scores, including five of the seven largest U.S. banks and four of the five largest credit card issuers. FICO 08 scores are expected to provide up to twice the improvement in predictive power compared to FICO's previous revisions to its FICO® scoring model. This improvement will increase the ability of lenders to reduce losses within current portfolios and to acquire more profitable new customers. The strongest improvements in risk prediction over current FICO scores are achieved in key consumer segments such as those opening new accounts or having prior derogatory information. In addition, this newest generation of FICO scores includes refinements to help lenders better evaluate consumers who are comparatively new to credit. **Source: [Fair Isaac Press Release](#)**

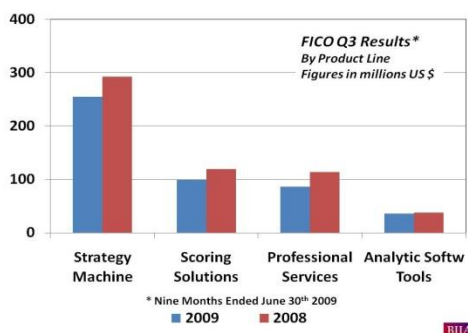
BIIA comment: After a long feud with the major credit bureaus, Fair Isaac appears to have buried the hatchet. It is business as usual again? Most likely not because in the meantime credit bureaus have developed their own scores!

FICO 2009 NINE MONTHS RESULTS (Nine Months Ended June 2009)



Revenues for nine months (ending June 30th, 2009) declined by 16%. Operating income was down 17% and Net income declined by 25%. Booking for the last quarter were US\$ 49 million compared to US\$ 64.2 million an indication that business activity is not returning to previous levels.

In regard to the future outlook the company gave the following statement: "In light of the continuing uncertainties in global financial markets and the continuing lack of visibility into our clients spending intentions, the company is not providing revenue and earnings guidance." **Source: FICO**

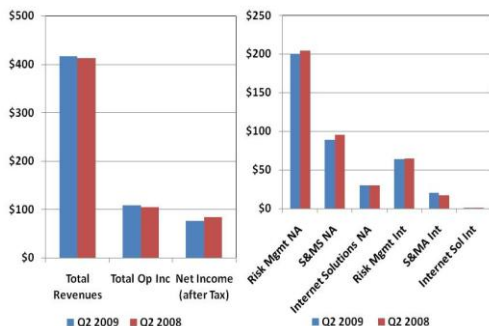


Strategy Machine Solutions declined by 13%, primarily due to declines associated with collections and recovery solutions, consumer solutions, and fraud solutions, all of which were partially offset by a small increase in our precision marketing solutions. **Scoring Solutions** declined 17% due to a decrease in revenues from credit bureau risk scores. **Professional Services** declined 25% due to a general decline in license sales and discontinuing low margin services. **Analytical Software** revenues are down 5% for nine months, however increased in the last quarter due to higher sales in Blaze Advisor™ and FICO Xpress Optimization product. **Source: FICO**

MEMBER NEWS

D&B Q2 EARNINGS DISAPPOINT WALL STREET

D&B Q2 2009 Results (millions)



Source: D&B Earnings Release

NA = North America
Int = International

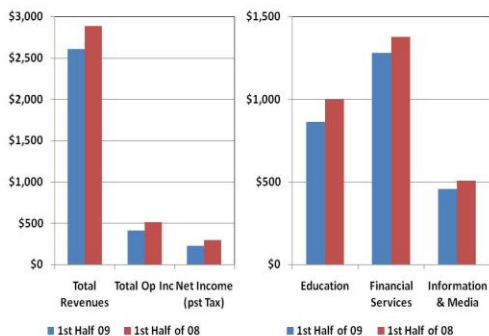


Core revenue for the second quarter of 2009 was \$405.3 million, up 1 percent from the prior year similar period before the effect of foreign exchange (FX); down 2 percent after the effect of FX. Diluted earnings per share before non-core gains and charges for the quarter ended June 30, 2009, were \$1.21, up 5 percent from \$1.15 in the prior year similar period, however on a GAAP basis, diluted earnings per share were \$1.43, down from \$1.51 in the prior year Q2 period. North American revenues were down 3% from prior year quarter (before and after FX), while International revenues were up 20% before and 3% up after the FX. **D&B reduced its guidance for the rest of the year:** Revenue growth from up 1% to down 1%, operating income from up 1% to down 3%; free cash flow from US\$315 million to US\$285 million.

Wall Street did not like the news. D&B stock fell on Friday July 31st from a US\$ 82 range to \$72.27, down \$10.51, or nearly 13%, on volume of 1.85 million shares. The negative reaction is somewhat surprising because in comparing D&B's results with other credit information companies and rating agencies in terms of revenue growth, it is doing relatively well in the light of difficult trading conditions. For instance Equifax's US consumer information business was down 8% and its North American commercial solutions revenue was down 11% in the second quarter. The consistent message from other major information companies is that they did not expect a turn-around soon. In essence D&B has weathered the credit crunch much better than others.

MCGRAW-HILL Q2 REVENUES DECLINE BY 12%

McGraw-Hill Companies 1st Half of 2009 Results (millions)



Source: McGraw-Hill Companies Press Release



Source: McGraw-Hill Companies Press Release

McGraw-Hill Companies reported a revenue decline of 12% in the second quarter of 2009. Operating income declined by 8.8%. **S&P** revenues for the second quarter declined by 8.4% and operating margins remained in the 41% range (39% for 6 months). Revenues for S&P Credit Market Services (ratings) declined by 9.9%. Revenues for Investment Services (Analytics) declined by 4.9%. For the first six months revenues are down 9.6%. The sector most heavily impacted was education with 13.3%. Information & media declined by 9.5% and financial services (S&P) declined by 6.9%.

Outlook: In view of weakening market conditions in advertising, school education McGraw-Hill Companies now expect revenues to decline 5 – 6.5%. It also reduced its guidance for earnings per diluted share. The previous range was US\$ 2.20 to 2.30 range, which has been revised to US\$ 2.20 to 2.25.

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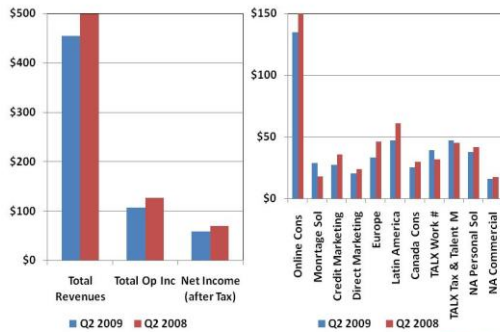
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MEMBER NEWS

EQUIFAX Q2 EARNINGS RELEASE

EQUIFAX Q2 2009 Results (millions)



Source: EQUIFAX Earnings Release



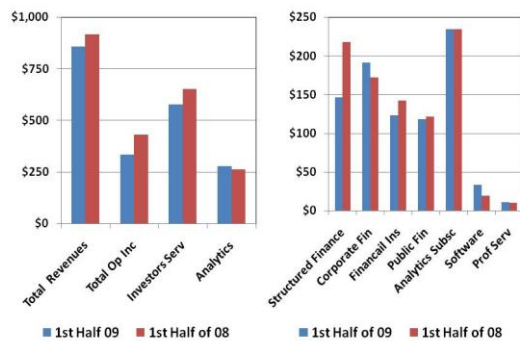
Equifax Inc. (NYSE: EFX) Second quarter revenue was \$455.4 million, up 1 percent over the first quarter of 2009. On a year on year basis revenues declined by 9 percent, of which 4 percent was due to the unfavorable effect of foreign exchange rates. Second quarter 2009 net income was \$59.6 million, down from \$70.8 million in the prior year. International results were adversely affected by weakening economic conditions, while Personal Solutions and North America Commercial Solutions were adversely impacted by the continuing recessionary environment and consumer caution in the U.S. In contrast TALX delivered strong year-over-year growth offsetting in part the weak demand in credit information services.

Weathering the Storm: Third quarter outlook: Based on the current level of domestic and international business activity and current foreign exchange rates, adjusted EPS for the third quarter of 2009 is expected to be between US\$ 0.52 and US\$ 0.57 (current quarter adjusted EPS was US\$ 0.57 compared to US\$ 0.64 in Q2 2008). Richard F. Smith CEO stated: "In the face of ongoing softness in the global economy and in demand for credit-related services, we continue to aggressively manage our expenses, diversify our revenue base and invest in our long-term growth strategy." **Source: Equifax Earnings Report**

INDUSTRY NEWS

MOODY'S GROWTH IS STILL IN MINUS TERRITORY

Moody's 1st Half of 2009 Results (millions)



Source: Moody's



Moody's revenues for the first 6 months were US\$ 589.6 million, a decrease of 6%. Operating income declined 22% to US\$ 336. (including effect of Foreign Exchange impact). Structured Finance was down 32%, offset in part by an increase in corporate finance ratings of 11%. Analytics were up by 6%, but with 32% of Moody's total revenue was not able to make up the shortfall in Moody's Investor Services. The effects of the credit crunch and the impact of new regulations have reduced margins to 39%.

Outlook: Moody's management predicts full year revenue to decline by single digit rate and operating margins to come in at the mid-to-high-thirties percent range. **Source: Moody's Press Release**

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INDUSTRY NEWS

EXPERIAN REPORT ON UNDERSTANDING THE STATE OF SME RISK

To better understand the financial condition of small business in the United States and develop an accurate snapshot of risk, Experian® examined the rate of new derogatory events (incidence of a new lien, judgment, collection, bankruptcy or severe payment delinquency) for small businesses that were healthy near the beginning of 2007. Experian tracked more than 300,000 small businesses in the United States from April 2007 to April 2009 to examine the emerging trends.

To read the full study click on the link: [Experian](#)

EXPERIAN LAUNCHES NEW SMALL BUSINESS SERVICES CENTER POWERED BY THE ATG COMMERCE SUITE

CAMBRIDGE, Mass., Jun 01, 2009 (BUSINESS WIRE) -- ATG (ARTG), a provider of e-commerce solutions, announced that Experian has successfully launched a new Small Business Services Center leveraging the ATG Commerce Suite as the e-commerce engine powering the new business-to-business (B2B) site. The Experian Small Business system is designed to be intuitive and user-friendly, and features easy navigation as well as simple site registration capabilities, allowing new and returning visitors to manage their reports and purchases using the ATG platform.

After identifying an opportunity for aggressive growth online, Experian selected ATG from a field of potential e-commerce partners due to the flexibility, scalability and reliability unique to the ATG Commerce Suite. Experian created a distinctive B2B Web store that can accommodate an exceptionally large volume of traffic from small businesses and unlimited numbers of registered users without compromising site performance. Additionally, ATG Commerce allowed Experian to build an e-commerce site that empowers marketers and list brokers to quickly and efficiently search through extensive amounts of tested and validated data to build customized lists for mailings, telemarketing programs and other sales and marketing efforts.

SOURCE: Art Technology Group, Inc. <http://www.atg.com>

EXPERIAN AUTHENTICATION SERVICE HELPS FOREX CAPITAL MARKETS TO COMBAT FRAUD ON A GLOBAL SCALE

Costa Mesa, Calif., July 20, 2009 — Experian®, announced the adoption by **Forex Capital Markets** of Experian Universal ID Check, an authentication service designed to counter the threat of identity fraud and money laundering across a range of countries, helping organizations address identity risk and satisfy regulatory compliance requirements.

Experian Universal ID Check is quick and accurate. Via an Experian Web user interface or XML implementation, clients select the country associated with the applicant's current residence. The screens then provide the appropriate formatting of the name, address and telephone number associated with that country. In addition to these identity elements, users also may initiate checks associated with passport details, bank account data, IP address geolocation, or a series of relevant sanctions and Politically Exposed Persons watch lists. The applicant is then authenticated, and both summary- and detail-level record results are returned. *For more information, visit <http://www.experianplc.com>* Source: [Experian Press Release](#)

INDUSTRY NEWS

COFACE FORECASTS GROWTH CONTRACTION OF 6.6 POINTS BETWEEN 2007 AND 2009

Coface's new growth forecasts published July 13, 2009 take into account a growth contraction of 6.6 points between 2007 and 2009. Coface projects the 2009 recession at -2.5% and sees growth recovering in 2010, settling at 1.7%. After having downgraded 22 countries in January and then 47 in April,

Coface is now downgrading 13 country ratings, primarily for small or medium-size economies highly dependent on international trade. Perceptible signs of the end of the recession and the scenario of a weak and slow "L-shaped" recovery remains the most likely.

To read the full story click on the link: http://www.biaa.com/ccj_industry_news.php

COFACE ANNOUNCED LAUNCH OF NEW CORPORATE RATING AGENCY AND STRENGTHENING TIES WITH PING AN IN CHINA

Coface, the leading international credit insurance and credit management services group, announced the launch of a new rating agency for corporations at the May 2009 Coface Credit Risk Conference in Hong Kong. Hong Kong is to be one of the first five countries and regions (with France, Germany, UK and Dubai), where Coface introduces its new rating service.

The new service consists of a corporate rating, similar to the ratings proposed by the "Big 3" rating agencies: Standard & Poor's, Moody's and Fitch Ratings, and expressed with letters in a standard scale (from AAA to D). However Coface's rating business model is different. "We will only propose our rating to companies we already assess and monitor on a day-to-day basis, because Coface has a high credit exposure through its credit insurance clients," said Jerome Cazes, CEO of Coface.

"Thanks to this original business model, Coface's new rating is an answer to what has been learned of the role of ratings in this crisis. It is as global as its competitors, but more focused, less costly, more independent and responsible" said Mr. Cazes.

To read the full release click on the link: http://www.biaa.com/industry_news.php

DP INFO & EXPERIAN TO LAUNCH NEW CREDIT SCORE - THE DP-DELPHI

DP INFO and Experian announced on 4 August, 2009 [SINGAPORE] in a press release that local lenders will soon have access to a world class credit assessment tool with the launch of the DP-Delphi Score in Singapore. The DP-Delphi Score is the first credit score in Singapore to use both bank and non-bank data. It has been developed by Experian® and DP Credit Bureau, the consumer credit bureau unit of DP Information Group (DP Info). **DP Information Group** (DP Info) is one of Singapore's credit and business information bureaus. **Source Experian Press Release**

BIIA has learned in the meantime that the day the news broke, the Monetary Authority of Singapore (MAS) investigated. The following day, the score was removed.

NEWS FROM AUSTRALIA



AUSTRALIA RISK CLIMATE: SHARP TURNAROUND IN BUSINESS EXPECTATIONS REPORTS DUN & BRADSTREET

The latest findings from the *Business Expectations Survey* from Dun & Bradstreet Australia for the December quarter indicate a sharp turnaround in business expectations reversing several months of gloomy prospects. Key points for the survey include:

- Sales and profits expectations have recorded the greatest one-quarter rises since the survey began – 44 percent of respondents expect an increase in sales and 31 percent expect an increase in profits
- The employment indicator has also risen sharply with 15 percent of businesses expecting to increase staff in the December quarter and 8 percent anticipating a decrease
- Capital investment expectations are at the highest level in six years – 17 percent of firms expect an increase in this area and five percent expect a decrease
- Expectations for growth in inventories has reached the highest level in five years – 18 percent of firms plan to increase stock while 10 percent expect to decrease inventories
- Selling price expectations have fallen to the lowest level in more than four years – 35 percent of firms expect to increase prices and 8 percent intend to cut prices

To read the full story click on the link: http://www.bia.com/cci_industry_news.php

AUSTRALIAN BUSINESS CREDIT DEMAND INDEX – APRIL TO JUNE 2009

28 July 2009: *Veda Advantage's Business Credit Demand Index*, released today, reveals business credit applications for the second April to June quarter of 2009, fell by 2.1%. Although credit applications were still down, this was a steady improvement from the January to March quarter, which fell by 8.3% compared to the same quarter in 2008.

In comparison to the previous January to March quarter 2009, business applications for credit were up more than 22% in the April to June quarter. The month of June recorded the first positive credit growth since December 2007. Business credit applications for the July 1 2008 to June 30 2009 financial year ended down 6.6% compared to the previous 2007/2008 financial year.

To read the full release click on the link: http://www.bia.com/cci_industry_news.php

AUSTRALIAN CREDIT CLIMATE: IDENTITY THEFT ON THE RISE

Veda Advantage released on June 3rd, figures showing the incidence of identity theft in Australia is increasing, with 4.4 million Australians (26%) affected by identity theft, compared to 3.8 million (23%) for the same period last year.

Veda Advantage's indexed *Identity Theft Report*, conducted by Galaxy Research, also found despite increasing attacks of identity theft, 67% of Australians have failed to take even simple measures to protect their identity. This is only a marginal improvement from the 70% of Australians who said they had not taken any steps to protect their identity in March 2008. The report indicates more than a quarter of the Australian population has been affected by identity theft, either personally, or within their friend and family networks. The cost of identity theft to Australians is reported to be \$3.5 billion annually according to the NSW Crimes Commission. **Source:** *VedaAdvantage*

NEWS FROM CHINA



PROVIDING FUNDING FOR SHOPPING: WAL-MART TO PROVIDE FINANCIAL SERVICES IN 80 CHINESE CITIES

Wal-Mart has reached a strategic cooperation agreement with the Chinese offline payment provider **Lakala** to provide financial services to people in 80 cities across China. With the cooperation agreement, Wal-Mart will be able to provide its customers with one-stop daily payment services, including credit card repayment, payment of public utilities, and mobile phone recharging.

Ruan Mingjiang, Wal-Mart's vice president for retail value-added services and strategies, told local media that Wal-Mart's nationwide launch of the **Lakala** smart payment terminals is a new trial to meet the diversified demands of modern consumers. The company hopes to continuously improve its services to bring more convenience to its customers. Sun Taoran, president of **Lakala**, revealed that so far, more than 90 of Wal-Mart's stores in China have launched the convenient financial services, completing over 50,000 transactions in May, with a total transaction value of over CNY18 million.

Before entering Wal-Mart, **Lakala** smart payment terminals have been installed in 7-Eleven and the Quik convenience stores belonging to Lianhua Supermarket. At present, **Lakala** has installed more than 30,000 terminal sites in 60 cities across 18 provinces and handles three million transactions every month. **Source: [China Retail News](#)**

XINHUA FINANCE'S REVENUES PLUMMET ON ASSET SALES

Shanghai, 15th June: [Xinhua Finance Limited](#) (XFL), a provider of financial information focused on the market in China, released its financial results for the quarter ending 31st March 2009. Revenues for the quarter were US\$9.1 million, compared to US\$63 million last year. The large decrease was primarily due to the sale of most of the company's non-core businesses, which constituted a large part of XFL's revenues. Revenues from continuing operations in the first quarter were US\$7.8 million compared to US\$6.7 million last year - a 17% increase. XFL recorded a net loss of US\$12 million in the first quarter or a US\$7.73 per share loss.

The company also released its forecast for the full and half year. Management expects revenues to be US\$16 million in the first six months of the fiscal year with a net loss of US\$14 million. Revenues of US\$34 million are expected in the full year with a net loss of US\$20 million. **Source: [Xinhua Finance announcement](#) - BSG**

BAIDU REPORTS 36.7% INCREASE IN REVENUES

Beijing, 23rd July: China's leading search engine, the NASDAQ-listed [Baidu](#), has reported second quarter revenues of Rmb1,097.5 million (US\$160.7 million). This represents a 36.7% increase from the same period in 2008. Operating profit for the period was Rmb422.8 million (US\$61.9 million), a 53.0% increase over 2008.

"Our focus on execution drove another strong quarter for Baidu," said Robin Li, Baidu's chairman and CEO. "Our ongoing initiatives to improve user and customer experience further solidified Baidu's leading market position as both large companies and SMEs are increasingly drawn to the superior ROI offered by Baidu's P4P platform." Mr. Li also commented that the recently introduced Baidu Online Marketing Professional Edition, branded as "Phoenix Nest", while still in its early stages, and is already seeing what he described as "encouraging customer acceptance". **Source: [Baidu press release](#) Courtesy of BSG Hong Kong**

NEWS FROM CHINA



BUSINESS MEDIA CHINA UNCOVERS INTERNAL FRAUD

The Financial Time carried a story of fraud that is not unusual in China: Employees setting up separate companies to divert business and funds. The FT's case in point is that [Business Media China's](#) management has discovered that some of its employees in China have set-up a "shadow company" and diverted funds and contracts to that company.

Business Media China (BMC) is a German-listed media group with most of its operations in mainland China. The company operates an outdoor advertising network, an exhibitions business as well as smaller online, print and broadcast business units.

The corporate identity theft scheme appears to be focused primarily on BMC's outdoor advertising business. Key employees, including the secretary of company founder, Klaus Hilligardt, set-up BMC Heli and diverted key advertising contracts into that shadow company. BMC's CEO Heinz Zuercher commented "It appears that at least since the start of this year, BMC was paying all the costs while this shadow company was earning all the money. BMC was even paying that company's travel costs, printing costs and most of their salaries."

Source: [Financial Times article](#) - Courtesy BSG Hong Kong

ALIBABA.COM SURPASSES 100,000 MEMBERS IN VIETNAM

Hanoi, 22nd July: Hong Kong-listed [Alibaba.com](#) announced last week that it now has more than 100,000 registered members in Vietnam. That is more than double of the number of Vietnamese members they had at the same time last year. The company's press release stated that more than 4,000 small Vietnamese businesses are now registering each month on Alibaba.com.

Brian Wong, senior director of Marketing and Strategic Business Development, stated, "Online marketplaces like Alibaba.com can provide companies of any size with a quick and easy way to participate in global trade and diversify their markets. It is encouraging to see that the Vietnam government shares our vision of promoting e-commerce adoption among local businesses, and we feel that this vision will ultimately lead to faster economic recovery and the creation of more employment opportunities in Vietnam."

In addition to the agreement with the Vietnam Industry and Trade Information Center (VITIC) to promote the use of ecommerce in Vietnam, Alibaba.com also works with OSB Investment and Technology Company as a local reseller in that market. *Source: [Alibaba.com press release](#) - Courtesy BSG Hong Kong*

ALIBABA.COM LAUNCHES MARKETING PUSH IN US

Hangzhou, 7th August: [Alibaba.com](#) launched its first, major marketing campaign in the U.S. This effort is part of the company's strategy to further diversify its user base outside of China. A scaled-down version of the campaign, using the slogan "Find it. Make it. Sell it." will also be used in Europe and the Middle East.

The US\$30 million marketing campaign features TV, print and online advertisements as well as training videos, contests and events designed to raise the company's profile in the U.S. *The Wall Street Journal* reports that Alibaba.com's U.S office in Santa Clara, California now has a staff of 17 up from five last year.

Source: [Wall Street Journal article](#) - Courtesy BSG Hong Kong

NEWS FROM INDIA



INDIAMART.COM CLAIMS 40% GROWTH IN REVENUES IN RECESSION TIME

New Delhi, 8th July. [IndiaMART.com](#), India's largest online B2B marketplace, says that it recorded a 40% growth in revenues for the financial year 2008-2009. The growth in revenues was due to a 52% increase in supplier registrations the company said.

"Our numbers speaks for themselves, while the whole world is busy hiding behind words like recession and economic downturn to conceal their poor performance, our teams have strived hard to keep the winning streak going," said Dinesh Agarwal, CEO and founder of IndiaMART.com. The company does not, however, reveal the numbers to which it refers.

In a recent study done by the [Internet and Mobile Association of India \(IAMI\)](#) on Information, Communication & Technology, IndiaMART.com says it was ranked India's No. 1 online B2B marketplace with a market share of 60%.

Source: [IndiaMART.com press release](#) - Courtesy BSG Hong Kong

INFOMEDIA18 REPORTS LOWER REVENUES

Mumbai, 10th July. [Infomedia 18](#), a [Television Eighteen](#) subsidiary, has announced results for the quarter ending 30th June 2009. Revenues were Rs. 211 million (US\$4.4 million), a decrease of 12% compared to the same period of 2008. The company also recorded a net loss of Rs. 107 million (US\$2.2 million), compared to a net loss of Rs. 846 million (US\$17 million) last year.

Infomedia18's key business units are business publishing and printing services. Revenues generated from printing service dropped by 12% to Rs. 107 million (US\$2.2 million). Revenues generated from the company's publishing services business were Rs. 88 million (US\$1.8 million) – a decrease of 25% compared with the year before.

Source: [Infomedia18 results announcement](#) - Courtesy BSG Hong Kong

TECHTARGET LAUNCHES IN INDIA

Needham, USA, 23rd July. [TechTarget, Inc.](#), a technology-focused B2B media group, announced the launch of its operations in India this week. The company has already secured government approval in India for its first local branch. TechTarget has hired Sandeep Ajgaonkar, an experience IT marketer and editor, to lead its Indian operations. Ajgaonkar has previously worked at *CNet India*, *Times of India* and at a local PR firm.

CEO Greg Strakosch commented, "We already have a strong Indian audience. We've seen increased technology vendor demand for targeted media solutions in the Indian market. We're responding to that demand with local editorial leadership and new Indian-market targeted websites."

The company plans to launch Indian versions of three websites this year, [SearchCIO.in](#), [SearchDataCenter.in](#) and [SearchSecurity.in](#) which will target Indian IT professionals and features news, analysis, case studies and product reviews.

Source: [TechTarget press release](#) - Courtesy BSG Hong Kong

NEWS FROM INDIA



CYBERMEDIA POSTS FIRST QUARTER LOSS

New Delhi, 22nd July: Last week, [CyberMedia](#), an Indian specialty publisher, announced results of the quarter ended 30th June 2009. CyberMedia's revenues were US\$4.5 million, a decrease of 33% compared with the same quarter last year. The company recorded a net loss of US\$375,000 million in the quarter compared with a net profit of US\$70,000 last year.

CyberMedia's media services business generated US\$2.4 million or 52% of total revenues in the first quarter. That is a decrease of 31% over last year. The company's media business dropped 35% to US\$2.2 million in the same period. *Sources: [CyberMedia financial results](#), [CyberMedia press release](#) - Courtesy BSG Hong Kong*

CIBIL INDIA RECEIVED CERTIFICATION FROM REGULATOR

Credit Information Bureau (India) Limited (CIBIL) has been granted 'In-principle approval' for Certificate of Registration by the Reserve Bank of India. The approval is in line with the provisions of the Credit Information Companies (Regulation) Act, 2005, which regulates the flow of credit information in the country.

Commenting on receiving the approval, Mr. Arun Thukral, Managing Director, CIBIL said, "We are pleased to receive the approval from RBI and feel that this is a significant step for the development of the credit information industry. This will enable us to provide services to other industry verticals such as telecommunications and insurance, and also to consumers in near future." He added, "This will add impetus to our current strength of providing comprehensive and reliable credit data and analytical solutions to better assist our members".

CIBIL pioneered credit information sharing in India, and has contributed significantly to helping improve the functionality and stability of the Indian financial system. CIBIL has been operating in India for over five years and, in partnership with TransUnion, introduced India's first generic risk score. "Our over 135 million accounts strong database will enable us to bring advanced risk management tools to the Indian marketplace at a faster pace", added Mr. Thukral. CIBIL will continue to work closely with its members, which include all scheduled commercial banks and leading financial institutions, to offer information-based services covering the complete customer lifecycle, from customer acquisition to portfolio management to advanced collection strategy.

CIBIL's partnership with TransUnion and Dun & Bradstreet, leading global credit information companies, will continue to support the quest to help financial institutions mitigate risk and maximize profitability while allowing access to credit at better terms and conditions for the Indian consumer.

About CIBIL

CIBIL is India's first credit information bureau. CIBIL creates immense value for financial institutions by providing objective data and tools to help them manage risk, and devise appropriate lending strategies thus reducing cost and maximizing portfolio profitability. CIBIL benefits both credit grantors and consumers by collecting, analyzing, and delivering information on credit histories of millions of borrowers. CIBIL provides its members with information on both consumer and commercial borrowers, thus enabling them to make sound credit decisions across both individuals and corporations. *Source: [Press Release](#)*

There is a wealth of industry information on: www.biaa.com

ALLIANCES, M&A - DIVESTITURES

BISNODE DIVESTS CREDIT SOLUTION COMPANY ICC (UK AND IRELAND)

Bisnode has signed an agreement to divest its operations in credit solutions company ICC to D&B UK. ICC is a leading provider of business-critical information for risk and credit decision-making and operates in the United Kingdom and Ireland. The divestment will provide a minor capital loss after the value of intangible assets attributable to business combinations are deducted. The transaction is carried out as a sale of shares and an asset deal. The transaction remains subject to customary closing conditions and is expected to close by 31 August 2009.

ICC is a provider of risk and credit information. Their leading integrated technology provides intelligent analysis of data, allowing their clients to set foundations for efficiency. ICC's annual revenue is approximately 160 MSEK (US\$ 22 million) with 200 employees.

"This divestment is in line with our strategy to focus on businesses that can achieve significant synergies within the group. We believe ICC has good potential and that D&B UK will provide ICC opportunities for solid growth." says Johan Wall, CEO of Bisnode *Source: BISNODE*

D&B ACQUIRES ICC FROM BISNODE

In announcing the acquisition of ICC from Bisnode, D&B stated in its Q2 earnings conference call that it paid US\$ 16 million for ICC. The acquisition eliminates one player in an otherwise crowded market and is expected to improve D&B data base in Ireland in terms of depth and breadth. *Source: D&B*

YAHOO! AND MICROSOFT FINALLY ANNOUNCE A DEAL - AS SEARCH ADVERTISING SPEND CONTINUES TO DECLINE

A US\$ 100 million marketing campaign by MICROSOFT has resulted in more traffic for Bing and it is getting positive reviews lately. Bing's successful debut pushed Microsoft to reopen discussions with YAHOO so it could expose its search engine improvements to a wider audience more quickly.

Nevertheless Microsoft and Yahoo have to brace themselves for anti-trust scrutiny into whether the combination would have an adverse effect on competition in the online ad market. The U.S. Justice Department spent five months dissecting last year's proposed search advertising partnership between Google and Yahoo before concluding that it would give Google too much control over the market. The Obama administration is promising to pore over deals more rigorously than it did when the proposed Google-Yahoo partnership came up. That may delay the implementation beyond 2010.

Under the deal Microsoft's Bing search engine will be the exclusive algorithmic search and paid search technology for Yahoo's sites, while Yahoo will be responsible for selling premium search ads for both companies.

Yahoo estimated the deal will boost its annual operating income by about \$500 million and yield capital expenditure savings of \$200 million. Yahoo also expects the deal to boost annual operating cash flow by about \$275 million. Yahoo reported income from operations of \$13 million in 2008, hurt by \$487.5 million in goodwill impairment charge and \$107 million in restructuring charges. In 2007, operating income was \$695 million. Yahoo shares fell 7.5 percent, while shares of Microsoft edged higher, and Google shares fell 1 percent in a mildly down market. *Source: Industry Reports*

ALLIANCES, M&A - DIVESTITURES

CRIF ACQUIRES AIMBRIDGE INDIRECT LENDING IN THE USA

CRIF continues U.S. Expansion with the Acquisition of Aimbridge Indirect Lending, LLC and Member Lending Acceptance, LLC. The move brings greater range of lending and risk management solutions to credit markets

Founded in 1984, Aimbridge® Lending Solutions is a provider of integrated multi-channel, multi-lender auto buying and lending services which markets auto loans and insurance products through partnerships with financial institutions and auto dealerships. Aimbridge's turn-key solutions include indirect auto loan origination processing, funding, and loan closing, direct lending systems, after hours underwriting support services, imaging and document management technologies, and aggregated online inventory shopping and lending websites. Aimbridge's proprietary workflow management systems allow lenders and dealers to work together seamlessly within the Appline™ and AimbridgeConnect™ online portals. The company successfully operates in 16 major US markets and has its headquarters in Denver, Colorado.

To read the full story go to: http://www.biaa.com/industry_news.php

D&B ACQUIRES MAJORITY STAKE IN ROADWAY - A LEADING CHINESE DIRECT MARKETING COMPANY

RoadWay is one of China's largest data base marketing companies with revenues of approximately US\$ 7 million. It has an extensive database consisting of 8 million enterprise and 80 million consumer data records. The combination of D&B's credit information and RoadWay's direct marketing services provides a one-stop service for Sales & Marketing Solutions (S&MS) to D&B customers in China.

The consumer direct marketing part of RoadWay has added an interesting twist as it marks D&B's reentry into consumer direct marketing. D&B had divested its international direct marketing businesses in the mid 80's. The combination of RoadWay and Huaxia D&B is should put D&B International on a faster growth track in China.

Source: *D&B Press Release*

ASIAN BUSINESS MEDIA M&A SLOWDOWN

BUSINESS STRATEGIES GROUP HONG KONG has issued its latest update on Asian Business Media M&A activities. In the past twelve months (August 2008 until July 2009), just 14 new deals were announced. BSG estimates the value of those acquisitions to be worth US\$76 million.

This represents a significant slowdown in the B2B media M&A market. In 2008, there were a total of 23 deals valued at US\$221.8 million compared to 30 transactions valued at almost US\$459 million in 2007. That represents a 23% drop in the number of deals and a 52% fall in transaction value. The average deal size in 2008 was US\$9.6 million down from more than US\$15 million the year before.

To order the report contact: *Kerry Wong at BSG Hong Kong* Kerry@bsgasia.com

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GO TO: <http://www.biaa.com/memberNewsPW.php?action=archive>

FROM THE USER CORNER

CREDIT INSURERS UNDER THE SPOT LIGHT

There has been much criticism in the press about the reluctance of credit insurers to underwrite risks in times of distress and the outright cancellation of coverage. Rob Nijhout, the executive director of ICISA (International Credit Insurance & Surety Association) felt compelled to counter the current criticism.

The economic crisis has turned the spotlight on trade credit insurance and surety. The interest from journalists and politicians in particular underlines the important role the sector plays in making trade possible. The deteriorating economy has affected some sectors more than others and has overall lead to increased commercial risk and higher probability of default. While this inevitably results in changes in underwriting conditions, it appears that this has not always been understood by some or put into context.

Collectively trade credit insurers insure over 20 million companies at any given moment. Credit limits determine the insurer's liability on each of these. Some commentators have focused on the hundreds of thousands of credit limits that have been lowered or cancelled by the industry since the start of the crisis. While the number of affected limits can be considered as large, one should realize that this is less than 5% of the total number of active credit limits. Thanks to a basic level of international trade, the drop in insured trade has been notably lower than the drop in GDP over the same period.

To assist vulnerable companies in obtaining adequate credit limits from the credit insurer, several countries, in and outside the European Union, have launched so-called support schemes. These have taken on different forms, ranging from top -up reinsurance guarantees to premium subsidies and tax relief for policyholders. Some schemes focus solely on export risks, while others affect domestic risks only. Most of the schemes are temporary. What these schemes have in common is that they aim to support the buyer or the policyholder; their goal is to increase insured trade between the two.

However, the differences between the many schemes can lead to an unlevel playing field, while the administrative burden for those using the schemes is sometimes cumbersome. It remains to be seen if the schemes are the best way for making companies they aim to help become healthy again. Direct help to the affected companies can be more effective than giving support indirectly through a credit insurance policy.

Members of ICISA remain solvent during this recession and stay committed: the insured exposure at the end of 2008 was 10% higher than at the end of 2007, in spite of the dramatic economic downturn in the last quarter of last year. The number of credit insurance claims increased sharply during 2008 in most markets.

For the coming period members of ICISA expect results to improve, albeit with sharp decreases in insured trade coupled with a downturn in premium volume. *Source: Courtesy of ICISA*

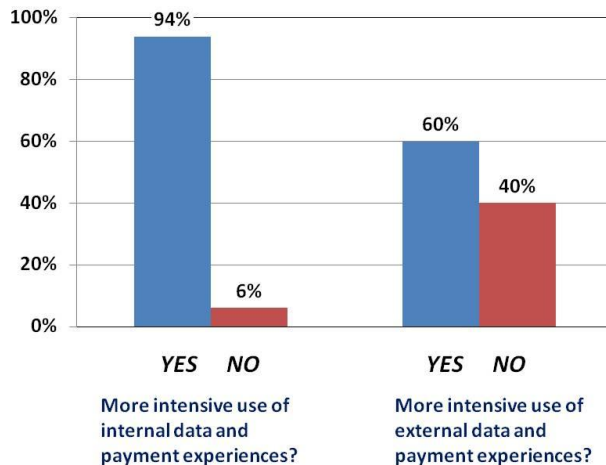
ICISA FORMS SINGLE RISK COMMITTEE

With a large number of members of ICISA underwriting single risks (as compared to portfolio risks) a dedicated forum for addressing issues related to these risks was deemed to be welcomed. The committee will consider topics such as data collection, reinsurance aspects, co-operation with banks, the impact of the current credit crisis and related issues. *Source: Courtesy of ICISA*

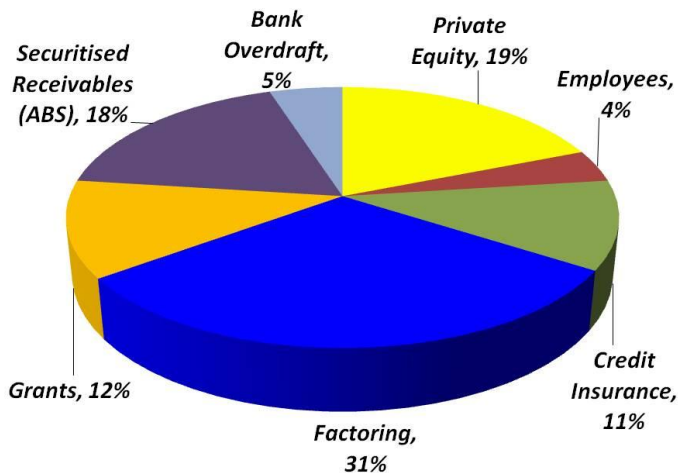
ICISA and BIIA: The executive director of ICISA and the managing director of BIIA are in consultation on a regular basis on important topics such as user needs, regulatory issues and transparency

FROM THE USER CORNER

IMPORTANCE OF CREDIT MANAGEMENT IS INCREASING AS CREDIT CRUNCH PUTS THE EMPHASIS ON LIQUIDITY RATHER THAN GROWTH



Source: VfCM June 2009 Basis: Interview of 215 German Companies



Source: VfCM June 2009 Basis: Interview of 215 German Companies

The credit crunch brought about fundamental changes in how companies manage their businesses. The emphasis today is on liquidity aspects of managing the business and less on top line growth writes **Jan Schneider-Maessen, from the German Credit Management Association (VfCM)**.

More and more companies are undertaking a value judgment by comparing the potential the risk of non-payment (client insolvency) versus potential new or additional sales volume. The VfCM has recently published the results of a Germany wide study on credit management practices and found that the standing of credit management has increased in importance within a company's management hierarchy and the use of external information is increasing (see chart on the upper left hand corner).

Credit management today is facing significant challenges because the assessment of risk and the potential impact on liquidity has become more difficult. Liquidity remains a critical element in the current credit climate as customers are using longer payment terms, delinquencies are on the rise and banks are less inclined to help bridge the gap.

Chart on the opposite left indicates a trend to move to factoring rather than banking.

Source: German Credit Management Association (VfCM) 2/2009

FROM THE REGULATORY CORNER

TRANSPARENCY RAILROADED: GERMAN PRIVACY AND DATA PROTECTION ADVOCATES WIN BIG – TRANSPARENCY AND BORROWERS LOSE

German Privacy and Data Protection advocates won a victory by pushing through legislation which curtails the use of modern credit management tools in the assessment of credit of consumers and small business owners. The losers, however, will be consumers and small business owners they thought to protect, because the assessment of credit will again revert to subjectivity (involvement of people), rather objectivity driven by facts (positive and negative data) and scientifically proven modeling (scoring). The new Privacy and Data Protection Law (BDSG) becomes law on April 1, 2010, which is tantamount to a poor April 1st joke:

1. The use of automated scoring is forbidden if there is no positive credit decision available
2. Data transfer to a credit bureau is forbidden if there is a query concerning the data (even if unsubstantiated)
- 3. The use of positive data is forbidden**
4. Scoring elements have to be transparent
5. The law is substantively more restrictive than the EU law on privacy and data protection

The Working Group Data Protection of the German Credit Management Association e.V. (VfCM) calls this new law unworldly and impractical. It estimates that the damage to the German economy will be significant. In its 2/2009 credit management magazine of the VfCM the working group was highly critical of the process leading up to the signing of the new law. In essence government bureaucrats hyped by consumer, privacy and data protection advocates prevented the information industry and user groups from getting a proper hearing.

The VfCM working group assumes that members of parliament have not fully understood the consequences of what they were signing. There was a last pitch effort by 26 organizations to present their opposition to the law; they were given 2 minutes each to present their case at the Ministry of Interior. In spite of considerable misgivings by the information industry and user groups, the Ministry of Interior made no changes. Further requests for meeting with Ministries, legislators and data protection experts remained unanswered.

Source: 2/2009 Newsletter of VfCM, Germany

BIIA Comment: *The development in Germany is alarming. German interests may force the EU to rethink its position on the use of positive data in credit scoring. If such a reversal would take place it would be the end of the World Bank, Central Banks and information industry efforts to safe-guard the health of the financial systems through the use of full file transfer of positive and negative data on borrowers. The World Bank has advocated for years the use of full file data (positive and negative) and modern decision tools in the interest of transparent and objectivity in credit granting. Sound and objective decision making is also the basis for borrowers to have access to credit. Central banks work in tandem with the World Bank towards these objectives. Unfortunately some ignorant people in Germany have chosen to go in the opposite direction, which marks the return to subjective 'stone age' decision making. A black day indeed for transparency, borrowers and credit management.*

This however is not the end of the story: The Direct Marketing Industry is next: The lower house of the German Parliament (Deutscher Bundestag) passed an amendment to the German data protection law that incorporates the recommendations of the Interior Committee of July 1, 2009. Once the upper house approves the law, Direct Marketing will no longer be the same in Germany. **The story will be covered in the October Issue of the BIIA Newsletter**

PEOPLE ON THE MOVE

QBE APPOINTS RICHARD WULFF AS GROUP GENERAL MANAGER

The new Group General Manager for Credit & Surety at QBE in Australia is Mr. Richard Wulff. He will report to Terry Ibbotson, CEO of QBE Australia. Mr. Wulff has over 20 years of experience in the business, most recently with Munich Re and Atradius.

Source: ICISA

TRANSUNION EXPANDS HEALTH CARE VERTICAL WITH NEW HIRE

CHICAGO, July 14 /PRNewswire/ -- **TransUnion has hired Milton Silva-Craig** to serve as its healthcare vertical leader. Silva-Craig will be responsible for the strategic direction of the vertical and expanding its footprint in the healthcare market overall. He will report directly to Jeff Hellinga, president of TransUnion's U.S. Information Services division.

With more than a decade of experience in public and private healthcare settings, Silva-Craig joins TransUnion from software and services healthcare provider Technology Solutions Company, where he served as president and Chief Executive Officer. He previously served as president and Chief Operating Officer of Emageon Inc., a diagnostic imaging information technology company. He also served as an executive with GE Healthcare in its information technology business unit.

Silva-Craig holds a J.D. from the University of Wisconsin Law School as well as a Masters of Business Administration in international business and a Bachelor of Arts in international relations and American foreign policy both from the University of Wisconsin-Madison.

Source: TransUnion www.transunion.com/business

EXPERIAN APPOINTS MANAGING DIRECTOR FOR INTERACTIVE DIVISION IN UK AND IRELAND

Experian[®] appointed Peter Turner as Managing Director of its Interactive division for the UK and Ireland. In his new role, Peter will be responsible for further accelerating the growth of Experian's Interactive business, which includes CreditExpert.co.uk and LowerMyBills.co.uk. Prior to his appointment, Peter was Director and General Manager of CreditExpert. Peter possesses extensive senior management experience and before joining Experian he played an instrumental role in the growth of a number of online businesses, including the development of Freeserve's UK customer base.

Source: Equifax Press Release

SCHUFA ELECTS T. GRABLAND AS CHAIRMAN OF THE SUPERVISORY BOARD

Teophil Grabland was elected Chairman of the supervisory board of SCHUFA. Mr. Grabland is CEO of TeamBank AG, Germany. SCHUFA is Germany's leading consumer credit information company.

Source: Schufa Press Release

SUPPLY CHAIN ISSUES

CAN SUPPLY CHAINS MOVE TOO FAST?

Situation: As the recession of 2008-2009 comes under the microscope, there are elements that made this period unique. One area that has not received as much attention has been the supply chain and its reaction to the economic stress. There is mounting evidence that the supply chain may have actually moved too fast and in the process contributed to the severity of the downturn.

The aim of any business facing a downturn is to reduce exposure to loss. This means that companies take steps to reduce their inventory to levels that are sustainable. This has always been a challenge as most companies assessed their inventory on a monthly or perhaps even quarterly basis. The supply chain simply didn't allow for anything much more frequent. The situation has been dramatically altered by improvements in the supply chain but ironically these improvements may have led to an over-reaction that actually compromised many companies at the end of the supply chain. The speed with which the supply chain moved may have overrun the ability of companies to react and what started out as a system to provide information on a timely basis may have left more companies in the dark than before. It became a matter of handling the speed and information provided by the supply chain and most businesses were unprepared.

Analysis: The sequence of events was repeated in a wide variety of supply chains. In an effort to reduce inventory exposure producers all along the chain began to adjust their output and the ones at the very beginning of the process often set the whole thing in motion. As they tried to determine what future demand would look like they guessed at what the ultimate consumer would do. If they decided that consumers were preparing to cut back they reduced their output and quickly. The events cascade through the supply chain in record time as other parts reacted to both the reduced output and their own projections of demand. Given the fact that this was happening in days and weeks as opposed to months, the companies were flying blind, reacting to what they thought was happening at the end of the supply chain but without any hard data.

Retailers were feeling the impact as they noted that consumers were willing to buy products but they were in short supply due to decisions made along the chain. In case after case the retail community was caught short, unable to meet demand due to the fact that suppliers had cut back too fast and too deeply. These suppliers were now unaware of what was happening along the chain as it was all happening too fast for them to keep up. Demand from the ultimate consumer was not flowing back down the chain efficiently as most of the companies were still operating from their earlier assumptions of demand.

The most interesting development in the supply chain to come out of this recession is that supply decisions are being made on inaccurate demand assessments. The earliest decisions on supply then become the primary driver of the overall supply chain and if these assessments are inaccurate the whole system is soon out of balance. The speed of the chain makes it hard to react to inputs unless the company is strategically designed to process data about downstream demand as swiftly and accurately. It looks as if the speed of the chain has resulted in a bias towards cautious projections that ultimately means unmet demand.

Courtesy Dr. Chris Kuehl, Armada Corporate Intelligence May 18, 2009

**White Papers on Supply Chain Risk can be found on:
<http://www.biaa.com/library.php#229>**

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COMPREHENSIVE STUDY OF ASIA'S TRADE FAIR INDUSTRY REFRESHED WITH DATA OF 2008

The Trade Fair Industry in Asia – 5th edition

An UFI Report researched and compiled by Business Strategies Group (Release in June 2009)

For more information and ordering details, please contact: UFI Asia/Pacific Office, Miss Jess Wong Tel: +852 2525 6129 Fax: +852 2525 6171 email: asia@ufi.org



Memberships Spanning the Globe

Business Information Industry Association Asia Pacific – Middle East Ltd.

1101 Wilson House, 19-27 Wyndham Street, Central, Hong Kong

Telephone: +852 2525 6120; Fax: +852 2525 6171; E-mail: biainfo@bii.com Home Page: www.bii.com

Certificate of Incorporation: 979425

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