

Analyst Presentation – 26 June 2007

Welcome

Don Robert

Chief Executive Officer

Preamble

Good morning ladies and gentlemen, and thank you for joining us today at such short notice. We are very pleased to announce that Experian has agreed to acquire a controlling interest in Serasa, the largest credit bureau in Brazil. This is an important transaction for us. We think it is unique and transformational, and it means that we now own three of the top five credit bureaux in the world. This builds on our global leadership position.

I would like to begin our presentation by providing you with an overview of our strategy for building and developing credit bureaux in major markets around the world. We will then look specifically at Serasa and the opportunities we see in Brazil. Paul Brooks, our CFO, will then take you through the financials and the transaction details, after which I will wrap up, and we will move to questions and answers.

I am delighted to have Dick Lawrence with us today. Dick is our Senior Vice President for Business Development and Product Marketing in Latin America. He will be heading up the Serasa integration project, and he has a deep expertise in Brazilian financial services. He will join us for the questions and answers.

Transaction Summary

We have agreed to acquire an initial 65% stake in Serasa for R\$2.32 billion, or \$1.2 billion. Our intent is to acquire an additional 5% of Serasa's equity during the next six months from some minority shareholders, bringing our final equity interest up to 70%. The residual minority, or 30%, will be owned by some of the largest Brazilian banks, who will remain major clients and become our partners. During Paul's part of the presentation, he will discuss the shareholder structure and the tender mechanism I referred to.

Serasa is a prize asset. With R\$607 million in annual turnover, or \$313 million, it is the fourth largest credit bureau in the world, and the largest outside the US. Even at this considerable scale it still has excellent growth prospects ahead. Its track record of growth has been strong, reflecting both the Brazilian market and the strength of the talented management team. Sales grew by over 20% in each of the past two years and margins, at about 22%, are very respectable.

This acquisition meets both our strategic and financial criteria, and we expect it to be earnings natural in the first full year of ownership and earnings enhancing thereafter.

Compelling Strategic Rationale

I think the strategic rationale that supports this acquisition should be very clear and compelling. Nonetheless, let me offer a couple of additional comments:

- Firstly, the acquisition consolidates Experian's global leadership position in credit services.
- Secondly, it gives us a market leading position in Brazil, which is an extremely attractive market. A fast growing economy fuelled by ready access to credit in a very sound banking system.
- Thirdly, we see significant potential to leverage our expertise in Credit Services and Decision Analytics, building on top of the strong information assets of Serasa. We have the opportunity here to emulate our successful UK model, where we have embedded the credit bureau services with value-added products to provide our clients with a total solution. We think this is a powerful proposition.

Longer-term there is potential for us to deploy our broader product suite into Brazil.

Strength of Credit Services

Over the past four decades we have developed a lot of expertise in managing credit data. There are many attractions to the model. Barriers to entry are high, reflecting the unique nature of the data, which is oftentimes irreplaceable. This gives rise to attractive financial dynamics: margins are high, costs are relatively fixed, so we benefit from operating leverage. Capital requirements are low, and so cash flows are very strong.

We have become very adept at extracting synergies from credit assets, particularly when we apply our analytical tools. This involves scoring and software that turns that raw data into valuable business decisions, or from new sales channels, such as Experian Consumer Direct, where we provide consumers with the ability to check their credit records.

Now let me briefly remind you of our track record of success in building and developing credit bureaux around the world.

Global Credit Services Leadership

Simply stated, it is our goal to position Experian as the market leader for consumer and commercial credit bureaux in all viable credit economies. We have leveraged our core expertise developed in the US and UK to expand into other major markets. For instance, we own leading credit bureaux in established markets around the world such as Italy, Holland, Norway, Denmark and Spain. We are building credit bureaux in Eastern Europe, Russia and Canada. Serasa now launches us into the clear leadership position in Brazil.

Our preference is to buy credit bureaux where we can, provided they meet our financial hurdles. In some emerging markets such as India, where there are no viable opportunities to acquire, we are making organic long-term investments to develop credit bureaux. Our objective is clear: we intend to support the needs of our clients as they expand globally.

Brazil – Emerging Credit Market

Let us turn to look at the dynamics we see in Brazil. At 190 million Brazil has the largest population centre in Latin America. More to the point, 34% of this population is under 19 years of age. These are the credit active people of tomorrow.

The Brazilian banking system is in great shape. However, credit penetration rates are quite low, particularly by the standards of the more mature credit economies in the US and the UK. There is strong demand for consumer credit, including credit cards, driven by rapidly expanding household disposable income and an emerging middle class.

Commercial credit is also showing very good double-digit growth, and that is supported by expansion in the number of small and medium enterprises.

Finally, there is now a nascent mortgage market in Brazil. The Brazilian government is keen to stimulate home ownership, for example, through recent laws allowing mortgage securitisation. This presents an exciting and significant growth opportunity for Serasa.

Brazil – Increasing Economic Stability

We are also attracted to the Brazilian market because of its strong and improving macroeconomic environment. The GDP outlook for growth is stable, interest rates are falling, inflation is decreasing, unemployment levels are stable, and the rating agencies, Moody's, S&P, and Fitch, have recently upgraded the country risk premium to just one notch below investment grade. All of this economic progress is supported by the prudent financial discipline provided by the Central Bank of Brazil.

Serasa – Company Overview

This is a substantial business, with sales last year of \$313 million and EBIT of \$71 million. It has nearly 40 years of experience in the Brazilian credit market. Its data assets are extensive; it is active in nearly every credit decision in Brazil. It has strong leadership and a very broad distribution network across the country. The team who have managed the business for quite some time, under the leadership of its President, Mr Elcio De Lucca, have agreed to remain with the business, and will be incentivised to continue their strong record of revenue and earnings growth.

Internally, Serasa will be aligned with our Credit Services global business line, which reports up to Chris Callero. This is a high performing business in a high growth market.

Serasa – Overview of Core Activities

Serasa has substantial market share, about 60%, which is over three times the size of its closest competitor. Consumer credit information accounts for 60% of sales, supported by the largest consumer credit database that contains only negative information such as bankruptcies, bounced cheques and overdue loans.

Commercial credit information accounts for 40% of Serasa sales, and that includes credit risk assessment of commercial enterprises in Brazil. This mix of consumer and commercial activity is typical in several of our bureau markets around the world. All this is based on an extensive data-gathering capability, including data collected from lending institutions, judicial organisations, and over 45,000 accountants.

Serasa – Diverse Customer Base

Like Experian, Serasa's client base is diverse, and not dependent on any single industry segment. Financial institutions account for less than 50% of Serasa's sales, with strong representation in other industry segments, including telecoms and retail. Its client base is diversified, with over 110,000 direct clients. Some of the top clients include:

- Large local players such as Bradesco, Itaú, and Unibanco.
- Large banks, such as ABN AMRO, Banco Santander, and HSBC, all of whom are our minority owners.
- There are many non-financial clients. Pão de Açúcar is the largest retailer in Brazil, for example. Others include Telefônica and TAM, the Brazilian airline company.
- Serasa has other multinational clients, such as American Express and Carrefour.

The concentration of clients at Serasa's is low, with the top 10 clients accounting for just over 20% of sales, and the top 300 clients accounting for less than two thirds of sales.

Serasa – Revenue Synergies

We see significant potential to leverage our global capabilities in both Credit Services and Decision Analytics. Currently Serasa generates the majority of its sales from the customer acquisition side of the credit cycle. So there are immediate synergies to be had from cross-selling our account management and collections tools. Also, we see significant potential for our fraud prevention solutions. In time we would hope to introduce generic risk models: currently there is no equivalent of our Vantagescore in Brazil. Our Baker Hill SME loan-processing platform, on the commercial side, could also fit well in Serasa's business environment.

These products are appropriate to the current consumer credit environment in Brazil, which, again, is negative data only. Our investment case is built on the scenario that Brazil continues as a negative-data market, although we certainly hope this will change.

Longer term we see wider opportunities. In Marketing Solutions we see potential to build on our recent acquisition in Brazil of Informarketing, and we believe that the market will be suitable in time for email marketing services.

Now let me hand over to Paul, who will take us through the financial considerations around this transaction.

Paul Brooks

Chief Financial Officer

Recent Financial Performance

Serasa has a strong track record of both sales growth and margin expansion. Under Brazilian GAAP sales grew by 24% in the year to December 2005, and by 22% to R\$607 million in the year to December 2006, which amounts to \$313 million at the current spot rate of R\$1.94 to the US\$.

The main driver of this sales growth is expansion of the Brazilian credit market, which, as you saw earlier, is still very under-developed. In addition, Serasa has grown its customer base, as well as increasing penetration of its existing customers. Margins in the business have improved progressively, reaching 22.8% in FY2006, when EBIT grew by 28% to R\$138 million, which is \$71 million at the current spot rate.

The Transaction in Detail

As our announcement earlier in the year indicated, we have been in exclusive discussions with Serasa for the last two months. During this time we have completed a due diligence process, which has helped us understand the company's financial performance, and assess its future prospects.

We are confident that the market environment, together with the strength of Serasa's product range, will drive strong double-digit growth rates and margin enhancement going forward. In our financial model, as is our normal practice, we have adopted a conservative approach. So we have moderated Serasa's historic growth rates and discounted management's projections. We have also not taken into account the probable legislation permitting the use of positive data in our financial appraisal.

Although we expect to see revenue from the introduction of value-added products from Experian, boosting growth from FY2009, we have not factored into our model significant benefits from revenue synergies, and we do not anticipate material cost synergies. However, there will be integration costs, including an LTIP for management, which will be incurred mainly in the first two years.

Based on our normal approach of taking five years' financial projections and applying a conservative terminal value assumption, the transaction will deliver a double-digit IRR. In the year to December 2007 we expect sales growth in the region of 20%, and margin improvement, before expected integration costs of approximately R\$15 million.

Financial Review

Serasa prepares its financial statements under Brazilian GAAP. A number of adjustments will need to be made to convert them to IFRS, and make them consistent with Experian's accounting policies. I should stress that these adjustments are non-cash and do not affect our acquisition assessment.

A more detailed exercise will be required to fully identify and evaluate the adjustments, but a preliminary review indicates there will be a positive impact on EBIT, in the region of R\$20 million at the 100% level, relating principally to the capitalisation of data costs.

Based on this preliminary review, we expect the transaction to be marginally dilutive in the remainder of FY2008, neutral in FY2009, and earnings enhancing thereafter. In addition, amortisation of the goodwill created by the transaction will be tax deductible in Brazil, which will not affect the tax charge under IFRS, but will deliver an annual cash benefit of between R\$70 million and R\$100 million at the 100% ownership level for the next seven years.

The acquisition will be financed from existing facilities that were set up at the time of Experian's demerger. Following completion we think it likely that we shall retain our BBB+/BAA1 credit rating.

Impact on Existing Business Mix

Let us look at how Serasa will impact the mix of our existing business, and how we will report the results going forward. This acquisition clearly represents a significant transaction for Experian, giving greater geographic diversity to our business. Going forward, we will split the Americas region into two new regions of North America, comprising US and Canada, and Latin America, which includes Serasa. Latin America represents 8% of group revenues on a pro-forma FY2007 basis.

Business Segments

As regards business segments, Serasa's activities will be included in Credit Services. So there is a shift in concentration towards this segment with its contribution to group sales increasing from 44% to 49%, with an offsetting dilution in the other three segments.

Financial Implications

- We expect the cost of the debt incurred to fund the transaction to be about 6%.
- The tax rate in Brazil is 34%. However, as mentioned earlier, there will be a significant cash saving against the accounting charge over the first seven years, because of the tax deductibility of goodwill amortisation.
- We do not expect the transaction to have any material impact on the group's cash conversion ratio and we continue to expect cash flow conversion in excess of 85% for the year ended March 2008.
- Post completion net debt will be about \$3.0 billion, reflecting this acquisition, as well as the earlier acquisition of Hitwise and other smaller transactions.

Structure of the Transaction

We have acquired the initial 65% stake from Bradesco, Itaú, Unibanco, ABN Amro, Banco Santander and HSBC for R\$2.32 billion, which is \$1.2 billion, including

expenses, net of cash. Over the next 180 days there will be a tender offer process to other minority shareholders, who own 5% of the company, at the same price per share. In the event they do not tender their share, the primary six banks will tender shares to take Experian to a 70% stake.

On corporate governance, Serasa will have a board of directors, on which Experian will hold a majority of seats, and the Chairman will be an Experian appointee. We have agreed long-term relationships with the vendors, and there are put and call provisions over the minority stake. These are exercisable between years five and ten from the close of the transaction. The put and call price is calculated on a fair market value of Serasa at the time of exercise.

Now let me hand back to Don to summarise.

Don Robert

Thank you Paul. I hope that by now we have conveyed to you just how unique Serasa is, how it fits our strategy, and how it propels us into an even stronger position of global leadership. It is very rare that a bureau of this size and scale becomes available for acquisition, and we are extremely fortunate to have obtained it.

There is another important angle here that I would like to touch on as we conclude. This acquisition is made even more attractive to us because of our relationship with the top Brazilian banks going forward. As future partners and clients, Bradesco, Itaú and Unibanco consciously chose Experian to become the steward of this credit bureau asset, which is vital to their business, and increasingly important to the Brazilian economy.

As I met with the CEOs of these market leading banks they told me the reason they chose Experian, is because they understand the tight correlation between the quality of credit information, value added analytics and their own asset quality. So in our hands this asset evolves and grows into a tool that causes them to become even more profitable and de-risks their balance sheets

We think we have found a winning combination in Serasa. A commanding leadership in one of the most exciting markets in the world, great long term clients and fellow shareholders, a talented and experienced management team, and the ability to make this great business even stronger as we bring our global expertise in products to Brazil.

Thank you all for participating today. I would like to invite Dick Lawrence to join us on stage for the question and answers.

Questions and Answers

Jaime Brandwood, UBS

I am just interested in investigating the whole positive data angle. Looking back over the history, I think Serasa made a brief attempt going back as far as 2002 to build up a positive database. I think that might have been halted, and they then started to try to do it gain more recently. Where are we in that process, and how much would it cost to build a positive database?

Don Robert

I would characterise the positive data effort in Brazil as continuing, rather than something that started and stopped and has started again. The Brazilian financial services and government structure, in general, is very supportive of positive data. They all understand, including President Lula da Silva, the great benefit to the banking system, to consumers - socially and economically - of getting positive data in place. So there is widespread support for positive data.

What needs to happen now is the completion of the legislative process, and it would be a little bit reckless of me to speculate as to how long it might take for the requisite legislation to move through the Brazil legislature. Again, we would hope that this is more a matter of when than if. In terms of cost, I think there has probably been a lot of cost incurred already in terms of getting ready for positive data. The banks will incur a lot of cost, versus Serasa itself, in terms of getting ready for it, getting file layouts put together, and getting it transmitted to Serasa. I would not necessarily call that out as a significant cost item in the future.

Paul, do you see it differently in terms of the cost?

Paul Brooks

I think that is right. When positive data comes in there will be some additional cost. The experience in the UK, which went from negative to positive in the late 1980s, was firstly a significant uplift in prices. So something like a 25-30% increase in prices, and significantly increased volumes. So my expectation would be to see some increase in cost, but a significant boost to revenue when that gets implemented.

Jaime Brandwood

Just on using Serasa as a platform for Latin America: I think you had a crack at Argentina a few years ago - do you see Serasa as a more realistic platform from which to roll out into other Latin American countries?

Don Robert

We are presently represented in Chile and Argentina, we are also working on a market strategy for Mexico. It would be a bit early to speculate on how Serasa might accelerate that or change it, but we are very attracted to Latin America in general terms, and very much committed to the region.

Jaime Brandwood

In terms of any other relationships that Serasa might have had with other suppliers or customers, is there anything in this deal that affects any other relationships, other than the relationships with the banks. For example, was there a relationship with Dun and Bradstreet on the business credit data side that gets affected by this, or anything else?

Dick Lawrence

The relationships that Serasa has in the market have been extensive, and they are the key provider of services in Brazil. So those relationships have had ups and downs in terms of their intensity, and the scope of services that maybe they have provided to the market together, but I do not think there will be any dramatic effect on any of those relationships.

Don Robert

But nothing specific with Dun and Bradstreet; Fair Isaac?

Dick Lawrence

No, no effect there.

Adrian Cattley, Citigroup

Just a couple of accounting questions. Could you just tell me how you are going to account for the acquisition: full consolidation and then minority? Secondly, on the P&L tax, do you expect the group tax rate to increase as a result of the 34% tax rate in Brazil?

Paul Brooks

We will consolidate the business initially at 65%, and then ultimately at 70%, and then take out the minority interests lower down the P&L. In terms of the tax rate, we do not see this transaction having a significant impact on our tax rate, so our guidance will remain at about 23%.

Andy Chu, Credit Suisse

Another numbers question; I wondered, Paul if you could share with us the project discount rate that you have used in order to appraise the Serasa deal?

Paul Brookes

We do it the other way round, so we take the five year's projections and then we apply a fairly conservative terminal value at the end of that, and then we look to achieve a double-digit IRR, and that is what we have achieved here. I do not particularly want to communicate what that IRR was, but it was comfortably into the double digits.

Jaime Brandwood

Now that your net debt is at \$3bn, does this keep you quiet on the M&A front for the next 12 months?

Paul Brooks

I mentioned that we anticipate maintaining our BBB+/Baa1 credit rating. Based on our arithmetic we think we have probably got a couple of hundred million dollars of additional acquisition spend we could make this year and still retain that rating, dependent on the view Moody's and S&P take. The issue then would be whether we would be prepared to drop a notch if the right deal came along. Although we have made a commitment to BBB+ I would not totally rule that out, if a really compelling deal came through that was strategically and financially very desirable for us.

Jaime Brandwood

How is the Interactive pipeline looking?

Don Robert

I do not think we comment on specific elements of our pipeline, but we have an active and robust pipeline across most of the segments of the business.

Andrew Ripper, Merrill Lynch

You put up a slide talking about revenue synergies, and I was wondering how quickly you thought they could be brought to bear in terms of things like proprietary risk scores and analytics products, and whether in the market at the moment basically the banks were doing these activities themselves.

Don Robert

Dick, I think you see the product innovation process in various components, would you like to comment on that?

Dick Lawrence

We see the primary synergies around what we call account management, which would also extend into the collections process in the market, as well as fraud detection. These are areas in which the banks are actively looking for additional tools, they are essentially trying to get to the next level of automation and sophistication in their credit management. They are very knowledgeable about these tools, they are actively spending funds in their own internal development, and we see a great opportunity to be able to assist them with these projects and to be able to get to that level. Certainly there is an opportunity for proprietary scoring, there is not a score today in the market, the banks are using scoring internally, and this is certainly something that we will be looking at together with the Serasa management team.

Andrew Ripper

Just looking at the cost side of the business, I appreciate you have got the accounting adjustment, which still leaves Serasa's margin below that of Experian in the US and UK. It does seem to have a high head count level relative to sales. How would you compare and contrast Serasa's cost base with your own US and UK businesses, and

are there any structural differences between the Brazilian market and the US and UK markets, which would lead to that margin differential proceeding over a long period of time?

Paul Brooks

I think one thing to bear in mind is that this is both a consumer and commercial credit bureau. So although it is true that our margins in our mature consumer credit bureaux are certainly higher than Serasa's margin, if you look at our commercial credit bureaux you will find that is not the case. So if you take the blended average, it is not a million miles out. However, it is relatively labour intensive compared to our businesses, it is about 2,200 employees, but this has got a massive distribution network and the sources of data are manifold as well. So it is a bit different as a business model from the US and UK businesses.

Don Robert

I believe it also has a lot of smaller clients, which is reflective of the way their consumer economy works.

Adrian Cattley

To come back to the potential move to the positive credit market, if I simplistically take what happened to the UK and apply it, potentially the business could be twice as profitable as it currently is, taking account of the accounting change as well. I wondered why the vendors saw fit to sell now, given this potential uplift to profitability.

Don Robert

The vendors consciously chose not so much to sell now, but to sell to the right owner for the business. There comes a time in the migration of development of a lot of consumer economies where it is best for this kind of data to be in the hands of a neutral third party with deep global expertise in managing it and distributing it. Secondly, Experian is singularly positioned to bring our value-added analytical products into the country that can really take full advantage of the data, both negative and positive, eventually, and I believe the vendors had a very real appreciation and knowledge of what that could ultimately mean for the quality of their operations. So I think it was more a choice of who versus when.

Jessica Flounders, Morgan Stanley

In terms of the competitive landscape, how do you see that developing? Is it quite a stable market? What is the risk of Equifax taking advantage of the new ownership?

Don Robert

I am not quite sure how Equifax might take advantage of the change in ownership. Equifax owns a small credit bureau in Brazil, which is primarily business information. So it is early to speculate on how the competitive landscape might change as a result

of our ownership, but we intend to be a fierce competitor, and we are looking forward to getting involved.

Nick Ward, Deutsche Bank

In terms of the assumptions you have made in your IRR calculation. You referred to the cross selling opportunities, and you have said that you see scope for further margin upside. With regards to the first of those two, do you see scope therefore for an acceleration in the current growth rate, or are you basing your assumptions on a broad extension of the circa 20% growth you have seen over the past couple of years. Then with regards to margins as well, can you give us any inkling as to what your assumptions might be over the next three to five years?

Paul Brooks

In terms of whether we see the potential for 20% plus sales growth going forward, yes we do. However, I should stress that in our financial model, as I mentioned in the presentation, we have added a conservative overlay for that. So we have modelled on the basis of mid-teens type sales growth going forward over the next few years. As I say, our aspiration would be to maintain current sales growth rates. We are confident that the margin improvement can be sustained, and we have factored in a margin improvement of 50 to 100 basis points per year over the next five years.

Question proposer not named as without microphone.

Are you going to hedge the contribution?

Paul Brooks

We will be borrowing in Sterling/Dollars; hedging in Reais makes no economic sense, because of the cost relative to the coverage it gives you. So in common with virtually everyone else who invests in Brazil, we will be borrowing in hard currency.

Don Robert

I think we have exhausted the questions. Thank you again for joining us today, we appreciate your time. Thank you to our friends from Brazil who are listening in on our web cast.