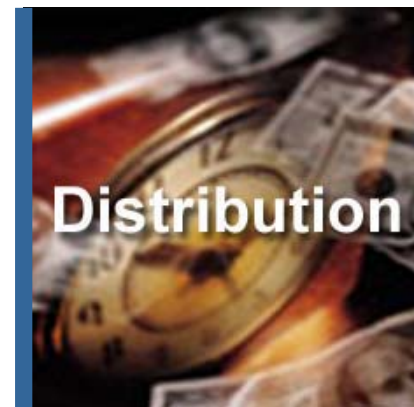


# **Interim results**

## **for the six months ended 30 September 2006**



**21 November 2006**

# Disclaimer



The following presentation is being made only to, and is only directed at, persons to whom this presentation may lawfully be communicated (“relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

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# Agenda



- 1. Financial review**
- 2. Strategic and operational review**
- 3. Driving growth in Decision Analytics**
- 4. Summary and Q&A**

# 2006 – strategic and operational progress



- Continued to deliver strong financial performance
  - Sales up 17%; 7% organic growth
  - EBIT up 16% including FARES
  - EBIT margin of 21.9%, up 90bp
- Executing on our growth plans
- Successfully started life as an independent company

# 2006 – independence



- **Demerger effective 11 October 2006**
- **Successfully raised £800m new equity**
- **Giving flexibility to fund future acquisitions while supporting BBB+/Baa1 credit rating**
- **Announced interim dividend of 5.5 cents per share**

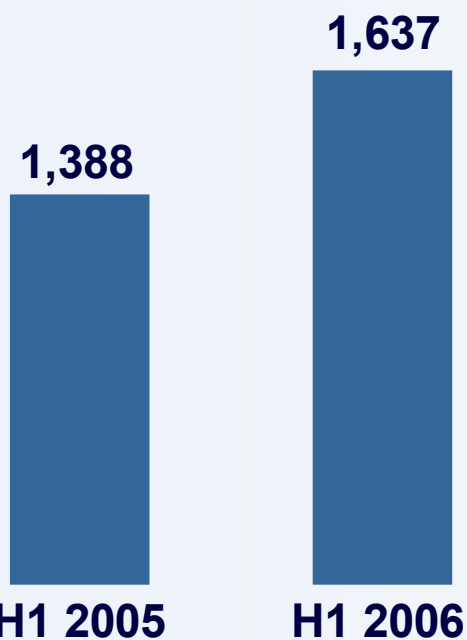
# **Financial review**

# Continued progress



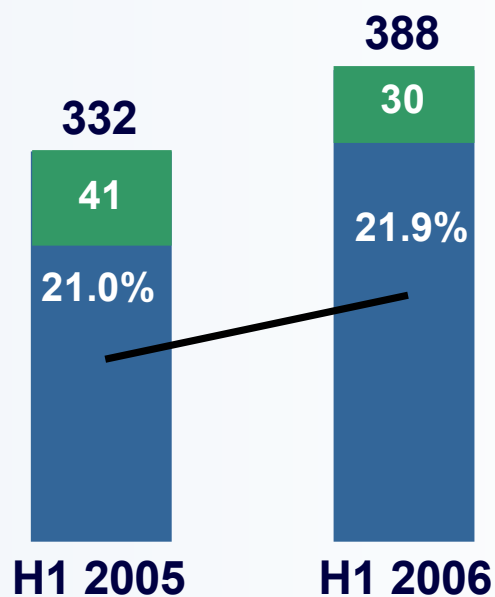
## Sales \$m

Total growth +17%  
Organic growth +7%



## EBIT \$m and margin

Total growth +16%



Direct business  
FARES

All figures above on continuing basis  
Growth at constant currency  
EBIT margin excluding FARES

- Another period of double-digit sales and EBIT growth
- High single-digit organic sales growth
- Further margin improvement

# Sales by geography



Six months to 30 September	2006 \$m	2005 \$m	Total growth	Organic growth
<b>Sales</b>				
Americas	965	813	19%	8%
UK and Ireland	401	326	22%	8%
EMEA/Asia Pacific	271	249	7%	6%
<b>Total sales</b>	<b>1,637</b>	<b>1,388</b>	<b>17%</b>	<b>7%</b>

- Strong underlying sales growth across all three geographies
- Acquisitions contributed 10% to sales growth
- Low to mid single-digit sales contribution from acquisitions expected in H2

All figures above on continuing basis  
Growth at constant currency



# EBIT by geography



Six months to 30 September	2006 \$m	2005 \$m	Total growth
<b>EBIT</b>			
Americas – direct business	240	188	27%
UK and Ireland	110	90	19%
EMEA/Asia Pacific	29	29	-
Central activities	(21)	(16)	na
<b>Sub-total</b>	<b>358</b>	<b>291</b>	<b>22%</b>
FARES	30	41	(27%)
<b>Total EBIT</b>	<b>388</b>	<b>332</b>	<b>16%</b>
<b>EBIT margin</b>	<b>%</b>	<b>%</b>	
Americas – direct	24.9	23.1	
UK and Ireland	27.4	27.6	
EMEA/Asia Pacific	10.7	11.6	
<b>EBIT margin excluding FARES</b>	<b>21.9</b>	<b>21.0</b>	

All figures above on continuing basis  
Growth at constant currency

- 90bp improvement in margin
- Strong operating leverage in Americas
- UK and Ireland reflects organic improvement offset by lower margin ClarityBlue acquisition
- EMEA/Asia Pacific margin reflects phasing of French transaction processing restructuring costs

# Credit Services



Six months to 30 September	2006 \$m	2005 \$m	Total growth	Organic growth
<b>Sales</b>				
Americas	395	379	4%	-
UK and Ireland	128	122	4%	4%
EMEA/Asia Pacific	208	200	2%	2%
<b>Total sales</b>	<b>731</b>	<b>701</b>	<b>4%</b>	<b>2%</b>
EBIT – direct business	198	182	8%	
FARES	30	41	(27%)	
<b>Total EBIT</b>	<b>228</b>	<b>223</b>	<b>2%</b>	
EBIT margin %	27.1	26.0		

- US organic sales flat against strong comparables
- UK market difficult; sales aided by vertical expansion
- Margin uplift reflects cost control and affiliate contribution
- FARES down consistent with decline in US mortgage origination

All figures above on continuing basis  
Growth at constant currency  
Margin excluding FARES and central activities

# Decision Analytics



Six months to 30 September	2006 \$m	2005 \$m	Total growth	Organic growth
<b>Sales</b>				
Americas	38	30	26%	26%
UK and Ireland	105	95	9%	8%
EMEA/Asia Pacific	44	33	32%	27%
<b>Total sales</b>	<b>187</b>	<b>158</b>	<b>17%</b>	<b>16%</b>
<b>EBIT</b>	<b>69</b>	<b>52</b>	<b>31%</b>	
EBIT margin %	36.9	32.9		

- Excellent growth driven by
  - Increasing market share in Americas
  - Value-added and fraud products in UK and Ireland
  - Strength in emerging markets
- Margin improvement reflects growing scale, although H1 weighted

Growth at constant currency  
Margin excluding central activities

# Marketing Solutions



Six months to 30 September	2006 \$m	2005 \$m	Total growth	Organic growth
<b>Sales</b>				
Americas	173	171	1%	(2%)
UK and Ireland	154	105	46%	3%
EMEA/Asia Pacific	19	16	14%	3%
<b>Total sales</b>	<b>346</b>	<b>292</b>	<b>18%</b>	<b>-</b>
<b>EBIT</b>	<b>30</b>	<b>22</b>	<b>29%</b>	
EBIT margin %	8.7	7.5		

- Continue to evolve the portfolio
- Strong growth in US research and digital services
- Double-digit decline in traditional services in US
- Solid organic growth in UK
- Margin benefits from cost action in traditional businesses and impact of acquisitions

All figures above on continuing basis  
Growth at constant currency  
Margin excluding central activities

# Interactive



Six months to 30 September	2006 \$m	2005 \$m	Total growth	Organic growth
<b>Sales</b>				
Americas	359	233	54%	24%
UK and Ireland	14	4	234%	234%
<b>Total sales</b>	<b>373</b>	<b>237</b>	<b>57%</b>	<b>27%</b>
<b>EBIT</b>	<b>82</b>	<b>51</b>	<b>59%</b>	
EBIT margin %	22.0	21.5		

- Strong growth in Consumer Direct – increased marketing spend and improved retention rates
- LowerMyBills sales growth moderated – client contraction and slowing market – but strong profit growth
- PriceGrabber performing strongly

All figures above on continuing basis  
Growth at constant currency  
Margin excluding central activities

# Modelling considerations



## Central activities

- Annual central costs estimated at c. \$50m

## Net interest

- Net interest expense based on new capital structure expected to be \$35-\$40m for H2

## Tax

- Effective tax rate on Benchmark PBT expected to be c. 23%

## Shares in issue

- Post equity raising, Experian has 1,021m shares in issue. Number of shares for basic EPS is c.1,010m, excluding shares held in ESOP

# Income statement



Six months to 30 September	2006 \$m	2005 \$m
EBIT before central activities	409	348
Central activities	(21)	(16)
EBIT – continuing activities	388	332
Discontinuing activities	8	22
EBIT	396	354
Net interest	(5)	9
<b>Benchmark PBT</b>	<b>391</b>	<b>363</b>

- Central cost allocation from GUS
- Discontinuing activities are UK account processing and US incentive marketing business
- Interest reflects pre-demerger capital structure

Benchmark PBT: profit before amortisation of acquisition intangibles, goodwill impairments, charges in respect of demerger-related equity incentive plans, exceptional items, financing fair value remeasurements and taxation. It includes Experian's share of pre-tax profits of associates.

# Income statement



Six months to  
30 September

2006  
\$m

2005  
\$m

## Benchmark PBT

391

363

Amortisation of acquisition  
intangibles

(37)

(24)

Exceptional items

(138)

-

Fair value remeasurements

(12)

4

Tax expense of associates

(2)

-

## Profit before taxation

202

343

Taxation

(50)

(81)

Profit attributable to equity  
shareholders

152

262

- Exceptional items of \$138m (pre-tax) are
  - Demerger costs of \$110m
  - UK account processing closure costs of \$28m
- Demerger-related equity incentive costs start in H2



# Operating cash flow



**Six months to  
30 September**

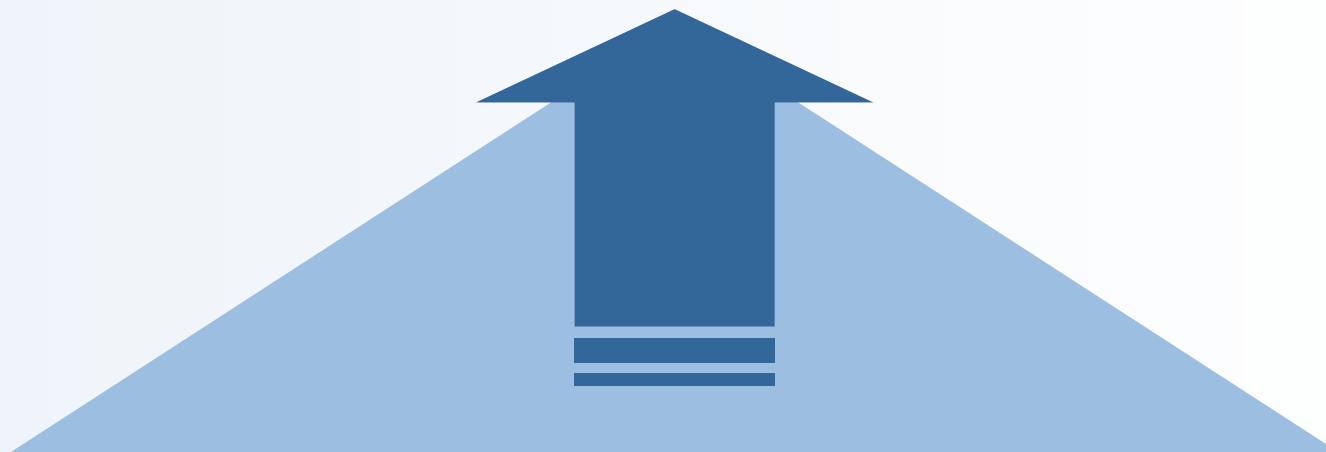
**2006  
\$m**

EBIT	396
Depreciation and amortisation	109
Capital expenditure	(118)
Change in working capital	(46)
Retained in associate	(8)
<b>Operating cash flow</b>	<b>333</b>
<b>Net debt as at 30 September 2006</b>	<b>(3,036)</b>
Net proceeds from equity issue	1,447
<b>Pro forma net debt</b>	<b>(1,589)</b>

- Full year capex of \$250m-\$270m, including accelerated data centre consolidation spend
- On track to deliver our goal of at least 85% conversion of EBIT to cash in full year
- Acquisition spend in H1 of \$80m

Cash flow conversion is defined as operating cash flow as a percentage of EBIT  
 Operating cash flow = Total EBIT less trading working capital, add depreciation/amortisation,  
 less capital expenditure and less retained in associate

## Continuing to increase shareholder value



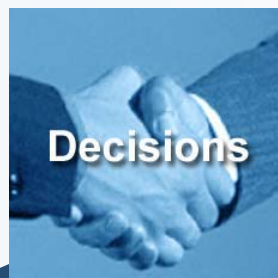
- Drive organic sales and profit growth
- Manage costs to maintain or improve margins
- Maximise EBIT conversion to cash
- Supplement organic growth with targeted, value-enhancing acquisitions

# **Strategic and operational review**

# Data, decisions and distribution



**Proprietary ownership of and access to vast consumer and commercial databases all over the world**



**Turning data into critical decisions for clients and consumers**



**A broad range of products and services delivered to consumers and businesses across many vertical sectors and geographies**



# Executing on our growth plans



- 
- A background graphic featuring a bar chart with four bars of increasing height from left to right, colored in light blue. A large, semi-transparent orange arrow points upwards and to the right, starting from the bottom left and ending near the top right, symbolizing growth.
- **Driving organic growth**
    - Deeper client relationships
    - Geographic expansion
    - Product innovation
    - Vertical expansion
  - **Growth accelerated via complementary acquisitions**
  - **Delivering operating leverage to maintain or improve margins**

# Credit Services – growth through a challenging macro environment



- Credit products used to
  - Acquire new customers
  - Process credit applications
  - Manage existing accounts
  - Cross-sell new products
  - Respond to churn between card issuers

# Credit Services – key growth drivers



## Driving organic growth

- Further client wins across many sectors
- Strength in business credit

## Operating leverage

- EBIT margin up over 100bp in H1

## Vertical expansion

- About one-third of H1 sales growth in the UK from outside financial services
- Market share gains in telecomms



## Geographic expansion

- Acquired credit bureaux in Canada and Estonia
- Brings total consumer credit bureaux to 14



# Decision Analytics – key growth drivers



## Deeper client relationships

- Gaining share in US with H1 sales up 26%
- Bank of America win: multiple Experian products, enterprise-wide



## Product innovation

- Continue to innovate to meet client needs
  - Precise ID in US
  - Insolvency scores in UK

Precise ID<sup>SM</sup>

## Geographic expansion

- Further significant growth in EMEA/Asia Pacific, sales up 27% in H1



# Marketing Solutions – key growth drivers



## Evolving the portfolio

- Restructuring traditional direct mail activities
- Strong gains in multi-channel marketing, led by research and digital services

## Product innovation

- Product innovation helping business transformation
  - Web analytics
  - New research offers



## Deeper client relationships

- ClarityBlue supporting key strategic initiatives with B SkyB
- Relationship greatly expanded over the last two years





**Olive**  
*by Experian*

# Interactive – key growth drivers



## Driving organic growth

- Secular channel switch to Internet continues
- Improving retention in Consumer Direct
- Improving conversion rates in lead generation

**CreditExpert**  
from Experian®

**LowerMyBills.com**  
an Experian company

  
**PriceGrabber.com**

  
**classesUSA®**

  
**Affiliate fuel**

## Operating leverage

- Driving synergies within Interactive and within Experian
  - Using scale and expertise to increase returns from customer acquisition spend

## Geographic expansion

- Success of UK CreditExpert
- Increasing investment in PriceGrabber UK

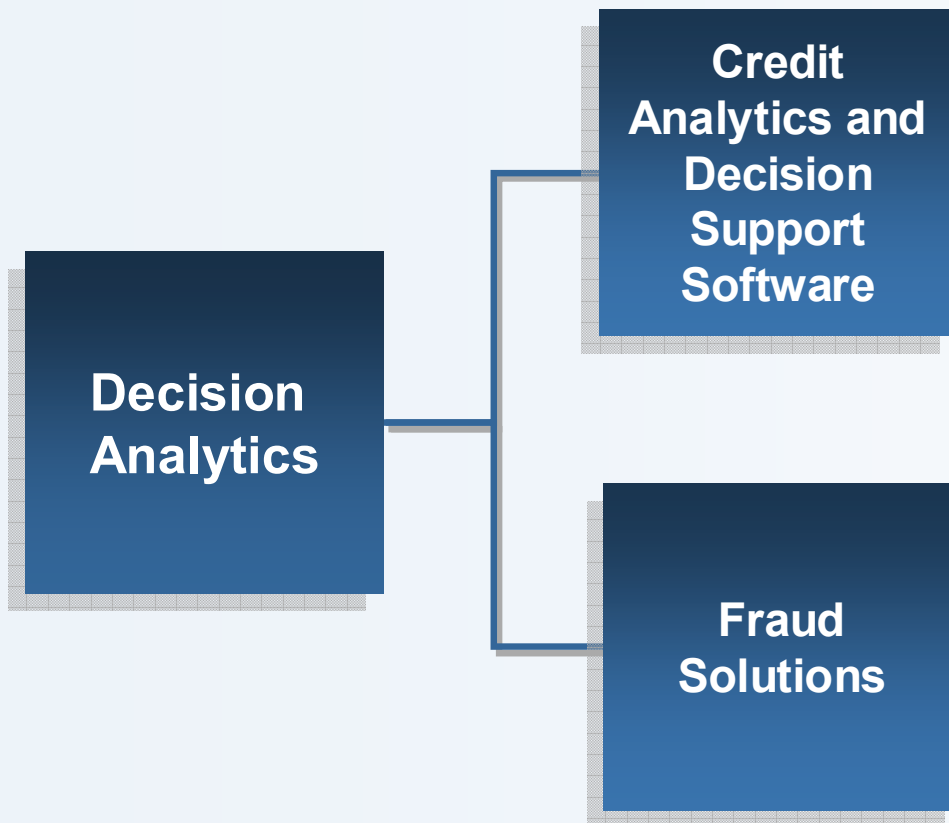
# Acquisitions – a key part of our strategy



- Acquisitions contributed 10% of sales growth in H1
- Acquisitions on track to deliver post-tax double-digit returns
- Acquisition spend in H1 was \$80m
  - Eiger Systems
  - Credit bureau in Canada
  - Estonia bureau acquired in October 2006
- Strategic and financial hurdles remain unchanged

# **Driving growth in Decision Analytics**

# Decision Analytics – providing strategic input to our clients' business



- **Analytics, consultancy and software solutions to manage the credit risk lifecycle**
  - Origination
  - Customer management
  - Collections
- **Analytics, consultancy and software solutions to prevent fraud**
  - Application fraud
  - Transactional fraud
  - Merchant fraud
  - Anti-money laundering

# Decision Analytics – business model



## Business overview

- Strategic contribution to client's business
- Credit risk and fraud management through predictive analytics, consultancy and software solutions



## Revenue model

- Value proposition / ROI sale
- Medium to long-term contracts
- Strong recurring revenue model



## Key clients

- HSBC, ABN AMRO, Bank of America, Orange, Vodafone, Barclaycard, Kookmin, JCB, GE, Dell, Lloyds TSB, Citibank, Banco Santander



# Decision Analytics – global leader outside America



- Clients in over 60 countries
- Products are used globally

- |                        |  |
|------------------------|--|
| ■ Origination:         | Transact SM used by 200 clients in 43 countries    |
| ■ Customer Management: | Probe SM used by 150 clients in 30 countries       |
| ■ Strategy Management: | Used by more than 600 clients in over 60 countries |

- Used as key entry point in new and emerging high growth geographies



# How do we enter a new market?



## Assess market

- Size of market
  - Population
  - Unsecured lending
  - Total lending/GDP
- Competition among financial services players
- Regulatory environment

## Enter with Decision Analytics

- Local people
- Supported by global products, consultancy and delivery experts
- Strong emphasis on origination

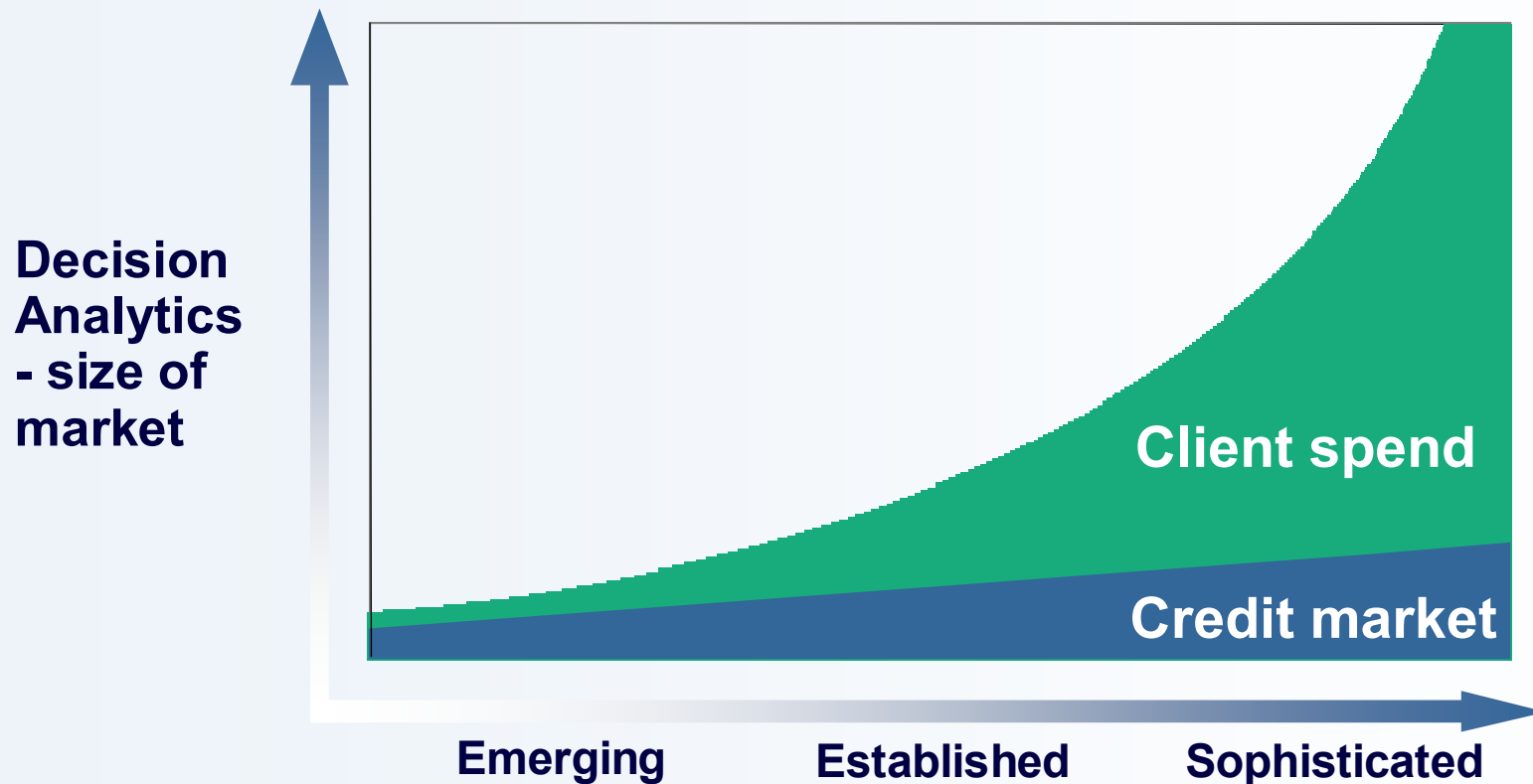
## Add consumer bureau

- Build  
eg Bulgaria
- Buy  
eg Estonia
- Joint venture  
eg Russia

## Deploy other Experian solutions

- Help throughout customer life cycle
  - Customer acquisition  
eg QAS
  - Cross-sell/up-sell  
eg Marketing Solutions

# Market size grows with increasing sophistication



**Unsecured lending  
per capita**

\$1,000

\$1,000-\$4,000

More than  
\$4,000

**Examples**

China  
Russia  
E. Europe  
Brazil

W. Europe  
Japan  
S. Korea

US  
UK

# Russia – emerging market



- **Attractive market: consumer debt to GDP is c. 5%**
- **Experian entered in 2002; now employs 40+**
- **First penetrated market with Transact (application processing) and analytics**
- **Gaining traction with Fraud Solutions**
- **Established credit bureau in joint venture with Interfax**
- **150 bureau clients: state, domestic and global banks**
- **Clients include VTB24, Alfa Bank, Gazprombank, RosBank, Beeline**

# Asia Pacific – established market

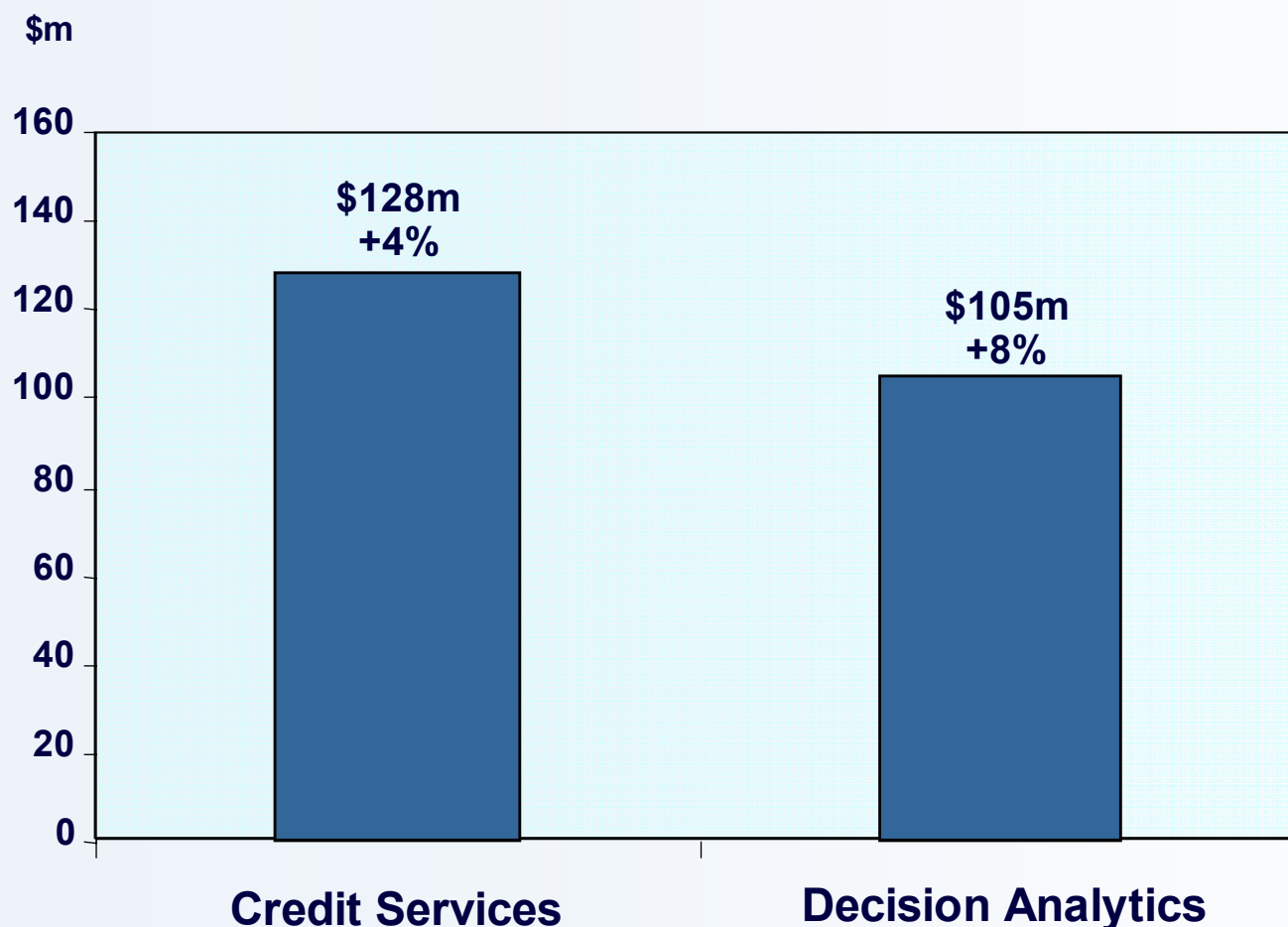


- Growing use of consumer credit throughout the region
- Led by Decision Analytics
  - Australia: serve six of the top seven banks
  - Korea: serve six of the top seven banks
  - Japan: breaking into market and capturing share with major banks
- Experian has six offices; employs about 200 people

# UK – sophisticated market



## Experian UK and Ireland – H1 sales



Growth rates on organic basis at constant currency

- Consumer debt/GDP is 97%
- In UK and Ireland, our Decision Analytics sales are roughly equivalent to those of Credit Services
- Barriers to entry are high as products become fully embedded

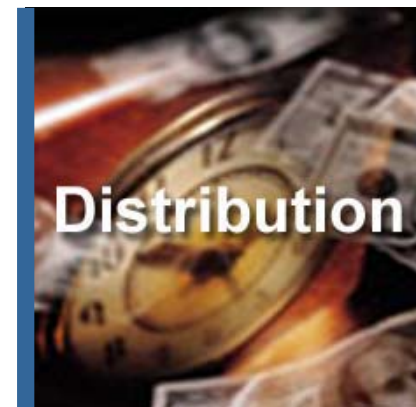
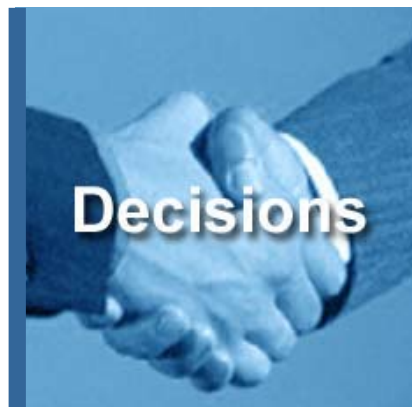
- **Clear market leadership outside North America**
- **Gaining traction in North America**
- **Already work with lenders in 60 countries around the world**
- **Well placed for growth in these markets, as**
  - Use of credit grows
  - Analytics spend increases

# Experian – the global leader in information solutions



# **Interim results**

## **for the six months ended 30 September 2006**



**21 November 2006**