



Decide with Confidence

Emerging Market Center News

“Keeping you updated” Newsletter Q2-2009

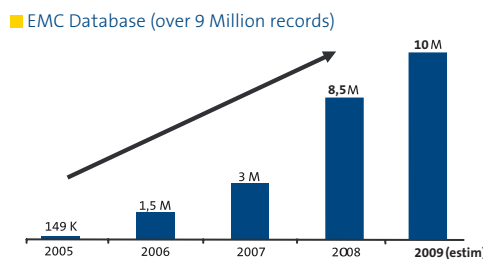
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News headlines

EMC Database – over 9 Million Records!

■ EMC covers 31 markets:
 Albania, Armenia, Azerbaijan, Belarus, Bosnia, Bulgaria, Croatia, Cyprus, Estonia, Georgia, Gibraltar, Greece, Kazakhstan, Kosovo, Kirghizia, Latvia, Lithuania, Macedonia, Malta, Moldova, Montenegro, Romania, Russian Federation, Serbia, Slovenia, Tajikistan, Turkey, Turkish Cyprus, Turkmenistan, Ukraine and Uzbekistan



Country	Coverage in May-07	Coverage in May -09	CAU* coverage in May -09	Locally registered	% coverage
Bosnia-Herzegovina	2,372	39,049	33,000	39,049	100 %
Croatia	62,408	127,230	125,000	239,131	53 %
Estonia	62,336	129,930	108,000	165,000	81 %
Greece	135,798	369,895	500,000	700,000	54 %
Latvia	11,574	122,812	162,000	210,000	59 %
Lithuania	25,379	87,567	81,000	87,567	100 %
Malta	13,347	28,406	36,000	45,000	77 %
Romania	15,977	986,118	1,094,497	1,553,572	58 %
Russia	153,462	6,049,833	4,300,000	6,049,833	100 %
Serbia	15,978	108,993	96,000	303,000	36 %
Slovenia	26,795	198,586	159,224	198,586	100 %
Turkey	278,363	381,318	1,000,000	1,200,000	32 %
Ukraine	9,260	236,032	300,000	440,000	53 %

■ In Focus – Emerging Markets Recovery after the Perfect Storm

The global financial and economic crisis has taken a heavy toll on a majority of countries worldwide including the Emerging Markets. Business in today's economy just got riskier. Some countries in the Emerging Markets are sheltered by the EU...

The economic prospects for the chiefly Central European countries that have joined the EU since 2004 (Bulgaria, Estonia, Latvia, Lithuania, Romania and Slovenia) are dire, and further countries are certain to turn to the IMF. However, we are cautiously optimistic about their fate, as there are a number of factors that minimise the risk of full-blown domestic financial crises: their banks are in relatively good shape and well supervised; they are well integrated into pan-European political and economic structures (Slovenia have even adopted the euro); and securing EU membership has forced them to go through a thorough process of economic reform. All of this has created a certain level of investor confidence and should help these countries to secure the financial support that they will need to overcome the present impasse. The readiness with which the EU, the ECB and the IMF have extended financial support to Latvia has reinforced this assessment. We have one caveat: the financial pressure on most countries would increase dramatically should the Western European banks that funded rapid credit expansion in



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recent years become reluctant to roll over maturing debt, and shed their local subsidiaries. Positively, there have been no signs of this happening so far.

...and some are exposed to the crisis

Prospects are much bleaker outside the EU, notably in the countries that used to make up the Soviet Union (with the exception of Estonia, Latvia and Lithuania). Banks there are often badly managed and supervised, economic reform has been weak or non-existent, and investor confidence is fragile. In addition, these countries cannot count on support from the EU and the ECB to fend off financial tensions. The economic situation in Ukraine has become a bit less grim in the recent years, but still very unstable, while the situation in Russia is more positive thanks to the existing reserves built up in the recent years. Additionally, in spite of the current decrease, the medium and long-term trend is for the global demand for energy to continue growing. Russia is well-positioned to benefit from the recovery of this demand as soon as the current slowdown is over. Finally, it's worth noting that since the beginning of the crisis, Russian state authorities have clearly shown their eagerness to protect and support local businesses, including banks, as well as the national currency. As a whole, the quality of the macroeconomic policy to be pursued by the Russian state will be the key to putting the country back on the road to steady growth.

Somewhere in between these extremes fall the countries of the Western Balkans (which used to form Yugoslavia, with the exception of Slovenia, plus Albania). Croatia is the next in line for EU membership (and looks no more threatened than, say, Bulgaria). Serbia, meanwhile, has done much to close the gap with the regions' advanced countries, but remains more vulnerable. In many ways, a full-blown Serbian financial crisis would send a stark warning even to those Central and Eastern European countries that we deem comparatively well placed to weather the storm at the moment.

■ **D&B is investing and driving improvements in EMC data coverage**

Bosnia, Croatia, Macedonia:

All financial statements for 2008 are now available for your retrieval via investigation request from D&B Global Database.

Slovenia:

More than 80% of inquiries are now available to you immediately for your retrieval from D&B Global Database for your business decisioning. All new investigations on the Slovenian businesses include 2008 financials, and many do include the payment delays details. Please request an investigation to obtain the most up-to-date details.

Romania:

The 2007, 2006 and 2005 financial statements are now available for your retrieval from D&B Global Database and via the batch process. Within Q3 '09, the 2008 Romanian financials will become available for your retrieval via investigation request from D&B Global Database.

Latvia, Lithuania:

Starting from Q3 '09, you will start experiencing a significant, very positive improvement on the online availability rate on the most demanded Latvian and Lithuanian business cases.

Estonia:

More than 85% of inquiries are now available to you online for your immediate retrieval from D&B Global Database. The D&B Business Information Reports on key, most-demanded Estonian businesses are constantly kept fresh and undergo regular data updates, which means that you can at any time retrieve the business report for your immediate business decisioning. All investigations for Estonia are now handled within 24 hour speed of service.

■ **Keeping an Eye on Russia**

Landscape of the Russian corporate universe:

In the recent months Russia's economy has been hurt by falling prices of oil, gas and other commodities and many of Russian companies have found themselves unable to pay back massive debts they acquired during the boom years. The global financial crisis and the end of commodities boom resulted in a change of direction bringing with it new implications. A rampant wave of reorganizations, mergers and acquisitions is sweeping Russia now. Dozens of large Russian companies who issued corporate bonds defaulted in 2008. Companies and assets are changing hands. Owners are executing drastic expense cuts or even closing down their businesses. Every month 8,000 Russian businesses are liquidated and there are 80,000 arbitration court rulings. In recent months the numbers of companies filing for liquidation is on the increase. The D&B Global Database for Russia



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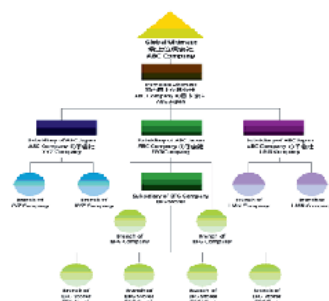
has 6M records, covering all registered companies (active companies and liquidated businesses).

For the first time in many years the registration of new legal entities has slowed. In Q1 2009 47,400 new commercial entities were registered with the state register, which are now available via D&B Global Database. This is 51% less new business registrations than Q3 '08. At the same time, the Russian authorities are intensifying their efforts to make bankruptcy legislation more effective in relation to the changing business environment resulting in faster availability of data with more pro-active monitoring.



Russian data coverage improvements prove valuable in current economic climate:

With more than 6M Russian records on D&B Global Database, D&B customers are now better positioned to meet and evaluate all the new challenges associated with the current dramatic market change. All 6M Russian records are DUNS Numbered and ready to be retrieved and viewed through D&B solutions and services. Additionally all first level links between Russian domestic companies have been captured enabling D&B customers to view a more complete view of Russian corporate business structures, providing opportunity to explore and uncover potential risks but also



to open up new untapped business opportunities. D&B continues to pursue opportunities to improve this data area, particularly to provide more linkage data depth and to include international linkage more clearly.

D&B makes Russian data useful to international businesses: D&B has found other reliable means to make the Russian company data useful to international businesses. For example, key data on each company is provided in the D&B Global Database in English and can be made available to the customers upon their request in Cyrillic as well. Additionally, such data as Russian local OKVED industrial classification code and press clippings in the Russian language can be made available to the customers upon their request. Given that Russian official company names are typically quite long, the records also identify the actual trading name as well. Russia's naming conventions make special demands on D&B's entity matching process, as apparently identical or similar looking names may in fact prove to be unique.

Cyrillic (Russian) Version	English Version
АО СИМЕНС	Siemens AG
ул. Главная д.1	1 Main St.
Москва 123456	Moscow 123456
Индустрия: телекоммуникация	Industry: telecommunication
Генеральный директор: Иван С. Голдин	Managing director: Ivan S. Goldin

Moving forward:

D&B understands that Russia remains an engine of growth for many Western companies and therefore strategically continues investing in its database coverage and driving data improvements in this market. During this year D&B is working on increasing the number of employee figures on the Russian Limited Liability companies. As of now, there're already 100K records that have the employee figures vs 17K in the previous year. Please watch this space for progress.

D&B now provides customers with more data, more frequently updated. Our experience tells us that this information is critical and essential for proper risk assessment in Russia.

The key takeaway here is that D&B provides its customers with the ability to better understand Russian companies. During 2009, we anticipate that we will be able to begin providing our customers with rulings from the arbitration



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courts, who rule on more than one million cases a year ranging from disputes relating to sales contracts, loans, insurance, property and taxes to insolvency (bankruptcy) cases and actions of state authorities. Across the globe business risks are higher and changing faster.

Chasing higher Risks in Slovenia

Slovenia is no exception. These days the latest financials cannot always provide sufficient insight and our customers find they need to track business changes on much more frequently. D&B have improved the freshness of Slovenian data, and now successfully adding data updates to the D&B Global Database on a daily, weekly and monthly basis. This is driving data availability and product availability for our D&B customers. Now more than 80% of all of our customer enquiries are being delivered immediately online.

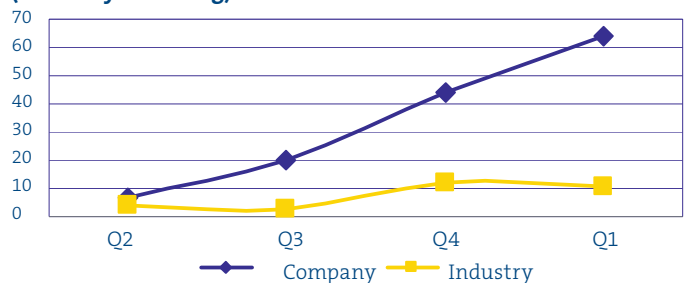
On a regular basis, the whole business universe gets updated on D&B Global Database, which means that all new business registrations are being added alongside data changes to existing records (legal forms, company names, addresses, shareholdings, managers details). Slovenian business failures and court debt settlements are being fed daily onto D&B Global Database. Slovenia has an extensive payment data program which covers the majority of active businesses allowing D&B customers to follow their clients' payment habits and trends.

TRADE PERIOD SUMMARY	
SUMMARY DATE	2009-05-22
PAYMENT PERIOD SUMMARY	
SUMMARY PERIOD CODE	3 Months
TRADE EXPERIENCES QUANTITY	3
TRADE REFERENCES QUANTITY	3
TOTAL AMOUNT	2000
TOTAL OVERDUE AMOUNT	0
DEFAULT CURRENCY CODE	euro
PAYMENT PERIOD SUMMARY DETAIL	
PAYMENTS TYPE CODE	Within Terms
TRADE EXPERIENCES QUANTITY	0
TOTAL AMOUNT	0
DEFAULT CURRENCY CODE	euro
PAYMENT PERIOD SUMMARY DETAIL	
PAYMENTS TYPE CODE	Slow
DAYS SLOW RANGE LOW VALUE	1
DAYS SLOW RANGE HIGH VALUE	30
TRADE EXPERIENCES QUANTITY	3
TOTAL AMOUNT	2000
DEFAULT CURRENCY CODE	euro

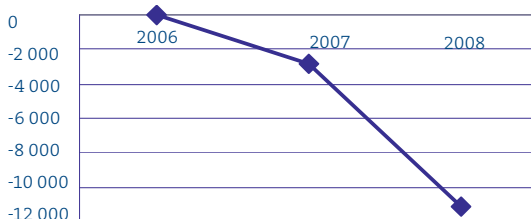
Fig 1. an example of Payment Experiences available on the Slovenian businesses

Looking forward from Q3 '09 more banking data will become available with daily updates providing D&B customers with data regarding new bank accounts, and those that are not in credit and have not been closed. For example, the company shown on the charts below was (one year ago) one of the best rated Slovenian businesses but is now experiencing a serious financial problem.

Slovenian company; payment delays in '08 - '09 (Industry: Printing)



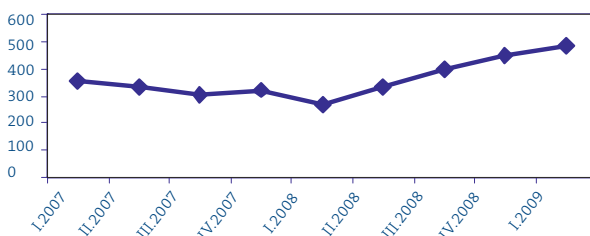
Slovenian company; Working capital



Weathering the uncertainty in Latvia

According to the Latvian Statistic Office, in the first quarter of 2009, the country's GDP fell 18% in comparison with the same period in 2008. The depth of the financial crisis in Latvia is captured on D&B Global Database and can be reviewed and analyzed by looking at the increased number of companies that went into insolvency. In 2008, 9.7% more companies entered insolvency compared to 2007. During the first quarter of 2009 the number of companies filing for insolvency has continued to go up.

Insolvent companies per quarters

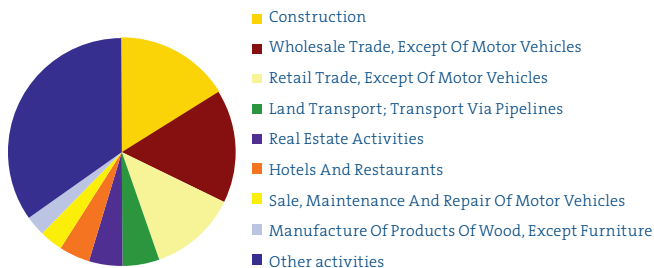




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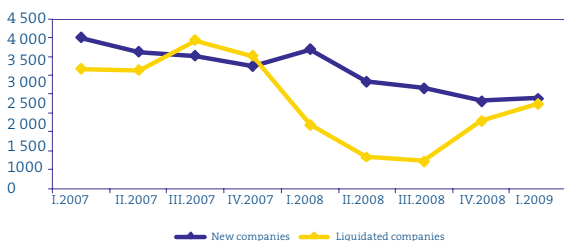
Data analysis of Latvian business universe confirms that the wholesale and retail industries have been hit hard, with the construction industry taking the worst impact and transportation and real estate not escaping hard times.

Insolvent companies by industry



Latvia is seeing a considerable reduction (from Q1 2009) in the number of newly registered businesses yet significant growth in the number of liquidated companies. According to D&B Global Database, during Q1 '09 3,357 new Latvian companies had been registered and entered the market, whereas during the same period in 2008, there were 5,180, (in 2007 – 5,780), a decrease of 35.2%.

New and liquidated companies in 2007-2009 per quarter



At the same time, we can see a clear trend where numbers of employees are decreasing across many industries and sectors in Latvia. The following chart provides an insight into downward employee trends by industry sector (Q1 2008 to Q1 2009).

One of the key data strengths for D&B in Latvia is our ability to provide our customers with negative and detrimental payment data. Our analysis around negative payment data indicates that since Sep '08, the quantity of payment issues and written off debts has doubled and is growing significantly with an estimated total loss of 1.1 billion Euro.

Industries with the biggest decrease (in %) of employees (Q1 '08 to Q1 '09)



Latvian companies are reporting the need for stronger cash flow control though 80% of bad payers are indicating that they themselves are the victim of bad payment behaviour from their clients and partners – in other words the domino effect.

The Credit Crunch – Best Practices to Monitor and Review your accounts in the Emerging Markets

Look at your credit management now, before it's too late! Nowadays, it's becoming even more important for companies to know and understand their business relationships, and even to audit them.

- Use D&B Business Information Report or other D&B data products to get the whole picture on the business you're looking at to spot company bankruptcies, newsworthy events and other key updates that might have a direct impact on your business.

- Review D&B Rating to determine the overall creditworthiness of the business you're looking at. D&B Rating data is available across all Emerging Markets countries. The D&B Rating is prepared by an exhaustive examination of financial records, statements and dealings of the business with its customers, clients, investors and shareholders. It also measures both financial stability and a company's payment record, public filings, trade payments, business age, and other factors in order to produce the most comprehensive report on a company's creditworthiness.

- Review company's Payment Experiences. There are over 1.2M Payment Experiences on the businesses from the Emerging Markets that are available through D&B Global Database. Payment experiences help predict future payment habits of prospects and customers.



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• Review company’s Financials. We collect, review and enter public company and private company financial statements.

• Immediately undertake account reviews and reduce available credit lines on inactive accounts where necessary: when companies are getting into financing trouble, one of the first places they will fall back on is existing available credit from suppliers they infrequently do business with.

■ Protecting against the Money Laundering in the Emerging

Markets D&B has introduced the Know Your Customer (KYC) report on the businesses based in the Emerging Markets. In today’s complex regulatory landscape, companies and financial institutions need a single, integrated, and efficient process to demonstrate and document that the organizations they do business with are legitimate, truthful, and viable to help meet regulatory requirements. These requirements are set out in the USA PATRIOT Act, OFAC regulations, the Bank Secrecy Act, FSA Money Laundering Directives, and other global regulations. Financial institutions that do not perform and document such verifications not only face enforcement actions and regulatory penalties, but also risk significant damage to their reputation and customer dissatisfaction.

D&B Solutions for Know Your Customer Compliance (http://www.dnb.com/pdfs/DNB_Patriot_Act.pdf) represent the most powerful and rigorous business practices for enabling confident regulatory compliance.

Know Your Customer on the subjects from the Emerging Markets:

- 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

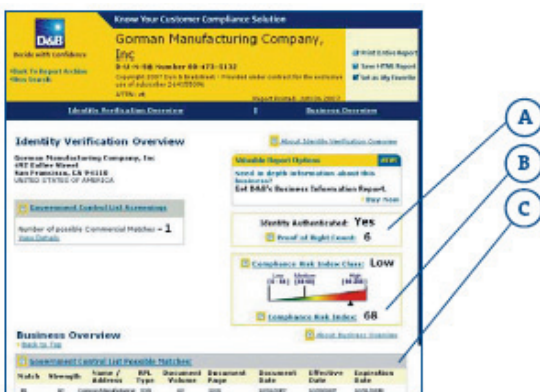
For more information on this, please contact your local D&B sales representative.

■ Data Rationalization – Unleash the Power of your Emerging Markets data

Do you have an existing Emerging Markets customer database where D&B could offer value through matching and appending DUNS numbers and data? Data Matching and Data Append are available in English and Local Language.

A performed data matching done by D&B will enable you to bring your customers’ portfolio in a ‘clean’ and standardized form and more effectively manage your customers.

To help you drive more success in your Sales & Marketing campaign, Risk assessment and uncover new Supply & Management opportunities in one of the Emerging Markets

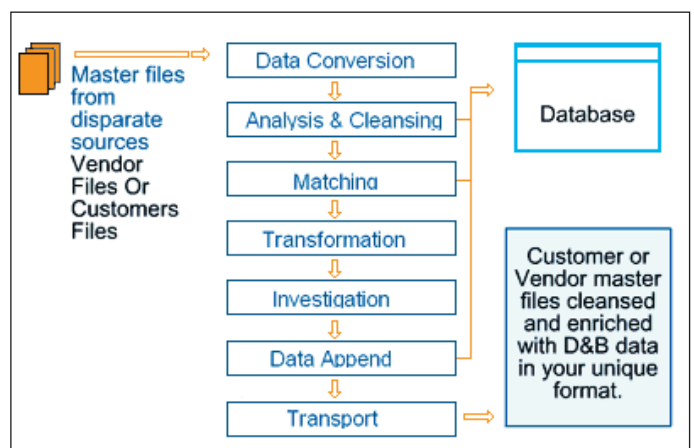


Know Your Customer

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





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where you're doing business, D&B can provide you with the local company listing in both: English and Local Language that would help you drive more results, accelerate your cash flow, and more effectively and efficiently address and market your prospects in the Emerging Markets. A data selection and delivery can be done based on your requirements and preferences, example: whole country's local file; all active companies from certain cities - key regions to your business; all active limited liability companies; all companies from certain industries and regions that are of your interest etc.

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

■ Differing local conditions for Data Collection across Emerging Markets

D&B ensures data quality through our DUNSRight process even though conditions vary from country to country across the globe. In the Western region of Emerging Markets where many of the countries are already European Union members, there are more data sources available and processes in place which D&B is able to utilize both manually and automatically to capture and collect data from these regions. For example, in the Baltic States (Estonia, Latvia, Lithuania) and Slovenia the vast majority of updates are fully automated and completely comparable to the sources and processes our customers are already very familiar with across of majority of Europe. However, the further east

some markets do not have the same or typical data sources open to them (company registration data), or if available not necessarily automated. For example, in Albania the address data is very sparse with street and postcode lacking, and in Byelorussia all financial data is considered confidential by the state.

Well, how does D&B ensure data quality across Emerging Markets? To drive the data quality and ensure that the provided data is complete, fresh, accurate and cross-border consistent, we use D&B's DUNSRight process. The foundation of DUNSRight is Quality Assurance which includes over 2,000 separate automated checks, plus many manual ones, to ensure the data meets our high quality standards. In addition, five quality drivers work sequentially to collect and enhance the data.

The key takeaway: D&B's DUNSRight process is an integral part of our Quality Assurance process that ensures that data is collected according to D&B standards and customers demands and helps D&B customers to decide with confidence effectively.

■ D&B Country Risk update – 2009

Every month we publish free samples of different Country Risk Updates. This month you can find links to Cuba, South Africa and Turkey.

Visit our website: www.dnbsweden.se/rapportutbud



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