

EQUIFAX

*We **change** the shape of global commerce.*

1998 ANNUAL REPORT

To Fellow Shareholders:

Every annual report tells a story. Outwardly, ours is about measuring change and market opportunity. But to be more accurate, it is about measuring profitable growth. Because at Equifax, we grow by changing the shape of global commerce. Every innovation we create, every new technology we develop, every new market we enter is driven by strategic objectives. Consistent goals that have put us in a preeminent position with respect to our customers and competition worldwide. But having reached that position, our journey is not complete. We are committed to long-term growth, to expanding our definition of the marketplace, to bringing new information, payment, and knowledge-based solutions to our customers.

As Equifax begins its second hundred years in business, rest assured – there are more and better changes to come.

Raising The Bar

We stated earlier that we measure change the way our customers do – through value creation, customer loyalty, and time to market. Just as importantly, though, we also measure change the way our shareholders do – in sales, profitability, earnings, and above all, economic value added. In 1998, our performance again exceeded that of the prior year – marking our sixth consecutive year of increasing growth. As measured over the long term, Equifax continues to provide superior returns for shareholders.

- Revenue grew to \$1.62 billion, an 18.7% increase over the previous year.
- Income from continuing operations (before an unusual charge in 1997) rose 12.9% over 1997 to \$365.7 million.
- Economic Value Added (EVA) increased \$10 million to \$70 million in 1998.

- Earnings per share increases from continuing operations before unusual items have averaged over 17% over the last six years.
- Return on equity of 54% is among the highest in the industry.
- Commitment to share buyback continued with repurchase of 4.6 million shares of Equifax stock for \$162 million.

Our performance in Europe in 1998 did not meet our expectations. We moved quickly and decisively to make the necessary management and operational changes to improve Europe's financial performance in 1999.

As an EVA-driven company, Equifax focuses on building long-term value for our shareholders. The investments our company makes today are investments for the future - not the short term. We grow by being first, and by seizing opportunity. Nonetheless, we make careful strategic decisions. In 1994, we entered Chile with a 25% stake in DICOM and we increased our investment to 100% over the next three years. From Chile, we were able to expand into Peru, Colombia, and El Salvador. We have used this same growth model successfully in Argentina, and more recently in Brazil. Our activities in these countries help solidify Equifax's position as the leading information company in Latin America.

Improving The Course Of Commerce

At Equifax, we continually seek new opportunities for Growth, Innovation, Technology, and People – the four tenets of our operating philosophy.

In 1998, we grew in areas critical to our future expansion, such as the completion of our international credit reporting system – a multi-language, multi-currency, multi-functional system that will allow us to do business practically anywhere in the world – which is already installed in

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PRESIDENT AND CHIEF EXECUTIVE OFFICER



two countries. Our growth took us to the Internet as well, where we are exploring new opportunities for our products and services. Here, our innovations in next-generation digital certificates and authentication services have given us a strong beachhead in making e-commerce more secure for buyers and sellers.

Along with innovation, Equifax technology is strengthening our position as a global information leader – enabling us to process transactions around the world and to facilitate delivery to our customers. Our advanced technology is driving our Y2K readiness program as well, positioning us for the new millennium.

In support of our focus on international expansion, we strengthened our international management team. And we moved closer to our goal of becoming an employee-owned enterprise by adding 10,000 new owners – salaried, full-time Equifax employees worldwide who are shareholders through participation in our Equifax Shares stock option grants.

Remodeling The Transaction

Commerce no longer just evolves. Today, it moves at warp speed, changing direction virtually overnight. In the area of transaction processing, that presents us with two choices: Wait for the change to happen and then react to it, or create the change ourselves and help drive it. We choose the latter.

A case in point: The approximately 5,000 community bank members of the Independent Bankers Association of America (IBAA) and the 1700 credit union members of Card Services for Credit Unions (CSCU). Since 1968, our Card Solutions division has enhanced the ability of independent financial institutions to provide their customers with

leading-edge banking services. In 1998, we took that enhancement to new levels by providing financial institutions with complete Internet PC Banking capabilities. Now, they can offer their customers the same convenient and secure online banking services that are available from larger regional and national banks and credit unions.

Our strategic alliances are also helping to drive change. In the United Kingdom with our recent joint venture with Groupe Cofinoga and Banque Nationale de Paris, we are creating a new world-class cardholder and merchant processing system in Europe, allowing major retailers and financial institutions to increase profitability and to provide better quality service to their customers. And we have aligned with HNC Software Inc. and VNU Marketing Information Services to jointly develop and market new products around the world.

Realigning The Flow Of Information

Change is continuous. In 1899, Equifax developed new ways to share credit information among local retailers in Atlanta, Georgia. Now, a century later, we still share information, only this time, around the world. In 1998, we continued to develop innovative ways to deliver knowledge-based information to the point of decision. Much of our information is used to prevent fraud and credit risk in the banking, finance, retail, telecommunications, utility, wireless, cable, and healthcare industries. In telecommunications, for example, we created and now manage two national databases of unpaid commercial and consumer telephone accounts – the National Telecommunications Data Exchange (NTDE) and the National Consumer Telecommunications Data Exchange (NCTDE). The NCTDE became operational in 1998, the NTDE in 1996.

EQUIFAX EMPLOYEES

- Total Employees (U.S.): 7,000
- Total Employees (International): 7,000
- Employees with Equifax ownership: 10,000

STERN STEWART PERFORMANCE 1000

- 1993 Rank: 302
- 1998 Rank: 225

INDUSTRY RECOGNITION

- Ranked No. 1 on “Fast Tech 50 in Atlanta” by *Atlanta Business Chronicle*
- Ranked by *Fortune* magazine as America’s third most admired “Computer and Data Services” company
- Placed 47th out of 500 on *Information Week’s* list of the biggest and most innovative users of information technology in the U.S.
- Top 100 Index – National Association of Investors Corporation (NAIC)
- Cap Gemini Quality Certification
- 1998 Marketing Award for Excellence (MAX)

EQUIFAX INCREASES GLOBAL REACH

COMPANY	COUNTRY	1997 OWNERSHIP (%)	1998 OWNERSHIP (%)
SCI	Brazil	0	80
UNNISA	Brazil	0	59
PROCEDA	Brazil	0	34
Infocorp S.A.	Peru	35	51
DICOM Centroamerica	El Salvador	48	51
VERAZ	Argentina	33	67
CCI Group Plc	U.K.	0	100
ASNEF-Equifax	Spain	49	58
Credit Bureau of Vancouver	Canada	0	100

Since its inception, the NTDE has helped reduce the number of unpaid commercial accounts by 25%. Based on this success, our management contract was renewed through 2001. As a global company, one of the strategic ways in which we grow is through the importing and exporting of products, technology, knowledge, and people from one national market to another. In the area of telecommunications, for example, we are working with telephone companies in Chile to install their first telecommunications database, which is based on the U.S. model.

Altering The e-commerce Landscape

We have said it many times, “Wherever and whenever buyers meet sellers, Equifax is there.” That is as true in Hong Kong or London as it is in Charlotte. Today, it is also true on the Internet and other networks, where our role is continually expanding.

Enterprises and their trading communities are moving to the Internet. So are booksellers, toy stores, and used car dealers. Everywhere you go someone is talking about the potential of e-commerce. At Equifax, we are helping turn that potential into reality, building trust and security with an array of next-generation e-commerce solutions.

In an alliance with IBM, Equifax has developed a broad range of digital certificate services. These include complete certificate management and Equifax’s own proprietary remote authentication capabilities for the secure transport of information over the Internet, corporate internets, and extranets. Our Internet services leverage our long-standing expertise in secure, high-volume information processing and reputation as a

trusted steward of information. For example, eBay, the world’s largest online trading community with more than two million members, is planning to use Equifax to authenticate the identities of its members.

Innovating World Economies

You cannot change the shape of world commerce unless you are part of world commerce. In 1998, we made significant strides in expanding our global presence, ending the year with operations in 18 countries worldwide and sales in almost 50 countries.

We strengthened our strategic position in Latin America, purchasing an 80% share of Segurança ao Crédito e Informações (SCI), the leading commercial financial information company and a major supplier of consumer information in Brazil. Also in Brazil, we launched our first card processing venture in Latin America, acquiring 59% ownership and control in UNNISA, a major provider of full-service bankcard and private label card processing. Over 100 years, our history of success proves the long term is more important than the short term.

Our growth in Brazil, or anywhere for that matter, is strategic and for the long term. The recent economic volatility of the Brazilian market does not dampen our belief that Brazil, as the leading economy in Latin America, is critical to Equifax’s future and our position as the leading information company there.

We continued to expand in the European market as well. The acquisition of CCI Group Plc in the United Kingdom enables us to expand our range of risk management services throughout Europe, helping provide our



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clients with a complete solution to their customer relationship and risk management needs. By acquiring a 58% majority shareholding of our Spanish operation, ASNEF-Equifax, we extended our commitment to the European information market even more.

Recasting Data Into Actionable Knowledge

At Equifax, our future is based not only on information, but on knowledge. With the acquisition of The Decisioneering Group in 1998, a recognized leader in knowledge engineering and strategic consulting solutions, we greatly enhanced our competitive position.

By mining Equifax and customer databases overlaid with other available data, our Knowledge Engineering Group is predicting consumer behavior for our customers. Through time-series marketing analytics, for instance, we can predict buying cycles, that is, when and how often consumers will buy. Through modeling, analytics, and customer optimization, we can identify relationship opportunities for our customers. All of this translates into helping our customers better understand their own customers' needs, even to the point of anticipating them.

Adding Value To The Future

At Equifax, even tomorrow can be measured. We are hard at work on it today. Looking for better ways to add value to information, creating more knowledge-based solutions, building more trust on the Internet, and helping credit-based economies grow. Our strategy for the future is built on a solid foundation, supported by Growth, Innovation, Technology, and People. Our direction for 1999 is clear:

- We will continue to seek a leadership position in the markets we serve.
- We will grow our business by focusing on geographic expansion, using our proven model for growth.
- We will expand our competitive preeminence in information services, payment services, and knowledge engineering, serving customers uniquely in multiple industries.
- We will continue to innovate, finding new ways to turn information into knowledge.
- We will seek consumers as our customers, providing them with new value-added information.
- We will continue to transform Equifax into an employee-owned enterprise.
- We will continue to champion global standards for information privacy, taking our privacy message to schools, businesses, and world governments.

Measuring The Best

Our book of measurements would not be complete without one more entry: our people. We measure them in many ways. In commitment. In professionalism. In knowledge. In dedication. Like Equifax itself, they are focused on changing the shape of global commerce – not only for the past century, but for the century to come.

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