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Immediate release – 30 September 2014

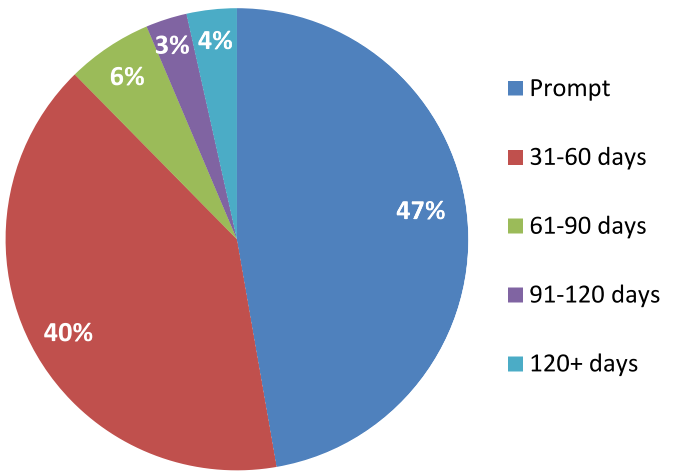
MORE BUSINESSES PAID ON TIME

Invoice payments improve as business finances strengthen

After jumping to a three-year high during the first quarter of 2014, the average time taken for commercial invoices to be paid has fallen sharply to 53.4 days as business get their finances back in order and pay more of their bills within standard terms.

According to Dun & Bradstreet's *Trade Payments Analysis*, 47.3 per cent of invoices were paid within a 30-day period during Q2 2014, an increase from 42.9 per cent in the previous quarter and just 38.5 per cent at the same time last year.

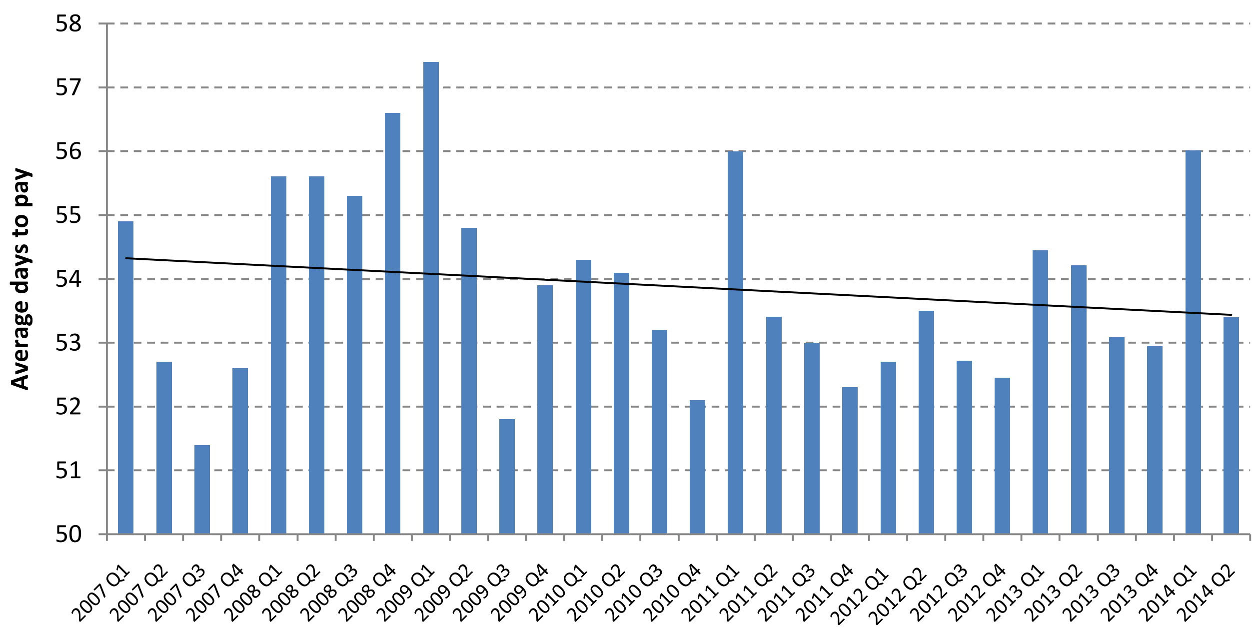
Commercial invoice payments: Q2 2014



While the analysis reveals that more than half of all invoices are still being settled beyond standard terms, the improvement has taken business-to-businesses payments times to the fastest level for a second quarter period since 2007.

At 53.4 days, businesses are paying their invoices three days earlier than in the previous quarter and one day faster than in Q2 2013.

Average payment time: Australia



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"Payment times typically improve in the three months to June as businesses get their houses in order following a first quarter affected by summer trading hours and a traditionally slower payment cycle," said Gareth Jones, CEO of Dun & Bradstreet–Australia and New Zealand.

"This most recent correction, however, is sharper than we saw last year and aligns with other positive data from the first half of 2014, such as fewer company failures and declines in late payment and failure risks.

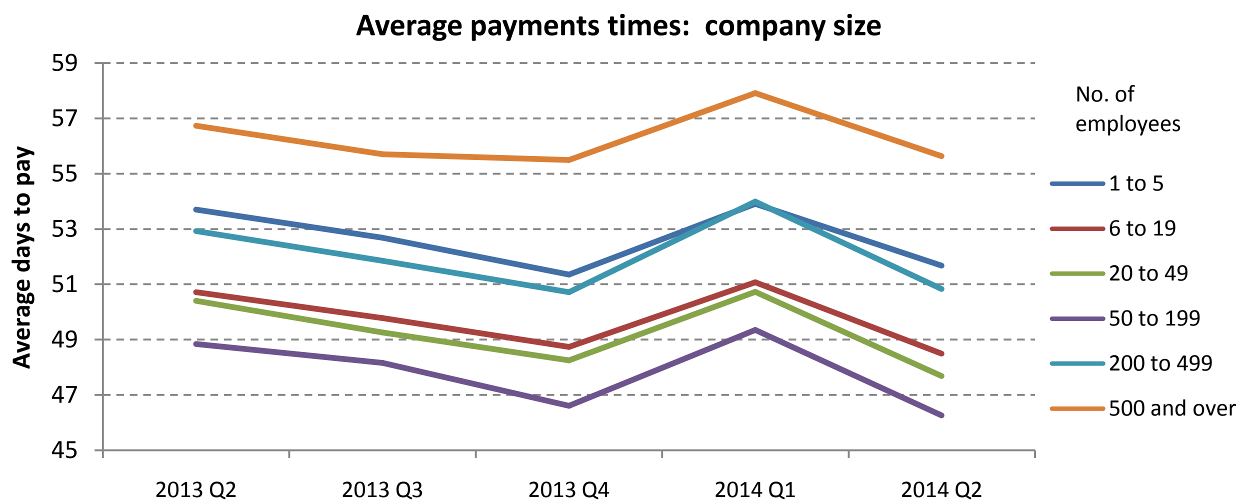
"The prompt payment of invoices is critical to a healthy cashflow, which has been an issue of significant concern for businesses," Mr Jones added.

According to D&B's latest *Business Expectations Survey*, 26 per cent of firms have indicated that cash flow is the issue most likely to influence their operations in the next three months. This is the most common response, ahead of other factors including interest rates, the level of the Australian dollar, salaries and wages, fuel prices and access to credit.

Highlighting the difficulty facing businesses in regulating their cashflow, the same survey found that 41 per cent of respondents would miss payments to their trade suppliers if unable to meet all of their obligations, followed by other bills including credit cards, loans, telephones, utilities, mortgages and the internet.

Businesses of all sizes have improved their payment performance over the past 12 months, although the economy's largest operators have shown the least progress. According to D&B, companies employing more than 500 staff are consistently the slowest to pay their accounts, and in the second quarter of the year these firms took an average of 55.6 days; three days slower than the national average.

Meanwhile, despite their smaller financial reserves, micro-businesses (those with between 1–5 staff) have been clearing their invoices in an average of 51.7 days, two days earlier than in Q2 2014. At an average of 46.3 days, those businesses employing between 50–199 people have been the fastest payers.



Across industries, those businesses in the fishing sector have been the fastest to pay their accounts, at an average of 48.8 days, down from 51.4 in the previous quarter and 51.1 a year earlier. Year-on-year the biggest improvement has come from the construction industry, which has paid its invoices nearly three days faster than the year before, at an average of 52.6 days.

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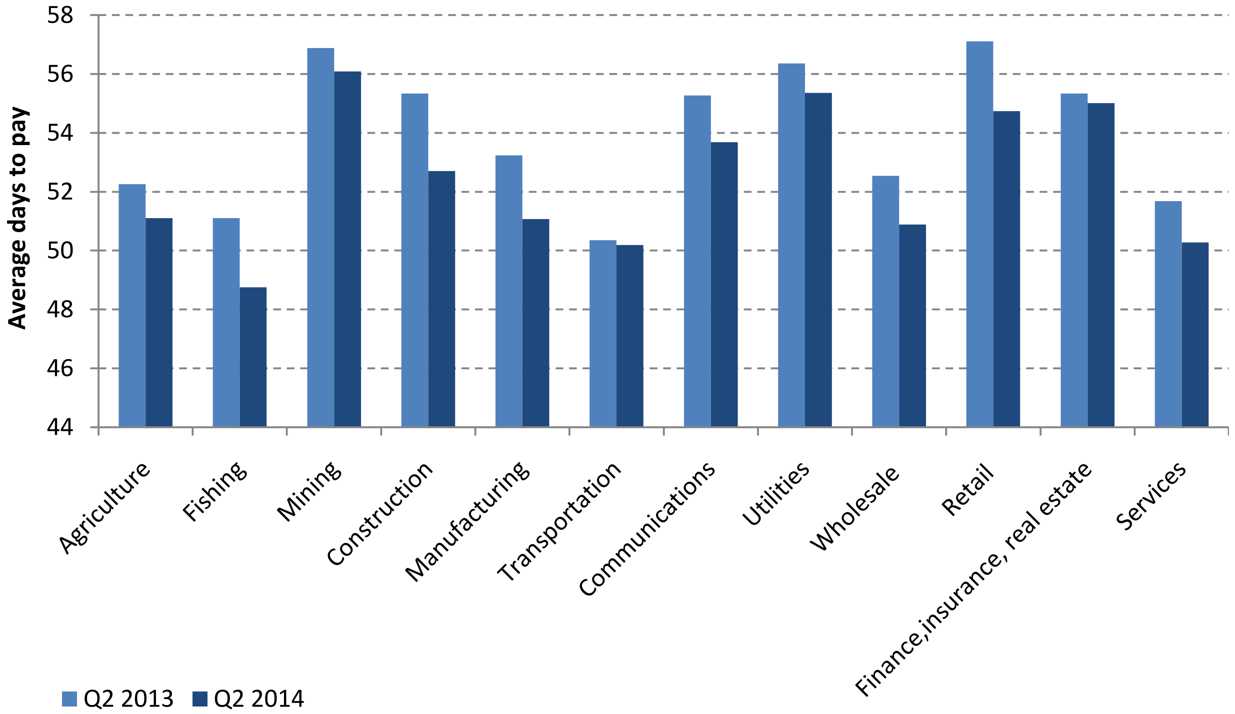
Despite declining sales over the past months, retailers have improved their payment performance by 2.4 days from a year earlier, to an average of 54.7 days.

The slowest paying companies have been those in the mining and utilities industries. Despite paying invoices one day sooner than a year before, the mining sector is taking 56.1 days, while utilities businesses are paying their bills in an average of 55.4 days.

Australian industry payment times: Q2 2013 v Q2 2014



According to Stephen Koukoulas, Economic Adviser to Dun & Bradstreet, the drop in the average payment times for firms reflects the solid economic conditions in Australia.

"Low interest rates are helping with corporate cash flow, as we can see from the 87 per cent of firms that are paying their bills within 60 days," Mr Koukoulas says.

"Average payment times have pulled back sharply in the June quarter to be around the level that prevailed for the previous two years, indicating that the March quarter spike was an aberration.

"With the RBA likely to hold interest rates at record lows in the months ahead and the economy still growing, albeit at a moderate pace, trade payment times should remain low over the remainder of 2014," Mr Koukoulas added.

For more information please contact:

Josh Maher
+61 498 142 567
+61 3 9828 3644
maherj@dnb.com.au

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About *Trade Payments Analysis*

Business-to-business payment information is a highly predictive data set and a critical element in credit risk scores and business failures forecasting.

The distinct advantage of trade information over other forms of company data is its ability to provide insight into current performance. Company financials, which are considered to be critical to effective decision making, are reported relatively infrequently and as a consequence, organisations may be required to make decisions using data that is up to 12-months old. Conversely, because trade information is reported monthly, it reveals how an organisation is paying its existing obligation.

Trade data is also effective across all business sizes, being the most predictive element in SME scores and the second most predictive (behind financials) in other credit scores. The predictive nature of trade data combined with its timely availability enables businesses to properly assess credit risk.

This includes the identification of both high and low risk customers, thereby enabling firms to minimise the risk of late payments and bad debts and identify the good credit accounts that will create long-term, profitable credit relationships.

About Dun & Bradstreet

Established in 1887, Dun & Bradstreet is Australia and New Zealand's longest-established credit information bureau. Backed by its extensive financial database, D&B helps businesses to make informed credit decisions, and consumers to access personal credit information.

D&B works across the entire credit lifecycle to deliver data-driven solutions in sales and marketing, credit reporting and debt management.

Through analysis of financial and behavioural information, D&B also provides current and predictive assessments of the economy, business conditions and credit activity.