

GUS

Experian

May 2004

# The information age

More information is needed by more organisations to talk to more customers in more countries than ever before



We connect organisations to their customers in sectors as diverse as banking, retail and publishing in over 60 countries worldwide

# Experian



Experian is a global leader in providing information solutions to organisations and consumers

We help organisations find, develop and manage profitable customer relationships; with information, decision-making solutions and processing services

We empower consumers to understand, manage and protect their personal information and assets

# Experian – helping organisations

Reduce costs



Increase sales



Protect against risk



# Experian – helping organisations

Enables major banks to reduce bad debt losses

Helps retailers to grow customer loyalty and cross-sell new products

Prevents fraud for online retailers





# Experian – helping consumers

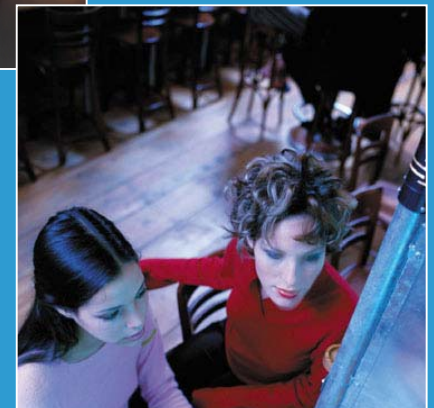
Obtain the credit they deserve



Receive appropriate product offers from companies

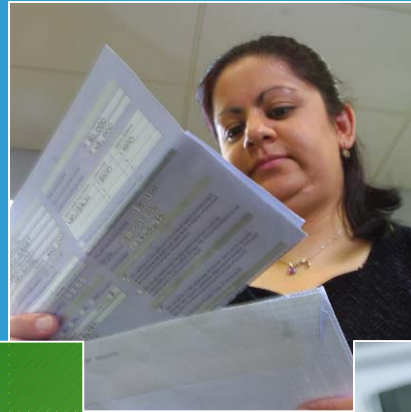


Protect their ID from misuse



# Experian – helping consumers

Enabled  
44 million US  
consumers to  
refinance their  
mortgage



Helps a  
mobile phone  
company to  
offer the right  
services to its  
13m users



Told over  
8m consumers  
by text and  
e-mail about  
changes to  
their credit  
report



# Experian – what we do



Manage large databases



Build specialist analytical solutions



Manage processes and logistics effectively



# Experian – how we are paid



Volume-based contracts



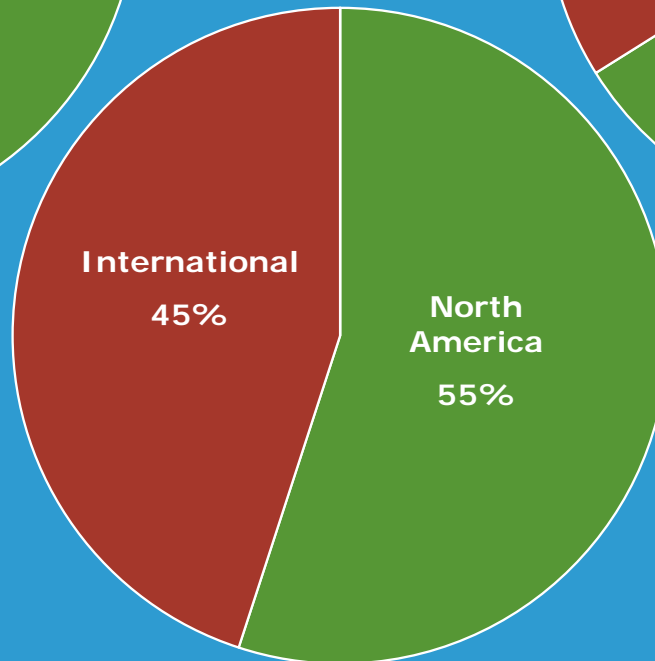
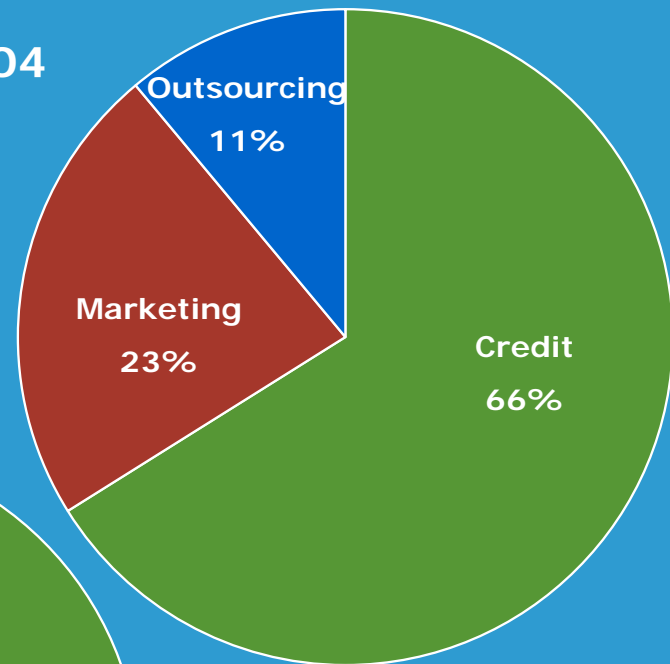
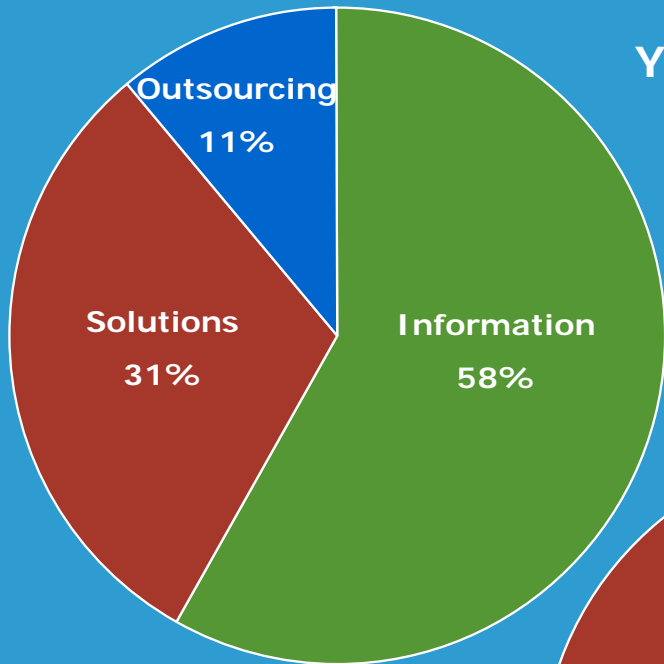
Value-based long-term contracts



Cost-plus long-term contracts

# Experian – balanced portfolio

Sales\*  
Year to March 2004



\* excluding discontinued activities

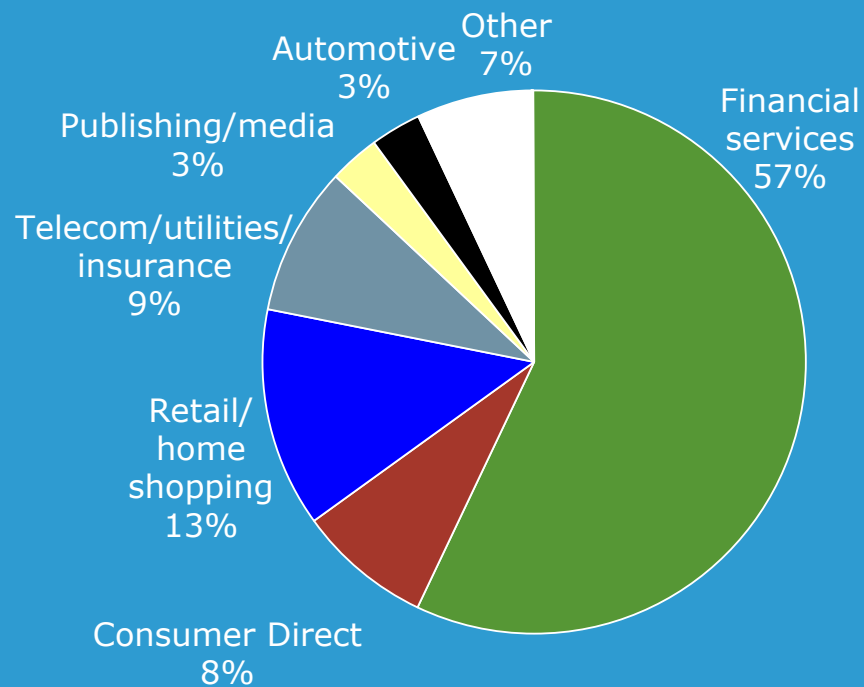
# Experian – blue chip customers



# Experian – broad offering

Over 40,000 clients in more than 60 countries

Top 10 clients account for about 25% of sales



% of sales by vertical market

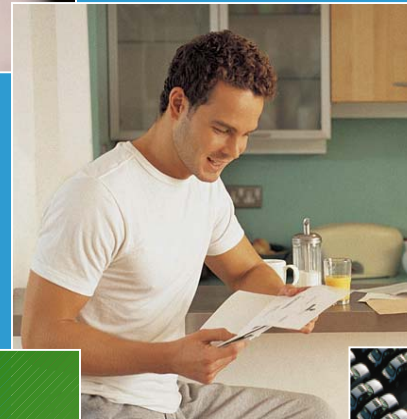
Year to March 2004

# Experian – size and scale

Experian makes more than 5,000m customer management decisions each year



Experian classifies 800m consumers in 17 countries



Experian holds information on 400m vehicles





# Experian – strong market position

**No 1 or 2 in most of the markets in which we operate**



**Over 80% of top 50 clients have been doing business with Experian for over five years**

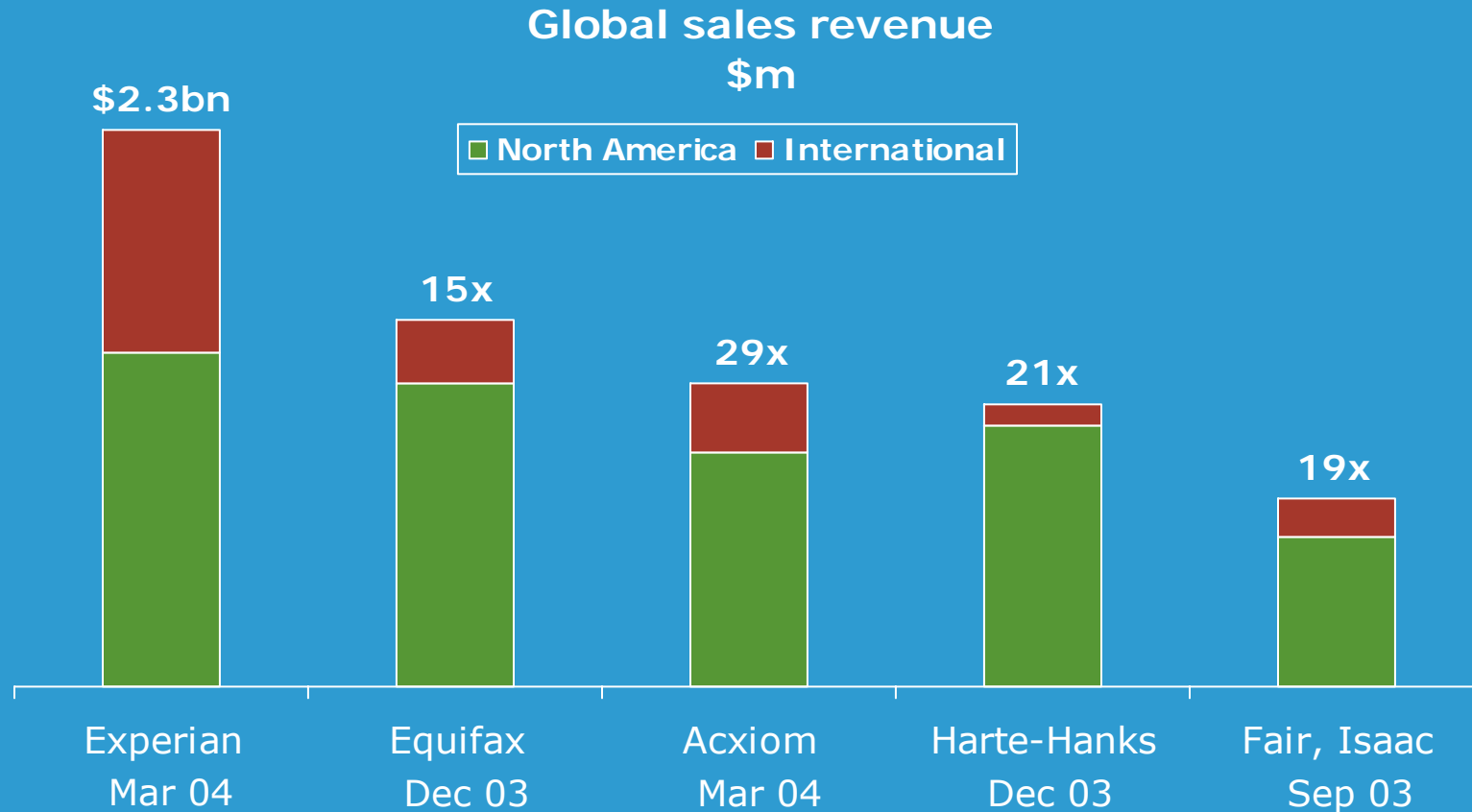


**Strong global presence with 45% of sales outside North America**



# Experian – competitive strength

Experian is the largest business in its sector

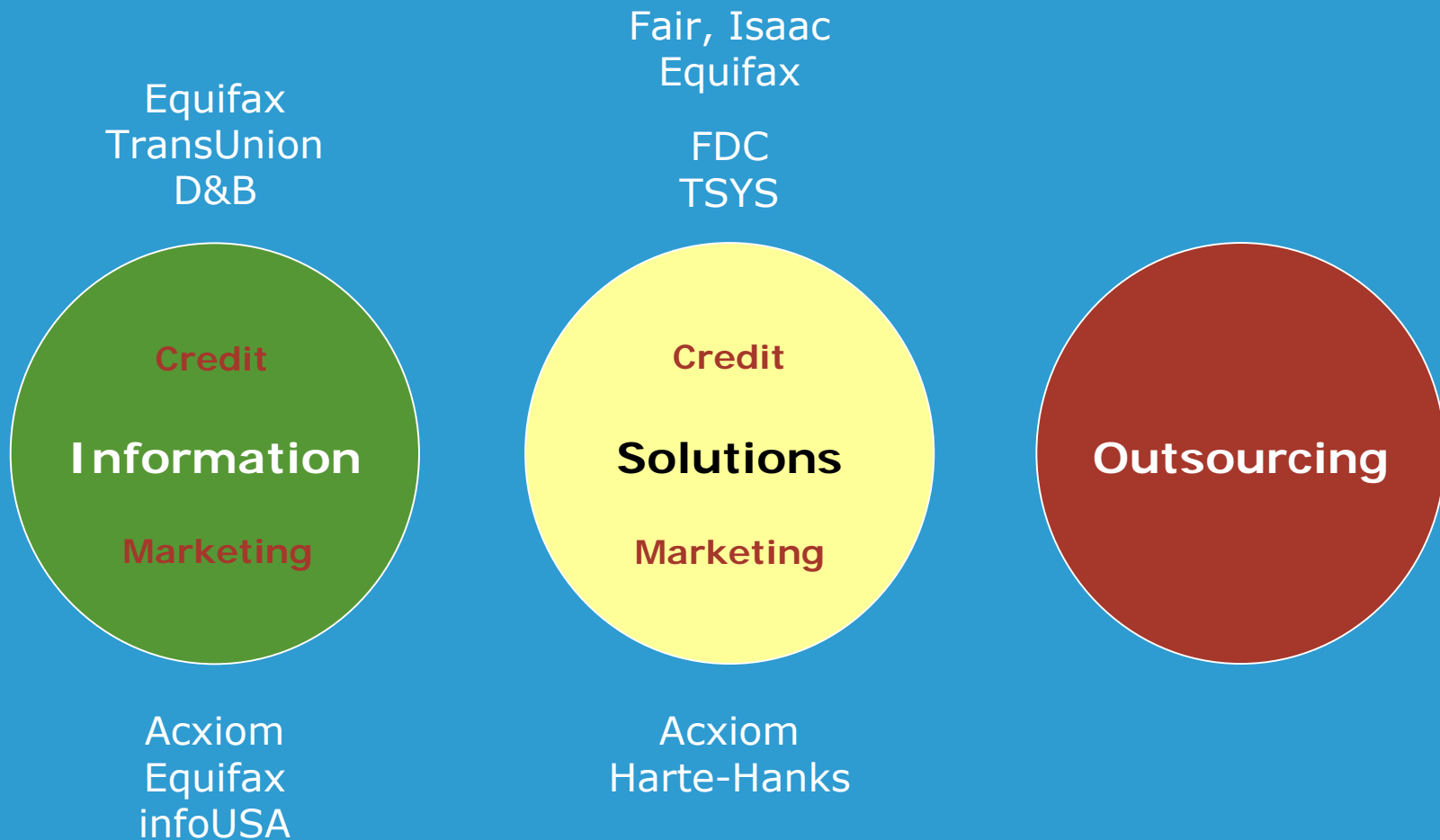


All figures are for last full year of actuals  
Number on top of bar represents prospective PE rating  
Exchange rate £1:\$1.80

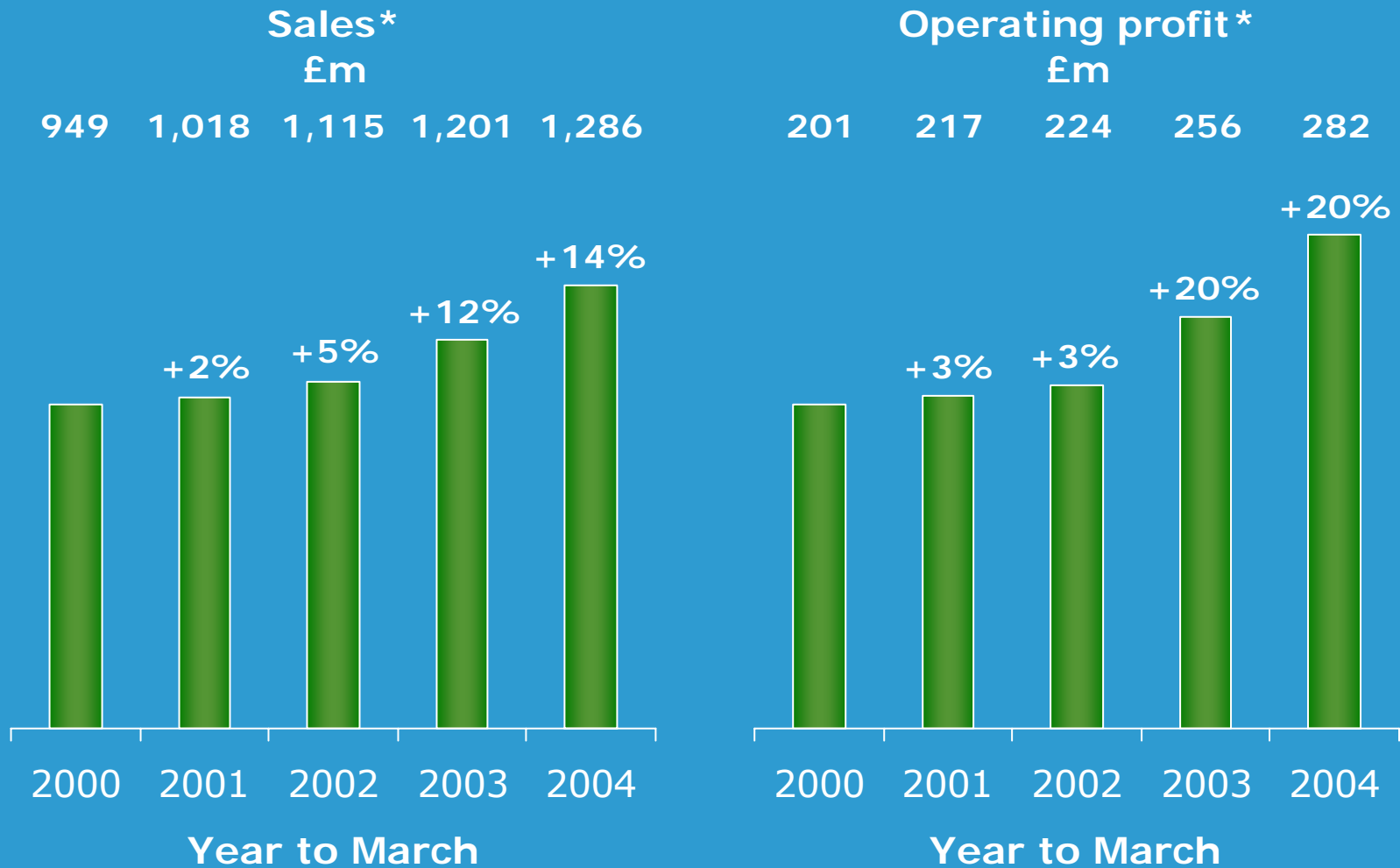
Source: Company accounts  
Multex Global estimates

# Experian – broad product reach

No single competitor offers as many products and solutions

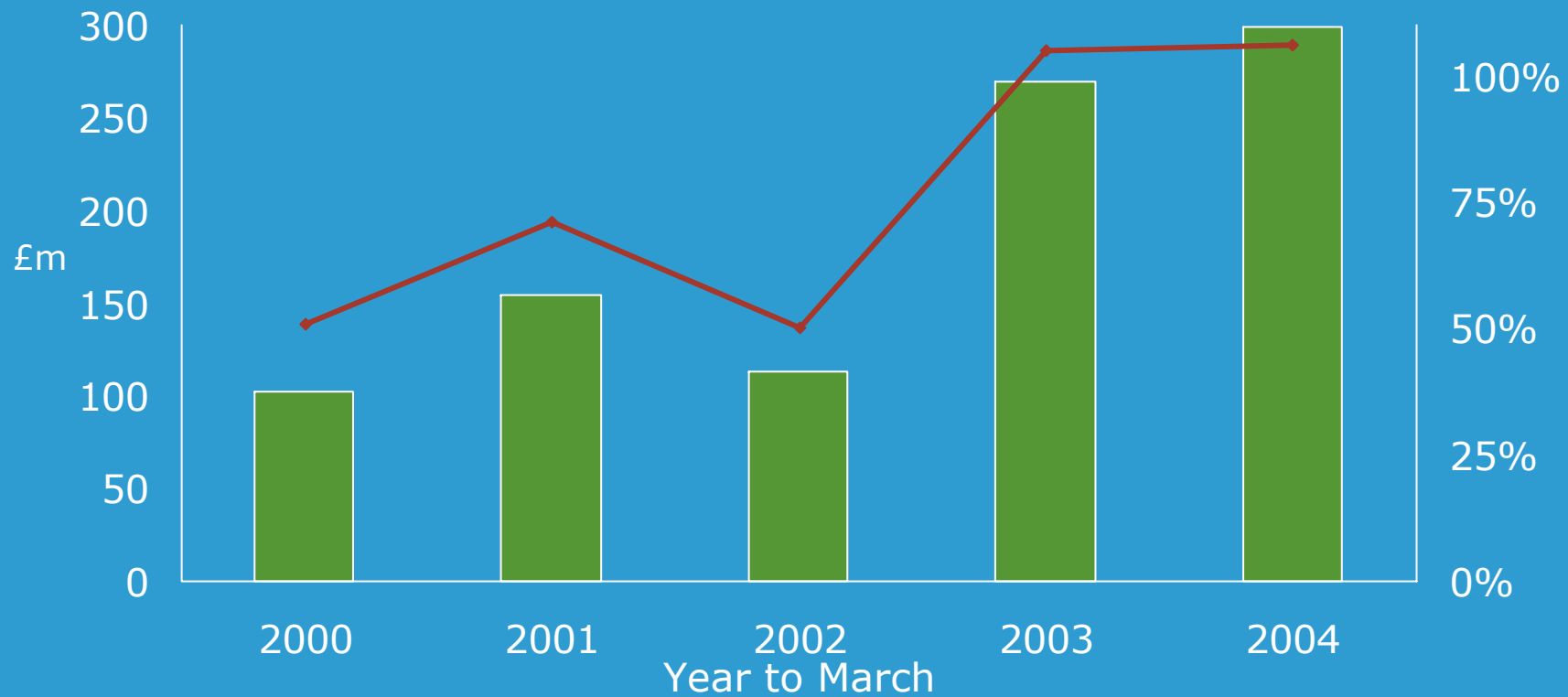


# Experian – building shareholder value



\* Growth rates at constant currency and in 2004 for continuing activities only

# Experian – strong cash flow



■ Operating cash flow (LHS) — Operating cash flow as % of EBIT (RHS)

Operating cash flow is defined as operating profit plus depreciation and amortisation, less capex, plus change in working capital and associates



# Experian – consistent global strategy

**Build on core  
businesses**

**Sell new  
solutions**

**Grow by  
acquisition**

# Build on core

Build on core  
businesses

- Leverage Credit and Marketing information
- Grow Consumer Direct
- Expand in new vertical markets
- Expand in emerging countries

# Sell new solutions

Sell new solutions



Direct-to-consumer  
online credit report  
service



Commercial

Classifying  
businesses



International  
business reports



Commercial  
marketing lists



Car dealer  
information



National Score Index

US consumer credit  
score index

# Supporting '&more' card

Sell new solutions

	'&more' Card	Chargecard
New business system	In-house/Experian	In-house
Fraud detection system	Experian	In-house
Credit card processing	Experian	In-house
Collection system	Experian	In-house
Loyalty system	In-house	In-house
Management information	Experian/In-house	In-house
Statement production	Experian	In-house
Card embossing	OCS/Schlumberger	In-house

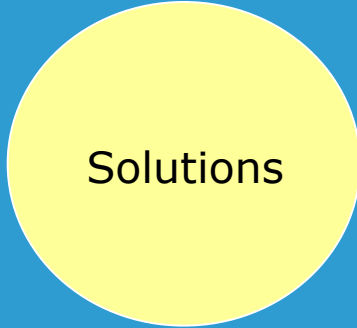
Source: Marks & Spencer

# Grow by acquisition

Grow by acquisition



Manage large databases



Build specialist analytical solutions



Manage processes and logistics effectively

Leverage assets and skills by acquisitions

Data	Product	New regions	New vertical markets	Consolidation
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# Summary

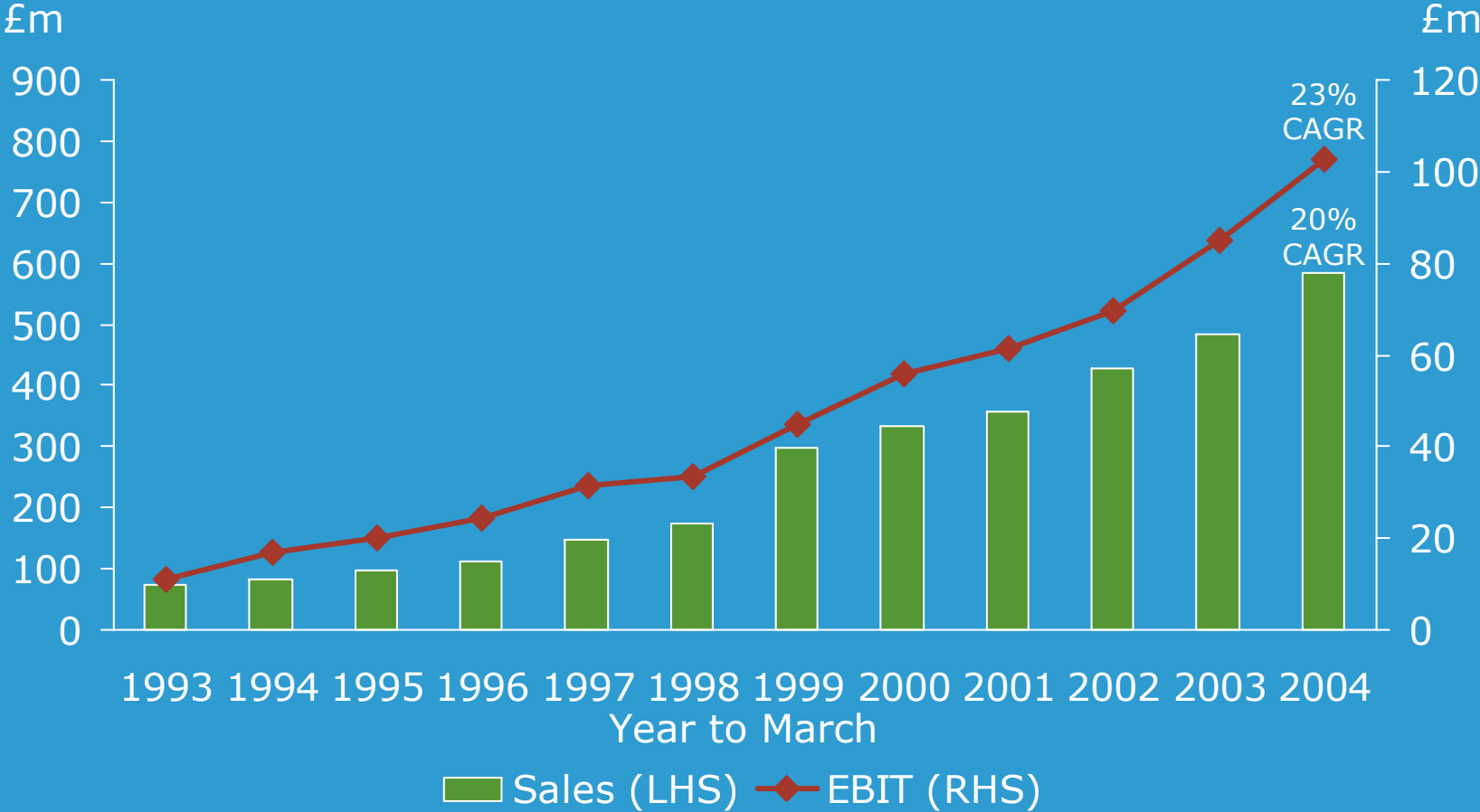
- No single competitor matches our scale, product range or global footprint
- Strong organic growth opportunities across the businesses
- Managing regulatory and privacy concerns is a core competency
- Global R&D driving product innovation
- Acquisitions are a key part of our strategy for growth
- Successful integration of recent acquisitions

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Appendices

# Experian International

Experian outside North America has grown sales and profits by over 20% pa CAGR since 1993



# Experian – what we are



Sales (£m)	711	373	135
% of sales	58%	31%	11%
3 year underlying average growth*	6%	8%	8%
No of people (FTE)	5,165	3,672	3,161
Sales per FTE (£k)	142	103	47

Sales are for year to March 2004 and exclude discontinued activities. FTEs at March 2004

\* Growth excluding corporate acquisitions and discontinued activities at constant exchange rates

# Experian - Information

## Key characteristics\*

Core skill	<ul style="list-style-type: none"><li>- Acquire, compile, manage and deliver large databases</li></ul>
Market type	<ul style="list-style-type: none"><li>- Steady growth</li><li>- Large market</li><li>- Regulated</li></ul>
Sales channel	<ul style="list-style-type: none"><li>- Data sell</li><li>- Salesforce-led</li><li>- Contract, licences</li><li>- Ad-hoc purchases (marketing only)</li><li>- Revenue earned per transaction</li></ul>
Product characteristics	<ul style="list-style-type: none"><li>- Volume-driven pricing</li><li>- Country specific</li><li>- Capital intensive</li><li>- Online, real-time delivery</li></ul>

\* Excluding direct-to-consumer

# Experian - Solutions

## Key characteristics

- |                         |  |
|-------------------------|--|
| Core skill              | <ul style="list-style-type: none"><li>- Specialist analytical and software development skills</li></ul>  |
| Market type             | <ul style="list-style-type: none"><li>- Good growth</li><li>- Many niche competitors</li><li>- Strategic for clients</li></ul>   |
| Sales channel           | <ul style="list-style-type: none"><li>- Executive level sponsorship</li><li>- Software/IT sell</li><li>- Sell to client specialists</li><li>- Consultancy-led</li><li>- Long-term relationships</li><li>- Revenue earned per transaction and by fees</li></ul> |
| Product characteristics | <ul style="list-style-type: none"><li>- Highly customised</li><li>- Value-added pricing</li><li>- Global products</li><li>- Global alliances</li><li>- Intellectual property rights</li></ul>  |

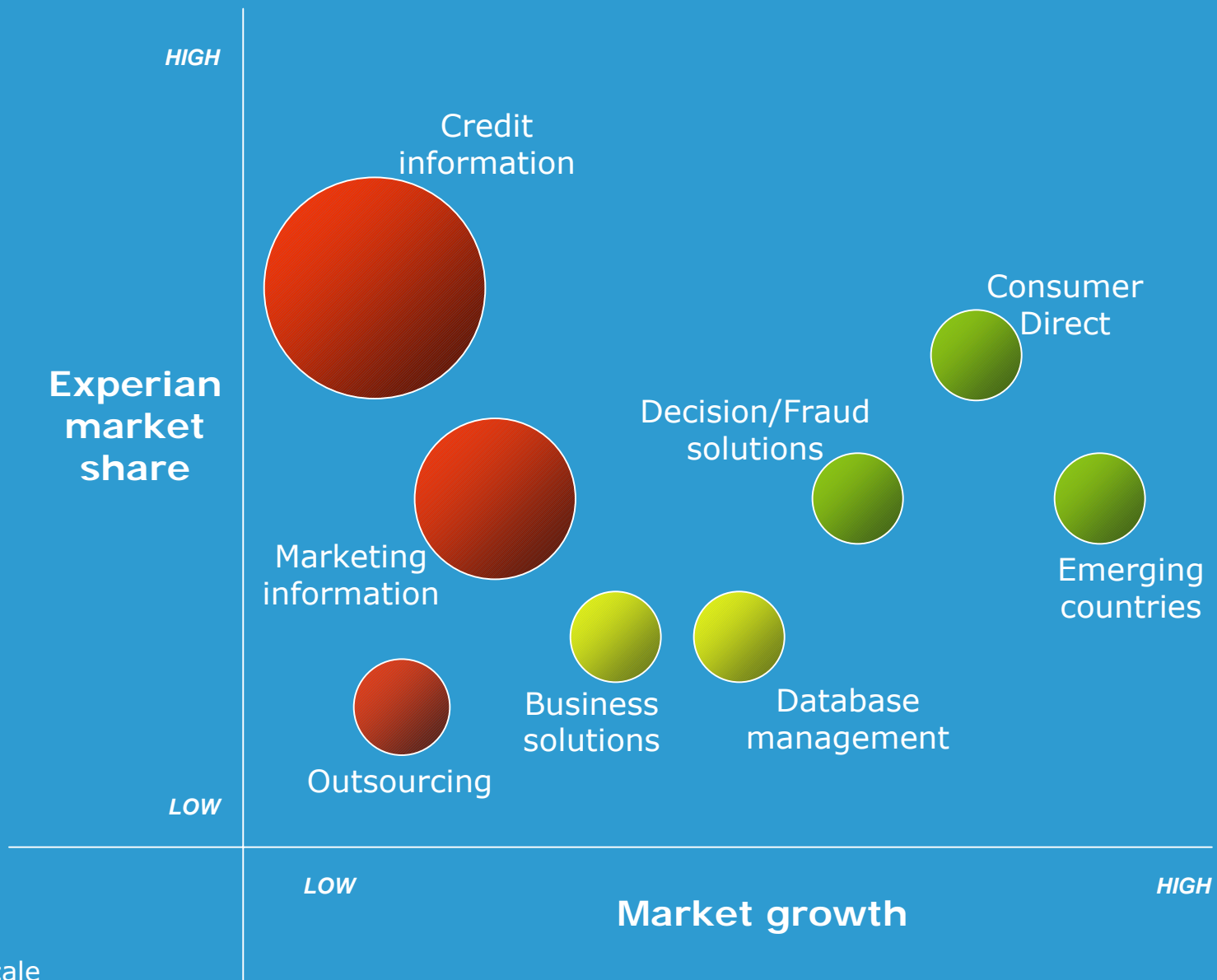
# Experian - Outsourcing

## Key characteristics

- |                         |   |
|-------------------------|---|
| Core skill              | <ul style="list-style-type: none"><li>- Process and logistics knowledge</li></ul>   |
| Market type             | <ul style="list-style-type: none"><li>- Steady growth</li><li>- Many competitors, including clients' in-house offers</li></ul>  |
| Sales channel           | <ul style="list-style-type: none"><li>- Capacity sell</li><li>- Service-led</li><li>- Long-term relationships</li><li>- Revenue earned per transaction</li></ul>  |
| Product characteristics | <ul style="list-style-type: none"><li>- Generic process; customised delivery</li><li>- Cost-based pricing</li><li>- Volume-driven; scale is key</li><li>- Country specific</li><li>- Labour intensive</li></ul> |

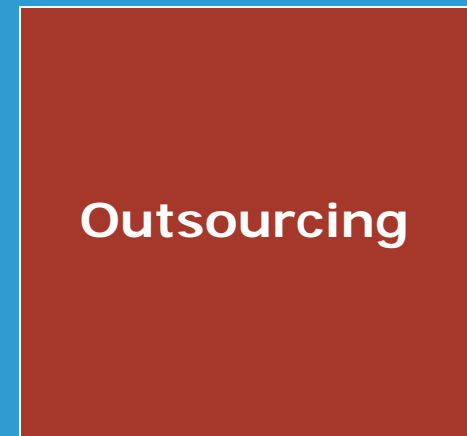
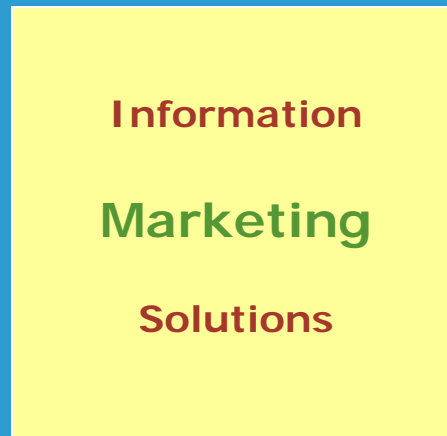
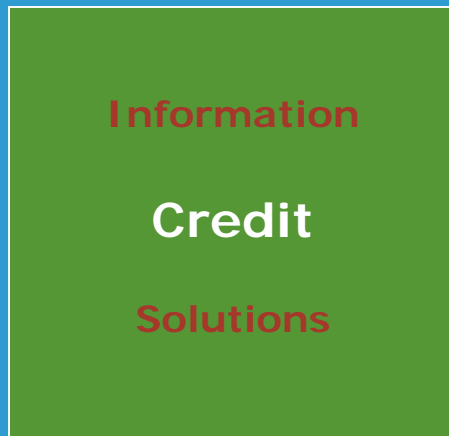


# Experian – global portfolio



Not to scale

# Experian North America – sales mix



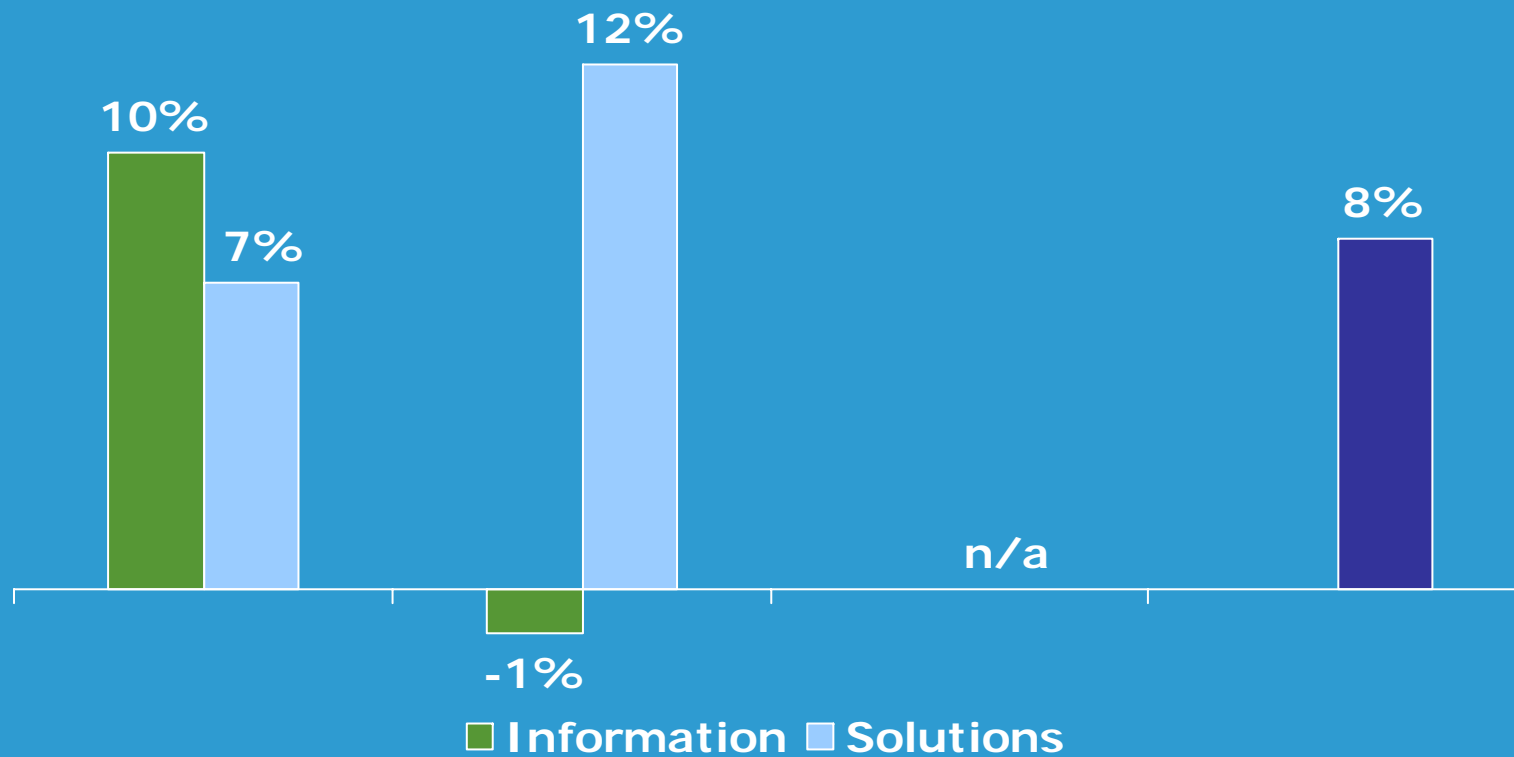
Sales (\$m)	824	304	n/a
% of sales	73%	27%	n/a
3 year underlying average growth*	7%	1%	n/a

Sales are for year to March 2004 and exclude discontinued activities  
 \* Growth excluding corporate acquisitions and discontinued activities

# Experian North America

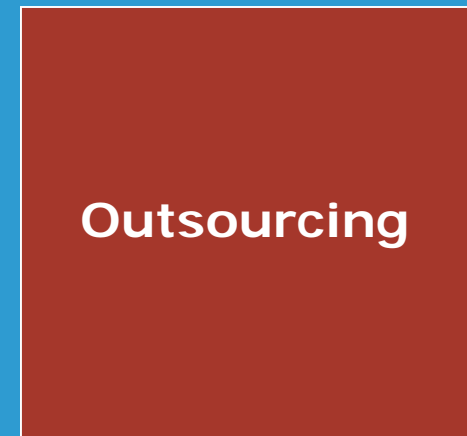
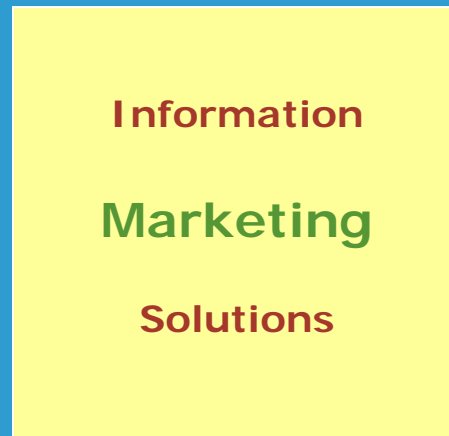
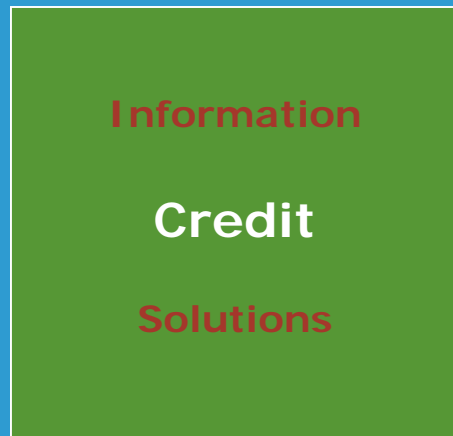
Underlying sales growth %\*  
12 months to March 2004

	Credit	Marketing	Outsourcing	Total
% of sales	73	27	n/a	100



\* Excluding corporate acquisitions and discontinued activities

# Experian International – sales mix



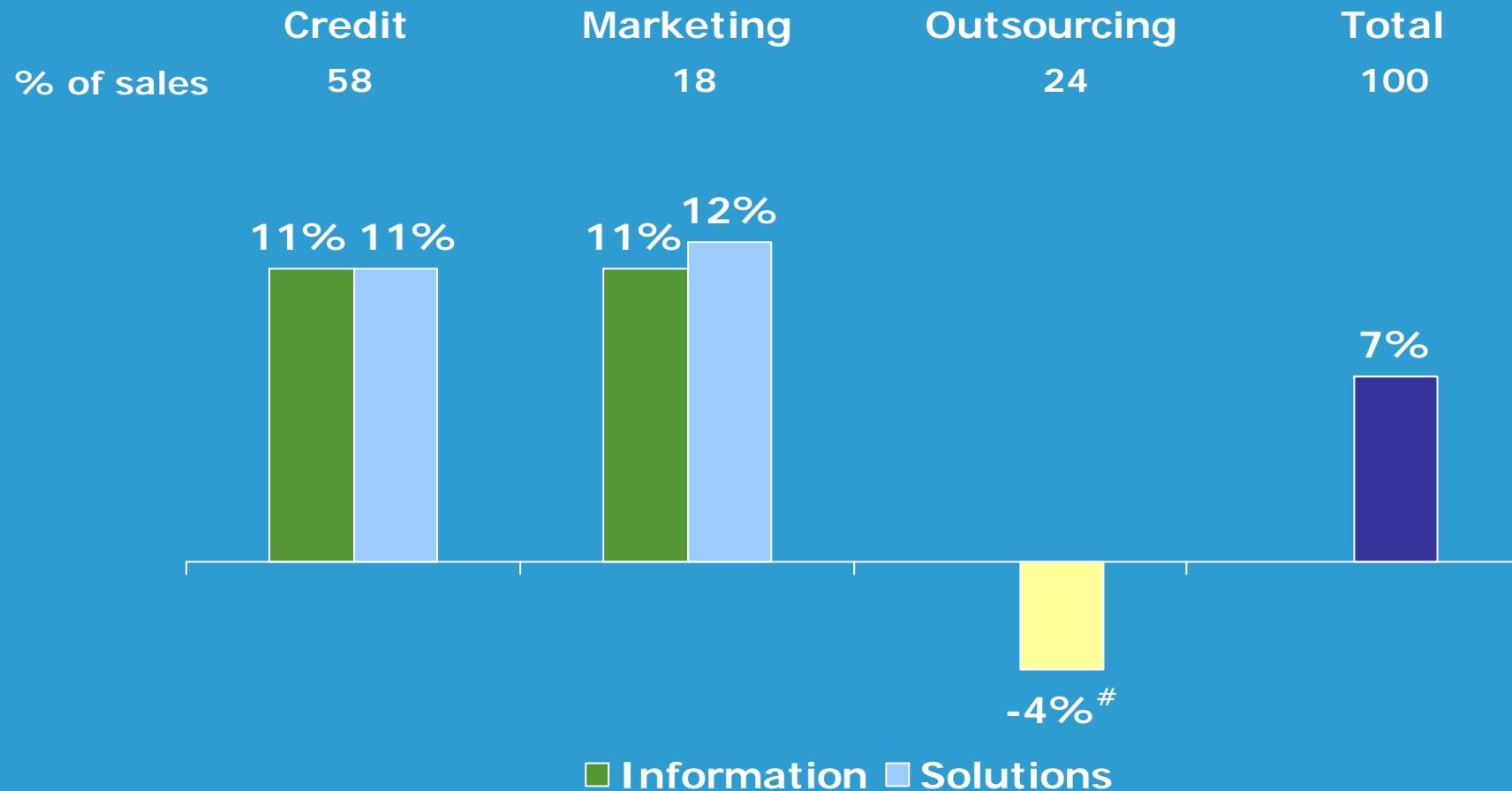
Sales (£m)	321	98	135
% of sales	58%	18%	24%
3 year underlying average growth*	11%	10%	8%

Sales are for year to March 2004 and exclude discontinued activities

\* Growth excluding corporate acquisitions and discontinued activities at constant exchange rates

# Experian International

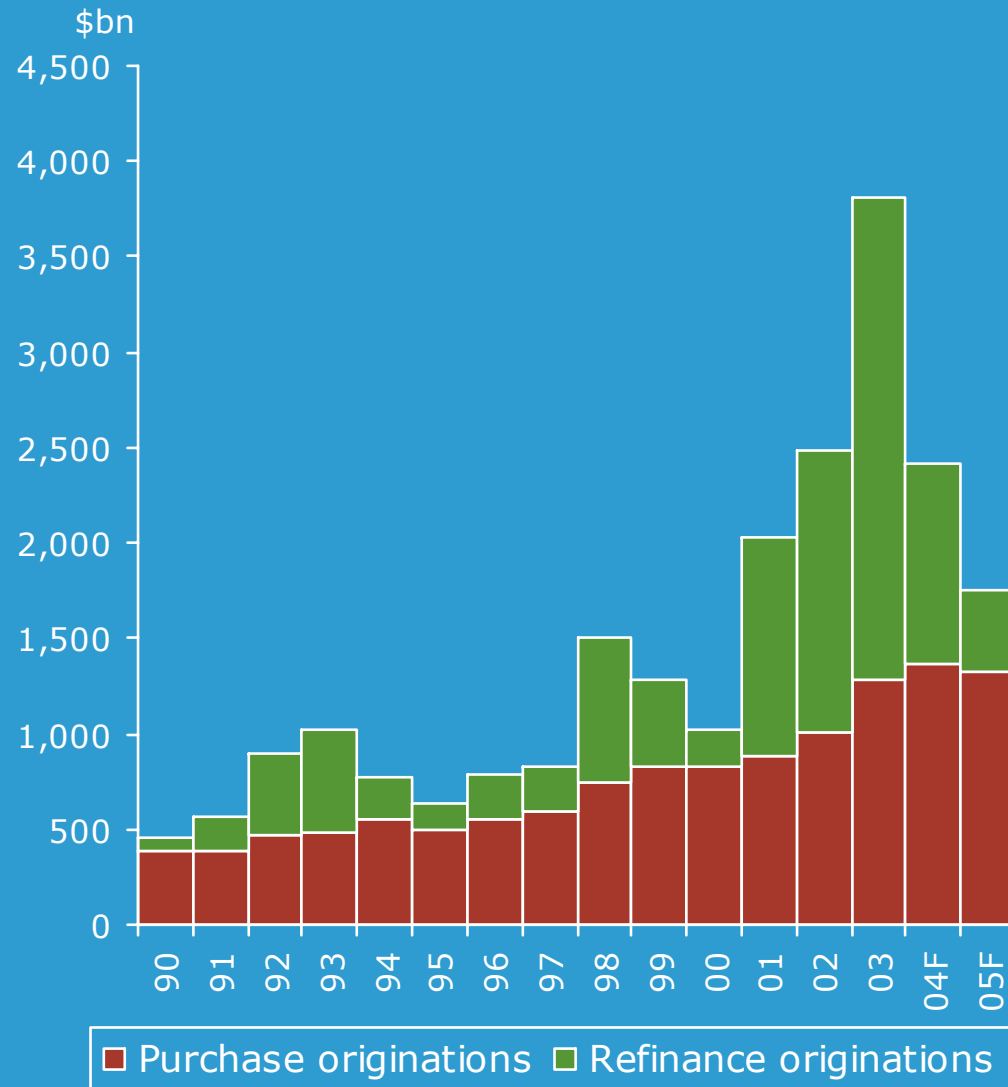
Underlying sales growth % \*  
12 months to March 2004



\* Excluding corporate acquisitions, discontinued activities and at constant exchange rates

# Excluding the previously anticipated completion of a three-year contract with one client in France, Outsourcing sales were up +4%

# Mortgage originations in US



- As expected, refinancing now slowing
- 10% pa growth in purchase originations over last 10 years
- Transamerica acquisition

Source: Mortgage Bankers Association – May 2004

# Affiliate bureaux acquisitions

Build on core  
businesses

- Programme to acquire affiliate bureaux
- 38 affiliate bureaux in US
  - c20% of Credit Information sales
- Taking control of value chain
- Will enhance sales and profit as sell to end customer at retail price versus wholesale
- Cost c\$300m; double digit post tax returns
- 23 completed to date, including three of the top 5 largest affiliates



# Consumer Direct

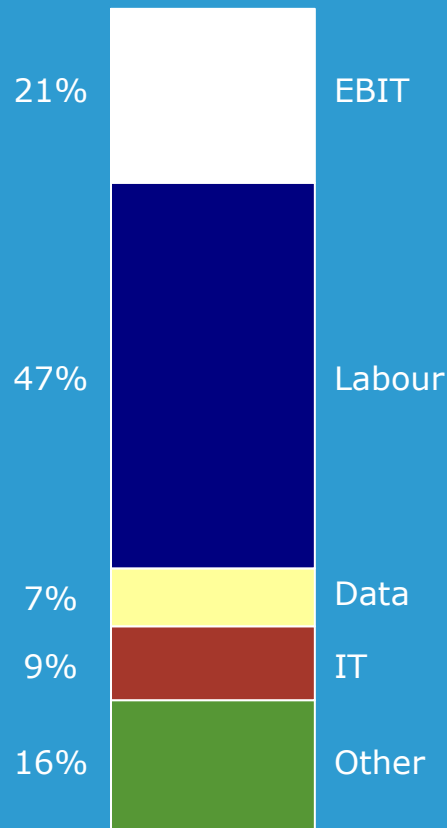
Build on core businesses

The screenshot shows the 'My Credit Center' website. At the top, there are navigation tabs for 'My Credit Center', 'Credit Specials', 'Loan Center', 'More Reports', and 'FAQ'. Below the navigation is a 'Newsletters GO' button. A welcome message reads 'Welcome Iliana! You have 1 active report'. The main content area is divided into three sections: 'My Reports' with a 'View your current reports.' link and a 'CreditCheck Monitoring Service' section; 'My Account' with links for 'Edit My Profile', 'Log Out', and 'My Credit Tools'; and 'My Credit Tools' with links for 'Credit Quick Rater', 'Dispute Letter Generator', and 'Members-Only Support'. Below this is a 'Featured Specials' section with three offers: 'Credit Offer!', 'Home Equity Offer', and 'Mortgage Offer', each with a 'Lower your payments.' headline and a 'Choose the best loan type' link. The bottom section is 'Credit Specials' with three offers: '3 Bureau Credit Report', 'Credit Score', and 'Free Reports', each with an 'Order' button and a 'more info' link. A small image of a woman is visible in the bottom right corner of the screenshot.

- Consumer awareness of credit reporting and scores
- Increasing rate of consumer purchases on the Internet
- Concerns about identity theft

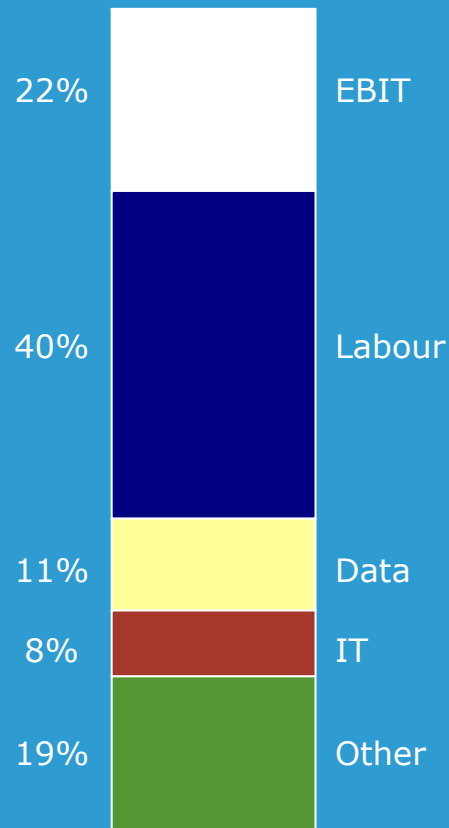
# Experian – cost profile

100% of sales



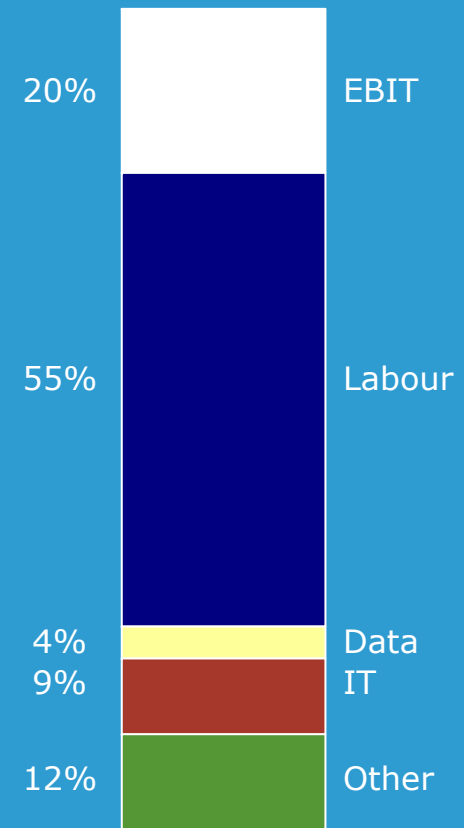
**Global**

100% of sales



**North America**

100% of sales



**International**

Costs are for the year to March 2004. Direct businesses only, excluding discontinued activities.  
 Depreciation and data amortisation: 11% of sales in North America and 7% of sales in International.  
 R&D: about 5% of sales in both businesses

# Experian Global – cash flow

Year to March	2004 £m	2003 £m	2002 £m
Operating profit – continuing activities	290	255	217
Operating profit – discontinued activities	(8)	1	7
Total operating profit	282	256	224
Depreciation/amortisation	119	118	114
Capital expenditure	(102)	(128)	(177)
Working capital	2	34	(39)
Dividend from associates, less share of profit	(3)	(10)	(9)
Operating cash flow	298	270	113

# Experian – current products by region

	Asia Pacific	France	Germany/Austria	Italy	Latin America	Middle East	Nordic Region	South Africa	Spain/Portugal	Ireland	UK	US	Other Europe
Consumer information	●	●	●	●		▼	●	●	●	●	●	●	●
Direct to consumer											●	●	
Business information		▼	▼	▼					▼	▼	●	●	▼
Decision support (Global)	●	●	●	●	●	●	●	●	●	●	●	●	●
Application processing (Global)	●	●	●	●	●	●	●	●	●	●	●	●	●
Fraud solutions			●	●	●			●		●	●	●	●
Account processing		●	●						●	●	●		●
Target marketing			●	●			●		●	●	●	●	●
Automotive information							●				●	●	●
Property information							●			●	●	○	●
Micromarketing	●	●	▼	●					●	●	●	●	●
Insurance information											●		●
Database hosting			●	●				●			●	●	●
Cheque/debit processing		●										●	

- Service offered
- ▼ Service offered via third party bureau
- Service offered via JV with First American Real Estate (FARES)

# Contacts

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# Financial calendar

- 21 July 2004 - *AGM*
- *First Quarter Trading Update*
- 13 October 2004 - *First Half Trading Update*
- 18 November 2004 - *Interim Results*
- January 2005 - *Third Quarter Trading Update*
- April 2005 - *Second Half Trading Update*
- 25 May 2005 - *Preliminary Results*

Certain statements made in this announcement are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward looking statements.