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CESR April 2005 re-consultation paper re Technical Advice on Possible Implementation Measures of the Transparency Directive – issues arising from previous consultations

1. Introductory Remarks as regards Business Wire

Business Wire was founded in 1961 and has grown over the last four decades into a global leader for corporate disclosure and information dissemination. The company's multi-channel delivery network, with access to some 60 international and national news agencies, financial information providers and Web-based news services around the world provides real-time, simultaneous access to key audiences – the news media, trade publications, institutional and individual investors, business-to-business decision makers and consumers.

Our company is recognized by all major U.S. stock exchanges as satisfying the mandated disclosure requirements of the U.S. Securities and Exchanges Commission.

Business Wire helps publicly traded companies to fulfill their disclosure obligations via the broad dissemination of material news releases, and the electronic reporting of documents to the EDGAR database. Business Wire is one of the world's leading commercial news services, disseminating some 1,000 full-text announcements daily to the international news media, the Internet, online services and databases, and the global investment community in 150 countries and 45 languages.

Business Wire has European offices in Paris, London, Frankfurt, Brussels and Stockholm, next to Asian offices in Tokyo and Sydney, as well as 24 offices in the USA.

Our company is the only commercial news service to have full-text carriage provisions with all the world's largest news organizations: afp, the Associated Press, Reuters, Dow Jones and Bloomberg. Furthermore, Business Wire has pioneered a state-of-the-art NewsML-based delivery platform known as "NX", which transmits multilingual, multimedia releases at Internet speed. Business Wire's proprietary technology – which is rapidly becoming the news industry standard – delivers news to network recipients simultaneously and in real-time.

2. Replies to the questions.

Question one (article 21): connections with media able to re-distribute information

We agree that issuers of regulatory financial information should use such “media” (providers) that their methods of dissemination should provide for immediate and wide disclosure. Such dissemination should occur both on a national and European scale, thereby observing a proper balance between practicability and the objective of wide dissemination.

In this connection, Business Wire would like to point out that our permanent mix of various categories of news media (news agencies, printed media, online services and databases, and the Internet) offers such a wide array of media as can be expected to assure a comprehensive distribution throughout the EU, regardless of the country of origin where the information will be issued.

Business Wire’s distribution system ensures that the entire investor universe has equal access to price-sensitive information, without any segment receiving preferential treatment.

Business Wire’s redistribution relationships with the world’s leading financial information providers, e.g. Reuters, Dow Jones and Bloomberg, services the needs of institutional investors and professional money managers.

Business Wire’s real-time posting on leading financial portals and websites ensures that retail investors anywhere in the world have the exact same identical access to corporate developments.

In the spirit of Regulation Fair Disclosure, Business Wire pioneered the practice of providing market information to all investors in real-time, eliminating past disparities and inequalities that favoured the professional investor at the expense of the individual investor.

Question two: what distribution channels should be mandated?

Business Wire believes that regulatory news services must meet certain minimum standards of performance and competence to safeguard the proper and uninterrupted flow of information to the marketplace.

Specifically, all candidates must have direct and secure electronic access to the financial information providers that drive the global equities markets, like e.g. Reuters, AFX, Dow Jones and Bloomberg.

These news organizations will exercise their editorial discretion in deciding which service providers they will accept copy from. Their decisions will likely be based on the ability of the information providers to authoritatively validate the originating source of information, as well as demonstrated network security, and the technical interface between operating systems.

These criteria are simple and succinct. They will likely lead to a natural self-selection process that will eliminate non-qualified candidates from entering the regulatory disclosure arena, leaving the field to professional services that can meet these tangible thresholds that are so critical to efficient markets.

Question three: do you consider that CESR should mandate that the connections between issuers (either directly or through a service provider) and media be based on electronic systems, such as dedicated lines?

Business Wire has achieved the best security record in the industry, in terms of avoiding mistakes or failures in disseminating full-text releases on behalf of issuers. This outstanding record was achieved through a mixture of meticulous quality control, and the use of perfectly safe, proprietary software when making use of Internet connections.

Experience shows that any alternative method (hard copy, fax, conventional Internet technology) is less safe, in an industry that cannot afford mistakes, and has led in the past to errors, not seldom with serious consequences.

Therefore, we are strong advocates of making use of electronic connections, provided that the latter are based on the latest technology, and are secure and safe. If they are up to a high safety standard, electronic connections will be fast, provide for simultaneous dissemination as well as online access, and are generally user-friendly for the issuer.

Question four: do you consider that a specific method should be mandated for electronic systems?

The distribution network used by disclosure services must satisfy two criteria: information must be delivered simultaneously to all recipients, and in real-time without any time delays.

Business Wire's proprietary news delivery platform "NX" successfully meets this standard, validated and confirmed by an independent audit firm as part of the FSA's annual approval process in the UK.

Furthermore, NX has served as the backbone to Business Wire's communications network in the United States since September 2003, meeting the rigid requirements of the listing exchanges and the market-moving news services for close to two years, without any security breaches or major system failures.

Business Wire's ability to handle the complexities of EU disclosure is confirmed on a daily basis: Business Wire processes some 1,000 news releases per day on behalf of its thousands of members worldwide.

As regards CSM: Business Wire is an early adopter of the proposed Central Storage Mechanism Concept, as witnessed by its introduction in the mid-1990s of one of the first web sites dedicated to corporate business news, available to users worldwide without restrictions.

Today, Business Wire's news file on its site is available in 14 languages: English, French, German, Spanish, Dutch, Italian, Portuguese, Norwegian, Finnish, Swedish, Danish, simplified Chinese, traditional Chinese and Japanese.

Business Wire is a strong proponent of the CSM concept. It believes that its web site can serve as the operating basis for the EU-wide CSM, and would welcome the opportunity to explore the possibility of providing a multilingual archival database for the European Union.

Question five: Output format: do consultees agree with the redrafting of the required field of information, as proposed?

the following fields of information are currently already being included in the UK Business Wire output format:

- *identification of the issuer concerned*
- *headline (subject of the announcement)*
- *time and date*
- *sequence number of the announcement released*
- *unique announcement identification number identifying the announcement and differentiating it from all other announcements*

Our output format being nearly identical to the one being proposed by CESR, we are in agreement with the proposed format.

Question six: should a specific method of issuer identification be mandated, in addition, like an identification number in the companies registrar, or the ISIN?

Since Business Wire is also using an ISIN number, we would favour of such an additional identification. The general use of the ISIN number would harmonize the EU output field with the ISIN output field that we are currently using in Germany.

We are, in fact, already providing a free, intuitive ISIN database on our website to facilitate listed companies in identifying their ISIN number.

Question seven: should CESR establish a method, or some sort of code, by which there would be a single and unique number for identifying each announcement that an issuer makes, that is valid on a European basis and that could be used also for storage?

We are in favour of a single and unique number for identifying each announcement that an issuer makes, and in fact we assign a unique sequential story number to every release transmitted by Business Wire.

Question eight: what methods should CESR establish? Please provide reasons for your answer.

We propose that the single and unique number should consist of the identification number of the issuer, followed by the serial number of the announcement that he intends to issue. Issuers themselves should be responsible for tagging their releases with the correct identification numbers.

The reason why we are suggesting this method is that one cannot expect each provider to keep accounts of identification numbers and serial numbers of thousands of listed companies, especially since the latter may decide from time to time to use the services of different service providers.

Question nine: do you agree with the proposal that whenever service providers provide other services or perform other functions (such as media, competent authorities, stock exchanges, or the entity in charge of the CSM), service providers should keep these other services clearly separate from the ones relating to the dissemination of regulated information?

From the outset we have argued that we cannot agree with the proposal that service providers that are at the same time market regulators, or market authorities, would be entitled to act as service providers. Not only does this create an almost uncontrollable conflict of interest (in that such organizations will be judge and party at the same time), but additionally, experience shows that issuers will be under moral pressure to make use of service providers that are set up by the market authority or the market regulator, rather than letting market forces determine their choice, and use the (not seldom less expensive) services of an independent service provider.

Question ten: CESR considers that competent authorities may not, as stated in the Directive, impede free competition by requiring issuers to make use of their services. Do you agree with this approach?

We fully agree with this approach, however for reasons exposed in our answer to question n° 9 we doubt that it is possible to effectively control whether or not free

competition is being impeded under such a model. As we are writing these lines, there are several MS's where this is actually the case, and where service providers like Business Wire or PR Newswire are being prevented, through monopolies granted to SE's or market authorities, from executing the activities that we have been offering successfully to listed companies for many decades. We doubt that the EU will be able to effectively put an end to these unfortunate abuses of the free market, should such combined activities continue to be tolerated.

Question eleven: When Stock Exchanges act as service providers, their admission to trading criteria on any of their markets cannot mandate the use of their service as a service provider. Do you agree with this approach?

To avoid appearances of impropriety, and eliminate perceptions of conflicts-of-interests, Business Wire strongly believes that stock exchanges receive no preferential treatment as a service provider, and that regulatory authorities go out of their way to make this distinction clear to all listed companies.

Stock exchanges can no longer benefit from their privileged position to retain a monopoly on market information. A competitive model must be strongly promoted to all market participants, and listed companies must be clearly instructed in unambiguous terms that they have total freedom of choice in selecting their service provider.

Question twelve: Do you agree that media should not be charged by service providers to receive regulated information to be disseminated by them?

As a rule, Business Wire does not charge media that we have selected to receive our feed in view of further publication or posting. In some specific cases, and by mutual consent, we may charge media for technical costs in order to provide them with our feed.

Question thirteen: do you consider it possible, on a commercial basis, to mandate that media receive regulated information, free of charge, from service providers?

As stated in our reply to question 12, and with the exception of specific cases where we have to charge for certain charges, we have no objection to such a provision – provided that, as a service provider, we remain free to choose which media to serve with our feed.

Question fourteen: do you consider it useful and practicable to require a document from service providers showing how they meet the dissemination standards and requirements?

We have no objection to producing and providing such a document upon request, provided that it would be accessible to anyone for verification, and that any person, organization or provider disseminating regulatory information should be required to produce a similar document on simple demand, for everyone to consult.

Question fifteen: should CESR undertake, at level 3, future work on how to address the concerns raised on how approval of operators is to work, even if approval is not mandatory?

We certainly feel that there should be harmonized standards and requirements as to what conditions operators should be able to meet in terms of security, integrity, speed of operation and quality of service and infrastructure. Even though such standards may not become mandatory, they will become a quality label by themselves, in the same way that the document mentioned under question 14 may provide such a quality standard.

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