



Experian has offices in 18 countries and clients in more than 60 countries

**Experian** North America proved itself to be a highly resilient business in difficult market conditions. Experian International had another very successful year.

#### Experian

Experian continued to strengthen its position in the global market for information solutions through its three key strategic objectives:

- Building on its core information business, particularly through expansion into new industry sectors and new international markets.
- Developing and selling new solutions through constant product innovation.
- Acquiring other businesses, either to strengthen Experian's global product offering or to seize new market opportunities.

Profits for Experian as a whole were £229m, 6% ahead of last year. Major contracts were won during the year in both Experian North America and International, with a total contract value of over £140m.

The increasing breadth of Experian's product range continued to create opportunities for cross-selling, with over 70% of clients taking services from more than one of its three business areas – information, solutions and outsourcing.

Fraud prevention was a key growth area as Experian helped fight the growing problem of identity fraud. Its databases are increasingly being used to establish the identity of customers before a transaction takes place, reflecting the rapid growth in transactions over the telephone and Internet.

There was growing demand, too, for 'customer data integration', a solution known as Truvue that links disparate records to provide a complete picture of each customer. This

service is vital to successful customer relationship management and Experian won contracts in industries as diverse as telecoms, financial services, automotive and retail.

Experian also launched a major new growth initiative for selling direct to consumers. Consumers in North America can now access their Experian credit report and credit rating over the Internet for an annual fee.

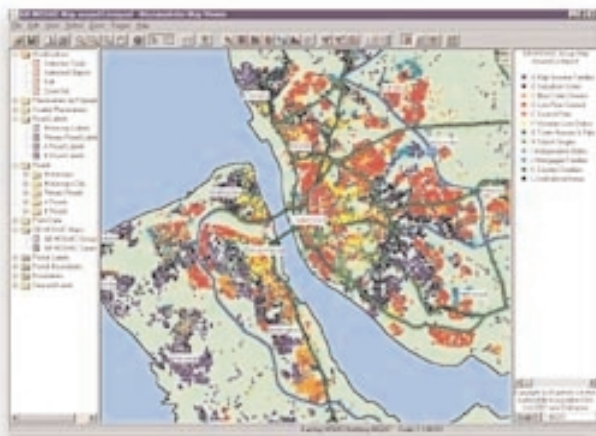
#### Experian North America

Experian North America was operating in particularly challenging market conditions as a result of the economic slowdown and the aftermath of the September terrorist attacks. Despite this, sales increased by 4% and profits, after restructuring charges, by 3%.

Sales of Credit Information and Credit Solutions were helped by lower interest rates, which stimulated the mortgage and automotive markets. But sales of new products were also growing, particularly in areas such as fraud prevention, vehicle history information and the sale of credit reports direct to consumers.

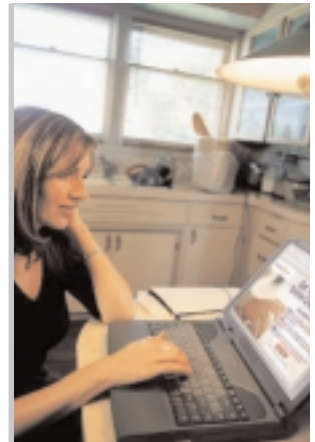
Marketing Information and Marketing Solutions were directly affected by the weakness of the US economy, with sales slightly down as some clients reduced their marketing expenditure. Sales of Outsourcing services, mostly concerned with direct mail production, were similarly affected by the downturn in direct marketing.

FARES, the real estate joint venture, had an exceptional year, benefiting particularly from a buoyant mortgage refinancing market. Experian's 20% share of FARES profits totalled over £30m for the year.



Experian provides sophisticated solutions, such as Mosaic, to help organisations understand the needs of consumers and improve their target marketing

ConsumerInfo.com



The acquisition of ConsumerInfo.com significantly strengthens Experian's ability to provide direct-to-consumer information services in North America

Experian continues to invest in fraud and credit management tools, including the National Fraud Database in the US and a new generation of Strategy Manager, its customer management software solution





**Truvue, Experian's Customer Data Integration solution, enables organisations to link and merge disparate data sources to create a single view of the customer**

**Information for credit & marketing** – providing information to minimise credit risk and optimise customer understanding in marketing activity

**Solutions for credit & marketing** – providing software and hosted solutions to help clients manage their credit and marketing decisions and build successful one-to-one relationships with their customers

**Outsourcing services** – providing customer contact management through call centre services, application and payment processing, and print and mail production

### Experian North America continued

A key objective for the year was to continue improving cost efficiency. This required some restructuring of the business, which resulted in the number of employees being reduced by 700, representing 12% of the workforce. At the same time, there was continuing investment in new growth initiatives and a further strengthening of the management team, including the appointment of Don Robert as Chief Operating Officer, previously President of First American Consumer Information.

The new Truvue product for integrating customer information was bought by 24 clients, including GE Capital. Dell Financial Services began using Experian's authentication service to verify the identity of customers buying Dell Computers online. Toyota became the first company to use Experian's new National Fraud Database, North America's only national source of verified fraudulent credit activity.

Since the year-end, Experian has acquired ConsumerInfo.com, the leading supplier of online credit reports to US consumers, for \$130m. This substantially strengthens Experian's existing direct-to-consumer services, which represent an important area of future growth.

### Experian International

Experian International, which accounts for over one third of worldwide sales, had another successful year. Sales increased by 13% and profits by 14%.

There was strong growth in Credit Solutions, as organisations became more concerned about fraud and credit risk and turned to Experian for solutions. In the UK, Camelot chose Experian's e-identity product as an authentication tool for

its online lottery to ensure that customers are who they say they are, while HBOS took Experian's anti-money laundering system for its business banking division.

A number of other major wins contributed to this growth. Experian became the preferred supplier of consumer credit information to a consortium of Spanish banks. It was also successful in selling credit risk and customer management solutions to new markets such as Brazil, Columbia and Korea.

Marketing Information and Marketing Solutions sales growth slowed during the year, but by less than direct marketing industry trends. There were significant business wins, including a permission based e-mail marketing solution for the BBC's online news service. Other contracts included prospect targeting and customer management solutions for The Telegraph newspaper and sales response systems for Volvo and Lexus.

Outsourcing also demonstrated good growth, particularly in Europe where Experian was awarded a five-year contract to provide cheque processing services to BNP Paribas in France.

Key objectives for Experian International continued to be the development of new value-added products and the broadening of its capabilities through targeted acquisitions. During the year, Experian acquired Cards Direkt, a German loyalty card company, in order to extend its account processing capabilities in Europe. Since the year-end, Experian has acquired the remaining 51% of MCL, a fraud management business. Major new products included the Motor Insurance Database, which is already used extensively by UK insurers and the police.