

Experian plc

Investor Seminar – January 2013

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Introduction

Don Robert
Group Chief Executive Officer

Preamble

Welcome to Experian's investor seminar. We are glad that you have joined us today. It has been two years since we have had an investor seminar and it seemed to us that it was time to do it again. In reflecting back on January 2011, I thought it might be interesting if we touched on a couple of things that have changed about the business since then, because a lot has changed in the business since that last seminar.

Track record

Most obviously, as still a fairly young public company, our track record has been extended by another two years. It has been extended in a way that is very pleasing to us and obviously to the market. Secondly, our global growth programme, which has been consistently contributing to top-line organic growth of the company, is really coming into its own. We are now seeing ourselves harvesting some of the investments and efforts that we have made in prior years with the global growth programme and, at the same time, continuing to set the stage for future growth.

Shape and Position

The vertical shape of the business continues to change, which is very pleasing to us. It adds to consistency in our performance. In fact now, only about 32% of Experian's revenue base comes from what used to be our core market, which is financial services. Geographically, you have watched us all push the boundaries and the footprint of the company out. We are very pleased with the way that the company looks from a balanced geographical standpoint. We continue to invest there. Moreover, we are just very focused on a specific set of opportunities these days that we think will be most impactful to longer-term premium growth. That is what we are after: premium growth. Our commitment to you remains that we will pursue, and hopefully achieve, premium growth over a sustained period of time. We define that as being organic growth in the top line, in the mid-to-high single digits. We continue to be very focused on moving our margins up, albeit in modest increments, and we are still focused on very strong cash flow.

Global Approach

The final point I would make in my introductory comments is that Experian has always been differentiated by our global approach. That is very important to us and it should be very important to you as well. It is a big differentiator, especially when you consider our core unique information assets, which become so powerful when enhanced with analytics and when delivered with our powerful software tools, which tend to become very deeply embedded. The net effect of this is that big barriers are erected and our competitive position keeps on becoming stronger. As you see us move around the world to places like Australia, India and Russia, we are just doing

that; we are building great businesses but also erecting big moats around those businesses.

The other dimension of this globalness has to do with how we think. That differentiates us in perhaps an even more important way, because the business is global in nature. It did not start out as an American business. In fact, today you will hear at least four different accents from the eight or so speakers on the podium, and five if you count Kerry Williams' little southern twang still, which you can pick up if you listen carefully. All kidding aside, it is very important to us to think that we think, plan, resource and compete globally, with our products, platforms and talent.

I hope all of this comes through today. We will be talking a lot about our global strategies. Let us look at the agenda. All of this matters because our products are now being built to be global; our platforms are being built the same way. We want to take advantage of our global infrastructure in terms of deploying things in a cost-effective manner to solidify that long-term competitive advantage.

Agenda

What are we going to do today? You will hear from Kerry first on Credit Services. This is a very interesting presentation, reflecting that, as all of you become more comfortable with and knowledgeable about us, you seem to be interested in going deeper down into the credit bureau business. We are going to go deeper today and I hope you appreciate that.

Ricardo Loureiro and Jorge Dib will talk about the Brazil business. We will have a special presentation from Scott Waldron on healthcare payments, which is again a very exciting vertical market for us and one that is growing fast. We will then go to questions. We will have a break for coffee. I would emphasise that you should take full advantage of all those product demonstrations that are outside, while you are here today. We will come back for the second half and hear about global Decision Analytics from Joy Griffiths, who leads that business globally. We will have a spotlight on fraud, which is unfortunately a growing business for us, one in which we are investing in and for which we have a lot of expectations. You will hear from Scott Carter on that. Most of you know and have heard Matt Seeley before on multi-channel marketing. We will finish with our B2C business, Consumer Services, with Victor Nichols. We hope we have put the right content together for you today. I hope it hits the mark.

Credit Services

Kerry Williams
President, Global Credit Services

Competitive differentiation on a global scale

Good morning, everyone. Thank you for your time this morning. In talking about Credit Services, we will take a deep dive into Brazil with Ricardo and Jorge Dib. We will also highlight a vertical market in healthcare with Scott Waldron. I am going to spend my time in particular on data and technology. We will talk a little about product innovation, our vertical markets and our geographic expansion but, as Don said, we thought we would take you into a little deeper approach about how we think about managing the business. Data is so important to our business, so we will show you some details and charts. This will give you a peek and insight into how we look at our data. We talked to you two years ago about some of the things we were doing with technology. I will show the progress we have made in those areas.

Global view

I am just reminding everyone what we have here. Credit Services is about 47% of Experian's revenue, of which about 79% now comes from North and Latin America. 11% comes from UK&I and the rest is from Asia-Pacific. We have great diversification in the revenue streams for Credit Services. About 31% of the revenue comes from financial institutions; 16%, from retail and manufacturing, a large part of which is from the Brazilian market; and then 9%, direct to consumer. Insurance and automotive are 8% respectively, and then sundry other vertical markets make up that. Some of the other smaller vertical markets happen to be some of our highest-growth vertical markets, like healthcare and public sector, so I would expect to see those become a larger piece of the pie as we continue to move forward, given the great growth that is happening there.

Operations around the globe

We have 19 consumer credit bureaus and 14 commercial credit bureaus across the globe. We have about 5,000 employees directly related to these businesses. There are four major data centres that we have across the globe: Allen, Texas; McKinney, Texas; São Paulo, Brazil; and Nottingham, UK. Any chance that we have to put more than one hosted bureau in one of these operating centres we take. For instance, Nottingham also hosts the Indian credit bureau, giving us some synergies and obviously some scale in reducing our costs in operating bureaus in these large very sophisticated data centres that we have.

Data

Competitive advantage – breadth of data assets across the globe

I am going to dive into the details on data and show you how we think about it a little. Just as a reminder, our data assets are very extensive in the markets in which we operate. Brazil has over 150 million consumers on the file and over 14 million businesses in the commercial database. The UK consumer database has about 46 million consumers on it. In the US, the consumer bureau has 220 million consumers on it. Colombia and Peru have 20 million each. We now have over 1.8 billion trade lines in India. We have 8 million consumers in the Australian bureau, which we just launched last month. Russia has 30 million consumers on it; South Africa, 37 million consumers and 3.5 million businesses. Our data assets on our bureau properties across the globe are extensive. 790 million total consumers and 89 million businesses make up those 19 consumer bureaus and 14 commercial bureaus across the globe.

Data acquisition strategies drive future growth

There are three ways that we think about acquiring new sources of data. New sources of data create lots of opportunities. I will discuss that in a while. Generally speaking, we can either go after data organically ourselves, such as by launching the Australian or Indian credit bureaus and working with financial institutions in those markets. We would consider that to be an organic acquisition of data, where we go to someone that could be a data provider and talk to them about putting their data on to our file, so that comes into us. Largely the only cost to the majority of our organic data acquisition cost is bringing in the data and hosting it.

In terms of some opportunities we have there, we are entering a very interesting pilot in the US in the telco space, which is one of our major vertical markets across the globe. We are looking to put about 4 million consumers on to file 1. This would be the first time that a large telco has put that data on to the credit bureau. This will substantially change the competitive dynamics in the US market but, more importantly, when we put in new consumers, particularly from telcos, those are often emerging consumers. We will look for particular sources of data that have emerging consumers in them.

One of the reasons for that is – transitioning to inorganic acquisitions of data – is in the acquisition of RentBureau, where we had about 9 million consumers in the rental property database in the US market. When we did the analysis upfront and looked at the consumers on that file, there were about a million that were unique. What I mean by that is they did not exist on file 1 already. By acquiring RentBureau, not only did we obtain that unique data asset, which allowed for lots of predictive capabilities, but simply by putting a data asset on to a credit bureau we can begin to monetise that because of the natural pull-through of credit information that institutions do in the various vertical markets. RentBureau, for example, and those million new names that came on to file 1, is being monetised to the tune of several million dollars a year, just by the natural occurrence of institutions pulling our data and a new name appearing. The telco data with emerging consumers, rental data that the US and UK are now pulling in and other sources like that are very important for putting new names on the

file. We achieve a natural lift in revenue by putting new names on to the file, in addition to the products and capabilities we are able to create from that data.

The third approach to bringing in data is partnerships. There are many institutions that have unique data, but they would not look to contribute that data to a credit bureau per se. They do not know how to monetise their data and they are trying to figure that out. We help them to combine their data with ours; we will bring in that data, do the analysis on it and then create products for the marketplace. We have made some great progress with that approach, which I will explore a little more later. We have been able to acquire: 97% of the stock and mutual fund wealth information in the US for consumers, which is a tremendous data asset; payment data on credit cards with 4.7 billion transaction records; DDA information and 11 billion transactions, which I will talk more about; and of course Brazil, with the retail data we acquired with CNDL. That is clearly a competitive advantage and takeaway from the Brazilian market that the teams were able to do there. Those are the three primary approaches that we take to acquiring new data sources across the globe with our bureaus.

Data depth benchmarking for differentiation

This is some insight into how we manage that data. We have talked about all these data assets we have, but it is not simply a matter of bringing them on to a technology platform and producing a credit report. That is a very simplistic way of looking at it. In fact, what we have done is to look across all of our properties, all of the sources of data that were available and all of the detailed data attributes that were available in those properties. From that, we define internally what is essentially the ultimate credit bureau – a bureau that would have all of the different sources of data that all of our markets have, put together. From that, we create what would be the perfect credit bureau, and then we break that down into three primary categories, giving us a complete view of the consumer.

You are familiar with identity data – the name of the consumer, their addresses, how long they have had a credit history, and whether they have positive or negative information on the file. That is very traditional; everyone is very familiar with that. What is emerging on the marketplace and what we are helping our clients to deal with are pieces of information around character, like public and criminal records, behaviour, which is transaction information on your current account or on your credit card account, and then wealth information. I already talked about one source of wealth information, the stocks and mutual funds in the US market. From this, we create what we consider to be the perfect bureau. The benefits of having these data sources and understanding this type of data are significant, because it drives our revenue growth. It expands our ability to go into different markets. It allows us to create more value-added products. It enables us to look at vertical markets in a different way, using unique data sources for those vertical markets, plus the traditional bureau information that we have. It allows us to innovate and serve the needs of clients in many different industries.

Example – UK depth scoring – phase 1

We defined that ultimate bureau and then broke apart all of those data attributes. Not only did we break apart the data attributes, but the value of them or those foundational data attributes that you really need in a bureau or the incremental data attributes that are not necessarily as important as the foundational ones. We break apart all of those data attributes in significant detail, and we are able to go through and understand exactly where we monetise the different data elements within our bureau platforms in different countries. We take that and work in a particular country. We go through and look at what they have in these particular data attributes, compared to this ultimate bureau profile that we have created.

We also have to remember that, in some markets, you have regulatory restrictions where some amount of data is not available. Not only can we compare them to their potential against this profile of the ultimate credit bureau, but we can compare them to their market potential and so we can have a clear understanding about what we should expect that bureau to be able to achieve in that particular country, with its data assets. That creates plans for us to acquire new sources of data in that particular country where they might have gaps. Those plans can then be put in place and executing against. We can assist across the globe from the markets where we have significant data-gathering expertise to help the mid-sized and smaller markets to continue to improve their sources.

Data depth analysis

You will see that the UK's actual data score was 64% against 100% being this ultimate profile of a credit bureau. However, in the UK, because of certain regulatory restrictions, their potential was at 79%, so they could only get to 79% of that ultimate profile. They have achieved 81% of their potential at this point and can improve their data access by another 20% on core credit bureau elements. This again goes back to loading additional data elements on to the file; you put new names on to the file; you start monetising those names; you monetise with new product innovation; you increase the breadth of your coverage; and you are able to win more effectively in the marketplace.

What is interesting about this is that the UK is the highest in terms of per cent achieved against market potential. We tend to think that some of our markets, like the UK or US, are mature markets, but there is substantial opportunity for us to continue to expand our data assets, just with core credit bureau assets, not even focusing on the non-credit-bureau assets that are available to us. We take this approach very seriously. We have specific programmes in place. We work with the countries across the globe, and we are able to see that we are making progress in each market in improving our data assets to allow us to create more solutions and continue our growth forward. That is a key way that we compete on data across the globe.

US Data Lab – competing through research-based data innovation

A couple of years ago, I introduced to you the idea that we were creating an R&D data lab. We did create that. In fact, since then we have doubled the size of our data lab

with our scientists. We have had a tremendous reception and success from what the Data Lab has been doing. We wanted to be able to differentiate ourselves in front of the clients by having some unique analytical capabilities from these scientists. We also wanted to be able to go to a client and access their data in a manner with which they would be comfortable. The idea was simply to provide us your data; we will combine it and massage it with the data that we have within Experian. That could be credit bureau data, Marketing Services data or other sources that we have. We will come back and create solutions to help you tackle a series of problems that you have outlined in working with us upfront. The Data Lab has been very successful in this.

US Data Lab – research & development on unique competitive data sets

In fact, if we look at some of the things we have achieved in the last 24 months with the Data Lab, in the US we have gained access to 1 billion MasterCard transactions. We have modelled and tested those. We determined where we could jointly create products for those, and we have struck an announcement with MasterCard to move those capabilities out into the market, helping our clients in the decisioning process. We have also acquired over 200 million wire transfer pieces of information with the Data Lab. Remember that the Data Lab started in the US, so many of these from the last 24 months are US-based.

In wealth data, the ability to understand many of the investable assets that a consumer has is very important and powerful. It helps us to solve regulatory needs that clients have in being able to verify assets. It helps us to create a better profile of the consumer so that better decisions can be made, not only in prospecting or acquisition, but in the account management and collections process. Wealth data is extremely important to us. We have signed a term sheet for that and we are in the process of working with the firms that ultimately hold that information for the consumers. They are in the process of opting in and we expect to bring those products out into the market next year.

The Experian private transaction bureau is the ability of Data Lab to go to the clients and acquire their data, but in a manner with which they are comfortable. We have created a separate bureau for their needs and purposes, so they are then willing to give us very proprietary information, like all of their current account information, their ATM transactions, their credit card information, their savings accounts and deposit information, and their brokerage information. From their customer base, we can put together a profile of their consumers to help them manage their interactions with their customers in a much more effective and positive manner, not only from a risk perspective, but in the ability of dealing with the customers, putting the right offer in front of them and being able to speak knowledgably with their clients in whatever channel that might be, whether on the telephone or through the branch. There has been a lot of progress in collecting new data sources from the Data Lab.

R&D Data Lab innovation pipeline

We have also been monetising projects on which the Data Lab has been working. We have launched products with LexisNexis, and asset products based on our acquisition of RentBureau. We have a number of products in the pipeline that are coming from a variety of the data sources we have collected around risk score stability, income

estimation, wealth estimation and current account information in the UK. It is very important for the financial institution to understand whether this is a customer's primary current account or not, because that drives so many of the other banking relationships that occur. We have a tremendous amount of ability to mine data and bring solutions back to the client.

The Data Lab is now working on a global basis. We proved the concept and the ability for it to have an impact on what is going on in the US market. Leveraging the MasterCard relationship, we are rolling that out to the Indian and Australian markets. I have also been in a number of our markets talking about the private transaction bureau concept, where I have been receiving a very positive response. We are optimistic that we will be able to move out some more of those in countries around the globe, with the Data Lab powering it, in the future.

Technology

Global products & platforms deliver scale and competitive differentiation across markets

We talked to you last time about our investment in a next-generation credit bureau platform. We talked about our investment in a value-added products platform. We also talked about launching BusinessIQ, of which you saw a demonstration 24 months ago. We are also developing a fourth platform, the global data gateway. The point of the credit bureau platform is that, while it is fundamental to running a credit bureau, you cannot wait until your technology becomes obsolete in a credit bureau environment, and so we have a very detailed plan to migrate our bureaus to this new platform over a period of time. Not every bureau needs to be migrated – the US bureau is going to be very relevant for many years – but there are many of our markets where we need to continue to invest in the technology platforms, and that is what the next-generation credit bureau platform does.

We told you about the global value-added products platform. We told you we wanted to take the best of our large markets and move those product capabilities into small markets. Build it once; deploy it many times. I will show you an example of that. BusinessIQ has been exceptionally successful in the US market. In October, we launched it in the UK market and it is having similar uptake and success rates there. We have now created a derivative from BusinessIQ called BusinessIQ Express. It is being demonstrated outside, and I would urge you to take a look at that. That product allows you to white-label or allows financial institutions to offer these capabilities to their clients in a more streamlined manner than what we offer directly to the small business companies. They then pay us directly for that. In fact, we just won a three-year deal with the Small Business Administration of the US government, where they are providing this capability to their small business customers. That was a multi-million-dollar contract win that we made in the public sector.

We are in the process of building the global data gateway at this point. It is the ability to create a unique identifier for businesses across the globe, all of their subsidiaries and their corporate hierarchy, with consistent linkage across the globe to all of their operating subsidiaries, and consistent search and match logic. We have not competed in this space historically, and we are building that together, not only

with our 14 commercial credit bureau assets across the globe, but there are some very important partners that we have out there, which are going to participate and provide their data. They will be selling these capabilities into their local markets. By putting this together, we will be in a position, for the first time, to start competing upmarket in the large international corporate space with our commercial credit bureau assets. We are extremely excited about this platform that is being built and will be launched in the next 12 months. I would like to add that building and funding these platforms has been part of our normal operating in terms of P&L, and will continue to be handled in that regard, going forward.

Goal is to reduce costs per deployment

Build it once; deploy it many times. We talked to you about our value-added products platform 24 months ago, when we said that that was what we wanted to do. We primarily built it in the US to move it around the globe. It was an investment of about \$6 million. The UK then implemented it and wanted to add some functionality, which they did. The total cost was about \$9 million. When we implemented it in Australia, the cost dropped to about \$1 million. When we implemented it in India, it was about \$450,000; and in Russia, about \$380,000. This is taking our best capabilities and products, those that monetise at the greatest rate, and being able to move them into our markets. These are the first five markets into which we have moved them. We are having a significant success rate with this and we are lining up other markets. This lets you see very clearly the scale and capabilities of Credit Services, and the ability for Experian to leverage its own assets into many markets around the globe, in a cost-effective manner that creates significant competitive differentiation for us.

Deploying global platforms in major markets

We have a very detailed plan in place, where we have implemented, are in the process of implementing, are working on business cases or have the platform in development to move this forward. I would expect that, if we are up here talking to you 24 months from now, you would see even more progress on the plans here. The main point from my perspective is that we are constantly looking at investing in our bureaus and platforms, keeping them relevant and current, and making sure that they are the most competitive and efficient that they can be, so that we can be flexible in meeting our customers' needs and to allow us to achieve great operating leverage that falls through to the bottom line, by creating these synergies.

Product innovation – current and future highlights

I know that product innovation is something in which we are all interested. How much of our revenue is coming from this? You saw a lot of the data assets that are coming in and the technology platforms that are creating capabilities for us across the globe. Coming out of the global financial crisis, we have had a tremendous uptick in our new product revenue, in products less than three years old. We would expect this slope to flatten; we would not expect it to keep going straight up, as it is. BusinessIQ, BusinessIQ Express and all of the lifecycle products that are going into the Brazilian marketplace leverage the expertise that Experian has. All of them are contributing to our ability to create new revenue from new products. The global value-added products platform is a great example. They have been extremely

successful with that in Russia, India and the UK as that has been implemented in those markets.

Vertical Markets

Growth initiatives span the globe

We have a keen focus on vertical markets. As I mentioned earlier, Scott Carter will be speaking to you shortly about healthcare. It is a great growth opportunity for us. We also have a large focus globally on telcos, which are very important to us. There are lots of opportunities to us there. Of course you know about financial services, automotive, collections and insurance.

I would like to call out the public sector. You can see that we have great diversification. The public sector is one of our fastest growing areas, particularly in the US. 24 months ago, we told you that we had developed new verticals. The public sector launch was about 12-18 months old at that point in time. Remember, one of the things that we like about vertical markets is that they give us the ability to leverage our existing data assets, technology platforms and products that we have already built. We usually have to learn how to sell into that vertical market. That makes them very attractive. Often, a vertical market may have some unique data sources as well. Insurance would have unique data sources; automotive, telcos and healthcare would have unique data sources.

We basically had to determine how to sell to the public sector. In the last 24 months – and we have talked to you about some of this – we won the social security authentication business, which was a five-year \$20 million deal. We won the centre for Medicare and Medicaid, which was a five-year \$50 million-type deal. We have won some other authentication deals in the government sector. We won a Credit Services data and analytics deal with the FHFA, which is for three or four years and around \$10 million. There was another regulatory body with which we won a similar deal for three years and about \$10 million. Those last three or four that I have mentioned all occurred in the last six months or so, plus we have now started moving into state governments. State governments need the same types of capabilities, products and services that we are offering at the federal level. In literally a three-year period of time, we have defined ourselves as being the de facto provider for credit, analytics and fraud products in the federal government sector, and we will leverage that into the state and local government sector in the US market.

Of course, the UK has already been extremely successful for many years with that. We took the learnings from them into the US market, and we will be taking those learnings into our other markets across the globe. That is an example of us again being able to leverage our scale to compete in different markets, besides what you might traditionally think of, which would be the financial institution market.

Geographic expansion

In terms of global priorities and expansion, we have made some historical acquisitions such as in Brazil, Sinotrust in China, Russia, Singapore and South Africa. In fact, we have a very good track record for our Credit Services acquisitions. These are all

performing exceptionally well. We are very happy with them. They continue to grow very nicely and extend our footprint and reach across the globe. Our ability to acquire high-quality franchises in these different countries, which have good growth prospects, allows us to leverage not only our Credit Services capabilities, but our Decision Analytics and our direct-to-consumer capabilities. We have a very good track record.

Since we talked 24 months ago, we have acquired the remaining 30% of Serasa in Brazil. We did the Colombia acquisition, which brought with it Venezuela and Peru, and we launched the Australian credit bureau last month. Again, we are very happy with what has occurred in the last 24 months.

Looking forward, there are a number of areas where we still have some interest from a geographic perspective. We not only look at the legislation; we look at GDP growth, the credit environment and how we can leverage our capabilities to move into those markets. There are still some attractive markets out there into which we would like to move. In fact, we currently have a number of dialogues going.

It is not that there is anything imminent, but what is clear is that, when someone considers selling their credit bureau asset, the group that they think of first is Experian. The reason they think of us are all the reasons I just ran through: our global footprint; our ability to drive value from the data assets; our technology platforms; our ability to be successful with the acquisitions we have already made; the culture that we have within Experian and the people who have joined the Experian team, and how they are able to be successful. It gives us quite an advantage when we are in a competitive situation. In some of these acquisitions, we were actually outbid by tens of millions of dollars, but the selling institution still wanted to go with Experian, because they knew that we were essentially the good hands, the keeper of credit bureau assets and we could do the best for their customers and staff, by being a part of the Experian family.

Summary - leveraging scale to compete across the globe

We are absolutely focused on driving our scale, breadth and synergies across the globe. We are doing that with our data assets and technology platforms. We continue to invest in them. These investments are a normal course of our day-to-day operations. Product innovation is just part of our culture. It is something that we do and it continues to help us drive our business forward. There are many vertical markets out there in which we operate today. We continue to find new vertical markets, such as healthcare over the past three years and the public sector in the US market. There are more vertical markets for us to enter and we still have a number of opportunities geographically to continue to expand our footprint. We are very focused on competing across the globe and serving our customers. We very much enjoy winning in the marketplace.

Thank you for your time today.

Building our Business in Brazil

Ricardo Loureiro

Managing Director, Serasa Experian; and Chairman, Experian Latin America

Preamble

Good morning, everyone. I am responsible for the businesses of Experian in Brazil and, to Don's point, am probably also responsible for the strangest accent this morning. It is my pleasure to be here today and share with you our plans and prospects for our business in Brazil. With me here today is my colleague, Jorge Dib, who is responsible for sales and marketing. We will share this presentation, with the aim of providing you with a snapshot of the drivers in our business today and how we are positioning ourselves for the future, in considering the new and exciting developments in the Brazilian market.

Our business today

Let me start with a quick reminder of the shape of the business in Brazil today. We are the market leader in Brazil and, over the past few years, we have been extending that lead. Since the original acquisition in 2007, our business in Brazil has tripled in size and, today, we have revenues of about \$1 billion just in Brazil. This is despite the fact that, today, we are still mostly a credit service business, operating completely in a negative-only data environment. Over the past couple of years, because of that, we have placed a big emphasis on our Decision Analytics and Marketing Services operations and we deploy more Experian capabilities, some of which Kerry just mentioned, and best practices in Brazil. This is a big part of our future plans to continue to grow there.

While we have made some progress, we have a long way to go before we can compare ourselves to the other Experian regions. There is a lot of room to improve. As you will hear today, the Experian factor is already a big part of what makes us unique, as well as being an important driver of our future growth.

Macroeconomic environment

As everyone knows, the Brazilian economy is not currently in great shape, having a slowdown. Despite the fact that the government has undertaken several stimulus actions, these have had limited effect so far. We expect more from that in the near future. Although we are not completely immune to the operating environment, we are very pleased to see that we have continued to grow strongly, even though this has been a tougher year for credit issuance in Brazil. We see many ways in which to grow our business that should allow us to continue to outpace growth in the economy. This is pretty much the focus of this presentation today.

Demographics support a favourable long-term outlook

Even though Brazil has made considerable progress economically, it lags developed markets like the US. Notwithstanding the current backdrop, the long-term

fundamentals for Brazil are very attractive. For instance, GDP per capita should continue to rise, driving consumer purchasing power. More people are being drawn into the middle class – it is the reality in Brazil – driving more demand for consumer durables and financial services products. Companies are operating in a much more competitive environment, looking for new customers, but also to keep their current ones. There is a lot of pressure for more efficiency, all of which is a very positive takeaway for us, creating more demand for our data, analytics and software.

Success factors: winning in the marketplace today

How do we win in this kind of marketplace today? When we think about the business and how to win in this marketplace, we think in terms of a value chain. We think about data, how to layer this data on value-added solutions and how we go to the market. That is a very important aspect of our strategy. We put a lot of emphasis on this. I will talk about data and analytics, and my colleague Jorge Dib, who is responsible for our sales, will talk about how we go to market.

Winning in the marketplace today: data

We are the number one bureau in the marketplace today, and our aim is to sustain and build on that position. As you heard from Kerry's presentation on the data that is available today in Brazil, we score highly in terms of data depth. Today, we hold approximately 160 million consumer records on our credit bureau and about 14 million business records, data on pretty much every business in Brazil. This places us in a leading position in the market today. 18 months ago, you may remember, we added an important new data set when we formed a long-term partnership with CNDL. That is a merchant association and Brazil's third largest bureau. We added around 30 million new lines of retail data and that has given us a significant edge competitively with superior data in key parts of the country, greatly enlarging our opportunities to compete in specific spots. We have driven several new business wins on the back of this partnership, and there are a lot of new opportunities emerging from our very strong pipeline. The next major initiative regarding data is positive data, which I will return to shortly.

Winning in the marketplace today: value-added Products

As I mentioned, our clients are increasingly investing in decision management, authentication and fraud prevention. Our objective is very much to take advantage of our scale and footprint to acquire new customers and to up-sell to existing ones. In the last year for instance, we grew our consultancy practice by 35% and launched new products, such as models focused on banks, to be in accordance with Basel rules. We were also more focused on small and medium enterprises (SMEs), which grew by 50% last year. We are starting to leverage that model, which Joy Griffiths will refer to in her session, using consulting engagements to lay the groundwork for implementing data and of course to access as springboards for sales of analytics and our software too. Our pipeline for both fraud and PowerCurve are becoming much stronger and growing a lot, because of the situation I just described: companies are much more interested in efficiency. They are very important tools for them to pursue these kinds of objectives. In this way, we are looking to provide better scores, predictions and

better quality decisioning for our clients to, and in turn build our Decision Analytics business in Serasa as a whole.

Jorge Dib is going to talk about how we go to the market and how we think about expanding our market presence.

Jorge Dib
Sales and Marketing Director, Serasa Brazil Latin America

Our client base in Brazil

Good morning, everyone. I am responsible for sales and marketing in Brazil. It is a great pleasure to be here with you today. As Ricardo said, we put a significant emphasis in our go-to-market strategy, as a critical instrument of growth in our business. In Brazil, we segment our clients according to size. Our strategic accounts are our largest. This would include the large banks, the largest retailers and the large telcos. They account for just under 30% of our revenue, spread across 25 clients – large, longstanding and very important client relationships.

The next layer of clients is what we call our corporate accounts. We have around 6,000 of these clients, and they are representative of all the verticals in Brazil – manufacturing, retail, insurance and so on. The third layer is our SME channel, which accounts for just under 40% of our business today. The key point here is that we have growth opportunities across all three channels, but the nature of the opportunity varies according to client size. We therefore adopt different strategies accordingly.

Creating winning strategies by client

For the strategic layer, growth comes mainly through up-sell and cross-sell, as we bring new and more sophisticated products to the market and as we sell more widely across the enterprise. We see significant opportunities to expand our relationships with these clients through higher value-added products.

The corporate accounts are at a different stage of development. Most buy just very basic products and we see opportunities to up-sell as they grow their businesses. We also see opportunities to cross-sell as, with this growth, they will face more challenges and will need more robust solutions.

In the SME channel, our main focus is on customer acquisition. We are still relatively under-penetrated, serving around 800,000 clients. Out of these, 160,000 buy credit reference products, with the balance being authentication clients. If we compare that to an estimated addressable market of 2 to 3 million companies in Brazil, you can see how big the opportunity is for the SME market.

Winning in the marketplace today: new verticals

We also look at our clients through a vertical lens. Our revenue is segmented by industry verticals. As you can see, clients across different verticals have more specialised needs. While we are best known in the financial industrial, the banking sector, for our credit products, some of our largest client wins in the past year have

been in sectors such as insurance and utilities. By the way, we grew 50% in insurance last year and 40% in the utilities vertical. Generally speaking, we are growing more rapidly in some of these newer market segments like telcos and automotives than in financial services. We win when we combine our entire product suite. Let me give you some examples.

Example: creating new value large clients – a large private bank

My first example is a cross-sell. This is a very large bank in Brazil, actually one of the largest financial institutions in the world. They were suffering from a growing delinquency rate in their credit card operation, which was one of their main business lines. This was especially true for the C and D or emerging classes in Brazil. Their income is growing and so is their purchasing power, but they have limited knowledge of how to deal with this recently acquired credit. Besides that, banks in Brazil have to deal with the lowest prime rate in years, which adds pressure for them to look for higher efficiency levels.

We conducted an exercise that proposed they develop a new limit score and a new collection management strategy. We deployed our Decision Analytics consultants' knowledge, our best-in-class software and the most extensive credit bureau data available in the country. The result for our client is improved delinquency management, with lower rates, and for Experian it meant an uplift in our revenue of \$500,000. What is more important is that I do not believe anyone else could bring this solution to the table in Brazil, because only Experian can integrate consultancy, data, software and the knowledge to make it all work together. This eliminated the need for the client to deal with many different suppliers and their accountability problems.

Example: winning through up-sell – a brewing company

We also win through selling more to a client. This client is a brewing company, which originally asked us for a very basic product: to enrich a database for them. They wanted to acquire re-sellers for their distribution network. Instead of going into price competition, we went on to further understand our client needs. We found out that they need to operate with good re-sellers, because these guys give credit to their credits – small restaurants, shops and so on. They distribute their products. If they go wrong, it may be more than a collection problem; it may be a logistic problem. This will create a weak spot for their competition to explore.

We proposed something much more robust: a platform based on our software, data and best practices that could be used by their entire distribution network to evaluate new and existing clients. In this way, they created a benchmark to be followed by everyone in their distribution network, consequently reducing the chance of a bad credit problem.

The outcome was that we established a strategic partnership, which is something completely different from just being a service provider. This company now believes that, if they have a strategic problem, they can come to us and we will have a good solution for their problem. For Experian also, it meant that we grew our relationship

with this supplier. They used to spend \$7,000 a month with us and this grew to \$160,000 a month.

Example: winning in new verticals – an insurance company

My final example is in a newer vertical, a very large insurance company. Actually, this is Brazil's fourth-largest insurance company. These guys are the leaders in auto and life insurance in Brazil. They wanted to increase their credit card sales, but they also wanted to raise their life and auto insurance sales. We learned, given our proximity, that the client had a very large sum of money to spend on customer acquisition. They were even thinking of sponsoring the Cirque du Soleil. We proposed a much more targeted approach. We helped them to identify the customers that were most likely to respond to their company's products. We devised a strategy to prospect for the right customers and, in this way, we enhanced their profitability by more effectively targeting their insurance products.

The upshot for the customer was to gain greater efficiency in their marketing spend and to enhance their profitability, as I said, through more effective cross-sell. For Experian, it led to sales of both credit and marketing data in a combined deal of \$400,000. It expanded our presence in a new and very important vertical.

Product take-up rates by channel

To summarise this section, I have illustrated how we think of our opportunities today. As a KPI, we monitor the number of products we sell by sales channel. We have significant run-away for growth just by selling the products that we already have. I hope that gives you a flavour of how we are using our scale and footprint to drive growth in the market today.

Ricardo Loureiro

Managing Director, Serasa Experian; and Chairman, Experian Latin America

Strategy

We see significant opportunities to sustain growth in our business, based on continuing to grow the core through cross-sales and up-sales opportunities, as Jorge just mentioned, particularly as we spread out Marketing Services offerings and evolve our Decision Analytics portfolio. We are also acquiring new customers by addressing more of the SME market, in which we are under-penetrated in our market. We are also looking to develop a lot of new opportunities, but I would like to focus on two this morning: fraud prevention and positive data.

Extending our presence in fraud prevention

Today in Brazil there is – and maybe in the rest of the world too – a massive growth in fraudulent activity, particularly on the internet. This is a big issue for banks, since millions of people access their accounts through internet banking and it is the banks that shoulder the financial burden of the fraud. Much as in other parts of the world, there has also been an explosion in e-commerce, as computers and high-speed

internet are becoming more affordable and increasingly popular, and consumers are switching to mobile devices. This is driving the banks and other companies to intensify security levels to authenticate consumers and detect fraudulent transactions as early as possible. We are leading a membership consortium to aggregate a big database of known frauds in Brazil and, as Joy and Scott will outline shortly, we are bringing in a range of imported products, Experian platforms and expertise to create a similar experience for our clients. We are very glad to have this in our pipeline, and expect to go live with this initiative soon and, over time, for it to become a key growth lever for Decision Analytics and our business in Brazil.

Collection and deployment of positive data

As many of you are aware, the final bank regulations were approved in December 2012, and we are now in the implementation phase. The banks have longer to comply, with an effective date of 1 August 2013.

Positive data collection strategy

Right now, our data collection efforts are already underway, and we have a multi-pronged approach in this regard. Our initial focus is on securing consumer opt-in. The primary mechanism for securing opt-ins will be via banks, which is not dissimilar from how it worked in the UK when positive data came. Our own efforts will supplement this. We touch millions of consumers every day, in one way or another, and we will be raising awareness in this regard. It will be a collaborative joined-up effort between us and the banks – not just the banks but creditors in general. We have a lot of work going on with utilities, again in order to capture emerging consumers in utilities. Telcos, power and electricity are very important sources of this kind of data.

Once the consumer has authorised their opt-in, lenders are obliged to supply us with data, including retrospective payment data. Once consumer permission is obtained for a specific product, a loan product for instance, it extends across the whole organisation. If you say yes to an auto loan, it applies to all other lending products. While these are early days of course, we are seeing a good level of engagement from the markets and a willingness to share and participate in this newest scheme for data-sharing.

Positive data opportunities – B2B

Today we are at the database-creation stage and we expect to reach a critical mass of data over the next 18 to 24 months. Our aim is to generate more meaningful revenue from 2015, as we start to sell the data in the form of credit reports and more predictive scores using, as mentioned by Jorge, an up-selling approach, taking full advantage of our market presence across the whole country. To give you a statistic, it is important to say that the majority of our data now is mainly used to support new credit origination activity. Roughly 60% of our increase is in support of new credit origination. This is where the US credit bureau was about 20 years ago, before it expanded into areas such as account management and collections, through products such as triggers and affordability monitoring. This is an opportunity for us with positive data to expand across the customer lifecycle to create a lot of new products,

and to take full advantage of Experian's ability to transfer experience, products and expertise from other bureaus around the world.

Development opportunities – B2C

On the B2C side we are already in the development phase, although these again are very early days. Our strategy in this regard is focused on establishing consumer awareness and building our market presence. We have a huge opportunity in Brazil. We are starting to raise consumer awareness, positioning ourselves as the partner to the Brazilian consumer through credit fairs, the press and generally helping consumers to understand the benefits to them of positive data and managing their own credit effectively.

We are developing our product portfolio. We have just launched Serasa Consumidor, our first product, into the market. This is primarily an identity monitoring service. We have a big plan to add credit monitoring and to integrate some of the identity and scoring features, which Victor Nichols will refer to in his presentation ahead.

We are always trying to make the business grow faster. We have already started discussions with potential affinity partners. Actually, we have an important pipeline in place, so we are very happy about that. These are early days, but we are starting to build a strong B2C presence in Brazil, very much leveraging the expertise of our colleagues from the US and UK. The main idea is for us to become the market protagonist in Brazil. We have a lot of room to do this and of course take advantage of the strong leadership we have there and the power of our brand in Brazil.

Before I summarise, I would like to show you a video of our credit fairs, which is one of the strategies I just mentioned. We did six of them and are preparing to have 12 more in this calendar year. This is to give you some idea about its potential to raise awareness and bring us closer to consumers as part of our strategy.

[Video presentation]

Summary

I hope you enjoyed that. I hope that has provided you with some useful perspectives on our business in Brazil. Even though the macro-climate is challenging, we see a lot of ways to progress, both in our existing activities, as new sources of data become available, and as we get behind some big Experian products and leverage the expertise in the organisation. We see a great opportunity to continue to make a difference and to help companies and people in the Brazilian market in general to develop. That is why we are so excited about our future there. Thank you for listening.

Growth Initiative: spotlight on healthcare payments

Scott Waldron
President, Vertical Markets, Experian North America

Preamble

Good morning. I run our Vertical Markets businesses in the US, including automotive, public sector and our healthcare payments business. When I joined automotive 10 years ago, it was a loss-making business under \$20 million. Today, it is a \$100 million-plus business with healthy double-digit growth. We are hoping to do the same thing in the public sector and also in healthcare. You heard Kerry talk about the significant wins that we have had in the public sector today, and we are currently enjoying triple-digit growth. In our healthcare business, we are currently enjoying double-digit growth. With that said, we are going to use our healthcare payments business as an example today of Vertical Markets expansion.

US Healthcare – a rapidly changing and challenged market

Before I explore the business itself, I thought it would be helpful to provide some perspective on the healthcare industry in the US. Healthcare is a massive industry in the US, as most of you know. It is a \$3 trillion business that consumes approximately 18% of our GDP. To put that in perspective, the highest per cent of GDP for a European healthcare industry is the Netherlands at about 12%. The UK is just a little under 10%, so this is a significant part of our industry in the US. Picture also an industry where the providers often do not know their revenue for about three to six months after services have been provided, as it works its way through the billing system, and where the consumers are frequently unable or often unwilling to make a final payment after services have been provided.

Further complicating matters is the complex and rapidly evolving relationship among healthcare payers, payees and the consumer, and the 2014 addition of Obamacare, which will add significantly to Medicaid and also to our private insurer roles in the US. In short, it is like this: consumers are being asked to pay more; insurance companies and the government are squeezing the physicians and the hospitals; and healthcare costs continue to outpace inflation by a wide margin. That is where Experian fits in. Experian helps providers determine the best course of payments for patients and ensures that they can collect the proper amount from insurers and the government, and a number of other services I am going to discuss momentarily.

Increasing financial pressures on healthcare providers

Here is how the industry looks from the point of view of our clients, the healthcare providers. Ten years ago, the patient-paid portion in the healthcare industry was about 10-12%. Today, that number in the US is approximately 30%, so 30% is paid for by the patients. Add to that that 90% of those patients do not know what their bill is going to be until after services have been performed, and it may surprise you less

to find out that approximately 55% of the patient portion goes uncollected. That means that 15% of the revenue to hospitals and physician groups is going uncollected. In addition, physicians are typically underpaid 3-5% by insurers, due to confusion in the insurance programme the patient is on, billing codes and things like that. That is another significant chunk of underpayment coming from the industry.

Further, due to the shifting of the costs under the consumers, many consumers are not seeking treatment until their particular situation has become very serious or even life-threatening, resulting in even higher healthcare costs. Hospitals and physicians clearly need to cut costs, and absolutely must collect as much of their revenue as possible. Experian's healthcare products help to collect revenue from patients by determining upfront how a patient might best pay and by, perhaps, putting them on a monthly payment plan, for example, to ensure those payments are collected. We also ensure that hospitals and doctors are paid their maximum due from the insurance companies and government as quickly as possible, thereby helping not only to collect their revenue but improve their cash flow.

Optimising hospital and physician financial performance

How has Experian positioned ourselves in the healthcare industry? We are leveraging our deep collections knowledge and our unique healthcare payments knowledge to improve our clients' ability to collect their full revenue. This is a good example of how we are using our core credit assets and our world-class analytics to serve a key US industry, outside of the traditional financial services arena. This, along with two strategic investments that we made, put us in a leading position in revenue cycle management and healthcare in the US. SearchAmerica, which we acquired in 2008, gave us access to the hospital space. Medical Present Value, which we acquired in 2011, put us in front of the physician market. With these combined assets, we have launched a comprehensive product suite; we have built our own payment database with over 1 billion records in it, from which we can perform client analytics.

Who we are

Where are we here? Our business is headquartered in Austin, Texas, with back-office operations in San Antonio, Texas, and offshore, giving us great access to the industry and technical skills that we need, and also a low-cost support base. We have about 250 people and revenue of about \$70 million, which is growing at double-digit rates, as I mentioned. Our core industry, healthcare revenue cycle management, is over \$0.5 billion and growing rapidly, so that provides us our platform for future growth. Last but not least, we are very pleased with how both of these acquisitions have worked out and, in fact, we officially launched the brand under Experian Healthcare, rather than the two separate companies. We did that in January of last year.

Innovative product mix

Experian services our healthcare clients across a broad spectrum of services, including enabling the medical providers to contract with a single partner to solve their critical revenue cycle needs, from patient access to claims and contract management, through collections. The desire to minimise suppliers in this area is a strong industry preference, as it creates less need for further integration and IT resources, at a time

when those things are already in high demand. As you can see, we work with our clients from when patients initially come in all the way through to what happens at collection. We are the only provider of this in our space. Other people do bits and pieces of this, but our significant advantage is that we can work across the board, which is of significant benefit to our clients.

How we do it

What sets us further apart is how we have combined our industry expertise with our core Experian data assets and analytical knowhow to produce products and insights that derive more value for our clients. Our integration with major healthcare information systems, such as Epic and Cerner, combined with our broad data coverage and accuracy yields a strong value proposition to the marketplace.

Our clients – hospitals & medical groups

Our position has enabled us to grow a strong list of marquee clients, both on the hospital side and on the physician-group side.

Our value example: Emory Healthcare

One client I would like to point out specifically is Emory Healthcare. Emory is located in Atlanta, Georgia. It is the largest healthcare provider in that state. They use many of our solutions, both in their hospital and in their physician group settings. They have collected over \$21 million worth of insurance underpayments through the use of our contracts management system over the past eight years. They have also, through the use of our patient fee estimation tool, been able to collect an additional \$5 million. They have done that by discussing the patient's financial obligations upfront and getting them on the right plan, at the right time, so that they can collect the money instead of waiting until after the procedure.

Our value example: Integris

Another example comes from Integris. Integris, located in Oklahoma and again the largest provider in that state, uses our collections optimisation tool to increase payment collections by an average of about \$400,000 per month, while reducing their collections cost by about \$100,000 a month. Here we are obtaining more revenue collected for them at a lower cost. In partnering with Experian, Integris has become an innovator in using data and analytics, known now in the industry for doing that, to maximise their return on their accounts receivables.

Client wins

Overall, we are having good success in the marketplace. You can see that from our strong win and client retention ratio, bringing in many new clients each quarter. We are also working to bundle our products, making sure that we are selling across the board. As you can see, some of the newer clients are buying products all the way across the suite or many of them. That puts us in a good position. The more the clients buy, the more they find they gain in the marketplace by having an entire suite of products.

Winning in healthcare payments

With that said, we feel like Experian Healthcare has established a leading presence in revenue cycle management and has plenty of room for future growth. Our robust product suite, driven from the unique combination of our industry experience and our world-class analytics and data that we have in core Experian, has given us the ability to provide a meaningful measurable return on investment for our clients. The market is going to continue to grow rapidly and, although we already touch about 10% of the hospitals and physician market, there is room to do cross- and up-sell with many of those clients. There are also many new clients that we can pick up in what is a fragmented market. In short, I am very pleased with our growth and I am very bullish about the future in this business for us. I thank you for your time and attention.

Don Robert

Welcome back, everyone. I hope you had a chance to see the rest of the product demos. We will move now to the second half of the programme. We are going to start with a look at our Decision Analytics business, led by Joy Griffiths, after which we will hear from Scott Carter, who leads our fraud business reporting to Joy. Matt Seeley will then walk us through our multi-channel marketing business and we will end with Victor Nichols on Consumer Services, B2C.

Decision Analytics

Joy Griffiths
Global Managing Director, Decision Analytics

Preamble

Good morning, everyone. As Don said, my name is Joy Griffiths and, from an Experian perspective, I am one of the new kids on the block, although it is safe to say that I am not so much of a kid any more. Over the past 18 months, my team and I have done a complete bottom-up review of our Decision Analytics business and I can say with the utmost confidence, not only as the leader of the Decision Analytics team but also as a former client, that we have a great range of products and capabilities. Essentially, we have a really cool kit at our disposal. Of course, we have to innovate and improve our products over time, but where we could be a lot smarter as a business is on how to exploit the opportunities that they give us. My vision for this business is simple: we have to continue to innovate; we have to ensure that our go to market strategies are both differentiated and robust; and we have to ensure that we are delivering the service quality our clients would expect.

Business assessment

Let me give you a few facts about the Decision Analytics business, which to make it easy I will refer to as 'DA'. Quite simply in DA, we enable our clients – which are

mainly banks, telecommunication companies, utilities and public sector agencies – to make better and faster decisions about their business and their customers. With our products, our clients can identify profitable new customers; they can segment their existing customers according to risk and opportunity; they can manage and grow their existing portfolios; they can optimise their capital and make decisions. By using our fraud and authentication products, our clients can confirm their customers are who they say they are and they can predict fraud.

Who we are

Today, we serve over 4,000 clients globally, which includes 70% of our top 100 retail banks and 60% of the top global telecommunications companies. It all sounds pretty impressive, but believe me, there are big opportunities for growth in this business. One illustration of that is that 85% of all the clients we have globally have just one of our products.

What we do

How do we do it? Let us start with the data. Our DA tools are data-agnostic. Whether it is our own Experian data, our clients' data, other third party data, any other bureau that happens to be around, we help our clients gather it up and connect it all together. By applying analytic models and scores, we then transform that data into meaningful information and insight. From that, strategies are designed and tested using a champion challenger approach. For large organisations, there could be literally hundreds, multiple hundreds of these things going at any given time and it is not particularly helpful to have a whole bunch of strategies unless you can deploy them operationally across customer channels and geographies. Of course, that is what our technology products do.

What is unique about Experian, though, is our integrated approach. The provision of data, which you heard Kerry talk about earlier, data insights, analytics, consulting expertise and technology and bringing all those things together is what makes us unique. That is why we win. There are certainly companies out there that excel in each of these areas, like analytics and software, for instance, but you do not see companies that bring all of these parts together and apply them to particular business needs. That is the hard part: unless you join these capabilities together and combine them with domain expertise and insight, you really only have a bunch of disparate stuff. Our clients turn to us because we have integrated solutions to their particular problems. It is a great business model but, I have to confess, in DA we are much better at doing this in financial services than we are yet in other verticals.

Our business profile

Today, at about \$0.5 billion, DA is the smallest of Experian's business lines and these past few years have been tough ones for us, given the combination of the economic crisis and our concentration in the financial services sector, which was a bit over 75% at the end of fiscal 2012. In the DA business, we look a lot more like the Experian of the past than the 32% Don referred to for Experian as a whole.

Ensuring continued growth against the current macroeconomic backdrop means that diversifying our revenues across business lines, verticals and selected geographies is critical to us, as a business. So too will be moving beyond our roots in credit risk and thinking in terms of customer propositions, not just products. The good news is we are making inroads here: growth rates are now in the high single digits and we are starting to see our investments, ones that we have made over the last two or three years, beginning to yield results.

Market drivers

I am also encouraged by the fact that current market drivers play to our strengths and I would like to highlight a couple of these. The first is analytics. The sheer explosion of data and the perceived value of it have accelerated the use of analytics across the globe and across all industries. However, to be really honest, while many of our clients recognise the need for data, they are often overwhelmed with what to do with it once they have it: what is good, what is bad, what is useful, what is not? We used to spend an awful lot of sales time convincing clients of the need for analytics. Today, we spend our time convincing them that we are the best organisation to come to on how to exploit the opportunities that an analytic approach would give them.

The other market driver I would highlight is regulation. As I have mentioned, a large portion of our DA business is in the financial services sector. The increase in regulatory scrutiny and new rules and regulations specifically focusing on risk management and customer fair treatment really create opportunities for us. What capital banks are spending today is invariably in this space. It is a combination of our domain expertise and capabilities and not just in DA but across the broader Experian that enables us to win.

Three-pronged approach to accelerate and sustain growth

These market dynamics and our vision for DA drive our focus in three key areas. The first is in product innovation and extension strategies – build once globally and reuse many, many, many times regionally. Secondly, markets and verticals. In what places do we want to be and how does our expertise and knowledge translate into other verticals? I will only talk to those two today. However, it is worth noting that we are also putting a lot of focus on our client experience and driving out operational efficiencies.

When clients buy something from us, they sign a contract with explicit commitments: we define the scope, the cost, how long it is going to take. However, there are also implicit commitments that we make because of our brand and reputation in the market. I think we are really good, but we need to be great, so aligning our resources to the best opportunities and driving down costs are key components of building a powerful delivery machine and that is a really important goal for us in the DA business.

PowerCurve

Some of you may have heard of PowerCurve, a great example of a recent product innovation. It is basically a replatforming of our core decisioning systems. Our clients operate in dynamic and highly competitive markets. To be successful, they need to be able to understand and analyse their customer behaviours. They need to launch new products and services quicker than the competition. They need to make decisions and execute their strategies faster than they ever have before, and that is where PowerCurve comes in. PowerCurve gives them the speed and flexibility to do all of these things and, just as importantly, it enables strategies to be operationally deployed across channels and geographies. It is modular and it has been built in a way that reduces the need for IT involvement. I talked before about our products being data-agnostic and PowerCurve is a great example of this. One of the components of PowerCurve is called Connect Plus. That enables us to link up with any first party systems within a client organisation, our own bureaus and any other bureau around the globe.

The investment we made was not only on systems here. We also moved the bulk of our technical development team out to a lower cost environment in Kuala Lumpur, bringing down the overall cost to service this business. If you have not already done so, check out PowerCurve at one of the demonstrations.

PowerCurve available and actively sold in all markets

Last year, we launched PowerCurve with our first two products, Strategy Management and Customer Management. Sales are going well: we have signed 30 new contracts to date across all regions and we have another 50-60 in the pipeline. Originations is the next big release and we have a series of enhancements planned.

Leveraging our analytics

We sell analytics across all of Experian's business lines and have over 400 analysts and statisticians around the world. Typically, we create bespoke models for our clients and we are looking at ways to productise these models in order to create a much more scalable business than you can have if you bespoke them one by one. To do that, we have to consider a couple of different things. The first is whether there are common attributes to the problem. The example I am going to use is the ability to retain telecommunications customers, which is commonly known by telcos as 'telco churn'. That is the same whether you are in London or Southeast Asia. The second is whether the data that is necessary to solve the problem is available across geographies. Again, Kerry referenced how we have different data assets across geographies. In the case of telco churn, some of the data, like billing, call transaction and location data, are pretty much generally available everywhere, because the clients themselves hold that data, but the credit data required and its permitted use varies from country to country. Our main goal here is to reuse and replicate as many of these models as possible. That is key to our becoming a global provider to non-traditional clients like the telco operators. Although it is unlikely that we will get very many models that are truly globally ubiquitous, characteristics of models like telco churn make it a great candidate for this strategy, because you can reuse so many of the components of that model over and over again.

Differentiated market strategies

In DA, when it comes to market strategy, we have recognised that one size definitely does not fit all. With a huge global footprint and finite resources, it is critical to understand what characteristics drive the greatest growth in returns. The most significant leverage points for our DA business are: whether there is a mature bureau or not, because that is what drives scale; whether the market is ready for the full breadth of our product range or just a limited set; and whether there is a pipeline of skilled resources – this is a deep skills and knowledge business.

We have made a few mistakes in the past by not recognising the need to differentiate our strategies by market. For instance in the US, we have a large and well established DA business that works hand in hand with our Credit Services team. Despite the US being a mature market for us, we have delivered strong double-digit growth. Our focus and investments in vertical markets here are really paying off and the percentage of total revenue from non-financial services has increased over the past year by almost 10%, with rapid growth in telco, health and public sector verticals. This diversification has fuelled growth in our core software business and in our fraud and identity business. Growing our consulting team has also helped. Consultants open doors for Experian and improve product pull through. We have seen average deal size increase by upwards of 20% whenever one of our consultants is involved. The US is a great example where we have taken the skills that we have in financial services and applied them to other verticals.

Spotlight on Colombia

On the other hand, Colombia is an emerging market. We have recently bought a credit bureau there, as you have just heard, and in our DA business we are taking a much narrower approach to how we grow in that market. Given the level of maturity in the Colombian market and the sophistication of our clients, we are prioritising our efforts in just a few specific areas. We are starting with analytics for collections and identity authentication. Our aim is to gradually build up critical mass in that market and then build out the DA capability from that point. Today, we have virtually no revenue from DA in Colombia, so we think that is a great opportunity for us.

Summary – roadmap to sustained premium growth

To sum it up, sustained growth and enhanced financial performance. As I have covered, we are doing this by building scale in our mature markets and implementing differentiated strategies in others. We are doing it with product innovation. We are scaling up our analytics business and we are driving efficiency and improved client experience. In taking these actions, I expect the future profile of the DA business to look different from what it is today: our revenues will be weighted more strongly towards new verticals, our products will be used more broadly across the entire decisioning spectrum, and our DA business will perform – I am absolutely positive – a whole lot more consistently than it has in the past. Thank you.

Now let me hand over to Scott Carter, who will talk in more detail about one of our most exciting growth areas in DA, fraud and identity.

Spotlight on fraud and identity

Scott Carter
Senior Vice President, Global Analytics and Fraud Solutions

Preamble

Good morning. I am Scott Carter and I am here to talk about the work we are doing in the area of fraud detection and identity authentication. This is one of our global growth initiatives and it is growing rapidly. I have had the pleasure of leading this business globally for the past four years and it has been an exciting time to be involved, both because of the growth we are experiencing and also because there are some very favourable market trends.

The market opportunity

We are operating within a market that is somewhere between \$1.5-3.0 billion globally and growing annually at over 20%. Much of this growth is simply driven by ongoing growth in e-commerce and mobile commerce volume. As organisations across many different sectors are providing more and more services online, they need a way to be able to authenticate consumers given the anonymity of the internet. This opens up whole new markets for our fraud detection and authentication products.

The huge increase in cross-border transactions is another important growth driver for us. I am seeing a very sharp increase in demand from our customers who are expanding their global footprint and need to understand who they are doing business with.

The compliance burden is also increasing for our customers. This often involves different forms of anti-money laundering requirements, including what is known as 'know your customer' (or KYC) requirements and we have products to solve that challenge as well. We also find that fraudsters are quite innovative.

There is a constantly evolving fraud threat and our clients are looking to us to help make sure they can stay one step ahead of these fraudsters. This can often involve analytics to help reduce the false-positives that impact good customers, for example.

Our clients are also looking to us to ensure that their consumers can have a seamless consumer experience – another place where analytics can come into play.

All these factors are underpinning our growth and play very nicely to our strengths in data, in analytics and to our global reach.

What we do

Identity Authentication

Our capabilities generally fall in one of two buckets: identity authentication and fraud detection. Very simply, identity authentication can be boiled down to understanding if a person is who they say they are. We might, for example, authenticate an individual opening up an online banking account or registering to join an online community. Our key differentiator here relates to the depth and breadth of our data coverage and making sense and aggregating a wide variety of data sources for our customers. This is key for us, because we are able to authenticate consumers at a higher level of confidence than competitors who are constrained by a more limited data set.

Fraud Detection

Our fraud detection offerings bring to bear advanced analytic abilities to detect suspicious behaviour. For example, this might involve uncovering fraud rings that are creating fake identities and fraudulently applying for credit. Here, we use sophisticated link analysis techniques, predictive modelling techniques and others to predict and detect patterns of fraud.

With both sets of offerings we produce meaningful benefits for our customers. This can include, for example, reducing losses, improving operational efficiencies or even driving more revenue for customers who can now do business with more good customers. It is a very natural space for Experian to be in. A lot of the products I am referring to today originally grew out of our credit bureaus and have benefited from our evolving suite of data capabilities, as well as our Decision Analytics and software capabilities.

Our business today

It is a substantial business, in our fiscal year 2012 generating over \$250 million of revenue across business units and consistently generating double-digit growth rates. One of the reasons I am optimistic about our future prospects for growth here is that I see substantial revenue growth both within and beyond our core markets. Today, 96% of our revenues in this business are concentrated in just three countries, our core markets of the US, the UK and Brazil. However, we have made a series of recent investments that provide us with increasingly globally relevant capabilities and we now have fraud and authentication customers in over 20 countries globally.

While we are experiencing growth in both fraud detection and authentication, it is worth noting that it is particularly high in authentication. These products tend to be very portable across vertical industries and they serve a larger market.

How it works a differentiated model

Here is a high-level example of how our clients and use these services. They will typically submit several elements of personally identifiable information, including name, address, phone number, date of birth and so forth, as well as some information about the transaction itself. We can then match these data elements against a vast

array of Experian databases. This might include credit bureau data, compiled sources of demographic data, other Experian data assets, as well as the ability to link to a variety of third party data services. This might include, for example, device ID and device reputation, IP geolocation and also authentication of ID documents, such as passports and driving licences. We are able to do this across a vast number of countries, although of course the availability of data and product integration may vary from country to country.

After we crunch through all that data, we can run it through our decision engines and here we can make a decision based on client preferences or calculate a score that predicts the likelihood of fraud or impersonation. We can also invoke what is known as a knowledge-based authentication session. This is where we can ask consumers a series of questions that only they should know the answer to.

The results we turn back to clients depend on what they picked from a modular product menu. This may involve any number of scores, result codes, flags to investigate further or even the results of that knowledge-based authentication session. The beauty of this is that the same transaction that serves the needs of our large global customers who process millions of transactions a month, access multiple databases with multiple products, also serves the needs of some of our smallest clients who may process a handful of transactions each month with a single product. They can each pick and choose the combination of data and products that are relevant to their business needs.

None of our competitors can match the breadth of these data capabilities, the ability to pull it all together in one place, let alone to provide access to that through a single interface. We think that is a key competitive differentiator for us.

Recent investments

Historically, this model would have been limited to our more established markets, like the US and UK. However, last year we made a small but strategically important acquisition of a company called 192business. This allows us to now rapidly develop and deliver authentication services in new geographic markets, allowing us to link, for example, our credit bureau data and fraud bureau data with local demographic data sources and, as I have said, third party data services, such as for device ID and document authentication.

Case study: money transfer industry

I have talked about how authentication in particular can be very portable across vertical markets. Let us take the example of the money transfer industry. This is an exciting new sector for us. These organisations provide consumers around the world with the ability to transfer funds, often internationally. The companies in this space are all subject to anti-money laundering and know your customer requirements. One of our clients is authenticating both the individual and the authenticity of the documents they are presenting and they are using our Prove-ID and AutoDoc products to do this across 23 companies.

A similar application with a shipping company is allowing them to comply with know-your-customer requirements when they submit payroll cards to a large population of Filipino employees. These workers are away from home for weeks and sometimes months at a time and have previously had difficulty getting money transferred back home. Now they simply upload an image of their passport or driving licence using our iPhone or Android app along with personal details and we can then provide positive confirmation, which allows them to be issued a payroll card, making their lives much easier.

These are multi-year contracts combining for several million dollars in contract value.

Our business model

We have an attractive business model in play here. These hosted platforms make it easy for customers to access and consume these services. That lends itself to transactional pricing and a recurring revenue model for Experian. The modularity of the platform is also key, as I have mentioned. The ability to serve such a vast array of client segments through a single hosted platform opens up a large addressable market for us. Just to give you a sense of scale, these relationships can span from several thousand dollars a year in revenue to multi-million dollar per year relationships. It is a business model that works well across not only geographic and vertical market segments but also allows us to serve a number of differently sized organisations.

Strategy for growth

Our strategy is focused on both protecting and growing our core markets in the US, UK and Brazil, but also very aggressively pursuing a set of prioritised geographic markets. These tend to be markets where we have credit bureaus in place and this is key for us, not only because of the data asset that provides, but also because of the entrée it provides with existing client relationships and being able to capitalise on our reputation in these markets as a trusted guardian of consumer data. We are also moving rapidly to serve new industry sectors. Kerry talked about the successes we have had in the public sector in the US. In that business alone, the fraud and authentication business has grown from virtually nothing to a multi-million dollar business for us in just the last couple of years. We see similar opportunities now in a variety of forms of ecommerce and mobile commerce.

Summary

In summary, it is an attractive and exciting business for us. We are operating in a dynamic and rapidly evolving marketplace. We have a highly differentiated proposition to take to our customers and we see an opportunity to take this across multiple geographic and vertical markets. All this combined with what I think is a very attractive business and financial model leaves us feeling quite upbeat about our future for this business.

Thanks for listening. I will now hand over to Matt Seeley, who runs our Marketing Services business.

Leveraging Synergies in multi-channel marketing

Matt Seeley

Group President, Experian Marketing Services, North America

Preamble

Good morning. I am Matt Seeley; I head the North American Marketing Services segment. By way of background, I have been with Experian since 2004. I came through the acquisition of CheetahMail, the largest email provider in the world. We started that company back in 1999. I drove that to its growth and then sold it to Experian and I am working through the portfolio and handling all the aspects of Marketing Services North America today.

Positioning as a leader in digital marketing

As we look at Marketing Services, we add about \$1 billion to the portfolio, represented in many, if not most, of the major markets from our clients and our products. From the perspective of how this portfolio looks, we have been doing it for about three decades in terms of the Marketing Services business itself. Two percent is the largest client we have in terms of revenues, so we are very well diversified among our client base and there is a great mix. We are strong in all aspects and regions. I cannot help but get excited when I hear Ricardo talk about Brazil and what we are capable of there – expect that number to grow dramatically. There is also a nice split between how we put our competencies in Marketing Services and I will go into the specifics of that shortly.

Digital is now driving the portfolio in Marketing Services. Also, what are just as exciting, though, are our traditional assets. I am going to talk about data throughout this presentation; they are absolutely finding their way into the digital ecosystem.

Sometimes we are known better for our product brands than we are for marketing services: CheetahMail on the email side, Hitwise global competitive intelligence, QAS our address quality, and certainly our world-class data assets ConsumerView and Mosaic are well known in the industry.

Competition-wise, from the traditional side, Acxiom and Epsilon, we see them in some of our traditional markets, but we have a very fragmented market when we look at the digital side, heavy competition from companies like ExactTarget, Responsys, Neolane, eDialog, just to name a few.

Chief marketing officers struggle to cope with the customer data explosion...

The CMO has a problem today and quite a big one; Joy talked a bit about it earlier. There is so much data being created today it is unprecedented. I have been in this industry for a long, long time and I have never seen what is happening now. Just to give you an indication, one of the largest brands we work with get a social media

mention once every four seconds. Can you imagine the amount of data that is being churned and how they have to think about that? Everything is happening in seconds. When I talk to CMOs, they say, 'I need you to help me understand my data. There is so much coming in, help me make sense of it.' That is a big problem they have. There is an amazing stat by McKinsey: retailers can improve the operating margin by 60 basis points by leveraging their own data. That is an amazing statistic to talk about making sense of this information and its value to your bottom line.

... and must manage customer relationships across more channels every day

The second problem the CMO has is with device and channel. Think about your behaviour today. If we had this meeting three years ago, none of you in the audience would have had your iPad open. I see plenty of them in the audience now. The iPhone is seven years old. Facebook is eight years young. All of these devices and how we use them have fundamentally changed the consumer. Does anybody ever watch their iPad while watching television? Does anybody sit with their smartphone at Starbucks and look at their emails? Does anybody go to a store and use a price comparison app, recognise that the produce they are looking at is cheaper online and buy it there when they have window shopped at the store? Retailers hate that, by the way. All of this is happening. Why I bring it up is the cross-channel market has fundamentally changed. It is no longer that you can measure a channel and look at the straight path to purchase. What you have to look at is how the channels interact with each other, how they play together and that is how the consumer is behaving. It is a cross-channel world. We are going to explore the details around that.

Today's CMO: the voice of the customer and guide to business marketing

There is a new normal out there for the CMO. When I talk about this cross-channel, the only way to truly get there is to centre on the customer. We have to break down the silos and start thinking about putting the customer first, not our channels first. I had a great meeting a few months ago with Karen Quintos, the global CMO of Dell. We were presenting Marketing Services, our strategy, our vision about all of this and how we have to break down these silos, centre on the customer, use the data we have. When we finished, Karen just stopped and said, 'This is perfect. This could not be more aligned with where we are going. In my most recent meetings with Michael, he has asked me to break down our own internal silos and centre on the customer.' The example she gave that struck home is Dell's client is the CIO who buys a lot of equipment. She said, 'That CIO happens to be a dad. He has two kids. He has a dog. He likes outdoor activities. We know all of that data and we use none of it to help become relevant to him. If we could figure out how to use that data, we would send a relevant message to that CIO and stop treating him like a machine.' I thought that was a great example of how clients need to use the data that they have.

As I look at the CMO, they are being asked to be the voice of the customer. They are getting a seat at the table with the CEO. It is data-driven decisioning. That is where it is all going. I liken it to a *Moneyball* for marketers as being where everything is heading. They are going to outspend the CIO by 2017. This is good for us because the CMO is our customer and who we deal with. Many of them now are hiring chief marketing technical officers (CMTO). They are buying technologies, they are buying a value proposition that we have, which makes us very excited.

It's all about... understanding

I wanted to show you a cross-channel example. The easiest way for it to hit home is to show you a quick video on how the consumer is behaving today and I hope it will resonate.

[Video presentation]

I hope that gave you a sense. We use Dana as our caricature of the consumer today. Obviously she can fit many profiles. The reason we bring it up is if you look at who Dana is, she is tech-savvy, she loves travel, she has discretionary income, she uses devices, and she uses her social networks. That is the consistent message we are seeing with the consumer and all of those things affect how she makes decisions on the products she buys.

It's about... connecting – Experian data quality

What is just as important is, every time Dana uses one of those devices, going on a site, using her smartphone, watching a TV commercial, she leaves us a data trail and tells us a story. She is explaining in that data, if you carefully watch it, how she wants to be spoken to and that is the key to success with the consumer today. Why is this important to Experian? There is simply nobody better at linking information in the correct way to ensure that we have the correct profile of Dana. It is what we have been doing for a long time and it is what we continue to do, as we take our consistent processes for traditional and applied them in a digital world. It has become a very, very powerful mechanism for us.

Positioned to harness converging opportunities

As I think about it, a lot of the time when we talk about Marketing Services we have a lot of products and a lot of services and we want to get across the sense of how these products bracket into how we are helping the CMO. The first bracket is understanding: you need to understand your customer. How do you understand your customer? You do it through the first party data that we can help you with, but you also use our third party data, which is incredibly valuable. We provide the analytics and insight of our data with yours to help you truly understand who Dana is. That is our Data Analytics suite and the assets that we have are things like our Simmons data, ConsumerView, Mosaic and Hitwise.

Connect is part of the data quality. If you do not have quality data versus your own, versus third party, you are going to be in trouble. Our data quality suite is incredibly powerful, making sure that information is clean and precise. This is also where our linkage comes in with Identity Resolution, verifying this information and making sure we keep it in a high-quality source. This is data quality. This is how we link and connect.

Then we have engaging through the assets we have, our QAS suite, which is the latest data quality provider in the world, certainly our CIP platforms as well as some of our DMS services.

Last, and most important, is engaging the customer. If you understand her, you have good quality data about her, now you can begin to truly market to her in the way she wants to be marketed to. This is our cross-channel marketing suite. Do it through email. As the largest provider in the world, we do it through online, whether it is survey data or somewhere else. We do it through SMS and mobile aspects, certainly social as well, Facebook is big and slowly coming on is addressable television, which we think one day will be a big part of the market. That is who we are as Marketing Services and how we put the portfolio together.

Investment in innovation

Where are we investing?

The first is in data sources. This is important. You heard Kerry talk about it. We have talked about our data consistently across the portfolio. New data matters; you have to continue to invest in it.

A lot is about spending today. In trying to make sure we understand the consumer, where and how they are spending their money is a big part of what we do.

Cross-channel campaign management. If you have not had a chance, in the next break it would be great if you saw the Conversen platform. This is at the centre of what we are doing to drive cross-channel campaign management. We acquired Conversen about eight or nine months ago and it is becoming the central hub for us in our cross-channel strategy. It is very, very important and we will continue to invest there.

Our linkage and identity resolution I think of as something we have had a competence in for the last 20 years and what we are doing now is advancing all of those systems to apply to all the digital components. Think about Facebook IDs, a cell phone, all of those aspects are part of your digital identity and we are putting them together in the linkage solution to make it the most powerful in the world.

You have heard many people talk about marketing analytics and insight across the portfolio. As we see it and as Joy mentioned, it is big in DA in financial services and what they need to do is extend out of those verticals. We are large in retail and what we are starting to see are opportunities for ourselves and the DA group to work together in the marketing analytics environment and bring the power of the Experian portfolio home to the customer.

Recent major client wins

We work with some terrific brands. There are some exciting wins here. I will just point out Starbucks as a great example. We have been their email provider for eight years and we have a strong relationship, but we are now helping them with their mobile and social aspects, really starting to drive and show the power of what we can do in the cross-channel aspects.

Case Study: major retailer

I wanted to take you through some quick examples of how all this comes together and, I hope, bring it home to you. Data is at the heart of everything that is going to drive success in our portfolio. The example I am showing in this case study is of a very large, global retailer. If we think about the problem, it is behaviours on websites. If you go to a website today, often your retailer cannot identify you. They do not know who you are. Roughly, about 80% of traffic coming to the site is not identified. They do not know if you are a customer or not, what you are interested in, etc. What we have done with this retail is to say we can help and through our matching and linking technologies we have taken our data and their data and said, 'Let us make that 20% higher.' We have been able to make that rate significantly higher, so that virtually half the traffic coming to that retailer's site now is known. They know whether you are a customer. They understand who you are. What they can now do, through their own data as well as our data, is create a more relevant experience to you. I equate this to imagine you went into Marks & Spencer, Burberry or Tesco, and the minute you opened the door they identified that it is you and they changed the entire experience of the store based on what you want. This is where data drives relevancy on the web and this is where we are driving the entire portfolio.

Case Study: global card issuer

The next example is to be thought about from the perspective of a credit card issuer. We have a tremendously large partnership with Microsoft and if you think about the MSN homepage, if any of you go there or you have a Microsoft email address, one of the things they need to do on that MSN homepage is sell advertising. The more relevant they can make that, the more interesting it is to an advertiser as well as the consumer. What we have helped Microsoft to do is create an addressable audience of their own Microsoft IDs, essentially helping them to identify more and more the people coming to the MSN site. Why is that important? Say you are a high end credit card issuer who is looking for that super-high premium card member segment. That is not an audience that goes out and raises their hand over the internet and says, 'Market to me'. It takes data to understand who they are. You look at the income levels and all the other aspects that we have. As we have been able to link that information to Microsoft's addressable audience, when a consumer is in the Microsoft network of sites, we can identify that they are that consumer and we can essentially help that advertiser to find them. Why is that beneficial? It is beneficial to Microsoft because it increases the value of their ad inventory, they are certainly getting more per impression, and the advertiser is willing to pay more if you give them that targeted segment. Guess what? The consumer benefits too, because you are sending them stuff that might make sense and might be relevant to them. Hence there are many wins here, driven off the back of our data and the customer's data combined. I think this is very exciting times, because these are new elements to the digital ecosystem that did not exist five years ago.

Improving our mix, margins, and client relationships

If we look at a quick snapshot of the portfolio, we are excited about where we have taken it from a growth perspective. We are excited by not only the financial performance but where revenues are coming from and where the growth is coming

from. We have to get away from point solutions and we have to be an integrated product suite. The decisions about products are moving up the food chain to the CMO, so they want integrated solutions. From the perspective of back in financial fiscal 2010, our data helped you to find the customer and more than not in the offline world. Now, not only do we help you find customers, but with help you find them online. We also do all the cross-channel aspects, which is managing your customer information. That is managing the information as well as finding customers and we are really excited about where we are taking that part of the portfolio.

Conclusion: Experian's edge – growing, diverse, sustainable, defensible, proven

Why us and why Marketing Services? In an incredibly competitive environment, we have the reach and the client base, it is very strong, but I think the most important aspect that differentiates us is the trusted relationship. As the digital ecosystem continues to evolve, customers are not going to want to their own data flying around the internet. They are going to want it with clients who know how to manage it, know how to use it and are careful with it. As part of Experian, this is in our core DNA across everything we do and it is becoming increasingly important in Marketing Services. That trusted relationship with data and the partner is a huge differentiator for us and will continue to be in the future.

The evolution of Experian Consumer Services

Victor Nichols
Global Business Line Leader, Experian Consumer Services

Preamble

Good morning. You have heard about a number of outstanding products and services today, all targeted towards our business clients. Let us shift gears now. I think you are all aware that we also have a number of outstanding products and services that we deliver directly to consumers. Our consume clients use us for credit management, improving their credit reports, improving their credit scores. Our clients use us for fraud protection, particularly where a breach may have occurred and they are at risk. They also use us for ID management, where they are living in a volatile digital space, often in social networks. What I want to share with you today is how excited we are about the potential for still accelerated growth in this environment. We perform very, very well, but we are absolutely positioned for growth as a result of the two decades of work that have gone into this environment. You can see the timeline and I encourage you to take a look at it as it is posted at the demonstration booths, but we are positioned very well to go forward in a growth aspect.

A snapshot of today... the Experian value equation

The core elements of product, channel, geographies and technology are one aspect of how we are positioned for this growth. Products today serving these protocols that I mentioned, we have over 20 different brands.

CreditExpert, Free Credit Report, Free Credit Score, helping people manage their credit services, helping them do what ifs, helping them with alerts so they can monitor their credit and perform better.

Products like ProtectMyID that are monitoring them not only across credit, but across many other areas where they could be vulnerable to risk: social networks, texting, voice, location services, the dark web – all providing a variety of protection.

We work across multiple channels. We are multi-channel marketing, as Matt described earlier. We have clients who still rely on paper delivery of their reports and at the other extreme you have email delivery. Still we had about 100% growth in the last year of people who are accessing their information over multiple mobile devices. Hence multi-channel marketing, multi-channel service and delivery is critical as well.

We are dominant today in the geographies of the US and the UK, but there is clearly potential across many different markets and we have production services that we are offering today in South Africa, Colombia and Brazil.

The real key is the technology and it is not just ticking boxes. Our technology platform that also has evolved over the last two decades is outstanding and like no other in the market. Our technology platform is scalable, high volume transactions in this space, but it is also very flexible. I will talk about the importance of partnerships, but it is flexible in that we can completely integrate into our clients' environment and do it in a very secure manner.

The other thing that sets us apart is compliance. We can ensure fulfilment. We can ensure that we are delivering on the services being offered to consumers.

Important to the growth of Experian

I say we are positioned for success. Another way we are positioned is we have a natural competitive advantage. Here we are with over a \$1 billion business – natural competitive advantage. Consumer Services is really the summation of everything else Experian does. We get our data from Credit Services. We get the monitoring and alerting from Decision Analytics, and we learn how to effectively serve our customers and market to them in a multi-channel digital environment from Marketing Services.

A snapshot of today... the consumer value equation

Another important way we are positioned for success is what our clients are telling us about the value we provide them, the real value to the consumers in this marketplace. We have a lot of ways to listen to our consumers. We hear from them in our call centres, but we also hear from them in our proprietary internet research communities where we have over 2,300 active clients. We talk to them in our digital research, in our traditional focus groups, we have councils. What we hear repeatedly

is you have clients like the Grays, who are making that one-time purchase, they know it is credit-dependent, it is a big acquisition – a car, an appliance, a home – and they care about their credit suddenly, so that they can get the best possible. They are using our services, like a Credit Expert, like a Free Credit Report or freecreditscore.com in order to monitor their credit and see how they can best negotiate that acquisition.

At the other extreme, you have clients like Brandon, who know that good credit will be an important part of their life going forward. They are constantly making acquisitions and are involved in transactions where creditworthiness is important. They are using it not only for monitoring, but also as an educational tool. They are using it in an interactive manner to help identify ways they can actively improve on their credit ratings and their propensity to pay.

In the middle, you have individuals like Veronica, who are very active in the digital social scene. They worry about identity management and how they can protect themselves. ProtectMyID and other products serve them quite well: SafetyWeb, Garlik, iHound, all products that help with protection aspects of identity.

Snap shot of today... defining the US and UK market

As a result of this hard work, we are well positioned with an active member base today of about 12.5 million clients. Consistent with the market, about half of those are now coming from affinity marketers. Who are these affinity clients? They are retail bankers. They are non-aligned financial institutions and insurance companies. They are even other membership organisations like AAA Auto. Thus, you have American Express, you have US Bank; you have a variety of firms that fall into this affinity space, all of which have clients who look to them for the same services. At the same time, our direct to consumer business and our own brands remain very important and how growth as well.

Winning with product – driving membership value over time

How do we leverage on this internet growth? We have a strong position, what are we doing going forward? Firstly, we have to continue to win with product and we are doing so. When we lay out our plans for a product, first we focus on retention – how do we retain these clients and get them more actively engaged? Certainly in today's environment, it is about ensuring you are available and providing the services whenever and wherever they are, which means mobility across all of their platforms. It also means making it interactive, making it an engaging part of their life. We do that with the mobile platforms that we have put in place, with the alerting and the monitoring that they can self-select and that they will be called on and alerted to.

We have to have constant differentiation. We know we have to differentiate ourselves and add greater value to the consumer. We do that with things like Score Planner, which I hope you saw a demonstration of outside, where it is not only interactive but is very engaging. You can use it as a tool to set your own goals for what you think your credit rating should be or what you want it to be and how you have to change your financial behaviour in order to achieve it.

We also know that values are changing in terms of what we need to provide these services. Credit and credit information are paramount, but so are other data sources. SafetyWeb and Garlik were two acquisitions that gave us great reach in terms of social and location management, in terms of texting, dark web analysis – a variety of sources that we can use to provide greater value in protecting and monitoring our consumer clients.

The evolution of product – serving future needs

We see the clients' needs changing in profound ways that we can all relate to, being very social, being very digital and active in that framework. We can see the consumer moving somewhat on a proactive basis. They are starting to care more about their identity protection. It is not just about when a breach occurs. We know they react well then of course and they are looking for people to protect them, but even ahead of that, how do they proactively manage their identity in this space? We are seeing that things are happening now on a global basis and, consistent with everything you have heard today, the product and services that we have in this space we are starting to deliver on a global platform and are making them available across all regions.

We can also see that a lot of the services we are providing here will apply to other verticals. Healthcare you heard something about and we see great application for consumer tools in that environment. Fulfilling the digital wallet is one of the greatest problems that players are struggling with today; we can help solve that equation through the same consumer offerings.

Winning with channel - driving membership growth

We also plan to win with channel. Direct to consumer again remains important to our growth. We are very focused on that. We are still seeing continued strong growth in that space and it is absolutely about leveraging that multi-channel digital market capability. At the other extreme, we are also doing emerging media advertising, things like video seeding into internet locations, doing homepage takeovers and looking at sponsored blogs. There are lots of ways to do education and infomercials over the internet to capture the consumers' attention.

Then of course there is affinity, another channel for very important growth. Think of these affinity clients. We know a majority of consumers often look to their brand, to these entities for the products and services we are providing.

Sustaining growth – why Affinity partners

Why is that affinity market so important to us? They have brand recognition. They have a large membership install base. We know they can acquire those customers and bring them on board to our products and services much more easily. It represents great growth in our established markets, but it is even more important as we go into new regions, because if we can go into a new region with a few affinity clients it helps accelerate that membership model and makes it much more accretive earlier on. That is a very important way to grow into new regions. Then, of course, there is diversification to our current revenue model. It complements what we do on

our own in the D2C space. It gives us partners who are working with us to bring on board many consumer clients.

The Experian advantage – the Affinity equation

Why is it good for our partners? Think about it. Data sources today are enormous already. Credit is paramount and is a core aspect of this, but it is not just credit. It is also current account or DDA information. It is monitoring across their checking accounts. It is also about your social activity, people being able to put alerts on their own social networks to see if they are picking up friends who are known fraudsters or outside parameters they may have set. It is about doing the same thing with location services as the data source and looking at the dark web again as a data source – have they already been compromised in ways they may not be aware of? These are all things we are doing in data.

With analytics, how do you turn that into active real-time monitoring so that you get a message right away when something suspicious happens to you across any of those fronts?

We have a multi-channel marketing and service capability across all of the platforms, leveraging our technology platform.

These affinity clients love those assets, brought together with our talent. We are constantly innovating in this space and for that affinity client in particular we are able to help them think through how to customise solutions. I have to tell you that these are long, complicated sales cycles with affinity clients, but they are very rewarding in the end. They do involve tremendous integration, planning and customisation. We have a very well established, very high volume affinity client. They are about to go to market with a new product they have introduced hand in glove with us. They have taken a traditional banking product and are going to rebrand and relaunch it as a security-oriented version, using all of our capabilities. They will launch basically a security banking product and they see this as the first of many when they roll it out across their customer base.

Of course, there is the regulatory oversight that goes with this. We are very focused on the compliance aspects. We know what some of the pitfalls are. We are probably never perfect, but we are well in tune with what is required and are serving this marketplace quite well.

Ultimately, for these affinity partners it is all about their own growth and revenue. These are profitable offerings and they increase retention. We talked about our own retention. These are sticky products. When a customer of theirs buys one of these, it is tougher for them to unhook. They hang on to them for longer. There is stronger brand loyalty that is leveraging the brand loyalty that we use to attract them. There is great differentiation for them.

As I said, there is a long sales cycle. These tend to be very sticky relationships with the affinity clients as well. Once we are integrated and it is running well, we are not seeing ourselves displaced. In fact, touch wood, we have never lost an affinity client.

Driving premium growth

When we look at the channels and what is coming in this space, clearly it is the expansion of affinity in our geographies. As I said, there are many more opportunities within the established markets. In the last week, we launched an affinity client in the UK. We have a very rich pipeline of affinity clients in the US and the UK, but also in our markets – Brazil, Colombia and South Africa – where we are closing business.

It is also going to be about brand. You heard from Ricardo; he gave you much information about what we are doing with the Serasa brand. We are leveraging our brand across the other markets, continuing to work our own D2C capabilities. It will then be about taking all of these approaches and applying them in each of the geographies we go to in the most optimal manner.

I have to say we are probably most known, when you think of our advertising, for our commercials, particularly in North America. Some of you will remember the Free Credit Report bands and the Free Credit Score bands. Recently, we brought the old band back into our broadcast commercials. We did that as a result of the market input saying that there was great affinity there for that band. That there was great recognition, we should bring them back and we did and it worked quite well for us. However, the new set of commercials is going in a different direction. They are maintaining that edge and fun to attract people's attention to something like protection or credit, so you can gain them and get some brand generation. It still has to have that fun element and that edge, but we are really trying to now showcase the products, the functions and the features, the mobility of the product, the interactive capability, how you can use it as a tool. Let me show you one of our latest commercials, which was just released, doing just that.

[Video presentation]

We are happy with that commercial and you have seen the twist, as compared to some of the others.

Win with geographic expansion – serving a global consumer market

We are in North America, the UK, Brazil, Colombia and South Africa. We are looking at other markets. Top of the list where we are looking but are not yet committed are Russia, India, Australia, naturally, and Spain, and we will continue to evaluate the markets we want to enter with these products and services.

Conclusion

As we look forward, we expect growth to come from different dimensions. We should be able to expand into a couple more verticals. We should be able to double the number of partners we have on the affinity front. We should become well established across eight different countries, all leveraging our technology platform.

Don Robert

Thank you, Victor, as well as Joy, Scott and Matt. We will now have the Q&A together with Chris and Brian.

Summary Remarks

Don Robert
Group Chief Executive Officer

Thank you for all those questions as well as for being with us today. I would like to make a couple of wrap-up observations.

The theme of the seminar today was our global growth agenda and so we tried to structure the day in such a way that you would get some confidence and some more understanding in that. The first point to make is I hope you noticed that there was little emphasis on geography today, with the exception of Brazil. That was on purpose and is because all of our products, platforms and strategies are designed to work globally and, as of four or five years ago, we have an organisational construct in place that supports that, which we view as a competitive weapon. The second point I would make is that this is also all about a leadership group that can operate globally. You met a slice of our top talent today and I hope you gained a sense of confidence in their understanding, their stewardship and the plans that they have behind their business.

On the point that Ed Steele just raised, I hope you also noted the theme of investment throughout all these presentations – investment in products, in platforms, innovation, delivery systems and just sheer technology. This huge company has a huge appetite. The bigger we get, the more innovative, the more global, the more industries we serve, there is a lot of investment needed and we have learned over the years and from watching others to invest or die.

More than ever these days, there are some very interesting high velocity trends that are giving us a following wind. It is worth noting a couple very quickly:

Regulation in all forms, all geographies, all governments, there is more of it, yes, on us, but a lot more on our clients. That creates revenue and growth opportunities for us.

We have talked a couple of times today about the data explosion. We have heard other people call it 'data deluge'. That cannot be underestimated, if only because organisations are aware of it. Everyone is saying, 'I have all of this data about my clients, my products, my customers, my markets. Can you help me decipher what it means?'

The third trend is increasing use of analytics and science by industries and verticals that have never embraced it before. It used to be that it was just banks and sophisticated direct marketers that put science behind their businesses and of course now everybody is doing it.

The next trend would just be that the bad guys keep getting worse. It is regrettable, but it creates opportunities for us in Scott Carter's business to grow from a very unfortunate global trend.

Understanding one's customer, managing risk and reward and that trade off, trying to figure out the lifetime value of a customer, is becoming a bigger and bigger issue.

Finally, as you heard from Victor, consumers increasingly want to be even more knowledgeable about their finances, they want to stay in control and know who might be snooping around, not just in their own records but in those of their families as well.

With that, I hope that you leave with a sense of confidence in us and in our ability to continue to grow at a premium rate. Thank you for coming and if you have not finished looking at the product demos outside, please do so before you leave. Thank you.