

Investor Seminar – 27 January 2011

Strategic Overview

Don Robert
Chief Executive Officer

1. Preamble & Agenda

Good morning everyone, and welcome to Experian's 2011 Investor Day. It is really great to see such a big turnout today, and I have to tell you from my point of view the growing interest in the Experian story is very gratifying, so thanks for coming. Today is an education day, and we hope that you get a lot out of it. Our goals are to take you deeper into the business – most of you know a lot about our business already – give you a chance to see and touch some of our products, which I hope you have had a chance to do outside the room, to meet the people that operate some of our most important businesses and in general just learn more about Experian. So we are looking forward to it; I hope you are as well.

Here is the plan for the day: I will start with some strategic context. After my part you will hear from Kerry Williams. Many of you know Kerry already; Kerry is the head of our Global Decision Analytics and Credit Services Business, and he will take us through that. After Kerry we will hear from Allen Anderson. Allen is the President of our Business Information company in the United States, and as many of you know, there is great momentum behind Business Information, and a lot of that is down to Allen and his team. We will break at that point for Q&A, and after that coffee; you can have another look at the demos. We will then come back and hear from Ricardo Loureiro, who runs our Brazil business. I think Ricardo will have a thing or two to say about positive data. After that we have asked Richard Fiddis to talk about our expansion into India, an early success story and an interesting one. Finally we will wrap up with our Consumer Direct business. You will hear from Mike Dean, who runs our Consumer Direct business in the US. So we hope it turns out to be a great day for everybody.

2. Our Strategic Planning Goals

We will start with a little bit of strategy. Over the course of the last two days, the Experian plc Board met in Dublin, and we had a chance to present our annual update of the strategic plan to the Board, and it was great. Suffice it to say, our plan for the next three years is all about extending out global lead, this fantastic position and opportunity that we have in our industry, and to leverage what we have already and ultimately to sustain a high rate of quality company growth. Why do we think we can do this? First of all, we are the only global player in the business, and that brings us a lot of unique benefits. You will hear especially from Kerry Williams about how we are able to build products once and deploy them over and over again across the globe. We have a fantastic supply of proprietary data, much of which is irreplaceable, that we use to build products and predict outcomes. Finally we generate a lot of cash, as many of you are aware, and of course that cash needs to be redeployed, and we would always like to redeploy it to fuel growth. It is a great strategy.

3. Market Influences

Before we go further, I think it is worth pausing to reflect on some of the tailwinds behind our business. We talked about these briefly at the Interims in November, but let us just take another look at the positive things that are behind the business. First, almost all of our financial services clients are suffering from increased levels of regulation: what they need is more data, transparency, analytics, consulting – more of everything Experian has. Second, we continue to move into new segments: telecommunications, utilities, government, healthcare. Each of the new industries we move into has an appreciation for the need for transparency, predictive modelling, better handling of customer relationships, more analytics and micro-analytics. Third is this continued shift towards digital marketing. Ten years ago our marketing clients were paying \$500 for 1,000 mailable names; these days they are paying \$5 for 1,000 emailable names or names otherwise sourced from digital channels. This is something that is powering a lot of the growth in our business and global expansion. Finally, consumers are clearly more and more interested in taking control of their own issues: their content, credit, identity, vulnerability and their financial planning. All of these form very strong foundations and tailwinds to the business.

4. Our Global Strategic Objectives

Quickly, our big five strategic objectives are: first, to sustain and grow that global lead that we have already enjoyed in credit data and Decision Analytics; second, we want to continue to take advantage of all these expansion opportunities in new segments; third, to build scale in emerging markets around the world like India, Brazil and Eastern Europe; fourth, to solidify our leadership position and extend it in digital marketing; fifth, to be the number one trusted brand that consumers turn to, to deal with all of their issues around credit, identity and financial management.

5. Our Three-Year Vision

To put a little bit of science behind this, I want to briefly talk to you about three key metrics and our direction of travel behind those metrics. First, one of our aims is to continue to expand the business outside of the mature core markets of the US and the UK. You can see how the percentage of revenue coming from outside of those markets is growing steadily. Over the next three years, we would aim to see that move into the 30-40% range of that total \$4 billion revenue. Second, we want to continue to diminish our dependency on financial services. Ten years ago only 30% of our revenue came from outside of financial services. Hopefully three years from now about 65% of revenue will come from non-financial services verticals, but still with all of the usual data technology value-added products that we bring. Finally, innovation continues to be the lifeblood of our business. We cannot find all the growth we need without bringing new products to market every single year, and we like to have at least 10% of our revenue always coming from products that did not exist four or five years ago.

6. Sustained Growth Through Disciplined Investment Process

You have seen our strategic framework before; I am not going to go through it in detail. What I would like to emphasise is that it is all about growth. Our aim continues to be delivering mid- high single digit organic revenue growth of a very high quality. We think we know the difference between low and high quality growth. In our world, what we are look for is repeatable, embedded high margin revenue growth. In order to do that we have to invest: we talked about the cash flow a

minute ago, and one of our biggest challenges is prioritising and focusing on the many growth opportunities we have, and we are going to dive into some of those in a minute. In order to do that, we have a very rigorous framework to evaluate execution, risk, financial returns, strategic fit. Our whole global growth programme, which we are going to talk about in a minute, is driven by Chris Callero, our Chief Operating Officer.

7. Delivering High-Impact Growth Sustainably

At Experian we think about growth on three horizons. First are the more boring kinds of growth that are necessary just to extend, preserve, and maintain the core business. Second, we categorise opportunities related to moving the business ahead into new and emerging markets and new products. Finally, way out on the horizon, we are always looking at larger, longer term transformational opportunities that we can count on to deliver growth five, six, seven years from now that may require substantial investment.

Extend Core Business

I want to go into more detail on each of those. First of all horizon one: extending the core business. Like I said, this is the usual stuff that as good managers and stewards of the business we ought to be doing anyway: selling more of our products to existing clients, selling products to new clients. Things like expanding the consulting capabilities of our Decision Analytics business have a big impact, as well as things like finding new predictive sources of data in new markets; you will hear a lot today about how important new sources of data are for Experian. Then a lot of local initiatives: you will see how the development of our new Business Information application on display outside has been a real needle-mover for our US Business Information entity. It is a lot of initiatives such as those that move the business out on horizon one.

Build Emerging Business

Horizon two is a little bit more interesting: we are talking about new products and platforms, exporting existing Experian products into new countries, modifying a lot of our platforms to fit greater scale, geographic expansion, double buy technology, and we have a lot of those developments under way right now. We are rebuilding the CheetahMail platform, we are rebuilding our entire Decision Analytics software suite, and we are rebuilding a lot of our other marketing platforms. In this horizon, we would also include pushing the boundaries of the business out geographically: India, more of Latin America, more Consumer Direct business in locations outside of the US and the UK. We would also include all of our vertical market initiatives, so finding opportunities outside of our traditional vertical markets, such as healthcare insurance, public sector, telecommunications and utilities. So the bulk of our growth initiatives are always going to fall into horizon two.

Incubate New Ideas for the Future

Finally, way off in the distance, we will have a few things on the workbench that are going to require more time and investment, but will hopefully help us find growth when we are going to need it in a few years time. I am not allowed to talk about any of those today, sorry.

8. Execution: Factors that Drive Success

Planning theory is great, but it all comes down to execution. We think we are pretty good at execution; I think you have seen the results of that in the growth line these past few years. But why is that? First of all, we have a product suite and an organisational construct that can be deployed globally. Second, we actually use the design of our organisation to compete. Our organisation is a two-dimensional matrix where the primary responsibility for the business is geographic, but overlaid are these global lines of business, so that the same product looks identical and is used identically in up to 30 or 40 different markets. Third, Chris will tell you we have a global programme management office that we use to manage development and implementation. A big issue with us is controlling our own technology: our competitors do not. We believe that technology, data and database management and technology ownership is in our DNA, and we will never let go of that. It is very important to how we operate. Finally, we have an international management team. That sounds a bit flaky, but when you have a global team and an international team, and you have as many different accents running our business as you will hear this morning, it makes a difference in how you think, plan and move talent around the globe to take your business ahead.

9. FY11 Achievements

So far, all of this has been very beneficial to Experian's top line and to the bottom line. At the half-year, we reported to you that about 2% of our organic growth came from the growth initiatives I just mentioned, the top contributors being fraud, consumer protection products, more progress in penetrating the telecommunications vertical, the utilities vertical and bringing shrink-wrapped products to SMEs all over the world that they really need.

10. Investing to Grow: Organic Investment Trends

All this growth requires investment, and we feel like our historic, unflinching willingness to invest has been very important to the overall success of the business. This year we will invest just short of \$100 million through the P&L for growth, and close to \$360 million in CAPEX. That trend is gently on an upward curve.

11. Summary

To summarise my part of this presentation, I would say that for us it is all about global leadership, global market penetration and sustaining a premium rate of organic growth. We want more exposure to the best markets around the world, we want more scale in segments where we are under-penetrated, we want more revenue to come from innovative new products, and you will hear more about this throughout the rest of the morning. If it all works well then the results are mid- high single digit organic revenue growth and growth of a very good quality. But in order to do that, we have to use the cash – and we do generate a lot of cash – to fuel this growth. We think that is a great recipe for shareholder value, accretion and expansion.

So, with that backdrop, it is now my pleasure to turn the presentation over to Kerry Williams. Kerry joined Experian shortly after I did in 2003. He has steadily grown his responsibilities over the years, and now, as I said, leads our Global Credit Services and Decision Analytics businesses.

Global Credit Services and Decision Analytics
Kerry Williams
Group President Credit Services and Decision Analytics

1. Preamble

Thank you, Don. Good morning. It is great to be here again, and I certainly recognised a few familiar faces at the product demonstrations this morning.

2. Priorities and Growth Opportunities

What I would like to do this morning is set the stage about our Credit Services and Decision Analytics businesses – they are vast across the globe – and give a little bit of background about how we focus the businesses, our global coverage, some trends we are seeing in the different regions we operate in, our particular market focus, our vertical market focus amongst these businesses, and then dive into five key initiatives we are working on across the globe. It was hard on these initiatives – like opening Christmas presents under the tree – to decide which ones we were going to put up here, because we have so many that we are working on and driving forward to move our business in a positive direction. These are the five we are going to go through today: thought leadership, data, analytics, geographic expansion, and technology.

3. Core Principles

What do we do in Credit Services and Decision Analytics? We focus on data, analytics and technology. We take data and we derive every possible solution, predictive outcome, behavioural outcome from those data, and we provide it to our clients and we distribute it through a series of technology platforms. That is what we do in Credit Services and Decisions Analytics: distributing data analytics and technology platforms solutions to the clients so we can help them run their business better and handle the challenges that they have and pursue the opportunities they want to pursue.

4. A Global Business

When you look across the globe at Credit Services and Decision Analytics, it is about \$2.1 billion revenue in Fiscal 2010, and it comprises a series of businesses: automotive, where we have automotive businesses in six countries; our commercial credit bureau is in 12 countries across the globe; and our consumer credit bureau is in 16 countries. We have a couple of other different businesses like healthcare in the US or the payments business in the UK. Then, of course, Decision Analytics is truly a global business, operating in all five regions across the globe and over 60 countries, and of course maximising the synergies that we can bring forward, in particular in the countries where we have data assets. We have tremendous scale across the globe with our operations.

5. Markets are in Different Stages

Let us talk a little bit about some of the trends going on in these markets. In North America things are moving into recovery. We have seen signs of stability and pockets of growth in different areas. We know there is a coming software buying cycle that we are very excited about, and I will share with you some information on our software platforms later on in this presentation. We also know that our vertical market growth opportunities are quite substantial; we have been growing very well in vertical markets and we expect to continue to do that. We know that there has been

regulatory activism in the United States that has certainly been an issue for our clients to deal with. However, I will tell you that since the November elections we have seen a more muted response from Washington. That bodes well for our financial services clients.

In EMEA, there is a mixed recovery going on right now. You are familiar with the issues that the different countries are facing. However, there are pockets of opportunity there, such as Russia and other countries, that continue to move forward. The biggest thing that is coming out of the economic crisis that went through Europe is a trend towards positive data and credit bureaux in general. So we have had Spain, Denmark and the Netherlands move to positive data. In addition to that, there are many countries that recognised that one of the issues their banks had during the crisis was that they did not have a complete view of the consumer and the amount of outstanding debt to the consumer. The way that you solve that is to have a robust credit bureau environment within your country and within your lending industry in that country. That has actually been one of the positive by-products of the crisis that various regions and countries went through over the last couple of years.

Latin America, very strong growth: we certainly see an expanding middle class in Latin America, which bodes well for many years of future growth there. The banks there are expanding their lending portfolios, so they are adding on business, which is very positive for our operations in Latin America. Of course, as Don said earlier, Ricardo will talk about positive data and what is going on in Brazil, which is a very exciting development.

The United Kingdom is moving into recovery. Obviously credit demand is still muted and will be that way for some period of time. Much like the US, there are some pretty good growth opportunities and vertical markets, and that is where we are focusing a lot of our attention given the growth that we are seeing from there. Of course, the government has announced their austerity programme and we feel very good about that, because we have just navigated through that process and are in very good shape moving forward with the deals we have agreed to with the government. That is a very positive outcome for us.

In Asia Pacific, we are expanding and growing, and again out of this crisis we are seeing more and more countries willing to discuss moving to a credit bureau format, engaging with us in conversations, and we expect that Asia Pacific will, in fact, be moving towards a more traditional credit bureau model in the future based on the conversations we are having in that region.

6. Market Focus: Focused on the Unique Needs of Our Clients

So what are the markets that we focus on? Our primary vertical markets are financial institutions; obviously, that is where a lot of the company has grown up from over the years. But we have very robust operations now in telecommunications, the public sector, automotive, healthcare in the US, payments in the UK, collections across the globe, small and medium enterprise – you will hear some of that from Allen and Ricardo today – and we just see a tremendous opportunity in focusing with our clients in their specific vertical markets in bringing industry expertise to them, so that we are better able to help them move their business forward, versus not having specialists that understand their needs and their business. So we organise ourselves around the vertical markets to do that, and as Don showed earlier, where in 2007 less than 50% of our revenue came outside of financial institutions, we expect in 2014 for over 65% of our revenue to be coming outside of financial institutions. That is why we are still

continuing to grow financial institutions across our markets. One of the reasons why we weathered the economic crisis as strongly as we did across the globe is because of our great strength and diversity across the markets we operate in.

Key Initiatives

I will talk a little bit about the key initiatives we have going on: thought leadership, data acquisition, analytics, geographic expansion, and technology.

7. Thought Leadership: Experian's Approach to Engaging with Our Clients

What do we mean by thought leadership? One of the things that we always pride ourselves on is making sure that we are able to differentiate ourselves in front of the client. In fact, we have one goal in front of the client: whenever the client has an opportunity they want to pursue or they have a challenge they need to solve, the first group that they think about calling is Experian. We are top of mind with them; they know that when we come and meet with them we bring the best ideas, people and capabilities. It does not mean that we will always win the deal – we know we have to go and compete with it – but they always call us first. That is what we shoot for in our client relationship.

So during the downturn, one of the things we were very focused on was making sure that any control in expenses that we did within Experian was not noticeable by our clients, so we did not strip down our sales organisation or our delivery organisations. We noticed some of our competitors did this, and what we saw through the crisis was a huge jump about halfway through it in the surveys we do with our clients in terms of how they perceive Experian compared with our competitors, because we were not cutting back on these capabilities in front of them. As companies are moving forward coming out of this crisis, our competitors are rebuilding their sales and delivery organisations to the client. We have been able to keep ours and improve on it during the process, so now instead of just maintaining that, we are going to move to the next level.

The next level for us is to be able to move forward our consultancy capabilities with clients. The experts we have are industry experts, many of them have worked at our clients before, and many of them have been trained in classical consulting engagement techniques. They are able to work with our sales organisation, come in and be able to do a specific engagement, tackling a problem that our clients may have and be able to put forward a solution to help the clients deal with the challenge they have. Over the past couple of years we have done over 150 engagements with the clients. We have done this with about 30 or 35 global consultants; that has been our test bed, which we have been proving with this model. What we find is that across the globe we have a tremendous opportunity to significantly expand our consulting organisation. They are self-funding in terms of the revenue generation that they create, so as we continue to add them they can pay for themselves as they go. We have created the plans and we are in the process of expanding the organisations in several of the regions. What happens is that when they engage with a client on these 160 to 170 engagements they have been involved in over the last two years, they are then able to pull through; be a part of additional sales that are about tenfold the dollar amount of the actual consulting engagement itself. That pull-through revenue is our recurring revenue stream. Those are the products and services – whether it is in automotive, the commercial or consumer credit bureaux or Decision Analytics products – where we pull that through with these consulting

engagements. With our sales expertise and our expertise around consultants in being able to deliver those capabilities to the clients, it then allows us to further differentiate ourselves and be able to move our capabilities forward with our clients and stay ahead of the competition.

So we are excited about this. We have been busy expanding those organisations, and we have already been winning in the marketplace with the addition. This will be a driver of our growth in the years to come.

8. Data Acquisition: Data Assets Across Credit Services

Obviously we said earlier that data are the lifeblood of Experian. Our data assets are extensive across the globe; in fact there is nobody in the space we play in that has the breadth and depth of data assets that Experian has. We have more data assets than anyone across the globe by far: 16 consumer credit bureaux, 12 commercial credit bureaux, and the automotive data assets. Not only do we have these data assets that you have known about for some period of time, but we continue to add additional data sources into these markets to either continue to improve the current data we have, or to be able to expand with new product innovation and into new markets, selling our capabilities with the new data sources that we are pursuing. Of note on this you will see that while we have recently acquired additional information due to geographic expansion, like Russia and India, we have also acquired different data assets such as credit card transaction or income information in the US market. I will go into a bit more detail on some of those shortly.

9. Expanding Beyond Traditional Credit Data

What is driving the need for data with our clients? The world changed coming out of the recession and the economic crisis that many countries went through over the last couple of years. If you look at the slide, you will see that the bottom left quadrant is where clients have made a lot of their lending decisions with credit information. They would take this credit information and, in our opinion – particularly for auto loans, for credit card loans and things like that – the credit report would be 80% of the lending equation, and maybe about 20% of the rest of the lending equation came from the information on the application itself. What we know is that the banks' underwriting capabilities are not sophisticated enough to handle economic recession. We also know that consumers might embellish their applications in terms of their financial capabilities, and so the banks need a better view of the consumer. They need that core credit information as the foundation, but they need additional information, and they need it in employment, income, credit card, and checking account information – current account information in the UK. They need to understand the industry that the consumer or the small business operates in. Obviously, if you are a professor at a university the chances of you being laid off, particularly if you are tenured, are very small. However, if you are a professional in the mortgage or tourism industries, we know through many recessions that you have a much higher likelihood of either having a severe drop in income or losing your job through a recession. So it is very important to create a complete profile of the consumer so that the banks can make better decisions and protect themselves for the inevitable cycles that occur in the economy year after year.

10. Recent Acquisition of New Data Across the Globe

So this is the 'why' of why we need additional data sources, and let us talk about some of the progress that we have made in Experian recently. In North America we

recently became the only credit bureau to have rental information. There are tens of millions of consumers in the US that rent their home or an apartment. That information has never been captured before to include in the credit bureau. Not only have we included it in the credit bureau to allow consumers to improve their credit standing, but our credit score is also the only score that calculates that in the scoring process and gives them a higher credit score based on their rental history.

Income estimation: when the regulations went into effect in the US requiring the banks to validate income in the lending process coming out of this crisis, we were the first ones to gather income information; we got it from the IRS, the tax information. We were able to model that information against the credit bureau and create income models and move those out into the markets in time to allow our customers to meet the demands that they had from the regulators. That product, which we launched in the second half of last year, has already generated several million dollars in revenue for us because we were able to gather that type of information.

In the UK we are getting current account data. In fact, we have already loaded 45% of all of the current account information in the UK into our system. We are in the process of uploading the next 9% to take us to 54%, and we have got verbal commitment from another financial institution that will take us to 61% market coverage of the current account data in the UK. There is very exciting information there, in addition to expanding our utility information, payday loan information – things like that – in the UK. In EMEA we have expanded with a geographic expansion: the Russian and Moroccan credit bureaux. As we talked about earlier, we also have positive data in Denmark, Netherlands and Spain, which creates a nice opportunity for us to gather that data and continue to monetise it back and help our clients manage their businesses better. In Latin America, Ricardo will talk about positive data – that is the big news there – but there is a variety of other data that they continue to collect to meet the clients' needs and continue the dominant leadership position that we have in Latin America in acquiring new data sources. So very interesting and positive news here on the type of data sources that Experian continues to collect across the globe.

11. R&D Data Lab – Driving Innovation in North America

I often get asked the question, 'Why would these companies share their data with you so that you can go monetise it?' It is a great question, and we often have to deal with that when we are trying to acquire this data. I want to share with you one of the unique approaches that we take, which we created in the US during the second half of last year. We created a scientist team. I am not talking about mathematicians; if you are familiar with the US, we have these national labs, like Los Alamos National Labs, where they would build things that went 'boom' way back in the Cold War. They are very smart scientists with unique approaches to bringing pieces of information together in order to create predictive outcomes with some very advanced mathematical and analytical techniques. So we have created this scientist team, and what we do is we set up meetings with clients, and we take the head scientist with us and we engage with the client in a conversation about the challenges they are meeting. We let our scientists do the talking about how we would put our data sources and the client's data sources together and be able to create a unique outcome that would solve the challenges that the client is trying to solve. This has only been up and running for four or five months, but it is already having a tremendous impact in the US market. Another card association company has already starting sending us 1 million of their credit card accounts, with all of the transaction information over the

last three years, for us to start modelling. We will show them the results and the rest of the information will come from that. We are obviously starting to work on getting the checking account or the current account information from some of the banks in the US. So a very exciting development here, where we can take our data and the client's data, and using these scientists, who have a very big 'wow effect' with the clients, get them to agree to provide the data so that we can create a unique solution for them and help them manage their business. This is a pretty exciting development for us.

12. Analytics Capabilities

Like the scientist team, the analytics team is a 15-person team in the US. I do not think we do a very good job of talking about the depth and breadth of our analytic capabilities across the globe. In fact, in Experian we have over 400 statisticians, mathematicians, PhDs, Masters in Mathematics and analysts that are constantly focused on new credit scores, on dealing with risk with the banks, credit marketing, collections and fraud. They are taking the data sources that we have and from our clients, and creating either a bespoke solution for the client or our generic industry solutions in the different countries and markets that we operate in. If you then take our analytic capabilities – our 400 analytic staff that we have across the globe – combine that with the breadth and depth of our data assets, that puts us as the clear leader across the globe in terms of data and analytics. That is why we are able to meet so many of the needs of our clients during the crisis and coming out of the crisis, as they now look to grow their businesses.

13. Geographic Expansion: Coordinating Market Expansion Efforts

Geographic expansion is a priority for us: there are lots of opportunities out there. How do we go about looking at geographic expansion? What is the process that we take? Just to share a bit of background with you on that, we have gone across the globe and looked at all the countries, ranked them in terms of their attractiveness, demographic capabilities, growth projections, population; things like that. We then take a detailed look at the credit environment within that country: what is the regulatory framework? Where do we see consumers moving towards? Do they have a propensity for credit, or do they have a propensity for debit cards? We line all that up. We then look at our clients: the banking industry in those countries. What is the shape of them? Are there only four large banks, or are there many potential clients in that particular market that we could enter into? From that, if it is an attractive market to enter into, there are three ways to enter that market: you build it from scratch, you buy your way in, or you do a joint venture with someone. Those are the three ways we end up approaching our geographic expansion across the globe, when we are talking about data assets such as commercial and consumer credit bureaux.

14. Top Markets for Credit Services and Decision Analytics

Now, I am not going to share with you the specifics of the initiatives that we are working on for global expansion for competitive reasons, but what I will tell you is that it is a key focus for us. We are not only expanding our capabilities in Decision Analytics by entering new countries and building staff in those countries. I already spoke to you about the consulting organisation, but we know that there are markets out there that have clear opportunities for us to expand our capabilities in analytics, in custom modelling, in software sales and in the consultancy piece. So those countries are listed in terms of expansion because I am not talking about hiring one

or two people; I am talking about where we see a real opportunity to expand Decision Analytics. In Latin America there are two specific countries we are working on now, there are three in EMEA, and in Asia PAC there are two. Then in the credit bureaux, because they have the data sources, we have two in Latin America, three in EMEA and four in Asia Pacific, and we are starting to have conversations where we are engaged with the government or the banks. These are areas where we are having very detailed conversations about entering that market, and where we have resources on the ground that are working through the plans of how we would open up the business there. I would expect that in the first part of this year we will be sharing additional information with you about our expansion plans in some of those markets.

15. Technology Platforms: How We Enter New Markets

If you have a geographic expansion, you clearly need technology platforms to allow you to go into the market in a cost-efficient and timely manner. It is also important, when you are dealing with the Government or the banks, to show them your capabilities to bring the bureaux up and service the banking industry in their country and help them manage the business better. So how do we go about that? There are four key pillars to our technology platforms. There is a credit bureau platform; a couple of years ago I told you we were embarking on building that platform. Global value-added products: these are all the products that the credit bureau generates for the clients, like account management, triggers, skip tracing type products. The technology programmes for the Client Interface, like BusinessIQ, which Allen will talk about and Adam has been demonstrating in the kiosk this morning. Then there is our Decision Analytics suite of software. What is really interesting about this is that every one of these we have embarked on and funded and built during this recession. I am not talking to you about: 'Here are our plans for investment and technology.' Everything on this screen is new technology that we have funded in the business during a recession, an economic downturn, and now we stand to capitalise on that as the economies get better, because these capabilities we have in place today have either been implemented in the markets or we are in the process of implementing them.

16. Technology: Global Platforms Drive Competitive Advantage

Let us talk a little bit about them. Global Credit Bureau platform: you need the ability to take a platform and manage the large amounts of disparate data that any particular country has. In India, it is a unique skill to be able to match the various names and addresses that you have in the Indian market. You have to take all this data and match it together. We have a global platform that does that, which we are able to implement both when we do an organic build in a new country and in our markets that have legacy platforms that need to be upgraded. We now have the platform that we are able to upgrade them on and get the capabilities, the sophistication level that we already have in the US, UK and Brazilian markets, where we have our very large credit bureaux. We are able to bring that sophistication level down to the smaller markets and the mid-sized markets to allow them to not only move their business forward but clearly differentiate themselves with their clients.

The global value-added products that we are using in the US and the UK have a number of other implementations lined up. That is the ability to have our products on that platform such as account management, such as triggers. To give you an example of the benefits that we get from having built this platform and being able to attach it to any of our bureaux around the globe, we are in the process of

implementing it in India and Russia with our bureaux there. In India, if they built all of these capabilities themselves from scratch – first of all it would be hard for them to build it to the sophistication level that we have in the US, UK or Brazil – versus if they used the global value-added product platform, the cost of implementing GVAPs in India is 11% of the cost than if they built it themselves. In Russia it is 7% of the cost. The timeframe goes from a multi-year development effort, for building account management and triggers and working that into your budget process every year, to a matter of months, to bring these capabilities into these markets and allow our bureaux to serve their clients much more effectively. We are extremely excited about these two platforms that we have rolled out, and we know that they not only help us when we are looking at entering new markets but what they are going to do in our existing markets. It is very powerful.

17. Extending Small Business Capabilities

Client interfaces: you are going to have to be able to take that data, particularly in the commercial bureaux, and distribute that information down to the client's desktop. Remember, with commercial bureaux you are not only dealing with financial institutions but you are helping businesses manage their trade credit and manage the inventory they have sold to someone and waiting for their account receivables. You need this approach. Allen will talk to you in more detail about it. Suffice it to say, this particular capability has very specifically allowed us to be definitively winning market share in the US market, which is the first market it is in, and winning market share in a very compelling way.

18. Decision Analytics

Our capabilities in Decision Analytics are quite good. As you have heard before we have Strategy Manager, we have our origination system Transact, we have our account management system Probe, we have our collections workflow system Tallyman, we have our optimisations system MarketSwitch, we have our fraud systems, we have a lot of capabilities in Decision Analytics. It was time for us to re-architect those and bring those forward with new capabilities. We have done that, and we are starting to implement our clients on these platforms. In fact, Steve Platt is demonstrating Strategy Manager in the kiosk for you today. This is very exciting because we know that our clients will have to improve their processes coming out of the crisis. The regulators are demanding it, their boards of directors are demanding it, and the Executive Managers of the banks are demanding that the credit professionals within the financial institutions improve their capabilities, so that if there is another economic downturn they are much better positioned than they were when this last one occurred.

We developed this architecture so we are able to reuse the components, and each of these platforms has a consistent look and feel across strategy management, originations, account management, and collections. It is done in a manner that, once we build a component for a particular customer, we can reuse that component with all of the implementations and all the sales efforts we do across the globe for other clients. What that will allow us to do is significantly shrink the amount of time it takes us to implement a technology platform. That will do two key things: it will allow us to be more competitive in the sell cycle, and we believe that software buying cycle is coming, so we look forward to that. The second thing is we will be able to maintain our price points in the market, but by taking a lot less time to deliver it, we obviously benefit our profitability on each deal that we sell.

So the new generation of Decision Analytics products – this is essentially the announcement today – is very exciting for us, and we are quite excited about the number of technology platforms we have built during very tough times in the marketplace, and now we stand poised to capitalise on that as our customers improve their processes, going forward.

19. Leveraging Platforms in Existing Markets

Speaking about these platforms – the global credit bureau platform, GVAPs and BusinessIQ, which Allen will talk to you about – you can see that we are already upgrading four of our existing credit bureaux with that platform. Nine of our countries are already signed up and have either implemented or are in the process of implementing our global value-added products platform. Because we did that synergy, we get that low cost of deployment in places like Russia and India; the 11% and 7% I talked about. Of course BusinessIQ is going to follow the same opportunities across the globe. We have our three large markets that we are targeting to implement that first; it is already implemented in the US. Again, Alan will speak to you about that.

20. A Growth Story

To wrap this up: our key initiatives. Thought leadership creates client intimacy and it is a competitive differentiation for us, but most importantly it allows for pull-through sales of our recurring revenue products. We are extremely well positioned with our capabilities in our consultancy to grow this out across the globe. Expanding our data sources in traditional and non-traditional markets allows us to generate new revenue streams and continue to meet the needs of our clients. Our analytical teams are focused on extracting all possible value from every data source we have or that our clients might have, and that allows us to help them manage their businesses more efficiently and effectively. Our geographic expansion initiatives create the right mix of mature market and growth market opportunities for Experian, and our investment and technology platforms allows Experian to capitalise on expansion opportunities and what we believe is a pending software-buying cycle coming out in the marketplace.

Thank you very much for your time today, it is a pleasure to be here.

Don Robert

Thank you Kerry: that was a great presentation. We turn now to Business Information, and I have always said that business is a lot more fun when you have competitors, and nowhere is that more true than for Allen Anderson and Business Information. He has one major competitor in D&B, and it has helped him be focused and helped him take share. Allen joined Experian in 2003. We are delighted to hear what you are up to Allen.

Building Business Information in North America

Allen Anderson

President Business Information Services

1. Business Information: Global Overview

Good morning everybody. This morning it is my pleasure to present first of all an overview of our renewed BI business, and then secondly explain how important it is to our global BI business, and then finally describe some of the success we are having in the marketplace.

To give you some perspective, let me first briefly describe our global Business Information line of business. As Kerry indicated, we have commercial credit business bureaux in 12 countries, with plans for expansion, and we serve customers and clients around the world. Our largest bureaux are in Brazil, first of all – with the 2007 Serasa acquisition – the UK and the US. The Business Information line of business globally has grown to be a \$500 million business and at 30% is becoming an increasingly significant percent of our Credit Services segment. While the individual BI businesses operate regionally, they do so under an integrated global strategic plan, leveraging global resources, data and analytics. It is noteworthy for the Group that, outside of the US, Experian's BI business is the largest business credit information provider in the world.

2. US is Critical to Global Growth Strategy

Let us look at the US market. Growth in the US marketplace is really critical to our global Business Information strategy for a number of reasons. First of all, the size of the Business Information market is extremely attractive. The market for credit risk management services where we compete today is over \$1 billion. Second, the market is seeking an alternative to a single provider, and we are positioned to be that alternative. Third, the SME market is largely untapped, and alone represents an enormous opportunity. Fourth, we believe we can create a true competitive advantage by leveraging Experian's consumer credit data and other unique sources of data for differentiated products. Fifth, our global business, customers and prospects are increasingly looking for commercial credit information on US businesses, and we can provide that.

3. US Market Overview

Our US business today is about \$75 million in revenue and represents 15% of the \$500 million global business, and 8% of the current US market. Our footprint in the US financial services industry is particularly strong, bolstered by our deep consumer credit relationships. We are working successfully at penetrating a number of other verticals, which both Don and Kerry described, and reducing our dependency on financial services. In addition, we are particularly focused on the SME opportunity because it is so large. Because of the tremendous potential in our market, Experian has made significant additional investments in Business Information over the last three years in technology, infrastructure, data, analytics and the resulting innovative products that are having success in the marketplace, and I am going to talk about those innovations in a moment.

4. Products Across the Credit Lifecycle

We help our clients across the credit lifecycle. We help our clients first prospect for new clients, qualify and acquire those new clients, then manage their customer bases, and finally manage collections. Each of these product categories are supported by our fraud detection and management and identity solutions, and they are underpinned by a large commercial database and search match technologies that allow for quick identification of the right businesses and pulling the data together.

5. Capitalising on Market Trends

The business credit environment in the US remains pretty challenging today, though. The unemployment rate, while stabilised, has really not dropped significantly, and this impacts business attitudes on expansion. For example, small business optimism was reported to be heavily in decline in December. The number of business bankruptcies continued a trend of slow decline, but remained significantly under or higher than the pre-recession rate. As a result, our clients continue to focus on their portfolio and collection management solutions, and these have shown strong growth for us. We expect that growth to continue to be strong even after the economic recovery accelerates.

Loan standards in our market remain restrictive, while loan demand remains lower than pre-recessionary levels. We are able to help our clients in this environment with strong analytic solutions and platforms, and in managing both their credit policies and risk profiles more easily. In this environment, our predictive scores and analytics help those clients select the most appropriate customers.

6. US Data Coverage

What is really key to us are our data, and we have talked about data this morning. I am going to give you a bit more on the commercial data picture. Our data assets in the US are really strong; in fact, when it comes to the credit information we are on a par with our large rivals in the market. We have commercial credit information on virtually every business in the US. For those mid- small sized businesses that do not have commercial footprints, we have the advantage of being able to combine our commercial credit data with consumer data on that business to provide a complete picture of the creditworthiness for our clients. Our data comes from a number of sources; reported data, for example, is the backbone of our credit file, and it is data reported from banks, finance companies, leasing companies and trade creditors. That includes firmographics, corporate hierarchy and accounts receivable files. In addition to the core commercial credit file, we operate a closed user group that provides enhanced small business lending data to those who have agreed to report those data in the database, and I am going to talk about that in a moment. Finally, we buy data such as public record information, financial data and various other sources to augment the credit file.

Additionally, in response to the dramatic increase in online information, we are working on acquiring new, non-traditional data assets to bring value to our clients, and complimenting these efforts this is the new Experian R&D data lab that Kerry described. It is one thing to have strong data, and we do, and it is another thing altogether to make sure that data is fresh. Our continuing investments in technology that have taken place all along and have continued over the last three years allow us to provide real time updates and access to information. This is a huge competitive advantage for us today.

7. Growth Strategy

The progress that we made over the last three years really started with a strategic plan for market leadership, and we align to that plan every fiscal year. We first invested in building a foundation in data, analytics and technology to support innovative product launches. With these products we are positioned to grow, and that growth is being supported by an expansion of our sales organisation and focus on a number of verticals, including the small business segment. We are also experiencing significant growth from our partnership and alliance channel, and we expect growth in that channel to accelerate. Finally, we are going to complement the organic growth with targeted acquisitions, where they make strategic and financial sense.

8. Investing in Innovation

You have heard about innovation this morning: it is a core element in our growth strategy. Experian is committed to investments for that innovation. What you see here is a sampling of recent innovation successes balanced between data technology products and platforms. Primarily included throughout all of these innovative successes are initiatives that address the explosion of information that can be captured and analysed for unique insight, as well as the continuing need for enhanced scores and tools and deliver channels for efficiency. I am next going to address three of these in a little bit more detail: the SBCS, or Small Business Credit Share; Business-to-Consumer linkage; and finally BusinessIQ, which you heard a little bit about earlier.

Small Business Credit Share

First, let us take a look at the Small Business Credit Share. The Small Business Credit Share, SBCS, is a member-only give-to-get database that includes 36-40 million trade lines, mostly information on small businesses. The size of the database and the number of contributors is growing fast, and it already gives us parity with our competitors. However, we are moving beyond the size of the data to create real competitive advantage, and with the addition of the Small Business Credit Share data, we are able to provide our clients with deeper trade line detail – particularly on small businesses – more predictive scores as we mine these data, more detailed industry benchmark information and reports, and access to over 700 product-level data attributes that they in turn use for their own internal modelling. This is a really important feature. Finally, our search match technologies provide the members with a higher hit rate and accuracy than our competitors. The scores are really critical. Let me give you an example: there was recently a large loan portfolio of a large financial services company in the US. Using the SBCS-based score, the enhanced score, we were able to accurately predict 60% of the accounts that were going to be delinquent from their high-risk accounts. That 60% prediction accuracy represents a 50% increase over the previous scores, saving them millions. This is the type of benefit that we are very excited about with SBCS.

Business-to-Consumer Linkage

Looking at Business-to-Consumer linkage, as I mentioned earlier we have a real advantage in Experian in that we own and operate both consumer and commercial credit bureaux. As a result, we can draw from both of those databases and create unique products. By linking individuals to business that they are affiliated with or own, we provide our clients with a much more complete and current understanding of the business credit risk associated with that individual, and can validate business

relationships associated with them. Clients can be notified in real time if any changes in that linkage occur. So besides improving the process of establishing terms and credit lines assignments, it is going to improve the client's fraud detection by identifying relationships between business principals and businesses with which clients may have experienced fraud or losses in the past. Linkages will help improve collections on past new accounts by providing additional link business, asset information and enhanced skip tracing. So we are currently positioning this unique solution with a very select group of clients in the US. These are early adopters, and they are very excited and we are very excited about the larger market applicability of this. There is nothing like this in the market today.

BusinessIQ

The third product I want to talk about here is BusinessIQ. Kerry mentioned this in his presentation. It is a web-based portal platform that provides our customers with a user-friendly integrated set of our products across our commercial credit lifecycle. It was designed to provide clients with a greater choice, and it is a more sophisticated alternative to DNBI. Since the product was launched in July last year we have successfully signed up over 500 new companies of all sizes, and the rate of clients signing is increasing. Additionally, we have started a staggered migration of our existing clients over to BusinessIQ. In total we have over 100 companies now live, actively using the system today. As Kerry mentioned, we plan to deploy BusinessIQ internationally in the future, and we have teams working on that. As Kerry also mentioned, we have a live presentation outside; Adam Fingersh, our Senior Vice President of Marketing is out there to answer your questions. I hope you will stop by the kiosk and get a good glimpse of it.

When we designed BusinessIQ, we talked to groups of clients and prospects to make sure that we were designing it to identify, cover and close gaps of what was available in the market. Those surveys and discussions with prospects and clients made it clear that there was a huge need for a better product in the market. We have several key competitive product advantages with BusinessIQ. First of all, we offer real-time data and information, it is a continuous refresh mode, whereas our competitor is not. Second, we improved upon the efficiency of the platform to make the search and navigation significantly faster and easier. This was an extremely high priority to high volume users. Third, we added best practice credit policy options that could then be customised specifically for those specific client needs. Fourth, we concentrated on user workflow management, so for example, we offer on BusinessIQ up to 48 alert filters to enhance their efficiency, whereas our competitor offers 17. Finally, we offer the clients flexibility on pricing, so we offer them a pay-as-you-go option as well as a subscription offer. So when you take a look at the product outside I hope you all feel as confident as I do and impressed as I think you should feel on how powerful and innovative a tool this really is.

9. Sales Execution

You can have all the best data and products in the market, but it does not matter unless you have strong sales execution. We have done a number of things to enhance our sales execution. We have combined our Credit Services segment sales teams in the US for better major account coverage, improved cross-sell, given that the consumer sales team is much larger, and more effective leverage of sales talent. To accentuate new business, and we want our teams to go out there and aggressively pursue new business, we have adjusted the sales compensation plan, we have

expanded the telesales organisation and the reseller channels and we have launched a new business hunter only sales team that is having a lot of traction for us this year. In addition, our sales team is receiving a higher level of customer satisfaction than our major competitor. We regularly monitor customer satisfaction formally through an independent third party, and the results of the most recent assessment show that we have outperformed in every dimension of the survey, and these results have steadily improved over the last three years – there is a good story here.

10. Winning in the US Market

The nut of it against our major competitors is that we are winning in the marketplace. The ways in which we are winning can be summarised as: first of all, leveraging our broader data and analytics capabilities; better commercial match technology; better current small business data depth and coverage; linking our consumer and commercial data for unique products; superiority in platforms such as BusinessIQ; and finally, smart and flexible pricing, where it makes sense. With these advantages combined with our advantage in customer satisfaction, we are confident that the winning trend that we have established will continue.

11. Summary

In summary, the US Business Information marketplace is really critical to Experian's global Business Information strategy. The market opportunity in the US and the size of that opportunity, and our clients' needs for US company market information, are compelling. We have made significant investments in the US Business Information business over the last three years, and significantly improved our competitive position, and we are going to continue making those investments and emphasising innovation. I am confident that we are poised for strong growth in the future. Thank you very much.

[Coffee break]

Don Robert

Welcome back from the break everybody. Let us get started again. We are now going to turn our attentions to Brazil, and we have with us as our presenter Ricardo Loureiro, who runs what is now the Experian-Serasa business. Ricardo joined that business in 1998, so he is an old hand, and I admire him because at the time Experian acquired Serasa three and a half years ago, Ricardo spoke no English. As you will see today, through rigorous weekly lessons he has acquired a proficiency that allows him this electrifying experience of standing up here and presenting to you.

Delivering High-Growth from Small Business in Brazil

Ricardo Loureiro
Managing Director, Latin America

1. Agenda

Daily discipline, not weekly! Thank you very much. Thank you, Don. Good morning everyone. As Don said, my name is Ricardo Loureiro. I am responsible for the Experian business in Latin America, from Mexico to Argentina and Chile. Today our agenda is that we will talk about two very important aspects of our business in Brazil: the development of the small business channel, a big business for us, and as you saw from Don's presentation, our growth initiative for Experian globally. The second issue is to update you on the recent developments regarding positive data legislation in Brazil.

2. Brazil: Strategic Priorities

Before I start, I would like to remind you about our business in Brazil and our strategy for growth. We are the market leader in Brazil, we are more than three times the size of our next competitor, and as our market share has grown, we have been investing a lot for growth. Our strategic priorities are: first, to sustain high growth; second, maximise the benefits of scale we enjoy; third, focus on deeper penetration across larger business-to-business clients, which includes bringing global Experian value-added products into Brazil to help accomplish this; fourth, establish a leading position in targeted digital marketing, again by leveraging on global Experian products like Hitwise, Mosaic and CheetahMail; fifth, maximise the opportunities in new segments of the market – Brazil is a big, growing market, so a lot of new opportunities will come up, and we will talk a little bit more about SMEs as an example of this; sixth, leverage growth on positive data opportunity. Also, over time our plan is to enter new markets and geographies across Latin America in a targeted manner.

3. Spotlight on SME: A Large and High Growth Customer Base for Experian

Turning to the first part of my presentation, I will spotlight our business with Small and Medium Enterprise clients. The first point to make here is that this is an important segment for us: SMEs account for 30% of Latin America revenues right now and nearly \$200 million yearly. What is more, revenues have nearly doubled over the two-year period since we started to focus on SMEs around 2007, when we identified the growth potential of this segment following the growth of Brazil as a total, and saw the opportunity to adapt some of our work we perform right now to larger companies. Now it is a big driver of growth for us.

4. An Immature Market for Credit Data for Low Penetration Rates

SME account for a significant proportion of the Brazilian economy, making up 90% of companies and accounting for about 20% of GDP. There are just under 10 million SME companies nowadays, and we estimate we have 3 million companies in addressable markets for Experian to trade our products there. The market is also rapidly expanding. The SME sector is expected to grow by 50% between 2011 and 2015; this compares with around 470,000 SME clients today, so even though we have delivered good growth to date, we have a lot of potential to grow in this manner.

5. Drivers of Market Growth

What is driving the growth in demand? Firstly, as the economy grows, and you know about this and credit availability grows, more SMEs are providing credit on extended payment terms. They do this in Brazil a lot. SMEs are also becoming more

professionalised, so they are conducting more and more checks on their suppliers to assess counterparty risk. So it is driving usage of credit decisioning products across the whole credit lifecycle. That is very interesting for us.

As the second part of the driver aspects, we have raised awareness and the creation of products that suit the specific needs of this segment. So at Experian we understand the particular needs of the SME and we have tailored products to this specific segment. This is a big factor in our success. We have raised awareness on the benefits that credit decisioning brings to SMEs too, in the form of improved prospecting and customer targeting, as well as reduced delinquency rates and fraud prevention. So to a large extent we are expanding our market.

6. Success Factors: Execution Focus – Market Approach Depends on Size of Clients

The success of our strategy is all about strong execution: we have heard about this before, but in this case again it is very important for us. As this line shows, we adopt different growth market strategies depending on the size and sophistication to the end client. So for large clients, for instance, we take a much more customised approach for both product development and account management. Customer service is much more personalised, often involving a dedicated account manager, and also we have a direct sales force in place. For SMEs, we take a much more mass-market approach. Products typically have to be off the shelf and ready to go for the specific needs of the market. Customer service is pretty much standardised, and importantly our sales are structured to achieve maximum distribution and leveraging of both Experian staff and indirect partners. The product offer is also adapted based on our credit reference data, but it is pared down and simplified. This slide depicts the type of information that might be included in the SME offer: the credit reference file, name, addresses and phone numbers and bounced cheque data, for instance. In a sense, it is a subset of the more complex products we deliver to larger clients.

7. Future Growth: Building Our Product Range

It is also important to understand that we aim to build our product range as part of our growth strategy. In this case, delivering enhanced value to the SME and of course growing the addressable market for Experian. There are three primary offers today: Oferta PME, which could be translated as 'SME Offer', was launched in 2009 as a one-stop-shop solution which handles credit data across the credit lifecycle. It is used to conduct credit checks on both consumers and suppliers. It is a subscription-based product and prices range from \$33 to about \$2,000 per month. MeAdvise, which could be freely translated to 'let me know', is a new product, launched in 2010 and sold as a plug-in or up-sell. It enables SMEs to monitor their own credit status, considering the company and considering the principals. So it has some similar characteristics to Experian Consumer Direct. Prices range from \$10 to \$20 per month on top of the regular offer. The Decisor de Credito is another new product, launched in 2010. This is also an up-sell product, and is a simplified platform to automate credit decisioning. That helps us to make decisions, of course, but using simplified credit strategies. It has a slightly higher value, starting from \$500 per month.

8. Maximising Sales Reach

Getting the right sales mix in this specific segment has been a big factor in our success, and we maximise our market reach by using both direct and indirect standards. Today about half of our customer base is accessed through resellers and

alliances, and we see further opportunities to drive growth through partnership agreements. It is very important to us; this scale is completely key in this kind of business.

9. New Vertical Opportunities

In order to leverage this business we continue to expand into new verticals. SME could be considered as a segment, but of course it is made of several different verticals, and we can understand their specific needs. It is important for the business. For instance: freight is a very important one since it is a large segment in Brazil, responsible for about \$35 billion in total revenue, considering all companies. It is undergoing significant changes in the way sales transactions are conducted between contracting companies, usually often SME companies and its workers. Agribusiness is also a huge segment in Brazil, responsible for about 33% of GDP. There is a large modernisation of the value chain taking place there too, especially between product resellers, again, usually SMEs, and the producers. The opportunity here is to introduce new standards, since the credit decision practice is still somewhat behind those of industrialised nations.

10. SME Business Model: Key Financial Characteristics

Similar to other parts of Experian, the financial model is highly attractive. The average price paid across our 470,000 clients is approximately \$160 per month. The average contract value is long, at 18 months' duration on average, and it gives rise to a predominantly recurring revenue stream. As the average cost of sales is lower than other parts of our business, it gives rise to very attractive margins.

11. SME Summary

SMEs are an attractive new market segment for Experian that we have built organically over the past couple of years, and we are now delivering nearly \$200 million in revenue per annum. Our success has been driven by strong execution and we have adapted and tailored our corporate products and developed a distributional strategy that focuses uniquely on the SME segment. We see further upside opportunity in the segment as the market grows as we penetrate more deeply, introduce new products and grow in new verticals, such as freight and agribusiness. The financial model is very attractive, delivering high levels of revenue and good margins. Finally, as part of the global growth programme, we see an opportunity to replicate this success in other Experian regions, including Latin America.

12. Brazil: Positive Data: Background to introduction of positive data in Brazil

Let me start with some data points to give some sense of the scale of credit and the market in general in Brazil. We have 143 million active individuals registered at the Brazilian internal revenue service, and 134 million bank accounts that generate around 15 billion credit transactions per year from 379 million credit cards. Also, according to the central bank of Brazil, there are over 23 million individuals with credit lines above \$2,700. Also, there are around 31 million fixed telephone subscribers, 200 million cell phone users and 55 million households paying for utility services. However, the debt to GDP ratio is around 46%, significantly below the global average – around 88% – even though there is a lot of room to improve the credit, and of course leverage on these opportunities.

13. Provisional Executive Act Legalises Use of Positive Data

As I think the majority of you are aware, at the end of December the Brazilian government enacted a Provisional Executive Act legalising the use of positive data in Brazil. This allows banks and companies to share positive data for the purpose of credit rating to consumers and commercial transactions that imply financial risk. Similar to many other markets, it has prohibited the use of positive data for marketing purposes. There are also several provisions governing consumer access rights, and we expect further refinements to the regulatory provisions over the course of the coming year. But the important point to make here is that it is now possible to legally collect and utilise positive data in Brazil, and we are already engaged in developing our business case to fully commercialise this opportunity.

14. Positive Data: What is it? Why Would Clients Buy It?

What is positive data, and why does it matter? I think Kerry went through the subject before, and I think it is very important for this audience. This change in legislation moves the Brazilian credit market from a negative data register, where only negative data, like delinquent accounts, bad cheques and all the public derogatory information, are included on the file, to a full file credit bureau model, which is the model in place today in the major markets like the UK and the US. The main change in moving from negative to positive data is the inclusion of the full account level credit payment histories for all credit accounts for all consumers. This means that the full picture of consumer's credit status behaviour can be much better evaluated. From an Experian perspective, this creates new product opportunities. For example, a credit report can contain richer information. If you take the US example, for instance, 90% of the information in the credit bureau file is positive data. Also, through Decision Analytics, we can develop much more predictive bureau scores and consultancy services. There are more opportunities for customer management tools, such as triggers and alerts, and in general it creates new opportunities for fraud prevention as well. There are many benefits for our clients, since it lowers the risk of new customer acquisition, helps to reduce arrears in application fraud, and enabling more automated decisioning is more cost efficient.

15. Impact of Switch to Positive Data

All of these activities give rise to expansion in the retail credit market, and recent precedents in Hong Kong, South Africa and South Korea suggest that the ratio of credit to GDP increases by an average of 1.8% per year following the implementation of positive data, over a period of 3 years. At 46% credit to GDP ratio in Brazil, I think we continue to have a significant opportunity, because we are significantly below the global average. We would expect this ratio to grow as more innovation takes place in the financial sector and as it becomes more widely available to lower income populations. This last point is particularly pertinent, because the lower income bracket in Brazil accounts for almost half of our population right now.

16. Roadmap for Positive Data in Brazil

There is an interesting roadmap ahead: there are a lot of opportunities but some challenges to overcome, too. The good news is that we have a bit of a head start already. We already hold some positive data on around 70 million individuals, with over 200 million lines of credit payment habits, which should help to attract early adopters and shorten the adoption curve. Our goal now is to grow both in terms of population coverage, the breadth of the file, and also the quality, the depth of the file.

To do this we will work with banks, retail chains, utilities, telecommunications and financial houses and other data owners to secure data agreements and promote the benefits of full file data sharing. At the same time, the credit market needs to adapt its business practices. Our clients will have to manage the new system development, the new evaluation process, training people, changing credit policies, and this will take time. We anticipate it will take between 18 and 24 months before incremental financial benefits start to pull through. As ever, a strong focus on execution will be key to delivering this strategy.

17. Summary

We see the legalisation of positive data as a long-term opportunity for our business, although one that will take time to materialise. We aim to capitalise on the opportunity by growing the size of the credit bureau file and introducing new products into the market. Trade in the other markets suggests positive data has the potential to expand our business over time, as well as significantly expanding our market for demand in terms of retail credit products. There is a lot of work to do, as usual, but we are very excited about this opportunity, which we have been seeking for such a long time. Many thanks for listening to my strange English and to my presentation.

Don Robert

Thank you, Ricardo. Now we turn to one of our biggest long-term opportunities, which is India, and we will hear from Richard Fiddis. Richard joined Experian in 1998 and he was running a big portion of our UK business. When we got a feel for the scale of the India opportunity we followed that old rule about putting your biggest talent against your biggest opportunity.

Building Experian India

Richard Fiddis

Managing Director, Strategic Markets

1. Agenda

Good morning, ladies and gentleman, and thank you, Don, for the introduction. I would like to talk about Experian India. It has been a labour of love for the last four years, and it is an exciting opportunity. I would like to go through the market environment, and I think what I would like to say straight away is the numbers in India are quite mind-boggling. If you extrapolate those numbers, I am sure you could come up with some very interesting future-looking numbers. The truth is, India is also a very challenging environment, and one where you need to counter those huge statistical encouragements with some recognition that there is a practicality on the ground that needs to be recognised. I would then like to talk about the attractions for Experian: what attracted us into the market, the timing of that, why the timing was as it was, and then move on as to how we have developed the business, the strategy that we are now adopting, and as we pushed forward into the future, where we are going and why we believe it will be a successful business for Experian in the long term. Then I will talk about the latest status and some of the more recent developments.

2. A Snapshot

If you have never been to India, the first impression you will get on arrival is a huge contrast between modern, rapidly Westernising city-based life sitting cheek by jowl with extreme poverty. I think this is one of the things that makes India a unique opportunity. It is well documented that the population in India is well over 1 billion, but one of the things that is coming through in terms of long-term projections is if you look at the profile of that population: where China has had a one-child policy, in India there is no such thing, so by 2050 India will be the only major country worldwide that will have more productive people than dependent people. That is a huge long-term growth premium for India.

The other thing that is really startling about India is the rapid urbanisation and the growth of the middle class. There are 25 million people a year, it is projected, moving from the rural environment into the urban environment, all looking for jobs, infrastructural capabilities and houses. It is a huge challenge for India for these cities to absorb that sort of population. They are hopefully then moving into a wealthier category. We are looking at families now moving into the middle class at a rate that is truly staggering, but the infrastructural issues are a clear challenge to addressing that opportunity. There is a growing demand for credit products. One of the things you see very quickly when you are in Mumbai, if you go down to Hard Rock Café, is young people paying for rounds of drinks with credit cards. There is no barrier to the usage of credit, and indeed it is very clear that Indians, when they reach a certain level of affluence, will seek credit to manage their lives.

The other thing that is happening is that the government is very focused on financial inclusion and driving credit products into this rural world as well as this very rapidly developing urban world. So there are specific government targets on the banks in terms of rural lending. That is a real challenge for the banks and a real challenge for someone like us, who is providing the information resources those banks will rely on. India is a country of small-business people. It is vast, and most of it does not have data associated with it. It is a huge long-term opportunity to provide services to that population but also to start to collect data on that huge SME population. We should not forget that India is a modern company. It is developing very rapidly: it is skipping generations of technology. It is already the third largest internet user community globally, it is growing very strongly, and it has a massive mobile phone population that continues to grow. It is more than likely that India will outstrip almost any other market when it comes to access of the internet via the mobile phone. You have probably seen recently there have been a number of announcements of joint ventures between mobile phone companies and banks in order to provide financial services via the mobile phone.

3. Market Attractions for Experian

If we have a look at this market and the attractions for Experian, it is obviously an under-penetrated market for retail credit products. We reckon the credit active population is around the same size as the UK, but the level of penetration is very low in comparison. I will show you some more numbers later. The credit growth trend has been averaging 20%. It did dip during the credit crunch, when it went down to low teens growth, but there are some projections that show it is coming back very strongly. Home ownership growth and escalating house prices: I think if you go to Mumbai now you see house prices that rival Manhattan and Belgravia. There is a huge pressure on these cities and it is driving prices to stratospheric levels.

There is a huge banking sector, 280 banks altogether, and they are relatively new to bureau usage and the analytics that a bureau can provide. We should not, however, hide from the fact this is a long-term banking sector and it is quite sophisticated, but they have only had a bureau in the market since 2004. I ought to explain that there is one bureau that was created around 2000, went live in 2004, and that has been the only bureau in the market up until very recently. Having been through a credit cycle, they are already seeing some of the aspects that we know so well in our mature markets of large and growing fraud losses, collections challenges and things like that, so it is a great opportunity for Experian to take its learning from mature markets in to India. There is a favourable regulatory environment. During the four year period I have been going into India, I have been negotiating, discussing and consulting with the Reserve Bank of India, who have been masterminding the entry of new bureaux. As I said, there was one bureau in the market, and in around 2005 they passed an act to allow more bureaux to come into the market. They looked around globally for the best business model, and they realised that competing commercial bureaux was the best business model to follow. The reality was that the one bureau that they had was not moving very fast. They were dissatisfied with the service it was providing the industry and they felt they needed to introduce competition. We have been encouraged into this market. To also demonstrate that encouragement, all other investments in credit bureau in India are limited to a 10% maximum stake, but for global credit bureau providers we are able to get 49%. That is a demonstration of the fact the Indian Government is keen to get players like Experian into the market.

4. Market Dynamics: India Financial Services Structure (Assets)

If we have a look at the sector, the total market is \$1.4 trillion. That is a very sizeable market in terms of assets in the banking sector. 71% of the banking sector is under public ownership, and I think it is very important to stress that point. If you are going to be successful in India you need to be able to address that public sector banking sector. The globally respected private banks, ICICI, HDFC, Axis, already perhaps known to you, are a relatively small portion of the total banking sector, and as you will see the foreign banks represent a very small section of the banking sector, and indeed they are constrained in terms of their ability to expand within India under the regulations. The other thing to note is this 20% long-term growth trend that we have seen here, and as you will see, the leadership in the growth has come from the private-sector banks and from the foreign banks.

5. Projected Near-Term Retail Credit Portfolio Growth

I said we had been through something of a credit cycle in India, and as we now look forward, and this is a recent study, they are now looking at 29% compound annual growth over the next few years. Obviously, that is a very significant growth rate, and my colleagues in other markets would die for growth rates such as that. Obviously, the difference between this growth and the growth prior to 2007 is that this growth is now going to be based around the experience of that rapid growth phase, so there is far more use of data and analytics to underpin that growth story in India.

6. A Booming Indian Mortgage Market

This epitomises, if you like, the opportunity that is India. India is underrepresented. If you look at this as a mortgage market, it shows you how far India has to go even to come close to some of the emerging market countries globally. It is a phenomenal opportunity in the mortgage market sector, with very strong growth rates.

7. Retail Cross-Product Holdings

The other thing that is perhaps an interesting dimension of growth is the fact that, in India during that rapid growth phase, typically people would take one or two products from the banks. What we can see is there is a huge opportunity for India to grow that penetration into their existing customers to get up to what is considered a global benchmark, which is to double that to about four to six credit products per banking relationship. As a result, we have the breadth of growth as well, and credit bureaux are very much part of the picture to do that when you are trying assess your existing customers for potential to take additional credit products.

8. The Indian Credit Bureau Opportunity

I am often asked the question, 'How big can the Indian bureau market become?' The growth drivers are mind-boggling, but the reality today is that the credit bureau market in India is just \$16 million. For the same credit-active population as the UK, we have a market that is about 10% the size of the UK. It is small market and it is just at the beginning of its development. Obviously there is huge potential for growth, but we have to recognise that their potential is going to take time to feed through.

What are the drivers? The first driver is the fact that we are going to have this continual growth in credit. The second is going to be the fact that more and more value-added products are going to be used by the banks: they are going to be more and more reliant on organisations like Experian to help them grow, and to grow in a risk-assured manner. We are going to find that they want to know more about their customers than they do today, and to be able to mine the customer base more effectively to find new opportunities. The other thing we found as we have gone round is that there is a real demand amongst the banks not to rely upon the relationship they have with the existing bureau but to broaden that out and have a multi-bureau strategy. We have the opportunity over time to develop lots of the other bureau services we have in the mature market, and one of the great advantages – and Kerry mentioned the global value-added products platform that we will be taking advantage of in India – is we have many other developments across our bureaux globally that we can bring into India over time. The final point is this government push for financial inclusion, and we actively are in discussion with a number of micro-finance organisations and associations for a standardisation of the data that would be used for micro-finance, because if bureau could be used in micro-finance in a cost-effective manner, that again would be a huge growth story.

9. Credit Bureau Competitive Environment

Overall, it is a very attractive market from a bureau perspective. However, it is not uncompetitive. It is a unique competitive market, because we have got one established bureau, an incumbent, which has had a six-year lead in terms of time in the market. Three newer bureau operators have been given licences in the last year. So this is going to have its challenges, but it is also going to be somewhat unpredictable as we look forward, in terms of how this will competitively sort itself out. CIBIL, the existing incumbent, has a stake from TransUnion. Experian was the first of the new licensees under the new CICRA Act in 2005 to be awarded a licence, and we were very pleased to get that last year, and we went live last September. Behind us is Equifax, and relatively recently High Mark. High Mark is slightly different

in the sense that they are pure Indian investors and those investors come from a variety of different areas and they seem to be focusing in the micro-finance arena.

10. Experian India: Two Tightly Coupled Businesses

How do we go to market in India? I think it is very important to say, yes, we have a joint venture, we partner with seven Indian banks in our joint venture, we own 49%, the rest is distributed between those seven Indian banks, and we are leveraging our global platforms to enable us to get to market effectively and efficiently. But we also have Decision Analytics, and we have been offering services in Decision Analytics for the last four years. If you look at Experian's growth track record you will always realise we have a stronger Decision Analytics business where we have a bureau, and we have a stronger bureau where we have a Decision Analytics business: the two go hand in hand. The fact that we have an established Decision Analytics business is great for us, because as we bring in the bureau we can differentiate the bureau through the Decision Analytics capabilities we already have. We also have a new start-up, only recently announced, moving into the digital marketing space, and we have launched CheetaMail and Hitwise in the last couple of months to address the digital marketing opportunity that we see in India.

11. Strategy: Indian Credit Bureau Plan

I am not going to spend long on the three years of preparation, the issues and the work we have put into data matching in India. Suffice it to say, we have to do a great job in that area and be best of breed in order to provide a competitive database with data matching and loading data to make sure that we have a sound underpinning for our business. First of all, what is a major barrier in other markets we have entered? It has often been clients wanting to use a second or third bureau, but sometimes they just cannot get the IT resources to do it. So we are now providing that IT resource via a system called Connect+. That enables banks to be able to link to multiple bureaux. We are going to develop bureau scores and products, as Kerry has pointed out, that are globally accepted and are best practice. We believe that will differentiate us in the Indian market. We have an integrated sales channel, so we are not just talking about the bureau; we are talking about everything else we can do for a client, which again is a very compelling prospect from a client's perspective. They do not want to fragment relationships. We are going to launch a range of new bureau products over time, and we think that will differentiate us and again will leverage our global capability, and we can offer the full lifecycle support now with the range of marketing capabilities we have recently launched.

12. Current Progress: Building the Bureau

The current year has been about build, signing up banks and creating the database. We have 80 signed-up members of the Experian bureau today. We will obviously continue to move and we intend to sign up as many of the 280 as we possibly can. Not one bank we have approached has said no to joining the membership of our bureau, which is a very positive trend. We have been able to load 90% of the data we have been given, which is a very positive aspect. The data that is coming in is of good quality and we are able to load it on the bureau, and that effectively enables us to provide that service back to the banks. We have been able to enable multi-bureau access – I will talk about some of the clients in that area – and as I have said, ours is a one Experian go-to-market strategy. We are going to develop the business forward now in terms of exploiting the global value-added products platform. We are going to

launch a range of new facilities that are not yet there in the market, and we have already got some fraud prevention capabilities that are very complementary to our bureau services, which again I will talk about in a second, and again we want to maximise data sharing. Of the 280 banks, only about half are sharing data today, and we will want to encourage the remaining banks to share data with the bureau. Finally, we think we can stretch our lead from 2014 onwards by being the innovator in the market and differentiating through our value-added capabilities.

13. Experian Decision Analytics – Key Clients in India

Just a word about our Decision Analytics business. As I said before, strong Decision Analytics strengthens the bureau and vice versa. We are working with a number of clients in these areas. If you have a minute at the end of the presentation today, go and see Nick Mothershaw and he will talk to you about Hunter. Hunter is a well-established application fraud product that we have had running in a number of countries, particularly in the UK, for a number of years. It has had an immediate appeal in India because, as they now begin to look at their bad debts they realise that maybe 25% of them are not to do with people who cannot pay; it is people who will not pay, who never intended to pay: fraudsters. By running proof of concepts, and we have run many of these for banks in India, we have been able to show the value of being able to extract the application inconsistencies that would enable them to spot frauds before they have actually extended credit facilities. What has happened is that we already have two of the largest private-sector banks, Axis and ICICI, agree to help us launch a new fraudster service in India. That will hopefully be a national service that will enable banks to come in to that as a closed user group to get access to that. It is a non-competitive area; it is an area where everybody benefits if we can tackle fraud. That is a very complementary service to credit risk assessment: first of all you assess for fraud, then you assess, if you make sure you have got the right individual, for the credit risk. We are announcing this over the next week or two, so there will be more news coming out in the market about that fraud initiative. We have also had success in bureau connectivity, enabling multi-bureau, and our traditional services of building score cards and consulting with these clients.

14. Financials: Currently in Start-up Investment Phase

Finally, of course all this has a cost, and India is a major investment of \$5-10 million per annum from the P&L, and we see that continuing next year. We know that the bureau will take us four years to break even, and obviously we are launching other business lines, all of which are in their investment phase. We do not consolidate our bureau revenue because it is a 49% stake, but we do see revenues now coming through next year for our Decision Analytics and Marketing Services businesses.

15. Summary

In summary, it is an attractive market with some magnificent fundamental drivers: we were the first new bureau into the market under the new legislation, and we do have a clearly differentiated market model. We have made very good progress to date, and we are pleased with that. We continue to build the consumer credit bureau, but it is a long effort to get there. The Decision Analytics business is already helping us to gain traction with the bureau, and I think the digital marketing capabilities have a very strong, long-term growth track record as well. We are looking forward to building a really strong, multifaceted business in India that will match any of our businesses in any of our mature markets.

Don Robert

Thank you, Richard. For the last presentation of the day, we will hear from Mike Dean. Mike was appointed President of our US Consumer Direct Business about nine months ago. He has been with the business for eight years, and is truly an expert in how consumers behave on the internet.

Evolution of Consumer Direct Strategy

Mike Dean

President, Experian Consumer Direct

1. Overview and Agenda

Thank you, Don, and good morning everybody. I am responsible for the Consumer division of our North American operations, and I am pleased to be explaining our strategy for that region. Before I do so, I would like to talk about our global business and some of the numbers around it. As we stand today, the Consumer Group and the Consumer Direct business represents 80% of the global sales for Experian, and that is about \$800 million in revenue. We are the leading provider of online consumer credit reports, credit scores and credit monitoring products and services, and we are currently serving about 9 million members between the US and the UK. The global vision for this group and our Consumer Direct business is about helping consumers understand, protect and improve their financial prosperity to move forward.

My presentation today is about our strategy, and to learn about strategy you need to understand a little bit about the market place in North America. I will explain our current marketing approach and then I will go into a few of the initiatives that we are working on in the coming months and year.

2. Defining the US Market: A Large Addressable Market

The market here, as we size it, is that approximately 26 million consumers are using some version of credit monitoring or identity theft protection. We describe this in active subscribers: members using these products. We have today about 30% of the market, and it is divided into two areas: our direct-to-consumer business and our affinity business. The Experian 14% and the MightyNet, our recent acquisition, is our direct-to-consumer, and these are customers of ours that have come to us via our direct websites and our brands we have out in the marketplace: FreeCreditScore.com, ProtectMyID.com and MightyNet with CreditReport.com. Experian affinity is customers we are servicing in partnership with companies and other financial institutions. To explain Affinity, it is predominantly a financial institution, but it is more than that. The easiest way to understand it is us servicing customers via another partner. We are the backend support, they are the front-end marketing support and it is their name going forward. Companies in the United States like AAA, which is the American Automobile Association, have a large membership; we have a partnership with them on the credit side. Then companies like McAfee fall into this, and our ProtectMyID product is served in conjunction with that. I want to make sure that everybody understands the Affinity definition. You can see the Affinity part there with 43% – and if you include us that is 56% – is a big portion of the marketplace. Then you round out the market share with the other bureaux that are in there, and then the other companies playing in our space.

3. Identifying Consumer Needs by Segments

If you have the market size, then you need to segment the market in order to understand your customers and how you are going to approach them. First, we have Money Masters and Sensible Spenders. These people are in control of their credit: they understand it and they are comfortable in using it. The Credit Conscious are good at managing their credit, but they do not necessarily have the same financial means as a Sensible Spender or a Money Master. Then you have Over Spenders, Careless Confidence and Mainstream & Aspiring. Over Spenders are using credit, but they are using it to live above their means. Their scores are very volatile and move up and down, and our products help them to understand that. Careless Confidence are saying, 'This is my credit. I am just going to move forward with my life and I am not going to be that concerned about it, and I will check things from time to time.' Then you have Mainstream & Aspiring. These are people that understand that they have credit, but they do not have the time or energy to invest in it, and they are looking for somebody to help them out. They come to us for that purpose.

4. Multi-tiered Product Strategy: Targeting Specific Consumer Segments by Brand

When you have the size and the market, you look at our offering in the space. The acquisition of MightyNet has allowed our strategy to focus on credit and protection, which is the way this market is looked at in the North American region. Under credit, we look at it in two terms. It is scores and reports, and our key brand in scores is FreeCreditScore.com, and we see this as our entry point for consumers coming in: it is easy and non-threatening; a place where you can come and look at your credit, you can get your score, and you can look at your credit information. The segments of customers that are in there is a range from all those six segments, but the ones that stay in this space are the Over Spenders, because they are accessing their credit and it is going up and down, so they want to watch it, and the Credit Conscious, who are trying to make sure that they are maintaining it and moving up the chain. Why do they come to that space? A life event: getting a loan on your home, getting a job; there are many reasons that you are looking at your score or other people are looking at your score and you have to feel confident with what you have.

On the credit report side, the acquisition of MightyNet has really helped us with our strategy moving forward to this three-pronged approach. It is about a comprehensive solution for the consumer, much like what CreditExpert is here in the UK. Here it is the same kinds of customer as far as Credit Conscious people are looking to manage their credit, but it is also the Mainstream & Aspiring who need a little more help, more tools and education, and who are spending time interacting with it. That is our base, and it is a life change. What is the difference between a life event and a life change? Life change is something like getting married or divorced, or you are changing city, and you need to take a more in-depth look at where you are in your financial picture. Moving on to protection, all our products have protection as far as credit monitoring, but this area is specifically focused on the Money Masters and the Sensible Spenders, and they want to make sure they have peace of mind and understand what is happening.

5. Mutli-Channel Marketing: Reaching Customers Through Their Preferred Channels

It would be great if I could go ahead and use all those products in one area of the market, but our business is multifaceted and we approach our customers through different channels. Our routes are in websites and in online advertising. That is where we started and where we are best, and that is where a lot of companies want to work with us. But about 10 years ago we branched off into offline advertising: TV, radio and more recently sponsorships of different events to get the word out about our product names. Social media is a critical component for growth: it is where a lot of eyeballs are, and it is important for customers to see our names and our products. Then if you go to call centres, mobile and email, we acquire customers in these channels, but in reality this is the area of the market in which we communicate with our existing customers. In the call centre we have over 10 million customer contacts a year; mobile is a growing part of how we are communicating and then email is a way we get information to our consumers today.

6. Integration Update: What Did MightyNet Bring to the Strategy?

Before I move on to some of the initiatives, I want to spend a little more time on MightyNet and talk about that. The Creditreport.com URL has been an integral part of expanding our strategy in providing the most comprehensive set of products and brands in the marketplace. It enables us to market specifically to the needs of people looking for their credit reports. We are phasing in the integration, learning from what they have, but also phasing in to our systems and processes, leveraging our technology, our call centres and our marketing for the synergies we talked about in the acquisition. The first part has been done. All new customers are being acquired within our system at Experian Consumer Direct, so as the outside person you will not notice a difference, but behind the scenes is all our technology, our call centres and our marketing. Then the next phase of integration comes from that base of customers that they have, the 3% of members that are using their products who will move to our platforms before the summer time. It is going well. I think it is important too for you to understand how we are going to market these two products differently. I think it is best if I show you the two commercials first and then I will talk about them afterwards. The first is our FreeCreditScore.com commercial, and the second one is CreditReport.com.

[Video presentations]

I hope you can see the difference between them: the first one is light, it is non-threatening and it is easy for people to associate with. It has a tune for it; in fact for the second year in the last three years we won the NAMM award in the US for brand advertisers – people like Honda and Time Warner and American Express are in our company – and how you use music to advertise your products. This makes it an easy place. You can see them showing the phone where you can access it. The second one is about taking control. It is about us listening to your plights, your needs in the industry, and our product can help you get through that and put you on the right path. We wanted to make sure you understand the two different places and how we are positioning both of these brands in the market place.

7. FY12 and beyond – Maximising Growth: Near-Term Addressable Opportunities

As we move on and I talk about a few of the initiatives here, it is going to focus on the affinity partners, our mobile delivery, consumer education, which is paramount, and our improved retention moving forward.

8. Affinity Partners – A Significant Opportunity for Growth

We have been in the affinity market since 2004. We have slowly worked with financial institutions and we have been the back-end support for three major banks within the US and a couple of other different partners. We have really learnt this business and it requires an investment to do so. The recent environment in the US has made it important for financial institutions to provide value-added to their customer bases. Our products add value and retention, it gives them a significant revenue stream and it creates a competitive advantage for them in the marketplace. So why is Experian the place to go ahead and look for that? We provide a turnkey white label service, so when you log in to your financial institution and bank you do not have to log out and log back in to the product; it is right in their system, and we do the backend integration that is critical for it to look seamless. It is fee paid, so the banks have a steady revenue stream, and it is predictable. We have online expertise and experience; that is what we have been doing from our inception as a company. We have had long-term relationships with all of these financial institutions with Experian, and innovative products are bringing it to the table.

9. Going Mobile – A Driving Force for Future Product Offers

We are the first to market with many of the products that are out there today, and mobile is no different. We are the first to market in the United States with an iPhone version and an Android version. We are the first to market in delivering the score directly to the phone with the same security that you would get on the website, and we provide tools and information for you to interact with the product on the phone. This is important: this is a growing market. Everyone here has a phone; smartphones are becoming ubiquitous, especially in this 18- to 30-year-old age group, and it is important for us to be where the consumer is, and that phone does that. So today our members can access us via the phone; tomorrow, and shortly, people will be able to order the products over the phone as well. That will be a great step forward to help people access our information. Our whole purpose here is to transform our business to be where consumers are.

10. Focus on Acquisition and Retention – Consumer Education

If our vision is to help consumers reach their financial prosperity, our mission is about informing them, educating them and empowering them. We inform them by giving them their credit information and their scores. We have been educating them in our products with tools and services for a long time, but we have recently stepped outside the product in the public domain with social media and blogs and user feedback. That is important to establish ourselves as the credit leader in the space, and then empowering them to take action with their information so they can get that loan or really take control of their credit.

11. Credit Advisory Services – Pilot project

The next slide is talking about a new service that I am thrilled about, because it is something that all of our consumers have been asking about for a long time now, and figuring out the right method to bring this to them was a difficult proposition. We came up with this credit advisory service. In partnership with another call centre, we are having consumers call us, look at their credit information and then ask a credit expert on the phone, 'Can you explain this to me, what does this report and score mean? Can you give me some action plans so I can take more control of it?' Then the biggest piece of it is we can mail them a strategy that follows, so they can get on top of their credit and move forward. You saw that that is important to the Credit Conscious and to the Mainstream & Aspiring consumers. That is a big chunk of the market we want to make sure we are covering with our products. This launch, January 17, it is in its beginning stages and we are running a six-month pilot to see how this performs.

12. Focus on Acquisition and Retention – Building Loyalty

All this education, all these pilots, how we are interacting with our consumers is really about our retention. In the last four years we have had great success in our retention because we have been focusing on these issues and because we have been listening to our customers. Of our users today, 30% to 40% of them are repeat users every month. Over half of our base today has been with us for more than a year. We have a good group of customers and consumers that are leveraging our product in their day-to-day lives. We are trying to make that much more frequent with them. We are doing this with an interactive, easy-to-use credit centre. We pride ourselves on how we have been able to create credit data that financial institutions look at and use algorithms to create a discernable, easy-to-understand solution for consumers. We have monthly credit statements, so we are saying, 'You do not have to come to us every day; we are going to push out your information to you so that you know where you stand.' Then there is our members' reward programme, which we have implemented to thank the long-term customers for staying with us, working with us and to give them some reward for taking control of their credit.

13. Our Future Direction – Proactive Engagement with Consumers

Putting this all together into our future direction, it comes back to informing, educating and empowering. We have been informing our consumers with our products all along, and in recent years we have been educating them, and the future is about empowering them to go forward and use that information to manage their data and achieve financial prosperity.

14. Summary

Experian Consumer Direct is the global leader as it stands today, both in the US and the UK. It has a large addressable market that we are working with. We have a three-pronged marketing strategy to capture the different segments and customers that are out there; we have great relationships with financial institutions to further our affinity strategy; and we have a long-term vision that is evolving around the consumer's needs and desires. Thank you.