

Preliminary Results Analysts Presentation – 21 May 2008

Welcome

Don Robert
CEO, Experian

1. Preamble

Good morning, welcome to Experian's 2008 results presentation. We have quite a bit of material to cover this morning. I will cover the strategic and operational review, after which Paul Brooks will take you through the financials. We have a special presentation on business information, with Phil Cotter, who runs that global line of business for us. Many of you met Phil in January at the credit seminar, and expressed an interest in learning more about it. Business Information is now almost a \$500 million line of business for Experian, so we are anxious to shed more light on that. Following that I will be joined on stage by Chris Callero, Phil Cotter and Paul Brooks for Q&A.

2. Overview

Headline Results

When I look back at 2008 I see a year of contrasts, of extremes and of balance. Extremes in the sense of excellent performance out of Serasa, Asia, most parts of Europe, and good performances out of many parts of the US and UK business, but on the other hand marked by challenges in the US and UK, due to the capital markets situation. Considering this there was a great financial performance overall in 2008, at least one that we feel good about. A lot of that is due to this issue of balance. Balance in the portfolio, where 75% of our business has showed so much strength that it was able to compensate for some of the headwinds that we had in the US and UK.

It was a good year overall with a lot of strategic highlights. In addition to the acquisition of Serasa, there was aggressive investment to drive future growth in new markets, new verticals, and new products. We completed a number of bolt-on acquisitions including Hitwise, Tallyman, N4 Solutions. We also put a couple of businesses under strategic review during the year, PriceGrabber and our French transaction processing business. There is not much more to say about those today, those reviews are ongoing, but they are clearly out there.

As we look forward to the first quarter we see the challenging market trading conditions continuing, and I will share some impressions of that with you in a minute. Net-net, against extremely strong comparables for the first quarter of last year, particularly in US Credit, and in light of the fact that US Credit continues to soften, we do expect a first quarter that is flat to slightly down, but keeping in mind that those comparables get progressively easier as the year goes by.

Financials

Looking at the financials, good highlights all the way around, top line growth of 14% EBIT margins, remarkably, held firm at 21.8%. We converted 95% of EBIT earnings to cash. For the full year we have increased the dividend by 9% to 18.5 cents, reflecting our strong confidence in the future. It is also worth noting that as the year went by we stepped up investment spending, and we will continue to spend aggressively to position the business in the right way in the coming years.

Our focus during the year was on, and remains on, maximising profit and cash flow, at the same time as investing for future growth. A short time ago we told you that we were going to announce a cost reduction programme that would result in \$80 million of take outs from our cost base. As we begin to implement those cost reductions we found that we had the opportunity to probably do more, and given the fact that market conditions were remaining challenging, we took the opportunity to indeed do more.

We are now projecting that our cost base will be reduced by \$110 million instead of \$80 million, on an annualised basis. Accordingly, the one time charge will increase to \$140 million. Paul will share more details about that with you during his part of the presentation, but it is worth noting that this is hard stuff to do. The cost cuts that we have taken have been very intelligent. They have been ones that will ultimately position the business better in the future, but nonetheless this is tough stuff for managers to do. I would commend the Experian senior management team for doing the things that they know are right, but are extremely difficult.

US

How do things look today? It is easy to obsess on our two big markets, and we will start there before moving on to the rest of the world. Three months ago the main issue in the US and the UK was the general credit market liquidity, but the banks have been coping with that, as we move through this phase. Central banks are taking swift action in the UK, US and at EU level, which has certainly resulted in our clients being able to raise capital. We are certainly not in a position to say where we are in that cycle, but we are certainly moving through it. The action now is moving from Wall Street to Main Street, as we see further signs of our bank clients having to contend with consumers who are weaker and more cautious in how they behave.

UK

In the UK the climate feels more stable. There is a well documented decline in mortgage approvals, but that is just a small part of the overall market, and we will elaborate on that in a moment. We have had a number of highly structured conversations with our largest US and UK clients, asking them how their consumer customers are behaving, how the retail customers of the bank are behaving, and what impact this is likely to have on their business. They are telling us, first, that the climate is decidedly cautious. In the US the quality of lenders' retail loan portfolios is continuing to deteriorate, even outside of mortgage. We see a lot more interest and emphasis on portfolio management tools, early warning tools, Experian collection triggers are in great demand. There is a lot more emphasis on early intervention into the default cycle, and a lot more conversations with our people about what can be

done and brought to bear in this particular problem. This really plays to Experian's strengths.

There is also a continuing softening in the credit pre-screen marketing arena, which has not been eliminated, but the general thinking on the part of our clients is that they are not aggressively going outside to pursue new loan customers, but rather are focusing their efforts on cross selling and up selling, using their branch networks and internet channels to find new customers. That has dampened the pre-screen marketing business at Experian.

In the UK a slightly different tone, although it is still cautious. We see loan portfolio quality holding up pretty well, marginal deterioration but no more than that. The UK institutions have been vigilant on underwriting for some time now, and that is reflected in the quality of the portfolios. For quite some time they have been tougher on lending decisions, credit limits, certain products have been eliminated from the bank portfolios in the UK. However there is still a diminished appetite for capital spending on their part, but that has not deteriorated over the last few months. On the plus side it is still a very robust market in the UK for Business Information, reflective of a strong SME lending market. That certainly plays to one of our strengths.

Rest of World

The rest of the world is becoming increasingly material as we expand the business. Latin America could not be better at the moment, recently the Brazil credit rating was upgraded by rating agencies to investment grade, which is a sign of strength and confidence in that economy. It is a very young population in Brazil, a very active and growing middle class, a big interest in credit products, and a very supportive regulatory environment. All of these things are coming together to create a very buoyant and brisk business for Experian in Brazil, largely through Serasa, which we acquired last July.

Asia Pacific is very strong, EMEA has had a bit of impact from the credit crunch, but it is not that noticeable at the current time. In April we told you that the markets would appear to be challenging going forward for some time in the US and the UK, but with greater stability and growth elsewhere in the portfolio, and one month on from that prognosis, we are holding to that point of view.

3. Highlights

Back to the issue of balance, I said a moment ago that the real story here is that 75% of the business grew during the year, which is remarkable, and reflects the investment activity and expansion activity we have executed on these last few years.

Decision Analytics was up 13% during the year, with fantastic growth coming from Asia, Eastern Europe, Japan, and emerging markets such as Turkey and Russia. Phil is going to tell you more about Business Information, which also showed a very strong performance. Our Consumer Direct business goes from strength to strength; it was up 20% last year in the US and doubled in the UK, reflective of a big ongoing investment in new products and new channels.

Our new media marketing businesses now account for about 50% of the total marketing segment, they are doing exceedingly well, and Hitwise is a part of that, trading right to the buy plan. That is all good, and I should mention that PriceGrabber continues to perform strongly as well, with good growth, good margins, and an excellent offering for consumer shopping on the internet.

The current environment is causing our clients to come to us looking for fraud products. This part of the business is gaining a lot of traction in all markets around the world, and when you look at a round up like this you see the power and balance in the big global portfolio.

4. Serasa

We have been guilty these last few months of not highlighting Serasa enough, and it is worth highlighting. I am delighted with what we have found at Serasa nine months on. The integration is 100% complete, thanks to Chris and his talented group of people. We are running a bit ahead of our expectations in terms of performance against the buy plan. The quality of the relationships we find in Brazil, clients, employees, business partners, and fellow shareholders in Serasa are all first rate. We are pleased with the way that is going.

We have imported our very successful strategic sales model from the US and the UK, into Serasa to help them deal in a different way with their biggest potential buyers. That is going well. We are lining up to introduce new products from other parts of Experian into Brazil as the year unfolds.

Financially, for nine months we will have recorded \$305 million in revenue, which equates to pro forma revenue growth in the high teens. Margins are running a bit higher than 25%. Post acquisition we are reporting Latin America as a separate region, so these numbers will be increasingly visible to you.

5. Strategy

As the business grows and evolves it calls for us to grow and evolve the strategy, and indeed we have. Our strategy now is centred on three very simple elements. The first one is a very sharp focus on data and analytics. The second one is a concentration on driving profitable growth, not just any kind of growth. The third one is the whole issue of optimisation of capital use and efficiency. I will talk about the first two of those, and Paul will take the capital efficiency part of the equation. The goal here is not only to build a stronger business, but also to increase shareholder value.

Our focus has been, and is increasingly on, data driven businesses, where we can apply our proprietary analytics and create value for the clients, in other words, increasing the value of our proprietary data by adding predictive analytics. This gets to the core of what we do, it is where we have competitive advantage, big barriers to entry, and it certainly goes right to our core expertise of managing vast databases of personal and business information. This also extends to our acquisition strategy as well, and reflective of that fact that we are increasingly focused, from an M&A perspective, on new unique sources of data, and new sources of predictive analytics that can add value to that data.

This slide illustrates our strategic framework for driving profitable growth, and there is a lot going on there, but we have made great strides against it this last year. First of all we want to continue to expand the geographic reach, by establishing our global credit, decision analytics and marketing footprint around the world. We talked a lot about this in the investor seminar in January, and it remains very much a part of our focus, and a big part of my personal focus in how I utilise my own time. We see a significant opportunity in Marketing Services, because it is becoming more of a science than an art. Increasingly it is about data, analytics, pinpoint precision marketing and micro-segmentation, which plays to what we do best.

Secondly, innovation is a huge part of the Experian culture, and it certainly predates me by a long way. Experian clients depend on us for new ideas, for better ways to run their business, ways to manage cost, risk, to find new customers, and ways to become more efficient. We have a very strong, very structured innovation machine in the company, which continues to push value out to our clients.

Finally, we are very focused on driving operational excellence. We are increasingly building global operational and technology platforms that allow us to deploy new products quickly around the world, and to get economies out of our operations and our cost base.

That was the theory behind the strategy; this is the practice. Here you see a three year look at what we have done in terms of major organic expansion initiatives, all funded through the P&L. Increasingly you can see Asia Pacific, Canada, India, Eastern Europe coming into the picture, with substantial investment in new products along the way. In this last year we have invested about 200 basis points of margin in expansion and product activity, and we plan to invest at about the same rate this coming year. Even though markets are a little bit volatile and challenging, we are going to continue investing for future growth.

Last week you may have seen our announcement of our partnership in Japan, with a credit reporting company called CCB. We are taking advantage of changes in the regulatory framework in Japan to partner up with one of the leading credit bureaux there, bringing our technology into the country to together take control of a big market that we find very exciting.

The key message here is that we are going to continue to fund organic investment, and it is a very big part of the strategy, as evidenced by what we have done so far and what we will continue to do.

6. Summary

Let me summarise this section by highlighting the key factors that we think continue to differentiate Experian. First of all our geographic scale, most of you have seen the slide that compares Experian to our other publicly quoted competitors, it shows revenue in and outside of the US. We are twice the size of our next largest competitor, we are far more than twice as diversified, which is important because we can deploy our analytics, data and technology solutions around the world to help the biggest potential global and multinational clients.

Second, the commitment to innovation I just talked about is more than talk. We manage it, we measure it, it is a big part of our P&L and it forms a bit part of our organic growth equation. Third, this issue of portfolio diversity has not happened by accident. Years ago we started looking beyond the two core markets, and figuring out how we could balance the revenue and the earnings pie, to give greater predictability and stability to the financial performance of the company, and we have done a great job of that.

Finally, what makes us totally unique is this combination of data and analytics, which is unmatched with any other competitor in the segment, and gives us the ability to add even more insight and usefulness to our clients and consumers around the world.

Financial Review

Paul Brooks, CFO

1. Overview

Good morning. Overall we delivered a good performance in a very challenging environment, again demonstrating the resilience of the business. I am pleased to say these results were achieved while continuing to invest in the business for future growth. Our organic revenue growth was 4% for the year.

The credit crunch hit us in September, depressing growth in the last seven months of the year. The impact was focused on our US and UK Consumer Credit businesses, UK Database Marketing, and LowerMyBills. These businesses, which represent about a quarter of our revenue, saw an aggregate, double-digit percentage decline in the second half, while the rest of our business saw consistent high single digit growth in both halves. This included some very strong performances, including Consumer Direct, Business Information, new media marketing activities, and Decision Analytics in emerging markets.

Our EBIT margin was 21.8%. Our aim is to maintain or improve group margins, and this was achieved before central activity costs, which are non-comparable with the prior year. This was also against a background of raised P&L investment spend, as we funded growth initiatives. Total EBIT was \$945 million, and EBIT from continuing activities was up by a total of 13% on prior year, with constant currency.

Our cash flow performance was excellent. Operating cash conversion of 95% was significantly ahead of our 85% target. Acquisitions in the year have performed very well, particularly Serasa. In January we announced a cost reduction programme. This programme is on track, and as a result of additional opportunities that we have identified, we have raised our target for total annualised savings to \$110 million.

2. Revenue & EBIT

As usual all growth rates are stated in constant currency. Total revenue growth for containing activities was 14% for the full year, with 10% contributed by acquisitions, principally Serasa and Hitwise. We delivered organic revenue growth for the year in all four regions; North America's organic revenue growth was 3%, despite the disruption in the US mortgage market, and other credit liquidity issues. Organic

growth in Latin America reflects our small Decision Analytics business in the region, and Serasa will annualise in the second quarter of the current fiscal year. UK and Ireland delivered organic revenue growth of 3%, despite the tough market environment for our financial services clients in the UK. EMEA Asia Pacific saw good organic growth of 7%, with a particularly strong contribution from Decision Analytics in the second half of the year.

Revenue growth of 14% in the direct business translated into 15% EBIT growth in direct activities. Central activities for the year were \$57 million, reflecting a full year post demerger run rate, and some adverse exchange effect. The contribution from our FARES associate of \$54 million fell by 11% in the year. FARES face one of the toughest mortgage environments in recent history, the impact of which was mitigated by continued cost cutting action. Continuing EBIT, including FARES, was \$938 million, up 13% on last year.

3. Credit Services

In Credit Services total organic revenue growth was 1%. In North America organic sales of Credit Services were flat, weakening during the year due mainly to lower mortgage volumes and reduced spend in credit pre-screen. However, throughout the period we saw strong growth in portfolio management and collections, and our business information and automotive businesses also performed well.

In Latin America Serasa performed strongly, contributing \$305 million in its first nine months of ownership, with revenue in line with buy plan, and EBIT ahead of plan. Going forward, Serasa will represent over 20% of Credit Services sales. In UK and Ireland organic revenue growth was 1%. Weakness in Consumer Information was offset by good progress in Business Information and in new vertical markets, such as the public sector and telecommunications.

In EMEA Asia Pacific, organic revenue growth was 3%, with a strong Credit Bureau performance, particularly in southern and Eastern Europe. Transaction Processing in France saw weakness in cheque processing, but good performances in business process outsourcing and debit card processing.

The margin for Credit Services went from 27.9% to 27.4%. A key message is that by proactive cost management we improved the organic margin in Credit Services, despite the sudden slowdown in activity in the second half, while also increasing investment in the business for future growth. You can see, starting from last year's margin of 27.9%, we achieved good organic improvement across each of the US, UK and EMEA Asia Pacific regions, which together contributed 100 basis points positive impact. Despite the adverse mix effect from differential growth rates across the three regions, and incremental investment in new credit bureaux, principally in Canada and India, we still saw an improvement in margin on an organic basis.

Acquisitions during the year, principally Serasa integration costs, explain the dilution in reported margin.

4. Decision Analytics

Decision Analytics delivered 13% of total revenue growth, with 7% organic growth. The acquisition contribution is attributable to the Tallyman collection software business, and N4 solutions, both of which performed well. North America organic revenue growth was 7%, which was a good performance against a tough comparative. While we saw some deferral of spending decisions in credit origination, there was good progress in software used to support account management and fraud prevention.

In the UK organic sales were in line with prior year. Lower revenue from application processing was counterbalanced by growth in fraud prevention and risk management, despite delays to pipeline conversation. There was excellent growth in EMEA Asia Pacific, where we have made significant inroads into new markets, with strength across Europe and a number of countries in Asia Pacific, notably Japan, Australia, Korea and China. Underlying margins were stable, with the lower reported margin being attributable to the acquisitions and differential regional growth mix.

5. Marketing Services

Marketing Services delivered total revenue growth of 10%, and 1% organic revenue growth, with the acquisition contribution coming from Hitwise, emailing solution in France, and Infomarketing in Brazil. In North America, organic revenue growth was 2%. We continued to see good progress in new media activities, particularly in data integrity and digital services, while the rate of decline of traditional activities has moderated. New media activities, including Hitwise, now account for over 50% of revenue.

Latin America is small but performing very well, and we see a lot of opportunity for cross sell between Infomarketing and Serasa. In the UK organic revenue growth declined by 3%, reflecting significant cutbacks by financial services clients, both on new database contracts, and on direct marketing campaigns.

The scale of our business in EMEA Asia Pacific is becoming more significant following the acquisitions of Hitwise and Emailing Solution solution. We saw strong organic growth of 11%, principally from our data integrity business QAS. Hitwise, which is split across all three regions, is performing well, and we are very pleased with the progress made over this financial year, in line with the buy plan. Margins for Marketing Services improved by 50 basis points, with a favourable mix shift and acquisition impact offsetting weakens in the UK.

7. Interactive

Interactive delivered 9% organic revenue growth. In North America sales were up by 5%. We saw growth in excess of 20% in Consumer Direct, reflecting strong growth in subscription revenue, and good progress in third party channels. PriceGrabber continues to perform well, driven by higher referrals and growth in co-brand revenue. The offsetting factor was LowerMyBills, due to the well documented impact of the subprime lending downturn.

The strong growth trajectory in the UK continued, and the business nearly doubled in size during the year. We maintained margins despite severe pressure at

LowerMyBills, due to the effectiveness with which we targeted marketing spend across the business.

8. Cost Savings

Before I move on to the other P&L items, let me update you on the progress of the cost efficiency programme. We have extended the cost savings programme since January. We believe this is the right action to be taking, given the continuing softness in the market environment, and the fact that we have identified additional cost efficiency opportunities as the process has progressed.

In January we told you of the off shoring initiatives, organisational streamlining, and consolidation of facilities. The incremental efficiencies announced today relate principally to more restructuring in US Credit Services, further global IT integration, bringing more of our IT support into our main US and UK data centres, and also greater integration of our EMEA operations.

In total we now expect a restructuring charge of \$140 million, with \$60 million being charged fiscal year 2008, and the balance of \$80 million charged in fiscal year 2009. The majority of the \$140 million will be cash costs, relating to headcount reductions. The additional restructuring means we are also raising our annualised savings from \$80 million to \$110 million. We now expect \$50 million to come through in the year ending March 2009, up from the \$40 million previously announced, which will mainly benefit the second half. From fiscal year 2010 onwards, we expect to achieve the full savings of \$110 million per annum.

9. Group Benchmark Earnings

From a starting point of \$938 million for continuing activities, we had profit from discontinuing activities of \$7 million, which reflects the rundown of the UK account processing business. As we mentioned in November, we have now subcontracted the provision of these services to First Data, and expect a break even performance in fiscal year 2009. This brings us to EBIT for the full year of \$945 million. Net interest of \$126 million reflects the increased level of debt, weighted towards the second half of the year, following the first half acquisitions.

The benchmark tax charge of \$190 million is at a rate of 23.2% of benchmark PBT, and we expect a similar rate for fiscal year 2009. The minority interest of \$21 million arises mainly from the 30% minority in Serasa.

Benchmark earnings for the year ended March 2008 amounted to \$608 million, and based on a weighted average number of shares of 109 million, benchmark EPS for the year was 16.3 cents.

Experian is a highly cash generative business, and we maintained our five year track record of converting more than 90% of EBIT into operating cash, by achieving 95% conversion in fiscal year 2008. Capital expenditure for the year was \$344 million, in line with our guidance in November, with the increase over last year reflecting the impact of capex on new acquisitions, particular Serasa, and the weaker dollar.

Tight control of working capital led to a reduction of \$27 million in the year. Net interest paid was \$132 million, tax paid in the year was \$91 million, representing a cash tax rate for the year of just 11% of benchmark PBT, and our free cash flow was \$679 million, representing a conversion of some 108% of benchmark profit after tax.

We have closed the year with a net debt figure of \$2.7 billion, \$1.3 billion higher than last year. As you can see, the big contributor to the increase in net debt was the acquisitions outlay of \$1.7 billion. There was an exceptional cash outflow of \$45 million, of which \$19 million arises from the recently announced cost initiatives, and the balance relates mainly to the residual costs of the GUS demerger. Our dividend payout amounted to \$193 million.

10. Financial Modelling

I will now give you a few pointers to help modelling the current financial year. As mentioned earlier, we expect EBIT to benefit from a \$50 million cost saving from the restructuring. This saving will be weighted towards the second half. We expect central activity costs to be about \$60 million. It is important to remember that most of our central costs are incurred in pounds and euros, and so are subject to movements in exchange rates. Based on current interest rates, we expect interest on net debt to be in the range of \$130 to 140 million, after a pension credit in the region of \$20 million.

We expect to maintain our benchmark tax rate at about 23%, and we also expect our cash tax rate to be at a similar rate to last year's level, at 11%. We expect the balance of our restructuring exceptional charge, amounting to \$80 million, to be incurred in fiscal year 2009. The cash outflow related to the restructuring will be approximately \$100 million in the same period.

Finally, we expect our capex spending the current financial year to be between \$360 and \$390 million, with the increase over fiscal year 2008 due to the inclusion of a full year of Serasa, together with capex relating to the restructuring.

11. Capital Structure

Before moving on to provide a summary of today's presentation I would like to spend a moment talking about our capital structure, because we are often asked about our position on share buybacks. Our starting point is that we stay committed to maintaining a strong and efficient balance sheet. We will be flexible where warranted. Therefore, we were prepared to see our credit ratios rise temporarily above levels consistent with a strong investment grade rating, in order to fund the strategically important acquisition of Serasa last year.

Since then net debt has reduced from \$3 billion to \$2.7 billion, as a result of strong cash conversion. During the course of the current fiscal year we expect to move back within our target debt range. We will continue to assess our capital structure in the light of trading performance, compelling investment opportunities, level of group debt, and the outcome of our strategic reviews, and we would look at returning any surplus capital to shareholders, within the framework of maintaining a strong and efficient balance sheet. Of course, our dividend policy remains unchanged, meaning we also return about \$200 million to shareholders, by way of dividend.

12. Summary

The turmoil in the financial services sector, both in the US and the UK, made fiscal year 2008 a very challenging year. Against this backdrop we have delivered a good performance, achieving 4% organic revenue growth, 13% EBIT growth, stable margins, and converting 95% of EBIT into operating cash. In Q1 of the current year we faced tough comparatives, and we are seeing further softening of activity in North America credit services. As a result, we expect the group organic sales growth to be flat to slightly down in the first quarter, but the balance in our portfolio gives us confidence in the profit growth outlook for the year.

In the second quarter, organic growth will benefit from the annualising of some of last year's acquisitions, notably Serasa and Hitwise. From September the comparatives get easier in the areas of the business most impacted by the credit crunch. On EBIT the cost efficiency measures that we have implemented will help to underpin profit as the year progresses.

I will now hand you over to Phil to talk about Business Information, which is one of our strong performing activities, which is becoming an increasingly material part of the Experian portfolio.

Phil Cotter Managing Director Information Solutions UK

1. Preamble

Good morning. I am the leader of Experian's Business Information global business line. Today I will expand on the presentation I gave in January at the investor seminar, to explain how we combine our analytics and data capabilities to support our customers and drive growth in the B2B market. First I would like to put the business in the context of our global Credit Services business.

Business information is a large, and fast-growing, segment of our global credit services business. In FY08 it generated just under one quarter of our global credit services revenues. Global turnover, including the *pro forma* revenues of Serasa in Brazil, is close to \$500 million. Over the last three years it has delivered organic growth, excluding Serasa, at 7% CAGR. We are market leaders in the UK and Ireland, Brazil, Denmark, Norway, and Estonia. We are challenging for market leadership in the US and Italy. Recently we established a presence in China, with the acquisition of Sinotrust, as part of our plans to expand into Asia Pacific.

2. Key Growth Drivers

Our growth in business information is a result of three key drivers. The growth of SMEs, in both mature and developing markets, has driven the demand for better understanding of the buying behaviours and risk profiles of these types of businesses. Our ability to blend consumer and business information, combined with our analytics has enabled us to develop market-leading services to address this demand.

Large B2B organisations outside of financial services are increasingly adopting best practice marketing and risk processes. Many of these were originally developed for

B2C markets. This enables us to deploy many of the tools we have developed for our B2C customers. An example would be the integrated risk management and application processing systems.

In the markets where we operate we have consistently won against our competitors to gain market share. This has been through a combination of superior products, service, and sales execution. This means that for our customers operating in B2B markets we deliver deep insights into the behaviour of businesses, across a customer lifecycle.

3. Marketing

At the marketing stage we can help businesses identify companies most likely to buy their services by using our segmentation and targeting tools. We use risk pre-screening to identify those that it would not be profitable to deal with, and we help our customer implement and monitor marketing and sales campaigns – using our campaign management tools. At the point of acquisition we can deliver business reports, credit scores, and full prevention and authentication to enable them to fully assess the risk associated with extending credit to a business.

Once they have acquired a customer we provide tools to enable them to manage the ongoing relationship profitably. This includes monitoring the ongoing risk profile of a company, using Portfolio Triggers to alert them of any deterioration of credit status, as well as helping them implement strategies to cross-sell and off-sell to existing customers.

Finally, we can help them collect debt more effectively. Enabling them to prioritise their collection efforts using services such as collection scores and triggers. Across the lifecycle we generate our revenues through a combination of licence, transaction, and implementation fees.

4. Core Data Assets

Our databases hold comprehensive current and historical information on businesses in the markets in which we operate. This information ranges from publicly available information for registered companies, through to information such as name, address, and owners of small unregistered businesses. We collect these from a variety of third-party and proprietary sources. In addition, in our business payment databases we hold propriety information about how a company pays its bills with other companies. This enables us to provide insight into the current performance of a business. This information is collected directly from companies on a regular basis. This business data can be combined, subject to regulation, with the information we own about directors and owners of businesses as consumers. This allows us to create insights into a company's behaviour by blending what we know about the business and the people behind it.

5. Marketing and Credit Data Analytics

To these data assets we apply our marketing and credit data analytics. This enables us to deliver services that help to predict the propensity of the business to buy a

particular product or service. This is completed by using our segmentation and targeting tools, and then identifying on our database which group of customers meets that profile. This helps our customers to improve ROI on their marketing spend. For preventing fraud in the B2B market we have successfully applied products such as Hunter and Authenticate, which were originally developed for the B2C market.

The combination of our expertise in consumer and business credit risk management enables us to combine data from our consumer and business databases, to deliver market-leading credit scores and risk management tools. This enables us to deliver value across the whole lifecycle to our customers. These services are delivered to a wide range of vertical markets, including pure B2B sectors such as manufacturing and wholesale. In these sectors we help customers to determine the terms and conditions, and manage the risk associated with extending trade credits on invoices, typically for periods of between 30 and 90 days.

6. Case Studies

Business Ownership

In this example we initially receive a request for information on Walter's restaurant. We know from public information that we hold on our business information database that Walter's restaurant is owned by another business, Holcheck Foods and Spirits. From our own data and linkages we know this corporation also owns The Cabana. Furthermore we know that Mark Holcheck is the owner of all three businesses, and we are able to retrieve information from our consumer database on his performance as a consumer. This ability to create a complete picture of business ownership allows us to deliver very powerful insights to our customers. For instance Water's Restaurant may be newly established, but we might be able to confirm that Holcheck Foods and The Cabana have been trading successfully for a number of years; and that Mark Holcheck has an impeccable track record both as a consumer and a businessman. He is definitely someone that you would want to do business with.

Global Basis

This demonstrates how we can provide powerful insights into what can be very complex relationships between businesses and owners. We are also able to deploy this capability on a global basis for our customers. IBM Global Finance is a lending division of IBM, and a world leader in Information Technology equipment financing. In December 2006, IGF approached Experian to support their expansion into a number of different markets. They required assistance with the development of an integrated system to deliver business information, credit scoring, and fraud prevention capabilities to support their financing activities associated with the sale of their technology in a number of countries. They chose Experian to provide these services ahead of their existing supplier due to our ability to deliver the requirements as part of an overall integrated approach.

Product Transference

Through the sharing of best practice across units within the global business line we are able to transfer products developed in one country into another at relatively low cost. For example Serasa had developed a collections notification letter as a highly effective tool for collecting outstanding debts in Brazil. This idea was adopted by our North American business to enable its customers to notify businesses that were in default with their payments that this had been registered on Experian's database. The letter contains details of how to pay the debt, and a link to review the business's report on Experian's database. Initial results show that this letter increases debt collection by 4–9% when compared to alternative methods. This is a fast-growing, high-margin product which has generated nearly \$1 million of revenue in the six months since launch. The revenues are contractually-based, so it creates an ongoing revenue stream for us. It is now being assessed by other units within our global business line.

7. Competitive Landscape

We operate in a competitive market, with Dun & Bradstreet, Equifax, and InfoUSA as our largest competitors. Equifax and InfoUSA are largely focused on the North American market. Dun & Bradstreet generates around \$1.6 billion globally – of which 75% is generated in the US. In recent years they have significantly cut costs in their international business by selling operations and reducing headcount. In all the markets where we are market leaders we continue to win market share. We continue to see strong growth in the markets where we are challenging. Our competitive advantage is created from the combination of market-leading business and consumer information, world-class analytics, product and service innovation, and leveraging our investment in technology and software to embed our services into customers' processes. This enables us to deliver value to our customers cost-effectively, whilst building barriers to competitor activity.

8. Summary

Business information is a large and fast-growing segment of our global credit services business. Its growth is driven by our unique ability to combine data and analytics to deliver insight and value to our customers across the customer lifecycle. Additionally, the ability to blend business and consumer information enables us to provide insight into the behaviours of SMEs. This is an important area of growth for our customers in the B2B sector, and a rapidly expanding segment of both developed and developing economies. In common with our consumer business, our ability to integrate our services into our customers' operational processes enables us to develop long-term relationships, and provide barriers to competitor activity. Growth in business information will continue to be driven by leveraging our competitive advantage in combining data and analytics to create value for our customer through service and product innovation that meets their business needs.

Conclusion

Don Robert

We regard the 2008 financial performance as a very, very strong performance; especially against the backdrop of a market that was tough, and remains tough. Secondly, just because it is tough does not mean that we are not in control of the business. I think that you have seen us outperform our competitors, take very swift decisive actions on cost, and rebalance the portfolio based on very good investments that we have made in locations such as Brazil and Asia. Most importantly I would like to leave you with the thought that we are continuing to invest aggressively for the future. We will not have a headwind in the US and UK forever, and when we come out of this the business is going to be positioned very well for very strong growth. We think the moves we are making now are very important ones to set us off in that direction.

Q&A

Mark Shepperd, UBS

You have made a forecast on revenue growth for the first quarter. Asking a hypothetical question, if markets were to stabilise what kind of revenue growth would you hope to see towards the back end of this year?

Don Robert

I think we would be loath to wander into those waters. We purposely gave you one quarter guidance this morning because visibility remains low, and volatility is high. I think it is worth highlighting a few signposts that can help you with that. Serasa annualises in July, I think that is worth a couple of hundred basis points. Paul would you like to add anything?

Paul Brooks

The visibility is low so we are reluctant to give a specific forecast. The acquisitions will give us a couple of percentage points benefit on organic growth in the second quarter. The other point we are making is our comparatives start getting quite a bit weaker from September onwards – towards the end of the second quarter and into the second half. Those are the relevant data points from which you can work out what the organic growth might be in the conditions you are referring to.

Mark Shepperd, UBS

Certainly back into positive figures then?

Paul Brooks

Certainly into positive figures on that basis.

Mark Shepperd, UBS

Going back to the return of capital, if you do not make those disposals, on the worst case scenario, can you tell us what your thinking would be on the return of capital?

Paul Brooks

As we have said we are strongly cash generative, and we expect to move back inside our target range on the capital ratios during the course of the year. We have some outflows as well, I pointed out the \$100 million related to the exceptional charge, but nonetheless assuming acquisition activity is low, the return to shareholder of capital is potentially still on agenda during the course of the year.

Mark Shepperd, UBS

Even assuming that the disposals do not place?

Paul Brooks

Potentially, dependent on the other factors I have mentioned, such as trading performance and investment opportunities that may arise during the year.

Andrew Ripper, Merrill Lynch

To finish on the issue about capital structure, in terms of credit ratios that you feel would be consistent with a strong investment grade credit rating, can you give us any sense of what those might be? I think a quick glance suggests that based on the year end position your net debt to EBITDA is 2.2 times.

Paul Brooks

The range is approximately 1.75 to 2 times EBITDA. As you have observed we are currently outside that range.

Andrew Ripper

Aside from the sequential deterioration of US credit, do you expect material changes in growth rates in other business units in the first quarter, or on the basis of what you have seen so far is it pretty consistent with the fourth quarter of last year?

Don Robert

We do not expect anything to change materially do we Paul?

Paul Brooks

No we do not. In aggregate the rest of the business is where we would expect it to be. Overall we are pretty much in line with our budget, even reflecting the North American credit services softening that we referred to.

Andrew Ripper

Looking forward, Don you went through a number of investments that will contribute to organic growth in the future. I know in isolation those are perhaps 'small', but they can make quite a difference to the growth rate. I do not know whether you can talk about in aggregate what your expectation of that difference might be, or perhaps drill down on a couple you will launch in the next few months? I was thinking specifically about Bankruptcy Predict, and the Canadian bureau, and new products coming out of Consumer Direct. Can you give you give any flavour as to what you might expect in terms of a contribution to sales in their first full year after launch?

Don Robert

I think it is interesting with all of the geographic expansion activity to spend a little bit of time talking about building new bureaux and launching new businesses in other countries. Over the years we have accumulated a lot of learning about how this is done. One thing we are very clear on is that nothing happens quickly. While we would evaluate a new credit bureau start-up or market entry investment in somewhere like Japan or India, we would expect a very attractive IRR on such a project – in excess of 20%. We would not see profits for three and a half to four and a half years. A lot of missionary work is done in getting data and clients, and creating a platform for future growth and payoff. I think you have mentioned one of the most promising product investments. That has to do with the Consumer Direct area which we talked a lot about in the credit seminars in January, about the Child Secure, Family Secure, Family ID Monitoring products that will be coming out later this year. Those are very attractive and I will ask Paul to comment on that.

Paul Brooks

Generally the IRRs are very strong. The big investments we tend to refer to when talking about investing for future growth are usually the new credit bureaux, and the geographic expansion. In the current year India and Canada have been big investments. India will be higher in FY09 than it was in FY08. We have just announced Japan, and again we are talking about a \$5-10 million investment there. They tend to be the heavier investments. They do have a good return, but as Don said the payback is a lot longer with credit bureaux, whereas for the product investments we tend to see a quick return and a very strong IRR.

Don Robert

The way that we tend to think about these organic investments, products, geographies, and technologies is that together it underpins the historical growth rates we have seen in the business – of mid to high single digits. We still expect those kinds of growth rates in the business, but it takes all of these things to sustain and create that kind of organic growth.

Andrew Ripper

On Serasa, I think you mentioned an organic growth rate in the high teens, is there any reason to expect that to change over the next couple of quarters. Do you see

that continuing into the '09 financial year? You mentioned the margins running ahead of plan, previously you had mentioned 50-100 basis points/annum of improvement, is that still your view?

Paul Brooks

We are budgeting on the basis of our business plan, which was organic sales growth in the mid-teens, and the margin for improvement of 50-100 basis points that you referred to.

William Vanderpump, ABN AMRO

I picked out a few comments from the statement about volumes, on how these have been weaker in particular parts of your business. You also mentioned that you have been consulting with clients on product development. Are you seeing any pressure on prices being the next stage of volume weakness? Particularly in your credit service businesses.

Don Robert

Great question, I think we talked about volume related pressures mostly in the context of the UK, but as long as we have both Chris and Phil here I could ask each of you to comment on pricing pressures in your respective credit markets.

Phil Cotter

I am not seeing anything out of the norm with regard to customers trying to get the best price that they can from us. As I said when I presented UK credit services in January, the majority of our contracts are on a long-term basis with our customers, and are based on bundled services and solutions that we sell to them and not on commodity priced data. That remains the same and so it is 'business as usual' in the UK as far as we are concerned.

Chris Callero

As far as the United States is concerned, pricing pressure is a way of life, and always has been over the last 15 years. We end up creating a lot of value and innovation for our clients that has helped them differentiate. They are willing to look at the whole package of offerings that we have in terms of looking at our pricing and value that we bring to the table.

Don Robert

Chris, you have even been known to walk away from existing deals with large clients so as not to create new pricings lows.

Chris Callero

That is exactly right Don.

Don Robert

The front please?

Jaime Brandwood, UBS

I want to start by referring to your cost-cutting targets. You say you are still prepared to carry on investing for growth even with those cost-cutting targets in mind. Do you think the figure of \$110 million is approximately the maximum now? If you do need to reduce more, you will need to start curtailing investments for growth?

Don Robert

We can reduce further, but it becomes progressively more difficult from this point. We could probably not categorise this as cost-cutting which is efficient or which will produce good returns in the future. It will probably be less discriminate and more painful.

Jaime Brandwood, UBS

I was examining the geographic margin trends you reported. I was quite surprised by the positive margin trend in the US and the negative margin trend in the UK in the second half. What are the drivers for that? You referred to Marketing Services pressure in the UK. In the US, you have probably shown more leadership in the area of cost-cutting. How should we consider the UK geographic margins for the future?

Paul Brooks

First of all, we maintain our position, that we will maintain or improve the margins year on year. That is our overriding aim. That is why we will continue to invest in the business. The US margin performance was very good during the year; all segments improved. This is despite the modest growth in credit services. This is largely due to some of the very proactive measures which were already being taken. Many of these were initiated 12 months earlier, such as setting up the near-shoring facility in Chile and data centre rationalisation.

The negative impact was experienced in the UK. Traditionally, this was a growth business for us, particularly the database area. It experienced a sudden impact as a result of the 'credit crunch' and the discretionary spend by our financial services clients, who represent the main body of clients. Consequently, the immediate reaction is a reduction of revenue, with an unchanged cost base. We are reducing actual costs throughout all areas in that business.

Jaime Brandwood, UBS

Mixed acquisition factors aside, do you think the UK margin can stabilise now, or will there still be more pressure in the future?

Paul Brooks

We have taken measures. However, the point you make about mix is a good one. We are fighting adverse mix effects in the US throughout the business. The US and the UK tend to be the higher margin businesses, which tend to experience slightly lower growth. In the UK, our objective will also be to retain our margins.

Jaime Brandwood, UBS

I would like to briefly ask about some of the growth investment and new product ranges being introduced in Consumer Direct. You experienced a good growth rate of 20% in the US. Do you think you can actually maintain close to 20% growth in the US for the coming year? Or should we consider the guidance that you gave at the Investor Day, which was quite a low double figure?

Don Robert

First of all, I want to mention that you were the one that initiated that particular dialogue at the Investor Day. We all remember it well. With that in mind, Chris will comment.

Chris Callero

It is an excellent business. We continue to increase our business through innovation, strong marketing, a great product range and very good customer service. We expect to have very strong growth and we expect to see growth of more than 15% in the business. However, you arrive at a point where figures are large, so business is large.

Participant

I have a brief question about Serasa. You say the integration has been done in that area; will more integration costs occur?

Paul Brooks

I think we mentioned before that we will experience further integration costs of 3 million in early 2009. The vast majority of these are yet to be experienced.

Participant

I am examining the margins and the overall margin is 26.5%, less \$11 million. I think it is seasonally stronger in the first half anyway, so the full year margin must have been at least 26.5%. Is there any reason why the figure would not be at least 27%?

Paul Brooks

There is a little more in Latin America apart from Serasa. There is the marketing business and Decision Analytics. We also have investment costs. Our Latin America development costs include costs relating to the Mexican Credit Bureau. The costs do

not purely relate to Serasa, so the margins are different from the overall Latin American ones. I will repeat that with regard to Serasa, we expect to see an improvement on the current figure of 50-100 basis points.

Participant

You are effectively saying that there are growth investments in LatAm as well?

Paul Brooks

Yes, there are.

Participant

That is fine.

Andy Chu, Deutsche Bank

I have one question relating to US Credit Services. Can you discuss the events in the account management and collections business in Q1? You talked of Xerox being your client base in the US. Early collection is clearly a priority for them at the moment, but in Q1, the pre-screen business weakened. Are there any more positive developments in account management?

Don Robert

There is an interesting approach to this question, which relates to the conversation we had last night. You were telling me about a lot of the recent conversations you personally had with some of our biggest clients. We will begin at that point.

Chris Callero

The situation today is such that there is tremendous pressure on existing portfolio, which necessitates better account-management and collection tools. Don spoke about that. We are demonstrating very strong growth with those products. Some of these products have only been created in the past few years, so they are just beginning to reach their peak for effectiveness. To the consumer lender, in many cases, they are always lucky to experience growth, but now they grow very selectively.

Paul and Don mentioned that pre-screen is quite slow. Therefore the consumer lenders are seeking out their existing customers and cross-selling to them. Secondly, if they prospect, they seek to be very careful and selective. Therefore, they may consider it on the basis of demographics, geography, portfolio performance in certain markets and under certain stress tests. They become a lot more segmented in their approach to the market. All the while, they are seeing rapid acceleration of roll rates to early or late stage delinquency in some cases, or from early stage delinquency to losses. Therefore, consumers need the benefit of their comprehensive experience and expertise to help them resolve that.

The positive aspect from our standpoint is that we continue to invest in data and in our analytical capabilities. As a result, we can combine those and provide clients with information they are not aware of on a regular basis, which they find very valuable. Then we productise those capabilities, which place them in a position where they can manage the portfolio more effectively. At present, by and large, they are not declaring an end point yet. They are being very cautious. They know that at some stage, there will be an end point. They know that they will not make money if they do not grow. They will be seeking to carry that out, albeit very carefully at this juncture.

Ed Steele, Citigroup

I have a number of brief questions. Firstly, I want to ask about the two businesses which are intended for potential disposal. You mentioned in one of the newswires this morning that the first half was PriceGrabber. Was there an equivalent regarding the French company transaction processing? Related to that, you mentioned very strong growth in PriceGrabber and climb run rate. I take it that is a figure in the mid-to-high-teens. What about transaction processing in France? I think that was negative in the fourth quarter. Has it emerged from that crisis? Is it improving?

Don Robert

I will ask Paul to comment on the financial trends in those two businesses. A newswire called us this morning. They asked whether the company would comment on those disposals in the first half of its fiscal year. I replied that I hoped this would be the case. I did not say that we would be announcing disposals. Let me remind you that disposal is one possible outcome of a strategic review. I think there are other potential outcomes as well. Both processes are progressing and I hope that we will have a comment to make in the first half of the year or earlier, as the case may be.

Paul Brooks

PriceGrabber is a double digit growth business. Our French transaction processing company was negative in the fourth quarter. I do not particularly want to comment on the first quarter, other than to say that we have a debit card processing business which is experiencing consistently strong growth. We have a cheque-processing business, which is approximately even. Then we have a Business Process Outsourcer (BPO) business, which tends to be uneven because it is contract based. As a result, the growth rates do tend to fluctuate, though they are normally in the range of 0-5%.

Ed Steele

The second question is about FARES. Do you have an update on the put call option situation with your partner? I know this is quite an important year for that.

Don Robert

Yes, as you know, this year is important for the FARES joint venture. We have a put, they have a call. The relationship has been intact for 10 years now and we renewed it

once for five years. The situation is very complicated. At the moment, in the first American area, they have announced the break-up of their company into two businesses. One is insurance and financial services. The other is real estate information, which is the area in which the FARES joint venture would reside. Sub-committees were assigned to those activities; a lot of complex tax, investor facing and legal issues were being experienced. It is safe to say that the status of the joint venture has been made even more complex by these factors.

Our Chairman, John Peace, and I have been engaging in dialogue recently with the people in senior positions in those companies. The partnership remains strong; I think we are all committed to ensuring that we keep carrying out business together in some form. We are optimistic that it will continue, but we cannot say how at this point.

Ed Steele

I have a final question about Serasa. What is the situation regarding the figure of 30%? Is there potential opportunity in the next 12-18 months?

Don Robert

No. The remaining 30% of Serasa is owned by several of the largest Brazilian banks. Ultimately, we could call their shares. Our position at this point is that we consider them to be very valued partners, board members and data contributors. They are major clients and we have close relationships with them, so we are happy to leave the situation as it is.

Andrew Ripper

I want to take advantage of Phil's remarks to ask some questions to better understand some of the facets you talked about in business information. Firstly, you have proprietary databases, particularly in the area of payables. I am examining the ways in which Corporate is paying the bills. How have you built them out and how valuable is that information to your clients? Is that a big part of your Unique Selling Point (USP) when you are approaching your clients?

Phil Cotter

We collect the data that we have through agreements with businesses. Effectively, they provide us with extracts from their ledgers. Typically, this is on a monthly basis, but sometimes it occurs more frequently. The value of the data to us is twofold in all the markets that we operate in. Firstly, it creates a distinct competitive advantage over a number of our competitors, simply because of the size of our databases. They are bigger and more extensive than theirs.

Secondly, the real value of this is that public business information is a relatively static dataset. Businesses file their registered businesses or their P&L and balance sheet on an annual basis. It gives an overview of the performance of the business at that point in time. The payment database enables us to assess the current state of the

business. Does it appear to be under financial stress because it takes longer to pay its bills? How does it perform in comparison to the industry average?

It is a very good question about how data is gathered. Later, there will be a demonstration of our portfolio management product in the UK. You will see that we can derive a real insight into the customers, regarding how their portfolio is behaving. It also demonstrates how customers are paying them in comparison to how they are paying other suppliers. It does provide very deep intelligence for a Chief Financial Officer to understand the nature of the debt. It may result from customers making late payments or risk managers being able to execute their risk and credit strategies.

Andrew Ripper

With regard to the UK business, which is the biggest part of the figure of 480, what is the biggest penetration of VAT registered business in the UK? How many companies are attributed to the database? Can you give us an idea of the scale of it?

Phil Cotter

It is a good question. I think there are probably approximately 6 million businesses in total in the UK, according to recent estimates. 2 million are registered and 4 million are unregistered. We have approximately 25-30 million records regarding companies which pay their invoices. I cannot provide you with a figure for the coverage of that population of 6 million. It is sufficient to say that it is significantly larger than our competitors in the UK. As I said earlier, we derive great value for our customers.

Andrew Ripper

I want to refer to the last few quarters. In the quarter to December, business information appeared to slow down; then it accelerated again towards the end of the year. Can you shed any light into the drivers for that? Looking forward, it seems that the business is not as origination dependent as the consumer area. You are less dependent on financial services and have a much broader spread of clients. Does that give you greater security with regard to the outlook for this year?

Phil Cotter

I do not recall the trend that you saw in the third and fourth quarters, to be honest. I am not sure we talked about that. My recollection is that the business has grown very strongly throughout the course of the last financial year. The final quarter does tend to be a bigger quarter for us, for a number of reasons. The outlook for the whole global business is that we would expect it to continue to experience high single and double digit growth during the course of the year. We are less dependent on origination and we are penetrating more throughout the customer life cycle in business information. I think this gives us some protection if there is any further slow-down in the economy.

Participant

I have a technical question for Paul. Could you outline your expectations for the cash-tax charge, which is very low this year?

Paul Brooks

This is primarily because of the tax-deductible amortisation on acquisitions that we have made over 15 years. Principally in the US, these will relate to the acquisition of the old TRW business, the Direct Tech business and PriceGrabber, as well as several other acquisitions. Serasa is now entering into that. We only had three months of business from that in the year which has just finished. Our guidance for this year is similar.

Concluding Comments**Don Robert**

With that, we thank you all very much for coming and look forward to seeing you again.