

## **Trading Update – Second Half – 15 April 2010**

### **Opening Remarks**

**Don Robert**  
**Chief Executive Officer, Experian**

#### **1. Introduction**

Good morning, everyone, and thank you for joining us on today's call to discuss our Second Half Trading Update. I will start the call today with some overview comments before handing it over to Paul. Of course, after my concluding remarks we will open up the line for your questions.

#### **2. Second Half Highlights**

I am pleased to say that revenue growth showed improvement in the second half, in line with the guidance that we gave you in January. On a global basis, revenues were up 3% at constant exchange rates while organic revenue growth was 2%. Latin America again grew strongly and we are pleased to see a return to growth in North America in the half.

#### **3. Major Trends and Developments in Larger Markets**

Paul will take you through that trading detail shortly, but in the meantime let me walk through some of the major trends and developments in our larger markets, starting first with the global financial services vertical.

##### **North America**

In North America we are seeing the sequential stabilisation that we would expect to precede a return to slow and gradual growth. With the Card Act implementation now behind them some of our clients have begun to prospect for new credit cards. These programs tend to be smaller and much more targeted and are largely aimed at the prime and superprime consumer. Response rates from these campaigns over the next few months will give a good indication of what consumers' appetite for new retail credit products is.

In the US, delinquency rates outside of mortgages are levelling off; account management and collections remain a key area of focus for all of our lenders, however, and we continue to see a lot of opportunities in the pipeline for risk management products. We expect this trend to continue even as lenders move back to modest growth.

##### **The UK**

In the UK, trends in the banking sector remain largely unchanged. Conditions have stabilised, but we do not see much of an indication of improvement in the near term. The supply of credit remains tight and consumer demand is weak. Risk management, fraud prevention and cost reduction remain a key area of focus. Generally speaking, our lenders are more interested in protecting profits versus growing market share.

## **Latin America**

In Latin America market conditions are good with lending growth for consumers and businesses both on the rise. Our business is performing strongly helped by the improvement in market conditions as well as various actions that we have undertaken to drive growth.

## **Decision Analytics**

Globally, in Decision Analytics, capital expenditures by major clients are still being tightly controlled and decision-making for large software projects continues to be long and tough. Our focus remains on analytics such as scorecard redevelopment and fraud prevention, which are two of the key areas where the return on investment is usually quick and significant.

## **US Marketing Services**

Meanwhile, our US Marketing Services businesses are benefiting from improving trends among retailers, resulting in growth in the traditional direct mail products and an increase in activity levels in online marketing. In all regions there is a continuation of the shift in marketing spend to digital channels, such as email marketing

## **4. Regulatory Changes**

Finally, I want to bring you up to date on the regulatory changes at our US Consumer Direct business that we mentioned in our January Trading Update. On 23 February we received final rules from the Federal Trade Commission (FTC) governing the marketing of free credit reports to US consumers. These new regulations require extensive disclosures and links to the FTC-sponsored website. In testing, we found that these new disclosures caused consumer confusion and higher abandonment rates. Accordingly, we have taken a different approach to ensure compliance with the new regulations. Effective from 1 April, we adapted our marketing strategy to discontinue the free credit report offer and we have switched all of our broadcast advertising to a new brand, which is [freecreditscore.com](http://freecreditscore.com). This is not subject to the disclosure requirements imposed by the Federal Trade Commission. [Freecreditreport.com](http://freecreditreport.com) will remain an active site for the near term to service existing customers and prospects. To avoid the elaborate disclosures required by the FTC we have converted the offer on this site to involve a \$1 fee, which we will donate to charity.

We think these actions avoid the potential for consumer confusion and keep us in compliance with the new regulations. We are confident, based on our early testing, that we can adjust our business accordingly.

## **5. Conclusion**

To summarise and before I turn it over to Paul, while we are seeing early signs of recovery in the US and stabilisation in the UK credit markets, supply is still constrained and a return to lending is cautious. Meanwhile, the outlook for emerging markets is generally more buoyant and we see good opportunities for growth. While

the regulatory environment is generally heightened at present, we have a long track record of adapting to and absorbing change.

With that, let me turn it over to Paul.

## **Financial Review**

**Paul Brooks**  
**Chief Financial Officer, Experian**

### **1. Trading Performance**

#### **Highlights**

Thank you, Don. Turning to trading performance in the second half, total revenue at constant exchange rates for the second half grew by 3% with organic revenue growth of 2%. At actual rates, revenue increased by 10%, reflecting movements in exchange rates against the US Dollar.

#### **Organic growth**

For the half, looking at performance by business segment, organic revenue at constant currency increased 10% at Interactive driven by good growth at UK Consumer Direct and strong performances from the US Lead Generation and Price Grabber businesses. Continued strength in Latin America drove Credit Services organic growth of 2%, Marketing Services organic revenue was flat year-on-year, and at Decision Analytics revenue was down by 5%.

### **2. Performance by Region**

#### **North America**

Now turning to look at each region, in North America total revenue grew by 2% and organic revenue grew 1%. Each segment saw some improvement in quarter four compared to quarter three. For the half, organic revenue declined by 5% at Credit Services, by 2% at Decision Analytics, and by 2% at Marketing Services. Interactive delivered growth of 8%.

At Credit Services, business information, automotive and health care payments delivered good growth in the half. While consumer information declined, we saw improved non-mortgage origination trends as the half progressed and also pre-screen revenue showed some growth in the fourth quarter. At Decision Analytics there was a modest improvement in trends with good demand for fraud prevention and analytical tools, particularly from utilities and mid-sized banks. At Marketing Services, we were pleased to see further stabilisation in traditional media and good growth in new media channels. At Interactive, there was strong growth in the lead generation business, particularly in the education vertical. PriceGrabber also performed well, driven mainly

by partnership arrangements. Consumer Direct revenue was in line with the previous year in the second half. This was depressed by our decision to reduce marketing spend while we were awaiting final rules on the marketing of credit reports from the FTC.

### **Latin America**

In Latin America, total and organic revenue at constant exchange rates grew by 17%. There was further excellent performance from Credit Services, up 19%, with business information performing particularly well. There was also a significant contribution from authentication revenues, driven by new regulatory requirements in Brazil.

### **UK and Ireland**

Turning to the UK and Ireland, total and organic revenue at constant exchange rates declined by 2%. Organic revenue was down 7% at Credit Services, 9% at Decision Analytics and by 2% at Marketing Services. Interactive grew by 27%.

The decline in Credit Services reflected the ongoing weakness in financial services origination volumes as well as the impact of consolidation in the banking sector. This was partially offset by continued good growth in non-financial verticals. Decision Analytics was also impacted by lower origination volumes, as well as by depressed demand for major software projects. Marketing Services held up well with good performance in new media helping to offset declines in traditional media. Interactive again delivered good growth, though slowing in the second half against a larger base.

### **EMEA/Asia Pacific**

In EMEA/Asia Pacific, total revenue growth at constant exchange rates was 8% in the half and organic revenue growth was 1%. Organic revenue declined by 3% at Credit Services, grew by 1% at Decision Analytics and by 8% at Marketing Services.

The decline at Credit Services reflected some lumpiness, particularly some one-off revenue in the prior year comparatives. Decision Analytics performed strongly in emerging markets with good performance across all product lines. Market Services continues to grow well as we increase the penetration of global products such as email marketing and contact management software.

With that, let me turn the call back to Don.

### **Summary**

### **Don Robert**

Thank you, Paul. We will update you in more detail about strategy at our results presentation in May, but for now let me just say that our entire organisation remains

very focused on our strategic growth initiatives with excellent progress in many of those areas. We are expanding our global reach with a lot of progress in new vertical markets and new geographies. We are investing in new data sources and platforms to further strengthen the business and we are investing in ground-breaking new products like ProtectMyID. We continue to be encouraged by the opportunities that we see and we expect to reap the benefits as we progress through fiscal year 2011.

In conclusion, therefore, I would say that we are pleased to have delivered some improvement in growth in the second half of the year and we expect to deliver good profit and good cash outcomes for the year as a whole.

Now let me turn the call over for your questions, for which we will be joined by Nadia and Peg from our Investor Relations Team.

## **Questions and Answers**

### **Carter Malloy, Stephens Little Rock**

On the new free credit report/free credit score strategy can you talk about the progress with your initial testing and the conversion rates you are seeing? I guess what I am getting at is you held off marketing so you were flat this quarter, but can we expect to see you get back to more normalised historical growth rates there?

### **Don Robert**

As we indicated and as you know, the testing has been going on for just a few weeks now, so it is pretty early days for the new site for the transition from freecreditreport.com to freecreditscore.com. Therefore, I think we would be hesitant to make any predictions, but certainly our expectation would be that after some sort of transition period we would return to growth in some form.

### **Paul Brooks**

To add a bit of colour to that, our best view at the moment is that we expect Consumer Direct to be broadly flat year-on-year in the first quarter, but as Don says, it is early days, so that is couched with a qualification. That would be our best view at the moment though and so far we have been pleased by what we have seen with the new URL.

### **Carter Malloy**

On autocheck.com, I know you have had some very favourable reviews here recently. Can you tell us when you are going to launch a direct consumer initiative there and perhaps the size of the opportunity?

**Don Robert**

Can you clarify what you mean, a direct to consumer initiative for AutoCheck?

**Carter Malloy**

Yes. I know you have had good luck in the dealer channel, but I mean as far as going direct to the US consumers with that product is concerned and then maybe what you see that long term opportunity as.

**Paul Brooks**

One of the key features of the product is that we have introduced accident data, which we have exclusively and which has given us a clear competitive differentiation in that market. Currently, we have been pushing that through online channels to consumers as well as, obviously, through the dealer channel. As yet, we have not invested in doing this online, but it is certainly something we are looking at and it is in our plans. However, there is no specific date for launching that right now.

**Carter Malloy**

Lastly, on the core US CIS business, can you talk about the volume and pricing trends there and, if possible, if you could quantify the pre-screen growth that would be very helpful for us?

**Paul Brooks**

On the non-mortgage origination side we are seeing improving volume trends. In the fourth quarter we were down a little bit, low single digits year-on-year in terms of volume. There was a bigger impact from price, particularly because we are still suffering the impact of the pricing effect on the bank mergers, so I would say improving trends on volume. The pricing trends have been stable pretty much throughout the year, but again we would expect them to begin improving as we start annualising some of those lower prices resulting from the bank mergers.

With pre-screen, I am pleased to say that we did see that return to growth in the fourth quarter. It is the first quarter for many, many quarters we saw that up year-on-year. I think it is a little early to say whether that is a trend. We know there was some pent up demand ahead of the Card Act being implemented, so it is hard to tell whether that will be carried forward into the first quarter of the new year, but clearly it was encouraging to see that in the fourth quarter.

**Michael Meltz, JP Morgan**

I have two questions. Can you talk a little bit more about your near term or go forward expectations on revenue growth? Do you expect Consumer Direct to be broadly flat year-over-year just like it was in the most recent quarter? Credit ended on a high note and Marketing it sounds like ended on a high note. Are you expecting organic growth of 3% or better in the June quarter?

**Paul Brooks**

We will be giving a clearer view of our outlook for the first quarter when we announce our preliminary results in May, so in a few weeks' time. We are not going to give any specific guidance at the moment, therefore, but we can talk about some of the trends. I think both in the US and UK Credit Services businesses we see ourselves on a slowly improving trend. Individual quarters will be impacted by individual events. For instance, we have a tough comparator for mortgage in the first quarter, but we expect a slow, steady recovery over time in those businesses. In Marketing Services we are again on a slow, positive trend there, as you can see from the number. I think we still see Decision Analytics as being pretty tough in most of our markets, particularly the UK. We had a relatively good quarter, I think, given the market conditions in Q4, so we do not see DA as driving any great improvement in growth in the short term. In Interactive, as you say, Consumer Direct, our best guess at the moment is about flat for Q1, which is in line with the second half of fiscal 2010. The other businesses, lead generation and PriceGrabber, have been performing incredibly strongly, particularly in the fourth quarter. That growth will slow a little as we go through the year because we will be hitting stronger comparatives, particularly on the education business. We see them as being growth drivers, but not accelerating growth as we go forward. We expect Brazil to continue to grow well; that goes without saying.

Those are the data points but, as I said, we will give a more specific view, I think, in May.

**Michael Meltz**

On your website you have the analyst consensus estimates. Are you comfortable with 982 for the fiscal 2010?

**Nadia Ridout-Jamieson, Director of Investor Relations, Experian**

Yes, we are comfortable with the consensus range for 2010.

**Michael Meltz**

Therefore, the range at the high end is...?

**Nadia Ridout-Jamieson**

The current range for EBIT is 962 to 996, with a midpoint of 982.

**Michael Meltz**

Are you comfortable with the range or the consensus or both?

**Nadia Ridout-Jamieson**

We are comfortable with the range; we are comfortable with the consensus.

## **William van der Kamp, UBS**

I had a couple of further questions on the regulations. Just on the FTC side of things, I think you mentioned that that all came in very late in February and that you have obviously made changes that ensure you are now compliant in that US business. I just wondered to what extent you are confident that you are dealing with the final, final regulations. Is there any possibility of future adjustments there, just on the FTC side first of all?

## **Don Robert**

I think we would never say 'never'. We have a long history with the FTC and, as you can imagine, we were in constant dialogue with them during the development of these rules and we have been in dialogue with them since. We do not have any outward indication at the moment that they are likely to change, but I certainly would not expect it to last forever.

## **William van der Kamp**

Secondly, on the Card Act side, I think you mentioned that the certainty from the Card Act has freed up some of your clients to go out and prospect for new business a bit more aggressively. The other potential, I suppose, either benefit or risk, is change in behaviour and change in the way they use your services, i.e. more or less. I know it is early days, but if you could comment on any sort of differences around that legislation and the impact on your business.

## **Don Robert**

As a jumping off point just having the certainty around the Card Act put people back in business again, so that has been positive. A positive change for us has been the use of our income verification product, which was required by the Card Act and so we have seen a lift there. Generally speaking, we see people being much more conservative in their approach to marketing new retail credit products, so we are not back in the go-go days of three or four years ago where card solicitations and pre-approvals were going hot and heavy, but the train is moving again and that is the positive aspect of it for us.

## **Andy Chu, Deutsche Bank**

In terms of UK Credit Services, I think Paul mentioned some trends in the US Credit Services. In terms of volume and pricing, is that pretty similar to what you are seeing in the US market in the UK in terms of volume improvements and pricing under pressure but improving?

## **Paul Brooks**

Yes, we are seeing similar trends. Again, we have the pricing impact from the UK mergers and relatively that has probably been an even bigger factor in the UK, the consolidation we have seen there. Volumes in the financial services sector are still well down year-on-year, but the trend is definitely improving. We continue to see good growth in the non-financial services side of the consumer credit business in the



UK, which is obviously helping to offset the financial services declines. Thus we continue to see very good growth in the public sector, telcos, utilities, and so on.

**Andy Chu**

Are you prepared to say anything in terms of exit rates as you have come out of Q4? Would it be fair to say that you are exiting Q4 with 4% to 5% growth rates?

**Paul Brooks**

Are you talking about the overall business?

**Andy Chu**

Yes.

**Paul Brooks**

I think you have to be careful with individual months. We prefer to look at things on a half-yearly basis and a quarterly basis. When you get into months there is always lot of noise in any individual month, so I would not point to March being enormously stronger than February, but I think you can tell from the tone of the announcement that, generally speaking, we see sentiment in the business being more positive now than it was three months ago. For instance, we still were not sure that we had reached a stable situation in the UK back in January. I think now we feel pretty comfortable that is where we are.

**Andy Chu**

My last question relates to the operational leverage within the business and clearly growth is accelerating. In terms of the cost reduction programme, the \$130 million that you have taken out, just to be clear, how much of that cost do you expect to come back, if any at all?

**Paul Brooks**

The whole nature of the cost efficiency programme was to make permanent cost savings, so I would expect little or none of that to come back in. However, I would point out that we have done a lot more cost cutting over and above the cost efficiency programme and this is the sort of thing that you would expect us to do in terms of managing discretionary spend right down to travel, consultants – all the kind of stuff that you would expect us to take action on. Also, in some cases, some employee bonuses and commissions have been pressed. Some of these things we would expect to come back into the business over time. Therefore, the answer to your question is from the cost efficiency programme we expect those to be long term savings, but there will be some other costs that have come out of the business that we would expect to come back over time.

## **Andy Chu**

Just quickly, is there anything to say on Brazil at present, ahead of the October elections? Is it a feature for 2011 for a potential change in legislation?

## **Paul Brooks**

In terms of the positive data, there is really nothing further to say on that at the moment. The Bill is still somewhat stalled in the Senate right now. I think the make or break period will be the next couple of months because, as you say, with the presidential election coming along in October we would not expect legislation of this type to pass very close to the election. Therefore, I would say at the moment it is probably less likely than more that that will happen.

One thing I probably ought to point out though is we alluded to the legislative change which has helped our authentication business in Brazil and I think it is worth reiterating that that is a positive piece of legislation because it does require a lot of businesses now to submit tax returns online and they are using our authentication processes to do that. That is a big driver of growth for us at the moment in the business, therefore.

## **Andrew Ripper, Bank of America-Merrill Lynch**

Don, I just wondered whether you could take a step back on Consumer Direct and, putting the FTC-driven changes to one side, what is your perception of where that business is in its life cycle? I am conscious over the last 12 months or so the subscriber numbers seem to be sticking around nine-point-something million when you have made the odd qualitative comments about figures. You have had some success on reducing churn rates, but I think the incidence of data breaches has been reducing in the US. Do you still see scope for mid-single digit growth or better from that business going forward and is that very much about how successful ProtectMyID is? Having been marketing that business for six-odd months now, perhaps you can give us a sense of what the early payback is on the marketing spend you have directed there.

## **Don Robert**

I think you have hit on a couple of key points. One is that the data breach revenue has been down for the last couple of quarters and let us not forget that we had some very, very large comps to deal with from the latter part of last year as well. Going forward, we still see the business as a growth business. We have always felt that at some point the law of large numbers would come into play and that product progression and product innovation was going to be very important to keeping the growth going. That is why we started a couple of years ago working on the ProtectMyID product as the next logical thing in what we see as a long line of products that we will develop and will be rolled out over a period of years appealing to the basic individual's need to know what other people know about them, to take more control over their own finances, to take control over financial planning and to guard against fraud. Therefore, we are still bullish on the business. We are just getting through a little bit of a regulatory patch here.

**Andrew Ripper**

I think you started marketing ProtectMyID around September/October time, so you have had six months of pushing it. How successful have you been in terms of attracting traffic to the site and converting that into subscribers?

**Don Robert**

We have been very successful. We are right on the business plan and I mean right on it. We had a lot of choices to make as to how we rolled PMID out and, as you know, like the Consumer Direct products this is a direct cost business and you can decide how much you want to spend on advertising to drive traffic. We have not gone to a maximum extent in terms of advertising spend, but we have done enough to stay right on the plan. Currently, there are over 100,000 members and a few million in revenue, so we are really pleased with how it is going.

**Andrew Ripper**

When you say 'a few million in revenue' you are talking about a run rate based on the number of members today?

**Paul Brooks**

It is basically in the last quarter we gained a few million in revenue.

**Andrew Ripper**

Last quarter, but presumably it would have been building over the course of the quarter.

**Paul Brooks**

That is correct, yes.

**Andrew Ripper**

Just going back to US Credit, I get the impression from my counterparts in the US banks team that some of those consumer finance companies are going to sustain an increase in spend on customer acquisition marketing activity. I know you did not want to comment about how sustainable you thought pre-screen improvement would be, but maybe you could just re-visit, perhaps, where that business is versus where it was two or three years ago. Also, in terms of the discussions that you are having with customers in the US about their marketing plans, I presume you must have some visibility over the next couple of quarters.

**Don Robert**

I will answer the first part of that and let Paul comment on the historical financial trends with pre-screen.

The conversations with clients have been very encouraging, but preliminary to that I would say we have two categories of clients, those who are still only focused on profit

and cost and those who are starting to think about growth again. The good news versus a year ago, therefore, is that we do have a very solid subset of clients who are interested in growth and market share. The conversations around pre-screen marketing are different from what they used to be because they are starting with a much more targeted view of the kind of individual they are trying to attract. I would compare it more to laser focus versus carpet-bombing, if you will. Of course, while the sheer size of the campaigns is going to then, by definition, be much smaller, it really plays to our strengths as a value-added partner because we have to consult with them and help them understand what sorts of information and analytical inputs are available to them in order to find the customer that they want. Thus, high-quality conversations, smaller campaigns, fewer of them, very targeted, good things in the pipeline, motivated sales force, very good trend, but it is about quality now and not quantity.

### **Paul Brooks**

In terms of the numbers, the pre-screen revenue in the second half was less than 10% of our Credit Services revenue and I think we said before that it is a rate which is well under half where it was at its peak. I think our view is it will probably never get back to those levels, not least because banks are using multiple channels now for acquiring new customers, but nonetheless it is a very depressed level and we certainly see potential for recovery.

### **Andrew Ripper**

Just on the idea of scorecard refresh and advantage score and how much the banks spend on risk management in-house dramatically outweighs what they are spending with you, do you feel that you are more engaged with CROs in general maybe versus where you were two years ago? Don, in your opening comments you made some quite positive comments about how there is still good potential for growth from risk management products even though the levels of provisioning and delinquencies are levelling off. My question is in a relatively mature credit market do you still see that there is scope for you guys to win a bigger share of the wallet?

### **Don Robert**

I do. Let us jump over to the UK for a minute, because just two days ago I had a very interesting dialogue with part of our UK sales force about this exact point. We were talking about the pipeline and enthusiasm and how business is returning in the segment. What is happening is that the CROs are coming back to us now and they are asking for scorecards to be redeveloped. That is not new news, but what is new news is they want them redeveloped to also include macroeconomic data. That is the new part and it is very, very interesting, because through our business strategies segment of the company we are able to help bring macroeconomic factors into new scorecards so they can look at things other than just pure risk variables, which we have all found out do not hold up well in times of rapid economic shock. Hence that is what is going on there as well as more of an interest in fraud products and I would say, to finish the thought on Decision Analytics, as we alluded to, the big, complicated software sales are still elusive. That is, for things like our Transact and Pro products, but there is a lot of interest in things a little bit lower down the cost scale, such as Connect Plus, which is a piece of software that connects multiple credit input sources

or bureaus to a bank and we are getting a lot of traction right now with our product called Attribute Toolbox, which helps banks engage in better data mining and insight.

**Andrew Ripper**

Just very briefly, finally, from me, there were some odd numbers in Q4 in the Credit businesses in EMEA and UK Credit. I understand you are saying there were some one-off factors in the prior year. I think both regions were something like minus 9% in Q4. Could you elaborate a little bit on what the one-offs were in the prior year and give us a sense of what the underlying trend in both those businesses is, please?

**Paul Brooks**

Yes. In the UK Credit business we were minus 5% in Q3 and the reported number is minus 8% in Q4. There are two special points to make on the Q4 performance. First of all, in the comparative, the end of fiscal 2009, we had some catch up billing with certain clients whose volumes had fallen short of expectations and they had hence ramped up to a higher price point. I think that had something in the region of £1 million impact. Also, in January this year we did have an impact from the weather for the first couple of weeks when activity was stalled. If you adjust for those two factors, Q4 was at least as good as Q3 and may have been slightly better than Q3. This is what gives rise to our view, because if you look at the underlying trends we certainly get the impression now that the business has stabilised sequentially.

In terms of EMEA/Asia Pacific, again a slowdown there, positive in Q3 went negative in Q4. The main reason for that again is some one-off revenue in the Nordic region last year. We did see some softening in the Nordic business as well, in Norway in the B2B business there, so there was a little bit of underlying softening but the majority of the quarter-to-quarter change was due to the one-off factor last year.

**Andrew Ripper**

Is that the same sort of issue in terms of catch up billing on lower volume?

**Paul Brooks**

No, this was just a one-off delivery last year.

**Andrew Ripper**

I did not think Nordic was that big relative to the region; is it basically a big enough swing factor to take you from plus three to minus –

**Paul Brooks**

Yes. Nordic is the biggest Credit business.

**Dan Leben, Robert W Baird**

Just to jump back to the regulatory side, at the state level we are starting to see some restrictions on using credit reports for employment pre-screening. Could you

just talk about what, if anything, you are expecting to see at a federal level and the scale of that business within the Credit business?

**Don Robert**

The scale of it is not significant. What little of it we do have happens through our reseller business. We do not engage directly in pre-employment reporting and we have cut back the scope and the size of our reseller business pretty dramatically in the last few years just based on risk. Therefore, the first point is it is not a big part of the business.

The second point is that it does not appear to be an issue that is of interest at the federal level right now, but in several states individual state legislatures have been trying to stimulate interest in banning the use of credit data for pre-employment screening on the assumption that there is no proven correlation between the condition of a person's personal credit history and their ability to perform as an employee. Those are the discussions that have been taking place. Our trade association is highly involved and doing a very good and articulate job of defending our point of view and the three individual credit bureaus each have state legislative staff who are very active, going around and giving testimony as well. Therefore, it looks like it is an issue that is getting some traction, but it is not well organised and it is not of interest at the national level at the moment.

**Dan Leben**

On pre-screen, we are seeing some pretty wild numbers out there in terms of year-over-year increases in mail volumes in the last several months. Could you give us a sense of the magnitude of the increase you saw in pre-screen?

**Paul Brooks**

In the fourth quarter it was a little under 10% in terms of our revenue.

**Dan Leben**

Yes, but what was the growth rate related to that?

**Paul Brooks**

A little under 10%.

**Dan Leben**

I see, so it was both the percentage of revenue and the growth rate was that.

**Paul Brooks**

Yes.

**Dan Leben**

The business information segment performed well again. Could you talk about some of the dynamics there that are driving the business?

**Don Robert**

There are two things. Data is the first issue. We have been continuing to look for new types of data to augment the file and getting payment histories on SMEs from bank contributors, which has been helpful. We also have some new technology that is in the marketplace making the products extremely user-friendly, web-oriented and that has helped to gain a lot of support as well. We sense maybe a little bit of instability with the competition and so our sales people, being good, hungry sales people, have taken full advantage of that as well.

**Dan Leben**

Lastly from me, could you talk a little bit about the lift you saw from income verification and the expectations for that as we roll into a full period of the Card Act and then, going forward, the additional opportunities there?

**Don Robert**

I think you should think about that as just being another product in a large arsenal. The sheer numbers and the financial impact I would not call significant. These things are used like a fraud verification tool or a bureau score, so the per click financial magnitude is not great, but again it helps protect the value of what we deliver and it is necessary in conducting these campaigns that are increasingly in compliance with the Card Act.

**Caroline de la Soujeole, Seymour Pierce**

Just a very quick one from me: for Latin America could you fill us in on the organic growth rate for Decision Analytics and Marketing, please? I know they are very small parts of your business, but just so we know.

**Paul Brooks**

In Decision Analytics in the second half there was a decline of 38%, in Marketing Services 16%, but as you say these are very small businesses within that.

**Concluding Remarks**

**Don Robert**

Thank you all for joining us today. We appreciate your questions and your attention and we will talk to you more in May at the results. Thanks a lot.