

NORTH AMERICA

Sales from continuing activities up 6%; 5% organic

EBIT from continuing activities up 8% excluding FARES; up 7% including FARES

EBIT margin excluding FARES up 50 basis points

Robust performance from Credit Services despite headwinds in the mortgage sector

Double-digit sales growth in Decision Analytics against strong comparatives

Improvement in Marketing Services as transition gains momentum

Interactive organic sales growth of 8%

Six months ended 30 September	2007	2006	Growth	Organic growth
	\$m	\$m	%	%
Sales				
- Credit Services	409	395	3%	3%
- Decision Analytics	40	36	12%	12%
- Marketing Services	183	173	6%	2%
- Interactive	388	359	8%	8%
Total – continuing activities	1,020	963	6%	5%
Discontinuing activities ¹	-	3	n/a	
Total North America	1,020	966	6%	
EBIT				
- Direct business	261	242	8%	
- FARES	29	30	(1)%	
Total – continuing activities	290	272	7%	
Discontinuing activities ¹	-	(7)	n/a	
Total North America	290	265	11%	
EBIT margin²	25.6%	25.1%		

¹ Discontinuing activities include MetaReward

² EBIT margin is for continuing direct business only and excludes FARES

Operational review

North America performed well, delivering good organic sales growth notwithstanding significant market headwinds. EBIT margins improved by 50 basis points, as operating leverage in Credit Services and Marketing Services offset margin compression at Interactive.

Credit Services

Includes consumer credit bureaux in the US and Canada, business information and automotive services

The recent unprecedented disruption to the US mortgage market and subsequent liquidity freeze affected mortgage activity levels, with a sharp deterioration towards the end of the period. Consumer credit activity remained high across other credit products, such as credit cards and automotive finance. Overall, Credit Services demonstrated resilience, continuing its track record of low to mid-single digit organic growth, with organic sales growth of 3%. The slowdown in mortgage activity was offset by good growth in other origination products, as well as portfolio management and collections products. Business information also performed well in the first half, as did automotive, the latter reflecting share gains driven by increased adoption of Experian's AutoCheck vehicle history report.

There was significant strategic progress in the period. The new bureau build in Canada is on track for launch later this fiscal year, VantageScore continues to perform well, both in test and in terms of billable revenue, and in September Experian announced an important new partnership with Visa to create more predictive bankruptcy scores. In terms of cost efficiencies, phase one of the establishment of a near-shoring facility in Santiago, Chile proceeded to plan, with approximately 300 employees hired since March 2007, and the initiative has progressed into its second phase.

Decision Analytics

Includes credit analytics, decision support software and fraud solutions

Against exceptionally strong comparatives, which will remain strong for the balance of the year, Decision Analytics slowed during the period, with sales growth of 12% (H1 2006: 26%). Growth reflected increased market penetration of both decision support software and fraud prevention tools. In decision support software, Experian benefited from increased take-up of its application processing product (Transact) by a US credit card provider. Good progress was also made in fraud prevention, with the launch of a new authentication product, reflecting ongoing demand for Experian's identity verification and authentication tools.

Marketing Services

Includes data and data management, digital services, research services, internet marketing intelligence and business strategies

Sales growth in Marketing Services was 6% in the first half. As anticipated, the trend in organic sales growth has continued to improve, up 2% year-on-year, as the business mix shifts in favour of newer media activities (digital services, research services and data integrity) and away from traditional direct mail activities. During the period, new media product lines delivered excellent growth, while there was some moderation in the rate of decline at the more traditional activities. Digital services (email marketing) benefited from volume increases, the addition of new clients and the expansion of email programmes with existing customers. There was good performance too in internet marketing intelligence (Hitwise), which benefited from new contract wins from existing Experian clients.

Interactive

Includes Consumer Direct (online credit reports, scores and monitoring services) and lead generation businesses (LowerMyBills, online education and PriceGrabber)

Sales in Interactive grew by 8% in the first half.

Consumer Direct consolidated its market-leading position, delivering very strong growth in the period, reflecting increases in membership, improvement in retention rates and good traction from the launch of new products. The strategic focus at Consumer Direct is on innovation, with new child identity monitoring and ID theft protection products showing encouraging early take-up rates. Growth at PriceGrabber was driven by new co-brand partners such as AOL Shopping and CNET and strength in home and personal channel referrals. There was lower growth in the technology and entertainment segments, in line with retail market trends.

As previously disclosed, sales at LowerMyBills declined significantly over the period, impacted by the severe downturn in the US sub-prime mortgage market as some lenders went out of business and others significantly tightened lending criteria. Market conditions are not expected to improve in the near term, but swift action on costs coupled with the variable nature of customer acquisition spend has meant the business has remained profitable, although with reduced margins. Meanwhile, diversification into non-mortgage segments continues, with good progress in the period from a relatively low base.

Financial review

Sales from continuing activities were \$1,020m, up 6% compared to the same period last year, with organic growth of 5%. Acquisitions, predominantly Hitwise, contributed 1% to sales growth.

EBIT from direct businesses was \$261m (2006: \$242m), an increase of 8% in the year, giving an EBIT margin of 25.6% (2006: 25.1%). Margin improvement reflected progress in all areas with the exception of Interactive, which was impacted by the sales decline at LowerMyBills.

EBIT from FARES, the 20%-owned real estate information associate, was \$29m (2006 \$30m). This reflected good growth in Property Information and Default Services, coupled with continued cost action, which helped offset the very weak environment for mortgage origination.