Section 1: General

Expected Timetable of Principal Events

Event	Time and Date (2006)
Payment date for final GUS dividend	4 August
Latest time and date for receipt by the Registrars of Blue Forms of Proxy for the Court Meeting(1)	10.30 a.m. on 27 August
Latest time and date for receipt by the Registrars of White Forms of Proxy for the Extraordinary General Meeting	10.45 a.m. on 27 August
Voting Record Time for the Court Meeting(2)	6.00 p.m. on 27 August
Voting Record Time for the Extraordinary General Meeting(2)	6.00 p.m. on 27 August
Court Meeting	10.30 a.m. on 29 August
Extraordinary General Meeting(3)	10.45 a.m. on 29 August
Publication of ARG Prospectus and Experian Prospectus	14 September
Court hearing of petition to sanction the Scheme	4 October
Court hearing of petition to confirm GUS Reduction of Capital(4)	6 October
Last day of dealings in GUS Shares(4)	6 October
Scheme Record Time(4)	4.30 p.m. on 6 October
Suspension of listing of, and dealings in, GUS Shares(4)(5)	4.30 p.m. on 6 October
Scheme becomes effective and Experian Group becomes the ultimate holding company of the Group(4)	shortly after 4.30 p.m. on 6 October
Jersey Court hearing of the petition to confirm the Experian Reduction of Capital to effect the Demerger(4)	9 October
Experian Reduction of Capital becomes effective and the Demerger is completed(4)	10 October
Issue of Experian Shares pursuant to Experian Offer	11 October
Admission and trading in Experian Shares and ARG Shares commences on the London Stock Exchange(6)	8.00 a.m. on 11 October
Crediting of Experian Shares and ARG Shares to CREST accounts(6)	8.00 a.m. on 11 October
Court hearing of the petition to confirm the ARG Reduction of Capital	11 October
ARG Reduction of Capital becomes effective	12 October
Despatch of certificates for Experian Shares and ARG Shares	By 20 October

All times shown in this document are London times unless otherwise stated. The dates and times given are based on GUS' current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be notified to GUS Shareholders by announcement through the Regulatory News Service of the London Stock Exchange.

(1) Blue Forms of Proxy for the Court Meeting not returned by this time may be handed to the Chairman of the Court Meeting at that meeting.

(2) If either the Court Meeting or the Extraordinary General Meeting is adjourned, the Voting Record Time for the adjourned meeting(s) will be 6.00 p.m. on the day which is two days before the date of the adjourned meeting(s).

(3) To commence at the time fixed or, if later, immediately following the conclusion or adjournment of the Court Meeting.

(4) These dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme.

(5) When issued dealings in ARG Shares and Experian Shares commence at 8.00 a.m. on 9 October until Admission. If the Demerger does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

(6) These dates will depend, among other things, on the date on which the Scheme becomes effective, the date on which the Jersey Court confirms the Experian Reduction of Capital and when the order of the Jersey Court approving the Experian Reduction of Capital is registered by the Jersey Registrar of Companies.

Shareholder Helpline

Any GUS Shareholder requiring assistance in understanding the matters raised in this document may telephone the GUS Shareholder Helpline on freephone 0800 389 0306 if you are calling from the UK, open from 8.30 a.m. to 5.30 p.m. on Monday to Friday (UK time) (+44 1903 276342 if you are calling from outside the UK). The Shareholder Helpline will be available until 17 November 2006. For legal reasons this helpline will not provide advice on the merits of the Demerger or give any legal, financial or taxation advice, for which you will need to consult your own legal, financial or taxation adviser.

Presentation of Statistical Data and Other Information

Statistical data

This document includes market share and industry data and forecasts that were obtained by the Group from industry publications and surveys and internal company surveys. For the purposes of Part VI: "ARG Business Overview" of this document, Verdict, GfK, NPD, EDR and Mintel were the primary sources for third party industry data and forecasts. For the purposes of Part X: "Experian Business Overview" of this document primary sources for third party industry data and forecasts included Euromonitor, Datamonitor, Frost, IDC Internet, Canaccord Adens, the Direct Marketing Association, the Bank of England, the Office for National Statistics and the Federal Reserve. Unless otherwise stated, all historic third party industry data is for the relevant calendar year ended 31 December and in terms of retail sales value. Unless otherwise stated, all market positions are in terms of retail sales value. GUS confirms that the information provided by third parties has been accurately reproduced. So far as GUS is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Certain market share information and other statements in this document regarding the retail market industry, the information solutions market and the Group's position relative to its competitors, are not based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the GUS Directors' best estimates based upon information obtained from trade and business organisations and associations and other contacts within the industries in which it competes, as well as information published by its competitors.

Sources of information

Financial information

Financial information in relation to the Group means, for the purposes of this paragraph, the information in this document which has been extracted without material adjustment from Part IX: "ARG Historical Financial Information" and Part XIII: "Experian Historical Financial Information" of this document, or which has been extracted from those of the Group's accounting records which have been used to prepare that financial information. The financial information for ARG and Experian is for the financial years ended 31 March 2004, 31 March 2005 and 31 March 2006. It should be noted that within ARG, the financial information for Homebase is for the years ended 29 February 2004, 28 February 2005 and 28 February 2006, but is presented with ARG's combined financial information for the years ended 31 March. Homebase's year end is the end of February to avoid distortions relating to the timing of Easter. Investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In addition, and unless stated otherwise, all trading information not extracted from Part IX: "ARG Historical Financial Information" and Part XIII: "Experian Historical Financial Information" of this document and included in this document is derived from the unaudited management accounts or internal financial reporting systems supporting the preparation of financial statements for the relevant periods. These management accounts and internal financial reporting systems are prepared using information derived from accounting records used in the preparation of the Group's financial statements, but may also include certain other management assumptions and analyses.

This document incorporates by reference the trading statement issued by GUS on 12 July 2006 for the first quarter to 30 June 2006.

Unaudited operating information

Unaudited operating information in relation to the Group's business is derived from the following sources: (i) management accounts for the relevant accounting periods presented; and (ii) internal financial reporting systems supporting the preparation of financial statements. Operating information derived from management accounts or internal reporting systems in relation to the Group's business is to be found principally in Part VII: "ARG Operating and Financial Review", Part XI: "Experian Operating and Financial Review" and Part XVI: "Pro Forma Financial Information" of this document. These management accounts are prepared using information derived from accounting records used in the preparation of the Group's financial statements, but may also include certain management assumptions and analyses.

Presentation of information

All references in this document to "**pounds sterling**", "**pounds**", "**£**", "**p**" or "**pence**" are to the lawful currency of the United Kingdom. All references in this document to "**$**", "**Dollars**", "**US Dollar(s)**", "**US$**" and "**US cent(s)**" are to the lawful currency of the United States. All references in this document to "**euro**" or "**€**" are to the lawful single currency of member states of the European Communities that adopt or have adopted the euro as their currency in accordance with the legislation of the European Union relating to European Monetary Union. All references in this document to "**ZAR**" or "**rand**" are to the lawful currency of South Africa. GUS prepares its combined financial information in pounds sterling.

This document contains translations of certain US Dollar amounts into pounds sterling amounts. The translations have been provided solely for the convenience of the readers of this document and no representation is made that any of the amounts actually represent US Dollar amounts or could have been or could be converted into US Dollars at the specified rates, at any particular rate or at all.

Percentages in tables have been rounded and accordingly may not add up to 100%. Certain financial data has been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Unless otherwise indicated, the financial information in Part IX: “ARG Historical Financial Information” and Part XIII: “Experian Historical Financial Information” of this document for the financial years ended 31 March 2005 and 31 March 2006 has been prepared on the basis of international financial reporting standards (“**IFRS**”) and the financial information in Part IX: “ARG Historical Financial Information” and Part XIII: “Experian Historical Financial Information” of this document for the financial years ended 31 March 2004 and 31 March 2005 has been prepared on the basis of generally accepted accounting principles as used in the United Kingdom (“**UK GAAP**”).

The significant IFRS accounting policies applied in Part IX: “ARG Historical Financial Information” and Part XIII: “Experian Historical Financial Information” of this document of financial information of the Group, ARG and Experian, as applicable, for the financial years ended 31 March 2005 and 31 March 2006, have been applied consistently in the financial information in Part IX: “ARG Historical Financial Information” and Part XIII: “Experian Historical Financial Information” of this document. The significant UK GAAP accounting policies applied in the financial information of the Group, ARG and Experian, as applicable, for the financial years ended 31 March 2004 and 31 March 2005 have been applied consistently in the financial information in Part IX: “ARG Historical Financial Information” and Part XIII: “Experian Historical Financial Information” of this document.

For a discussion of the most significant differences between IFRS and US GAAP, and UK GAAP and US GAAP relevant to the Group, ARG and Experian, as applicable, see Part XVII: “Summary of Certain Differences between UK GAAP and US GAAP and IFRS and US GAAP” of this document.

All times referred to in this document are, unless otherwise stated, references to London time.

All legislation referred to in this document is, unless otherwise stated, statutes, statutory investments, regulations and/or directives of the government of the United Kingdom.

GUS’ website is www.gusplc.com. The information on that website, any website mentioned in this document or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this document and investors should not rely on it.

Reference to defined terms and incorporation of terms

Certain terms used in this document, including all capitalised terms and certain technical and other terms used in this document, are explained in Part XX: “Definitions” and Part XXI: “Glossary” of this document. References to the singular include the plural and vice versa.

Non-GAAP financial measures

Parts of this document contain information regarding earnings before interest and tax (“**EBIT**”), which is sometimes used by investors to evaluate the efficiency of a company’s operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. Parts of this document also include references to net debt, like-for-like sales, space sales growth, “**Benchmark PBT**” and “**Benchmark EPS**”.

There are no generally accepted accounting principles governing the calculation of these terms and, as non-GAAP measures, the criteria upon which they are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare GUS’ performance with that of other companies and should not be considered in isolation or as a substitute for net income as an indicator of operating performance, or as an alternative to cash flow from operations as a measure of liquidity.

Further details on the use of non-GAAP financial information are set out in Part VII: “ARG Operating and Financial Review” and Part XI: “Experian Operating and Financial Review” of this document.

Part I: Letter from the Chairman of GUS plc

GUS

(GUS plc incorporated in England and Wales with registered number 146575)

Directors:
Sir Victor Blank (*Chairman*)
John Peace (*Group Chief Executive*)
Terry Duddy (*Chief Executive, Argos Retail Group*)
Don Robert (*Chief Executive, Experian Group*)
David Tyler (*Group Finance Director*)
John Coombe (*Non-Executive Director*)
Andrew Hornby (*Non-Executive Director*)
Frank Newman (*Non-Executive Director*)
Sir Alan Rudge (*Non-Executive Director*)
Oliver Stocken (*Non-Executive Director*)

Registered and Head Office
One Stanhope Gate
London
W1K 1AF

26 July 2006

Dear Shareholder

Recommended proposals for the separation of ARG and Experian

1 Introduction

On 28 March 2006, your Board announced the proposed separation of its two remaining businesses, ARG and Experian. The proposals outlined in this document involve the separation of the two businesses by means of a demerger, with GUS Shareholders receiving shares in both businesses which are expected to be independently listed on the London Stock Exchange. Following the Demerger, GUS Shareholders will no longer hold shares in GUS, which will cease to be listed on the London Stock Exchange.

The purpose of this document is to set out the background to, and reasons for, the proposed demerger and to explain why your Board unanimously supports the proposals and recommends that you vote in favour of the resolutions required to implement the Demerger.

You will find with this document a Blue Form of Proxy and a White Form of Proxy for two shareholder meetings. The Blue Form of Proxy is for the first meeting, a meeting convened by an order of the Court, and the White Form of Proxy is for an extraordinary general meeting, which will follow the Court Meeting. Both meetings will be held on 29 August 2006. The Court Meeting and the Extraordinary General Meeting are together referred to as the "Shareholder Meetings" in this document.

In order for these Proposals to be completed, it is important that there is sufficient shareholder support. Your Board therefore urges you to vote at these two Shareholder Meetings. Details on how to do this are set out in paragraph 17 below of this letter and in paragraph 16 of Part III: "Explanatory Statement" of this document.

2 Background to and reasons for the Separation

In May 2004, your Board announced that it would actively review all strategic options over the following two years in order to create further value for shareholders. As a result of that review, in December last year we completed the demerger of GUS' interests in Burberry to GUS Shareholders, and earlier this year your Board announced that it had decided to separate its two remaining businesses, ARG and Experian. The Board considers that ARG and Experian can achieve their greatest potential and value as independent businesses and the Proposals are therefore the final stage in the transformation of the Group.

The separation of the two businesses is expected to:

- enhance shareholder value;
- create two separate London listed companies offering discrete investment propositions, each with clear market valuations;
- allow greater flexibility for ARG and Experian to manage their own resources and pursue strategies appropriate to their markets, which have different characteristics and opportunities;
- sharpen management focus, helping the two businesses maximise their performance and make full use of their available resources;
- align management rewards more directly with business and stock market performances, helping to attract, retain and motivate the best people; and
- provide a transparent capital structure and an efficient balance sheet for each business.

3 The Proposals

The Proposals will create two new holding companies, ARG Holdings (which will be the holding company for the ARG Business) and Experian Group (which will be the holding company for the Experian Business). The ARG Shares and Experian Shares are expected to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities. GUS Shares will cease to be listed and GUS will become a subsidiary of Experian Group.

Instead of the shares you own in GUS, you will hold shares in ARG Holdings and shares in Experian Group. GUS Shareholders will receive:

for every one GUS Share — **one ARG Share and one Experian Share**

As part of the Proposals, your GUS Shares will be cancelled.

If you hold GUS ADRs, you will be entitled to receive one Experian ADR and the ARG Share Cash Value for each GUS ADR held. Please refer to paragraph 13 of Part III: "Explanatory Statement" of this document for more information on your treatment as a holder of GUS ADRs.

Implementation

It is intended that the Proposals will be implemented in several steps. First, a new intermediate holding company will be inserted between GUS and the rest of the Group and there will be a preliminary reorganisation of the ARG Business in anticipation of the Demerger. Second, pursuant to a scheme of arrangement and certain reductions of capital, Experian Group will become the new holding company of the Group and then the separation of the ARG Business and Experian Business will be completed. The Scheme and the Demerger are not conditional on Admission. If the Scheme and the Demerger become effective but Admission does not occur, GUS Shareholders will receive unlisted shares in ARG Holdings and Experian Group.

In addition, it is proposed that the capital of both ARG Holdings and Experian Group be reduced in order to create distributable reserves in each of ARG Holdings and Experian Group.

A detailed summary of the Demerger and the steps needed to implement it are set out in Part III: "Explanatory Statement" of this document.

Financial effects of the Demerger

It will be necessary for ARG and Experian to incur additional costs in order to operate as independent companies and the Demerger of ARG will therefore have a dilutive effect on GUS' earnings. However, the Board considers that ARG and Experian can achieve their greatest potential and value as independent businesses.

Experian Offer

Immediately following the Demerger, it is proposed that Experian Group will issue further shares in Experian Group to raise new capital. These further Experian Shares will be listed at Admission.

The GUS Directors currently expect the Experian Offer to raise approximately £800 million. The Experian Offer is expected to be underwritten and will comprise a pre-emptive offer to existing GUS Shareholders (excluding certain overseas shareholders, provided that overseas institutional investors will be eligible to participate where permitted) on a *pro rata* basis and an offer of up to 5% of Experian Group's share capital to institutional investors. The offer price and number of Experian Shares to be issued in the Experian Offer will be determined by GUS, Experian Group and the Underwriters on the completion of a competitive bookbuild process.

A detailed summary of the Experian Offer and the proposed terms of the underwriting are set out in Part XIV: "Details of the Experian Offer" of this document. **This document is not an offer of Experian Shares for sale (or an invitation to acquire Experian Shares) in any jurisdiction.**

If the Proposals are approved by GUS Shareholders, further details of the Experian Offer and how GUS Shareholders can participate in the Experian Offer will be sent to Shareholders on or around 14 September 2006.

Debt allocation

As at 31 March 2006, GUS had net debt of approximately £2.0 billion. As part of the Proposals ARG will be allocated net debt of approximately £200 million (on a pro forma basis as at 31 March 2006) in addition to its substantial leasehold obligations, and the balance will be retained by Experian. Please see note (5) of the Continuing Group Pro Forma Financial Information and note (2) of the ARG Pro Forma Financial Information in Part XVI: "Pro forma Financial Information" of this document. The proceeds of the Experian Offer will be applied to repay part of the debt owed by Experian following the Demerger.

Amendments to GUS Articles

The Proposals require certain amendments to the GUS Articles in order to accommodate any GUS Shares that arise as a result of the exercise of options under GUS share schemes and to implement the Proposals. Details are set out in paragraph 16 below and the Resolutions are set out in Part XXII: "Notices of Meetings" of this document.

Shareholder approval

The Demerger requires the approval of GUS Shareholders pursuant to the Listing Rules due to the size of the transaction and the Proposals also need to be approved by GUS Shareholders to satisfy certain legal requirements.

The Proposals are conditional, *inter alia*, on the approval of the Resolutions by GUS Shareholders at the Court Meeting and the Extraordinary General Meeting.

A detailed description of the Proposals is set out in Part III: "Explanatory Statement" of this document. The Proposals can only be implemented if they receive sufficient support from GUS Shareholders at each of the Shareholder Meetings.

Advice

Merrill Lynch and UBS have acted as financial advisers to GUS in connection with the Demerger. In addition, GUS has also been financially advised by JPMorgan Cazenove on certain aspects of the Proposals.

Trading update

On 12 July 2006, GUS issued a trading statement for the first quarter to 30 June 2006.

There has been no significant change in the financial or trading position of the Continuing Group since 31 March 2006.

There has been no significant change in the financial or trading position of ARG since 31 March 2006.

4 Information on ARG Holdings and ARG

ARG is the UK's leading home and general merchandise retailer. It sells products under two distinctive and complementary retail brands which are household names in the UK:

- Argos—a unique retailer recognised for choice, value and convenience and the UK's leading general merchandise retailer; and
- Homebase—the UK's second largest home improvement retailer recognised for choice, style and customer service.

Argos and Homebase are supported by an in-house financial services business, ARG Financial Services, the operations of which include the running of the Argos and Homebase store cards.

ARG employs approximately 48,000 people and has its operational headquarters in Milton Keynes.

For the year ended 31 March 2006, ARG's total revenue was £5,548 million and profit before taxation was £278 million. As at 31 March 2006, ARG had combined gross assets of £5,427 million and combined net assets of £2,775 million. This financial information is extracted from Part IX: "ARG Historical Financial Information" of this document.

Further information on ARG and ARG Holdings is set out in Parts VI to IX of this document.

ARG Prospectus

If the Proposals are approved by GUS Shareholders at the Court Meeting and the Extraordinary General Meeting on 29 August 2006, a prospectus will be published by ARG Holdings on or about 14 September in connection with its application for admission to the Official List and to trading on the London Stock Exchange.

The ARG Prospectus will be available, free of charge, from GUS' registered office and ARG Holdings' registered office. In addition, the ARG Prospectus will be available via the Shareholder Helpline and for inspection only during normal business hours at the Document Viewing Facility at the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

5 Information on Experian Group and Experian

Experian is a global leader in providing information solutions to business clients and consumers. It helps organisations to find new customers and develop and manage existing relationships by providing data, decision-making solutions and processing services. It also helps consumers to understand, manage and protect their personal information and to make more informed purchase decisions.

Experian employs approximately 12,200 people in 28 countries supporting clients in more than 60 countries. Experian's operational headquarters are in Nottingham, UK and Costa Mesa, California.

For the year ended 31 March 2006, Experian's total revenue was US$3,084 million and profit before taxation was US$638 million. As at 31 March 2006, Experian had combined gross assets of US$7,644 million and combined net assets of US$600 million. This financial information is extracted from Part XIII: "Experian Historical Financial Information" of this document.

Further information on Experian and Experian Group is set out in Parts X to XV of this document.

Residence of Experian Group and Income Access Shares

Experian is a global business, with the majority of its revenues being generated outside the UK. In formulating the Proposals the GUS Directors have looked for the most appropriate structure for Experian's future international growth and have decided that Experian's corporate headquarters should be in Dublin. Experian's holding company will be incorporated in Jersey and will be tax resident in the Republic of Ireland.

In order to preserve the current tax treatment of dividends paid to GUS Shareholders in the UK, the income access share arrangement described in more detail in Part XV: "The Income Access Share Arrangements" of this document will be put in place after completion of the Scheme. The purpose of the Income Access Share Arrangements is to enable Experian Shareholders to elect to receive dividends from a UK source so that the Proposals do not make any difference to the tax treatment of dividends for Shareholders resident in the UK who make, or are deemed to make, such an election.

The Experian Group articles of association will contain a number of important differences from the existing GUS articles of association to reflect, *inter alia*, both Jersey law and the income access share arrangements referred to above. A detailed summary of the Experian Group articles of association is set out in paragraph 37 of Part XIX: "Additional Information" of this document.

Experian Group will be subject to the Takeover Code and will report on compliance with the Combined Code.

It is expected that Experian Group will be eligible for inclusion in the FTSE, MSCI and Dow Jones indices as a UK participant.

Experian Prospectus and the Experian Offer

If the Proposals are approved by GUS Shareholders at the Court Meeting and the Extraordinary General Meeting on 29 August 2006, a prospectus will be published by Experian Group on or about 14 September 2006 in connection with its application for admission to the Official List and to trading on the London Stock Exchange and the Experian Offer referred to above.

The Experian Prospectus will be lodged with the Jersey Registrar of Companies in due course and will be available, free of charge, from GUS' registered office.

In addition, the Experian Prospectus (which will contain details of how eligible GUS Shareholders may be able to participate in the Experian Offer) is expected to be circulated to GUS Shareholders on or around 14 September 2006 and, from that date, will be available via the Shareholder Helpline and for inspection only during normal business hours at the Document Viewing Facility at the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

6 Management and Board continuity

Following the Demerger, GUS will cease to be a listed company and each of Experian Group and ARG Holdings will operate as separate listed companies. Each of the businesses will continue to be led by its existing experienced management teams; the new boards of the two companies upon Admission will be as follows:

	ARG Holdings	Experian Group
Chairman	Oliver Stocken	John Peace
Chief Executive	Terry Duddy	Don Robert
Finance Director/Chief Financial Officer	Richard Ashton	Paul Brooks
Non-Executive Directors	John Coombe	Sir Alan Rudge
	Andy Hornby	David Tyler

ARG Holdings and Experian Group intend to appoint further independent Non-Executive Directors prior to or after Admission.

Given the uncertainties regarding the timing of the Demerger and to ensure reasonable notice of termination is provided from both GUS and Sir Victor Blank, GUS and Sir Victor Blank have agreed to amend his terms of appointment to provide that either party will give to the other three months' notice of termination of appointment, such notice not to expire before 31 March 2007. Alternatively, GUS may, in its discretion, make a payment in lieu of serving such notice.

In consideration for being afforded the opportunity to reinvest his invested shares and matching share options awarded under the GUS Co-Investment Plan in 2004 and 2005 (the "**CIP Awards**") on the terms set out in the Experian Reinvestment Plan modified as described below, and conditional upon Admission taking place in the year ending 31 March 2007, John Peace has agreed that his employment with GUS will terminate by mutual agreement on 31 March 2007 and John Peace will continue to receive his salary, bonus and benefits (other than new share incentive grants) pursuant to his service agreement until such termination. GUS will have no obligation to serve notice to terminate the employment or make a payment in lieu of notice or a liquidated damages payment to him in connection with the termination. If Admission takes place during the year ending 31 March 2007, John Peace will not be entitled, or eligible, to participate in any co-investment plan in respect of any annual bonus for the year ending 31 March 2007.

If John Peace reinvests his CIP Awards he will be granted a matching award of Experian Shares on a one-for-one basis which will vest after three years if he continues to be Chairman of Experian Group. If, before vesting of the matching award, either: (i) John Peace ceases to be Chairman of Experian Group, except as a result of voluntary resignation or gross misconduct: or (ii) as a result of events affecting Experian Group (or any successor company), John Peace is no longer chairman of a listed company, the matching award will immediately vest in full and his reinvested shares will be released. If John Peace voluntarily resigns his Chairmanship of Experian Group, his matching award will immediately vest on a pro-rated basis to reflect the period from grant to cessation as a proportion of the three year vesting period. The reinvestment of the CIP Awards described above will not be affected in any way by the termination of John Peace's employment with GUS.

The effect of the Demerger on outstanding options and awards granted to John Peace under the GUS Employee Share Plans will be as for other participants in such plans, as described in paragraph 7 of Part XIX: "Additional Information" of this document, subject to his reinvestment opportunity being as described above. In respect of options and awards which are exchanged for equivalent options and awards over Experian Shares, when John Peace ceases to be employed by GUS on 31 March 2007, for the purposes of the relevant plan rules, his employment will be treated as ceasing for a good leaver for the purposes of the relevant plan rules.

From 31 March 2007, GUS has agreed that fees currently of £100,000 per annum previously paid to GUS in respect of John Peace's role as Chairman of Burberry will be paid to him.

Following the Demerger, David Tyler's employment with GUS will continue until 31 March 2007 in order that he can manage legacy issues concerning the combined group and to provide an effective handover to the finance directors of Experian Group and ARG Holdings. From January 2007, GUS will agree to an earlier termination of David Tyler's employment at his request and on such termination will make a payment in lieu of notice to him in accordance with the terms of his service contract. While David Tyler remains employed by GUS his non-executive fees from Experian Group will be offset against the salary paid by GUS in respect of his continued employment. The effect of the Demerger on outstanding options and awards granted to David Tyler under the GUS Employee Share Plans will be as for other participants in such plans as described in paragraph 7 of Part XIX: "Additional Information" of this document, except he will not be eligible to participate in the Experian Reinvestment Plans. To the extent that his options and awards are exchanged for equivalent options and awards over Experian Shares, the new options and awards will not vest, become exercisable or lapse in connection with his termination of employment. In respect of such new awards and options, David Tyler will be treated as a good leaver for the purposes of the relevant plan rules if he ceases to be a Non-Executive Director of Experian Group except as a result of voluntary resignation (namely a resignation freely given by him, not in response to any action by Experian Group) or actions which would constitute gross misconduct. For the avoidance of any doubt, the performance conditions applicable to such awards and options must be met in accordance with the relevant plan rules. If he ceases to be a Non-

Executive Director as a result of a voluntary resignation or for actions which would constitute gross misconduct his awards and options will lapse.

From 31 March 2007, GUS has agreed that fees currently of £45,000 per annum previously paid to GUS in respect of David Tyler's role as a non-executive director of Burberry will be paid to him.

Other senior management

Following the Demerger, at ARG Paul Loft will continue to be the Managing Director of Homebase and Sara Weller will continue to be the Managing Director of Argos. In addition, at Experian Chris Callero will continue to be the Chief Executive of The Americas and John Saunders will continue to be the Chief Executive of Global Operations. These individuals are key individuals of ARG and Experian respectively.

Further details on each of the boards of ARG Holdings and Experian Group and each of the proposed management teams are set out in Part VIII: "ARG Directors, Senior Management, Corporate Governance and Employees" and Part XII: "Experian Directors, Senior Management, Corporate Governance and Employees" respectively of this document.

7 Dividend policy

Final dividend

The final dividend of 21.9 pence per GUS Share, approved at GUS' annual general meeting on 19 July 2006, will be paid on 4 August 2006. The Proposals will not affect this dividend payment.

Future dividends

Future dividends from ARG Holdings and Experian Group will depend on the circumstances at the time and the dividend policy of ARG Holdings and Experian Group will be a matter for their respective boards following the Demerger. However, it is currently anticipated that Experian Group will have a dividend cover of no less than three times and ARG Holdings will have a dividend cover of no less than two times.

Experian Group will report its results in US Dollars because the majority of Experian's profit comes from the US. Experian Group will also announce its dividends in US Dollars. However, unless shareholders elect otherwise, their dividends will continue to be paid in pounds sterling. The amount of dividends received will be calculated on the basis of an exchange rate from US Dollars to pounds sterling at the time the dividend is announced.

8 Experian Income Access Share Arrangements

As described in paragraph 5 above, in order to give Experian Shareholders the option of receiving their dividends from Experian from a UK source, an income access share arrangement will be put in place.

All shareholders in Experian Group will be able to elect to receive their dividends from Experian pursuant to these arrangements and all existing GUS Shareholders who hold less than 50,000 Experian Shares following the Demerger will be deemed to have made an election to receive their dividends from Experian Group in this way unless they notify Experian Group in writing that they do not wish to do so.

The Income Access Share Arrangements may be suspended or terminated at any time and for any reason by Experian Group, without financial recompense, for example, as a result of changes in relevant tax law. Furthermore, if it were not possible to pay shareholders all of their dividends from UK-sourced income, then the shortfall would be made up out of dividends on Experian Shares which are Irish-sourced (which could result in Irish withholding tax).

The forms for making an IAS Election will be sent to GUS Shareholders with the Experian Prospectus in due course and will also be available from Experian's registrars and from its registered office.

The tax implications of these arrangements are described in Part XVIII: "Taxation" of this document.

9 Dividend mandates

Existing dividend mandates to bank or building society accounts given in relation to dividends paid by GUS, all instructions relating to GUS' dividend reinvestment plan and all instructions given to GUS in relation to notices and other communications, will continue to apply to the Experian Shares and will also be applied automatically to ARG Shares received by GUS Shareholders pursuant to the Demerger.

10 Shareholders who hold 800 or fewer GUS Shares

UK resident GUS Shareholders who hold 800 or fewer GUS Shares at the Scheme Record Time will be offered a free share sale arrangement through Lloyds TSB Registrars in respect of both the ARG Shares and the Experian Shares they receive pursuant to the Demerger.

Such smaller shareholders may:

(i) retain their holdings of ARG Shares and Experian Shares resulting from the Demerger;

(ii) sell their entire holding of ARG Shares and/or their entire holding of Experian Shares resulting from the Demerger and receive the cash realised through such sale; or

(iii) donate their entire holding of ARG Shares and/or their entire holding of Experian Shares resulting from the Demerger to a GUS nominated registered charity.

The forms for using this free share sale arrangement will be sent to shareholders with the Experian Prospectus in due course.

A guide to the general tax consequences of each of these elections for GUS Shareholders who are ordinarily resident in the UK is set out in Part XVIII: "Taxation" of this document.

As a result of US federal securities laws, GUS Shareholders and GUS ADR holders in the United States will not be permitted to use this share sale arrangement.

11 Taxation

GUS Shareholders should read Part XVIII: "Taxation" of this document which provides a general description of the UK, US, Irish and Jersey tax consequences of the Proposals. If you are in any doubt as to your tax position, you should contact your professional adviser immediately.

12 Employee share plans

The effect of the Demerger on outstanding awards and options under the GUS Employee Share Plans is summarised in Part III: "Explanatory Statement" of this document.

GUS will, in due course, be writing to participants in the GUS Employee Share Plans to explain the effect of the Demerger in more detail.

ARG Holdings and Experian Group place great importance on equity participation as a means of aligning employees' and shareholders' interests and ARG Holdings and Experian Group each intend to adopt new employee share plans, subject to GUS Shareholder approval at the EGM. The new plans to be operated by ARG Holdings and Experian Group on an ongoing basis after the Demerger are similar to the existing GUS Employee Share Plans. The principal features of the new plans are summarised in paragraphs 22 and 38 of Part XIX: "Additional Information" of this document.

Both ARG Holdings and Experian Group are proposing to offer free shares to employees around the time of Admission.

To ensure the retention of the top management teams and to strengthen their alignment with shareholders, both ARG Holdings and Experian Group are proposing, around the time of Admission, to offer certain senior executives a one-off opportunity to reinvest shares under certain GUS Employee Share Plans and earn matching ARG Shares or Experian Shares. This reinvestment opportunity will be an important part of the post-separation incentive arrangements for both companies since it is essential to securing the top management teams.

ARG Holdings will offer share participation to its employees where it is appropriate to do so. ARG Holdings believes that share-based arrangements will form an important part of its performance-related pay structure and is proposing to adopt share option and share-based incentive plans. To support its current strategic objectives and the employment of top talent in its markets, ARG Holdings proposes to make share-based awards, and to offer the opportunity to co-invest annual bonus payments, to certain senior executives.

Experian Group believes that employee share ownership will form an important part of its culture going forward. Therefore, it is proposed that all employees will have an opportunity, to the extent permissible, to acquire Experian Shares through arrangements which are appropriate to their country of residence. In addition, Experian Group is proposing to operate executive share plans incorporating option grants, share-based awards and the opportunity to co-invest annual bonus payments, all of which it believes are essential to employing the best talent in competitive international markets.

13 Pensions

GUS operates four occupational pension schemes in the UK, namely the GUS Pension Scheme (the "**GUS Pension Scheme**"), the GUS Money Purchase Pension Plan (the "**GUS Pension Plan**"), the Argos Pension Scheme (the "**ARG Pension Scheme**"), and the Hampden Group Limited Pension Scheme (the "**Hampden Pension Scheme**"). These schemes will continue to operate in largely the same way following the Demerger, subject to the review of pensions by ARG described in paragraph 23 of Part XIX: "Additional Information" of this document.

The schemes operate separately and will continue to do so following the Demerger. However, Argos, Homebase and Whiteaway Laidlaw Bank Limited will continue to participate in the GUS Pension Plan for a temporary period following the Demerger. Whiteaway Laidlaw Bank Limited, a member of ARG following the Demerger, will also continue to participate in the GUS Pension Scheme for a temporary period following the Demerger.

Following the Burberry Demerger, a number of members of the Burberry Group continue to participate in the GUS Pension Scheme. Arrangements are in place between GUS and Burberry to address the statutory payments required when the Burberry Group companies leave the GUS Pension Scheme, currently scheduled for the end of 2007.

There are a number of other retirement benefit arrangements provided to employees. Further information in relation to the above schemes and other material arrangements are described above and in paragraphs 8 and 23 of Part XIX: "Additional Information" of this document.

14 Noteholders

On 22 May 2006 the Board proposed certain amendments to the terms and conditions of GUS' three outstanding series of notes. The amendments were sought in order to address potential uncertainty in the interpretation of certain event of default provisions of the notes in the context of the Demerger, and to clarify that the Demerger will not comprise an event of default under the notes. At noteholder meetings held on 13 June 2006, extraordinary resolutions approving the amendments were passed in respect of two of the three series of notes and the terms of these notes have been amended accordingly. In respect of the third series of notes, the £350,000,000 5.625% Notes due 2013 (the "**2013 Notes**"), the resolution was not passed, and therefore the 2013 Notes remain unchanged. However, GUS believes that the failure to pass the extraordinary resolution and amend the terms of the 2013 Notes will not obstruct the process of the Demerger. The banking facility referred to in paragraph 41.2 of Part XIX: "Additional Information" can be used to enable GUS to repay the 2013 Notes. Further information about the Company's outstanding notes is described in paragraph 11.7 of Part XIX: "Additional Information" of this document.

15 Overseas Shareholders

Demerger

Any person resident outside the United Kingdom who is to receive ARG Shares and Experian Shares pursuant to the Demerger must satisfy himself or herself as to full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite government or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

If the issue of shares in ARG Holdings and/or Experian Group to any person with a registered address in a jurisdiction outside the United Kingdom, or who is reasonably believed to be a citizen, resident or national of a jurisdiction outside the United Kingdom, would or may infringe the laws of such jurisdiction or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly onerous, GUS, ARG Holdings and/or Experian Group may in their sole discretion determine that such shares be sold on behalf of such person and the net proceeds of such sale be paid to the persons entitled thereto.

US Securities Laws

ARG Shares and the Experian Shares issued to GUS Shareholders pursuant to the Demerger, will be issued in reliance upon the exemption from the registration requirements provided by section 3(a)(10) of the US Securities Act and, as a consequence, will not be registered thereunder or under the securities laws of any state or other jurisdiction of the United States.

Further details are set out in paragraph 13 of Part III: "Explanatory Statement" of this document.

Experian Offer

GUS Shareholders (excluding certain overseas shareholders provided that overseas institutional investors will be eligible to participate where permitted) will be able to participate in the Experian Offer. Further details on the proposed Experian Offer are set out in Part XIV: "Details of the Experian Offer" of this document.

16 Court Meeting and Extraordinary General Meeting

Notices convening the Court Meeting and the Extraordinary General Meeting at which the approvals for the Proposals will be sought are set out in Part XXII: "Notices of Meetings" of this document. Both meetings will be held at the Millennium Hotel, Grosvenor Square, London W1K 2HP on 29 August 2006 and the first meeting, the Court Meeting, will begin at 10.30 a.m.

Court Meeting

At the Court Meeting, you will be asked to approve a scheme of arrangement (referred to in this document as the "**Scheme**"). The statutory majority required to approve the Scheme at the Court Meeting is a majority in number of those GUS Shareholders who are present and vote in person or by proxy, and who represent 75% or more in value of the GUS Shares held by them.

The Scheme will, *inter alia*, insert Experian Group as a new holding company between GUS and GUS Shareholders. As part of the Scheme, ARG Holdings, Experian Group and certain other members of ARG and Experian will also agree to implement certain other steps of the Proposals which are described in more detail in Part III: "Explanatory Statement" of this document.

Extraordinary General Meeting

At the Extraordinary General Meeting, you will be asked to approve:

(i) a special resolution approving the insertion of Experian Group as the new holding company of GUS and to assist this by making certain changes to the share capital of GUS, authorising the allotment of shares pursuant to the Scheme and making amendments to the GUS articles of association (to ensure that shares allotted after the Extraordinary General Meeting but before the Scheme Record Time are covered by the Scheme; and to ensure that, subject to the Scheme becoming effective, any shares issued by GUS after that time can be compulsorily acquired by the immediate holding company of GUS);

(ii) a special resolution approving the terms of the Demerger including the GUS Distribution *in specie,* the Experian Reduction of Capital, the ARG Reduction of Capital, the Experian Offer and entry into the Demerger Agreement; and

(iii) ordinary resolutions approving the ARG Employee Share Plans and the Experian Employee Share Plans which are summarised in paragraphs 22 and 38 of Part XIX: "Additional Information" of this document.

The majority required for the passing of each of the special resolutions is 75% or more in value of the votes cast. A simple majority is required for the passing of each of the ordinary resolutions. On a show of hands each GUS Shareholder present in person will have one vote and on a poll each GUS Shareholder present in person or by proxy will have one vote for each GUS Share held.

Court approvals

In addition, the Scheme and each of the Reductions of Capital needs to be sanctioned by the relevant court at separate court hearings.

In order for the Proposals to be implemented, it is important that we get your support and you vote at both Shareholder Meetings. Paragraph 17 below explains how to do this.

More details of these approvals are set out in Part III: "Explanatory Statement" of this document.

17 Action to be taken in respect of the Shareholder Meetings

A detailed description of the Proposals is set out in Part III: "Explanatory Statement" of this document and your approval is now being sought to effect the above steps to enable the Demerger to happen. The Proposals can only be implemented if they receive sufficient support from GUS Shareholders at the two Shareholder Meetings. If they are implemented, you will be bound by the Proposals whether or not you have voted in favour of them.

Whether or not you propose to attend the meetings, you are requested to complete, sign and return the enclosed Blue Form of Proxy for use at the Court Meeting and the enclosed White Form of Proxy for use at the Extraordinary General Meeting.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of shareholder opinion. You are therefore strongly urged to sign and return your Forms of Proxy for the Shareholder Meetings as soon as possible.

Completed Forms of Proxy should be returned to Lloyds TSB Registrars as described in the notes attached to the Forms of Proxy or by hand (during normal business hours) or by post to Lloyds TSB Registrars, The Causeway, Worthing, West Sussex, BN99 6AS as soon as possible, and in any event so as to be received no later than 48 hours prior to the relevant Shareholder Meeting. The Blue Form of Proxy in respect of the Court Meeting only may also be handed to the Chairman of the Court Meeting at that meeting.

If you hold GUS Shares in CREST, you may also appoint a proxy for the Court Meeting and the Extraordinary General Meeting by completing and transmitting a CREST Proxy Instruction to Lloyds TSB Registrars so that it is received no later than 10.30 a.m. and 10.45 a.m. respectively on 27 August 2006.

Electronic Proxy Appointment is also available for this Extraordinary General Meeting. This facility enables GUS Shareholders to lodge their proxy appointment by electronic means on a website provided by Lloyds TSB Registrars via www.sharevote.co.uk. Further details are set out in the notes to the notice of the Extraordinary General Meeting at the end of this document.

The return of a completed Blue Form of Proxy, Electronic Proxy Appointment or CREST Proxy Instruction will not prevent you from attending the Court Meeting and voting in person if you wish to do so.

The return of a completed White Form of Proxy, Electronic Proxy Appointment or CREST Proxy Instruction will not prevent you from attending the Extraordinary General Meeting and voting in person if you wish to do so.

If you hold GUS ADRs you will receive an ADR Voting Instruction Card from the Depositary which will enable you to instruct the Depositary as to how to vote the GUS Shares underlying your GUS ADRs at the Extraordinary General Meeting and the Court Meeting. You must return a completed ADR Voting Instruction Card to the Depositary by 22 August 2006. You should read paragraph 13 of Part III: "Explanatory Statement" of this document for further details of how you may vote at the Court Meeting and the Extraordinary General Meeting, and how the Demerger will affect you.

18 Further information and Shareholder Helpline

Your attention is drawn to the further information set out in Parts II to XXII of this document and to the expected timetable for the Proposals set out on page 7 of this document. Notices convening the Court Meeting and the Extraordinary General Meeting are set out in Part XXII: "Notices of Meetings" of this document.

You are advised to read the whole of this document and not just rely on the summary information contained in this letter. We appreciate that the Proposals may appear complex and apologise for the length of the documents that we are obliged to send to you.

Any GUS Shareholder requiring assistance in understanding the matters raised in this document may telephone our **Shareholder Helpline** on freephone 0800 389 0306 if you are calling from the United Kingdom, open from 8.30 a.m. to 5.30 p.m. on Monday to Friday (London time) (+44 1903 276342 if you are calling from outside the United Kingdom).

The Shareholder Helpline will be available until 17 November 2006. For legal reasons, the Shareholder Helpline will not be able to provide advice on the merits of the Proposals or to give any legal, financial or taxation advice, for which you will need to consult your own legal, financial or taxation adviser.

19 Board recommendation

The Board has received financial advice from Merrill Lynch and UBS in connection with the Demerger. In providing advice to the Board, Merrill Lynch and UBS have relied on the Board's commercial assessment of the Demerger. The Board considers the Proposals to be in the best interests of the Shareholders as a whole.

The Board recommends unanimously that you vote in favour of the Scheme at the Court Meeting and in favour of the resolutions to be proposed at the Extraordinary General Meeting, as each of the Directors intend to do in respect of their own beneficial holdings, which amount in aggregate to 1,833,811 GUS Shares representing 0.2% of the GUS Shares in issue.

Yours faithfully

Sir Victor Blank
Chairman

Part II: Risk Factors

Prior to voting on the Proposals, GUS Shareholders should carefully consider, in addition to the other information set out in this document, the risk factors relating to ARG, Experian and the Demerger set out below.

1 Risks relating to ARG

Prior to voting on the Proposals, GUS Shareholders should carefully consider the risk factors relating to ARG's business and the industry it operates in, together with all other information contained in this document. Additional risks and uncertainties not presently known to GUS or that GUS currently believes to be immaterial may also have a material adverse effect on ARG's financial condition or business success. If any, or a combination, of these risks actually occurs, ARG's business, reputation, financial condition and/or operating results could be adversely affected. If this occurs, the price of the GUS Shares, or after Admission the price of ARG Shares, may decline and shareholders could lose all or part of their investment.

1.1 Risks relating to ARG's business

ARG may be unable to implement its growth strategy.

ARG's growth strategy is continuing to focus on, *inter alia*: (i) increasing market share in targeted large product markets; (ii) leveraging its extensive product portfolio, market leadership and purchasing scale; (iii) extending and exploiting multi-channel leadership; and (iv) expanding Argos' and Homebase's store networks to provide enhanced customer convenience. There can be no assurance that ARG will continue to implement successfully this growth strategy and any failure to do so could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

The planned increase in the number of stores or the successful conversion of existing stores may not be achieved.

ARG plans to open approximately 30 new Argos stores per year and 15 new Homebase stores per year over the next three years but there can be no assurance that ARG will be able to expand its store network as planned or that all of such new stores will be profitable. Whilst the Directors believe that they have identified areas in the United Kingdom and the Republic of Ireland where ARG could increase the number of its stores, unforeseen factors could result in potential sites not becoming available on terms acceptable to ARG. This could materially adversely affect ARG's business, reputation, financial condition and/or operating results. Furthermore, if competitors are able to secure high-quality sites, they may be able to gain market share and may effectively restrict ARG's ability to grow. Additionally, ARG's ability to open new stores, convert or refurbish existing stores (including by the introduction of mezzanine levels), change the use of part of an existing store or implement any of these activities without delay may be significantly restricted by regulatory obstacles associated with local planning processes or by restrictions in the relevant leases.

ARG's operations are seasonally affected and could be adversely affected as a result of weak sales during peak trading seasons or unusual weather conditions.

ARG's operations are characterised by seasonal fluctuations in demand and during peak trading seasons ARG increases its advertising spend, hires additional staff and sources additional products. Its increased inventory requires careful stock management with any surplus stock that has not been sold during a season either being sold on promotion or held in storage for sale at a later date. For general retailing, annual retail demand is highest during the Christmas period and is subject to consumer preferences, perception and/or spending during this period. Demand for Argos products is highest during the months of November and December, whilst demand for Homebase products is highest through the Spring, at Easter and during the Summer months. Higher levels of home improvement products are sold at Easter when traditionally UK households spend money on improving their homes and gardens. Higher sales of home enhancement products, such as barbeques and outdoor furniture during the Summer months, have been correlated with good weather. A decline in consumer spending during the Christmas, Spring or Easter periods or unseasonal weather, low temperatures, high levels of rainfall or lack of sunshine in the Spring and/or Summer in the United Kingdom and/or the Republic of Ireland could lead to ARG stocking products during periods of the year when there is a reduced demand for such products. These factors could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

Interruptions in the availability of ARG's supply of products from product suppliers.

ARG purchases a substantial proportion of its products from third party product suppliers on both a domestic and an import basis. ARG's operations may be interrupted or otherwise adversely affected by delays or interruptions in the supply of these products from third party product suppliers or the termination of any product supplier arrangement where an alternative source of product supply is not readily available on substantially similar terms. Any breakdown or change in ARG's relationships with product suppliers or any product supplier declining to sell products to ARG for any reason or any supplier having financial difficulties or going out of business and therefore not satisfying orders or product liability claims could materially adversely affect ARG's business, reputation, financial condition and/or operating results. If ARG is forced to change a supplier of products, there is no guarantee that this would not interrupt supply continuity or result in additional cost.

Changes in the costs to ARG of obtaining its products.

The price of the products ARG sells may be significantly affected by the cost of the raw materials used to produce those products (for example, oil, plastic, wood and gold) in the source markets of ARG's suppliers.

Wherever practicable ARG seeks to put in place supply contracts which ensure the supply of products for the period that they are anticipated to be offered by ARG and in such quantities as its forecasts require. Failure to continue to source products at low cost from international markets or to forecast accurately the required quantities could result in ARG having to buy products from other suppliers on short term contracts which could result in additional cost. Any increases in the prices of products where prices have not been fixed under contractual supply agreements could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

Failure, interruption or unavailability of ARG's operational infrastructure.

ARG's ability to distribute merchandise to its stores and to sell and distribute such merchandise to its customers is reliant on its operational infrastructure, particularly the efficient functioning of its warehouses, depots and distribution network. Failures or unavailability of such infrastructure (caused, for example, by a fire, structural damage, natural disaster, terrorist activity or industrial action at one of ARG's main offices, warehouses or depots) could result in ARG having to implement its disaster recovery procedures. Although ARG has put in place disaster recovery procedures and back-up arrangements, any failure or delay in the implementation of such procedures or arrangements in this area could adversely affect ARG's operational capabilities and could have a material adverse effect on ARG's operational and financial performance. Furthermore, such procedures and arrangements include outsourcing the warehousing and/or distribution of its merchandise to third parties and their implementation therefore requires ARG to place greater reliance on the performance of third parties. This could potentially involve significant additional costs which could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

Interruptions in or changes to the terms of ARG's shipping or distribution arrangements.

ARG is reliant on the services of third party distribution, shipping and haulage companies for the movement and storage of goods within the United Kingdom, the Republic of Ireland and the jurisdiction from which it sources its products. Although management has entered into contracts with a number of third party distribution, shipping and haulage companies, any change in the terms of, interruption or failure in the services of one or more of these service providers could affect ARG's ability to supply and distribute its products and consequently could materially adversely affect ARG's business, reputation, financial condition and/or operating results. Such interruption or failure could potentially involve significant additional costs to ARG in obtaining an alternative source of supply or distribution.

Changes in the cost or availability of the materials and services that ARG requires to operate its business.

ARG's operations are affected by the prices and availability of the materials and services that it requires to operate its business, for example, paper, packaging, fuel, utilities (including electricity) and rates.

The costs of these items have been subject to fluctuations in the past and may be subject to fluctuations in the future. In the year ended 31 March 2006, one of the principal drivers for an increase in ARG's overall costs relative to the year ended 31 March 2005 was increased energy prices. If these prices were to remain at their current high levels or rose further, and ARG was unable to introduce measures to mitigate the consequential effects, this could materially affect ARG's business, reputation, financial condition and/or operating results.

The ability of ARG to continue to operate effectively is also reliant on the continued supply of raw materials and/or services (for example, paper required to produce the Argos catalogue) and any interruption or failure of such supply could materially affect ARG's business, reputation, financial condition and/or operating results.

ARG is exposed to the risks associated with leased property and any variations to the terms of such leases.

ARG has over 950 leased stores in its property portfolio, and is therefore particularly subject to trends in the UK property market, including rising market rents and rates, repair and reinstatement liabilities and general compliance with legislation. The leases for ARG's leasehold property all (excepting the majority of long leaseholds) contain five year rent review clauses. The Directors have made certain assumptions about future rent reviews in respect of ARG's leasehold property. If rent reviews were to be agreed at rates higher than currently anticipated, this could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

ARG has disposed of a limited number of surplus properties in the course of its business and businesses it has acquired will have done likewise in the past. ARG may nevertheless remain directly or contingently liable for performance of leasehold and other title obligations relating to properties previously disposed of. There is a risk of such liability crystallising in the event of insolvency or other default by the purchasers of those properties.

Delays or failures in the delivery of major infrastructure development and replacement projects.

ARG has a programme of development projects (for example, in relation to the development of new distribution infrastructure or major systems related projects supporting ARG). The delay or failure to manage and implement such projects effectively could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

Failures or interruptions in the information technology systems.

ARG is reliant on its information technology ("**IT**") systems for the provision of information regarding most aspects of its financial and operational performance including sales and stock information and also to enable its customers to purchase goods online and over the phone. Interruption in ARG's IT systems could be caused by a number of factors including as a result of human error, damage or interruption from fire, natural disaster, power loss, telecommunications failure, unauthorised entry and malicious computer code, industrial action and acts of war or terrorism. Disaster recovery plans and contingency plans have been prepared by ARG but there can be no certainty that such plans will be effective in the event that they need to be activated. Suppliers of hardware and software systems are vetted to assess their ability to provide ongoing support and back-up, but there is always a risk of interruption. The failure of these IT systems, particularly its stock management systems, telephone systems and Internet sites, would severely restrict the ability of ARG to continue to operate at its current performance levels. Each of these matters could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

Increases in ARG's funding needs or obligations in respect of the ARG Pension Scheme.

The following issues could adversely affect the funding position of the ARG Pension Scheme (a defined benefits, registered occupational pension scheme): (i) poor investment performance of pension fund investments; (ii) the scheme's trustees unsuccessfully switching investment strategy; (iii) longer life expectancy (which will make pensions payable for longer and therefore more expensive to provide, whether paid directly from the scheme or secured by the purchase of annuities); (iv) a change in the actuarial assumptions by reference to which funding is assessed; (v) adverse annuity rates (which tend, in particular, to depend on prevailing interest rates and life expectancy), as these will make it more expensive to secure pensions with an insurance company; and (vi) other events occurring which make past service benefits more expensive than predicted in the actuarial assumptions by reference to which ARG's past contributions were assessed. An increase in employer contributions to the ARG Pension Scheme (to be agreed between the trustees and ARG in accordance with the statutory funding regime) could have a material effect on ARG's funding obligations to the ARG Pension Scheme. Further details are set out in paragraph 23 of Part XIX: "Additional Information" of this document.

ARG is exposed to currency exchange risk.

ARG's operations involve the sale and purchase of products denominated in currencies other than pounds sterling, principally the US Dollar and the euro. Fluctuations between the value of pounds sterling and the US Dollar and the euro may have an adverse effect on ARG's financial performance.

ARG is dependent on certain key employees.

ARG's business is managed by a number of key personnel, including ARG's executive directors and senior management team many of whom have significant experience within ARG and the wider retail sector and may be difficult to replace. The loss of senior personnel could have a material adverse effect on the business. In addition, as the business develops and expands, ARG's future success will depend on its continued ability to attract, motivate and retain highly skilled and qualified personnel. There can be no assurance that key personnel will continue to be employed by ARG or that ARG will be able to retain qualified personnel in the future. The failure to retain key personnel could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

ARG is exposed to the consumer credit environment.

ARG's stores offer customers the opportunity to purchase products in-store, online or over the phone using the Argos store card or Homebase store card. The store cards allow customers to pay for the products at a future date through a variety of payment schemes. UK base rates, regulatory changes (including changes resulting from the UK government's review of APRs and fees associated with consumer credit), the experience of finance providers, increased competition from other finance providers, the bad debt record of ARG's customers and the repayment history of ARG's customers affects the cost to ARG of these arrangements and any financial benefit ARG may receive from them. A material adverse trend in any or all of these factors could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

Compliance with competition law.

ARG has an active competition law compliance programme. It provides extensive training and guidance for its employees and undertakes frequent reviews of their behaviour with a view to securing compliance with applicable competition laws. In the event that any non-compliance with applicable competition laws is brought to the attention of the relevant authorities by ARG, or otherwise comes to their attention, any subsequent investigation of the relevant matters may (subject to any available remission of penalties in accordance with a leniency programme) result in the relevant authorities imposing fines and other sanctions on ARG, its officers and employees or otherwise result in financial liability for ARG. Any such liability may be significant and such liability, or the non-compliance to which it relates could materially affect ARG's business, reputation, financial condition and/or operating results.

The impact of regulatory non-compliance or changes in regulations.

ARG has three Financial Services Authority (the "**FSA**") regulated entities in the UK and nine entities hold a Consumer Credit Licence ("**CCL**") from the OFT. In addition, ARG contains entities which are regulated by the Dutch financial services regulator and the Guernsey financial services regulator.

In order to continue to carry on the business in which these entities are engaged they must continue to be authorised by the relevant regulator and/or hold a valid CCL, as applicable. The regulators and the OFT have wide regulatory powers and in specific circumstances of non-compliance with the relevant rules may be able to, amongst other things, vary, withdraw or cancel, permissions or licences, regulate marketing, sales practices and advertising or require adequate financial resources to be maintained. If any of the regulatory authorities were to take such action, ARG may be required to cease conduct of a particular regulated business or modify the way in which it is conducted. Agreements made in contravention of relevant regulations may be unenforceable against the customer or borrower respectively.

In addition, the insurance industry in the United Kingdom and Europe has over the past few years been, and will in the future be, subject to increased scrutiny by regulatory bodies. It can be expected that further reviews and changes to applicable laws and regulations will occur in the future, whether as a result of this scrutiny or otherwise, which may affect the conduct of ARG's business.

The OFT default charges investigation.

The OFT Statement of Principles states that contractual terms imposed by store card issuers, which require a consumer to pay more on default than a court would order them to pay if they were sued for breach of contract would be unfair. The OFT has indicated that they expect card issuers to re-calculate their default charges in line with its published guidelines. The OFT Statement of Principles indicates that default charges in excess of £12 will be considered to be unfair unless there are exceptional business factors, and a number of competitors' initial responses have been to reduce their level of default charge fees. The guidelines, and any responses to the guidelines, are expected to have an adverse affect on ARG's operating results and could have an adverse effect on ARG's business, reputation and/or financial condition.

There may be changes in data protection legislation, judicial Interpretations or the consumer environment which may affect the regulations to which ARG is subject.

ARG uses a number of databases for various purposes, including direct marketing. Concerns about individual privacy and the collection, distribution and use of information about individuals have led to substantial government regulation of the direct marketing industry.

ARG's business and activities and the information it uses in its business and activities are therefore subject to a variety of government regulations, including, but not limited to, the EU Directive on the protection of individuals with regard to the processing of personal data and the protection of privacy in the electronic communications sector, the UK Data Protection Act 1998 and the UK Privacy and Electronic Communications (EC Directive) Regulations 2003. In addition, as ARG conducts its business in Ireland and other parts of the world, it is subject to the relevant laws and regulations of those countries and the risks associated with ARG's compliance with those laws and regulations.

Any of these laws and regulations are subject to revision and ARG cannot predict the impact of legislative or regulatory changes on ARG's business. Consumer attitudes towards restrictions on information collection and use could influence unfavourable legislation. Any changes to the existing applicable laws and regulations or any determination that other laws and regulations are applicable to ARG could increase its costs or impede its ability to market directly to customers and potential customers, which could adversely affect ARG's business, reputation, financial condition and operating results.

ARG may be adversely affected by complaints, adverse publicity or litigation in relation to its products.

ARG may be adversely affected by complaints and litigation from customers or regulatory authorities resulting from product quality, illness, injury or other safety concerns or other issues stemming from one or more products, their packaging or advertising. ARG requires its product suppliers to satisfy certain standards regarding the quality and specification of its products. However, in the event of a product liability claim or product recall being required in circumstances where the financial consequences are not satisfied by a supplier it may have a material adverse effect on the financial performance of ARG. Any litigation or complaints and any adverse publicity surrounding such allegations and/or actions could materially adversely affect ARG's business, reputation, financial condition and/or operating results. ARG may also experience reduced demand for its products as a result of negative publicity surrounding the retail sector in general or in relation to products sold by other retailers.

ARG could fail to protect adequately its valuable intellectual property rights. ARG could face claims for infringement of intellectual property belonging to others.

ARG relies on a combination of trade marks, design rights, copyrights, patents and contractual restrictions to protect its brands, designs, inventions and trade secrets. The protection provided by these intellectual property rights and contractual restrictions is limited and varies between the UK, the Republic of Ireland and other countries. There can be no guarantee that current or future applications for registered intellectual property rights will be granted or that ARG's intellectual property rights and contractual provisions will be adequate to prevent the misappropriation, infringement or other unauthorised use of ARG's intellectual property by third parties. There is also a risk that ARG is infringing, or may in the future infringe, the intellectual property rights of third parties. In either case, litigation may be necessary which could result in substantial costs to, and the diversion of efforts by ARG, with no guarantee of success. ARG could have the validity or its ownership of its rights challenged and it may lose them. ARG could be liable to pay damages, and, subject to obtaining a licence of relevant third party rights or designing around such rights on a timely and cost effective basis, it may be prevented from using its brands, supplying its products and services and operating its business generally. This could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

1.2 Risks relating to the market

ARG's performance could be adversely affected by poor economic conditions.

ARG derives a substantial proportion of its profits from the UK and a material proportion from the Republic of Ireland and is therefore sensitive to fluctuations in the UK and Irish economies. A downturn in the UK and/or Irish economy or an increase in interest rates in either country, may adversely affect the financial performance of ARG because it could, among other things, affect consumer spending, house price growth and sales, which, in turn, could impact consumer spending on retail products, DIY repairs and home enhancement. In addition, to the extent that a downturn may lead to reduced sales and a resulting decrease in cash from operations, ARG's ability to service its debts, manage its fixed cost base, or implement its store investment and growth strategies, could be impaired.

ARG's results of operations and financial performance could be materially adversely affected by a change in consumer preferences, perception and/or spending.

The retail industry is subject to changes in consumer preferences, perceptions and spending habits. ARG's performance depends on factors which may affect the level and patterns of consumer spending in the UK. Such factors include consumer preferences, consumer confidence, consumer incomes and consumer perceptions of the quality of certain products. A general decline in purchases of ARG's products could occur as a result of a change in consumer preferences, perceptions and spending habits at any time and future success will depend partly on the ability of ARG to anticipate or adapt to such changes and to offer, on a timely basis, new products that meet consumer preferences. Such changes, and a failure to adapt ARG's offering to respond thereto, may result in reduced demand and lower prices for ARG's products, a decline in the market share of ARG's products, limitations on ARG's ability to increase prices and increased levels of selling and promotional expenses. Any changes in consumer preferences could result in lower sales of ARG's products or put pressure on pricing, and could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

ARG's failure to compete effectively in the highly competitive markets in which it operates.

The UK retail market is highly competitive. ARG's Argos stores compete with a variety of other retail merchandisers, large and medium-sized specialist chains, general retailers such as department stores and electrical goods stores. It also competes with a variety of other retailers, such as supermarkets, discount retailers, mail order retailers and Internet retailers, some of whom, such as Tesco and Wal-Mart are actively looking to expand their product offerings and channels to market into Argos' traditional markets. ARG's Homebase stores primarily compete with DIY retailers with large format stores, such as B&Q, Focus and Wickes, and a large number of home enhancement stores, such as Ikea and MFI. Certain of ARG's competitors in each of these markets have large retail networks, some with non-UK operations, and may have greater financial, marketing and other resources or lower cost bases than ARG. These competitors may adopt more aggressive pricing policies, undertake more extensive marketing advertising campaigns or successfully replicate ARG's business model. This may have a negative impact on the future financial performance of ARG.

In order to effectively compete ARG must: anticipate and/or quickly respond to changing consumer preferences or factors affecting consumer spending or behaviour; continue to maintain positive brand recognition whilst effectively marketing its products across a broad range of markets and to a broad range of customers; continue to effectively manage its fixed cost base; and continue to efficiently source its products and manage its supply chain to competitively price its products.

Failure to compete on these bases could materially adversely affect ARG's business, reputation, financial condition and/or operating results. Furthermore, there can be no assurance that ARG will be able to maintain its market shares in its product markets and channels to market as a result of such competition.

Changes in fiscal and/or employment policy.

ARG cannot predict the impact of future changes in UK fiscal policy on its business nor can it predict the impact of future changes in fiscal policy on the attractiveness of its financial services offerings. Amendments to existing legislation (particularly if there is an increase in tax rates or a withdrawal of any tax relief) or the introduction of new rules may impact upon the decisions of either existing or potential customers. Changes from time to time in the interpretation of existing tax laws, amendments to existing tax rates, or the introduction of new tax legislation could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

ARG is dependent upon an available labour pool of employees, many of whom are hourly employees whose pay is subject to the UK national minimum wage. Past increases in the minimum wage have increased ARG's labour costs. In addition, under the UK National Insurance Contributions and Statutory Payments Act 2004, employers must contribute to the National Insurance payments on behalf of each employee earning above a designated threshold. An increase in the wages or employers' mandatory National Insurance contributions will increase the amount ARG contributes on behalf of its employees. Any increases in labour costs could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

ARG's products are supplied from a number of overseas markets, and may be affected by a change in government or government policy in respect of, or which impacts, these products.

ARG sources a significant proportion of its products from overseas either: directly sourcing from product suppliers in Asia via ARG's subsidiary, ARG Asia; through direct import agents; or divisions of overseas suppliers. There are political risks associated with such supply and a change in policy (such as the imposition of import and/or export quotas or import and/or export tariffs) of the UK government, the European Union and/or the government of the market of the product supplier could materially adversely affect ARG's business, reputation, financial condition and/or operating results.

The implementation of current and proposed European legislation relating to the environmental impact of ARG's products.

From July 2006, the RoHS Directive bans electrical and electronic equipment ("**EEE**") containing more than agreed levels of hazardous substances. ARG is responsible for ensuring that the goods it imports are compliant with the RoHS Directive and may incur costs arising from loss of sales and disposal where such goods are not compliant.

The WEEE Directive is expected to be implemented in the UK in late 2006/early 2007. The Republic of Ireland has already implemented the WEEE Directive. As an importer and producer of EEE, ARG will be required to take responsibility for the environmental impact of its imported and own-brand products and a proportion of historic household EEE when they become waste which will involve financial obligations in respect of safe recovery and recycling of any residue. As a retailer of EEE in the UK, ARG will come under an obligation either to allow customers to return waste EEE free of charge on the sale of a new item (in-store take back) or join an approved retail compliance scheme. In the Republic of Ireland, 'in-store take back' is the only option available. ARG anticipates that certain collection facilities for EEE may be located on its property and that it will be required to comply with various regulatory requirements and a code of practice with respect to its responsibilities for collecting and recycling of EEE.

EU law on packaging and packaging waste was implemented in the UK in the mid-1990s with the aim of reducing the impact of packaging and packaging waste on the environment. The legislation has since been updated to include new recovery and recycling targets to be met by 31 December 2008 pursuant to which the UK must recover 60% of all packaging waste. ARG companies which generate packaging waste (Argos and Homebase) participate in registered compliance schemes in the UK and the Republic of Ireland, which are responsible for meeting ARG's recovery and recycling targets. ARG anticipates that current costs of compliance will increase with the introduction of the new targets.

1.3 Risks relating to the ARG Shares

There has been no prior public market for the ARG Shares and an active public market for the ARG Shares may not develop or be sustained.

Prior to the Demerger, there will have been no public trading market for the ARG Shares. Although GUS is currently listed and ARG Holdings will apply for Admission, the Directors can give no assurance that an active trading market for the ARG Shares will develop or, if it develops, will be sustained. If an active trading market does not develop or is not maintained, the liquidity and trading price of the ARG Shares could be adversely affected and investors may have difficulty selling their ARG Shares.

The share prices of publicly traded companies can be highly volatile.

The price of publicly traded shares is subject to volatility and particularly for a period of time following Admission. The market price of ARG Shares and the price which investors may realise for their ARG Shares could be subject to significant fluctuations due to a variety of factors, including, amongst other things, actual or anticipated fluctuations in the operating performance of ARG, announcements of product offerings by existing and future competitors, regulatory changes or changes in financial estimates by securities analysts, as well as stock market fluctuations and general economic conditions unrelated to ARG's actual performance or conditions in its key markets. Investors may not be able to resell their ARG Shares at or above the price at which ARG Holdings is admitted to trading on the London Stock Exchange's market for listed securities.

Future sales of ARG Shares in the public market could cause the share price to fall.

The Directors are unable to predict whether substantial amounts of the ARG Shares will be sold in the open market following Admission. Sales of a substantial number of the ARG Shares in the public market after Admission, or the perception that these sales might occur, could depress the market price of the ARG Shares and could impair ARG's ability to raise capital through the sale of additional equity securities.

As a holding company, ARG Holdings' ability to pay dividends will depend upon the level of distributable reserves and the level of cash balances.

The payment of dividends by ARG Holdings is subject to ARG Holdings having sufficient distributable reserves for such purposes following the ARG Reduction of Capital and after the receipt of amounts from its subsidiaries.

Any dividend payments will be in pounds sterling and any investor whose principal currency is not pounds sterling will be subject to exchange rate fluctuations.

The ARG Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in the ARG Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of sterling in relation to such foreign currency will reduce the value of the investment in the ARG Shares or any dividends in foreign currency terms and any appreciation of sterling will increase the value in foreign currency terms.

The rights of holders of ARG Shares are governed by English law and US Holders may not be able to exercise pre-emptive rights.

If the share capital of ARG Holdings is increased and new shares are issued for cash, existing shareholders are entitled to pre-emptive rights in respect of those shares unless waived by a shareholders' resolution. If ARG Holdings allots ARG Shares for cash in the future, even in circumstances where pre-emptive rights are not waived, holders of ARG Shares outside the UK may not be able to exercise their pre-emptive rights for ARG Shares unless ARG Holdings decides to comply with applicable local laws and regulations. US Holders would not be able to exercise their pre-emptive rights to the new ARG Shares unless an effective registration statement was in place or an exemption from the registration requirements of the US Securities Act was available. There can be no assurance that ARG Holdings will file any such registration statement, or that an exemption to the registration requirements of the US Securities Act will be available, which would result in the US Holders being unable to exercise their pre-emptive rights.

The rights afforded to ARG Shareholders will be governed by English law and by ARG Holdings' constitutional documents and these rights differ in certain respects from the rights of shareholders in typical US corporations. In particular, English law significantly limits the circumstances under which shareholders of English companies may bring derivative actions, and, in most cases, only the corporation can bring an action in respect of wrongful acts committed against it. Neither an individual shareholder nor any group of shareholders has any right of action in such circumstances. In addition, English law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders of a US corporation.

2 Risks relating to Experian

Prior to voting on the Proposals, GUS Shareholders should carefully consider the risk factors relating to Experian's business, the industry it operates in together with all other information contained in this document. Additional risks and uncertainties not presently known to GUS or that GUS currently believes to be immaterial may also have a material adverse effect on Experian's financial condition or business success. If any, or a combination, of these risks actually occurs, Experian's business, reputation, financial condition and/or operating results could be adversely affected. If this occurs, the price of the GUS Shares, or after Admission the price of the Experian Shares, may decline and shareholders could lose all or part of their investment.

2.1 Risks relating to Experian's business

Experian could lose its access to credit and other data from external sources which could prevent Experian from providing its products and services.

Experian relies upon data from external sources, including data received from customers, strategic partners, and various government and public record services. Experian's data sources could withdraw their data for a variety of reasons, and Experian could also become subject to legislative or judicial restrictions on the use of such data, in particular if such data is not collected by the third parties in a way which allows Experian to legally use and/or process the data. Experian does compete with several of its third party data providers. If a substantial number of data sources, or certain key sources were to withdraw or be unable to provide their data, or if Experian were to lose access to data due to government regulation or if the collection of data became uneconomical, Experian's ability to provide products and services to its clients could be impacted, which could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

There could be security breaches of Experian's systems and processes.

Experian's business requires the appropriate use and protection of consumer and other sensitive information. Electronic commerce, including that which is Internet based, requires the secure transmission of confidential information over public networks and several of Experian's systems are accessed through the Internet. Despite the security measures Experian has taken and continues to take, its systems and processes may be vulnerable to physical break-ins, attacks by hackers and other disruptive problems. Experian takes active steps to utilise appropriate technical and organisational security measures in relation to its data and information technology. However, there can be no assurance that these would keep pace with rapidly changing technology in the products that it uses to ensure the security of information and this could increase the risk of a security breach. Experian's partners or third party contractors may also experience security breaches involving the storage and transmission of proprietary information. If someone gains unauthorised access to Experian's data, they may be able to steal, publish, delete or modify confidential information that is stored or transmitted on the networks. Security or privacy breaches may:

- deter data suppliers from supplying data to Experian;
- harm Experian's reputation;
- expose Experian to liability;
- require Experian to take remedial action, which may involve significant investment and changes to Experian's current operating practices;
- increase operating expenses required to correct problems caused by the breach;
- affect Experian's ability to meet customers' expectations;
- deter customers from using Experian's products and services;
- result in Experian being in breach of certain data protection and related legislation; or
- cause inquiry from governmental authorities.

If security is breached, this could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

Experian's information has been and could in the future be misappropriated or misused.

As with other participants in the industries in which Experian and its businesses operate, from time to time, confidential information that it maintains has been subject to misappropriation, theft and deliberate or unintentional misuse by current or former employees, third party contractors or other parties who have had permitted access to such information. Any such misappropriation and/or misuse of Experian's information could result in Experian, among other things, being in breach of certain data protection and related legislation. Experian maintains strict policies and training programmes to educate its employees and mitigate against the likelihood of any such misappropriation, theft or misuse from occurring and pursues enforcement actions against those parties who are discovered or alleged to have engaged in such misconduct. Experian expects that it will need to continue to closely monitor the accessibility to and use of confidential information in its business, educate its employees and third party contractors about the risks and consequences of any misuse of confidential information and, to the extent necessary, pursue legal or other remedies to enforce its policies and deter future misuse.

Experian could experience systems failures delaying the delivery of its services or products to its customers.

Experian's ability to provide reliable service in a number of its businesses depends on the efficient and uninterrupted operation of its information technology and data centres. Such dependency exposes Experian to risk in the event that its technology or systems experience any form of damage, interruption or failure. Experian's systems and operations could be exposed to, amongst other things, damage or interruption from telecommunications failure, unauthorised entry and malicious computer code, fire, natural disaster, power loss, industrial action, and acts of war or terrorism. In the event of such an incident, the systems or processes may not deliver the data quality required and relied upon by Experian or its customers. Although Experian has taken precautions to prevent a systems failure, including business continuity and disaster recovery plans and systems, there can be no assurance that these would be successful in preventing an interruption to the operations and system of Experian and Experian's property and business interruption insurance may not be adequate to compensate for all losses or failures, including damage to reputation that may occur. There was one instance of a malicious attack on the system of one of the Experian businesses in 2005 which resulted in the operations of that business being disrupted for several days, but which did not result in any data being lost or compromised. Any significant failures and interruptions could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

In addition, Experian internally supports and maintains many of its computer systems. Failure to monitor or maintain these systems or, if necessary, to find a replacement for the relevant technology in a timely and cost-effective manner, could have a material adverse effect on Experian's ability to conduct its operations.

Experian's products and services could become less competitive or obsolete if it fails to keep pace with rapidly changing technology.

The markets for Experian's products and services are characterised by technological changes, frequent introductions of new services and products and evolving industry standards. Advances in technology may result in changing customer preferences for products and services and delivery formats and any such change in preferences may be rapid. Clients may choose to move or develop equivalent services in-house. If Experian fails to enhance its current products and develop new products in response to changes in technology, industry standards or customer preferences, Experian's products and services could rapidly become less competitive or obsolete. Experian could experience delays while developing and introducing new products and product enhancements, due to difficulties developing models, acquiring data or adapting to particular operating environments. Software errors or other defect errors in Experian's products could affect the ability of its products to work with other hardware or software products, could delay the development or release of new products or new versions of products and could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

Experian may face increased competition from stronger competitors.

The size of Experian's competitors varies and Experian's competitive position in those markets depends upon the relative strength of competitors in each market. The resources that Experian allocates to the various markets differ and certain competitors may allocate greater resources to a particular market segment than Experian does. As a result, Experian's competitors may be in a better position to anticipate and respond to new or changing customer requirements, emerging technologies and market trends, or introduce new products and services and pricing strategies that directly compete with Experian's. In addition, new competitors and alliances amongst Experian's current competitors may emerge and this may potentially reduce its market share, revenue, or margins.

Experian could fail to protect adequately its valuable intellectual property rights.

Experian's success and ability to compete effectively depends in part upon the protection of its technologies, products, services and brands through intellectual property rights, including patents, copyrights, database rights, trade secrets and trade marks. The extent to which such intellectual property rights can be obtained and enforced varies between jurisdictions.

In particular, Experian seeks patent protection for its inventions, such as business systems and methods, in jurisdictions where such protection is available and where Experian considers it appropriate. There has been considerable doubt over the patentability of and the extent of protection for such inventions over recent years. No assurance can be given that Experian will develop technologies and products which are patentable or that any pending or future patent application will be granted. Experian also enters into agreements concerning intellectual property rights, including assignments, confidentiality agreements, intellectual property licences and other agreements, as it deems appropriate, with its employees, consultants and business and technology partners to control the ownership, use, access to and distribution of its technologies and proprietary information.

Despite these efforts, Experian cannot be certain that the steps taken to prevent unauthorised use of its intellectual property rights are sufficient to prevent misappropriation of its technologies, products or services. In addition, Experian may not be able to adequately enforce its intellectual property and contractual rights. In those circumstances, litigation may be necessary, which could result in substantial costs to, and diversion of efforts by, Experian with no guarantee of success. In addition, Experian could have the validity or its ownership of those intellectual property rights challenged and such challenges could succeed. A failure to adequately maintain and enforce such rights may affect Experian's ability to commercialise its technologies, products and services. There can be no assurance that competitors have not developed or will not develop equivalents to Experian's technologies, products or services, or have not designed or will not be able to design around Experian's intellectual property rights. The occurrence of these events could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

See Part X: "Experian Business Overview" and Part XIX: "Additional Information" of this document for details of certain intellectual property disputes.

Experian faces and could continue to face claims for intellectual property infringement.

There have been substantial litigation and other proceedings, particularly in the United States, regarding patent and other intellectual property rights in the information technology industry. There is a risk that Experian is infringing, or may in the future infringe, the intellectual property rights of third parties. Experian monitors third party patents and patent applications that may be relevant to its technologies and products and carries out freedom to operate analyses where it deems appropriate. However, such monitoring and analysis has not been, and is unlikely in the future to be, comprehensive, and it may not be possible to detect all potentially relevant patents and patent applications. Since the patent application process can take several years to complete, there may be currently pending applications, unknown to Experian, that may later result in issued patents that cover its products and technologies. As a result, Experian may infringe existing and future third party patents of which it is not aware. If Experian expands its operations there is a higher risk that such activity could infringe the intellectual property rights of third parties.

Third party intellectual property infringement claims and any resultant litigation against Experian or its technology partners or providers, could subject Experian to liability for damages, restrict Experian from using and providing its technologies, products and services or operating its business generally, or require changes to be made to its technologies, products and services. Even if Experian prevails, litigation is time consuming and expensive to defend and would result in the diversion of management's time and attention.

If a successful claim of infringement is brought against Experian and it fails to develop non-infringing technologies, products and services or to obtain licences on a timely and cost effective basis this could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

See Part X: "Experian Business Overview" and Part XIX: "Additional Information" of this document for details of certain intellectual property disputes.

Acquisitions may not meet expectations.

Experian's business strategy includes growth through the acquisition of complementary businesses, products and services. This strategy is dependent upon the ability to find suitable acquisitions, the ability to finance them on terms that are acceptable to Experian, and the absence of regulatory restrictions preventing the acquisition. Such acquisitions may require Experian to obtain additional equity or debt financing, which may not be available on favourable terms or at all. If Experian is unable to acquire suitable complementary businesses, products and services, it may experience slower growth.

There can be no assurance that Experian will be effective in identifying or making acquisitions or in forging alliances. The complementary businesses, products and services acquired by Experian may fail to meet performance expectations including:

- the anticipated benefit of such acquisitions may not be achieved;
- the possibility that Experian could pay more than the acquired companies or assets are worth;
- unexpected liabilities arising out of the acquired businesses;
- the integration of the new systems, operations and personnel could be more difficult than anticipated and could distract management from Experian's ongoing business;
- Experian's ongoing business could be disrupted;
- key employees and customers could be lost as a result of any integration; and
- the markets in which acquired businesses operate may adversely change and could result in Experian deciding to withdraw from such markets, as has been the case with MetaReward.

Experian's international operations subject its business to additional complexities.

Experian conducts business in parts of the world with higher risk profiles. As part of Experian's growth strategy, it plans to continue to pursue international opportunities, and its international business subjects it to a variety of complexities raising a variety of risks including:

- political and economic instability;
- greater information security risk profiles;
- unexpected changes in regulatory requirements and policy and the adoption of laws detrimental to operations, such as legislation relating to the collection and use of personal data or the adoption of laws, regulations, or treaties governing the use by Experian of encryption-related software;
- negative impact of currency exchange rate fluctuations;
- reduced protection for intellectual property rights;
- the costs and difficulties of managing operations and strategic partnerships; and
- increased restrictions on the repatriation of earnings.

Experian is exposed to interest rate risk.

A substantial part of Experian's borrowing costs are subject to fluctuations in the level of interest rates, which could materially adversely affect Experian's business, financial condition and/or operating results. Further details of Experian's banking facilities are set out in paragraph 41 of Part XIX: "Additional Information" of this document.

Experian is dependent upon highly skilled personnel.

Experian is dependent upon the principal members of its senior management and other critical staff. Loss of its senior management and key staff could have an adverse effect on the business and might slow the achievement of important business goals. Experian's future success will depend partly on its ability to attract and retain top quality management and key staff. The labour market for these individuals is competitive for the particular skills and experience Experian needs and it may not be able to find the necessary staff with the necessary skills and experience, particularly in new markets in which Experian would like to expand. If Experian is unable to find appropriate staff, this could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

The outcome of litigation or regulatory proceedings in which Experian is involved could be adverse.

Experian is continuously involved in various legal proceedings that arise during the course of business. These include individual consumer cases, class-action lawsuits, particularly in the US, and actions brought by regulators. While Experian does not have reason to believe that the outcome of any such pending or threatened litigation will have a material adverse effect on its financial position, litigation is essentially unpredictable and there is the possibility of rulings against Experian that could be material. In the future, Experian could incur judgements or enter into settlements of claims that could materially adversely affect Experian's business, reputation, financial condition and/or operating results. Experian's insurance arrangements may be insufficient to cover an adverse judgment in a large class action lawsuit. See Part XIX: "Additional Information" of this document for a description of ongoing litigation and regulatory proceedings involving Experian.

Agreements with key long-term customers may not be renewed.

Experian has relationships, many of which are long term, with a number of large customers. Although Experian is confident that the quality of products and services provided to those customers should continue to make those relationships successful, there is no assurance of that. These relationships (and underlying agreements) could be lost for a variety of reasons including but not limited to Experian's products and services not meeting customer expectations, market competition, customer requirements, and the consolidation of customers through mergers or acquisitions, as was the case for Experian's Management Systems business upon Bank of America's acquisition of MBNA. A loss of a significant number of major customers could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

Tax provisions made by GUS may turn out to be insufficient.

The policy of the GUS Group has been to organise its affairs with a view to managing and mitigating its exposure to taxation in the various jurisdictions in which the Group operates. Following the Demerger, Experian will remain susceptible to possible changes of law or to possible challenges from tax authorities under existing law, which may result in a material adverse effect on the amount of tax payable by Experian as regards past and future periods. As regards past periods, the GUS Group, both as regards ARG and Experian, has made what it considers to be a prudent tax provision on the basis of current law. It is possible that the provision may turn out to be insufficient and this could materially adversely affect Experian's financial condition. See Part XI: "Experian Operating and Financial Review" of this document for further discussion of this issue.

2.2 Industry-related risks

There may be changes in legislation, judicial interpretations or the consumer environment which may affect the regulations to which Experian is subject.

Concerns about individual privacy and the collection, distribution and use of information about individuals have led to substantial government regulation of the credit reporting industry, as well as regulation of the direct marketing industry.

The information and personal data stored on Experian's databases are key to Experian's business and activities. This information and personal data is subject to a variety of government regulations, including, but not limited to, the EU Directive on the protection of individuals with regard to the processing of personal data and the free movement of such data, the EU Directive on the processing of personal data and the protection of privacy in the electronic communications sector, the UK Data Protection Act 1998, the UK Privacy and Electronic Communications (EC Directive) Regulations 2003, the US Fair Credit Reporting Act (as amended by the US Fair and Accurate Credit Transactions Act), US Gramm-Leach-Bliley Act, the US Health Insurance Portability and Accountability Act, US Drivers' Privacy Protection Act and the Controlling the Assault of Non-Solicited Pornography and Marketing Act. In addition, as Experian conducts its business in emerging markets and other parts of the world, it becomes subject to the laws and regulations of those countries and the risks associated with Experian's compliance with those laws and regulations.

Any of these laws and regulations are subject to revision and the Directors cannot predict the impact of legislative or regulatory changes on Experian's business. Consumer attitudes toward restrictions on information collection and use could influence unfavourable legislation. Any changes to the existing applicable laws and regulations or any determination that other laws and regulations are applicable to Experian could increase its costs, limit demand for its services, or impede its ability to provide its services to its customers, which could adversely affect Experian's business, reputation, financial condition and/or operating results. In particular, and in addition to incurring compliance costs, changes to data protection or data privacy legislation may create significant business interruption risks if Experian is no longer able to use customer data in the same way as it previously has.

There could be a downturn in general economic conditions.

A significant portion of Experian's revenue is derived from the provision of credit information in connection with the supply of consumer credit. Consumer demand for credit tends to grow more slowly or decline during periods of economic contraction or slow economic growth. Rising rates of interest may reduce consumer demand for credit which could reduce consumer's demand for credit information. A general economic downturn could result in a reduced demand for Experian's products and services. Revenues are dependent to a certain extent upon general economic conditions and upon conditions in the industries served by it. A downturn in the consumer credit, the financial services or the insurance industry, including a downturn caused by increases in interest rates or a tightening of credit, among other factors, could materially adversely affect Experian's business, reputation, financial condition and/or operating results.

There may be consolidation in Experian's end client market.

Mergers or consolidations amongst Experian's clients could reduce the number of its clients and potential clients. This could adversely affect its revenues even if these events do not reduce the aggregate number of clients or the activities of the consolidated entities. If Experian's clients merge with or are acquired by other entities that are not its clients, or that use fewer of its services, they may discontinue or reduce their use of Experian's services, as MBNA did when it was acquired by Bank of America. The adverse effects of consolidation will be greater in sectors that Experian is particularly dependent upon, for example, consolidation in the financial services sector. Any of these developments could materially adversely affect Experian's business, financial condition and/or operating results.

2.3 Risks relating to the Experian Shares

There has been no prior market for the Experian Shares and an active public market for the Experian Shares may not develop or be sustained.

Prior to the Demerger, there will have been no public trading market for the Experian Shares. Although GUS is currently listed and Experian Group will apply for Admission, the Directors can give no assurance that an active trading market for the Experian Shares will develop or, if it develops, will be sustained following Admission and/or the closing of the Experian Offer. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Experian Shares could be adversely affected and investors may have difficulty selling their Experian Shares. The Offer Price, which may bear no relationship to the price at which Experian Shares will trade upon Admission and completion of the Experian Offer, will be agreed between Experian Group, Merrill Lynch and UBS based upon factors that may not be indicative of future market performance. See Part XIV: "Details of the Experian Offer" of this document for a description of the Experian Offer.

The share prices of publicly traded companies can be highly volatile.

The share prices of publicly traded companies can be highly volatile. The price at which the Experian Shares may be quoted and the price which investors may realise for their Experian Shares will be influenced by a large number of factors, some specific to Experian and its operations and some which may affect the information solutions industry and/or business services industry as a whole or quoted companies generally. These factors could include Experian's financial performance, development programmes, large purchases or sales of shares, legislative or regulatory changes in the information solutions industry and general economic conditions. Investors may not be able to sell their Experian Shares at or above the Offer Price.

Experian's operating results may fluctuate and be difficult to predict, and if they fail to meet the expectations of securities or investors, the market price of its shares may decline significantly.

Experian's quarterly operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside its control. Since Experian's operating results may fluctuate and be difficult to predict, its management believes that quarter-to-quarter comparisons of Experian's operating results do not necessarily provide a good indication of Experian's future performance. In addition, if Experian's operating results fall below the expectations of securities analysts or investors, the trading price of the Experian Shares may decline rapidly and significantly.

Future sales of Experian Shares in the public market could cause the share price to fall.

The Directors are unable to predict whether substantial amounts of the Experian Shares, in addition to those which will be available in the Experian Offer, will be sold in the open market following Admission. Sales of a substantial number of the Experian Shares in the public market after Admission, or the perception that these sales might occur, could depress the market price of the Experian Shares and could impair Experian's ability to raise capital through the sale of additional equity securities.

As a holding company, Experian Group's ability to pay dividends will depend upon the level of distributions, if any, received from its operating subsidiaries and the level of cash balances.

The payment of dividends by Experian Group is subject to Experian Group having sufficient distributable reserves for such purposes following the Experian Reduction of Capital and after the receipt of amounts from its subsidiaries.

The ability of Experian Shareholders to receive UK sourced dividends will depend upon the level of distributable reserves and the level of cash balances.

The payment of dividends under the income access share arrangements may be suspended or terminated at any time and for any reason by Experian and is subject to GUS having sufficient distributable reserves for such purposes after the receipt of amounts from its subsidiaries. If dividends are not received via the IAS arrangements then they will be Irish-sourced and will be subject to Irish withholding tax rules.

Any dividend payments will be announced in US Dollars and any investor whose principal currency is not US Dollars will be subject to exchange rate fluctuations.

The Experian Shares are, and any dividends to be announced in respect of them will be, denominated in US Dollars. An investment in the Experian Shares by an investor whose principal currency is not US Dollars exposes the investor to currency exchange rate risk which may impact the value of the investment in the Experian Shares or any dividends.

Holders of Experian Shares in the US may not be able to participate in future equity offerings and their rights as shareholders will be governed by Jersey law.

Experian Group's constitutional documents provide for pre-emptive rights to be granted to its existing shareholders, unless such rights are disapplied by shareholder resolution; however, US shareholders may not be entitled to exercise these rights unless the rights and the Experian Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. The Directors cannot at this point predict whether Experian Group would seek such registration and Experian Group would evaluate, at the time of any rights offering, the costs and potential liabilities associated with registration or qualifying for an exemption, as well as the indirect benefits to Experian of enabling US shareholders to exercise rights and any other factors Experian Group considers appropriate at that time, prior to making a decision whether to file a registration statement with the US Securities Exchange Commission or utilise an exemption from the registration requirements of the Securities Act.

The rights afforded to Experian Shareholders will be governed by Jersey law and by Experian Group's constitutional documents and these rights differ in certain respects from the rights of shareholders in typical US corporations. In particular, Jersey law significantly limits the circumstances under which shareholders of companies may bring derivative actions, and, in most cases, only the corporation can bring an action in respect of any wrongful act committed against it. Neither an individual shareholder nor any group of shareholders has any right of action in such circumstances. In addition, Jersey law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders of a US corporation.

Holdings of Experian Shares by US persons will be limited.

The Experian Articles are expected to contain a limitation on the holding of Experian Shares by US persons (subject to certain exemptions) in order to avoid SEC registration requirements and a provision pursuant to which such persons may be forced to sell their Experian Shares if such limitation is exceeded. Such sales will occur at the prevailing market price for the Experian Shares on the London Stock Exchange and the proceeds of sale (less any applicable fees, expenses or withholding taxes) will be remitted in pounds sterling. It may be possible that the sale of such Experian Shares may result in an investment loss for such holders depending on the prevailing market price of the Experian Shares at the time of sale or may result in capital gains or other taxes becoming payable by the former holder of such Experian Shares.

3 Risks relating to the Demerger

Prior to voting on the Demerger, GUS Shareholders should carefully consider the risk factors relating to the Demerger together with all other information contained in this document. Additional risks and uncertainties not presently known to GUS or that GUS currently believes to be immaterial may also have a material adverse effect on GUS' financial condition or business success. If any, or a combination, of these risks actually occurs, GUS' business, reputation, financial condition and/or operating results could be adversely affected. If this occurs, the price of the GUS Shares, Experian Shares and/or ARG Shares may decline and shareholders could lose all or part of their investment.

The Scheme and the Demerger are not inter-conditional.

Although it is expected that the Proposals will be implemented in full, as the Scheme and each of the Reductions of Capital described in Part III: "Explanatory Statement" of this document require different court approvals which cannot be inter-conditional, it is possible that the Demerger will not be implemented despite Experian Group becoming the new holding company of the Group. If that happens, GUS Shareholders will receive unlisted Experian Shares and will not receive ARG Shares. In such circumstances the Experian Board will seek the Admission of the Experian Shares. This would require a new application for Admission and the production of a prospectus for Experian Group as the holding company of the entire GUS Group and would take a number of weeks.

The Scheme and the Demerger may not take place before the longstop date.

If the Scheme has not become effective by 31 December 2006 (or such later date as GUS, Experian Group, Hampden Group, ARG (UK) Limited and ARG Holdings may agree and the Court may allow), it will lapse and none of the Proposals will proceed. If the Demerger has not occurred by that date, it will not proceed.

If Admission does not occur GUS Shareholders will receive unlisted shares.

Neither the Scheme nor the Demerger are conditional on Admission. Although application will be made for Admission it is possible that the Scheme will become effective but that Admission does not occur or that the Scheme and the Demerger will become effective but that Admission does not occur. In such circumstances GUS Shareholders will receive unlisted Experian Shares (and unlisted ARG Shares if the Demerger takes place).

The ARG Reduction of Capital may not occur.

The ARG Reduction of Capital to reduce the capital of ARG Holdings and create distributable reserves for ARG Holdings is expected to occur after Admission. It is possible that the Scheme and Demerger take place and Admission occurs but that the ARG Reduction of Capital does not occur. In such circumstances, shareholders will still receive ARG Shares and Experian Shares pursuant to the Proposals but distributable reserves will not be created within ARG Holdings as described in Part III: "Explanatory Statement" of this document.

The Experian Offer may not take place.

Although it is expected that it will take place, the Experian Offer is subject to a number of conditions and may not take place at all or may raise less than £800 million regardless of whether the Scheme and the Demerger become effective.