

Experian EMEA / Asia Pacific

Sales up 7%; 6% organic

EBIT unchanged at \$29m, reflecting higher investment in Asia Pacific and phasing of French restructuring costs

Excellent sales growth from Decision Analytics, especially in Southern and Eastern Europe and Asia Pacific

Six months to 30 September	2006 \$m	2005 \$m	Growth ¹	Organic growth ¹
Sales				
- Credit Services	208	200	2%	2%
- Decision Analytics	44	33	32%	27%
- Marketing Solutions	19	16	14%	3%
Total	271	249	7%	6%
EBIT	29	29	-	
EBIT margin	10.7%	11.6%		

¹ Growth at constant FX rates

Operational review

Experian EMEA/Asia Pacific had another solid half year, reflecting the balance in its business between the high growth areas of Southern and Eastern Europe and Asia Pacific and the more mature markets such as France.

Credit Services

Includes consumer credit bureaux in ten countries, business information bureaux in four countries and transaction processing mainly in France

Credit Services sales grew by 2% at constant exchange rates in the first half of the year.

Sales in transaction processing, which account for about two thirds of Credit Services revenues in EMEA/Asia Pacific, were marginally ahead of last year. Cheque processing remains a mature market but Experian continues to consolidate its processing centres to reduce costs, renew existing contracts and win new business – now working for all top six French banks for the first time. Elsewhere, Experian is seeing growth in its business process outsourcing activities, with recent contract wins and renewals in the transport, utilities and healthcare sectors, which will underpin future growth. For example, Experian has recently signed a four year, multi-million euro contract with EDF to support its growth with business customers as the French utilities market deregulates.

There was double-digit growth from consumer credit services in Southern and Eastern Europe and South Africa. The acquisition of the Estonian business and consumer credit bureaux in October 2006, although small, will enhance the service offered to Experian's Northern European clients, many of whom are active in Estonia.

Experian EMEA / Asia Pacific continued

Decision Analytics

Includes credit analytics, decision support software and fraud solutions sold in over 60 countries around the world

In the first half of the year, sales from Decision Analytics showed excellent growth of 32%, 27% on an organic basis, with a 5% contribution from acquisitions. There was particular strength in Southern and Eastern Europe, continued penetration in Asia (driven by contract wins in the financial services sector in Japan and Taiwan and its first small contract win in China) and strong growth in Russia. Decision Analytics continues to be used as the key way of entering and establishing a presence in new high growth geographies, before rolling out the full range of Experian credit and marketing services as appropriate.

Marketing Solutions

Includes business strategies, data integrity (QAS) and other marketing services around the world

Sales in total increased by 14% in the period, with organic growth of 3%. There was an 11% contribution from acquisitions, principally in Business Strategies (Footfall).

Financial review

Total sales were \$271m, up 7% at constant exchange rates compared to the same period last year. Organic growth was 6%.

EBIT was \$29m, unchanged at constant exchange rates from a year ago, giving an EBIT margin of 10.7% (2005: 11.6%). The margin decline in the first half was attributable to restructuring costs of \$3m relating to the further consolidation of French cheque processing centres - a similar charge was incurred in the second half of last year. Excluding these costs, margins increased slightly in the first half, whilst funding further investment in Asia Pacific in people and infrastructure.

Other items

Central activities

Following the demerger, the costs of Experian's central activities are expected to be about \$50m in a full financial year – split broadly equally between the first and second halves of the year.

In the six months to 30 September 2006, the reported costs of central activities were \$21m (2005: \$16m), including an allocation of head office costs from GUS plc.

Net interest

At 30 September 2006, Experian had net debt of \$3,036m. On a pro forma basis, adjusting for net proceeds from the equity issue in October 2006 of \$1,447m, Experian would have had net debt of \$1,589m. The pro forma net interest expense for the second half of this financial year based on this level of pro forma net debt is expected to be \$35m to \$40m, including the estimated six-month credit to interest of about \$8m relating to the excess of the expected return on pension assets over the interest on pension liabilities.

In the six months to 30 September 2006, the reported net interest expense was \$5m (2005: \$9m income), reflecting the pre-demerger capital structure of Experian under GUS plc.