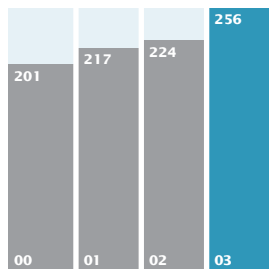


# Experian has further strengthened its position as a leading global business solutions company, providing strategic support to clients in over 60 countries.



Experian operating profit  
£ million

## Experian

Experian helps organisations to target, acquire and manage new customers and develop successful customer relationships. Its clients operate in a diverse range of sectors, including financial services, telecommunications, healthcare, insurance, retailing, automotive and government.

Experian delivered global sales growth of 12% and profit growth of 20% last year, at constant exchange rates. This was driven by the improving underlying sales performance of Experian North America, the continuing strong progress of Experian International and the benefit of strategic acquisitions.

Throughout the year, Experian built on its leading positions in the US and UK, while extending its reach internationally. A number of key acquisitions were made to enhance Experian's global product range and to support its development within important growth markets.

Changes were also made in the global management structure to assist Experian in leveraging resources on a worldwide scale. In March 2003, Craig Smith, formerly CEO of Experian North America, became Chairman of Experian worldwide. He was succeeded by Don Robert, formerly Chief Operating Officer in North America.

John Saunders, who continued as CEO of Experian International, took on responsibility for Experian's global decision solutions business. This followed the acquisition of Experian's remaining stakes in Scorex, an international provider of credit solutions. Experian had been operating joint ventures with Scorex since 1996 and will now be able to develop an integrated product range for decision solutions, available across a wide range of markets.

## Experian North America

Experian North America performed strongly during the year, despite some challenging market conditions. There were productivity gains and major new contracts throughout the business, with sales up 13% and profits up 20% in dollars.

Excluding the acquisition of ConsumerInfo.com, credit information and solutions sales increased 8%, helped by demand from clients in interest rate sensitive sectors, especially the mortgage refinancing market.

Demand for fraud protection systems was particularly strong, with clients of Experian's National Fraud Database reporting a dramatic reduction in losses after incorporating the database within their credit application processing systems. The ability to authenticate consumers over the Internet was another growth area, allowing clients such as VISA, Dell Financial Services, First American Payment Processing and Yahoo to reduce fraud and improve each customer's online experience.

Experian also embarked on a major programme to acquire its 38 affiliate credit bureaux. This will provide Experian with direct control of an important distribution channel and ensure that the clients of these affiliates have direct access to the full range of Experian products.

Demand for marketing information and solutions continued to be affected by difficult market conditions, with most clients reducing expenditure in this area. Despite this, sales were on an improving trend throughout the year and up 4% during the last six months. AOL, Citigroup and Dell were among the companies that awarded major contracts to Experian in order to enhance their ability to reach new customers.

There was particularly strong demand for Truview, the Experian customer management solution, which enables businesses to integrate the records of different business units or databases in order to create a single view of each customer.

Direct-to-consumer sales now account for 11% of Experian sales in North America, compared to less than 1% in the previous year, following the acquisition of ConsumerInfo.com. This business provides consumers with online access to their credit reports and has been combined with Experian's own direct-to-consumer operation to create the clear leader in this growing market.

The recent acquisition of PromiseMark will enable Experian to strengthen its direct-to-consumer offer even further by providing insurance against identity theft, one of the fastest growing crimes in the US.

The FARES joint venture, which is Experian's chosen way of competing in the real estate information sector, had another good year and continued to benefit from strong activity in the mortgage refinancing market. Experian's 20% share of FARES profits was up \$6m to almost \$50m.

## Some major clients:

ABN AMRO Bank  
Abbey National  
Alliance & Leicester  
AOL Time Warner  
Bank One  
Bank of America  
Barclays  
BBC News Online  
BMW  
BNP Paribas  
Capital One  
Chase  
Citigroup  
Commerzbank  
Egg  
First American  
Ford  
HBOS/Bank of Scotland  
Household  
Lloyds TSB  
MBNA  
McDonald's  
Morgan Stanley  
RBS  
Société Générale  
Sears  
Standard Life Bank

**Headquarters:** Experian's headquarters are in Costa Mesa, California (pictured here) and Nottingham, UK. The company employs over 13,000 people worldwide.

**Fraud:** Banks, building societies and financial service providers in the UK and US are increasingly turning to Experian to support them in their fight against all forms of fraud, from identity theft to money laundering.

**Citigroup:** Experian is working with Citi Cards, the largest provider of card products in the United States, to develop a centralised marketing database. Citi Cards is a unit of Citigroup.

**Motor insurance database:** A total of 25,000 enquiries are being received from the police each day as they check Experian's motor insurance database to see whether vehicles are properly insured.



## Experian continued

### Experian International

Experian International, which accounts for 40% of Experian's worldwide sales, had another successful year. Sales increased by 11% and profit by 21% at constant exchange rates.

Sales of credit information and solutions grew by 15%, with particularly strong growth in business information and account processing. Experian's presence outside the UK was significantly enhanced by the acquisition of Nordic Info Group, the leading consumer and business credit information provider in Denmark and Norway. The acquisition brought the total number of information bureaux operated by Experian to 16 and provided a strong platform for the sale of a full range of integrated information and decision support solutions.

**ABN AMRO:** This global banking group uses Experian's advanced decision solutions to streamline decision-making in all areas of customer management, from processing loan applications to collecting overdue accounts. Experian's recent acquisition of Scorex has created a global decision solutions business, capable of supporting clients such as ABN AMRO in many different market places.



Experian also benefited from recent investments to bring its consumer marketing and decision solutions skills to the field of business information. This resulted in a range of new products, including commercial versions of Experian's credit application processing system, Autoscore, and its geodemographic profiling system, Mosaic.

As in North America, Experian International is meeting the growing demand for credit solutions, not least in the fight against fraud. In the UK alone, 'card not present' fraud increased by over 60% during 2002, as criminals used stolen credit card details to make purchases over the telephone and Internet.

Significant progress was also made in account processing, with a number of major contracts awarded to Experian by clients expanding their operations into Europe. In the UK, Experian supported the pilot of the new Marks & Spencer joint credit and loyalty card.

Sales of marketing information and solutions grew by 14%, despite difficult market conditions. This was driven by strong growth in the automotive and insurance sectors.

Within the automotive sector, Experian continued to enhance its Car Data Check database, while developing the market for dealer management and sales reporting systems. Lexus, the luxury car manufacturer, was one of a number of automotive clients to adopt an automated online system in order to make faster and more informed marketing decisions.

Outsourcing accounted for about 30% of Experian International's sales and showed 4% growth in the year. In the UK, Experian won a major contract from NTL to supply consumer billing services. In Italy, Experian was chosen by CartaSi, the country's leading bank card, to support its customer contact operation.

In the UK, Experian enhanced its ability to provide strategic advice to clients with the acquisition of one of the leading economic consultancy groups, Business Strategies. The combination of Business Strategies' analysis and forecasting abilities with Experian's information assets will open up new areas of expertise and product development.