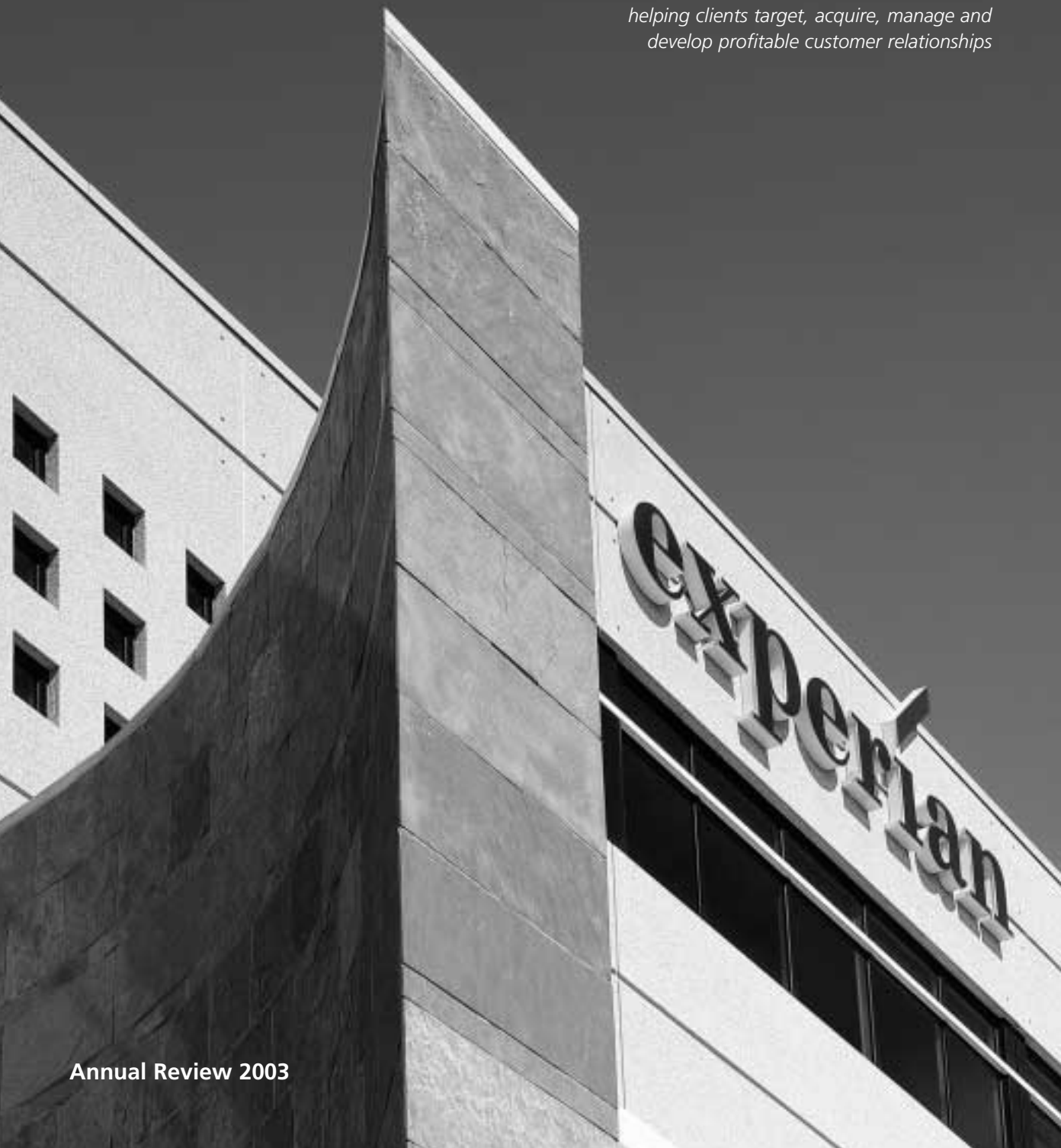




Building on our success

*Experian provides strategic direction and support,
helping clients target, acquire, manage and
develop profitable customer relationships*



Experian – who we are and what we do

Experian provides strategic direction and support to organisations around the world. We help our clients target and acquire customers and manage and develop profitable customer relationships. We do this by combining our advanced decision support and outsourcing services with information on consumers, businesses, motor vehicles and property.

Experian works with more than 40,000 clients across diverse industries, including financial services, telecommunications, healthcare, insurance, retail and catalogue, automotive, manufacturing, leisure, utilities, property, e-commerce and government. Millions of consumers rely on Experian's consumer credit services to meet their financial management needs.

Experian is a subsidiary of GUS plc and has headquarters in Nottingham, UK, and Costa Mesa, California. We have a 175-year history and unbroken sales growth over the past 23 years. Our 13,000 people support clients in more than 60 countries. Annual sales exceed £1.2 billion.

Our markets



Countries where we have offices

- | | |
|-----------|-----------------|
| Argentina | Italy |
| Australia | Monaco |
| Austria | The Netherlands |
| Brazil | Norway |
| Canada | Portugal |
| Denmark | South Africa |
| France | Spain |
| Germany | Sweden |
| Greece | Turkey |
| Hong Kong | United Kingdom |
| Ireland | United States |

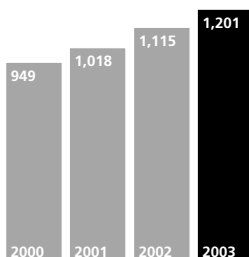
Some of our clients

- | | | | | | |
|----------------------|-----------------|------------------|-----------------|-------------------------|--------------------|
| Abbey National | Barclays | Commerzbank | GIE Comutites | National Australia Bank | Standard Life Bank |
| ABN Amro Bank | BBC News Online | Coors Brewers UK | Household | NTL | Volkswagen |
| Alliance & Leicester | BMW | Crédit Agricole | J Jill | Orange | Westpac |
| America Online | BNP Paribas | Crédit Lyonnais | Lloyds TSB | RBS | Yahoo |
| AOL Time Warner | Capital One | Egg | Marks & Spencer | RR Donnelley | |
| Autotrader | CartaSi | First American | MBNA | Sears | |
| Bank of America | Chase | Ford | McDonald's | SIEBEL | |
| Bank One | Citigroup | France Télécom | Morgan Stanley | Société Générale | |

Our performance over the last four years

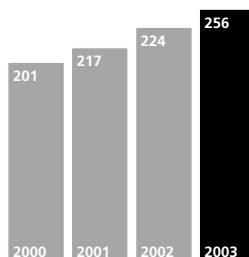
Experian global sales

£ million – year to March



Experian operating profit

£ million – year to March



Explaining Experian

Experian's financial performance is reported under the headings shown in this diagram. The solutions we provide to clients frequently combine products and skills from across these business areas.



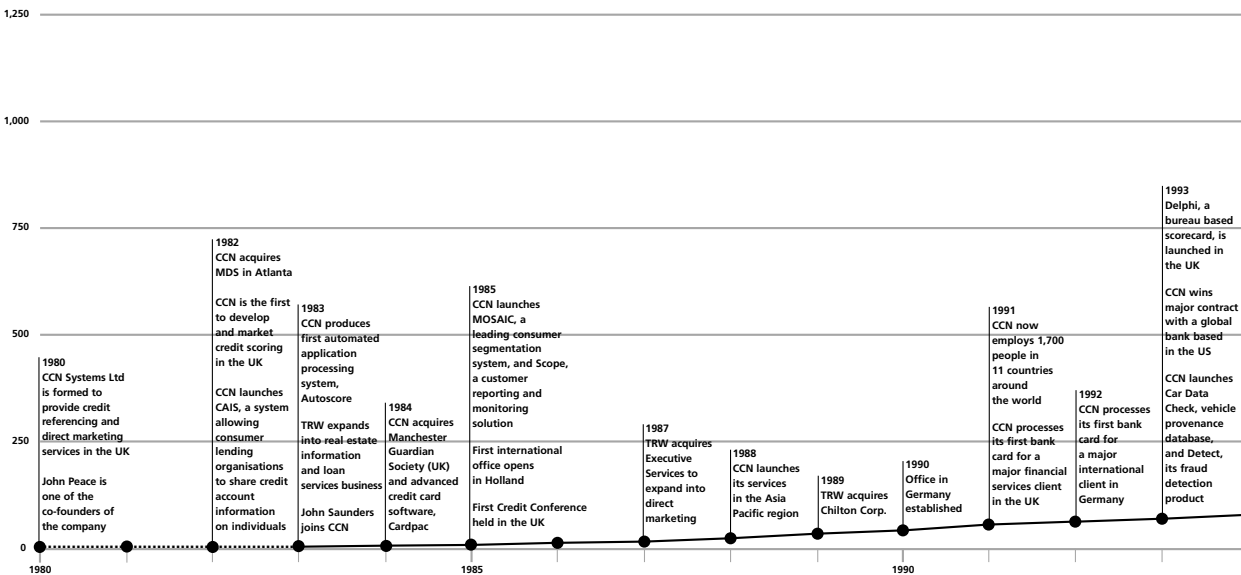
- Information – credit**
providing data for credit purposes
- Information – marketing**
providing data for marketing purposes
- Solutions – credit**
helping clients with decision making for credit purposes
- Solutions – marketing**
helping clients with decision making for marketing purposes
- Outsourcing**
supporting clients in process tasks

Experian – success past and present

Our history

The roots of Experian lie as far back as the early 19th century with the Manchester Guardian Society, which was formed in 1827 to collate business information and produce financial reports. In the US, the Chilton Corporation was collecting information about shoppers' bill-paying habits as early as 1897 and by 1932 Michigan Merchants Co. had been formed to provide credit reporting services. TRW, a major conglomerate in the US, subsequently acquired both businesses and, in 1976, produced the first business credit report in partnership with the National Association of Credit Management. Meanwhile, in 1980, CCN was formed by GUS and became the first company to develop and market credit scoring systems in the UK.

Global revenue £ million



The Customer Life Cycle

Experian's mission is to help organisations maximise the potential of every customer interaction and we support each stage of the Customer Life Cycle. We help clients develop strong one-to-one relationships with their customers and use the knowledge gained to identify new prospects and new market opportunities.

Targeting customers

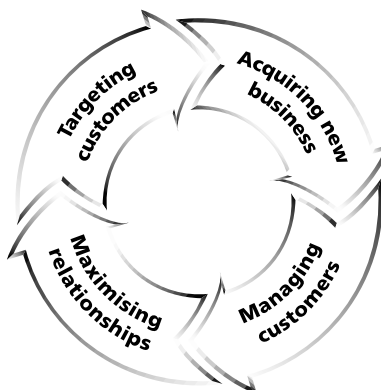
Experian's extensive marketing information and proven profiling abilities help clients to understand consumer lifestyles and motivations, enabling them to reach potential customers through relevant, persuasive communications.

Experian solutions for targeting customers include MOSAIC, automotive databases, ContactMail, Experian TruvueSM and Intravue.

Maximising relationships

Experian's customer management systems and expert analysis help clients to identify cross-sell and up-sell opportunities. One-to-one relationships are created using communications that take account of customers' behaviour and changing circumstances.

Experian's solutions for maximising relationships include strategic business and consultancy, Strategy Management for customer management, e-series and CredinomicsSM.



Acquiring new business

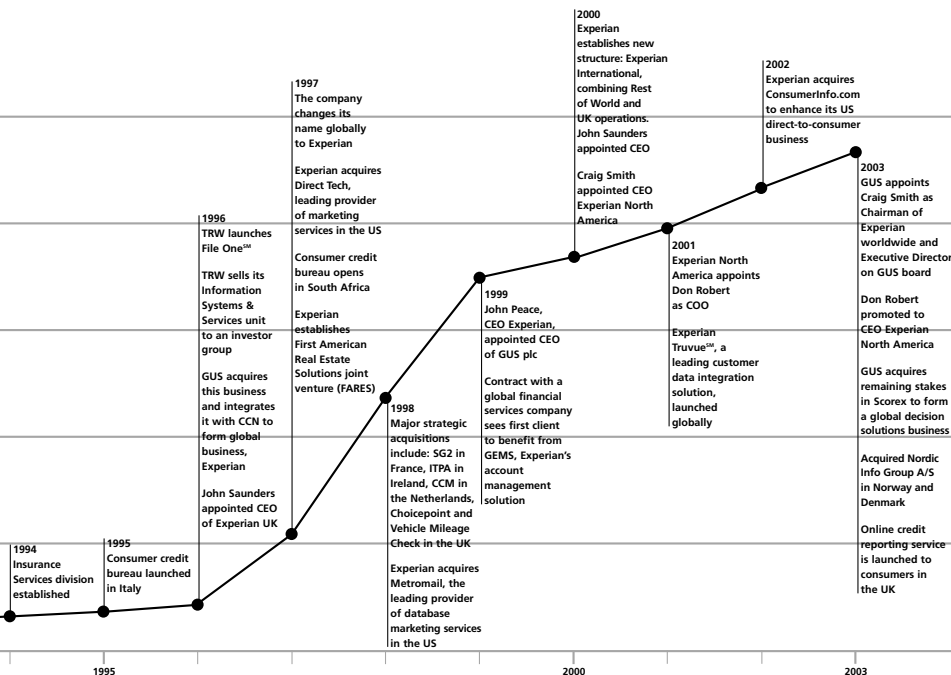
Experian's decision systems and detailed status information on both companies and individuals enable clients to authenticate identities and determine the most appropriate terms for conducting business.

Experian solutions for acquiring new business include Strategy Management for new business, Experian Detect and e-identitycheck, as well as application processing and Delphi for both commercial and consumer markets.

Managing customers

Experian's data processing and customer support centres help clients in the day-to-day management of their customers. An invisible interface, we process cheque and card payments, send out financial statements and respond to telephone enquiries. Decision support systems provide immediate access to information on each customer's transaction activity, guiding the decisions of customer support staff and ensuring clients can offer a more personalised service.

Experian solutions for managing customers include Strategy Management for customer management, INSOURCESM, cheque and debit card processing, Database Services and our customer support centres.



Acquisitions over the past year

Business Strategies

A leading UK consultancy specialising in macroeconomic forecasting. This acquisition brought together Experia's vast data resources with Business Strategies' analytical expertise to create one of the most information-rich business consultancy groups in the UK.

ITEM SL

The acquisition of ITEM SL expanded Experia's presence in Spain, allowing it to enhance its current offerings and to develop and integrate global products such as Truvue and Intravue into the Spanish market.

Scorex

The remaining stakes in Scorex were acquired in 2003. Stemming from a partnership dating back to 1996, the full merger between Experia's Strategic Solutions business and Scorex created one of the world's leading decision support businesses. Already operating in Canada, Spain, Italy, Greece, France, the US and South Africa, the merger presents significant growth potential for Experia on a global scale.

Nordic Info Group A/S

With a presence already in Scandinavia, Experia acquired Nordic Info Group A/S, the market leader in consumer and business information in Norway and Denmark. This acquisition strengthened Experia's position as a leading European provider of customer management and information solutions.

ConsumerInfo.com

ConsumerInfo.com was the first company to offer online credit reports to consumers. Following its acquisition, it was merged with Experia's CreditExpert™ service to create Experia Consumer Direct, the industry leader in online credit reporting services to consumers in North America.

New product innovation

Product innovation is key to our continued success. Globally, we continue to invest in new solutions to solve our clients' business needs and to support them through every stage of the Customer Life Cycle. Over the last 18 months, Experia has developed many new products, including:

North America

Fraud Shield™ Score in conjunction with Experia's Fraud Shield™ tool helps lenders reduce the number of applications requiring costly manual review by providing a full perspective on fraud risk and the potential of first-payment default.

AuthoriCheck™ the customer authentication tool for the B2B environment made available to clients for automated application processing in compliance with the USA PATRIOT Act.

BizInsight is a one-stop resource to help businesses maximise marketing opportunities with each customer and prospect by allowing users to build customised B2B marketing lists online.

Experia's Business Owner Profile with its enhanced capabilities connects the credit history of business owners to the credit history of their business.

Portfolio Monitor – Owner Notices™ an online tool that helps credit grantors detect negative payment trends and changes in total indebtedness in small business loan portfolios before they adversely affect profits.

Call Center Scheduler™ matches customers with the time of day users are most likely to be reached by using planned calling patterns which substantially improve call centre efficiency.

Email Prescreen™ allows financial organisations to improve the profitability of pre-approved credit offers via e-mail by significantly increasing response rates and reducing the cost and time required to generate new accounts.

Channel Match™ accurately links Internet purchases to catalogue circulation, merging multiple purchasing and shopping channels so marketers can attract, grow and optimise the emerging multi-channel customer relationship.

International

Motor Insurance Database (MID) is a comprehensive database used by the police and insurers to access details on all UK insured drivers. It has details on 26 million motor insurance policies and 29 million vehicles in the UK.

CUE PI provides insurers with details of personal injury claims, including claims for illness, enabling them to validate a claimant's history and identify potentially fraudulent claims.

Commercial Autoscore is the UK's first fully automated commercial credit application processing system, delivering instant credit decisioning to trade and commercial lending departments.

Commercial Delphi is a highly predictive credit scoring system that forecasts the likelihood of a limited company 'failing' within a one year period.

Commercial MOSAIC is a multi-dimensional segmentation and targeting system specifically designed for B2B marketing.

e-series business provides online access for businesses on the credit status, payment performance and level of risk associated with potential trading partners via business information sites and SME portals.

Strategy Management Generation 3 assists clients in making the right decisions at each stage in the life cycle of a customer – from the targeting and acquisition of new business, through to day-to-day customer management, while continuing to develop a profitable relationship.

Consumer Indebtedness Index allows lenders to assess customer's creditworthiness by taking into account not only their ability to meet monthly repayments but also their overall level of debt.

A year of progress

Experian has made strong progress in a year that was defined by success at many levels.

We continued to build on our leading positions in North America and the United Kingdom, while extending our reach internationally. We were awarded significant new contracts in all areas of our business and enhanced our reputation for innovation with a range of significant and unique product developments. Further, we successfully integrated several key acquisitions that add to the scope and scale of our global operations. And we evolved our leadership structure to ensure that clients benefit from our skills and experience across the world.

Experian is focused on providing outstanding support to our clients. We have a clear business strategy, which will continue to serve us well going forward. It is to:

- Build on our core businesses – to provide the depth and breadth of service our clients need
- Develop new solutions – to take clients' businesses forward in new areas
- Make strategic acquisitions – to provide clients with an increasingly seamless service around the world

During the year, we made significant progress against each of these objectives, enabling us to increase our global sales by 12% and our profits by 20%. This progress is explained in more detail in the pages that follow.

A global company

Experian today has more than 13,000 people around the world and clients in over 60 countries. We are committed to supporting our clients wherever they do business and to ensuring they benefit from our collective resources worldwide.

Last year we put in place a new Experian leadership structure to help us harness these resources. John Saunders, CEO of Experian International, took on the additional responsibility of leading Experian-Scorex, our new global decision solutions business, and Don Robert succeeded me as CEO of Experian North America. We also established a global board of senior executives representing all areas of our global organisation. This board co-ordinates our overall strategic direction and ensures that we focus on areas of greatest opportunity and value for our clients. It is responsible for leveraging the technology, skills and experience of Experian around the world.

Experian is able to support clients on a global scale, both through our worldwide infrastructure and our global product development efforts. We are a partner, finding solutions to their challenges and supporting them across business areas, borders and cultures.

Optimising customer relationships

Experian's mission is to help organisations maximise the potential of every customer interaction. In doing so, we help them identify and acquire new customers and develop and safeguard existing customer relationships.

Experian today offers the broadest range of solutions of any company in our sector. We have the ability to provide integrated solutions that bring together information, consulting, technology and best practice in a uniquely effective way. Without our broad expertise, many of our client solutions would typically have required the resources of up to five different suppliers.



"Experian is committed to supporting clients wherever they do business and to ensure that they benefit from our worldwide infrastructure and our global product development efforts."

Craig Smith

Fulfilling our social responsibilities

As a custodian of information, Experian plays an active educational role in promoting understanding of how the information we hold is used. We encourage consumers to access their credit reports and to take an interest in managing their financial health.

It is also our policy to be very active participants in the communities in which we operate. Our community programmes have been developed over many years and are focused principally on children, families and education. While we are a significant financial contributor, we are especially proud of the time and talent our people give to supporting community projects during and outside their working day, such as Habitat for Humanity, Life Skills Education and our after-school study-support centres.

Building momentum

Experian is continuing to build momentum. Our financial and operational performance is strong. We have a clear and effective strategy, a focused management team and a wealth of talented people throughout our business.

These are exciting times for Experian. In this yearly review, you will read about how we are executing our strategy around the world and how we are partnering with clients to solve their unique business challenges.

Craig Smith Chairman, Experian

Highlights of our year

Experian North America performed strongly during the year, despite challenging market conditions. We were successful in acquiring major new contracts across our business and in making significant productivity gains. As a result, our sales increased by 13% and exceeded \$1 billion for the first time, while our operating profit was up 20%.

Sales in our core Credit Information and Solutions services increased by 8%, helped in part by strong demand from clients in interest rate sensitive sectors such as the mortgage refinancing market. We embarked upon several new strategic relationships with partners such as Trilegiant, a leader in the membership services and loyalty business, and TSYS, the payment processing company. Siebel Systems, the leading provider of e-business applications software, chose one of our credit decisioning platforms to integrate into its existing infrastructure.

The year also saw the start of a major programme of investment to acquire our 38 affiliate credit bureaux. This will provide us with direct control of an important distribution channel and ensure that affiliate clients have access to the full range of Experian products and services.

There was strong demand for Fraud Solutions, with the National Fraud DatabaseSM continuing to add both clients and data as the leading cross-industry repository of known fraud records. Experian's Fraud Forum conference was again over-subscribed. Companies such as Dell Financial Services, First American Payment Processing and Yahoo! are among those who now rely on Experian's authentication technology to reduce fraud, as well as to improve their customers' online experience.

A major fraud prevention initiative during the year was the launch of our Office of Foreign Assets Control Name Matching Service, part of a comprehensive plan by Experian to assist clients in complying with the Treasury Department's USA PATRIOT Act, effective from October 2003. This Act provides rigorous guidelines to financial institutions for curbing illegal financing, money laundering and fraud.

Direct-to-consumer sales contributed 11% of Experian's revenue in North America, compared with less than 1% in the previous year. This was the result of our acquisition of ConsumerInfo.com, which provides consumers with online access to credit reports, credit scores, credit monitoring services and a wealth of tools and educational materials. We now have over 1.6 million consumer subscribers, making Experian the unquestioned leader in this fast growing market.

The recent acquisition of PromiseMarkSM has further strengthened our direct-to-consumer offer by providing protection against identity theft, which is one of the fastest growing crimes in America.

Demand for Marketing Information and Solutions continued to be affected by difficult market conditions, with most clients reducing their expenditure in this area. However, the last six months of the year saw an improving trend, with revenues up 4% for the period. America Online, Citigroup, R.R. Donnelley and Dell were among the companies awarding major contracts to Experian.



"The progress we've made over the last year has enabled us to be better prepared to overcome challenging market conditions and win significant new business."

Don Robert

There was particularly strong demand for data integration services, with strong interest in new products such as Totalvue ExpressSM, a database marketing platform geared to small to medium cataloguers. TrueTouchSM was another new development that helps clients develop successful contact strategies by combining the key dimensions of audience, channel, message and timing into a new marketing platform.

We continue to invest heavily in our Marketing Services business in order to create integrated solutions for our clients that bring together our information, tools and expertise. Increasingly, we are looking not just at individual campaigns, but are consulting with clients about the lifetime value of their customer relationships.

FARES, our real estate information joint venture, had another good year, helped by a buoyant mortgage refinancing market. It contributed almost \$50 million in profit for the year, an increase of \$6 million over the prior year.

Looking ahead to 2004, Experian North America now has significant momentum and we are optimistic about the future. We will continue to take the steps necessary to position us as the market leader in each of our business endeavours.

A handwritten signature in black ink, appearing to read "Don Robert".

Don Robert Chief Executive Officer, Experian North America

Experian International had another successful year and accounted for 40% of Experian's worldwide sales. In the UK, Experian International's largest market, demand for Credit Information and Solutions grew strongly.

Our presence in other markets was enhanced by the acquisition of Nordic Info Group A/S, the leading consumer and business credit information provider in Denmark and Norway. This acquisition brought the total number of consumer and commercial bureaux operated by Experian worldwide to 16.

Another important acquisition was the purchase of our remaining shareholdings in Scorex, which has created a global decision solutions business. The combined expertise and integrated product range of Experian-Scorex is already bringing significant benefits to clients, for example in Asia Pacific, where our decision solutions are now used by the majority of major banks in several countries.

Fraud prevention was a high priority for many clients during the year. More than 300 organisations across the UK are now using Experian's authentication systems to combat 'card-not-present', identity and credit application fraud, not only via the Internet, but also in more traditional environments. Experian's Detect and Hunter fraud prevention systems, already market leaders in the UK, are now being extended to international markets.

Our Account Processing services were also in strong demand. Morgan Stanley renewed a four-year contract to provide card processing and account management for its credit card in the UK. We helped Egg expand into France and MBNA into Spain, and supported the pilot launch of a credit card for Marks & Spencer.

Demand for our Marketing Information and Solutions continued to grow, despite difficult market conditions for clients. The acquisition of Yell Data, the direct marketing arm of the international directories group, has established Experian as the UK's most comprehensive source of business-to-business marketing information. We also expanded our Marketing Solutions capabilities into Europe with the acquisition of the Spanish marketing services business, ITEM SL.

Outsourcing, which accounts for about 30% of Experian International's business, achieved a number of significant successes in the year, including a major contract in the UK from NTL to supply consumer billing services. In Italy, Experian was chosen by CartaSi, the country's leading bank credit card, to support its customer contact operation. In France, Crédit Lyonnais awarded us the contract to build its 'Mobidab' service, which enables customers of the three French mobile phone operators to pre-pay for their calls. Experian also acquired the document and cheque processing business of Atos Origin.

One of the major areas of product development during the year involved bringing our skills in consumer marketing and decision solutions to the field of commercial information. This resulted in a range of new products, including Commercial Autoscore for credit application processing and Commercial MOSAIC for geodemographic profiling.



"At Experian International we continue to work closely with our clients to ensure we drive their businesses forward."

John Saunders

We also strengthened our position in a number of market sectors, including insurance, automotive and government. The second phase of the Motor Insurance Database was successfully launched, with more than 25,000 checks now being made daily by the police. In the automotive sector, the luxury car manufacturer, Lexus, was among the first clients to adopt an automated online system for making faster and more informed marketing decisions. In the government sector, Experian developed a fraud information system for the UK's Department for Work and Pensions to help combat fraud within the social security system.

Our ability to provide strategic advice to clients was further enhanced by the acquisition of one of the UK's leading economic consultancy groups, Business Strategies. The combination of Business Strategies' forecasting abilities and Experian's information assets has opened up new areas of expertise and product development.

Work is nearing completion on the new Data Centre, close to our headquarters in Nottingham. The purpose-built computer processing centre will double Experian's overall data processing floor area within Nottingham and provide IT and processing support to clients in over 60 countries, underpinning the company's future business growth needs for the next 15 to 20 years.

We have also commenced work on our new office building in Nottingham which will guarantee accommodation for the company's planned future population and enable us to vacate several less suitable leased buildings.

John Saunders Chief Executive Officer, Experian International

Partnering clients

Experian has clients from almost every market sector in over 60 countries around the world. Many of them are multi-national organisations and need a wholly integrated approach from their key business partners. Experian's strategy for growth is focused on making this integrated approach a reality.

Working across geographies

Strategic acquisitions by Experian build our capacity to offer a full range of services around the world. Acquisitions this year have enabled us to expand our range of business and consumer credit information across Scandinavia; to offer our marketing solutions in Spain; and to become market leader in the provision of commercial legal information in France.

Acquiring the remaining shareholdings of Scorex was another key move in improving our service for clients, wherever they are in the world. The acquisition created Experian's first global business unit and brought together the best expertise from both organisations to create one of the world's leading decision solutions businesses, with a global outlook and a local approach.

Among the key priorities for Experian-Scorex has been the development of a series of generic bureau scoring models to enable financial institutions worldwide to comply with the Basel II Capital Accord. Working with a number of European banks, we have been able to demonstrate that the banks can reduce the capital required to cover their risks, enabling it to be released for other purposes.

ABN AMRO

ABN AMRO, the worldwide banking group, relies on Experian-Scorex to deliver solutions within both its new business and customer management environments. In both scenarios, our Strategy Management solutions help ABN AMRO manage risk and enhance the customer service for which the group is renowned.

Speaking from São Paulo, Renato Pasqualin, Head of Credit Risk within the group's Brazilian division, commented: "We work closely with Experian-Scorex. It operates globally, yet understands the need for local interpretation of the solutions it delivers. What might work well in one country can be tailored for another region. Equally, ideas and practices from more sophisticated credit markets can be adopted rapidly in emerging markets, cutting down the learning curve considerably. We have a strong relationship to the advantage of both organisations."

Capital One

Increasingly, as clients need to expand into new markets, they look to work with a supplier they can trust. Experian has become a key supplier to Capital One and is currently providing services in the US, UK and South Africa. Capital One's Senior Vendor Manager in the UK, Nicola Hurdle, commented: "The data and services that Experian provides are fundamental to many of the systems and processes that allow Capital One to be successful in our chosen markets. Importantly, over the last year, the team at Experian has worked very closely with us to identify areas where Experian can add additional value to Capital One's business in Europe. We see this as having a very positive impact on the health of the relationship between the two companies."

...and across disciplines

Strengthening our capabilities in specific vertical markets ensures we can deliver Experian's full range of solutions, tailored to specific market needs. We have focused business units working with the automotive, telecommunications, government and insurance sectors and have invested in all of them during the year.

Experian's Automotive team spans the UK and US, working with many of the best known global brands in the motor industry. Central to the services Experian provides are accurate, comprehensive databases of information about new and used cars to help clients compete more effectively, combat fraud and reduce financial risk. Specific activities include planning the location of sales outlets, finding new markets, cross-selling to existing customers and verifying physical, financial and insurance details of vehicles and their owners.

Volkswagen

In the UK, Experian leads the way in vehicle provenance, enabling those involved in buying, selling, insuring or financing vehicles to confirm a vehicle's identity. We are the preferred supplier for Volkswagen Group United Kingdom Limited and provide the vehicle provenance at the core of its Volkswagen Approved Used Car Programme, which is integrated into the retailers' communication system on the Volkswagen Group desktop intranet.

Experian supplies Volkswagen branded authentication documentation to the retail customer and ensures the manufacturer can track the history of vehicles being returned through its retailers. Volkswagen's creative point of sale material is also supported by Experian, ensuring the best prospects are identified across the whole UK population. This includes predicting the best Volkswagen 'fit' of customers driving competitors' vehicles.

Four years ago, Volkswagen was one of the first manufacturers to set up its own wholly-owned financial services company, providing a unique combination of retail finance and stocking finance to assist dealers with their cash flow. Experian has been working with the company since it launched the programme, holding details of all the cars Volkswagen finances as part of the Experian Car Data Check service.

Orange

The telecommunications sector is facing particular challenges as the relationship between telecommunications companies and their customers becomes increasingly complex. Orange, one of the world's largest mobile communications companies, prides itself on its customer focus. Experian has been working with Orange since 1994 and provides solutions that cover every stage of the customer relationship.

Our business and consumer information, in combination with marketing and prospect targeting solutions, enables Orange to recruit profitable commercial clients and the most appropriate consumers. We also support Orange in its credit scoring and risk management and have recently extended our services to cover Customer Relationship Management. A key development is the role Experian-Scorex plays in personalising customer communications, interpreting around 700 million transactions a month to evolve behavioural patterns. Messages from across Orange's whole field of business can now be targeted accurately to discrete groups of customers based on the use of their mobile phone.

Orange is renowned for its innovation and Experian has supported it in achieving another first – wirefree vehicle checks, using Experian's automotive information.



Volkswagen's futuristic manufacturing plant in Dresden, Germany. Volkswagen uses Experian's solutions across a number of disciplines.



Experian's decision solutions business, Experian-Scorex, works closely with the worldwide banking group, ABN AMRO, delivering solutions within both its new business and customer management environments.



J. Jill, the multi-channel specialty retailer of high quality women's apparel, accessories and footwear, selected Experian to help it develop optimal customer contact strategies to maximise customer acquisition and retention. Experian will provide database management, list processing, data enhancement, statistical modelling and e-marketing services.

Experian is a key supplier to Capital One, currently providing services in the US, UK and South Africa.

The National Fraud Database™ is a reciprocal, cross-industry database of known and verified consumer and commercial fraud records in the US. It provides instant matching of applicant data with known fraudulent activity. It is the first of its kind and is available to all lenders, regardless of the source of their credit report information. It enables clients to detect identity theft and cut fraud losses.



Authentication services
Confirming the identity of new customers and assessing the fraud risk they present is fundamental to the reduction of fraud and is often a regulatory requirement. Experian's systems verify customers' information against reliable databases and can provide an authentication score to predict the likelihood of fraud.



Application fraud
Many business clients achieve fraud prevention rates in excess of 90% when they integrate fraud prevention solutions in the application process. Experian is the leading provider of such solutions that often include the Detect and Hunter product range, which are used by the financial services, telecoms, insurance, automotive and banking sectors across the world.



Fraud – a global issue

Financial fraud, particularly identity theft, is said to be the fastest growing white collar crime in the US, creating estimated annual losses of \$189 billion (Gartner). In the UK, there are similar trends, with cases of identity theft rising by 55% in 2002 (Association for Payment Clearing Services).

In the past 18 months, Experian has worked closely with leading national bodies in many countries to help businesses, governments and individual consumers combat fraud and identity theft through the sharing of information.

Sharing information

Data sharing in the private sector is well established in the UK and some links are now being forged between the public and private sector in the common fight against fraud. Organisations share information within a sophisticated software environment to detect suspicious anomalies in data patterns. A recent notable success for Experian was the development of a fraud information system for the UK's Department for Work and Pensions, which was seen by the Department as a 'fine example of public and private sector co-operation in the mutual fight against fraud'. Experian has also worked with CIFAS, the UK's Fraud Prevention Service, together with the Association for Payment Clearing Services, the British Banking Association, the Finance and Leasing Association, clients and public sector organisations to publish the UK Manual on Identity Fraud.

Working across sectors

Working across sectors is becoming a reality in the US too. A central repository of information is the backbone of Experian's National Fraud DatabaseSM. The system contains known and verified instances of fraud, drawn from a number of industries. One of the basic premises of the system is reciprocity: lenders contribute information relating to fraudulent applications and, in return, can search the database when accessing a credit report. A consultant at Edgar, Dunn & Co, a renowned financial services consultancy in San Francisco, says the database stands out because it includes multiple industries and has a steering committee chaired by nominated organisations representing most industry sectors.

Leading the debate across the world

Privacy legislation varies across the world and, with it, fraud and fraud prevention initiatives. However, many countries are now taking positive action to encourage information sharing, and Experian is often at the forefront of such developments.

In France, Experian has launched a company information sharing service to improve risk analysis, including our Detect service, which relies on shared information to detect fraud. Experian in France worked with the CNIL, the French commission governing privacy and liberty, to develop the service.

The South Africa Fraud Prevention Scheme (SAFPS) exists to help combat the problem in a similar way to the UK's CIFAS. Many organisations in South Africa are now using Experian's authentication services, as well as looking to detect fraud on application, using Experian's Hunter software and systems.

Experian has been working directly with banks in Australia to encourage them to share information. The Australian Bankers Association has now set up a fraud task force, which has made recommendations to encourage state and federal governments to provide access to publicly held information. Leading banks such as Westpac and National Australia Bank work closely with Experian in preventing application fraud.

Investing in people and products

Experian is investing in its global fraud expertise. The company has appointed a number of industry experts over the past year in both its two main regions and runs well respected fraud forums around the world, which have growing audiences. Last year we acquired the application fraud software business, MCL and have invested heavily in it over the past year. New products are being developed for the international markets that interface more extensively with Experian's data, making them increasingly predictive.

Research and product development have always been a priority at Experian to keep clients ahead of the fraudsters. During the year, a new version of Detect was launched. We are also developing a new multi-sector online fraud database in the UK and our successful Hunter software continues to be deployed in many business sectors and regions. In the US, Experian has a suite of Authentication Services to verify customers' identity, which also checks against the Office of Foreign Assets Control database.

Supporting consumers

In addition to fighting fraud, Experian is recognised as a leader in helping individual fraud victims recover their good name. Consumer fraud assistance includes round the clock fraud security alerts, credit report monitoring and access to trained fraud specialists in the US Consumer Assistance Center.

In reality, fraud represents a small fraction of bad debt losses. However, its impact and cost of administration make it a very significant issue to address. In our security conscious world, Experian continues to invest in fraud and authentication solutions and encourage the sharing of information between sectors. Walls are being broken down and Experian is committed to being at the forefront of this issue, working with legislators, lenders and consumers alike.

Creative solutions

Creating innovative solutions for the unique business challenges of our clients is one of Experian's key strengths. From the outset, Experian has been known for creative thinking. Our pioneering work in linking automated application processing to credit scoring techniques led to our becoming a world leader in decision support technology.

We were also the first company to establish a major online consumer credit reporting service and were an early market leader in geodemographic analysis and consulting tools.

Investing in product development

Experian's commitment to investing in product development makes us stand out among our competitors. This year we made significant investments in the areas of fraud, insurance and strategy management, but there were also major company-wide initiatives in business information and marketing.

Our business information teams in the UK and US developed a new suite of products to improve our clients' acquisition and development of commercial customers. These include real-time automated credit scoring and predictive performance information, online information services, comprehensive target marketing resources and sophisticated segmentation tools. New fraud prevention and debt collection solutions have also been developed.

Sharing expertise throughout Experian worldwide is a vital factor in our product development. Experian TruvueSM, our customer data integration solution, was developed jointly by our marketing experts from Experian in the UK and US. It provides clients with a single, unique view of each customer and is already in use by over 30 major clients. This co-operative approach resulted in a stronger product, adaptable for different markets and different regions around the world.

Client focus

The client is at the centre of everything Experian does. Our innovation will always be client focused and frequently involves a unique combination of services, the development of a new product and the acquisition of new data sources.

Coors Brewers UK

Coors UK, part of one of the largest brewing companies in the world, wanted to improve its prospect targeting strategy. Experian developed a unique multi-channel marketing database and campaign management tool for the brewer, using a unique combination of products and services based on Intravue, a new campaign management tool, and ContactMail, our e-mail deployment system. Cathy Dyson, Relationship Marketing Manager at Coors UK, commented: "Experian's solution enables us to communicate with our customers and prospects more precisely and with much greater speed, especially through media such as SMS and e-mail."

McDonald's

Experian has worked with McDonald's for more than 10 years, analysing customers and determining where to locate new restaurants. Most recently, we took on a major assignment to evaluate restaurants throughout Europe, combining McDonald's market research with Experian's analysis and modelling skills. The result was an Internet-based tool, called GeoMc, which enables users to create a virtual restaurant, together with a sales forecast and an assessment of how it will affect restaurants sited nearby. The system is operational in Sweden, Spain and the UK and by the end of the year will be extended to seven further markets including Denmark, the Netherlands and Russia.

Marks & Spencer

Following the support of a successful pilot study, Experian was selected by Marks & Spencer Money to deliver an end-to-end card processing and customer contact management solution for 'more', the new Marks & Spencer loyalty credit card. The unique range of integrated services we offer includes everything from application and account processing, behavioural scoring and fraud detection to customer account management, contact handling and print and mail services.

Eddie Nott, Chief Operating Officer, Marks & Spencer Money, commented: "In partnership with Experian, we have taken a major step in growing our credit card business with the national rollout of our new credit and loyalty card. The pilot in South Wales met our expectations and we have every confidence that, with Experian's help, our new unique 'more' Credit Card will become one of the UK's most valued and sought after reward credit products in today's competitive market."

MBNA

Experian delivered a complete card processing solution for MBNA to support the bank's expansion into continental Europe with the launch of its first credit card in Spain.

Creative thinking was essential in solving MBNA's challenge and involved engaging a team from across Experian's business units and working closely with a team in Spain to ensure local relationships were built as quickly as possible. Experian is the first card processor to support the launch of a global leader into the Spanish credit card market with a complete card processing solution, which includes application processing, scoring, credit data, account processing, behavioural scoring and print and mail services.

Creative partnerships

Partnerships can also be innovative. Over the past year Experian has partnered with competitors, other business leaders and the public sector to benefit the consumer.

- Experian worked with Equifax and TransUnion in the US to simplify the way victims of identity theft can notify them with just one toll-free phone call.
- Experian joined forces with Autotrader in the US, which resulted in consumers being able to examine the history of the car they are thinking of buying when they click on the online advertisement or sales listing.
- Working in partnership with GIE Comutitres in France, Experian has helped deliver a revolutionary travel card used by 650,000 young people in Paris. Experian's relationship with GIE Comutitres will now be further enhanced as they manage the introduction of travel cards to potentially over four million users in the Paris region.
- The UK Department for Work and Pensions chose Experian to develop a fraud information system to help combat fraud within the Social Security system.

Having led the way as a creative thinker, Experian continues to invest in, and intends to stay at the forefront of, the market, developing forward-looking, client-focused solutions.

In 2002, Experian supported the pilot of Marks & Spencer's new combined credit and loyalty card. The success of this pilot led to the decision by Marks & Spencer to roll out the "8more" Credit Card to all UK customers from October 2003 and Experian was selected to support this national programme with a wide range of integrated services.

MARKS & SPENCER



Experian has worked with McDonald's for 10 years, determining where to locate new restaurants and has recently developed a new Internet-based tool to model the impact a new store will have on its existing neighbours.



Experian's new account processing solution in Spain is the latest development in a highly productive 10 year business relationship between Experian and MBNA.



Autotrader and Experian North America have set up a unique partnership to provide an innovative service: vehicle history reports embedded in classified ads and auction-style listings.

The Global Board

- 1 *Craig Smith, Chairman*
- 2 *John Saunders, Chief Executive Officer, International*
- 3 *Don Robert, Chief Executive Officer, North America*
- 4 *Paul Brooks, Global Chief Financial Officer*
- 5 *Roger Aubrook, President, Experian-Scorex*
- 6 *Chris Callero, President, Credit Services, North America*
- 7 *Richard Fiddis, Chief Operating Officer, UK and Ireland*
- 8 *Nigel Fine, Chief Operating Officer, Rest of World*
- 9 *Ed Ojdana, President, Experian Consumer Direct, North America*
- 10 *Deb Zuccarini, President, Marketing Services, North America*



Experian has some of the largest mainframe computer installations in the world, providing round the clock technical support for our clients, 365 days per year.

- *Experian's US consumer credit database maintains credit information on 215 million consumers, producing on average 1.8 million credit reports per day. Experian's National Business Database holds data on 15 million US businesses.*
- *The Experian UK consumer credit database consists of 45 million consumers who request approximately 3,000 credit reports per day. Experian's National Business Database holds 1.8 million business records and contains over five million contact names in the UK.*



McKinney data centre, Texas.



An architect's model of the new UK data centre.

The main picture shows the UK Data Centre which is nearing completion. It is a 7,750 m² purpose built design which cleverly reflects the building's function: the slotted windows along the 170m long front elevation represent streams of data.

The architects, Shepherd Robson, were selected for their reputation for delivering innovative solutions while also satisfying the brief for a secure, resilient facility with the bespoke mechanical and electrical infrastructure demanded by Experian's operations.

Growing our reputation...

Experian has a reputation for integrity that runs through everything we do. We work hard to protect and grow this reputation and to encourage the trust of all the organisations and individuals with whom we work. Openness, honesty and the highest of standards are what we strive for across the company. We apply these principles to the way we manage our business, handle information, protect our environment and interact with all our audiences, from consumers and suppliers to government agencies and our clients.

Setting a worldwide standard for information integrity

Experian provides information about consumers, businesses, vehicles and property and aims for leadership in all the markets in which it operates. But hand in hand with this competitive focus, we are very much aware of our responsibilities as the guardian of vast data resources. We constantly strive to balance the needs of our clients with the interests of consumers and to apply strict policies and procedures to ensure both the integrity and security of our databases.

Compliance

Data quality is at the heart of all of Experian's business activities. Across Europe, Experian's businesses comply with the European Data Protection Directive, which governs the processing of personal data by both ourselves and our clients. As a pioneer of information privacy, security and fraud prevention standards in the US, Experian takes an active role in guiding public policy and leading industry self-regulatory organisations. We maintain the highest standards in a highly regulated environment. Equally, in other countries our businesses comply with country-specific data protection and privacy legislation. Experian also promotes awareness and transparency and encourages open communication about the information we hold on our databases.

Transparency

Experian's consumer credit reference bureaux provide factual information about people's creditworthiness to help our clients make responsible lending decisions. In both the UK and US, consumers have quick and easy access to their credit reports and their queries are investigated free of charge. Experian encourages people to check their credit report if they have concerns about the information it contains. We also work with the media, government, regulators, money advisers, educators and consumer organisations to promote transparency in terms of what personal information is held, how it is used and how it can affect people's lives.

Financial literacy

Experian shares the UK Government's concerns over unsupportable debt and levels of financial literacy among the general public. As a member of a government overindebtedness task force, we take an active role in the responsible lending debate and, as part of a busy consumer education programme, we work with educators and governments on both school and life-long-learning financial literacy projects. In the US, Experian has been actively involved in the JumpStart Coalition for Financial Literacy and the LifeSmarts national consumer knowledge education project. In the UK, we supported the formation of the Money Advice Trust and are currently sponsoring a national Citizens Advice initiative.

During 2003, Experian continued to champion the cause of the consumer through numerous initiatives, including the widespread distribution of consumer advice information – over two million items in the US, a new publication on identity theft and innovative online consumer help technology on our web site.

Information values

As one of the world's largest suppliers of personal information, Experian aims to act in a responsible manner with integrity and honesty. To this end, we have adopted a set of five core global information values that are enshrined in all procedures concerned with the handling of personal information:

Balance Experian strives to balance the interests of consumers with the business needs of clients to ensure both receive benefit from information use.

Accuracy Experian strives to ensure the information it collects and maintains is as accurate and up-to-date as possible and that the information is appropriate for its intended use.

Security Experian protects the information it maintains from unauthorised access or alteration.

Integrity Experian complies with the spirit and letter of all applicable laws and industry codes and operates its businesses in accordance with these information values.

Communication Experian communicates openly about the information it maintains, how it is used and seeks to inform consumers of their rights regarding the use of information.

Strengthening our corporate governance

Experian is a global company, committed to leveraging our full range of expertise and collective knowledge to the benefit of client relationships, product development and future strategic growth.

This year, a global leadership structure was established with a new chairman of the Global Board and a number of board committees and forums. Global teams were also established to explore synergies, maximise potential and reduce duplication across the company in both vertical markets and product development.

In addition to the Global Board, an Executive Committee and committees addressing risk and corporate governance were established to manage our financial compliance and operating risks and to ensure we have effective control systems in place around the world.

...as a responsible partner

Experian's reputation is developed by the way in which we interact with all our partners in business. These include our own people, our suppliers and the communities in which we operate. Behaving in a responsible and considerate manner is important to us. We set standards and targets in these areas, which we strive to achieve with just as much enthusiasm as our commercial targets.

Community partners



A strong community programme has been a priority at Experian for many years. Formally introduced in 1996, the core nature of the programme is the same across the world and involves donations to charities, sponsorship of worthwhile causes and, most importantly, the involvement of employees. We believe that by engaging our people in community projects, the individual, the company and the community partner all gain the maximum possible benefit.

Major initiatives

A major initiative in the US, supported by a donation of \$100,000, is Habitat for Humanity. This project creates long-term partnerships to build and renovate affordable homes for working, low-income families in need. Volunteers are essential to the programme as they are needed to work alongside the families on the housing projects. Experian's people partnered with families to help build the 100th home in Orange County. Some of the time given is company time, but our employees should be applauded for the amount of their own free time they give.

The focus of the UK community programme is education. Projects funded by Experian in the last year include a life skills education programme for six and seven year olds, an environmental education centre, an after-school study centre and a National Centre for Citizenship and the Law (NCCL). All these initiatives were selected, in part, to provide opportunities for our people to volunteer. Employees get involved in supporting children in improving their IT, numeracy and literacy skills, and in setting up their own mini-enterprises, as personal mentors, fund-raisers and even as painters and decorators.

Commitment

There is commitment to the community programme at all levels throughout the organisation and often a volunteering activity is used as a team building exercise by a whole department, from manager through to the newest recruit. John Saunders, CEO of Experian International, is deputy chair of an initiative to encourage other businesses to get involved in volunteering and is keen to lead the way for other directors. In the US, Chris Callero, President of Credit Services, volunteered along with other employees and families on the Habitat for Humanity project, and Don Robert, CEO, Experian North America, recently accepted the 2003 Hall of Fame Award for community involvement through corporate leadership.

Each local area has its own community priorities, ensuring that Experian's programme is flexible enough to suit each region and national culture. In both the UK and US, we have elected committees that involve people from across the company in deciding the causes to be supported. Openly communicated principles support the processes and all financial commitments are recorded and auditable.

Supply chain partners

Our social and environmental impact extends beyond our direct operations to our supply chain. Just as Experian seeks to behave in a responsible and considerate way, we expect our suppliers to share similar basic standards. This means ensuring that human rights are upheld, that products are manufactured in reasonable working conditions and that consideration is given to the local surroundings and environment.

GUS plc, Experian's parent company, has established a set of seven principles for suppliers. Experian has actively engaged a number of its key suppliers in discussing how they can comply with these principles. Many of them have already agreed and the principles are being built into the standard contractual terms of purchase.

Environmental impact

Experian is not a major manufacturer and so does not have a large impact on the environment. However, we recognise that there are many ways in which a company can improve its operations to reduce the impact on the environment.

Experian is aiming, together with other parts of GUS, to:

- Reduce waste
- Manage the impact of transport
- Improve energy management
- Reduce consumption of materials

Initiatives that have been adopted in various parts of the company include recycling schemes involving employees in 'binning a bin', campaigns to encourage people to cycle to work and efficiency drives to reduce the amount of consumable materials we use. Major programmes to improve the energy efficiency of our buildings have been adopted in the UK and environmental impact is always considered in the purchasing process.

Experian in the UK has also developed an Environmental Management System in partnership with Nottingham Trent University and has achieved the international certification for environmental excellence, ISO 14001. As part of the programme to improve environmental performance, the UK procurement team ran a series of supplier workshops to encourage suppliers to improve their standards and gain certification themselves.



Students participate in the National Centre for Citizenship and the Law programme, set up to promote the role of citizenship in the community.



Don Wagner, Lisa Ferrero and Leo Peay fill sandbags to place around the Habitat for Humanity construction site after heavy rain soaked the ground.

GUS – our parent company

Experian is wholly owned by GUS plc, whose other interests include general merchandise retailing through Argos Retail Group and luxury goods through a majority shareholding in Burberry Group plc. GUS is committed to delivering long-term shareholder value by focusing on businesses with above average growth potential and by establishing leadership positions in its chosen markets.

GUS financial highlights – year to March

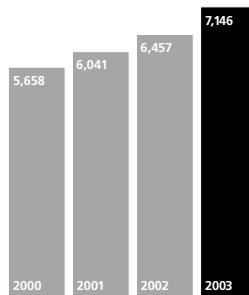
	2003	2002	Change
Group sales	£7.1bn	£6.5bn	up 11%
Underlying profit before tax*	£642m	£552m	up 16%
Adjusted earnings per share*	47.8p	41.7p	up 15%

* before amortisation of goodwill and exceptional items

GUS financial performance over the last four years

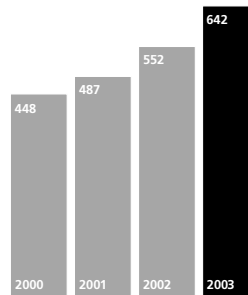
Group sales

£ million – year to March

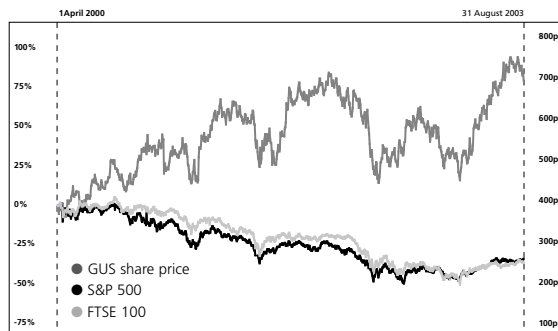


Underlying profit before tax

£ million – year to March



GUS share price performance





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