

### **Interactive**

*Comprises CreditExpert (online credit reports, scores and monitoring services sold direct to consumers) and comparison shopping (PriceGrabber)*

Total Interactive sales grew by 100%. CreditExpert continues to build on its market leading position, with an excellent performance in the first half. Growth has benefited from further increases in membership and higher volumes of credit reports delivered. Experian continues to invest in PriceGrabber UK, which performed well off a low base.

### **Financial review**

Sales from continuing activities were \$471m, up 9% at constant exchange rates compared to the same period last year. Organic growth was 5%. The contribution to sales growth from acquisitions during the period was 4%.

EBIT from continuing activities was \$126m, an increase of 7% at constant exchange rates over last year. The EBIT margin was 26.8% (2006: 27.4%), with the slight decline reflecting adverse acquisition mix.

### **EMEA/ASIA PACIFIC**

**Sales from continuing activities up 14%; 8% organic**

**EBIT from continuing activities up 9% at \$34m**

**EBIT margin of 10.7% after investment in infrastructure in Asia Pacific**

**Good organic sales growth in Credit Services, reflecting strong growth in credit bureaux and contract wins in French business process outsourcing**

**Strong performance in Decision Analytics, as market penetration deepens**

<b>Six months ended 30 September</b>	<b>2007</b>	<b>2006</b>	<b>Growth<sup>3</sup></b>	<b>Organic growth<sup>3</sup></b>
	<b>\$m</b>	<b>\$m</b>	<b>%</b>	<b>%</b>
<b>Sales</b>				
- Credit Services	228	200	7%	6%
- Decision Analytics	56	44	21%	15%
- Marketing Services	33	19	68%	13%
<b>Total - continuing activities</b>	<b>318</b>	<b>263</b>	<b>14%</b>	<b>8%</b>
Discontinuing activities <sup>1</sup>	8	8	n/a	
<b>Total EMEA/Asia Pacific</b>	<b>326</b>	<b>271</b>	<b>13%</b>	
<b>EBIT – continuing activities</b>	<b>34</b>	<b>29</b>	<b>9%</b>	
Discontinuing activities <sup>1</sup>	1	-	n/a	
<b>Total EMEA/Asia Pacific</b>	<b>35</b>	<b>29</b>	<b>10%</b>	
<b>EBIT margin<sup>2</sup></b>	10.7%	11.0%		

1 Discontinuing activities include Loyalty Solutions

2 EBIT margin is for continuing activities only

3 Growth at constant FX rates

## **Operational review**

EMEA/Asia Pacific delivered a good performance, reflecting strength in credit bureaux activities and good progress in Decision Analytics, particularly in Eastern Europe and Asia Pacific. Experian continues to invest in the region to drive future growth.

### **Credit Services**

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

Experian's focus on geographic expansion continues to bear fruit, with very strong credit bureau performances, particularly in Southern and Eastern Europe. Credit Services sales grew by 7% at constant exchange rates over the year, with organic growth of 6%. The acquisition contribution is primarily from the business and consumer credit bureau in Estonia acquired last year, which is performing to plan. During the period Experian also agreed the sale of Loyalty Solutions in Germany.

Transaction processing, which accounts for nearly two thirds of Credit Services sales in EMEA/Asia Pacific, performed well over the period, as growth in business process outsourcing offset softness in cheque processing. There were several major client wins in the first half, including Carrefour and Credit Lyonnais.

### **Decision Analytics**

*Includes credit analytics, decision support software and fraud solutions*

There was strong momentum in the period in Decision Analytics, reflecting increased penetration of Experian's existing customer base and new client wins. Total sales growth was 21%, with organic sales growth of 15%. The acquisition contribution relates to Tallyman.

There was good progress in Continental Europe in core markets for Experian such as Italy and Spain. Meanwhile in Germany, which is a development market for Experian, there was a significant client win from Metro Group, the international retailer. There was also excellent progress in Asia Pacific, with a number of wins in key markets, such as Rakuten KC, the credit card division of the Japanese internet services company, as well as a major financial institution in Australia.

### **Marketing Services**

*Includes digital services, business strategies, internet marketing intelligence and data integrity*

Sales increased by 68% in the period, with organic growth of 13%. The acquisition contribution relates principally to Emailing Solution (acquired in May 2007), which extends Experian's digital services capability in Continental Europe, and Hitwise, largely in Asia Pacific. Organic sales growth reflects strong performances in digital integrity and business strategies, which secured wins for Footfall and Mosaic.

## Financial review

Sales from continuing activities were \$318m, up 14% at constant exchange rates compared to the same period last year. Organic growth was 8%.

EBIT from continuing activities was \$34m, up 9% at constant exchange rates, giving an EBIT margin of 10.7% (2006: 11.0%). Margin dilution principally reflects increased investment in Asia, including India, partially offset by a favourable contribution from acquisitions.

## OTHER ITEMS

### Central activities

In the six months ended 30 September 2007, the reported costs of central activities were \$27m. Central costs in 2006 were \$21m, reflecting pre-demerger charges. Central activities costs are expected to be about \$54m in this full financial year at prevailing exchange rates. The costs for the year to 31 March 2007 were \$47m reflecting a lower run rate prior to demerger.

### Net debt and interest

At 30 September 2007, Experian had net debt of \$3,027m (March 2007: \$1,408m). The increase in the period primarily reflects the additional borrowings to fund the acquisitions of Serasa and Hitwise.

In the six months ended 30 September 2007, the reported net interest expense was \$58m (2006: \$74m), before financing fair value remeasurements. The net interest expense for the period includes a credit to interest of \$10m (2006: \$8m), relating to the expected return on pension assets less the interest on pension liabilities.

### Exceptional items

Six months ended 30 September	2007 \$m	2006 \$m
Demerger-related costs	(2)	(123)
UK account processing closure costs	-	(28)
<b>Total</b>	<b>(2)</b>	<b>(151)</b>

Costs relating to the demerger of Experian and Home Retail Group in the half year periods comprised mainly legal and professional fees in respect of the transaction and costs in respect of the cessation of the corporate functions of GUS plc.

In April 2006, Experian announced the phased withdrawal from large-scale credit card and loan account processing in the UK. As previously disclosed, the costs of withdrawal of approximately \$28m were charged in the six months ended 30 September 2006. During the period Experian subcontracted the provision of these services to First Data. This arrangement reduces risk around staff retention and client migration for continuing customer contracts. We expect this business to breakeven for the remainder of the period to closure in September 2009.

All other restructuring costs have been charged against EBIT in the segments in which they are incurred.