

# BIIA NEWSLETTER

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

BIIA NEWSLETTER ISSUE 11/12 - 08

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## EVENTS

### GARTNER BUSINESS INTELLIGENCE AND INFORMATION MANAGEMENT SUMMIT 2009

The [Gartner Business Intelligence and Information Management Summit 2009](#) 24-25 February 2009, Sydney Convention & Exhibition Center will focus on the actionable advice one needs to address BI discrepancy. Now in its third year, the summit delivers a wide range of analyst presentations, case studies, roundtables and guru keynotes. Furthermore, there is the opportunity to network with and share the collective experience of delegates from all over the Asia Pacific region.

#### The BI & IM Summit 2009 will help:

- To understand how to deal with organizational issues and align IT with the business; to focus on data quality and governance
- To look ahead at BI - 5 year trends
- To learn how to integrate your BI with portals
- To find out how to utilize new technologies emerging in the BI market space

BIIA members receive a \$650 discount off the standard registration rate. Register now using e-code: **BIA009** to take advantage of this saving: [gartner.com/ap/bi](http://gartner.com/ap/bi)

## PEOPLE'S BANK OF CHINA WORKSHOP ON CREDIT INFORMATION

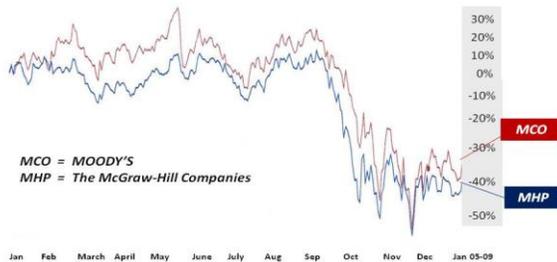
**BIIA IN ACTION:** BIIA management and colleagues from the BIIA regulatory committee attended an important three day regulatory workshop organized by the People's Bank of China and the IFC, which took place on Hainan Island. Three major industry associations were invited: BIIA representing rating services and business credit information services; ACCIS, the European Consumer Credit Information Association and CDIA, the US based Consumer Data Industry Association. In preparation for this event BIIA conducted a survey concerning regulatory regimes for business credit information in key world markets. **A copy of the survey summary is available upon request.** We thank our directors and members who have contributed valuable information and funding towards this important task.

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## LATE BREAKING NEWS

### WHAT A DIFFERENCE A YEAR MAKES

Rating Agencies Share Price Performance Year 2008



Source: Yahoo Finance

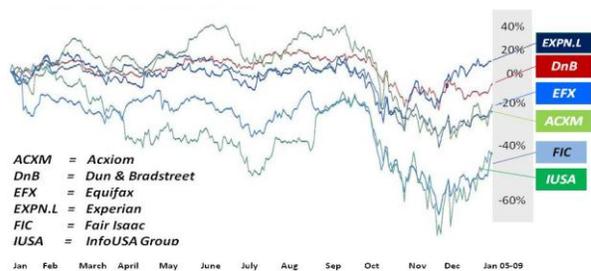
Following the financial meltdown in the fall, share prices of major rating agencies are now moving sideways. Negative attitudes towards the rating agencies still prevail although the focus of attention is now shifting to the Securities and Exchange Commission (SEC).

Critics maintain that financial illiteracy by Security & Exchange Commission (SEC) staff was the cause of the failure to detect Madoff's fraudulent investment activities. The SEC also failed to prevent irresponsible lending and large scale misrepresentation in the subprime mortgage origination process.

BIIA has always maintained that in the value chain of getting financial instruments to markets there are many participants, not just the rating agencies and consumer credit information companies. It has become evident that information or the lack of it was not the cause of the debacle. Available information tools were not properly utilized, fraud alerts were ignored, information falsified or misrepresented.

The serial blunders of the SEC raises the question about who will regulate the regulators, their qualifications and level of compensation.

Business Information Companies Share Price Performance Year 2008



Source: Yahoo Finance

After the meltdown there are signs of recovery. Fair Isaac and infoGroup (former InfoUSA) experienced a more encouraging improvement in shareholder value, followed by Experian.

Based on Q3 results, consumer information services (credit and marketing) continue to suffer the effects of the prolonged lending freeze. Experian organic growth is flat. Equifax's revenues for consumer information services, which make up 50% of its total, are down by 10% from the previous year. Fair Isaac reports difficult trading conditions and declined to provide guidance for the remainder of 2008.

**Failure in information sharing:** The World Bank is propagating the use of information sharing to prevent major losses in the financial system. Consumer and business information services are based on such principles.

It is therefore shocking to note that major financial institutions had reservations in dealing with Madoff, but did not share their findings and suspicions with regulators. Perhaps the financial services community will learn from this affair and return to the virtues of information sharing.

## LATE BREAKING NEWS

### THE SATYAM CASE AND THE MULTIPLE BALANCE SHEET SYNDROME

**SHOCKING NEWS:** The chairman of India's **Satyam Computer Services** resigned on Wednesday (January 6<sup>th</sup>, 2009) after confessing to fixing the IT outsourcing company's books for the past "several" years, the country's first major fraud case to emerge following the global financial crisis. This case may be India's ENRON. Remember ENRON's management cooked the books with a collaborating auditor.

When it comes to corporate governance, transparency, disclosure and reliability of financial statements from emerging markets, underwriters and credit managers tend to often treat such documents as suspect. There are plenty of jokes about the use of multiple balance sheets. The Satyam case unfortunately shows that this syndrome is still very much a fact of life. In this regard BIIA covered a short news story from India in its

#### COOKING THE BOOKS:

##### CREDIT CRUNCH PROVIDES MORE WORK FOR FORENSIC ACCOUNTANTS

Forensic accountants in India are reported to work on several cases of senior management fraud. Many of these cases relate to increasing profits through unethical and fraudulent practices. The culprit is variable compensation, especially in cases where variable compensation is a multiple of fixed compensation. According to accountants and lawyers interviewed by the Business Standard indicated that more of such cases will emerge as the economic climate worsens.

Cooking the books in the past was linked to stock option schemes, now it seems to be variable compensation. Most experts agreed that these cases will not become public because Indian companies are not transparent and firings are often masked as 'resignations'. Common practices for shoring up profits are: transferring expenses to subsidiaries and pushing finished goods to dealers. In most cases, the whistle is blown by disgruntled employees, and audit committees of directors. Private equity firms often launch their own investigation.

Source: *Business Standard India Sept. 13, 2008*

Reprinted from the BIIA Newsletter September Issue 2008

BIIA

aggressively cut their positions. The BSE IT Index plunged 7.70 per cent and BSE Realty tumbled 11.20 per cent. IT and other stocks in related sectors took a beating as the Satyam fraud raised questions over corporate governance of other companies, especially IT.

The financial services industry of the world has entrusted many Indian outsourcing companies to manage systems and confidential data of their clients. In view of the Satyam case why should they? Trust is the key element here and Satyam has violated that trust. However, India has decided not to trust foreign credit information companies by restricting their involvement in owning and managing consumer credit information in India. The global financial crisis has brought the virtues of transparency to the forefront of the regulatory agenda. Unfortunately both cases show that India is heading in the wrong direction as far as transparency and reliability of financial information is concerned.

September Newsletter 2008 concerning a rise in unethical and fraudulent practices of falsifying accounts (see insert). **Did the author of the article know more than the regulators?**

The systematic fraud over several years in a company listed on the New York and Mumbai stock exchanges raises serious questions over governance, auditing and regulatory oversight in India.

The news caused Satyam's stock to crash by 66.5 % to Rs 58 from Wednesday's high of Rs 188.70. The BSE Sensex crashed 470.23 points or 4.55 per cent to 9,865.70, after rising to a high of 10,469.72 earlier Wednesday. Investors

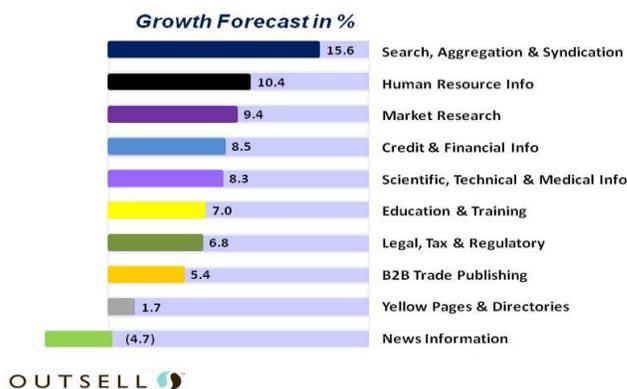
## LATE BREAKING NEWS

### MANAGING IN UNCERTAIN AND DIFFICULT TIMES: NO GUTS, NO GLORY



**Anthea Stratigos Co-founder  
and CEO of Outsell Inc.**

#### *Outsell Inc. Information Industry Growth Forecast, 2008 - 2011*



**Outsell Inc.** held its Signature Event in late September 2008 where **Anthea Stratigos, Co-Founder & CEO** provided an information industry outlook for 2008 to 2011. Outsell expect revenues for the information industry in 2008 to total US\$400 billion. The largest segments were News Providers and Publishers (30.8%), Education and Training (11.3%) and Search, Aggregation and Syndication (12%). Growth in 2008 is estimated at 4%, with annual growth of 4.5% forecasted for 2008 – 2011, lead by Search, Aggregation and Syndication (16%) and Human Resources information (10%).

Since 2003, print revenue for Outsell's top 300 information companies (70%) of total industry revenue has dropped from 60% to less than 50%, with the rest coming from digital products. By 2011, the biggest change if forecast for B2B trade: the print/digital revenue mix will adjust to 29%/43% from 56%/21% in 2003. The Credit & Financial Information segment accounts for 10.6% of the total and Outsell expects this segment to grow by 8.5% during the period of 2008 to 2011 notwithstanding the prolonged financial crisis.

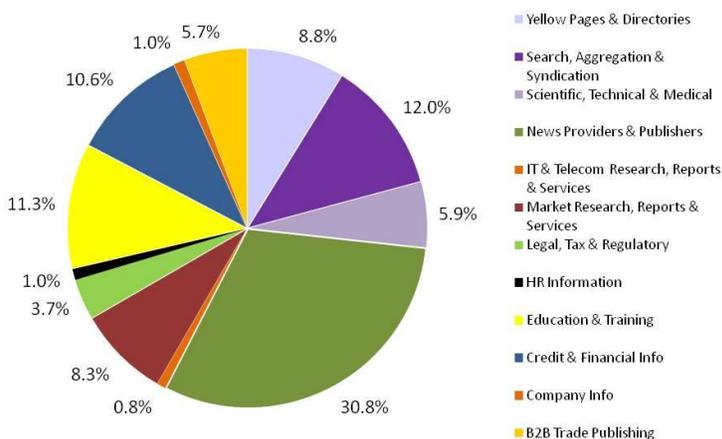
Anthea Stratigos is not deterred by the gloomy prospects in global markets. She states in her **"Information Industry Outlook 2009: No Guts, No Glory!"**: "While the global economy is essential context and is creating disruption, the "real" disruption for our industry began circa 1998 with the momentum on the Internet. The issues industry leader have been focusing on to build business around this "new" technology remain *du jour* this coming year and response must be accelerated. In other words, we must carry on – boldly but quickly – in the face of another economic downturn. Now is not the time to blink. It's time to continue the transformations already begun and to remember the mantra – No Guts, No glory – the theme for industry leaders during the coming year."

Anthea Stratigos also outlines in her report five key themes for 2009: 1) Content, Platform & Experience Execution; 2) Business Model Focus & Execution; 3) Social Media/Community Execution; 4) Strategic Marketing and Product Marketing Execution; 5) Operational Execution. The report also contains a list of 30 companies to watch. **The report can be obtained by contacting Outsell Inc.:** [http://www.outsellinc.com/about\\_us/contact\\_us](http://www.outsellinc.com/about_us/contact_us)

## LATE BREAKING NEWS

### LEGAL INFORMATION PROVIDERS WILL HOLD THEIR OWN IN COMING YEARS

#### 2008 Information Industry – US\$ 400 bn



OUTSELL

Source: Outsell's Leadership Council: CEO Topics – Information Industry Outlook 2009: No Guts, No Glory

David Curle, Director & Lead Analyst, Outsell Inc. comments: "There are plenty of signs that the legal services industry is in trouble, but legal, tax, and regulatory information providers will continue to post steady growth rates that will exceed those of the rest of the information industry."

Outsell's recently-published Legal, Tax & Regulatory Information: 2008 Market Forecast and Trends Report forecasts the segment will grow from \$13.9 billion to \$18.1 billion by 2011 with a 6.8% compound annual growth rate (CAGR) from 2008-2011. Segment growth in 2008 and 2009 is expected to be held back a bit by the overall economic slowdown, with growth of 6.5% in each of those years.

Economic recovery and continued investments in new products and markets will bring growth rates up to 7.0% in 2010 and 7.1% in 2011

Credit & Financial information is the fourth largest segment (10.6% of total) and keeps growing by 8.5%. Whether this growth is sustainable may be questionable given the negative growth figures in credit rating and consumer credit information services.

Source: Outsell Inc. [www.outsellinc.com](http://www.outsellinc.com)

### GOOGLE ABANDONS BUSINESS REFERRAL PROGRAM

The blogosphere is reporting that Google has very quietly shut down its Local Business Referral Program. This was a significant effort by Google to recruit an army of freelancers to gather information on businesses nationwide. Source: Infocommerce

Context News: BIIA reported in its October 2007 issues that Google had the targeted business information market. Google's vision was to have a fleet of independent contractors running around the country, collecting information on local businesses and snapping pictures of them. Bounty: \$10 per listing if the company verifies the collected data. Job requirement are minimal: love of the Internet, access to a digital camera, and ability to fill out a W-9 that won't get kicked back by the IRS. There's some indication that Google expects this supremely qualified force to "talk up" the benefits of advertising with Google, but this seems secondary to what is clearly a major data compilation exercise.

BIIA Posts Industry News Items Daily on its Home Page: [www.biaa.com](http://www.biaa.com)

## LATE BREAKING NEWS

### TRANSUNION TEAMS UP WITH CREDIT KARMA

Credit Karma, a resource that helps empower consumers to actively manage their financial health; today announced an agreement with TrueCredit.com, a leading provider of credit reports and consumer credit education, that will enable consumers to obtain their TransUnion credit scores at no cost. Both companies believe that it is more important than ever to provide consumers with the tools and information to better understand how lenders are evaluating them. *To read the full story go to: <http://www.biaa.com/press.php> [scroll down]*

### FAIR ISAAC AND INFOSYS TECHNOLOGIES ACCELERATE GLOBAL DELIVERY OF DECISION MANAGEMENT SOLUTIONS

In response to escalating demand for critical decision management tools and applications, Fair Isaac (NYSE: FIC), a leading provider of analytics and decision management technology, is teaming with Infosys Technologies Ltd, (NASDAQ: INFY) a world leader in consulting and information technology services, to leverage its global delivery methodology and integration network. Heightened competitive pressures are driving leading companies to seek even more rapid deployment of the best decision management tools and applications so they can analyze, understand and act upon rapidly changing business dynamics. At the same time, global economic conditions require cost-effectiveness in these implementations.

Since the start of 2008, Fair Isaac and Infosys have collaborated successfully on significant solution development and implementation projects for international clients. The Infosys Product Competency Center is part of the reason, providing clients of both companies with customized solutions that can be integrated seamlessly into their existing architectures and minimizing costs and time to implement. "The global economic crisis is causing a 'flight to quality'," said Ashok Vemuri, Senior VP and Global Head, Banking and Capital Markets group at Infosys. "Businesses now want only the best, and they want it implemented as quickly and reliably as possible. The global partnership between Infosys and Fair Isaac gives our customers that advantage."

*Source: Fair Isaac & Infosys Press Release*

### MORTGAGE FRAUD JUMPS BY 45% IN THE USA

If one had assumed the fraudulent practices of the subprime mortgage origination are history should heed the following report: Mortgage fraud jumps by 45% on fewer loan applications in U.S., per the *Mortgage Asset Research Institute (MARI)*. Reported incidents of mortgage fraud in the U.S. increased by 45 percent on fewer loan applications in the second quarter of 2008 from a year ago, according to a new report released today by the Mortgage Asset Research Institute (MARI<sup>SM</sup>), a LexisNexis service.

The *MARI Quarterly Fraud Report* is based on data submitted by MARI subscribers on loans originated in the second quarter of this year that have since been classified as fraudulent. Key findings from the *MARI Quarterly Fraud Report* include that fraud most often occurs at the beginning of the loan process. More than 65 percent of fraud incidents are attributed to "General Application Misrepresentation" – a trend that has continued over the past two quarters. General Application Misrepresentation is when information such as when an incorrect name, occupancy or asset is potentially misrepresented during the application process. This fraud trend is followed closely by reported misrepresentations related to "Income" at 36 percent of Q2 applications and "Employment" at 20 percent of Q2 applications. *The MARI Quarterly Fraud Report is available on MARI's Web site at <http://www.marisolutions.com/resources-news.asp>*

## LATE BREAKING NEWS

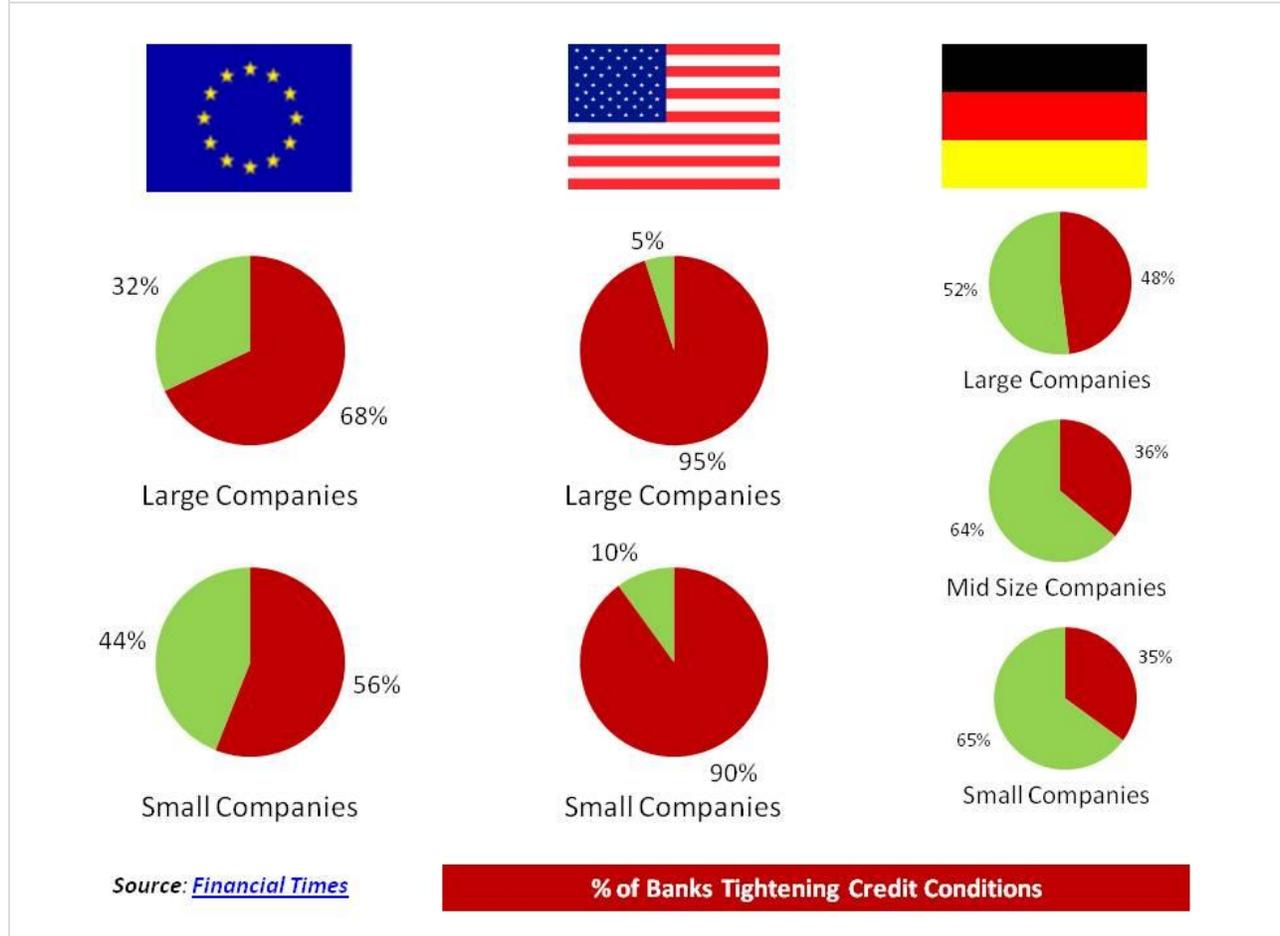
### CREDIT CRUNCH HITS LARGER COMPANIES HARDEST

Large companies in Europe and the US are having the terms of their credit facilities tightened more quickly and more severely than smaller companies – in contradiction of received wisdom. Surveys by the *European Central Bank, US Federal Reserve and Germany's Ifo economics institute* all show banks tightening their lending criteria most for the largest companies.

Possible reasons put forward for this shift in attitude include smaller companies enjoying a better relationship with their banks, and financial institutions shying away from making large loans and preferring to deal with local groups, rather than multinationals. Another reason is that large companies drove the credit-fuelled expansion, which seems to be reversing itself.

**Source:** [Financial Times](#)

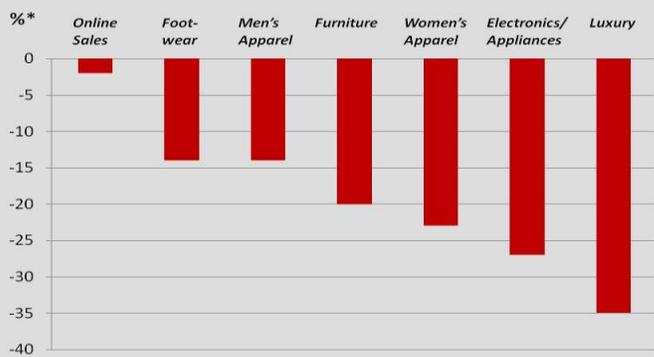
See Charts Below



## LATE BREAKING NEWS

### 2008 – THE YEAR AMERICA STOPPED SPENDING

**Retail Sales Nosedive in the USA**



Graphic: Intrepid Explorers, Inc.

Source: The Wall Street Journal Dec. 26, 2008

According to latest retail statistics released by SpendingPulse, Mastercard Advisors, this year's holiday season was the worst on record in the USA.

### U.S.A. SMEs BATTERED BY CREDIT CRUNCH

A recent survey by the National Federation of Independent Business indicates that more than 25% of small business owners felt the current economic downturn is threatening their ability to survive.

**Context: Definition of SME:** Fewer than 5000 employees; represent 99.7% of all employer firms; employ about half of all private-sector employees; pay nearly 45% of total U.S. private payroll; have generated 60% to 80% of net new jobs annually over the last decade; create more than half of nonfarm gross domestic product (GDP); hire 40% of high-tech workers (scientists, engineers, and computer workers); made up 97.3% of all identified exporters and produced 28.0% of the known export value in fiscal 2006 (**Source: Small Business Administration**); **Wall Street Journal**

According to **Bernard Sands** retail bankruptcies are rising this year as the consumer spending drought, brought on by high fuel prices, rising food prices, the housing slump, a severe credit crunch and a weakening job market, has reached a critical level. The retailing landscape is shifting, with vacancies at the nation's malls and strip centers on the rise. **Bernard Sands** is a credit ratings and service company. We monitor hundreds of thousands of companies, including over 100,000 retailers and distributors. [www.bernardsands.com/](http://www.bernardsands.com/)

### WHY ARE ASIAN EXPORTS DECLINING?

Long before the economic crisis hit U.S.A. consumer confidence and spending began slowing as early as Spring of 2007, according to a recent analysis, based on data from Experian® Simmons<sup>SM</sup> and Experian Hitwise®, which found that from Spring 2007 to Summer 2008, the percentage of U.S. adults who felt they would be financially better off in the next year dropped considerably from 46 percent to 37 percent. The analysis, which compared the self-reported economic confidence and spending habits of adult Americans along with online site traffic and searches on major purchase items, revealed consumer behaviors to be a strong indicator of a downturn months before the current economic crisis. Not only did the percentage of confident consumers slump, but the number of adults who felt they would be worse off in the coming year grew by 9 percent to 22 percent.

For instance middle- and upper-middle-income Americans (incomes ranging from \$50,000 to \$249,000) had the largest declines among those who planned to purchase big- or medium-ticket items within the next month, falling nearly 25 percent. From October 2006 to October 2008, overall visits to retail Web sites slowed, with a 4 percent year-over-year decline. During the same time period, overall visits to Web sites in the travel category were down 10 percent year over year. Online searches for major electronic items saw significant, year-over-year decreases, with "televisions" down 33 percent, "laptops" down 48 percent and "computers" down 57 percent. **Source Experian Press Release December 23, 2008**

## ALLIANCES - JOINT VENTURES - M&A

### DUN & BRADSTREET (D&B) ACQUIRES MAJORITY STAKE IN D&B INDIA

On November 26, 2008, D&B increased its indirect minority ownership stake in Dun & Bradstreet Information Services India Private Limited ("D&B India") to a 53% direct majority ownership stake for cash consideration of \$46.6 million. D&B India was a wholly-owned subsidiary of Dun & Bradstreet South Asia Middle East Limited ("D&B SAME"), its existing Indian and Middle Eastern joint venture partner. D&B SAME remains a minority owner of D&B India. The transaction will not have any significant impact on D&B's expected full year 2008 financial results.

D&B India is the premier provider of credit information and sales and marketing solutions in India. "Our majority stake in D&B India will allow us to provide global customers with even higher levels of information and insight on Indian businesses and it is expected to be a key driver of profitable revenue growth from our International business in 2009 and beyond," stated D&B in its SEC filing. Specifically, the D&B India business is expected to generate approximately \$20 million in incremental revenue for D&B in 2009. The transaction is not expected to have any significant impact on D&B's 2009 earnings and is expected to be accretive to EPS growth beginning in 2010. *Source: D&B SEC Filing*

### EXPERIAN ACQUIRES KREDITINFORM SOUTH AFRICA

Experian has agreed to acquire KreditInform, a leading provider of commercial credit information and analytics in South Africa, in conjunction with its Black Economic Empowerment partner, Mowana Investments. KreditInform is a strong strategic fit with Experian's existing consumer credit activities in South Africa and is in line with Experian's strategy to own market-leading credit bureaus in high growth emerging markets globally.

Founded in 1982, KreditInform operates one of the most comprehensive and up-to-date commercial information databases in South Africa. KreditInform maintains proprietary and public data on all registered companies in South Africa, including debtor records, payment histories, financial information, directorships, shareholding relationships and other commercial credit information, with records extending back over 25 years. KreditInform provides commercial information and solutions to over 2,000 customers in South Africa, including Nedbank, Standard Bank of South Africa, ABSA and FNB, helping companies to extend credit, monitor credit risk and assisting with collections strategies.

Revenue for KreditInform in the year to 31 January 2008 was ZAR146m and gross assets as at 31 January 2008 were ZAR79m. The company was purchased from its founders and its Black Economic Empowerment partner, Shanduka Group, and will form part of Experian's Credit Services activities.

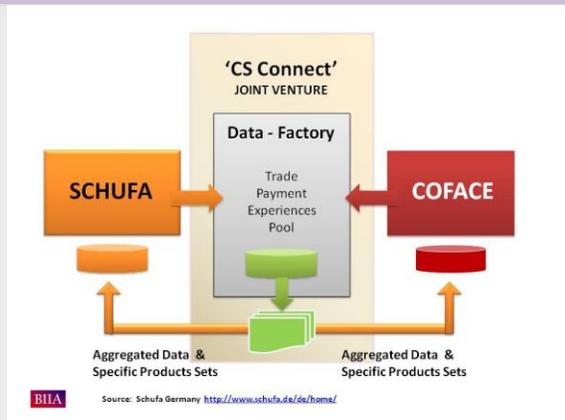
*Source: Experian Press Release*

### MOODY'S ACQUIRES Enb CONSULTING LIMITED

Moody's Analytics, a unit of Moody's Corporation (NYSE:MCO), announced today that it has acquired Enb Consulting Limited, a UK-based provider of training services for the financial markets, including technical and soft-skills programs for banking and capital markets professionals. Enb will be integrated into Moody's Analytics Training Services, creating a leading provider of comprehensive financial risk training with a global presence. The terms of the transaction are not being disclosed. *Source: Moody's Press Release 2008-12-18*

## ALLIANCES - JOINT VENTURES - M&A

### SCHUFA – COFACE JOINT VENTURE TO COLLECT TRADE INFORMATION



Commercial credit information in Germany is becoming incestuous as SCHUFA, Germany and Coface, Germany are joining hands to pool commercial company data and payment information. The “CS Connect” joint venture is to boost the prospects of SCHUFA BusinessLine, notwithstanding SCHUFA’s partnership with Buergel and the Creditreform partnership with Coface.

The alliance with Coface will certainly add over time critical mass to SCHUFA’s b2b credit information business in terms of positive and negative trade payment experiences, which form the backbone of reliable and predictive credit scores. This development indicates that Buergel may not have that capability forcing SCHUFA to look for an alternative.

Coface, as a credit insurer has a huge amount of positive and negative trade information from credit insurance transactions. Creditreform, which holds a commanding lead in b2b credit information with 70% of market share, has amassed a data pool of 70 million trade payment experiences. Obviously SCHUFA intends to catch up in order to capture market share. The SCHUFA / Coface alliance may over time deflate the value of Buergel as a partner to SCHUFA. Obtaining better data from Germany will also strengthen Coface’s cross border information business. It will also permit both companies to deploy analytics more effectively with the availability of trade information. A surprising factor is that Creditreform has a JV with Coface to create a global company identifier (EASY Number) (EPS insight 16/03/2006). Creditreform is now very disappointed by the latest action of their partner of supporting a new competitor. This alliance is bound to upset competitive landscape in Germany.

Source: SCHUFA and Outsell Insight.

### SCHUFA HOLDING GMBH AND CREDITINFO GROUP (ICELAND) CREATE A EUROPEAN-WIDE ALLIANCE

**Schufa Holding GmbH**, the leading consumer credit information bureau in Germany aspires to become a new disrupter in European credit information by entering into a joint venture with **Creditinfo Group** (an Iceland based services provider of consumer credit information platforms). The name of the joint venture will be **Creditinfo SCHUFA GmbH**.

**SCHUFA’s** strategic objectives are to deploy its consumer credit information competency internationally. It is using Creditinfo Group’s bureau software solutions and international presence in 11 countries (mostly Eastern Europe) as a platform for international expansion. Creditinfo Iceland is a relative newcomer in the consumer credit information space. It was founded in 1997, has 450 employees and sales of EURO 22 million (2007). SCHUFA is the market leader in consumer credit information with sales of EURO 90 million (2007) and has 768 employees. Source: SCHUFA & Creditinfo Press Release December 18<sup>th</sup>, 2008

## ALLIANCES - JOINT VENTURES - M&A

### GALE (CENGAGE LEARNING) ACQUIRES HIGH BEAM RESEARCH

Gale, part of Cengage Learning (formerly Thomson Learning) announced the acquisition of HighBeam Research. Gale will acquire the HighBeam Research Library business as well as Encyclopedia.com. Gale will maintain Highbeam's operations in Chicago but although HighBeam founder Patrick Spain will assist with the transition he will eventually leave the acquired company and focus his own efforts on Newser, which is not part of the deal with Gale. Patrick Spain was also a co-founder of Hoovers.

Ned May, Director & Lead Analyst – of Outsell Inc. comments: “The deal is good news for all aspects of HighBeam as it provides an out for its founders and investors, deeper pockets for its product development, and broader content access for its users. For Gale this acquisition will supply the company with some much needed web DNA. While Gale states that its core focus is on users across libraries, schools and the web, the reality is it has been much stronger across the first two and Gale has had a more difficult time expanding its user base to general web users. Although it launched its AccessMyLibrary.com site several years ago, that site remains about a third as popular as HighBeam according to Compete. This acquisition should give the company a much needed boost in talent, as well as immediate expansion of its user base.”

*Source: Outsell Insight December 19, 2008*

### BIIA MEMBER PURLIEU SOLUTIONS ACQUIRES US OPERATIONS OF ADMEREX LTD (AUSTRALIA)

Purlieu Solutions, LLC (Purlieu) of Atlanta, GA, a global provider of business opportunity and receivables management services, announced today that it has acquired the USA business operations of Admerex Ltd (ASX: ADL) of Sydney Australia. The terms of the transaction (for an undisclosed amount) calls for Purlieu to absorb all the CWX software clients in the U.S. market as well as acquiring its Atlanta GA sales and operations support center. In addition, the new Admerex 200 seat Savannah GA contact center has been acquired and Purlieu will begin immediately building up and increasing production from its current collections operations in order to take advantage of the increased capacity. *To read the full story go to: <http://www.biaa.com/press.php>*

### LEXISNEXIS ACQUIRES IDEX, INC.

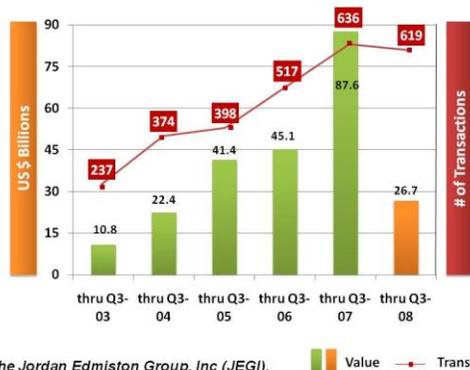
LexisNexis® Expands Litigation and Client Development Portfolio with Market Leading Expert Witness Content LexisNexis, by acquiring IDEX, Inc. Financial terms of the acquisition were not disclosed. IDEX is a leading provider of expert witness content to the legal market. The company maintains an authoritative, exclusive database of more than 1,000,000 records on 200,000-plus experts – including expert profiles, testimonial histories, verdict awards, settlement amounts, authored content, and expert depositions and court testimony.

The acquisition solidifies the position of LexisNexis as a leading provider of expert witness identification and evaluation information. New content from IDEX® complements expert witness data currently available from LexisNexis® through market leading directories, court dockets, documents, briefs, and public records offered through its [lexis.com](http://lexis.com)®, Martindale-Hubbell®, LexisNexis® Total Litigator, CourtLink®, and CaseMap® platforms. *Source: LexisNexis Press Release*

## ALLIANCES - JOINT VENTURES - M&A

### M&A TRANSACTIONS & VALUES MELTDOWN

M&A Transactions and Value



The Jordan Edmiston Group, Inc (JEGI).

Value Transactions

BIIA

The Jordan Edmiston Group, Inc. (JEGI), an independent investment banking firm for media, information, marketing & related technology industries, reports that financial market upheaval and an incipient pullback in advertising spending has lead to an overall slowdown in M&A. 2008 has been a tale of two markets: Midsize and smaller transactions, particularly in growth sectors, such as online media, interactive marketing services and database information, have kept pace with 2007. While aggregate transaction value is down nearly 70%, the total of 619 M&A transactions for the first nine months of 2008 is within a few percentage points of the total number for the same period in 2007 for media, information, marketing & related technologies, as tracked by JEGI. Billion-dollar-plus leveraged transactions have largely gone on hold. **Source: Client Briefing: The Jordan Edmiston Group Inc. (JEGI)**

## MEMBER NEWS

### HOOVER'S LAUNCHES MOBILE SALES LEADS

Hoover's reported that more than 1,800 users had signed up in the first month of its beta test of its service for smart phones and iPhones. The free version includes a search tool for finding companies or executives, the ability to e-mail a profile to yourself or others, click to call, and click for directions that marks the location on a map. The paid version adds advanced search and GPS-based features. Some of these include saving a set of contacts to a call queue, address book integration and driving directions.

Soon after the full launch in January 2009, e-commerce features will be added for buying Hoover's or D&B reports from mobile devices. "Hoover's is tapping into the workflow needs of the majority of its clients, salespeople, and is not at this time depending on capturing marketing dollars from advertisers," says **Chuck Richard, Vice President & Lead Analyst, Outsell Inc.** "Many of these salespeople work remotely, not in offices, and most combine business and personal use of their smartphones and iPhones. Hoover's sees the amount of time they spend with these devices as new virtual market territory, and this mobile offering as a massive land grab to get existing and new customers used to turning to Hoover's while on these devices." **Source: Outsell Insight November 20<sup>th</sup>, 2008**

### CRIF HAS ITS EYES ON VIETNAM

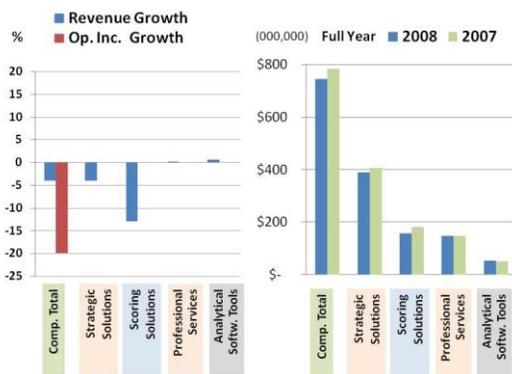
CRIF took part in a business delegation to Vietnam, promoted by Confindustria, ICE and ABI, with the collaboration of the Italian Ministry of Economic Development, Club dei 15 and Assolombarda, which was held in Hanoi in November 2008. The objective of the delegation is to give support to Italian businesses in accessing a market which has notable potential, but which is still relatively unknown.

CRIF is currently establishing a service hub in Asia (companies of the group already operate in India and China), and Vietnam represents an interesting option for further development in the area due to its potential. **Source: CRIF**

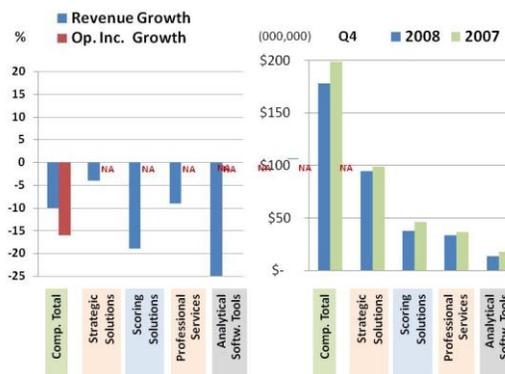
## MEMBER NEWS

### FAIR ISAAC FULL 2008 FINANCIAL RESULTS (FINANCIAL YEAR ENDING SEPTEMBER 30<sup>TH</sup>, 2008)

*Fair Isaac Final Year 2008 Results (September 30, 2008)*



*Fair Isaac Q4 2008 Results (September 30, 2008)*



**Revenues for full year fiscal 2008 across each of the company's four operating segments were as follows:**

**Strategy Machine Solutions** revenues were \$388.1 million compared to \$404.9 million in the prior year, or a decrease of 4.1%, primarily due to the divestiture of the mortgage product line in the second quarter of fiscal 2007 and a decline associated with marketing solutions, fraud and analytics products, partially offset by an increase in revenues derived from customer management, and consumer products. **Scoring Solutions** revenues were \$156.8 million compared to \$180.4 million in the prior year, or a decrease of 13.1%, primarily due to a decrease in revenues derived from risk scoring services at the credit reporting agencies and from our PreScore Service. **Professional Services** revenues were \$147.9 million compared to \$147.5 million in the prior year, or essentially flat. **Analytic Software Tools** revenues increased to \$52.0 million compared to \$51.4 million in the prior year, or by 1.2%, due to an increase in revenues derived from the Xpress MP product.

The bookings for the fourth quarter were \$71.2 million compared to \$93.3 million in the same period last year. Fiscal 2008 bookings were \$327.3 million compared to \$301.8 million for the prior year. The company defines "bookings" as estimated future contractual revenues, including agreements with perpetual, multi-year and annual terms. Management regards the volume of bookings achieved as one indicator of future revenues, but they are not comparable to, nor should they be substituted for, an analysis of the company's revenues.

#### Outlook

**In light of the uncertain economic environment and limited visibility into clients' spending intentions, the company is not providing guidance at this time. It expects to deliver FY09 guidance by the first quarter earnings call in January 2009.**

Source: Fair Isaacs Press Release

## MEMBER NEWS

### TRANSUNION EXPANDS COLLECTION VERTICAL WITH KEY HIRES; DEDICATED FOCUS ON FIRST- PARTY COLLECTIONS

*TransUnion announced four strategic hires for its collection vertical, providing a dedicated focus into its first-party collection efforts.*

**Scott Carter** has joined the company as the division's group vice president. Carter is responsible for overseeing all sales efforts and the strategic direction of the vertical in third-party, debt buying and first-party collection efforts. Carter will report directly to Steve Sassaman, executive vice president, Financial Services. Carter joins TransUnion from BarclayCard where he was senior director of its Customer Support group. Prior to Barclay's, he held leadership positions with American Express and Capital One in the areas of risk management and collection services.

Also joining TransUnion and reporting directly to Carter in the collection's division are **Rick Juretic**, vice president of Sales and **Tom Jordan**, vice president of Business Development. Juretic will lead TransUnion's sales efforts in the first-party arena, focusing on credit card issuers and other lending organizations. Juretic comes to TransUnion from CBC Innovis where he was vice president of Business Development. Prior to that, he held positions throughout the financial services industry with Arrow Financial Services and Capital One. Providing additional market insight, partnerships and acquisition opportunities, Jordan will lead the vertical's business consulting efforts. Jordan brings to TransUnion a strong background in receivables management and collections, having served as vice president of Operations for Encore Receivables Management.

Joining TransUnion's Analytic and Decision Services division to support the collections vertical is **Stewart Sui**. As vice president, Analytic and Decision Services; Sui will focus on leveraging the use of advanced analytics in TransUnion's suite of products and services for the collection industry. He comes to TransUnion from HSBC Card and Retail Services where he was vice president of Risk Management and Global Analytics.

*Source: TransUnion Press Release*

### TRANSUNION ANNOUNCES TRENDINSIGHT FOR HONG KONG

*Focusing on new ways to reduce lending risks, TransUnion announced TrendInsight, a first of its kind solution in Hong Kong to help lenders anticipate and predict consumer spending and payment behaviors.*

Through TransUnion's TrendInsight and its robust credit information and analytics, lenders have more predictive data to tailor offers to customers that best fit their attitudes and behaviors toward credit and debt payment. With TrendInsight, businesses can quickly react to a specific consumer event such as a new inquiry or tradeline. It also helps businesses to be more proactive by anticipating changes in patterns of activity for credit scores, increases in credit inquiries or credit utilization. The solution helps maximize return on investment in the collections arena with accurate contact information and delinquency data to help securing past-due payments.

"TransUnion's TrendInsight provides lenders with a new level of confidence in accessing and predicting payment risks based on consumer behaviors," said **Lawrence Tsong, president of TransUnion's East Asia operations**. "TrendInsight helps improve performance throughout the customer lifecycle to effectively mitigate risks, quickly locate customers, prioritize collections accounts, anticipate customer behavior and build loyalty with them." TransUnion's TrendInsight can be implemented with its Portfolio Review to analyze debt portfolios by credit risk model score band. This helps to evaluate the risk presented by each customer in the portfolio at that point in time and determine the best appropriate actions. *Source: TransUnion Press Release*

## INDUSTRY NEWS

### COFACE CALLS FOR TOUGHER RATINGS CONTROL

Coface, one of the world's biggest credit insurers, has called for tougher European regulation of the credit rating market, on the eve of setting up the UK's newest credit ratings agency. The company said the EU had not taken a tough enough line in legislation currently being drafted to prevent the kinds of problems that arose when agencies gave top ratings to packages of subprime debt. "The main factor in the present financial crisis was the failure of the ratings agencies and the present regulation in Brussels will not prevent a repetition of the subprime crisis," Jérôme Cazes, Coface's chief executive, told the Financial Times. *Source: The Financial Times Limited; 2008-12-17*

### S&P RESPONSE TO COFACE CALL FOR TOUGHER RATINGS CONTROL: ANALYSIS OF S&P'S 'QUALITY CONTROL' IS FREELY AVAILABLE

Jérôme Cazes, chief executive of Coface, asks for a statistical analysis of ratings performance as a means of exercising "quality control" of rating agencies: In fact, such an analysis is readily and freely available. Standard & Poor's Ratings Services publishes on its public website an exhaustive statistical examination of the performance of its credit ratings. This looks, among other things, at the correlation between ratings and defaults over time and at trends in downgrades and upgrades of ratings.

These studies show that the long-term track record of S&P's ratings remains strong. Since 1978, the average five-year default rate for investment grade corporate issuers is just over 1 per cent and for speculative grade companies it is about 20 per cent. That is broadly comparable with the equivalent default rates for structured securities. For the full text of the response click on: [Response to Coface 2008-12-22.doc](#)

### COFACE LAUNCHES CREDIT RATING SERVICES

According to the Financial Times, Coface will launch its own ratings service, which it says will avoid the potential conflict of interest inherent in other ratings services, which rely on high fees from the company being rated for much of their revenue. It intends to use internal information (trade credit performance data – negative and positive), which it collects through its credit insurance business to create the ratings.

Fees will be paid for either by the company being rated or by any company seeking the information. Coface will charge £4,000 (\$6,100) for a spot rating on a medium-sized company. Coface will hope the new product can help it deal with the worst of the fallout that credit insurers are feeling from the steep increase in companies going bust.

*Source: The Financial Times Limited 2008; Dec. 17 2008*

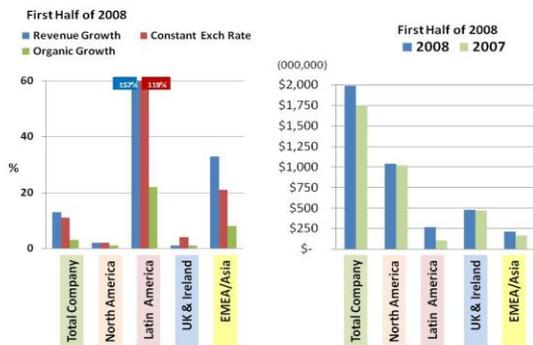
*BIIA Comment: How can Coface avoid a conflict of interest when it will charge the rated company a fee? It would be interesting to know how the new rating service of Coface stacks up against rating services provided by Fitch, Moody's and S&P. According to the FT, Coface will base its ratings on information derived from historical trade credit performance data, while traditional rating agency analysis is largely based on the projected future performance of a business.*

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## INDUSTRY NEWS

### EXPERIAN FIRST HALF 2008 FINANCIAL RESULTS (SEPTEMBER 30<sup>TH</sup>, 2008)

#### Experian Financial Results (1<sup>st</sup> Half of 2008 – Ending September 30<sup>th</sup>, 2008)



Following their October press announcement (*BIIA October Newsletter*) Experian released its first half of 2008 financial results in November, reporting good revenue, profit and cash flow progress, reflecting balance and diversity of the Group. Total revenue growth of 13% at actual exchange rates to US\$2,017m. Revenue from continuing activities up 11% at constant exchange rates to US\$1,987m. Organic revenue growth of 3%.

Total EBIT growth of 8% at actual exchange rates to US\$476m. Continuing EBIT up 8% at constant exchange rates. EBIT margin of 22.8% from continuing activities (2007: 23.0%), excluding FARES contribution. Profit before tax of US\$318m. Benchmark profit before tax of US\$416m, up 9%. Basic EPS of 25.5 US cents. Benchmark EPS growth of 8% to 30.7 US cents. Strong cash conversion of 83%, in traditionally weaker half of year.

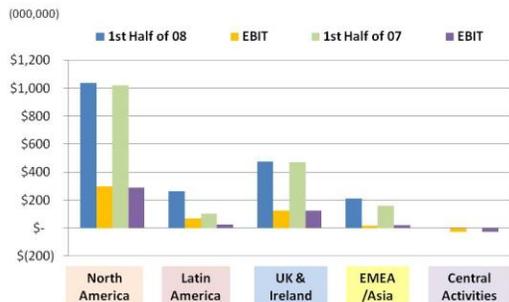
Strong performances in Latin America, Consumer Direct and Decision. Analytics offset market challenges in US and UK Credit Services. Cost efficiencies ahead of schedule with US\$29m contribution in the first half of the year. Additional savings identified; target raised to US\$130m annualized.

John Peace, Chairman of Experian, said: “Experian performed well in the first half, delivering good revenue, profit and cash performances, even though market conditions were exceptionally challenging. The Group has strengthened its market position, and is well placed to grow through the current global economic cycle.”

**Source: Experian Press Release**

#### Experian Financial Results

Revenue and Profit Before Tax for First Half of 2008 (Ending September 30<sup>th</sup>, 2008)  
By Geography



Graphics: Intrepid Explorers, Inc.

According to an article in the Financial Times of November 19<sup>th</sup>, 2008, Don Roberts, CEO stated that its counter-cyclical businesses, especially debt recovery services would help provide “the cure for the credit crisis”. However he admitted the company’s most profitable arms were likely to struggle. The FT commented: “Investors are unsure about Experian’s prospects. First, neither Experian nor its main competitor, Equifax, has been through a recession before and nobody is sure how this business model will cope. Second, any strong growth reported this year is compared with week comparatives last year.”

It can be said that nobody in the industry has never managed during a prolonged down period. Management has got used to long spells of growth periods and growth through acquisitions. The FT now questions whether management will be able to manage during a prolonged recession with negative growth rates.

## INDUSTRY NEWS

### EQUIFAX REACHES \$65,000 SETTLEMENT WITH STATE OF INDIANA

Equifax will pay \$65,000 to settle allegations it waited too long to freeze consumers' credit reports. Indiana law requires credit reporting agencies ban new creditors from accessing credit reports within five business days after a consumers' request. But Equifax didn't do that for 19 consumers, including one who had to wait about two months, Indiana Attorney General Steve Carter said.

Indiana enacted its credit-freeze law in 2007 to help consumers guard against identity theft. Under the law, consumers may mail letters to each of the three credit reporting agencies — Equifax, Experian and Trans Union — and demand new creditors be banned from accessing their credit reports. That means an identity thief would be unable to take out new credit in a consumer's name, even with an accurate Social Security number.

The state also requires the agencies to notify Indiana consumers within 10 business days that their credit reports have been frozen. However, Equifax failed to do that for 24 people, including one whose notification was delayed for six months, Carter said.

**Source:** *The Indianapolis Star*

### NEW EXPERIAN REPORT OUTLINES KEY CREDIT RISK MANAGEMENT STRATEGIES FOR THE INDUSTRY

Experian published in November a new report providing expert recommendations for credit risk management in today's turbulent economic climate.

Containing emerging market insights and suggested strategies from the company's industry experts, Experian's Credit Risk Dossier sets out the new considerations that will increasingly govern how lenders approach risk management. At the heart of the report lies the importance of optimizing risk management procedures across the entire credit lifecycle — from customer acquisition and management, through to collections and recoveries.

Tackling the changing fraud threat: having recorded a 29 per cent increase in the number of attempted mortgage frauds, Experian outlines the key measures lenders need to adopt to combat a growing problem, and one that is not just confined to mortgage applications. **Source:** *Experian UK* **Email:** [annaw/victoriac@lewispr.com](mailto:annaw/victoriac@lewispr.com)

### EXPERIAN INTRODUCES GLOBAL EXPERTISE IN ENTERPRISE-WIDE SOLUTIONS IN VIETNAM CONFERENCE

Experian® and MobiVi jointly participated at the Banking Vietnam Conference on December 1-3, 2008. Experian introduced an advanced enterprise-wide solution in the local market and presented its credit risk management capabilities. As part of Experian's enterprise-wide solutions, the Decision Analytics' origination system were introduced to Small Medium Enterprise (SME) lending, which brings together a robust application processing, data connectivity, decision technology, predictive analytics and expert consulting. The system has been built to support both SME and large enterprises to balance the needs of speed, with customers wanting rapid decisions, and risk management. It is ensuring that sufficient information is collected for an accurate assessment of risk, fraud detection and to enable the most appropriate offer throughout the customer lifecycle. **Source:** *Experian*

### EXPERIAN TACKLES CHALLENGES OF MARKETING TO MICROBUSINESSES

Entitled *Micromarketing to Microbusiness Owners -- Experian Hits the Target*, the new research explores methods for understanding the personal demographics, lifestyles and attitudes of owners of the nation's more than 18 million microbusinesses. The paper discusses how standard firmographic information, such as Standard Industrial Classification (SIC) code, employee size, sales size and geographic region, is simply too superficial when targeting the microbusiness segment. Furthermore, business firmographics can be deceiving and do not capture information that truly delineates and personalizes microbusiness owners, such as their lifestyles, tastes and habits.

**For information on the research paper or Experian's other advanced B2B marketing products and services, visit** <http://www.experianmarketingservices.com>

## INDUSTRY NEWS

### LONDON ONLINE IN DECLINE



**London Online** (Conference & Exhibit) was always regarded as Europe's window into the online developments and innovation. BIIA and its German partner firm PASSWORD, represented by its owner and editor-in-chief Dr. Willi Bredemeier came to the consensus that London Online had lost its status as Europe's widow for innovation. The declining trend in exhibitors has been evident for some time, nevertheless the absence of major players this time left visible gaps in the exhibition space. The credit crunch may have been a contributing factor, however with many online players absent; one can hardly speak of excellent networking.

In contrast, Online organizers commented: "The combined events attracted exhibitors, visitors and delegates from over 70 countries. Over 750 delegates attended the conference and over 9.000 people visited the exhibition which features over 230 organizations and companies showing their products and services plus over 110 free to attend show-floor seminars and workshops.

Networking opportunities played a bigger part in the show's success than ever before. This year, Online Information Conference organizers, in response to previous delegate feedback launches a new social networking group in Crowdvine. This new initiative proved popular with event participants – many setting up new networks of their own and developing new contacts, before, during and after attending. The events online social network groups on Facebook and LinkedIn, also afforded excellent networking opportunities. ... For all involved it was a resounding success." Needless to say BIIA and PASSWORD do not share these sentiments. London Online needs to be reinvigorated.

While at the London Online BIIA managing director Joachim C. Bartels was interviewed by Dr. Bredemeier concerning the reasons behind the credit crunch and the implications on information services. The full text of the interview is posted on: <http://www.biaa.com/library.php#235>

*Source: PASSWORD GERMANY*

### BUREAU VAN DIJK ADDS MORE DATABASES AND CAPABILITIES

The Bureau van Dijk company database AMADEUS, with its European-wide coverage, has been enriched with a capability to evaluate the probability of defaulting on financial commitments. The Database MINT GLOBAL contains an intelligent component which identifies financial interests between companies and their clients and suppliers. This may help in determining potential conflicts of interest.

Bureau van Dijk also added new databases such as MINT KOREA containing 1.2 million company profiles, and SAFFRON which contains 85,000 company profiles of Thai businesses thus increasing company records by 25% in 2008. The databases ORBIS and MINT Global contain more than 50 million company profiles.

*Source: PASSWORD GERMANY*

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## NEWS FROM CHINA

### CHINA ONLINE MEDIA CONTINUES TO GROW

**ALIBABA.COM Q3 REVENUES UP 37%:** Hong Kong-listed *Alibaba.com* announced its third quarter results on Tuesday. For the quarter ended 30th September, the company recorded revenues of US\$114.1 million, which is a 37% increase year-on-year. Net income grew 49% to US\$45.1 million.

**GLOBAL SOURCES Q3 REVENUES UP 11%:** *Global Sources* announced its third quarter results. For the quarter ended 30th September, revenues were US\$37.6 million, an increase of 11% over the same period last year. GAAP net income dropped 55% to US\$2.3 million in the third quarter of 2008. For the nine months ended 30th September, revenues were US\$141.9 million, rising 17% over the first nine months of 2007. GAAP net income was US\$18.9 million, a 19% increase compared with the same period of 2007.

**HC INTERNATIONAL Q3 REVENUES DOWN 5%:** Hong Kong-listed *HC International* has released its results for the quarter ended 30th September. Revenues were US\$11.0 million, a decrease of 5% compared with the same quarter of 2007. Net income was US\$511,000, an increase of more than five times over the third quarter 2007. For the nine months ended 30th September, revenues were US\$32.7 million, a 4% increase over the first nine months of 2007. Net income was US\$950,000 compared to a loss of US\$1.7 million in the first nine months of 2007. HC International entered into a joint venture with Dun & Bradstreet International to add value added content to its product portfolio.

*Source: Business Strategies Group, Hong Kong – [www.bsgasia.com](http://www.bsgasia.com)*

### CHINA TO ESTABLISH 3-BILLION-YUAN FUND FOR TROUBLED SMES

The China Association of Small and Medium Enterprises (CASME) has initiated a 3-billion-yuan (439.2 million U.S. dollars) venture investment fund as a step to help the country's SMEs raise capital, the body announced in its website. Other efforts include the joint issue of an SME corporate bond with the northeastern Liaoning provincial government and the founding of a bank with a planned registered capital of 10 billion Yuan, according to CASME.

Once the bank has been established loans to SMEs can be provided up to 5 million Yuan. Any industrial company with sales revenue up to 300 million Yuan would be eligible for assistance from the fund and the bank. SMEs appear to have difficulties in raising capital, which is a major threat to the survival of SMEs. Statistics from the National Development and Reform Committee indicate that 67,000 small and medium sized companies with sales income exceeding 5 million Yuan closed down in the first half of 2008 due to the economic slowdown and a tight monetary policy. China's SMEs contribute 60 percent of the national GDP, while getting less than 25 percent of total bank loans. In the meantime the central bank raised the loan quota of both national and regional commercial banks by 5 and 10 percent respectively in the second half to ease the financial pressures on the private companies.

Premier Wen Jiabao also pledged to attach great importance to the difficulties and challenges the companies faced during an inspection of enterprises in eastern Shanghai and Zhejiang Province from Friday to Sunday.

*Source: China Daily*

**List your company in the BIIA Industry Directory: <http://www.wand.com/biia/>**

## NEWS FROM CHINA

### CHINESE PREMIER OUTLINES ANTI-CORRUPTION WORK

BEIJING - Chinese Premier Wen Jiabao is calling for strengthening the corruption fight and promoting a clean government in an article to be published on Thursday. In the article outlining the anti-corruption work for the year, Wen, also member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, stresses that efforts should focus on upholding integrity, supervision of power and clean and honest governance. In the article in the "Seeking Truth", a journal of the Party's theoretical study, he concludes the country's anti-corruption work over the past five years.

Wen said the country has intensified correction of unhealthy social practices and exerted great efforts to resolve problems that harm the interest of the public, greatly promoted governance according to law and seriously dealt with irregularities and commercial bribery so as to root out corruption. Wen called for serious penalties toward corruption, especially those involving government officials. "Collusion between officials and business, trade between power and money, power and sex, and cases seriously infringing upon public interest should receive heavy punishment," Wen said. Commercial bribery cases involving civil servants and leaders of state enterprises, public and financial institutions accepting and sending bribes by abusing power would be seriously handled in line with the law.

He highlighted the importance of a scientific and democratic decision-making process. "Policies regarding the immediate interest of the masses should be made by soliciting public opinions or holding hearings so as to enhance public participation and receive public supervision." Governance transparency should be further improved to safeguard the public rights to knowledge, participation, expression and supervision, he said.

*Source: Xinhua*

### GLOBAL SOURCES OFFERS FREE WEBSITE TO EXPORTERS IN SEARCH OF QUALITY INTERNATIONAL BUYERS

To speed world economic recovery, Global Sources offers free website to exporters in search of quality international buyers. In the wake of the current global economic crisis, Global Sources (NASDAQ: GSOL) is inviting exporters anywhere in the world to list product information free of charge in the unverified supplier section of the company's website, Global Sources Online (<http://www.globalsources.com>). Moreover, on behalf of paid clients, Global Sources plans to assist with applications for export development grants from local governments in China, including Hong Kong, thus significantly reducing the overall cost of advertising services.

Global Sources Online is an online marketplace connecting suppliers with over 750,000 active buyers worldwide, including the world's top 20 retailers. Global Sources has a network of sales representatives in 44 cities within mainland China. *Source: Global Sources Press Release*

### 13,600 ATTEND NEW GLOBAL SOURCES EVENTS IN MUMBAI, INDIA

[Global Sources'](#) inaugural China Sourcing Fair in Mumbai attracted over 13,600 visitors. Two events were held concurrently, the [China Sourcing Fair: Electronics & Components](#) and the [China Sourcing Fair: Hardware & Building Materials](#). These events are particularly noteworthy in that they are managed by Hong Kong-listed [Pico Event Management](#), under license from Global Sources. This is the only market in which Global Sources licenses its China Sourcing Fairs to another operator. *Source: Business Strategies Group, Hong Kong*

## PEOPLE ON THE MOVE

### MEET BSG ASIA OFFICE STAFF – SUPPORTING BIIA



Meet Kim, Jess and Wing, who are BIIA founder member Business Strategies Group's indispensable office staff. They also look after BIIA affairs when the need arises. In January of 2008 they participated in organizing the BIIA Forum.

The BIIA office is located at the offices of Business Strategies Group, at 1101 Wilson House, Wyndham Street, Central, Hong Kong Tel.: +852 2525 6120; Fax: +852 2525 6171

### D&B ELECTS JONATHAN JUDGE TO ITS BOARD OF DIRECTORS

D&B (NYSE: DNB), has elected Jonathan J. Judge, President and Chief Executive Officer of Paychex, Inc. (NASDAQ: PAYX), to its Board of Directors on December 8, 2008.

The appointment of Judge expands D&B's Board of Directors to 12 members, including 10 independent directors and Steve Alesio, Chairman of the Board and Chief Executive Officer, and Sara Mathew, President and Chief Operating Officer, both of D&B. "We are delighted to welcome Jon to our Board of Directors," said Steve Alesio, Chairman and CEO of D&B. "His significant experience in providing technology-enabled commercial services, particularly for small and medium-sized businesses, will make a strong impact as we continue to execute our strategic growth plans."

Judge, 54, joined Paychex, Inc., a national provider of payroll and human resource services for small and medium-sized businesses, as President and CEO in October 2004. Prior to that, he served as President and CEO of Crystal Decisions, Inc., an information management software company, from October 2002 through December 2003. From 1976 to 2002, Judge worked for IBM Corporation in various sales, marketing and executive management positions. Judge is also a director of Paychex, Inc., PMC-Sierra, Inc., and the Buffalo Branch of the Federal Reserve Bank of New York. *Source: D&B Press Release*

### MOODY'S ELECTS DR. DARRELL DUFFIE TO BOARD OF DIRECTORS

Moody's Corporation (NYSE: MCO) announced that Dr. Darrell Duffie has been elected to its board of directors. His election is effective October 27, 2008. Dr. Duffie, 54, is the Dean Witter Distinguished Professor of Finance at the Stanford Graduate School of Business, where he has served on the faculty since receiving his Ph.D. from the school in 1984. He also holds academic appointments at the Mathematical Sciences Research Institute at the University of California, Berkeley, and the Universite de Paris, Dauphine.

He is the author of Security Markets: Stochastic Models; Futures Markets; Dynamic Asset Pricing Theory; and co-author of Credit Risk, with Kenneth Singleton, as well as author of numerous academic research publications, articles and papers on asset and credit valuation and performance. In 2003, Dr. Duffie received the SunGard/IAFE Financial Engineer of the Year Award from the International Association of Financial Engineering. He serves on the editorial board of several academic journals and is a fellow of the Econometric Society. He is President-Elect of the American Finance Association for 2008-2009.

*Source: Moody's Corporation* <http://ir.moody.com/releasedetail.cfm?ReleaseID=343670>

## PEOPLE ON THE MOVE

### MOODY'S CORPORATION NAMES LISA SIMONE WESTLAKE CHIEF HUMAN RESOURCES OFFICER

Moody's Corporation (NYSE:MCO) today announced that Lisa Simone Westlake has been appointed Chief Human Resources Officer for the Corporation. Ms Westlake will be responsible for the global Human Resources activities of Moody's Corporation, including recruiting, compensation and benefits, training, organizational development and HR information systems.

Most recently, Ms Westlake was Vice President -- Investor Relations, responsible for Moody's global investor relations activities. Prior to joining Moody's, Ms Westlake held several management roles at American Express Company and The Dun & Bradstreet Corporation, where she was actively engaged in recruiting, succession planning and leadership development. She began her career as an analyst at Lehman Brothers. Ms Westlake holds a Master of Business Administration from Columbia University Graduate School of Business and a Bachelor's degree in Biochemistry from Dartmouth College. *Source: Moody's Press Release*

### MOODY'S INVESTORS SERVICE APPOINTS STRUCTURED FINANCE HEAD

Moody's Investors Service today named Andrew Kimball, 59, Executive Vice President and head of the company's global Structured Finance business. Mr. Kimball had been acting head of the Structured Finance Business since July of this year.

Mr. Kimball joined Moody's in 1987 as a Structured Finance analyst and was soon promoted to co-head a Structured Finance rating team. Since then, he has held various senior positions at Moody's, including Chief Credit Officer of Moody's Investors Service and Chairman of the Credit Policy Committee, as well as Senior Managing Director for Global Corporate Finance and Managing Director for Moody's Risk Management Services. Mr. Kimball holds a Ph.D. in English Literature from Harvard University. *Source: Moody's Press Release*

### MOODY'S INVESTORS SERVICE APPOINTS RICHARD CANTOR

Richard Cantor, 51, was appointed Chief Credit Officer of Moody's Investors Service and Chairman of its Credit Policy Committee. Mr. Cantor has served as Managing Director of the Credit Policy Research Group, which measures ratings performance globally, publishes related research, and contributes to default research data and analytical tools. Mr. Cantor joined Moody's from the Federal Reserve Bank of New York, where he held a variety of positions in the Research Group and was Staff Director at the Discount Window. Prior to joining the Federal Reserve, he taught economics. Mr. Cantor received a Ph.D. in Economics from The Johns Hopkins University. *Source: Moody's Press Release*

### MOODY'S APPOINTS LIZ ZALE, VICE PRESIDENT -- INVESTOR RELATIONS

Ms Zale, who previously served as Assistant Vice President -- Investor Relations, will now lead all investor relations activities, including communications and outreach to Moody's global community of shareholders. Prior to joining Moody's, Ms Zale led Investor Relations at DealerTrack Holdings where she was responsible for investor relations strategy and execution. Previously, she held various marketing communications, strategy consulting and publishing positions at Columbia University, IBM, Time Warner and Houghton Mifflin Company. She holds a Master of Business Administration from Columbia University Graduate School of Business and a Bachelor of Arts degree from Middlebury College. *Source: Moody's Press Release*

### INFOGROUP APPOINTS GRETCHEN LITTLEFIELD PRESIDENT OF TRIPLEX(TM)

infoGROUP (NASDAQ: IUSA), A provider of proprietary business and consumer databases, sales leads, direct marketing, email marketing, market research and global information solutions, has promoted Gretchen Littlefield to President of its Triplex(TM) division. Triplex(TM) is a data services company for the nonprofit sector. *Source: infogroup (IUSA) Website*

## PEOPLE ON THE MOVE

### REED ELSEVIER APPOINTS SMITH AS CHAIRMAN

Reed Elsevier has appointed Ian Smith replacing Sir Crispin Davis as CEO. **Outsell's Chief Research Fellow, David Worlock writes:** "The ten year management tenure of Sir Crispin Davis as Reed Elsevier CEO now draws to a close. The total re-orientation of the company, its emergence alongside Thomson Reuters as the leading players in **digital information services**, and its re-orientation towards the genuine needs of its network-based users are accomplished facts." "Davis years will be seen as a breakthrough period, with many erstwhile competitors who lacked the resolve, and the determination to work at scale, left struggling in their wake. In finding a successor, the Reed Elsevier appointments committee seems to have recognized this achievement, and sought a different breed of leader to accomplish the next phase."

In regard to the "next objectives" it may be about consolidation. They may reflect a need for some big tactical acquisitions, but not for directional change. The next CEO may be concentrated on the cost base, outsourcing and margin improvement. And on business model evaluation and pricing policy. IT and its group-wide rationalization may loom large, and the synergy between Reed operating units, in technology but also in market options and coverage, may become still more important." "Ian Smith is not a publisher or an IT man: these may be great advantages in getting a market-driven picture of a company that is now described in its own press releases as a "digital information services provider ." **Source: Outsell Insight**

### BANK NEGARA OF MALAYSIA GOVERNOR APPOINTED TO UNITED NATIONS TASK FORCE



Bank Negara Malaysia governor Dr. Zeti Akhtar Aziz was recently appointed a member of the newly-formed United Nations high level task force to examine possible reforms of the global financial system, including the International Monetary Fund and the World Bank. She felt that the current global financial crisis might have been less severe if the multilateral financial institutions had exercised a leadership role at an earlier stage.

"We have not really seen the international financial institutions come forward and certainly not at the early stages of the crisis. They are now coming forward to deal with the effects of the crisis," says Zeti, who will have a hand in recommending reforms of the institutions through the UN task force known as the Commission of Experts on Reforms of the International Monetary and Financial System.

**Source: The Asian Banker**

### EXPERIAN APPOINTS SPIROS GIORGAS AS BUSINESS DEVELOPMENT MANAGER FOR GREECE & CYPRUS

Experian® has appointed Spiros Giorgas as Business Development Manager of Greece and Cyprus for its Decision Analytics division. In his new role, Spiros will lead the division's proposition for the Greek and Cyprus market with new products, stronger consulting services and more capabilities to support clients in their credit risk and fraud management. **Source: Experian Press Release**

## FROM THE REGULATORY CORNER

### EUROPEAN COMMISSION ANNOUNCES REGULATORY FRAMEWORK FOR CREDIT RATING AGENCIES

European Commission is bent on setting the stage for a tougher regulatory regime for credit rating agencies. Internal Market and Services Commissioner Charlie McCreevy said: *"I want Europe to adopt a leading role in this area. Our proposal goes further than the rules which apply in other jurisdictions. These very exacting rules are necessary to restore the confidence of the market in the ratings business in the European Union"*

**The European Commission has put forward a proposal for a Regulation on credit rating agencies. Credit rating agencies will have to comply with rigorous rules to make sure (i) that ratings are not affected by conflicts of interest, (ii) that credit rating agencies remain vigilant on the quality of the rating methodology and the ratings and (iii) that credit rating agencies act in a transparent manner. The proposal also includes an effective surveillance regime whereby European regulators will supervise credit rating agencies. New rules include the following:**

- Credit rating agencies may not provide advisory services.
- They will not be allowed to rate financial instruments if they do not have sufficient quality information to base their ratings on
- They must disclose the models, methodologies and key assumptions on which they base their ratings
- They will be obliged to publish an annual transparency report
- They will have to create an internal function to review the quality of their ratings

Credit rating agencies should have at least three independent directors on their boards whose remuneration cannot depend on the business performance of the rating agency. They will be appointed for a single term of office which can be no longer than five years. They can only be dismissed in case of professional misconduct. At least one of them should be an expert in securitization and structured finance. Some of the proposed rules are based on the standards set in the International Organization of Securities Commissions (IOSCO) code. The proposal gives those rules a legally binding character. Also, in those cases where the IOSCO standards are not sufficient to restore market confidence and ensure investor protection the Commission has proposed stricter rules.

The proposal is available at: [http://ec.europa.eu/internal\\_market/securities/agencies/index\\_en.htm](http://ec.europa.eu/internal_market/securities/agencies/index_en.htm)

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