Part V: Operating and Financial Review and Prospects

The following discussion should be read in conjunction with Experian's Selected Combined Financial Information and Experian's Combined Financial Information set out in Part VI: "Financial Information (IFRS)" and Part VII: "Financial Information (UK GAAP)". Experian's audited Combined Financial Information for the year ended 31 March 2006 has been prepared on the basis of IFRS. Experian's audited Combined Financial Information as of and for the year ended 31 March 2005 has been prepared on the basis of IFRS and UK GAAP. Experian's audited Combined Financial Information as of and for the year ended 31 March 2004 has been prepared on the basis of UK GAAP. A reconciliation of the differences between IFRS and UK GAAP as applied to Experian's operating profit, profit before tax and profit for the financial year is set out in note 32 to Experian's audited Combined Financial Information under IFRS as of and for the year ended 31 March 2005. A description of certain differences between UK GAAP and US GAAP and IFRS and US GAAP is summarised in Part IX: "Summary of Certain Differences between UK GAAP and US GAAP and IFRS and US GAAP". Comparisons between the years ended 31 March 2006 and 2005 are based on financial information prepared in accordance with IFRS. Comparisons between the years ended 31 March 2005 and 2004 are based on financial information prepared in accordance with UK GAAP.

This Part V: "Operating and Financial Review and Prospects" contains unaudited operating information in relation to Experian's business, which is derived from management accounts for the relevant accounting periods presented and internal financial reporting systems supporting the preparation of financial statements.

This Part V "Operating and Financial Review and Prospects" contains forward-looking statements that involve risks and uncertainties. Experian's actual results may differ materially from the results discussed in the forward-looking statements as a result of certain factors, including those set out under Part II: "Risk Factors" and elsewhere in this document.

Overview

Experian is a global leader in providing information solutions to business clients and consumers. At the core of the Business are its comprehensive databases of credit and marketing information on consumers and businesses. Building on its foundation of data, Experian uses proprietary analytical tools to analyse and interpret the data and to help business clients to turn raw data into critical decisions in a timely and consistent manner. Experian's tools also help consumers make more informed financial and purchasing decisions more quickly. Experian's total revenue in the year ended 31 March 2006 was US$3,084 million, a US$567 million increase from the US$2,517 million achieved in the year ended 31 March 2005. Experian's total EBIT in the year ended 31 March 2006 was US$727 million, a US$160 million increase from the US$567 million achieved in the year ended 31 March 2005.

Geographic markets

Experian is managed on a geographic basis and the three key geographic segments are:

The Americas: For the year ended 31 March 2006, Experian's business in the Americas contributed US$1,804 million in revenue, representing 58% of Experian's total revenue, and US$479 million in EBIT (US$410 million from direct business and US$69 million from FARES), representing 66% of Experian's total EBIT. The Americas' direct business costs in arriving at EBIT were US$1,394 million in the year ended 31 March 2006. As a percentage of revenue, these costs were made up of labour (35%), customer acquisition and marketing costs (19%), data costs (6%), information technology costs (6%) and other costs, including facilities (11%). For the year ended 31 March 2006, Experian in the Americas employed an average of approximately 4,900 people.

UK and Ireland: For the year ended 31 March 2006, the UK and Ireland business contributed US$758 million in revenue, representing 25% of Experian's total revenue, and US$215 million in EBIT, representing 29% of Experian's total EBIT. Experian UK and Ireland's costs in arriving at EBIT were US$543 million in the year ended 31 March 2006. As a percentage of revenue, these costs were made up of labour (49%), customer acquisition and marketing costs (2%), data costs (4%), information technology costs (9%) and other costs, including facilities (8%). For the year ended 31 March 2006, Experian in the UK and Ireland employed an average of approximately 3,600 people.

EMEA/Asia-Pacific: For the year ended 31 March 2006, the EMEA/Asia-Pacific business contributed US$522 million in revenue, representing 17% of Experian's total revenue, and US$64 million in EBIT, representing 9% of Experian's total EBIT. Experian EMEA/Asia Pacific's costs in arriving at EBIT were US$458 million in the year ended 31 March 2006. As a percentage of revenue, these costs were made up of labour (58%), customer acquisition and marketing costs (1%), data costs (4%), information technology costs (9%) and other costs, including facilities (16%). For the year ended 31 March 2006, Experian in EMEA/Asia-Pacific employed an average of approximately 3,400 people.

Principal activities

Although its operations are managed on a geographic basis, Experian has four principal activities:

Credit Services: Credit Services acquires, processes and manages large and comprehensive databases containing the credit application and repayment histories of consumers and businesses. Proprietary technology is then used to organise and maintain this data. Experian uses proprietary search and match systems and application software to deliver a wide variety of credit reports and reporting services on both consumers and businesses to its clients. This helps Experian's clients to lend profitably to their customers, maximise revenue and minimise risk. Credit Services also operates transaction processing services, mainly in France, which help banks and other clients with their back office functions. Credit Services also includes Experian's real estate information joint venture called FARES and its automotive and insurance databases. Credit Services' revenue generation is primarily transaction related and is derived from sales pursuant to medium term pricing contracts and transaction fees. Credit Services' costs are principally labour, data acquisition and technology infrastructure. In the year ended 31 March 2006, Credit Services generated revenue of US$1,504 million, representing 49% of Experian's total revenue and 66% of total EBIT.

Decision Analytics: Decision Analytics unlocks the value of the Credit Services data and helps clients by applying analytical tools and software to convert data from Experian and from other sources, such as the clients' own customer account information, into business decisions. This assists clients in improving the consistency and quality of business decisions in areas such as credit risk, fraud prevention, customer service, account processing and account management. Decision Analytics generates revenue primarily from implementation, licensing and maintenance fees. Decision Analytics' costs are principally labour and technology infrastructure. In the year ended 31 March 2006, Decision Analytics generated revenue of US$325 million, representing 11% of Experian's total revenue and 14% of total EBIT.

Marketing Solutions: Marketing Solutions helps clients to acquire new customers and to manage their relationships with existing customers. It acquires, processes and manages large and comprehensive databases containing geographic, demographic and lifestyle information on consumers. By appending hundreds of characteristics (for example length and type of residence, number of people in the household, estimated income and consumer interests such as leisure, sports and shopping preferences) to the data held in the databases, Marketing Solutions provides clients with information and tools designed to assist them in matching the relevant offer or product to the right customer, using the most appropriate communication channels. Marketing Solutions' revenue is typically transaction or campaign related and is derived principally from sales under fixed price contracts and transaction fees. Marketing Solutions' costs are principally labour, data acquisition and technology infrastructure. In the year ended 31 March 2006, Marketing Solutions generated revenue of US$627 million, representing 20% of Experian's total revenue and 8% of total EBIT.

Interactive: Interactive is Experian's Internet marketing business. It has two types of activity: direct-to-consumer and lead generation for businesses. Through Experian Consumer Direct, Experian provides credit information directly to consumers in the US and UK. It enables consumers to purchase credit reports and monitoring services, helping them to understand, manage and protect their own personal and financial information. The lead generation businesses connect consumers with businesses on the Internet. Experian provides free services to consumers enabling them to make more informed purchase decisions in areas such as financial services, shopping and education. In turn, Experian sells the leads to business clients such as mortgage companies, retailers and online education providers. Revenue for Interactive is generated by customer subscriptions, transaction fees and from lead-based commissions. Interactive's costs are principally labour, customer acquisition costs and technology infrastructure. In the year ended 31 March 2006, Interactive generated revenue of US$628 million, representing 20% of Experian's total revenue and 17% of total EBIT.

Experian considers as one of its strengths its ability to sell across multiple industries and geographies. In the year ended 31 March 2006, Experian's sales were diversified by sector, with financial services remaining a core market, generating 55% of revenue globally.

For further discussion of Experian's principal activities, see Part III: "Business Overview" of this document.

Principal factors affecting Experian's results of operations

Demerger

On 28 March 2006, the Directors of GUS announced the proposed separation of GUS' two remaining businesses, Retail Group and Experian, by means of a demerger, with both businesses expected to become independently listed on the London Stock Exchange. The Directors believe that Experian, as an independent company, should have net debt of approximately £1 billion after the proposed equity issue. Further details are set out in notes (5) and (7) of the Continuing Group Pro Forma Financial Information in Part VIII "Pro Forma Financial Information" of this document. In addition, some costs previously considered as GUS central expenses will now be borne by Experian together with additional central costs, such as overhead costs, to support its standalone status. The allocation of certain costs and expenses, for example central overhead, estimated at US$50 million of which US$31 million was reported in Experian in the year ended 31 March 2006, and incentive equity plans, made prior to the Demerger may not reflect the actual costs that will be incurred by Experian operating on an independent basis. At the time of the Demerger, Experian intends to set up a number of share incentive schemes, both for senior management and all staff. A number of these will make one-off grants at the time of the Demerger. The estimated cost of these one-off grants will be about US$135 million, which will be charged to profit and loss below Benchmark PBT over the following five years. The cost of all other grants will be charged to profit and loss above Benchmark PBT. Further details of the allocation of central costs are set out in note 1 to Experian's audited Combined Financial Information for the years ended 31 March 2005 and 31 March 2006. Following the Demerger, Experian will report in US Dollars, which will be its presentational functional currency.

Experian cost trends

Consistent with the stated growth strategy of: (i) building on the core businesses; (ii) developing and selling new innovative products; and (iii) growing through targeted acquisitions, Experian's cost structure has evolved over the three year period under review and reflects the impact that implementing the stated strategy has had on the business. While Experian's total revenue has increased significantly over the period, its aggregate costs have increased at a slower rate and, as a result, its direct business EBIT margin has increased from 17.7% (including discontinuing activities) for the year ended 31 March 2004 to 21.3% during the year ended 31 March 2006. As a percentage of revenue, Experian's aggregate costs for the year ended 31 March 2006 were made up of labour (43%), advertising and customer acquisition costs (12%), data costs (5%), information technology (7%) and other costs, including facilities and central activities (12%) (with the remaining 21% of revenue representing EBIT).

As discussed in greater detail below, the principal driver of both revenue and operating costs over the three year period has been the level of acquisition and divestment which has occurred. In fact, over the three year period, Experian has made 62 acquisitions and 10 divestments, the combination of which have contributed to changes in the size and mix of its cost base.

In particular, while labour costs are still Experian's single largest cost component, advertising and customer acquisition costs have increased as a percentage of revenue (from 4% in the year ended 31 March 2004 to 12% in the year ended 31 March 2006), reflecting growth in the Interactive business.

Labour costs principally reflect salaries and payroll taxes and, to a lesser degree, bonuses and commissions. As suggested above, the increase in labour costs over the period has been primarily driven by acquisitions, although partially offset by divestments, and to a lesser degree by increased bonus and commission payments reflecting Experian's revenue growth. As a percentage of revenue, labour costs amounted to 58% of EMEA/Asia-Pacific's costs for the year ended 31 March 2006, a higher percentage than the Americas and UK and Ireland, largely due to the high contribution of transaction processing, a labour intensive business. The growth of Interactive has diluted the impact of labour costs on Experian's overall cost mix (down from 45% of revenue in the year ended 31 March 2004 to 43% in the year ended 31 March 2006) since this business has lower labour costs (as a percentage of revenue) than other parts of Experian's operations and its level of revenue contribution has increased from 8% of total revenue in the year ended 31 March 2004 to 20% in the year ended 31 March 2006.

The increase (both absolute and as a proportion of total revenues) in advertising and customer acquisition costs principally reflects the additional investment, both organic and through acquisitions, in the Interactive business to drive revenue growth by increasing consumer traffic to Experian's websites. Experian has been able to counter a general inflationary market trend in online advertising costs through economies of scale and increasing efficiency in its use of online advertising.

The divestments made over the period, while having a beneficial impact on Experian's overall cost base, have principally been driven by Experian's decision to exit either strategically or financially unattractive businesses. The principal ongoing impact of such divestments or discontinuations has been the removal of the labour costs associated with the relevant discontinuing activities. However, Experian does incur incremental costs directly attributable to the divestment or discontinuation, such as the costs associated with terminations or redundancy programmes.

In addition to its acquisition and divestment activity, as discussed further below, Experian's growth has been supported by a substantial investment programme. In particular, in 2004 and 2005, Experian made a number of significant infrastructure investments, principally in the UK and Ireland and The Americas. More recently, Experian has expanded its business with new products and into new geographies, including Eastern Europe and Asia-Pacific, and has sought to solidify its leading position in other existing markets, such as the UK. Each of these efforts requires that Experian make significant investment in technology and infrastructure, as well as in facilities and personnel to drive revenue growth. Experian expects that its investment programme will continue to have a significant impact on its cost structure going forward.

In addition to the factors that contribute to Experian's cost base noted above, it expects that its costs will continue to reflect the level of sales, delivery and business support required to deliver its organic revenue growth, each of which it expects to increase in absolute terms over time. Furthermore, given the pre-eminence that labour costs have in its overall cost structure, a certain degree of inflation related increases will continue to be reflected in Experian's cost base going forward.

Finally, as discussed in greater detail below, Experian's reported costs will also continue to be affected by foreign exchange movements and have been affected by its transition from UK GAAP to IFRS.

Acquisitions and divestments

In the three year period under review, Experian's organic growth strategy has been complemented by acquisitions that have been an important driver of Experian's growth. Over the three year period ended 31 March 2006, Experian completed 62 acquisitions, including 24 affiliates, at a total cost, including maximum potential earn-outs, of over US$2 billion. Experian's acquisition process is well defined and includes investment appraisal, pre-acquisition due diligence, approvals, post-acquisition integration (where appropriate) and post-investment review. Acquisitions must be strategically aligned with Experian, bringing complementary new data or technology, taking Experian into new sectors or geographic regions, or providing an avenue into new growth markets. They must also be capable of delivering a post-tax return on investment of at least 10% over time. Many of the acquisitions made to date by Experian have been small. However, these acquisitions have often enabled Experian to capitalise on market opportunities more quickly and effectively than it could have done organically, thus are often seen by Experian management as an alternative to the capital expenditure needed for organic product development. Acquisitions have often also acted as a catalyst to organic growth in Experian's existing businesses. Finally, Experian has accelerated growth in newly acquired businesses that they may not have been able to achieve as standalone entities, by giving them access to Experian's already broad matrix of clients, data, products and geographic regions.

In the US, Experian embarked on a significant acquisition programme in the year ended 31 March 2003 to acquire 38 affiliate credit bureaux. These acquisitions have provided Experian with direct control of these regional markets and ensure that clients in the affiliates' respective territories have direct access to the full range of Experian products. As at 31 March 2006, Experian had acquired 35 of the 38 affiliate credit bureaux under this programme at a cumulative cost of approximately US$350 million. The acquisition of affiliate credit bureaux has produced higher revenue, due to a switch from wholesale to retail sales, and cost savings in The Americas as, for example, the cost of purchasing data from these affiliates has been eliminated.

In the year ended 31 March 2006, Experian completed 13 acquisitions and three affiliate credit bureaux purchases for a combined investment, including maximum potential earnouts, of approximately US$1.6 billion. Material acquisitions included:

LowerMyBills.com	An online mortgage lead generator in the US providing consumers with comparative financial information on products such as mortgages and loans. Acquired in May 2005 in the US for US$330 million plus transaction fees and up to a US$50 million earnout.
PriceGrabber.com	A provider of online comparison shopping services in the US, recently extended into the UK. Acquired in December 2005 in the US for US$485 million plus transaction fees.
ClarityBlue	A database marketing solutions business that designs, builds and manages marketing database solutions for large organisations with millions of customers allowing them to undertake multiple transactions on a daily basis through different channels. Acquired in January 2006 in the UK for US$152 million plus up to US$9 million earnout and a performance related management bonus.

Additionally, amongst the 13 acquisitions completed in the year were ClassesUSA, an online higher education portal which was acquired in July 2005 in the US, Baker Hill, which provides software products to banks for processing commercial loans acquired in August 2005 in the US, and FootFall, a provider of customer counting technology and retail information integration services, which was acquired in December 2005 in the UK.

In the year ended 31 March 2005, Experian completed 16 acquisitions and 11 affiliate credit bureaux purchases for a combined investment of approximately US$350 million. The largest acquisition was QAS, a provider of global rapid addressing solutions and address management software systems, which helps capture, clean and enhance address data quickly and accurately for over 9,600 organisations worldwide. It was acquired in October 2004 in the UK for US$167 million net of cash acquired with the business. Additionally, amongst the 16 acquisitions completed in the year was Simmons Research, a provider of syndicated research information on what US consumers buy, where they shop, their attitudes and lifestyles and the media channels they use, which was acquired in October 2004 in the US.

In the year ended 31 March 2004, Experian completed nine acquisitions and 10 affiliate credit bureaux purchases for a combined investment of approximately US$300 million. Amongst these acquisitions were CheetahMail, a provider of email delivery technology to help clients use multiple delivery channels to communicate with customers and drive sales, which was acquired in March 2004 in the US, and part of DMS Atos, a provider of cheque processing services and business process outsourcing services, which was acquired in September 2003 in France.

Experian continually reviews the performance of all the businesses within its portfolio, sometimes withdrawing from low growth or low return markets. In the three year period ended 31 March 2006, 10 of Experian's businesses were sold, closed or identified for closure. The sales and related profits of these are presented as discontinuing activities.

Since 31 March 2006, Experian has announced its withdrawal from two markets which have become increasingly unattractive; incentive marketing websites in the US, through MetaReward, (which generated revenues of US$70 million and EBIT of US$5 million in the year ended 31 March 2006) and large scale account processing in the UK (which generated revenue of US$79 million and EBIT of US$36 million in the year ended 31 March 2006). The costs of closure for MetaReward and large scale account processing in the UK, all of which are cash, are estimated to be approximately US$5 million and US$27 million, respectively. Both of these businesses have been classified as discontinuing activities from 1 April 2006, but are included within continuing activities in the three years ended 31 March 2006.

In the year ended 31 March 2006, the mortgage business of the Florida affiliate bureau acquired during the year was sold to FARES.

In the year ended 31 March 2005, two small US businesses (NuEdge and Real Estate Solutions) were sold, as were two small outsourcing activities (UK print and mail and French call centres).

In the year ended 31 March 2004, Experian disposed of its print and mail operations in the US, Italian call centres, cheque printing in France and business process outsourcing in the Netherlands. In addition, UK contact centres were identified for closure.

Global economic demand

Experian's operations and demand for its products and services are affected by several key economic drivers, including global growth in consumer credit, Internet usage and multi-channel marketing. Experian's businesses are also influenced by the rate of growth in the economies in which it operates.

The credit industry is affected by general economic cycles and movements in interest rates. However, there is an element of counter cyclicality in the services offered by Experian. For example, rising interest rates may reduce the amount of new credit being granted, particularly in the mortgage market. Conversely, rising interest rates encourage financial services clients to monitor existing clients more closely in order to identify potential delinquency and to spend more effort on client retention. High levels of competition for new clients between financial services companies also increases the demand for consumer credit services, both through increased promotion by card issuers seeking new credit customers and churn in customer relationships, regardless of the overall level of borrowing of the consumer.

Investment activity

Experian has a continuous investment programme to drive future revenue growth and to ensure that the necessary technology and information security structure is in place to support that growth.

During the three year period ended 31 March 2006, Experian has seen a significant contribution to revenue growth from new products. Significant products launched in the period include: triggers (automatic alerts to changes in US consumers' behaviour); Triple Advantage in Experian Consumer Direct (a daily notification system of any changes in consumers' reports from all three US credit bureaux); Hunter II (the anti-fraud system); the new National Business Database in the US (a comprehensive target marketing database in the business-to-business marketplace); a new global version of MOSAIC (Experian's market leading consumer classification system); and an extension to its suite of Strategy Management solutions with the development of Strategy Optimisation (enables organisations to solve complex risk and marketing problems to identify the best action or decision to take for each individual customer).

Experian also continues to invest in establishing a stronger presence in new geographic markets, where emerging consumer and business credit markets drive demand for its products and services. For example, in the last three years, Experian has invested in Eastern Europe, by moving towards launching the full range of Scorex Decision Analytics products and establishing credit bureaux in Russia, Bulgaria and Romania. In Asia-Pacific, Experian is investing in enhancing its locally based infrastructure and as at 31 March 2006 employed nearly 200 people in the region. Experian expects that this will enable it to serve both local and multi-national clients looking to expand into this fast-growing region.

Experian's growth has been supported by substantial investments in its infrastructure, including a new UK data centre and new office premises in the UK, together with new technology platforms in the US for business-to-business and credit card marketing and significant upgrades to its information security. While investment and maintenance of infrastructure supports growth, a failure to invest adequately in infrastructure could reduce growth and adversely affect Experian's financial condition and results of operations. Experian expects its investment programme to show incremental growth in line with the underlying growth of its business, however, such amounts may vary across reporting periods as Experian pursues strategic opportunities identified by its management or that are otherwise presented.

For further information on Experian's capital expenditures, please see "Capital Expenditure" in this Part V and in Part III: "Business Overview" of this document.

Exchange rates

Due to the international nature of its business, Experian is exposed to two types of foreign exchange risk, translation risk and transaction risk. Approximately 65% of Experian's EBIT is generated in US Dollars, its reporting currency, while the remaining 35% is generated in other currencies (mainly pounds sterling and Euros).

Translation risk: Movements in the exchange rates of other currencies relative to the US Dollar may cause fluctuations in reported financial information that are not necessarily related to Experian's underlying operations. As a result, comparability of Experian's performance between financial periods may also be significantly affected; therefore, Experian reports revenue and EBIT growth rates at constant exchange rates.

During the periods under review, Experian's results of operations have been impacted by the movement of its reporting currency, the US Dollar, primarily against the pound sterling and the Euro. During the year ended 31 March 2006, overall, the value of the US Dollar strengthened relative to the other transactional currencies of Experian's businesses and, as a result, its reported revenue was US$43 million less than it would have been had exchange rates remained constant and its reported EBIT was US$8 million less than it would have been had exchange rates remained constant. During the year ended 31 March 2005, overall, the value of the US Dollar weakened relative to the other transactional currencies of Experian's businesses and, as a result, its reported revenue was US$97 million more than it would have been had exchange rates remained constant and its reported EBIT was US$17 million more than it would have been had exchange rates remained constant. Experian expects that its results of operations will continue to be affected by currency movements against the US Dollar.

In addition, Experian has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of Experian's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies and the use of forward foreign exchange contracts. For further discussion on Experian's policies for hedging risk, please see note 2 of Part VI: "Financial Information (IFRS)".

Transaction risk: Experian does not regard transaction risk as material because it largely transacts in the same currency for revenues and expenses.

Tax

Experian benefits from a lower tax rate than the effective tax rates for the countries in which it operates. Experian structures the financing of its foreign investments in a tax-efficient manner and will seek to continue to do so. Subject to any changes in legislation, it is expected that Experian's effective tax rate based on Benchmark PBT will be in the low twenties. In addition Experian expects, subject to any changes in legislation, to receive cash flow benefits over a period of several years with a net present value of approximately US$250 million from the utilisation of deferred tax assets. For further discussion see "Tax provisions made by Experian may turn out to be insufficient" in Part II: "Risk Factors" of this document.

FACT Act

In the year ended 31 March 2005, Experian introduced a revised charging structure on US credit reporting services to recover costs associated with implementing provisions of the federal Fair and Accurate Credit Transactions Act ("**FACT Act**"). The FACT Act requires that, upon request, US consumers be provided with one free credit report annually.

To recover FACT Act compliance costs, Experian applies an 8% cost recovery charge to the total online credit services revenue for each Business client subject to a minimum of US$0.08 per transaction. This cost recovery was initiated on 1 October 2004 and for the first three months, to 31 December 2004, only 50% of the surcharge rates were applied. The full cost recovery programme became effective on 1 January 2005.

Basis of preparation of combined financial information and explanation of line items

Combined financial information

Experian's combined financial information presents the financial record as of and for the years ended 31 March 2005 and 31 March 2006 on the basis of IFRS and the financial record as of and for the years ended 31 March 2004 and 31 March 2005 on the basis of UK GAAP.

The combined financial information comprises the financial record of those businesses that will be held by Experian at the date of Admission. The combined financial information therefore comprises an aggregation of amounts included in the financial statements of Experian entities, GUS and certain other GUS entities. The principal entities included within the financial record are shown in note 36 to the combined financial information set out in Part VI: "Financial Information (IFRS)" of this document. It excludes those businesses which have been sold and have been or will be demerged by GUS (principally Retail Group, Burberry, Lewis Group and GUS's interest in BL Universal PLC) prior to Admission.

The combined financial information set out in Part VI: "Financial Information (IFRS)" and Part VII: "Financial Information (UK GAAP)" may not be representative of future results. For example, the historical capital structure will not represent the future capital structure. Future interest income and expense, certain operating expenses and tax charges may be significantly different from those that resulted from being wholly owned by GUS.

Accounting policies and other principles applicable to IFRS combined financial information

The principal accounting policies and other principles applied in the preparation of the combined financial information under IFRS are set out in note 2 to the combined financial information for the two years ended 31 March 2006. These policies have been consistently applied to both years presented.

The combined financial information has been prepared on the basis of IFRS adopted for use in the European Union. These standards include subsequent amendments and related interpretations issued and adopted by the International Accounting Standards Board ("**IASB**") that have been endorsed by the European Commission. They also comply with those parts of the Companies Act 1985 applicable to companies reporting on the basis of IFRS.

The key impact of applying IFRS on combined financial information for the year ended 31 March 2005 as previously reported under UK GAAP is set out in note 33 to the combined financial information prepared on the basis of IFRS set out in Part VI: "Financial Information (IFRS)" of this document.

Accounting policies and other principles applicable to UK GAAP combined financial information

The principal accounting policies and other principles applied in the preparation of the combined financial information under UK GAAP are shown in note 1 to the combined financial information for the two years ended 31 March 2005 set out in Part VII: Financial Information (UK GAAP)" of this document. These policies have been consistently applied to both years presented.

Explanation of line items

Revenue

Revenue comprises goods and services sold to external customers, including the provision and processing of data, subscriptions to services, consumer leads, software and database customisation and development and the sale of software licences, maintenance and related consulting services, net of value added tax.

Cost of sales

Cost of sales include direct labour costs, customer acquisition costs, information technology costs, costs of purchasing data, costs of operating databases and third party royalties.

Net operating expenses

Net operating expenses (before amortisation of goodwill) include sales and administrative labour costs, marketing costs, facilities expenses and other administrative costs.

Net interest income

Net interest income is the net interest received in relation to bank deposits and other balances, interest in relation to balances with other Group companies less the interest expense in relation to Eurobonds and finance leases.

Use of Non-GAAP financial information

Experian has identified certain measures that it believes will assist understanding of the performance of the business. This approach is largely comparable with that previously used by GUS, but as the measures are not defined under IFRS they may not be directly comparable with other companies' adjusted measures. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance but management have included them as these are considered to be important comparables and key measures used within the business for assessing performance.

The following are the key non-GAAP measures identified by Experian:

Benchmark Profit Before Tax ("Benchmark PBT")

Benchmark PBT is defined as profit before amortisation of acquisition intangibles, goodwill impairments, charges in respect of the Demerger related equity incentive plans, exceptional items, financing fair value remeasurements and taxation. It includes Experian's share of associates' pre-tax profits.

Earnings Before Interest and Tax ("EBIT")

EBIT is defined as profit before amortisation of acquisition intangibles (or amortisation of goodwill under UK GAAP), goodwill impairments, charges in respect of the Demerger related equity incentive plans, exceptional items, net financing costs, financing fair value remeasurements and taxation, and includes Experian's share of pre-tax profits of associates.

Exceptional items

The separate reporting of non-recurring exceptional items gives an indication of Experian's underlying performance. Exceptional items are those arising from the profit or loss on disposal of businesses or closure costs of material business units. All other restructuring costs have been charged against EBIT in the segments in which they are incurred.

Discontinuing activities

Experian defines discontinuing activities as businesses sold, closed or identified for closure during a financial year are treated as discontinuing activities for both revenue and EBIT purposes. Prior periods, where shown, are restated to exclude the results of discontinuing activities. This financial measure differs from the definition of discontinued operations set out in IFRS 5 (Non-current assets held for sale and discontinued operations) and FRS 3 (Reporting Financial Performance). Under IFRS 5, a discontinued operation is: (i) a separate major line of business or geographical area of operations; (ii) part of a single plan to dispose of a major line of business or geographical area of operations; or (iii) a subsidiary acquired exclusively with a view to resale. FRS 3 requires the discontinued operation to have a material effect on the nature and focus of the reporting entity's operations.

Continuing activities

Businesses trading at 31 March 2006 that have not been disclosed as discontinuing activities are treated as continuing activities.

Organic growth

This is the year-on-year change in continuing activities revenue, at constant exchange rates, excluding acquisitions (other than affiliate credit bureaux) until the first anniversary date of consolidation. Organic growth figures have not been audited.

Direct business

Direct business refers to Experian's business exclusive of financial results of FARES.

Results of operations

Comparison of the year ended 31 March 2005 to the year ended 31 March 2006

IFRS combined income statement

The following financial information has been prepared in accordance with IFRS.

	Year ended 31 March 2005	Year ended 31 March 2006
	(US$ million)	
IFRS		
Revenue	**2,517**	**3,084**
Cost of sales	(1,252)	(1,527)
Gross profit	**1,265**	**1,557**
Net operating expenses	(811)	(971)
Operating profit	**454**	**586**
Interest income	239	220
Interest expense	(221)	(232)
Financing fair value re-measurements	—	(2)
Net financing income/(costs)	18	(14)
Share of post-tax profits of associates	76	66
Profit before tax	**548**	**638**
Tax expense		
—UK	(103)	(96)
—Non-UK	(20)	(22)
	(123)	(118)
Profit after tax and for the financial year	**425**	**520**
Non-GAAP measures		
Reconciliation of profit before tax to Benchmark PBT		
Profit before tax	**548**	**638**
exclude: amortisation of acquisition intangibles	22	66
exclude: exceptional items	13	7
exclude: financing fair value remeasurement	—	2
exclude: tax expense on share of profits of associates	2	2
Benchmark PBT	**585**	**715**
Exclude: Net interest (income)/costs	(18)	12
EBIT	**567**	**727**

Revenue and EBIT by geography

	2005 Continuing Activities	2005 Discontinuing Activities	2005 Total	2006 Continuing Activities	2006 Discontinuing Activities	2006 Total
			(US$ million)			
IFRS						
Revenue						
The Americas	1,319	22	1,341	1,801	3	1,804
UK & Ireland	659	30	689	756	2	758
EMEA/Asia-Pacific	483	4	487	522	—	522
Total revenue	**2,461**	**56**	**2,517**	**3,079**	**5**	**3,084**
EBIT						
The Americas Direct Business	281	—	281	409	1	410
FARES	75	—	75	69	—	69
The Americas	356	—	356	478	1	479
UK & Ireland	180	2	182	215	—	215
EMEA/Asia-Pacific	59	—	59	64	—	64
Central activities	(30)	—	(30)	(31)	—	(31)
Total EBIT	**565**	**2**	**567**	**726**	**1**	**727**
Net interest income/(expense)			18			(12)
Benchmark PBT			**585**			**715**
Amortisation of acquisition intangibles			(22)			(66)
Exceptional items			(13)			(7)
Financing fair value remeasurement			—			(2)
Tax expense on share of profit of associates			(2)			(2)
Profit before tax			**548**			**638**

Revenue

Overview

Experian's total revenue increased by US$567 million to US$3,084 million in the year ended 31 March 2006 from US$2,517 million in the year ended 31 March 2005.

Experian's revenue from continuing activities increased from US$2,461 million in the year ended 31 March 2005 to US$3,079 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue from continuing activities over the period represented a 27% increase, of which 20 percentage points were attributable to The Americas, five percentage points were attributable to Experian UK and Ireland and two percentage points were attributable to Experian EMEA/Asia-Pacific. Acquisitions accounted for 17 percentage points of Experian's total revenue growth, with 10 percentage points accounted for by organic growth.

Discontinued activities accounted for US$5 million in the year ended 31 March 2006 and US$56 million of revenue in the year ended 31 March 2005.

Overall, the value of the US Dollar strengthened during the year relative to the other transactional currencies of Experian's businesses. As a result, Experian's reported revenue was US$43 million less than it would have been had exchange rates remained constant.

The Americas

The Americas' revenue increased by US$463 million to US$1,804 million in the year ended 31 March 2006, from US$1,341 million in the year ended 31 March 2005.

The Americas' revenue from continuing activities increased by 37% to US$1,801 million in the year ended 31 March 2006, from US$1,319 million in the year ended 31 March 2005. Acquisitions accounted for 24 percentage points of this growth, while 13 percentage points were accounted for by organic growth.

Revenue from Credit Services comprised 43% of The Americas' revenue from continuing activities in the year ended 31 March 2006. The Americas' revenue from Credit Services' continuing activities increased by 16%, 13 percentage points of which were due to organic growth, to US$766 million in the year ended 31 March 2006 from US$662 million in the year ended 31 March 2005. Organic growth reflected increased volumes in core credit operations principally driven by the US consumer credit market. Experian also experienced growth in pre-screen revenue, due to very high levels of credit card solicitations, and from increased demand for value-added products such as triggers (automatic alerts to changes in consumers' credit behaviour). The FACT Act recovery charge, which was introduced on 1 January 2005, accounted for three percentage points of Credit Services' organic sales growth in the year ended 31 March 2006. There was solid organic growth in business information. The remaining three percentage points of growth in Credit Services were due to acquisitions, attributable to the August 2005 acquisition of Baker Hill.

Revenue from Decision Analytics comprised 3% of the Americas' revenue from continuing activities in the year ended 31 March 2006. The Americas' revenue from Decision Analytics increased by 17%, of which 14 percentage points were due to organic growth, to US$63 million in the year ended 31 March 2006 from US$54 million in the year ended 31 March 2005. This was primarily due to new contract wins and new products underpinned by increasing client demand for next-generation solutions.

Revenue from Marketing Solutions comprised 20% of The Americas' revenue from continuing activities in the year ended 31 March 2006. The Americas' revenue from Marketing Solutions increased by 14% to US$355 million in the year ended 31 March 2006 from US$313 million in the year ended 31 March 2005. Acquisitions accounted for nine percentage points of this revenue growth, which was largely due to the full year impact of the acquisition of Simmons Research in October 2004 and the contribution from Vente, a provider of online market research services, acquired in August 2005. Marketing Solutions experienced low client mailing volumes as a result of organisations' ongoing move away from list-based, mass marketing towards a targeted multi-channel approach. However, in other areas Marketing Solutions in The Americas continued to perform well, especially in email marketing and database solutions.

Revenue from Interactive comprised 34% of The Americas' revenue from continuing activities in the year ended 31 March 2006. The Americas' revenue from Interactive increased by 112%, 90 percentage points of which was attributable to growth from acquisitions, to US$617 million in the year ended 31 March 2006 from US$291 million in the year ended 31 March 2005. Acquisition growth was primarily attributable to the additions of LowerMyBills.com and PriceGrabber.com. Interactive also experienced 22 percentage points of organic growth due to the addition of new Experian Consumer Direct subscribers, reflecting the success of products such as Triple Advantage, which increased its revenue per member, and the continuing switch from annual to monthly billing cycles. Following a period of continued weakness in the MetaReward business during the second half of the financial year ended 31 March 2006, Experian announced in April 2006 the closure of the MetaReward incentive marketing websites, which had been operating in an increasingly unattractive market for consumers and clients.

Experian UK and Ireland

Experian UK and Ireland's revenue increased by US$69 million, to US$758 million in the year ended 31 March 2006 from US$689 million in the year ended 31 March 2005.

Experian UK and Ireland's revenue from continuing activities increased from US$659 million in the year ended 31 March 2005 to US$756 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue from continuing activities over the period represented an 18% increase. Acquisitions accounted for 12 percentage points of this growth. Despite a slowdown in the growth of UK consumer lending, six percentage points of this revenue growth were organic. This reflected the breadth of its portfolio by product and vertical market.

Revenue from Credit Services comprised 43% of Experian UK and Ireland's revenue from continuing activities in the year ended 31 March 2006. Experian UK and Ireland's revenue from Credit Services increased from US$315 million in the year ended 31 March 2005 to US$323 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue over the period represented a 6% increase, four percentage points of which were due to growth from acquisitions. The lower growth in demand for products supporting new consumer credit applications in the UK was offset by sales growth in business-to-business sales as well as significant growth from a small base in the government and telecommunications sectors. Organic revenue growth, which comprised two percentage points of revenue growth, was adversely affected by a decline in sales from large scale account processing in the UK. Experian has announced the phased withdrawal from this business by Autumn 2009.

Revenue from Decision Analytics comprised 25% of Experian UK and Ireland's revenue from continuing activities in the year ended 31 March 2006. Experian UK and Ireland's revenue from Decision Analytics increased from US$176 million in the year ended 31 March 2005 to US$185 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue over the period represented a 9% increase, which was wholly due to organic growth. This was primarily due to strong sales growth of value-added products, driven by increased penetration of non-financial services sectors and strong demand for risk management and fraud products.

Revenue from Marketing Solutions comprised 31% of Experian UK and Ireland's revenue from continuing activities in the year ended 31 March 2006. Experian UK and Ireland's revenue from Marketing Solutions increased from US$164 million in the year ended 31 March 2005 to US$236 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue over the period represented a 49% increase, with 43 percentage points due to acquisitions, reflecting the full year impact of QAS and the acquisitions of FootFall in December 2005 and ClarityBlue in January 2006. Organic revenue growth comprised six percentage points of revenue growth. Despite a slowdown in marketing spending by financial services clients in the UK market generally, Marketing Solutions in the UK and Ireland benefited from strong sales by CheetahMail, from public sector wins in QAS and from strong growth in Business Strategies.

Revenue from Interactive comprised 1% of Experian UK and Ireland's revenue from continuing activities in the year ended 31 March 2006. Experian UK and Ireland's revenue from Interactive increased from US$4 million in the year ended 31 March 2005 to US$11 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue over the period represented a 175% increase, which was wholly due to organic growth. This growth was primarily attributable to an increase in the number of CreditExpert members.

Experian EMEA/Asia-Pacific

Experian EMEA/Asia-Pacific's revenue increased by US$35 million to US$522 million in the year ended 31 March 2006 from US$487 million in the year ended 31 March 2005.

Experian EMEA/Asia-Pacific's revenue from continuing activities increased from US$483 million in the year ended 31 March 2005 to US$522 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue from continuing activities over the period represented an 11% increase. Acquisitions accounted for three percentage points of this growth, with eight percentage points of organic growth, reflecting growth in all regions.

Revenue from Credit Services comprised 79% of Experian EMEA/Asia-Pacific's revenue from continuing activities in the year ended 31 March 2006. Experian EMEA/Asia-Pacific's revenue from Credit Services increased from US$397 million in the year ended 31 March 2005 to US$410 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue over the period represented a 6% increase, with five percentage points due to organic growth. This growth was primarily attributable to growth in business process outsourcing in France, which experienced some significant contract wins, and strong demand for Experian's information services in Southern Europe, Central Europe and South Africa.

Revenue from Decision Analytics comprised 14% of Experian EMEA/Asia-Pacific's revenue from continuing activities in the year ended 31 March 2006. Experian EMEA/Asia-Pacific's revenue from Decision Analytics increased from US$60 million in the year ended 31 March 2005 to US$76 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue over the period represented a 30% increase, largely due to organic growth. This was due to strong demand for Scorex's scoring and risk management products, which resulted in strong revenue growth in both traditional markets, such as Southern and Central Europe, and the emerging markets of Eastern Europe and Asia-Pacific.

Revenue from Marketing Solutions comprised 7% of Experian EMEA/Asia-Pacific's revenue from continuing activities in the year ended 31 March 2006. Experian EMEA/Asia-Pacific's revenue from Marketing Solutions increased from US$25 million in the year ended 31 March 2005 to US$36 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue over the period represented a 46% increase. Growth from acquisitions (mainly QAS) accounted for 32 percentage points of this increase, with the remainder due to organic growth.

Cost of sales

Cost of sales increased by US$275 million, to US$1,527 million in the year ended 31 March 2006 from US$1,252 million in the year ended 31 March 2005, reflecting the impact of acquisitions, increased customer acquisitions costs in the Consumer Direct Interactive business and an increase in direct labour costs (supporting the increased organic sales) across the global business.

Net operating expenses

Net operating expenses increased by US$160 million, to US$971 million in the year ended 31 March 2006 from US$811 million in the year ended 31 March 2005, principally reflecting the impact of acquisitions, and an increase of US$44 million in the amortisation of acquisition intangibles and an increased investment in infrastructure and emerging markets.

Operating profit

Operating profit increased by US$132 million, to US$586 million in the year ended 31 March 2006 from US$454 million in the year ended 31 March 2005. This increase was due to the items discussed in this section.

Net financing income/(costs)

Net financing income/(costs) moved by US$32 million from an income of US$18 million in the year ended 31 March 2005 to an expense of US$14 million in the year ended 31 March 2006 due to an increase in the level of external borrowing in the year ended 31 March 2006 principally used to fund acquisitions.

Share of post-tax profit of associates

Share of post-tax profit of associates decreased by US$10 million from US$76 million in the year ended 31 March 2005 to US$66 million in the year ended 31 March 2006, predominantly due to the decline in profit contributed from FARES, as described in more detail below.

Profit before tax

The increase in profit before tax of US$90 million from US$548 million in the year ended 31 March 2005 to US$638 million in the year ended 31 March 2006 is attributable to the factors described above.

Tax expense

Tax expense decreased by US$5 million to US$118 million in the year ended 31 March 2006 from US$123 million in year ended 31 March 2005. This decrease was due to a reduction in deferred tax charge of US$18 million in 2006 and US$38 million in current and deferred tax adjustments in respect of prior years, which were offset by US$51 million additional current year corporation tax on profits.

EBIT

Experian's total EBIT increased by US$160 million to US$727 million in the year ended 31 March 2006 from US$567 million in the year ended 31 March 2005.

Experian's EBIT from continuing activities increased from US$565 million in the year ended 31 March 2005 to US$726 million in the year ended 31 March 2006. At constant exchange rates, the change in EBIT from continuing activities over the period represented a 30% increase. The EBIT margin for direct business, excluding FARES, for continuing activities increased to 21.3% in the year ended 31 March 2006 from 20.0% in the year ended 31 March 2005.

Overall, the value of the US Dollar strengthened during the year relative to the other transactional currencies of Experian's businesses. As a result, Experian's reported EBIT was US$8 million less than it would have been had exchange rates remained constant.

The Americas

The Americas' EBIT increased by US$123 million to US$479 million in the year ended 31 March 2006 from US$356 million in the year ended 31 March 2005. This increase accounted for 76% of Experian's total EBIT growth.

The Americas' EBIT from direct business continuing activities increased by 45% to US$409 million in the year ended 31 March 2006 from US$281 million in the year ended 31 March 2005.

The Americas' EBIT margin from direct business continuing activities increased to 22.7% for the year ended 31 March 2006 from 21.3% in the year ended 31 March 2005, due to operating leverage from organic sales growth, and a favourable mix from strong credit sales. FACT Act related set up costs incurred in the previous year were also partially recovered during the period.

FARES, The Americas' 20% owned real estate information associate, saw pre-tax profit contribution fall to US$69 million in the year ended 31 March 2006 from US$75 million in the year ended 31 March 2005, reflecting the decline in the US mortgage refinancing market during the period and the sale of Credit Information Services in

September 2005, partially offset by continuing cost control. FARES' contribution to The Americas' EBIT is disclosed prior to the allocation of certain of The Americas' management bonus costs.

Experian UK and Ireland

Experian UK and Ireland's EBIT increased by US$33 million to US$215 million in the year ended 31 March 2006 from US$182 million in the year ended 31 March 2005. This increase accounted for 21% of Experian's total EBIT growth. Experian UK and Ireland's EBIT from continuing activities increased from US$180 million in the year ended 31 March 2005 to US$215 million in the year ended 31 March 2006, reflecting the overall growth in revenue and the impact of several significant acquisitions. At constant exchange rates, the change in EBIT from continuing activities over the period represented a 24% increase.

EBIT margin for continuing activities was 28.4% in the year ended 31 March 2006 compared with 27.3% in the year ended 31 March 2005.

In the year ended 31 March 2006 large scale UK account processing generated an EBIT of US$36 million. However, with the planned contraction of the business going forward, its EBIT will decline over the next few years with EBIT for the year ended 31 March 2007 expected to be no more than half the 2006 level.

Experian EMEA/Asia-Pacific

Experian EMEA/Asia-Pacific's EBIT increased by US$5 million, to US$64 million in the year ended 31 March 2006 from US$59 million in the year ended 31 March 2005. At constant exchange rates, the change in EBIT over the period represented a 9% increase. This increase accounted for 3% of Experian's total EBIT growth.

EBIT margin for continuing activities was 12.3% in the year ended 31 March 2006, a slight increase from 12.2% in the year ended 31 March 2005, which was primarily attributable to increased investment in emerging markets.

Comparison of the year ended 31 March 2004 to the year ended 31 March 2005

UK GAAP profit and loss data

The following financial information has been prepared in accordance with UK GAAP.

	Year ended 31 March	
	2004	2005
	(US$ million)	
UK GAAP		
Revenue	**2,180**	**2,517**
Cost of sales	(1,124)	(1,252)
Gross profit	**1,056**	**1,265**
Net operating expenses before amortisation of goodwill	(675)	(776)
Amortisation of goodwill	(100)	(135)
Net operating expenses	(775)	(911)
Operating profit	**281**	**354**
Share of operating profit of associated undertakings	76	78
Trading profit	**357**	**432**
Loss on sale of businesses	(90)	(13)
Profit on ordinary activities before interest	**267**	**419**
Net interest (expense)/income	(5)	13
Profit on ordinary activities before taxation	**262**	**432**
Taxation on profit on ordinary activities	(47)	(59)
Profit on ordinary activities after taxation and for the financial year	**215**	**373**
Non-GAAP measures		
Reconciliation of profit before tax to EBIT		
Profit before tax	**262**	**432**
exclude: amortisation of goodwill	100	135
exclude: exceptional items	90	13
exclude: net interest (income)/expense	5	(13)
EBIT	**457**	**567**

Revenue and EBIT by geography

	Year ended 31 March					
	2004			2005		
	Continuing Activities	Discontinuing Activities	Total	Continuing Activities	Discontinuing Activities	Total
			(US$ million)			
UK GAAP						
Revenue						
The Americas	1,113	79	1,192	1,319	22	1,341
UK & Ireland	521	49	570	659	30	689
EMEA/Asia-Pacific	380	38	418	483	4	487
Total revenue	**2,014**	**166**	**2,180**	**2,461**	**56**	**2,517**
EBIT						
The Americas Direct Business	244	(3)	241	281	—	281
FARES	72	—	72	75	—	75
The Americas	316	(3)	313	356		356
UK & Ireland	139	(9)	130	184	2	186
EMEA/Asia-Pacific	46	1	47	59	—	59
Central activities	(33)	—	(33)	(34)	—	(34)
Total EBIT	**468**	**(11)**	**457**	**565**	**2**	**567**
Exceptional items			(90)			(13)
Amortisation of goodwill			(100)			(135)
Net interest income/(expense)			(5)			13
Profit before tax			**262**			**432**

Revenue

Experian's total revenue increased by US$337 million to US$2,517 million in the year ended 31 March 2005 from US$2,180 million in the year ended 31 March 2004.

Experian's revenue from continuing activities increased from US$2,014 million in the year ended 31 March 2004, to US$2,461 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue from continuing activities over the period represented an 18% increase, of which 10 percentage points of this increase were attributable to The Americas, four percentage points were attributable to Experian UK and Ireland and four percentage points were attributable to Experian EMEA/Asia-Pacific. Acquisitions accounted for nine percentage points of Experian's total revenue increase, with nine percentage points accounted for by organic growth.

Discontinued activities accounted for US$56 million in the year ended 31 March 2005 and US$166 million of revenue in the year ended 31 March 2004.

Overall, the value of the US Dollar weakened during the year relative to the other transactional currencies of Experian's businesses. As a result, Experian's reported revenue was US$97 million more than it would have been had exchange rates remained constant.

The Americas

The Americas' revenue increased by US$149 million, to US$1,341 million in the year ended 31 March 2005 from US$1,192 million in the year ended 31 March 2004.

The Americas' revenue from continuing activities increased by 18% to US$1,319 million in the year ended 31 March 2005, from US$1,113 million in the year ended 31 March 2004. Acquisitions accounted for eight percentage points of this growth, with 10 percentage points accounted for by organic growth.

Revenue from Credit Services comprised 50% of The Americas' revenue from continuing activities in the year ended 31 March 2005. The Americas' revenue from Credit Services increased by 5%, of which four percentage points were due to organic growth, to US$662 million in the year ended 31 March 2005 from US$633 million in the year ended 31 March 2004. This growth was largely due to the introduction of new market products such as triggers and other notification services and growth in non-financial services sectors. Revenue growth from Credit Services increased despite declining revenues from the mortgage sector as a result of increasing US interest rates.

Revenue from Decision Analytics comprised 4% of The Americas' revenue from continuing activities in the year ended 31 March 2005. The Americas' revenue from Decision Analytics increased by 45%, to US$54 million in the year ended 31 March 2005 from US$38 million in the year ended 31 March 2004. Small acquisitions accounted for 19 percentage points of this revenue growth, while the remaining 26 percentage points of organic growth were primarily due to client wins in Scorex and Fraud.

Revenue from Marketing Solutions comprised 24% of The Americas' revenue from continuing activities in the year ended 31 March 2005. The Americas' revenue from Marketing Solutions increased by 19% to US$313 million in the year ended 31 March 2005 from US$262 million in the year ended 31 March 2004. Acquisitions contributed 13 percentage points of revenue growth reflecting primarily the full-year effect of the acquisition of CheetahMail, an email delivery business acquired in March 2004. Organic growth accounted for the remaining 6 percentage points of growth, as Marketing Solutions continued to see clients switch from traditional list processing to database management and email marketing and Experian continued to gain new data management business from significant multi-channel retailers.

Revenue from Interactive comprised 22% of The Americas' revenue from continuing activities in the year ended 31 March 2005. The Americas' revenue from Interactive increased by 61%, 34 percentage points of which were attributable to organic growth, to US$291 million in the year ended 31 March 2005 from US$180 million in the year ended 31 March 2004. This was primarily due to an increase in new Experian Consumer Direct subscribers, an ongoing switch from annual to monthly consumer billing cycles, the introduction of Triple Advantage in January 2005 and increased consumer credit awareness. Revenue growth due to acquisitions contributed 27 percentage points of the growth, reflecting the full year impact of the November 2003 acquisition of MetaReward.

Experian UK and Ireland

Experian UK and Ireland's revenue increased by US$119 million, to US$689 million in the year ended 31 March 2005 from US$570 million in the year ended 31 March 2004.

Experian UK and Ireland's revenue from continuing activities increased from US$521 million in the year ended 31 March 2004 to US$659 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue from continuing activities over the period represented a 16% increase. Acquisitions accounted for nine percentage points of this growth, with the remaining seven percentage points accounted for by organic growth.

Revenue from Credit Services comprised 48% of Experian UK and Ireland's revenue from continuing activities in the year ended 31 March 2005. Experian UK and Ireland's revenue from Credit Services increased from US$268 million in the year ended 31 March 2004 to US$315 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue over the period represented an 8% increase, six percentage points of which were due to organic growth. This growth was driven by a strong performance in consumer information, however Experian also benefited from other sectors including government and telecommunications, and gained significant market share in automotive, insurance and business information.

Revenue from Decision Analytics comprised 27% of Experian UK and Ireland's revenue from continuing activities in the year ended 31 March 2005. Experian UK and Ireland's revenue from Decision Analytics increased to US$176 million in the year ended 31 March 2005 from US$146 million in the year ended 31 March 2004. At constant exchange rates, the change in revenue over the period represented a 10% increase, which was due to organic growth. This growth was primarily attributable to strong sales from Fraud and Scorex.

Revenue from Marketing Solutions comprised 25% of Experian UK and Ireland's revenue from continuing activities in the year ended 31 March 2005. Experian UK and Ireland's revenue from Marketing Solutions increased from US$106 million in the year ended 31 March 2004 to US$164 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue over the period represented a 41% increase. Acquisitions contributed 38 percentage points to revenue growth, primarily the October 2004 acquisition of QAS.

Revenue from Interactive comprised 1% of Experian UK and Ireland's revenue from continuing activities in the year ended 31 March 2005 and was US$4 million in the year ended 31 March 2005. Revenue resulted from growing sales from CreditExpert in the UK.

Experian EMEA/Asia-Pacific

Experian EMEA/Asia-Pacific's revenue increased by US$69 million, to US$487 million in the year ended 31 March 2005 from US$418 million in the year ended 31 March 2004.

Experian EMEA/Asia-Pacific's revenue from continuing activities increased from US$380 million in the year ended 31 March 2004 to US$483 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue from continuing activities over the period represented an 18% increase. Acquisitions accounted for 10 percentage points of this growth, with eight percentage points accounted for by organic growth.

Revenue from Credit Services comprised 82% of Experian EMEA/Asia-Pacific's revenue from continuing activities in the year ended 31 March 2005. Experian EMEA/Asia-Pacific's revenue from Credit Services increased from US$315 million in the year ended 31 March 2004 to US$397 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue over the period represented a 17% increase, 10 percentage points of which were due to acquisitions. Organic growth was primarily attributable to growth in business information services in France and in the credit bureaux in Southern Europe. Acquisition growth largely reflected the impact of the business process outsourcing operation acquired from DMS Atos, which was acquired in September 2003.

Revenue from Decision Analytics comprised 13% of Experian EMEA/Asia-Pacific's revenue from continuing activities in the year ended 31 March 2005. Experian EMEA/Asia-Pacific's revenue from Decision Analytics increased from US$53 million in the year ended 31 March 2004 to US$60 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue over the period represented a 6% increase. Organic growth accounted for five percentage points, including strong performances from Scorex products in Spain and emerging markets. For example, in South Korea, Decision Analytics worked with a leading credit bureau to increase the range of Experian's value added products in the market.

Revenue from Marketing Solutions comprised 5% of Experian EMEA/Asia-Pacific's revenue from continuing activities in the year ended 31 March 2005. Experian EMEA/Asia-Pacific's revenue from Marketing Solutions increased from US$12 million in the year ended 31 March 2004 to US$25 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue over the period represented a 97% increase. Most of this increase, or 74 percentage points of the revenue growth, was due to acquisitions which allowed Experian to strengthen its presence in Business Strategies micromarketing in Scandinavia, China and Hong Kong. The remaining 23 percentage points of revenue growth were primarily attributable to strong organic growth reflecting emerging businesses in Southern Europe.

Cost of sales

Cost of sales increased by US$128 million to US$1,252 million in the year ended 31 March 2005 from US$1,124 million in the year ended 31 March 2004, primarily due to increased customer acquisition costs in Interactive, an increase in direct labour costs across the global business and the impact of acquisitions.

Net operating expenses before amortisation of goodwill

Net operating expenses before amortisation of goodwill increased by US$101 million to US$776 million in the year ended 31 March 2005 from US$675 million in the year ended 31 March 2004, reflecting both operational and investment related costs of supporting organic growth in the business, together with additional costs relating to acquisitions.

Amortisation of goodwill

Amortisation of goodwill increased from US$100 million in the year ended 31 March 2004 to US$135 million in the year ended 31 March 2005, reflecting the impact of acquisition investment.

Operating profit

Operating profit increased by US$73 million to US$354 million in the year ended 31 March 2005 from US$281 million in the year ended 31 March 2004. This increase was primarily due to the items discussed above.

Share of operating profit of associated undertakings

Share of operating profit of associated undertakings increased by US$2 million from US$76 million in the year ended 31 March 2004 to US$78 million in the year ended 31 March 2005 predominantly due to the US$3 million increase in profit contribution from the FARES associate.

Loss on sale of businesses

The loss of US$13 million in the year ended 31 March 2005 arose from the disposal of two non-core businesses, one in the UK and Ireland and the other in EMEA/Asia-Pacific. The loss of US$90 million in the year ended 31 March 2004 was largely in respect of the disposal by The Americas of its outsourcing activities, comprising the US print and mail operations, and included a charge of US$41 million in respect of goodwill previously written off to reserves.

Profit on ordinary activities before interest

Profit on ordinary activities before interest increased by US$152 million from US$267 million in the year ended 31 March 2004 to US$419 million in the year ended 31 March 2005 as a result of the factors described in this section.

Net interest income/(expense)

Net interest income increased by US$18 million from an expense of US$5 million in the year ended 31 March 2004 to income of US$13 million in the year ended 31 March 2005, due to increases in the level of intra-group loans receivable and interest rates.

Profit on ordinary activities before taxation

Profit on ordinary activities before taxation increased by US$170 million from US$262 million in the year ended 31 March 2004 to US$432 million in the year ended 31 March 2005 as a result of the factors described in this section.

Taxation on profit on ordinary activities

Tax on profit on ordinary activities increased by US$12 million to US$59 million in the year ended 31 March 2005 from US$47 million in the year ended 31 March 2004. This increase was principally due to an additional US$9 million in deferred tax charges in the year ended 31 March 2005.

EBIT

Experian's total EBIT increased by US$110 million to US$567 million in the year ended 31 March 2005 from US$457 million in the year ended 31 March 2004.

Experian's EBIT from continuing activities increased from US$468 million in the year ended 31 March 2004 to US$565 million in the year ended 31 March 2005. At constant exchange rates, the change in EBIT from continuing activities over the period represented a 17% increase. The EBIT margin for direct business for continuing activities increased to 20.0% in the year ended 31 March 2005 from 19.6% in the year ended 31 March 2004.

Overall, the value of the US Dollar weakened during the year relative to the other transactional currencies of Experian's businesses. As a result, Experian's reported EBIT was US$17 million more than it would have been had exchange rates remained constant.

The Americas

The Americas' EBIT increased by US$43 million to US$356 million in the year ended 31 March 2005 from US$313 million in the year ended 31 March 2004. This increase accounted for 39% of Experian's total EBIT growth. The Americas' direct business EBIT from continuing activities increased by 16% to US$281 million in the year ended 31 March 2005 from US$244 million for the year ended 31 March 2004.

The Americas' direct business EBIT margin from continuing activities was 21.3% for the year ended 31 March 2005, which was a slight decline from 21.9% for the year ended 31 March 2004, as a result of FACT Act related costs not fully recouped by the cost recovery surcharge to clients.

FARES' EBIT contribution was US$75 million in the year ended 31 March 2005, up from US$72 million in the year ended 31 March 2004, despite rising interest rates. FARES benefited from the synergies resulting from its acquisition of Transamerica's tax and flood businesses in October 2003.

Experian UK and Ireland

Experian UK and Ireland's EBIT increased by US$56 million to US$186 million in the year ended 31 March 2005 from US$130 million in the year ended 31 March 2004. This increase accounted for 50% of Experian's total EBIT growth. Experian UK and Ireland's EBIT from continuing activities increased from US$139 million in the year ended 31 March 2004 to US$184 million in the year ended 31 March 2005. At constant exchange rates, the change in EBIT from continuing activities over the period represented a 22% increase.

Experian UK and Ireland's EBIT margin from continuing activities of 27.8% for the year ended 31 March 2005 increased from 26.5% in the year ended 31 March 2004, which primarily reflects operating leverage from the high level of sales growth.

Experian EMEA/Asia-Pacific

Experian EMEA/Asia-Pacific's EBIT increased by US$12 million to US$59 million in the year ended 31 March 2005 from US$47 million in the year ended 31 March 2004. This increase accounted for 11% of Experian's total EBIT growth. Experian EMEA/Asia-Pacific's EBIT from continuing activities increased from US$46 million in the year ended 31 March 2004 to US$59 million in the year ended 31 March 2005. At constant exchange rates, the change in EBIT from continuing activities over the period represented an 18% increase.

Experian EMEA/Asia-Pacific's EBIT margin from continuing activities was 12.2% for the year ended 31 March 2005, which was in line with 12.1% in the year ended 31 March 2004.

Results by principal activity

Comparison of the year ended 31 March 2005 to the year ended 31 March 2006

	Year ended 31 March					
	2005			2006		
	Continuing Activities	Discontinuing Activities	Total	Continuing Activities	Discontinuing Activities	Total
			(US$ million)			
IFRS						
Revenue						
Credit Services	1,375	51	1,426	1,499	5	1,504
Decision Analytics	290	—	290	325	—	325
Marketing Solutions	501	5	506	627	—	627
Interactive	295	—	295	628	—	628
Total revenue	**2,461**	**56**	**2,517**	**3,079**	**5**	**3,084**
EBIT						
Credit Services direct business	330	2	332	407	1	408
FARES	75	—	75	69	—	69
Credit Services	405	2	407	476	1	477
Decision Analytics	94	—	94	102	—	102
Marketing Solutions	44	—	44	57	—	57
Interactive	52	—	52	122	—	122
Central activities	(30)	—	(30)	(31)	—	(31)
Total EBIT	**565**	**2**	**567**	**726**	**1**	**727**

Revenue

Revenue from Credit Services increased by US$78 million to US$1,504 million in the year ended 31 March 2006 from US$1,426 million in the year ended 31 March 2005. Credit Services' continuing activities revenue increased from US$1,375 million in the year ended 31 March 2005 to US$1,499 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue from continuing activities over the period represented an 11% increase, of which eight percentage points were due to organic growth. The increase in revenue was mainly attributable to a particularly strong performance in The Americas, driven by strong consumer and business credit demand, the growth of new products' sales and the revenue impact of the FACT Act recovery charge, which contributed two percentage points to organic growth.

Revenue from Decision Analytics increased by US$35 million to US$325 million in the year ended 31 March 2006 from US$290 million in the year ended 31 March 2005. Decision Analytics' continuing activities revenue increased from US$290 million in the year ended 31 March 2005 to US$325 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue from continuing activities over the period represented a 15% increase, of which 13 percentage points were due to organic growth. The increase in revenue was attributable to strong demand for Scorex products across all major geographic markets.

Revenue from Marketing Solutions increased by US$121 million to US$627 million in the year ended 31 March 2006 from US$506 million in the year ended 31 March 2005. Marketing Solutions' continuing activities revenue increased from US$501 million in the year ended 31 March 2005 to US$627 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue from continuing activities over the period represented a 27% increase, of which 21 percentage points were attributable to growth from acquisitions, including QAS, Simmons Research, ClarityBlue and FootFall. The remaining organic growth of six percentage points were due to strong growth in email marketing, US database solutions and business strategies, offsetting the impact of the trend for organisations to move away from list-based, mass-marketing activity such as direct mail.

Revenue from Interactive increased by US$333 million to US$628 million in the year ended 31 March 2006 from US$295 million in the year ended 31 March 2005. Interactive's continuing activities revenue increased from US$295 million in the year ended 31 March 2005 to US$628 million in the year ended 31 March 2006. At constant exchange rates, the change in revenue from continuing activities over the period represented a 113% increase, of which 88 percentage points were due to growth from acquisitions, including LowerMyBills.com and PriceGrabber.com. The remaining organic revenue growth of 25 percentage points was driven by strong growth in Experian Consumer Direct in The Americas and strong growth in the emerging UK CreditExpert business, partially offset by the decline in MetaReward.

EBIT

Credit Services' EBIT grew by US$70 million to US$477 million in the year ended 31 March 2006 from US$407 million in the year ended 31 March 2005. Credit Services' direct business EBIT from continuing activities increased from US$330 million in the year ended 31 March 2005 to US$407 million in the year ended 31 March 2006. At constant exchange rates, the change in direct business EBIT from continuing activities over the period represented a 25% increase. The increase in EBIT reflected the impact in the prior year of FACT Act related costs, which resulted in a direct business EBIT margin increase to 27.2% for continuing activities in the year ended 31 March 2006 from 24.0% in the year ended 31 March 2005.

FARES' EBIT decreased to US$69 million in the year ended 31 March 2006 from US$75 million in the year ended 31 March 2005, reflecting the decline in the US mortgage refinancing market partially offset by continuing cost control.

Decision Analytics' EBIT grew by US$8 million to US$102 million in the year ended 31 March 2006 from US$94 million in the year ended 31 March 2005. EBIT from continuing activities grew from US$94 million in the year ended 31 March 2005 to US$102 million in the year ended 31 March 2006. At constant exchange rates, the change in EBIT from continuing activities over the period represented a 12% increase. There was a slight decline in EBIT margin from continuing activities to 31.5% in the year ended 31 March 2006 from 32.5% in the year ended 31 March 2005, mainly due to increased investment in infrastructure and emerging markets.

Marketing Solutions' EBIT grew by US$13 million to US$57 million in the year ended 31 March 2006 from US$44 million in the year ended 31 March 2005. Continuing activities EBIT growth of 31% at constant exchange rates was broadly in line with revenue. EBIT margin from continuing activities increased from 8.9% in the year ended 31 March 2005 to 9.1% in the year ended 31 March 2006.

Interactive's total EBIT and EBIT from continuing activities grew by US$70 million to US$122 million in the year ended 31 March 2006 from US$52 million in the year ended 31 March 2005. Interactive's EBIT from continuing activities grew by 131% at constant exchange rates. The increase was attributable to contribution from acquisitions made during the year and the strong organic revenue performance from Consumer Direct in The Americas. Interactive's EBIT margin from continuing activities increased to 19.2% in the year ended 31 March 2006 from 17.7% in the year ended 31 March 2005.

Comparison of the year ended 31 March 2004 to the year ended 31 March 2005

	Year ended 31 March					
	2004			2005		
	Continuing Activities	Discontinuing Activities	Total	Continuing Activities	Discontinuing Activities	Total
			(US$ million)			
UK GAAP						
Revenue						
Credit Services	1,217	156	1,373	1,375	51	1,426
Decision Analytics	237	—	237	290	—	290
Marketing Solutions	380	10	390	501	5	506
Interactive	180	—	180	295	—	295
Total revenue	**2,014**	**166**	**2,180**	**2,461**	**56**	**2,517**
EBIT						
Credit Services direct business	315	(11)	304	331	2	333
FARES	72	—	72	75	—	75
Credit Services	387	(11)	376	406	2	408
Decision Analytics	69	—	69	95	—	95
Marketing Solutions	11	—	11	46	—	46
Interactive	34	—	34	52	—	52
Central activities	(33)	—	(33)	(34)	—	(34)
Total EBIT	**468**	**(11)**	**457**	**565**	**2**	**567**

Revenue

Revenue from Credit Services increased by US$53 million in the year ended 31 March 2005 to US$1,426 million from US$1,373 million in the year ended 31 March 2004. Credit Services' revenue from continuing activities increased from US$1,217 million in the year ended 31 March 2004 to US$1,375 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue from continuing activities over the period represented a 9% increase, of which five percentage points were due to organic growth driven by new products, increased penetration of new/emerging markets and strong business-to-business sales, together with the commencement of the FACT Act cost recovery surcharge.

Total revenue and revenue from continuing activities from Decision Analytics increased by US$53 million to US$290 million in the year ended 31 March 2005 from US$237 million in the year ended 31 March 2004. Decision Analytics' revenue from continuing activities increased by 15% at constant exchange rates over the period, of which 11 percentage points were attributable to organic growth from increased demand for its value-added Scorex and Fraud products and expansion into emerging markets.

Revenue from Marketing Solutions increased by US$116 million to US$506 million in the year ended 31 March 2005 from US$390 million in the year ended 31 March 2004. Marketing Solutions' revenue from continuing activities increased from US$380 million in the year ended 31 March 2004 to US$501 million in the year ended 31 March 2005. At constant exchange rates, the change in revenue from continuing activities over the period represented a 28% increase, of which 22 percentage points were due to growth from acquisitions, including that of QAS and the full year impact of the acquisition of CheetahMail. Organic revenue growth of six percentage points for Marketing Solutions in the year ended 31 March 2005 reflected clients' continuing switch from traditional list processing to email marketing and database management.

Total revenue and revenue from continuing activities from Interactive increased by US$115 million to US$295 million in the year ended 31 March 2005 from US$180 million in the year ended 31 March 2004. At constant exchange rates, Interactive's revenue increased by 63% over the period, of which 36 percentaqe points were attributable to organic growth from a very strong performance in Experian Consumer Direct in the US, driven by membership growth, a switch to monthly billing cycles and new products, such as Triple Advantage. Growth due to acquisitions reflected the full year effect of acquiring MetaReward in November 2003.

EBIT

Credit Services' EBIT increased by US$32 million in the year ended 31 March 2005 to US$408 million from US$376 million in the year ended 31 March 2004. Credit Services' direct business EBIT from continuing activities increased to US$331 million in the year ended 31 March 2005 from US$315 million in the year ended 31 March 2004. At constant exchange rates, the change in direct business EBIT from continuing activities over the period represented a 2% increase. The increase in EBIT reflected the strong sales performance partially offset by the impact of FACT Act related costs not recouped by the cost recovery charge to clients. The impact of FACT Act costs resulted in a decrease in direct business EBIT margin from continuing activities to 24.1% in the year ended 31 March 2005 from 25.8% in the year ended 31 March 2004.

FARES' EBIT contribution was US$75 million in the year ended 31 March 2005, up from US$72 million in the year ended 31 March 2004, despite rising interest rates. FARES benefited from the synergies resulting from its acquisition of Transamericas' tax and flood businesses in October 2003.

Decision Analytics' EBIT increased by US$26 million in the year ended 31 March 2005 to US$95 million from US$69 million in the year ended 31 March 2004. Decision Analytics' EBIT from continuing activities increased by 28% at constant exchange rates. This increase was attributable to sales growth and resulting operational leverage, leading to an improvement in EBIT margin from continuing activities to 32.9% in the year ended 31 March 2005 from 29.4% in the year ended 31 March 2004.

Marketing Solutions' total EBIT and EBIT from continuing activities increased by US$35 million in the year ended 31 March 2005 to US$46 million from US$11 million in the year ended 31 March 2004. At constant exchange rates, Marketing Solutions' EBIT from continuing activities increased by 302% over the period. EBIT margin from continuing activities increased to 9.1% in the year ended 31 March 2005 from 2.7% in the year ended 31 March 2004, reflecting the prior year impact of restructuring and integration costs.

Interactive's total EBIT and EBIT from continuing activities increased by US$18 million in the year ended 31 March 2005 to US$52 million from US$34 million in the year ended 31 March 2004. At constant exchange rates, Interactive's EBIT from continuing activities increased by 51% over the period. The increase was attributable to the sales growth and the increased mix of lower margin MetaReward sales, which resulted in a reduction in EBIT margin from continuing activities to 17.7% in the year ended 31 March 2005 from 18.9% in the year ended 31 March 2004.

Liquidity and capital resources

Liquidity and cash flow

Comparison of the year ended 31 March 2005 to the year ended 31 March 2006

The following table presents Experian's cash flows for the years ended 31 March 2006 and 2005:

	For the year ended 31 March	
	2005	**2006**
	(US$ million)	
IFRS		
Cash flows from operating activities		
Operating profit	**454**	**586**
Loss on sale of businesses	13	—
Depreciation and amortisation	217	270
Credit in respect of share incentive schemes	41	30
Increase in receivables	(7)	(36)
Increase in payables	33	19
Difference between pension contributions paid and amounts recognised in the income statement	(57)	5
Cash generated from operations	694	874
Interest paid	(146)	(193)
Interest received	150	170
Dividends received from associates	46	48
Tax paid	(57)	(32)
Net cash inflow from operating activities	**687**	**867**
Cash flows from investing activities		
Purchase of property, plant and equipment	(85)	(62)
Sale of property, plant and equipment	17	—
Purchase of intangible assets	(144)	(150)
Sale of intangible assets	7	—
Purchase of non-current investments	(9)	(41)
Acquisition of subsidiaries, net of cash acquired	(349)	(1,420)
Disposal of subsidiaries	(5)	—
Net cash flows used in investing activities	**(568)**	**(1,673)**
Cash flows from financing activities		
Net cash flows (used in)/generated from financing activities	**(275)**	**582**
Exchange and other movements	4	(20)
Decrease in cash and cash equivalents	**(152)**	**(244)**

Net cash inflow from operating activities

The net cash inflow from operating activities increased from US$687 million in the year ended 31 March 2005 to US$867 million in the year ended 31 March 2006.

Cash generated from operations increased by US$180 million from US$694 million in the year ended 31 March 2005 to US$874 million in the year ended 31 March 2006. Operating profit increased by US$132 million, which is described in the analysis of the income statement above. Depreciation and amortisation in the year ended 31 March 2006 was higher than in the prior year due to a higher amortisation charge in relation to acquisition intangibles. In the year ended 31 March 2005, there was a cash outflow in relation to a one-off payment of US$44 million into the GUS Defined Benefit Pension Scheme in the UK.

Interest paid was US$193 million in the year ended 31 March 2006, compared to US$146 million in the year ended 31 March 2005. The increase reflects the higher level of bank loans and overdrafts in 2006 used to fund acquisitions. Interest received was US$170 million in the year ended 31 March 2006 compared to US$150 million in the year ended 31 March 2005.

Dividends of US$48 million reflected those received from Experian's 20% interest in FARES in the year ended 31 March 2006. This increased by US$2 million from US$46 million in the prior year.

The cash outflow in relation to taxation decreased by US$25 million from US$57 million in the year ended 31 March 2005 to US$32 million in the year ended 31 March 2006 reflecting lower UK tax payments on account requirements.

Net cash flows used in investing activities

The cash outflow in relation to net cash flow used in investing activities increased by US$1,105 million from US$568 million in the year ended 31 March 2005 to US$1,673 million in the year ended 31 March 2006.

The cash outflow in respect of purchasing property, plant and equipment was US$62 million in the year ended 31 March 2006 compared to US$85 million in the year ended 31 March 2005. This reflects lower expenditure in 2006 in respect of UK properties and IT infrastructure costs.

The cash outflow in respect of purchasing intangible assets was US$150 million in the year ended 31 March 2006 compared to US$144 million in the year ended 31 March 2005. This represents Experian's ongoing investment in its database assets and development of new software products.

The cash outflow in relation to the purchase of non-current investments was US$41 million in the year ended 31 March 2006 compared to US$9 million in the year ended 31 March 2005. In 2006, US$19 million was paid into two trusts holding market securities to secure unfunded pension benefit arrangements.

Experian's cash flows relating to acquisitions of subsidiaries are attributable to its targeted acquisition programme in recent years. In the year ended 31 March 2006, Experian's outflow for acquisition of subsidiaries was US$1,420 million, which was primarily due to the acquisitions of LowerMyBills.com (net cash cost US$328 million), PriceGrabber.com (net cash cost US$494 million), ClassesUSA, Baker Hill, FootFall, ClarityBlue and three affiliate credit bureaux. This was a US$1,071 million increase from a cash outflow of US$349 million in the prior year when acquisitions included QAS, Simmons Research and 11 affiliate credit bureaux.

Net cash flows (used in)/generated from financing activities

Experian's financial information includes cash flows relating to GUS plc and its subsidiaries that will remain with the Business post Demerger. Cash flows arising from their financing activities, including the sale and purchase of GUS plc shares and the divestment of former GUS subsidiaries, are included in the analysis below.

The cash inflow from financing activities of US$582 million in the year ended 31 March 2006 moved by US$857 million from a cash outflow of US$275 million in the year ended 31 March 2005. The movement from an outflow to an inflow reflects a number of factors as set out below. There was a US$345 million reduction in cash outflows in relation to the purchase of GUS Shares as GUS plc completed its share buyback programme at 31 March 2005.

New borrowings generated US$647 million cash inflow in the year ended 31 March 2006, as compared to US$769 million in the prior year and there was a US$592 million reduction in cash relating to repayment of borrowings.

During the year ended 31 March 2005, Experian received US$164 million in net receipts from derivatives in order to manage its currency profile, compared to US$13 million in the year ended 31 March 2006. (The receipts arising in the year ending 31 March 2005 arose from the significant fluctuations in the US Dollar throughout the two years ending 31 March 2005.)

Proceeds from disposal of other GUS subsidiaries increased to US$415 million in the year ended 31 March 2006 from US$194 million in the year ended 31 March 2005. In the year ended 31 March 2006, the cash inflow related to the disposals of Lewis (US$251 million), Wehkamp (US$159 million) and Burberry (US$5 million). In the year ended 31 March 2005, the cash inflow reflected proceeds from an initial public offering by Lewis.

Net dividends received from other Group companies fell by US$171 million from US$192 million in the year ended 31 March 2005 to US$21 million in the year ended 31 March 2006.

The year ended 31 March 2005 included dividends of US$74 million from Wehkamp, US$39 million from Burberry and US$50 million from Whiteaway Laidlaw Bank Limited. No dividends were received from these group companies in 2006.

Funding paid to other GUS companies decreased from US$120 million in the year ended 31 March 2005 to US$57 million in the year ended 31 March 2006. The net decrease in equity in other Group companies moved from US$22 million in the year ended 31 March 2005 to US$93 million in the year ended 31 March 2006.

Net decrease in cash and cash equivalents

The net decrease in cash and cash equivalents for the year ended 31 March 2006 was US$244 million, reflecting a change of US$92 million from US$152 million for the year ended 31 March 2005, due to the factors described above.

Comparison of the year ended 31 March 2004 to the year ended 31 March 2005

The following table presents Experian's cash flows for the years ended 31 March 2005 and 2004:

	2004	2005
	(US$ million)	
UK GAAP		
Net cash inflow from operating activities	634	698
Dividends received from associated undertakings	62	46
Returns on investments and servicing of finance	(4)	4
Taxation	(42)	(57)
Capital expenditure	(201)	(207)
Financial investment	97	(9)
Acquisition of subsidiaries	(224)	(349)
Disposal of subsidiaries	24	(5)
Dividends paid to GUS plc shareholders	(414)	(520)
Net cash outflow before management of liquid resources and financing	**(68)**	**(399)**
Management of liquid resources	(12)	7
Net cash inflow from financing	249	243
Increase/(decrease) in net cash	**169**	**(149)**

Net cash inflow from operating activities

Net cash inflow from operating activities increased by US$64 million to US$698 million in the year ended 31 March 2005 from US$634 million in the year ended 31 March 2004. Operating profit increased by US$73 million, which is described in the analysis of the profit and loss account above.

Dividends received from associated undertakings

Dividends of US$46 million principally reflected those received from Experian's 20% interest in FARES in the year ended 31 March 2005. This decreased by US$16 million from US$62 million in the prior year.

Returns on investment and servicing of finance

There was a net cash inflow of US$4 million in the year ended 31 March 2005, compared to a cash outflow of US$4 million in the prior year, in relation to returns on investment and servicing of finance. The increase was driven by a higher cash inflow from interest received, being US$150 million in the year ended 31 March 2005 as compared to US$125 million in the year ended 31 March 2004. Interest payable was US$144 million in the year ended 31 March 2005, compared to US$128 million in the year ended 31 March 2004. Interest cash flows during the two years ended 31 March 2005 were affected by both external debt and balances with other GUS companies.

Taxation

The cash outflow in relation to taxation increased by US$15 million from US$42 million in the year ended 31 March 2004 to US$57 million in the year ended 31 March 2005 reflecting the increased profitability of the business.

Financial investment

Financial investment cash outflow was US$9 million in the year ended 31 March 2005, related to the purchase of fixed asset investments, compared to a cash inflow of US$97 million in the prior year, which was primarily attributable to a US$139 million loan repayment by BL Universal PLC in 2004, balanced against a net cash outflow of US$54 million relating to the purchase of fixed asset investments in that year.

Acquisition of subsidiaries

Experian's cash flows relating to acquisition of subsidiaries are attributable to its targeted acquisition programme in recent years. In the year ended 31 March 2005, Experian's cash outflow for acquisitions of subsidiaries was US$349 million, which was primarily due to the acquisitions of QAS (net cash cost US$167 million), Simmons Research, and 11 affiliate credit bureaux. This was a US$125 million increase from a cash outflow of US$224 million in the prior year when acquisitions included CheetahMail, DMS Atos, MetaReward and 10 affiliate credit bureaux.

Disposal of subsidiaries

Proceeds from the disposal of businesses sold in the year ended 31 March 2004 were US$24 million. In the year ended 31 March 2005, Experian made a cash contribution of US$5 million to the purchaser of its UK Print & Mail operation to fund post-acquisition restructuring.

Net cash outflow before management of liquid resources and financing

Net cash outflow before management of liquid resources and financing increased by US$331 million to an outflow of US$399 million in the year ended 31 March 2005 from an outflow of US$68 million in the year ended 31 March 2004. The cash outflows have been incurred as a result of the items described previously together with an increase in dividends paid to shareholders of GUS plc of US$106 million.

Net cash inflow from financing

The cash inflow from financing has decreased by US$6 million, from US$249 million in the year ended 31 March 2004 to US$243 million in March 2005. Proceeds from disposal of other GUS subsidiaries decreased to US$194 million in the year ended 31 March 2005 from US$617 million in the year ended 31 March 2004, due to the sale of GUS home shopping and Reality businesses, the sale of GUS's interest in BL Universal PLC and disposal of shares in Burberry. Cash flows in respect of funding with other GUS companies moved from an inflow of US$372 million in the year ended 31 March 2004 to an outflow of US$122 million in respect of the year ended 31 March 2005. Net dividends received from other GUS group companies rose in the year ended 31 March 2005 from US$132 million to US$192 million.

Purchase of GUS shares generated a net cash outflow of US$380 million in the year ended 31 March 2005, as compared to US$10 million in the prior year. This was offset by an increase in cash flows from debt and lease financing of US$1,150 million, primarily as a result of new borrowings of US$769 million and a US$376 million reduction in the repayment of borrowings.

Increase/(decrease) in net cash

An increase in net cash of US$169 million in the year ended 31 March 2004 moved to an outflow of US$149 million in the year ended 31 March 2005 due to the factors described above. Additionally, in the year ended 31 March 2004, the GUS Group contributed exceptional cash flows of US$44 million, arising from a US$83 million cash inflow from the collection and subsequent sale of vehicle finance debtors of General Guarantee Finance Ltd, a GUS Group company, and a US$39 million capital expenditure on UK properties by a GUS Group company.

Capital resources

Experian's financial information includes capital resources relating to GUS and its subsidiaries to which the Experian Group will succeed following the Demerger. GUS' capital resources that relate to Experian or Experian Group are included in the analysis below.

Experian has access to capital resources from the international debt capital markets and from bank loans.

GUS notes

GUS has three series of fixed rate notes currently outstanding. On 16 July 1999, GUS issued £350 million 6.375% Bonds due 2009 (the "**2009 Notes**"). On 23 October 2002, GUS established a £2,000 million Euro Medium Term Note Programme under which it issued two series of notes on 13 February 2003, the €600 million 4.125% Notes due 2007 (of which €568 million is currently outstanding) (the "**2007 Notes**") and the £350 million 5.625% Notes due 2013 (the "**2013 Notes**", together with the 2007 Notes and the 2009 Notes, the "**Notes**"). Following the Demerger, these Notes will remain obligations of GUS. Further details about the Notes are set out in paragraph 12.3 of Part XIII: "Additional Information".

GUS' former bank facilities

Additionally GUS has entered into bilateral and syndicated revolving committed borrowing facilities with banks.

On 18 December 2003, GUS entered into an unsecured multi-currency revolving loan facility agreement, subsequently amended in December 2004, with a group of banks (the "**GUS Syndicated Facility Agreement**"). The GUS Syndicated Facility Agreement provided for a facility in an aggregate principal amount of £800 million which terminates five years from the date of the GUS Syndicated Facility Agreement. GUS cancelled this facility with effect from 12 July 2006. All drawings have been repaid in full. Further details about the GUS Syndicated Facility Agreement are set out in paragraph 12 of Part XIII: "Additional Information".

During 2005 and 2006, GUS entered into five bilateral facility agreements on substantially the same terms as the GUS Syndicated Facility Agreement. These were each available for drawing for 364 days from the date on which they were signed. GUS cancelled these facilities with effect from 12 July 2006. Existing drawings were repaid, or will be repaid, on their respective maturity dates, whereupon the facilities were repaid, or will be repaid, and cancelled in full. Further details about these facility agreements are set out in paragraph 12 of Part XIII: "Additional Information".

In the three years ended 31 March 2006, the underlying cash flows and interest costs have related to the Notes and the drawings under these facility agreements.

GUS' active bank facilities

On 12 July 2006, GUS entered into a $2,450 million multi-currency revolving loan facility agreement (the "**Experian 5-year Facility**") with a group of banks. Pursuant to the Experian 5-year Facility funds will be made available for general corporate purposes from the date of the Experian 5-year Facility. Prior to the Demerger, GUS is named in the

Experian 5-year Facility as borrower and guarantor. Following the Demerger, Experian Group will accede to the Experian 5-year Facility as a borrower and a guarantor. In addition, GUS must remain as a guarantor while any amounts under the 2007, 2009 and 2013 notes and bonds remain outstanding. Nominated wholly owned subsidiaries of GUS or, following the Demerger, Experian Group, can accede as borrowers without the consent of the lenders. Other nominated subsidiaries can accede with the consent of the majority lenders. GUS will be required to repay all outstanding amounts under the Experian 5-year Facility by no later than 12 July 2011, subject to an extension option. Further details about the Experian 5-year Facility are set out in paragraph 12 of Part XIII: "Additional Information".

On 12 July 2006, GUS also entered into a £650 million multi-currency revolving loan facility agreement (the "**Experian 364-day Facility**") with a group of banks. Under the terms of the Experian 364-day Facility, £350 million is to be used to enable GUS to repay the 2013 notes. The remainder will be made available from the date of the Experian 364-day Facility for general corporate purposes. Funds will be made available for drawdown for 364 days from the date of the Experian 364-day Facility. Prior to the Demerger, GUS is named in the 364-day Facility as borrower and guarantor. Following the Demerger, Experian Group will accede to the 364-day Facility as a borrower and a guarantor. In addition, GUS must remain as a guarantor while any amounts under the 2007, 2009 and 2013 notes and bonds remain outstanding. Nominated wholly owned subsidiaries of GUS or, following the Demerger, Experian Group, can accede as borrowers without the consent of the lenders. Other nominated subsidiaries can accede with the consent of the majority lenders. Experian Group will be required to repay all outstanding amounts under the Experian 364-day Facility by no later than 12 July 2008. Further details about the Experian 364-day Facility are set out in paragraph 12 of Part XIII: "Additional Information".

Net cash inflows from operating activities are used in investing activities and to repay debt. In order to ensure sufficient liquidity to meet requirements for payments as they fall due, GUS also holds undrawn committed bank facilities. As at 31 March 2006, undrawn committed bank facilities totalled US$922 million.

Capital expenditure

Capital expenditure (net of disposal proceeds) was US$212 million, US$205 million on the basis of IFRS and US$207 million on the basis of UK GAAP, and US$201 million in the years ended 31 March 2006, 2005 and 2004, respectively. Capital expenditure during this period was primarily related to investment in databases, property, computer infrastructure, product development and software for internal use, as set out in Experian's Combined Financial Information. Investment in infrastructure to support growth has been funded by operating cash flow. As of 31 March 2006, Experian had no material capital projects underway or committed. The 2004 capital expenditure amounts were prepared on the basis of UK GAAP, the 2005 amounts were prepared on the basis of both UK GAAP and IFRS and the 2006 amounts were prepared on the basis of IFRS.

Contractual obligations and commitments as at 31 March 2006

As at 31 March 2006, Experian had the following contractual obligations and commitments, expressed in nominal amounts outstanding:

	Payments due by period			
	Total	Less than 12 months	12-60 months	After 60 months
	(US$ million)			
IFRS				
Long-term and short-term interest-bearing debt obligations	3,507	296	2,615	596
Capital (finance) lease obligations	6	4	2	—
Operating lease obligations	160	48	82	30
Capital expenditure obligations	12	12	—	—
Total	3,685	360	2,699	626

All of Experian's material contractual obligations and commitments as at 31 March 2006 were unguaranteed and unsecured.

Off-balance sheet arrangements

Experian does not have any material off-balance sheet arrangements with any of its affiliates or with any unconsolidated entities.

Qualitative and quantitative disclosures on market risk

Experian's activities expose it to a variety of financial risks: market risk including currency risk and interest rate risk, credit risk and liquidity risk. Experian's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Experian's financial performance. Experian uses derivative financial instruments to hedge certain risk exposures.

Experian's Treasury function seeks to reduce or eliminate Experian's exposure to foreign exchange, interest rate and other financial risks, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. It does not operate as a profit centre and transacts only in relation to underlying business requirements. It operates policies and procedures which are periodically reviewed and approved by the Board.

Exchange rates

Experian, due to the international nature of its business, is exposed to two types of foreign exchange risk, translation risk and transaction risk. Approximately 65% of Experian's EBIT is generated in US Dollars, its reporting currency, while the remaining 35% is generated in other currencies (mainly sterling and euros).

Translation risk: Movements in the exchange rates of other currencies relative to the US Dollar may cause fluctuations in reported financial information that are not necessarily related to Experian's underlying operations. As a result, comparability of Experian's performance between financial periods may also be significantly affected; therefore, Experian reports revenue and EBIT growth rates at constant exchange rates. These EBIT and revenue growth rate calculations are made by taking the relevant financial performance numbers from each financial period to be compared and retranslating them using the same exchange rate so as to eliminate the effect of any currency exchange rate fluctuation between the two financial periods.

During the periods under review, Experian's results of operations have been impacted by the movement of its reporting currency, the US Dollar, primarily against the sterling and the euro. Experian expects that its results of operations will continue to be affected by currency movements against the US Dollar.

In addition, Experian has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of Experian's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies and the use of forward foreign exchange contracts.

Transaction risk: Experian does not regard transaction risk as material because it largely transacts in the same currency for revenues and expenses.

Credit risk

In the case of cash and derivative financial instruments, Experian is exposed to a credit risk, which results from the non-performance of contractual agreements on the part of the contract party. This credit risk is minimised by the fact that Experian only enters into such contracts with banks and financial institutions with strong credit ratings, within limits set for each organisation. Dealing activity is closely controlled and counter-party positions are monitored daily. The general credit risk on derivative financial instruments utilised by Experian is therefore not considered to be significant. No concentration of credit risk with particular borrowers or groups of borrowers has been identified.

Liquidity risk

Experian manages its cash and committed bank borrowing facilities to maintain liquidity and funding flexibility.

Interest rate risk

Experian's interest rate exposure is managed by the use of fixed and floating rate borrowings and by the use of interest rate swaps to adjust the balance of fixed and floating rate liabilities. Experian also mixes the duration of its borrowings to smooth the impact of interest rate fluctuations.

Critical accounting estimates and assumptions

In preparing the Combined Financial Information, management have made estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgement at the date of the Combined Financial Information will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

Taxes

Experian is subject to taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Experian recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the results for the year and the respective income tax and deferred tax provisions in the year in which such determination is made.

Pension benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the defined benefit obligations and net pension costs include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions may impact the amounts disclosed in the Combined Financial Information.

The expected return on plan assets is calculated by reference to the plan investments at the year-end and is a weighted average of the expected returns on each main asset type (based on market yields available on these asset types at the year-end).

Experian determines the appropriate discount rate at the end of each year. This is the interest rate used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, Experian considers the market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity consistent with the estimated average term of the related pension liability.

Other key assumptions for defined benefit obligations and pension costs are based in part on market conditions at the relevant year-ends and additional information is disclosed in Note 21 to the Combined Financial Information prepared in accordance with IFRS for the two years ended 31 March 2006.

Under IFRS, the pension charge principally comprises a current service cost, charged to operating profit, and a financing item reported within net interest. Under IAS 19 (Employee Benefits), Experian has taken the option that requires the full actuarial value of the surplus or deficit of pension schemes and other post-retirement benefits to be shown on the balance sheet. Any movements in the pension assets and liabilities arising from actuarial gains and losses are recognised immediately in full through the SORIE (Statement of Recognised Income and Expense).

Fair value of derivatives or other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. Experian uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each balance sheet date.

As permitted by IFRS 1 (First Time Adoption of Financial Reporting Standards), Experian elected to defer implementation of IAS 32 (Financial Instruments Disclosure and Presentation) and IAS 39 (Financial Instruments Recognition and Measurement) until the year commencing 1 April 2005. The principal impact of IAS 32 and 39 on the Combined Financial Information relates to the recognition of derivative financial instruments at fair value.

Goodwill

Goodwill is allocated to cash generating units ("**CGUs**") and monitored for internal management purposes by geographic segment. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Goodwill is not amortised under IFRS. Instead, IAS 36 (Impairment of Assets) requires an annual impairment review to be undertaken. Under UK GAAP goodwill is amortised and is subject to an impairment test if a triggering event occurs. The recoverable amount of each geographic segment is determined based on value-in-use calculations.

Intangible assets

Certain costs incurred in the developmental phase of an internal project are capitalised if a number of criteria are met. Management has made certain judgements and assumptions when assessing whether a project meets these criteria, and on measuring the costs and the economic life attributed to such projects.

Under IFRS 3 (Business Combinations), specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. These include such items as brand names and customer lists, to which value is first attributable at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on uncertain judgements about the value and economic life of such items. Under UK GAAP, such intangibles are not recognised separately and are subsumed within goodwill.

Current trading and prospects

The Directors are confident about the current trading and prospects of Experian in the current year ending 31 March 2007. In addition, set out below is the text of the trading statement issued by the Company on 14 September 2006:

"Experian, the global information solutions company, which is part of GUS plc, is issuing this update on trading to coincide with the publication of its prospectus later today.

Don Robert, Chief Executive Officer of Experian, said:

"We are pleased with the performance of Experian in the first five months of the year, which continues to show good growth in line with our expectations. Sales grew by 18%, with organic growth of 7%, reflecting the scale and strength of the Experian business around the world."

% change in sales year-on-year for the five months to 31 August 2006

Continuing activities only*	At actual exchange rates %#	At constant exchange rates %
The Americas	20	20
UK and Ireland	21	20
EMEA/Asia-Pacific	9	8
Experian	18	18

* As previously disclosed, two businesses have been treated as discontinuing from 1 April 2006. These are MetaReward's incentive marketing websites which have been closed and large scale UK account processing, where Experian has announced its phased withdrawal by Autumn 2009

Experian is reporting in US dollars

In the five months to 31 August 2006, Experian grew its sales from continuing activities by 18% at constant exchange rates. Organic growth was 7% with the balance from acquisitions.

By geography, Experian's three regions all showed 7% organic sales growth. This performance illustrates the benefits of Experian's successful strategy to broaden its portfolio of businesses by geography and by product.

Americas

In dollars, sales from continuing activities in the five months to 31 August 2006 increased by 20% in total. Organic growth was 7% in the period with corporate acquisitions, largely in Interactive, generating the remaining 13%.

As expected, sales in Credit Services excluding acquisitions were in line with last year, a pleasing performance against a period where the comparatives were very strong (H1 2005/6: +18%). Sales of products used in account acquisition (profiles and prescreen) were weaker but this was offset by good growth in risk management, collections, recovery and account retention products. Sales of Decision Analytics grew strongly, reflecting a recent contract win with Bank of America and continued strength in fraud prevention products.

Sales in Marketing Solutions were marginally down year-on-year, with the continuing trend of strong growth in email marketing and research services offset by weakness in consumer marketing data and list processing. Organic growth in Interactive was in excess of 20%, with particular strength in Consumer Direct.

UK and Ireland

In the five months to 31 August 2006, sales from continuing activities increased by 20% in total at constant exchange rates. Organic growth continued at 7% in the period despite a difficult consumer environment. The contribution from acquisitions, largely ClarityBlue, was 13%.

Excluding acquisitions, there were solid performances from Credit Services, Decision Analytics and Marketing Solutions, with particular success in fraud prevention and in the telecommunications and public sectors. Interactive sales more than trebled in the period.

EMEA/Asia-Pacific

In the five months to 31 August 2006, sales from continuing activities increased by 8% in total at constant exchange rates, of which organic growth was 7%. There was particular strength in Decision Analytics, especially in Southern and Eastern Europe. Sales in the French transaction processing business, which accounted for about half of revenue in the period, were marginally ahead of last year.

Note: All financial information is based on unaudited management accounts.

Future announcements

Experian will announce its Interim Results on 21 November 2006."

Capitalisation and indebtedness

The following table shows the indebtedness of Experian based on IFRS as at 30 June 2006.

	At 30 June 2006
	US$m
Total current debt	
Unguaranteed/unsecured	(1,860)
Secured (note 2)	(4)
Total current debt	**(1,864)**
Non-current debt (excluding current portion of long-term debt)	
Unguaranteed/unsecured	(2,517)
Secured (note 2)	(1)
Total non-current debt	**(2,518)**
Total debt	**(4,382)**

Notes:

1. This information is unaudited.
2. Secured liabilities relate to the present value of obligations under finance leases and are effectively secured as the rights to the leased assets revert to the lessor in the event of default.
3. Experian has not in the past formed a separate legal group and therefore it is not meaningful to show share capital or an analysis of reserves for Experian.
4. Experian had no guaranteed debt as at 30 June 2006.

The following table shows the net financial indebtedness of Experian based on IFRS as at 30 June 2006.

	At 30 June 2006
	US$m
Liquidity	
Cash and cash equivalents	1,075
Total liquidity	**1,075**
Current financial debt	
Current bank debt	(1,860)
Other current financial debt	(4)
Current financial debt	**(1,864)**
Net current financial indebtedness	**(789)**
Bonds and notes issued	(1,986)
Non-current bank loans	(531)
Other non-current financial debt	(1)
Non-current financial indebtedness	**(2,518)**
Net financial indebtedness	**(3,307)**

Notes:

1. This information is unaudited.
2. Experian has no indirect or contingent indebtedness as at 30 June 2006.
3. Experian also has derivatives not reflected in the analysis above that are hedging the fair value of borrowings. These derivatives have the following fair values at 30 June 2006:

	Asset/(liability)
	US$m
Foreign currency hedging	
assets	42
Interest rate hedging	
assets	31
liabilities	(9)
	64

The Company's capitalisation as at 31 August 2006 was US$6 and its cash was US$6.

Dividend policy

The Directors anticipate that the dividend policy of Experian will have a cover of no less than three times.

Experian Group will report its results in US Dollars and will announce dividends in US Dollars. Unless shareholders elect otherwise, their dividends will be paid in pounds sterling.