

Preliminary results for year ended 31 March 2010

19 May 2010



Preliminary results for year ended 31 March 2010

Don Robert, Chief Executive Officer



Agenda



- **Strategic and operational review**
- **Financial review**
- **Spotlight on North America**
- **Summary and Q&A**

Strategic and operational review

FY2010: Highlights

FY10

- We have grown the business, made the organisation stronger and more efficient

Revenue growth

- Strength in Latin America and Interactive
- Offsets weak US and UK credit and marketing

Margin expansion

- Margins up 80 basis points to 24.4%

Strategic progress

- Geographic expansion
- New verticals progress
- New product investment

Balance sheet

- Net debt comfortably within target gearing ratio
- Increased dividend and US\$300m buyback

Strategic and operational review

Strategic progress in FY2010

Geographies



- **India licence awarded**
- **Restructured JV in Russia**
- **Emerging markets now c. 20% of group revenue**

Verticals



- **Public sector – extended in UK. Successful US start-up**
- **US healthcare – further hospital penetration**
- **Over 60% of group revenue now outside financial services**

New products



- **ProtectMyID on track**
- **Product introductions in Brazil and Asia Pacific**

Portfolio

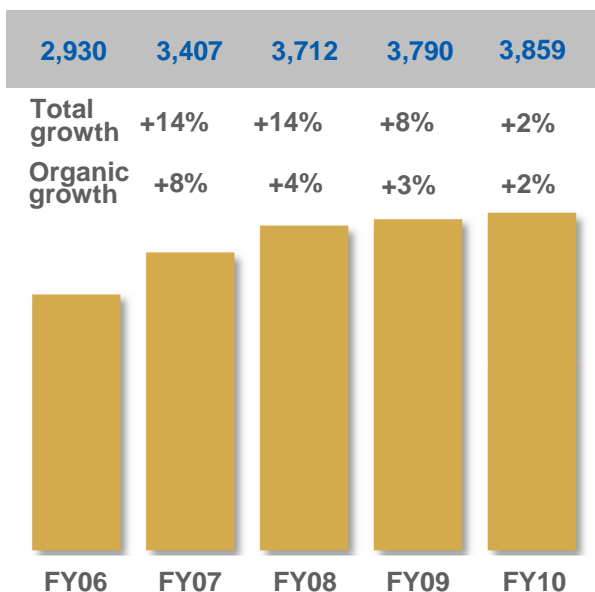


- **Successfully exiting FARES joint venture**
- **Infill acquisitions in Germany and Japan**

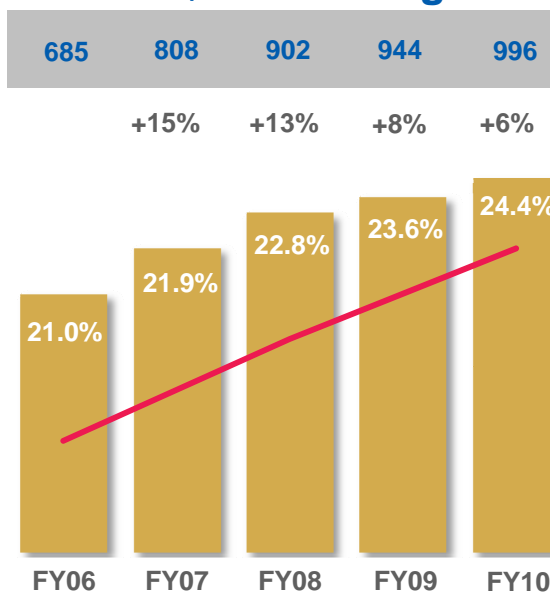
Strategic and operational review

Financial highlights

Revenue US\$m



EBIT US\$m and margin



— EBIT Margin

- Total revenue growth of 2%; organic growth of 2%
- Continuing EBIT up 6%; margin up to 24.4%
- Benchmark EPS growth of 8%
- Dividend of 23.00 US cents, up 15%

Global continuing sales and EBIT only
 Growth at constant exchange rates and for continuing activities
 EBIT margin excluding FARES
 FY06 and FY07 sales and EBIT adjusted to exclude MetaReward.
 FY06, FY07, FY08, FY09 and FY10 sales and EBIT adjusted to exclude UK account processing, FY07 and FY08 sales and EBIT adjusted to exclude Loyalty Solutions, FY08 and FY09 sales and EBIT adjusted to exclude French transaction processing activities and other smaller discontinuing activities, FY10 sales and EBIT exclude small discontinuing activities

Strategic and operational review

Capital strategy framework



► Strategy

- **Maintain strong investment grade credit rating**
- **Meet investment needs of the business**
- **Return surpluses to shareholders**

► Outcome

- **Net debt significantly reduced due to strength of cash flow**
- **Investment sustained throughout downturn and in future plans**
- **Capital return via enhanced dividend and buyback**

Strategic and operational review

Key trends in major markets

North America

- Economic conditions improving
- Increased consumer spending
- Weak housing market
- Gradual recovery

UK & Ireland

- Beginnings of recovery
- Weak credit demand
- Risk management focus
- 6-9 months behind US

EMEA

- Mixed market conditions
- Emerging markets offsetting more developed countries

Latin America

- Returning to full economic growth
- Banks expanding credit portfolios

Asia Pacific

- Economies strengthening
- Growth in lending demand
- Banks seeking to expand regionally

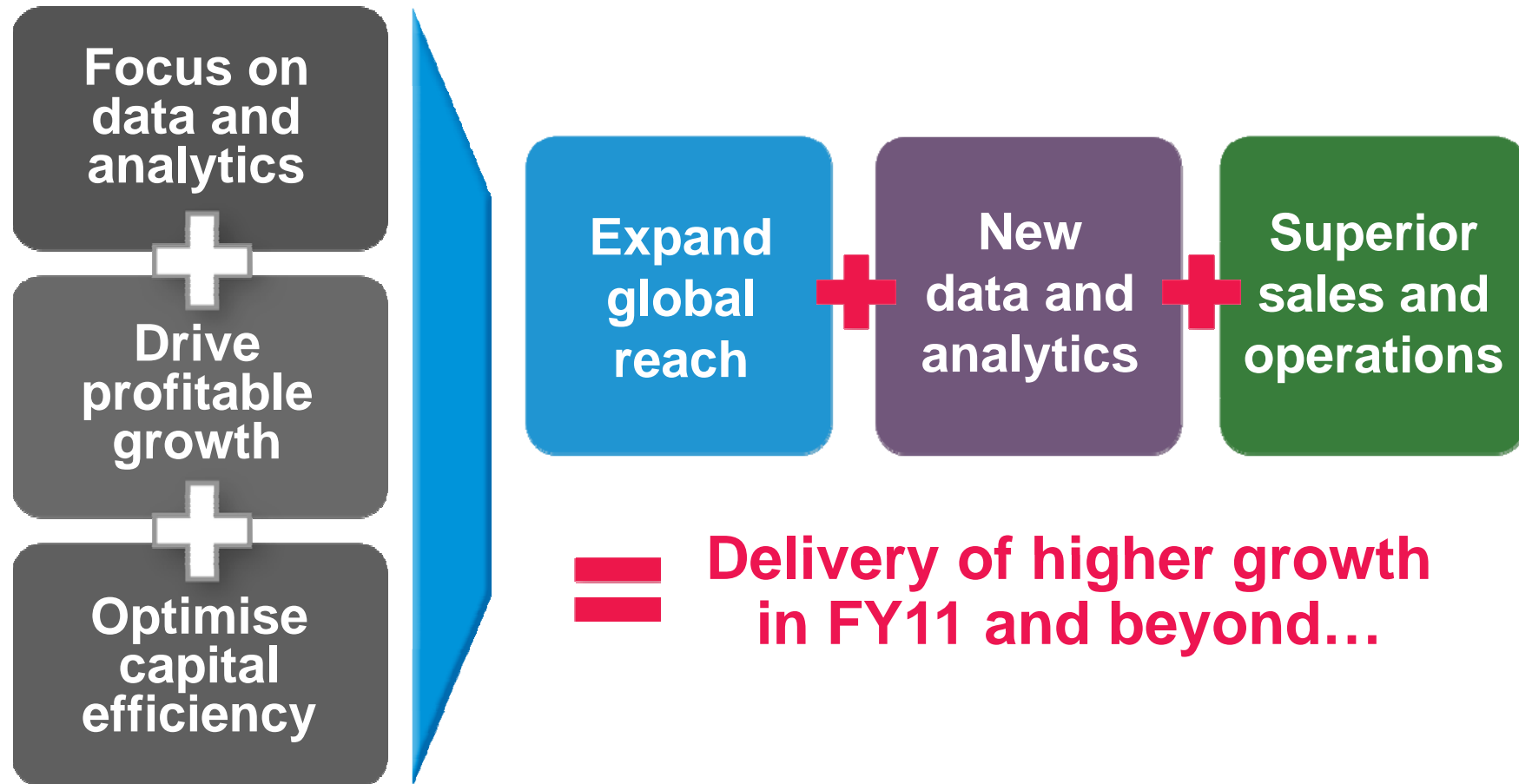
Regulatory update: US financial industry reform



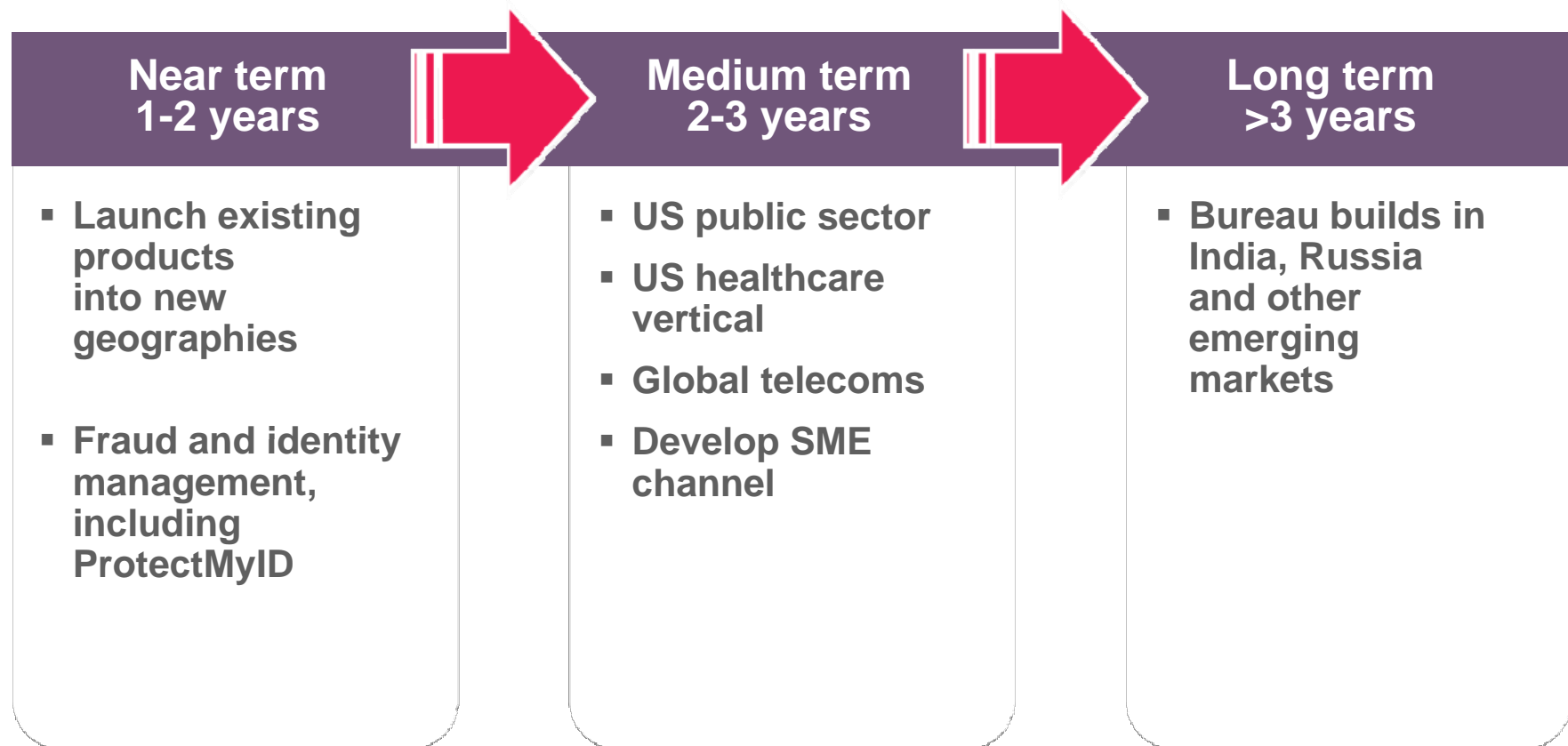
- **Credit Card Act: new client requirements including new risk management obligations**
- **Requiring more transparency and better analytics**
- **Consumer Direct: switched advertising to [FreeCreditScore.com](https://www.FreeCreditScore.com); added FTC required disclosures to [FreeCreditReport.com](https://www.FreeCreditReport.com)**
- **Legislative environment remains fluid, we will adapt as needed**

Strategic and operational review

Taking control of growth



Expand global reach: stages of development



Expect incremental revenue of over US\$300m collectively over 3-5 years

Strategic and operational review

Deliver innovative data and analytics



New sources of data



- Niche data
 - Small business loan
 - Mortgage loan
 - Property valuation
 - Voter ID

Enhanced analytics and platforms



- New fraud prevention tools
- New partnerships for digital advertising
- Sophisticated risk tools, e.g. Future Delphi

Investment for growth

Strategic and operational review

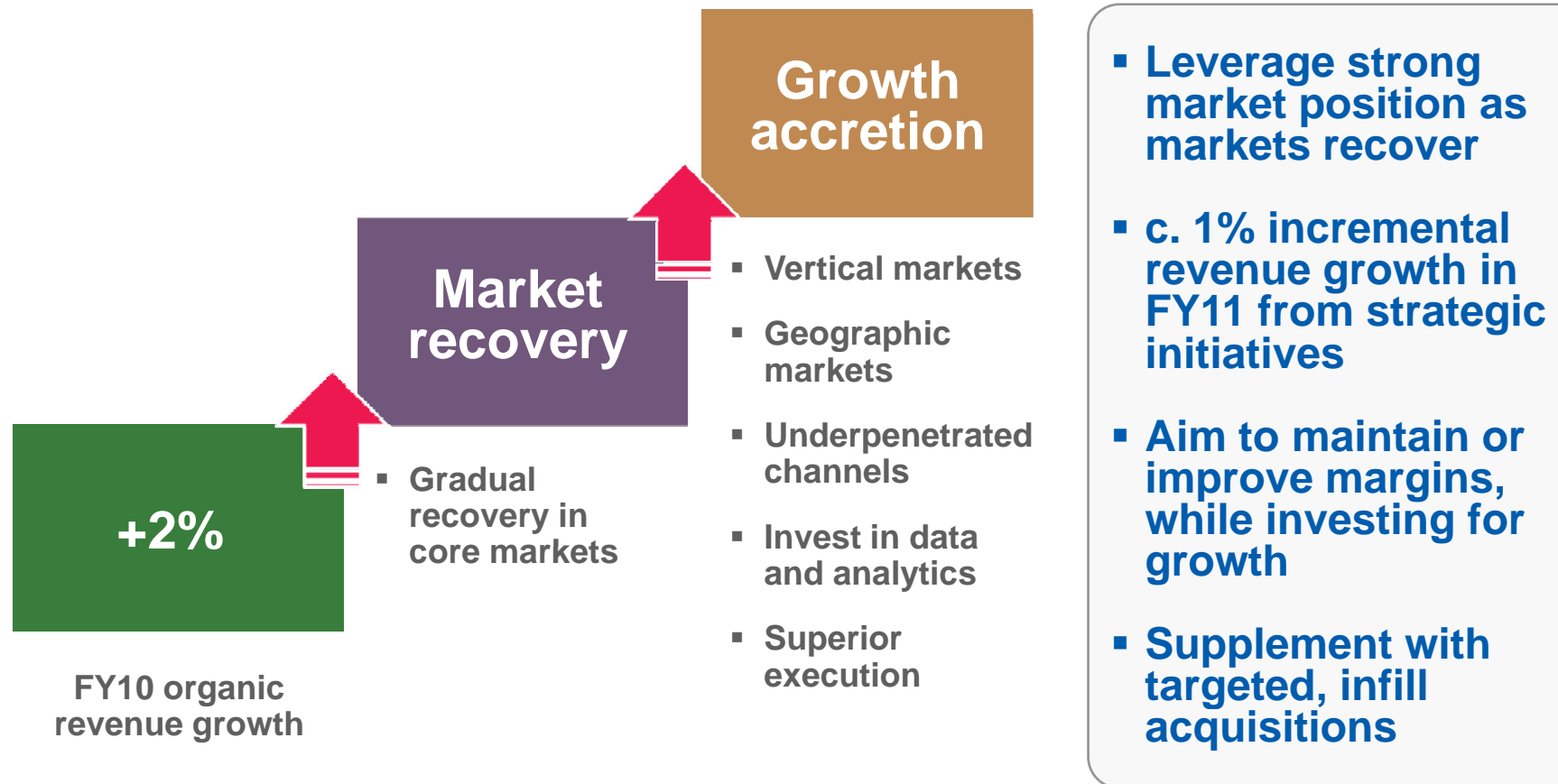
Superior sales and execution



- **2,000 salespeople**
- **Invest in high performance culture**
- **Drive sales excellence**
- **Expand specialist vertical market sales teams**

Strategic and operational review

Ingredients for medium term growth



Strategic and operational review

Summary



- **Conditions slowly improving; clients moving to modest growth**
- **Creating new sources of growth through a series of initiatives**
- **Capital stewardship: enhancing distribution**
- **Well positioned to deliver another year of growth**

Financial review

Paul Brooks, Chief Financial Officer



Financial review

Highlights



- **Total revenue growth of 2%, organic revenue growth of 2%**
- **EBIT margin expansion of 80 basis points to 24.4%**
- **Continuing EBIT growth of 6%**
- **Excellent cash flow conversion of 98%; free cash flow of US\$818m up 11%**
- **Benchmark PBT growth of 8%; Benchmark EPS growth of 8%**
- **Dividend up 15% to 23.0 US cents**

Financial review

Revenue and EBIT by geography

Year ended 31 March
US\$million

Revenue	2010	2009	Total growth	Organic growth
North America	2,060	2,059	0%	0%
Latin America	559	462	16%	16%
UK and Ireland	779	843	(1)%	(1)%
EMEA/Asia Pacific	461	426	6%	1%
Total revenue	3,859	3,790	2%	2%
EBIT before Central Activities	1,002	953	6%	
Central Activities	(62)	(57)		
EBIT – direct business	940	896	5%	
FARES	56	48	16%	
EBIT – continuing activities	996	944	6%	
EBIT margin	24.4%	23.6%		

- Solid organic revenue growth
- Direct EBIT growth of 5%
- Strong margin performance in Latin America and UK & Ireland
- Margins broadly flat elsewhere



All figures above on continuing basis
Growth at constant exchange rates
EBIT margin is for continuing business only, excluding FARES
2009 restated to exclude small discontinuing activities in North America and UK & Ireland

Financial review

Credit Services

Year ended 31 March
US\$million

Revenue	2010	2009	Total growth	Organic growth
North America	693	730	(5)%	(6)%
Latin America	538	437	17%	17%
UK and Ireland	234	265	(6)%	(6)%
EMEA/Asia Pacific	191	172	8%	0%
Total revenue	1,656	1,604	2%	1%

Total EBIT – direct business	555	513	7%
FARES	56	48	16%
Total EBIT	611	561	8%
EBIT margin	33.5%	32.0%	

- Organic growth of 1%; small acquisition contribution
- Growth in Latin America offsets market challenges elsewhere
- Margin up 150 basis points

Financial review

Decision Analytics

Year ended 31 March
US\$million

Revenue	2010	2009	Total growth	Organic growth
North America	116	119	(3)%	(3)%
Latin America	7	10	(26)%	(26)%
UK and Ireland	193	226	(8)%	(8)%
EMEA/Asia Pacific	125	131	(5)%	(5)%
Total revenue	441	486	(7)%	(7)%
EBIT	119	140	(11)%	
EBIT margin	27.0%	28.8%		

- Organic revenue decline due to:
- lower origination volumes
- client capex restraints
- Revenue decline is the main driver behind margin movement

Financial review

Marketing Services

Year ended 31 March
US\$million

Revenue	2010	2009	Total growth	Organic growth
North America	329	358	(8)%	(8)%
Latin America	14	15	(13)%	(13)%
UK and Ireland	243	268	(4)%	(2)%
EMEA/Asia Pacific	145	123	16%	8%
Total revenue	731	764	(3)%	(4)%
EBIT	86	88	0%	
EBIT margin	11.8%	11.5%		

- North America decline due to retail spending contraction
- Growth in new media; traditional stabilising
- Margin increase due to cost actions and positive mix; investment in EMEA/Asia Pacific

Financial review

Interactive

Year ended 31 March
US\$million

Revenue	2010	2009	Total growth	Organic growth
North America	922	852	8%	8%
UK and Ireland	109	84	38%	38%
Total revenue	1,031	936	11%	11%
EBIT	242	212	15%	
EBIT margin	23.5%	22.6%		

- Organic revenue growth of 11%
- Continued growth in Consumer Direct
- Strong growth in lead generation
- EBIT margin up 90 basis points, helped by improved subscriber retention

Financial review

Group benchmark earnings

Year ended 31 March
US\$million

	2010	2009	Growth
Total EBIT	991	939	6%
Net Interest	(81)	(96)	
Benchmark PBT ¹	910	843	8%
Benchmark taxation	(184)	(184)	
Benchmark PAT	726	659	
Benchmark minority interest	(45)	(28)	
Benchmark earnings	681	631	8%
Weighted average number of shares	1,015	1,013	
Benchmark EPS, US cents	67.1	62.3	8%
Dividend per share, US cents	23.0	20.0	15%



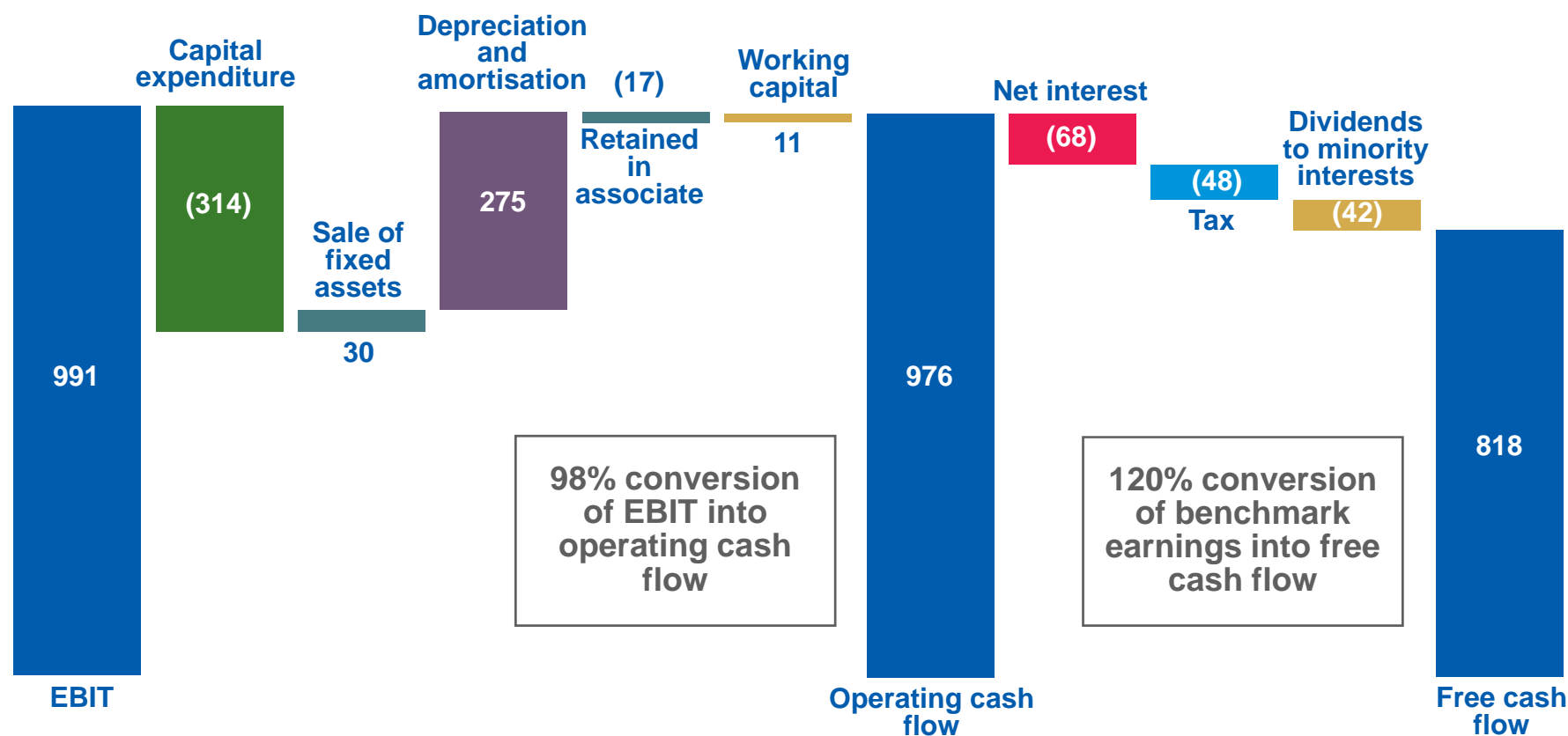
Growth at actual exchange rates

¹ Benchmark PBT is defined as profit before amortisation of acquisition intangibles, goodwill impairments, charges in respect of the demerger-related equity incentive plans, exceptional items, financing fair value remeasurements and tax. It includes the Group's share of associates' pre-tax profit.

Financial review

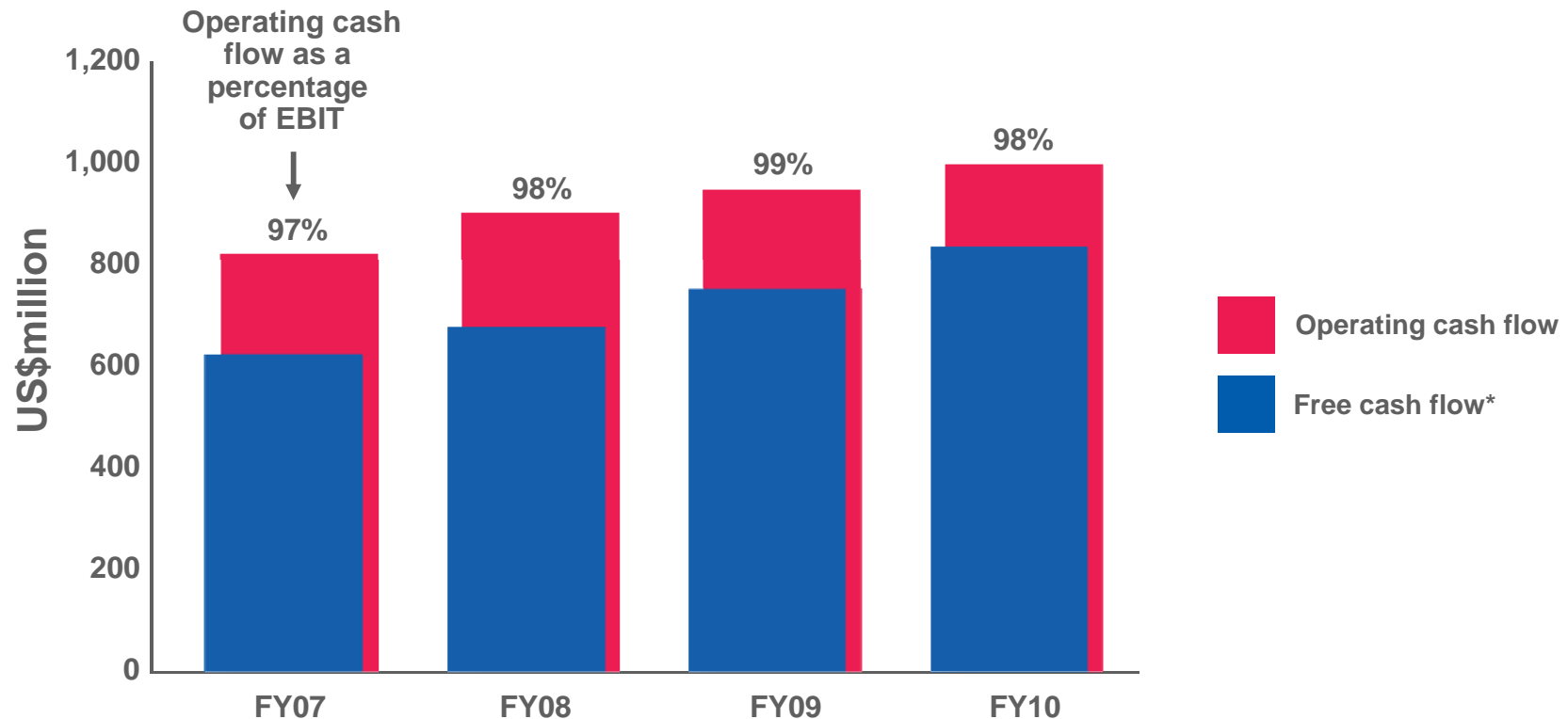
Strong cash flow performance

Year ended 31 March 2010
US\$million



Financial review

Cash flow since demerger

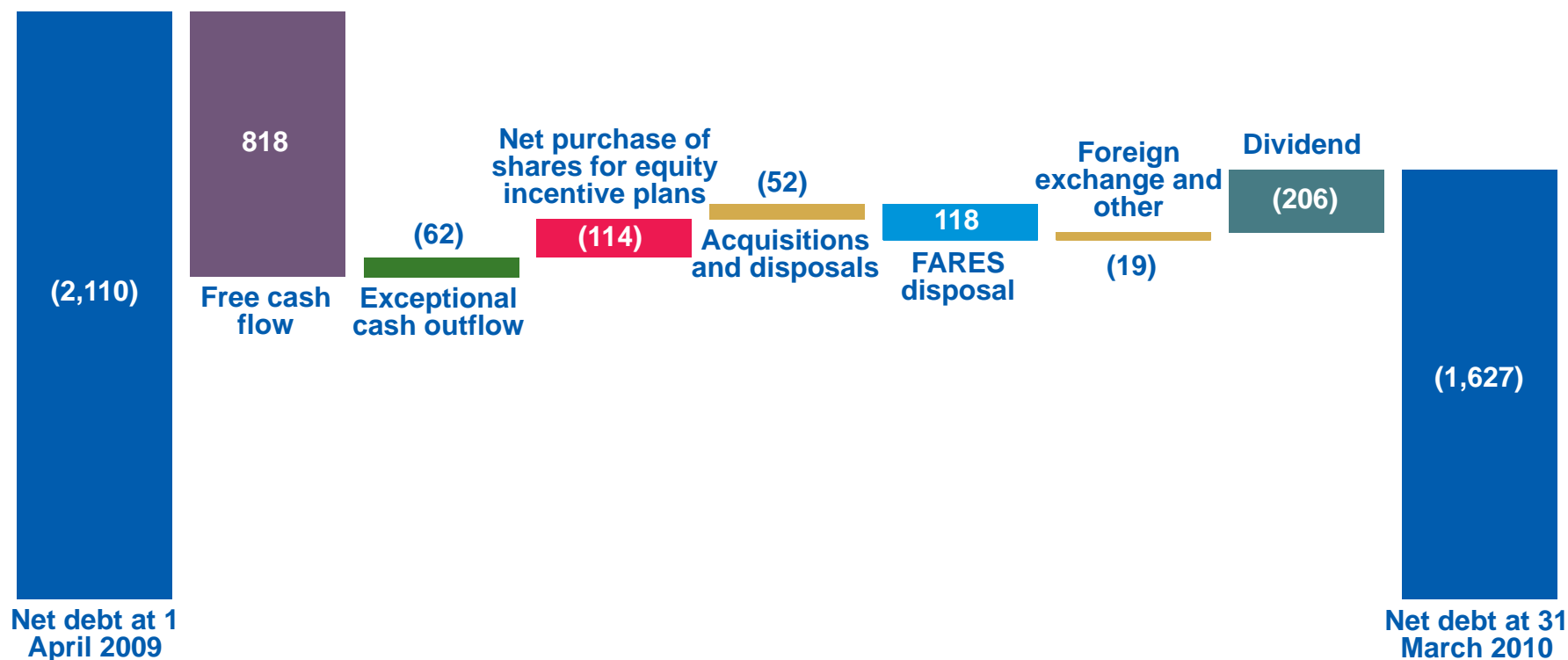


US\$2.8bn free cash flow generated in past 4 years

Financial review

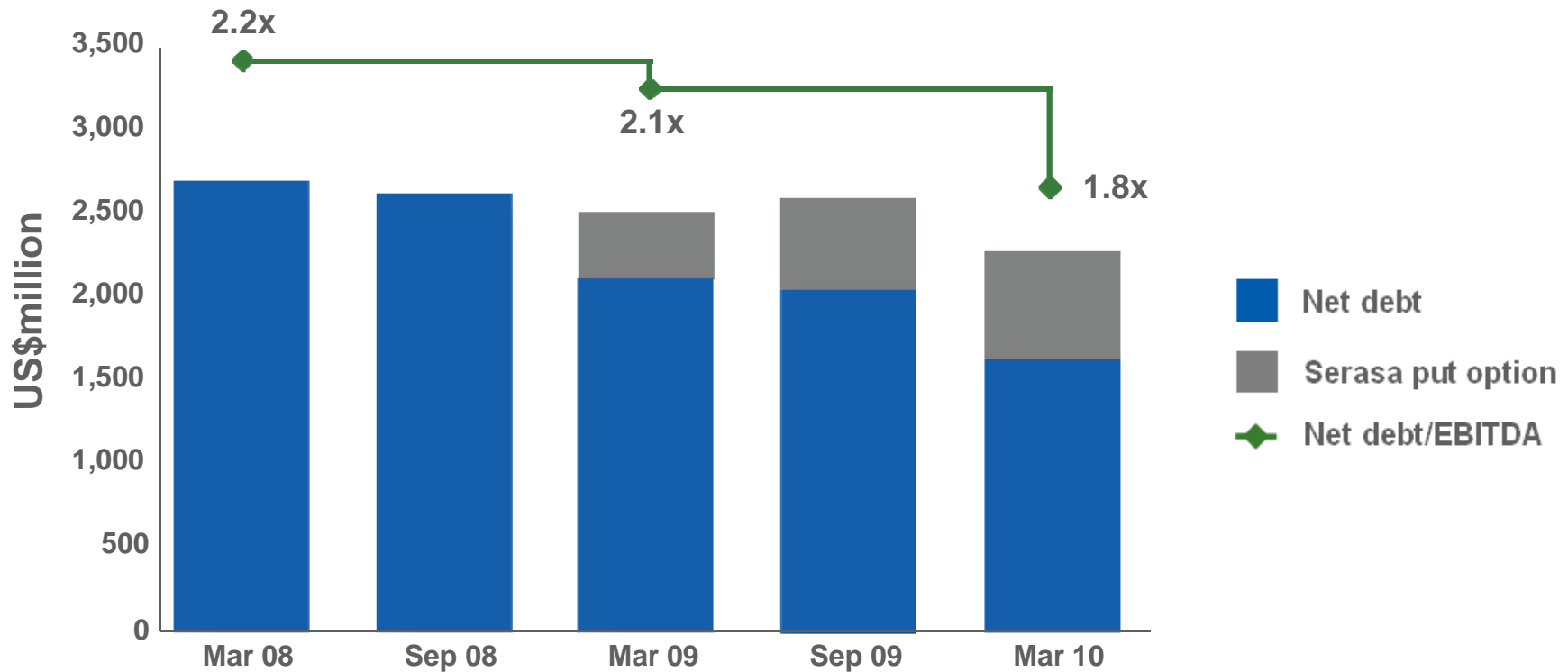
Net debt reconciliation

Year ended 31 March 2010
US\$million



Financial review

Net debt/EBITDA



- Target adjusted net debt to EBITDA of 1.75 - 2.0x
- Serasa put option value US\$661m¹

FARES joint venture: cash proceeds from sale

US\$million	Cash flow	Date of receipt
Sale of FARES assets	48	H2
Sale of First American shares	70	H2
Net cash flow	118	FY10
Residual interest	314	H2
Tax	(62)	H2
Net cash flow	252	FY11
Gross proceeds to Experian	432	
Net proceeds to Experian	370	

- FARES will be treated as discontinued in FY11
- FARES contribution to be excluded from benchmark items

Components of capital strategy



Financial review

Debt funding



- **Successful €500m Eurobond issue in February 2010**
- **Part of 18 month programme to refinance and spread maturity of debt**
- **Further bond issue expected in next 12 months**
- **US\$2,530m revolving credit facilities repayable July 2012**
- **Incremental interest charge of US\$10 to US\$20m including share buyback funding**

FY11 modelling considerations

Net interest

- Net interest in the region of US\$90m to US\$100m, after a nominal net pension charge, at current rates

Tax

- Benchmark tax rate of c.22.0%. Cash tax of c.10%

Exceptional

- US\$10m residual charge due to cost efficiency programme

Capital expenditure

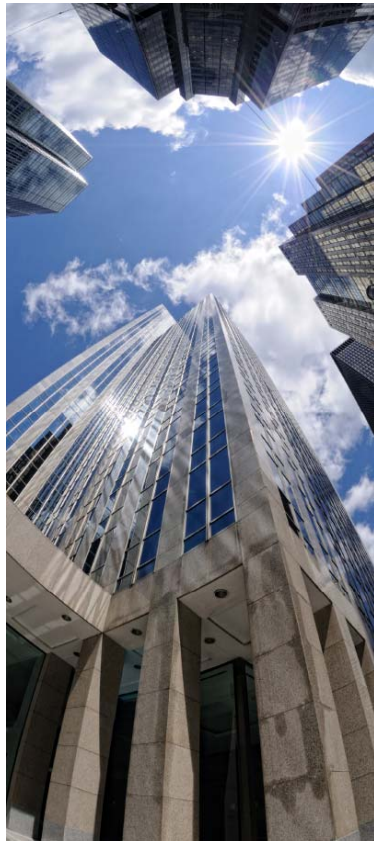
- Capital expenditure expected to be between US\$340m and US\$370m, reflecting investment spend

Review of financial reporting frequency

Upcoming announcements: FY11 (quarterly updates only)

15 July 2010	Interim management statement, first quarter
17 November 2010	Half-yearly results announcement
18 January 2011	Interim management statement, third quarter
18 May 2011	Preliminary results announcement

Financial summary and outlook



- **Strong performance in a challenging year:**
 - Revenue growth
 - Margin enhancement
 - Strong cash flow
- Ended year comfortably within target gearing ratio range
- Enhanced distribution policy through raised dividend payout and share buyback
- Looking ahead into FY11
 - H1 organic revenue growth: slightly stronger than FY10 exit rate
 - FY11 EBIT growth: targeting mid-single digit growth*

Spotlight on North America

Victor Nichols, CEO North America region



Spotlight on North America

Client perspectives in a new market environment



Capitalise on recovery



Improve credit practices



Expand digital media marketing



Emerging regulation

**New
opportunities
emerging for
Experian**

Credit Services and Decision Analytics: strategic priorities

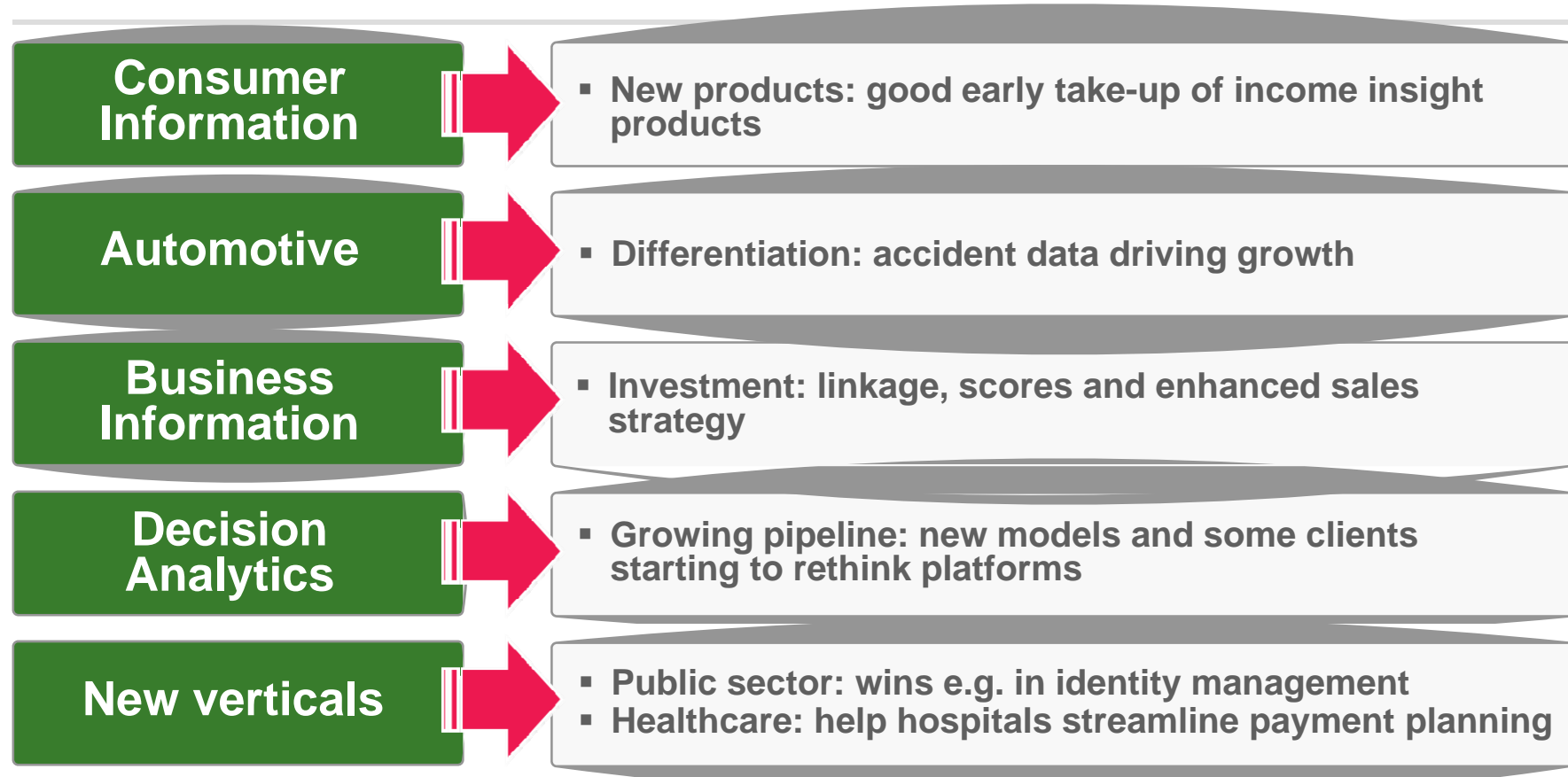


- Further differentiate through:
 - More valuable data and models
 - Integrated Credit Services and Decision Analytics salesforce
- Expand in growth markets: healthcare, automotive and public sector
- Enter underpenetrated channels e.g. small business

Expect to return to growth in H2 FY11

Spotlight on North America

Credit Services and Decision Analytics



Well positioned for market recovery

Spotlight on North America

Returning to growth in Marketing Services



- Transformation to targeted, digital marketing
 - Now about 60% of revenues
 - Higher growth, higher margin
 - More cost effective for clients
- Tightened operational execution
 - Deliver across multiple channels
 - Faster go-to-market
- Investing for growth

Poised to return to growth

Spotlight on North America

Marketing Services: building our global footprint

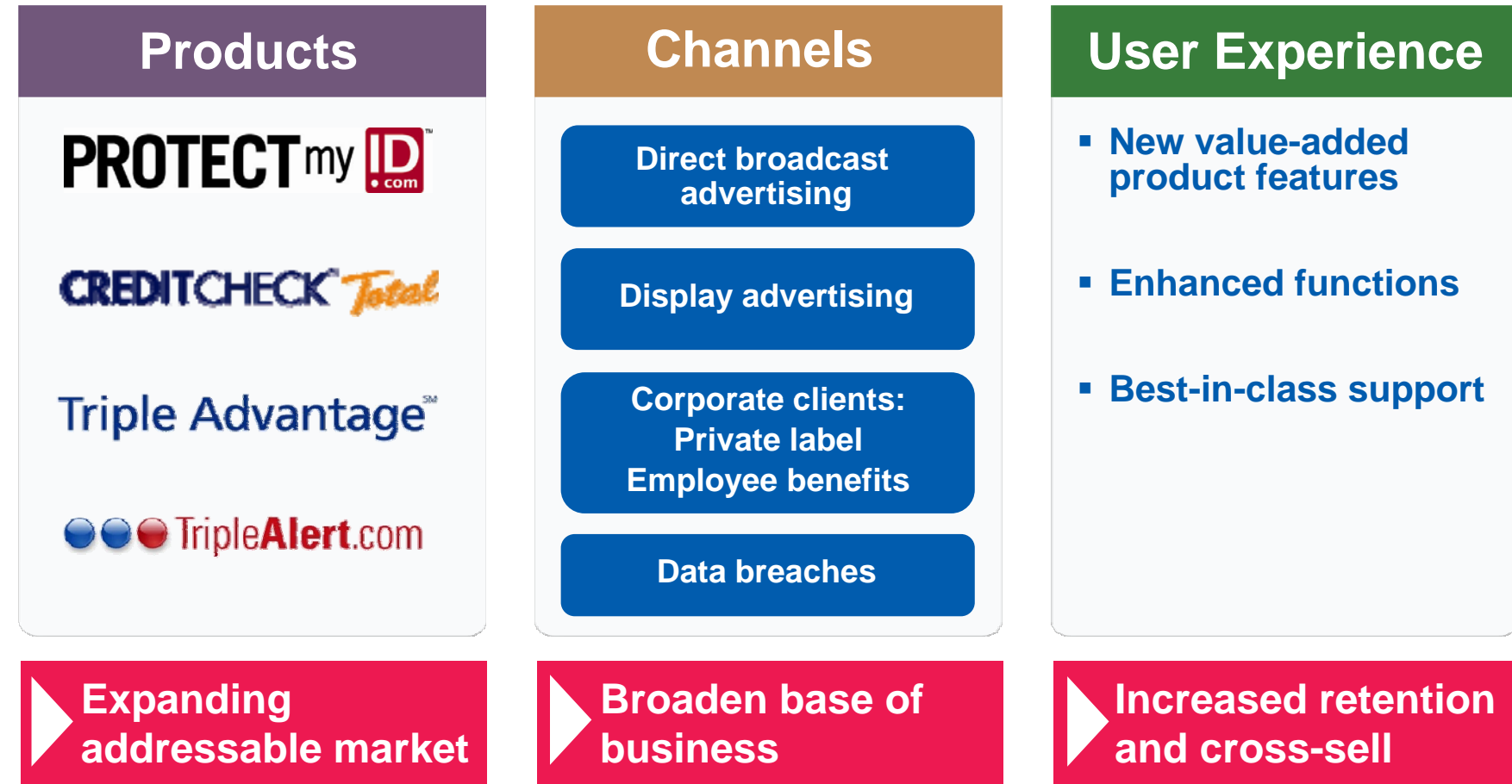


- **Leader in global data coverage**
- **Best platform footprint**
- **Able to deliver for both local and global clients**

Delivering greater client value through a suite of offline and digital marketing capabilities

Spotlight on North America

Interactive: multiple products, multiple channels



Spotlight on North America

Consumer Direct: enhancing value to drive retention



How we enhance value

Snapshot

- Monthly credit statement

Credit score tracker

- Score determinants
- Options to improve

Improved dispute process

- Enhanced query capabilities
- Quicker resolution

Spotlight on North America

Update on ProtectMyID

Call to order: 1-866-974-JMYID (6943) Member Login ▶

PROTECTmyID Experian

Stop identity theft in its tracks.
ProtectMyID.com makes it easy for you.

Powerful protection - We're so confident in our product that we back it with our \$1 Million Product Guarantee.

Rapid resolution - If necessary, a dedicated Fraud Resolution agent will help you out through the red tape.

Global leader - Only ProtectMyID.com is backed by Experian® - a world leader in protecting personal information.

Backed by our 14 day Money Back Guarantee!

First Name
Last Name
ZIP Code

Protect Your Identity NOW!

Get started today for only \$9.95 a month!

For Parents:
Adults aren't the only victims of identity theft - kids are the new target. Now you can protect your children with ChildSecure® as part of your ProtectMyID.com membership. For a nominal monthly fee, you can rest easier knowing that your children's identities are safe and secure. [Learn More](#)

Daily Detection
Identity theft is difficult to spot. Every day, we monitor the areas identity thieves target most. If key changes occur, we'll alert you so you can put a stop to any unauthorized activity. [Learn More](#)

Internet Protection
We scout the Internet looking for unauthorized use of your credit cards, debit cards and Social Security number. If we detect any suspicious activity, we'll alert you right away. [View Guarantee](#)

Address Safeguard
Identity thieves steal pre-approved credit card offers out of mailboxes. If someone tries to redirect your personal mail in order to initiate an identity theft, you'll know about it. [Learn More](#)

Medical Defense
Did you know that Medical Identity Theft is one of the fastest growing crimes? [Learn More](#)

Experian EQUIFAX TransUnion

McAfee SECURE TRUSTED 10.0.0.0

* This is not related to the \$1 Million Product Guarantee. At ProtectMyID.com we are committed to providing the highest quality product and assistance to our members. If you are not completely satisfied, call us at 1-866-974-JMYID within 14 days of enrolling in our product and we will refund your membership fee, which is the amount billed to your account every month in year. Our money back satisfaction promise is available to first time ProtectMyID.com members. Please note that certain fees may not be refundable.

- Protection is a c. US\$150m market today, high growth
- Over 100,000 members since September 2009 launch
- Driving further take-up through distribution partnerships

Partners and consumers trust Experian to provide the most effective and secure identity safeguards

Spotlight on North America

Interactive: sustaining growth in lead generation and PriceGrabber



Lead generation

- **Successful diversification: education, insurance**
- **Lending vertical back to growth**
- **Scale in media buying**
- **Use Experian data and scores**

PriceGrabber

- **Build syndication revenues, e.g. Yahoo! Shopping**
- **Expand advertising network**
- **Build consumer value - mobile applications**
- **Strengthen merchant network**

Spotlight on North America

Summary: our top priorities for driving growth



- **Clients positioning for opportunities in recovery**
- **Experian strategy:**
 - **Take advantage of market underpenetration**
 - **Innovate – investing in new products**
 - **Diversify – drive performance in new verticals**
 - **New segments – new types of customers**

**Plenty of opportunities:
all about execution**

Summary

Don Robert, Chief Executive Officer



Summary

The Experian model: creating value for shareholders



- **Strong financial performance**
- **Global market leader**
- **Significant growth opportunities**
- **Efficient capital management**

Appendix



Contacts

Experian
Cardinal Place
80 Victoria Street
London
SW1E 5JL

Tel: +44 (0)203 042 4200
Website: www.experianplc.com

Paul Brooks
Chief Financial Officer
Email: paul.brooks@experian.com

Peg Smith
Executive Vice-President
Email: peg.smith@experian.com

Nadia Ridout-Jamieson
Director of Investor Relations
Email: nadia.rjamieson@experian.com

Sarah Schibli
Investor Relations Analyst
Email: sarah.schibli@uk.experian.com

Event calendar

15 July 2010	Interim management statement, first quarter
21 July 2010	Annual General Meeting
17 November 2010	Half-yearly results announcement
18 January 2011	Interim management statement, third quarter
18 May 2011	Preliminary results announcement

Disclaimer

- This 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.
- Information in this presentation relating to the price at which relevant investments have been bought or sold in the past or the yield on such investments cannot be relied upon as a guide to the future performance of such investments.
- This presentation does not constitute or form part of, and should not be construed as, an offering of securities or otherwise constitute an invitation, inducement or recommendation to any person to underwrite, subscribe for or otherwise acquire securities in any company within the Experian group (the “Group”).
- Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Forward-looking statements speak only as of the date of this presentation.
- This presentation contains certain non-GAAP financial information. The Group’s management believes that these measures provide valuable additional information in understanding the performance of the Group or the Group’s businesses because they provide measures used by the Group to assess performance. Although these measures are important in the management of the business, they should not be viewed as replacements for, but rather as complementary to, the GAAP measures.