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Look at Credit Management now, before it's too late

The companies you do business with sometimes go bankrupt. Suppliers sometimes go bankrupt. And yes, even banks sometimes go bankrupt.

What would happen, if one or more, of your customers went 'unexpectedly' into bankruptcy? Did you 'feel' it coming, would you be 'surprised' or would you have prepared yourself, by taking measures in time to limit your risks as far as possible? How can you protect yourself, as a company, against the 'unexpected' events? How can you limit your risks? How can you ensure that you keep a close eye on your clients, suppliers and business relations so that you can avoid surprises?

D&B has the information, the insight, and keeps these continuously up-to-date. Clients who call on D&B's Risk Management Solutions know more and know it faster. Thanks to our 'alerts', you are notified immediately, if something happens at your clients or suppliers, which means your credit policy has to be reviewed. If things get even worse, you will have been able to take timely measures. If things get better, you have the freedom, after a while, to relax the credit limits somewhat. In short, you decide for yourself the risks you are prepared to accept. Do you go with your 'gut feeling'? On the other hand, do you wish to 'decide with confidence' after being properly informed? The choice is yours.

With D&B, you can decide with confidence. Credit Management becomes even more critical during times of economic crisis. With a good, reliable business information partner at your side, you already receive the correct information and advice. More than ever, we at D&B want to be that partner, for all of us. Glad to be at your service!



Natalia Dimitrov – Emerging Markets Center Leader

Focus: Global Payments Trends

Western Europe: Percentage of payments made by companies 30 or more days over terms was 30% in Q1 2009, well above the 28.5% registered in Q4 2008. As the majority of economies entered recession in the second half of 2008, business profits have decreased. Although interest rates have fallen in recent months, credit conditions remain tight. German companies' payments performance has been notably weak in the transport, telecoms, construction and car industries. In Spain, the credit crunch has affected payments by construction and real estate companies, while the retail sector and car sales sub-sector have started to deteriorate. In the UK, the hospitality and retail sectors have been among the worst performers as the recession deepens.

Americas: Percentage of payments made by companies 30 or more days over terms was 35.9% in Q1 2009, above the 35.5% registered in Q4 2008. The effects of lower commodity prices have been felt in payments performance in Brazil, Colombia and Chile. Argentina's businesses are also suffering from a rapid deterioration in the policy environment and have opted to postpone payments. In Mexico, the high exposure of companies to US dollar-denominated debts coupled with the manufacturing sector's deep dependence on the US is raising the spectre of a further decline in payments quality. State-owned oil company PDVSA had huge arrears with contractors, putting at risk a substantial portion of Venezuela's payments chain.





Eastern Europe: Payment performance has improved. The percentage of payments made by companies 30 or more days over terms was 24.3% in Q1 2009, below the 27.6% registered in Q4 2008. Despite an improvement in Poland, underlining its resilience, payments in the Czech Republic, Hungary and the rest of Eastern Europe all remain under downward pressure.

For more information on Country's / Business' payment and risk trends, please contact your local D&B sales representative.

Making sure you get paid – or at least predict poor payment

As economic uncertainty continues, our customers tell us that their businesses and credit managers are placing even more importance on establishing a reliable cash flow and a secure financial base.

In practice, this boils down to making sure that your bills are being paid, and in a timely manner; however large your order book, if you don't have the cash inflows, you'll find it very hard to pay your own bills, including wages. This can be a serious threat to the survival of your business particularly as alternative

sources of money, such as credit from banks, are becoming increasingly hard to come by.

A good strategy for protecting your business is keeping a close watch on the payment performance of your customers – deteriorating payment performance is often an early sign of a customer is in trouble. Spotting problems ahead of time means you can be quick to act: companies in trouble usually pay someone, so your goal should be to ensure you're top of their list – once you have achieved this, make sure you go a step further and actually agree a payment schedule.

So, even if your customers are very well behaved now, how can you assess the future likelihood of them not paying their bills on time? While there're various credit ratings tools on the market that are widely used by credit managers to establish a business creditworthiness, these don't assess whether a customer will settle its bills within the agreed terms. A severely delinquent firm is defined as one with less than 75% of its bills paid in a satisfactory manner (promptly or within 30 days) and at least 10% of its payments 90 days or more past due.

The *D&B Delinquency Score* predicts how likely it is that a company will pay its bills in a severely delinquent manner within the next 12 months. The Score is based on the information we hold in our files and made up of a wide range of data points covering demographics, financial information, payment information and public detrimental information. All of this data then acts like an early warning system, alerting you to potential risks before it affects your business in the form of a late or missed payment.

Any business that wants to protect its cash flow over the coming months would do well to pay close attention not only to how your customers are behaving now, but also to how they're likely to behave in the future. Do this and you will be well placed to establish clear boundaries for prospective customers, to make any necessary changes to any existing clients' terms of business – and ultimately to protect your business.

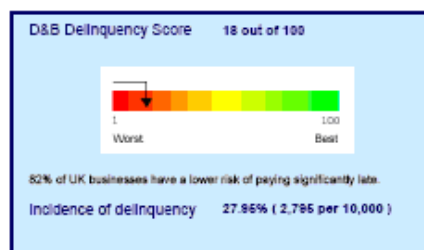
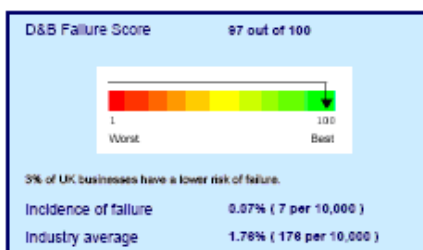
Business Case Study - Newcastle Production Business Failure in Jan '09

Newcastle Production, who were licensed to produce food products under the Findus brand, went into administration on the 9th January 2009. Were there early warning signs there? D&B predictive indicators, ratings and monitoring service provided early warning signs the business was heading for failure.

RISK OF BUSINESS FAILURE: MINIMUM

D&B Rating	5A 1
Financial Strength	5A (based on tangible net worth) £ 1,379,000,000
Risk Indicator	1 Represents a minimum risk of business failure

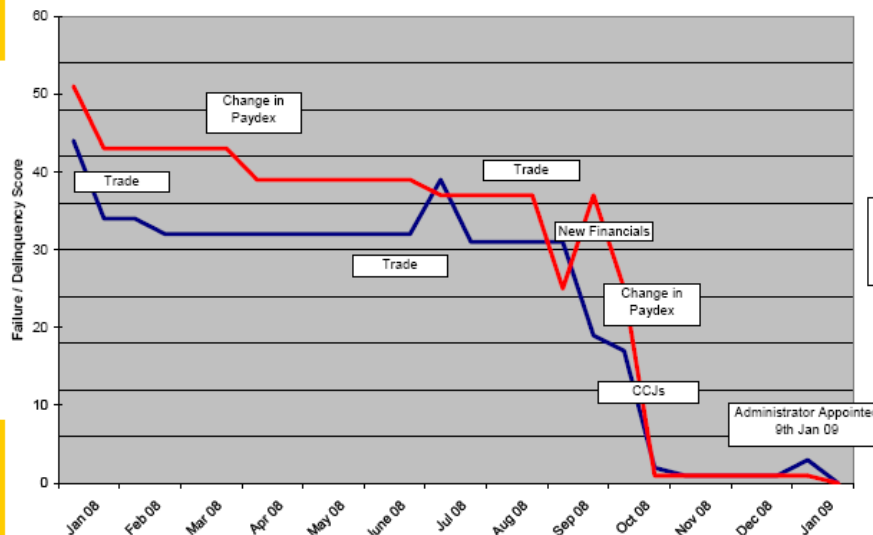
D&B Maximum Credit	£45,667,000
Maximum amount on monthly open credit terms.	





Jan 08: D&B Failure Score drops to 43 due to trade experience information

Newcastle Production Ltd - History of D&B's Failure and Delinquency Scores



Oct 08: Updates to trade experience information and change in Paydex score drops Failure Score to 25 and Delinquency Score to 19

Oct 08: D&B Failure Score changes to 1 and Delinquency Score drops to 2

Apr 08: D&B Failure Score drops to 39 and Delinquency Score drops to 32 due to change in Paydex score

What D&B found:

- Newcastle Production's trade experiences collected through D&B's trade program clearly illustrate a downward trend of late payment – clear indication (available on all D&B Business Information Reports) creditors are not being satisfied within terms.
- There were a number of outstanding CCJs registered against Newcastle Production. Another clear indicator of concern.

How D&B can help:

- D&B collects, aggregates and monitors numerous sources of information. Through trade payment programs, monitoring of mortgages and CCJ information, and collection of financial accounts, an accurate and predictive assessment can be made on an individual company's likelihood to fail or pay late.
- D&B's predictive indicators provide clear and simple snapshots of a company's risk profile. Through D&B's ratings and indicative scores, customers are able to 'Decide with Confidence'.
- D&B's predictive indicators provide customers with accurate and timely information that a company may be heading for failure. Through D&B's monitoring service, all key changes to a company's risk profile are sent via alerts enabling customers to take precautions.

Automating your credit decisions

If you have to take a lot of credit decisions every year, automation is the solution for you. D&B Global DecisionMaker is an automated system for worldwide decisions via GDM website or integrated in your own system. In this way you free up time to spend on the more complex cases.

Use Global DecisionMaker to deliver consistent & accurate decisions in seconds, enabling you to capture more profitable opportunities, reduce risks & costs. Free yourself and other key members from time consuming day-to-day analysis by automating your in-house or e-Commerce risk policy.

Use Global DecisionMaker to implement a domestic or globally consistent risk management policy, by setting your own decision strategy within the web-based application. Use the D&B





default rules provided or implement your own decision strategy by customizing the default rules or by creating your own new rules.

Automated decisions will be made only if the decision meets your predetermined level of risk, enabling you to deliver virtually instant decisions to approve, reject, or pending transactions, based on the rules you have set.

View sample of the Global DecisionMaker Product:
http://toolkit.dnb.com/unlocked/GlobalRepSampleGDMPlus.asp?stat_link=1&id=null&Lang=EN

Frankfurter Maschinenbau Aktiengesellschaft D&B® D-U-N-S® NUMBER: 31-727-3787 Headquarters Darmstädter Landstr. 802 Frankfurt, HESSEN 60598, DE Telephone Number: 069/654321456	
Recommendation	
Accept	Approved up to 400000
RECOMMENDED LIMIT:	400,000 USD
AVAILABLE BALANCE:	400,000 USD
RISK BAND:	Low
NET WORTH:	5,620,000 EUR
SALES:	52,000,000 EUR
YEARS IN BUSINESS:	78
CONTROL AGE:	78
D&B® RATING:	2A1
D&B® PAYDEX® NORM:	80

Credit information in GRS - D&B links DBAI to its Global Reference Solution

An all-in-one solution that benefits the whole company? D&B has now made it possible to query *D&B Business Information* and KYC reports (*Know Your Customer*) directly from GRS.

GRS has previously proved to be the perfect combination of both insight into D&B's worldwide database with access to more than 149 million companies, and detailed insight into company structures with more than 10 million links. Today D&B is expanding this even further and enabling you to immediately call up a D&B Business Information and Know Your Customer reports on companies of interest to you. This way you can conveniently combine the advantages of GRS with those of DBAI.

Global Reference Solution (GRS)

In order to be successful it is important to have full insight into customers, prospects, competitors and business relations. With Global Reference Solution you can search and segment quickly and flexibly D&B's worldwide database of more than 149 million businesses, enabling you to obtain information about and insight into individual companies, concerns and market segments. Global Reference Solution contains reliable information about businesses, ranging from small one-man enterprises to large multinationals with thousands of sites.

You aren't GRS customer yet? *Contact us today and ask for a free trial!*



D&B Access for the Internet (DBAI)



Every day *D&B Business Information Reports* help you to make credit decisions, analyse a company's financial strength and uncover commercial opportunities. D&B Business Information Reports contain unique predictive indicators such as the *D&B Rating*, the *D&B Bankruptcy Score* and the *D&B Payment Score*. These risk indicators were specially developed to enable you to make the right decisions simply. D&B uses the D&B Credit Limit to make a recommendation regarding the maximum credit to be granted on a monthly basis per supplier. That way you can take well-founded decisions immediately. Please view sample report:

<http://dbbelgium.dnb.com/English/Brochures/standardUKENG.pdf>



Know Your Customer report that is available via DBAI solution represent the most powerful and rigorous business practices for enabling confident regulatory compliance.

Know Your Customer:

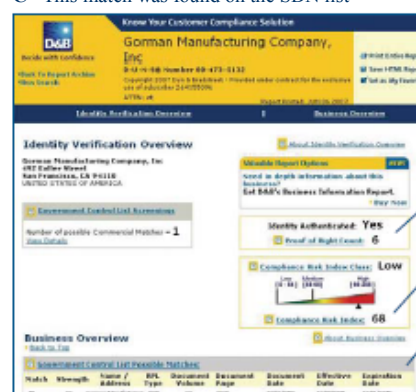
- Provide assurance of regulatory compliance
- Protect the reputation of your brand
- Prevent potential regulatory fines
- Increase the efficiency of your account on-boarding and ongoing approval process
- Avoid doing business with risky customers
- Build profitable customer relationships

Do you already use GRS? Ask for the link with DBAI to be activated in your system (free of charge) today and make immediate use of this extra functionality.

For more information on this, please contact your local D&B sales representative.

Know Your Customer

- A Proof of Right Count of 6 implies a high corroboration factor of business existence
- B Compliance Risk Index Class of 68 implies high risk
- C This match was found on the SDN list



D&B is investing and driving improvements in data coverage on D&B Global Database

- **D&B triples German business data with telephone numbers** – Germany continues to be one of the largest export markets. D&B responded to customer feedback relating to business information on German companies and increased the number of telephone numbers available from 0.8 million to 3 million companies.

Germany is a large market: 82.3 million inhabitants, a Gross Domestic Product of 2,424 billion euro, 1.123 billion euro of exports, 962 billion euro of imports, 849,000 businesses started and 165,000 bankruptcies annually.

D&B now provides optimal business information cover on German businesses. The database for Germany grew to 5.5 million companies, 3 million of which have telephone numbers, which is absolutely unique on the market. Satisfaction research now puts D&B in first place with regard to the quality of its data and its customer-oriented service.

- **D&B database provides the most complete set of business information on Belgium** - the Belgian coverage on D&B database has now been enlarged and contains accurate information on all companies and enterprises, the self-employed, professions, government institutions and non-profit associations with or without employees. D&B assists you in controlling your credit risk, thus increasing cash flow and profitability, and enables you to keep a close watch on the financial health of all your Belgian business relationships. Because of the widening of the Belgian data, you are now able to ask for information on more than 1,300,000 business relationships, including the self-employed, *in real-time*.
- **UK D&B Failure Score improvements** – we're pleased to announce that the following improvements have been implemented to the UK D&B Failure Score:
 - A new **Economic Index** has been developed to ensure specific industry risk is better reflected in our scores & ratings by taking into account changes in the UK macroeconomic environment, industry payment behavior and industry failure rates.
 - The Economic Index will be adjusted quarterly to ensure scores continue to reflect changes in the business environment going forward.
 - We are increasing our use of **Interim Financial Statements** to ensure that our Failure Scores are using the most up to date information.
 - Greater weight has been given to certain **Trade and Financial Elements**, such as levels of indebtedness and changes in payment behaviour, to better reflect the impact of the credit crisis on liquidity and cash flow.

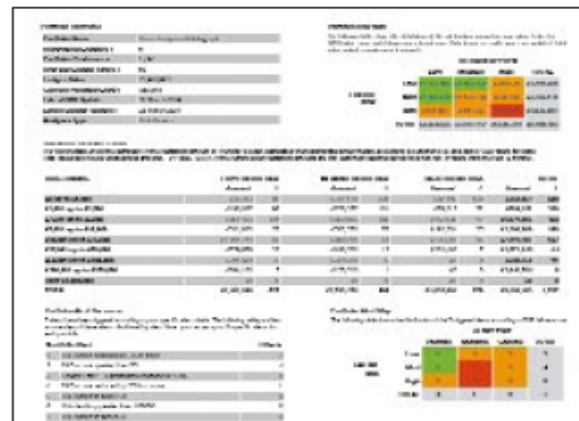
These adjustments have been introduced to ensure the UK Failure Score continues to deliver the predictiveness to make decisions with confidence during these uncertain times.



D&B Portfolio Manager – helping you see a full picture across your customer portfolio

If you're involved in customer credit management or risk policy making it is often a challenge to understand how your customer portfolio is performing overall. Portfolio Manager is the online analysis tool which merges your customer receivables data with D&B's database to provide a unique insight into your customer portfolios. It enables you to pinpoint the main areas of risk and opportunity leading to better targeting of your credit management resources and a clearer, more informed view of which credit policies are most appropriate for your business. Portfolio Manager provides answers to critical questions like:

- What is the distribution of risk across your portfolio?
- Who are your riskiest and best customers?
- How likely are your customers to pay you within terms?
- What is your aggregated exposure across corporate groups?
- How does your overall customer portfolio risk change over time?
- How much are you likely to lose through commercial risk over the next 12 months?
- If the risk changes in your portfolio should your credit limit change?
- Has the Global Decision Maker decision or customised credit limit changed?



Portfolio Manager is an extremely versatile application: it enables you to manage multiple business units by individual ledgers of aggregated ledger risks, cross-border risk management, and risks after merger and acquisitions and their affect on your portfolio. It provides you with the ability to apply credit strategy planning and business planning by providing powerful reporting to management which combines internal ledger information with external risk indicators.

D&B Country Risk Services - 58 Countries have been downgraded since the start of the year!

Country RiskLine Report on Ireland: http://www.dnbcountryrisk.com/freesamples/emc/Ireland_emc.pdf

The following facts are taken from Jul '09 D&B Country RiskLine Reports. Please see a prior link for the detailed report on Ireland.

India - the economy avoids the severe disruptions to consumption and investment seen in many emerging markets.

Iraq - the government seeks to attract foreign investors but concerns remain over a recent surge in violence.

Hungary - a sharper-than-expected economic contraction underlines the need for the government's austerity programme.

Greece - D&B downgrades Greece's country risk rating as the political and economic environments deteriorate further.



About D&B

D&B (NYSE:DNB) is the world's leading source of commercial information and insight on businesses, enabling companies to Decide with Confidence® for 167 years. D&B's global commercial database contains more than **149 Million** business records. The database is enhanced by D&B's proprietary DUNSRight® Quality Process, which provides our customers with quality business information. This quality information is the foundation of our global solutions that customers rely on to make critical business decisions.

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