EQUIFAX

2001 ANNUAL REPORT

Momentum

As the leading provider of information solutions, Equifax enables and secures global commerce through its information management, marketing services, direct-to-consumer, commercial information and authentication businesses. Equifax serves customers across a wide range of industries including financial services, retail, healthcare, telecommunications and utilities, automotive, information technology, brokerage, insurance and government. Equifax also enlightens, enables and empowers consumers to manage and protect their financial health through a portfolio of products offered directly to individuals. A Total Solution S&P 500 company, Equifax has more than 5,200 employees in the United States, Canada, the United Kingdom, Ireland, Spain, Portugal, Italy, Chile, Brazil, Argentina, Peru, Uruguay and El Salvador.

Equifax Financial Highlights*

Dollars in millions, except per share amounts

Year Ended December 31	2001	2000	1999	Compound Growth Rate
Operating revenue	$1,109.8	$1,027.2	$917.0	10.0%
Operating income	$ 317.8	$ 299.6	$267.4	9.0%
Operating income margin	29%	29%	29%	NA
Income from continuing operations	$ 159.7	$ 150.2	$140.1	6.8%
Diluted earnings per share from continuing operations	$ 1.15	$ 1.10	$ 1.00	7.2%
Stock price per share at December 31**	$ 24.15	$ 16.98	$13.95	31.6%

*These financial highlights reflect the Core Business results of the Company, as more fully described in Management's Discussion and Analysis of Financial Condition and Results of Operations

**Stock prices for 2000 and 1999 have been restated to reflect the spin-off of Certegy

EQUIFAX *has had a year filled with positive developments that are producing an unprecedented level of*

Momentum

throughout our organization and building new value for our shareholders.

Payment Services *spins* into Certegy – an instant win for shareholders.

By flawlessly executing the spin-off of our payment services group into Certegy, we created two great companies from one and as of December 31, 2001, $2.3 billion in new market value for shareholders.

2.3 *Billion Dollars In New Market Value For Shareholders*

Credit Watch *helps* to protect nearly 100,000 consumers.

The power to protect oneself. This is the idea behind Equifax Credit Watch™, part of Equifax's new suite of consumer products. Identity theft is reportedly the fastest growing crime in America. This service alerts consumers within 24 hours of a change to credit information, such as new inquiries. Offering an affordable and effective means to fight this problem, it's easy to see why Credit Watch has been selected as one of *Business Week*'s "The Best Products of 2001."

Decision Power Express *generates* sales, service and satisfaction for Equifax customers.

There is no better place to generate sales and customer goodwill than at the point-of-sale. Equifax Decision Power Express℠, a standardized version of our highly customizable Decision Power solution, does so by enabling businesses to approve new accounts and offer additional services to qualified customers within seconds. This powerful tool, once only available to businesses who could afford the customizable version, is now affordable for any customer. It has been so well received in the market that it generated almost $1 million in net new revenue in its first ten months. Decision Power Express combines the nation's largest credit information database with advanced decisioning technology to generate increased sales, higher acceptance rates, faster service and better customer satisfaction. These sales, service and satisfaction opportunities are available for retailers, financial institutions, telecommunications and utilities and a host of other lending enterprises.

Data sharing *multiplies* as Exchanges expand.

A core Equifax competency has long been building and managing customer-owned databases. Now, in a partnership with top global financial institutions, Equifax has created the Small Business Financial Exchange™. The Exchange allows lenders to more accurately assess the risk on small business owners by understanding the total loan exposure and performance across all lending institutions. The small business market is growing and small business owners are an estimated 25 million strong.

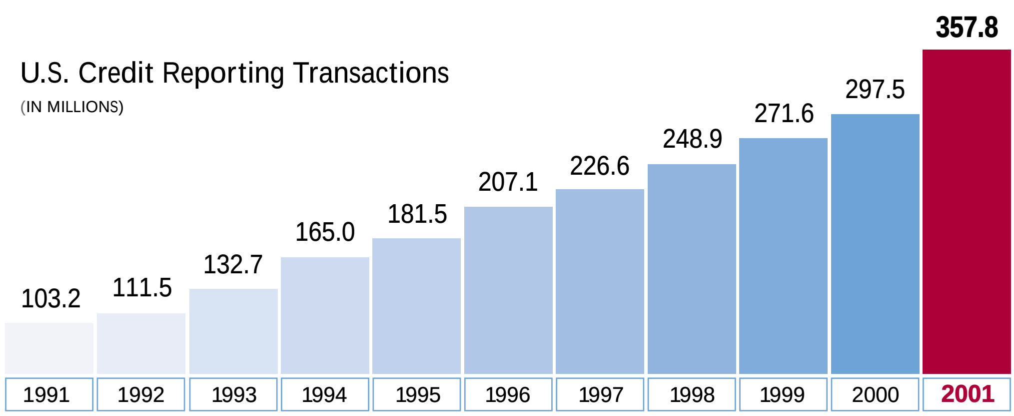
ePORT now *delivers* close to two million transactions monthly for our customers.

In a world where commerce can take place virtually anywhere, it is important to have virtual access. Offering speed, accuracy and security, Equifax ePORT™ provides an Internet delivery channel for credit information anywhere, anytime.

***13** Million Transactions Delivered in 2001*

Core business *grows* at a record pace, producing over 350 million consumer credit reports.

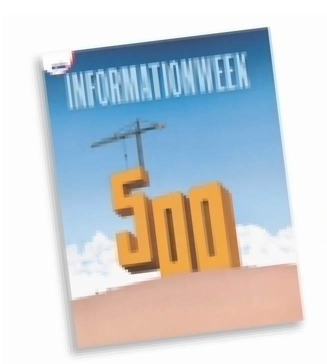
Equifax's core business, credit reporting, finished its 102nd year of operations by growing volumes at a record 20 percent.



Consumer empowerment *leaps* forward with the debut of Score Power.

Equifax has taken the mystery out of credit scores forever. Giving consumers groundbreaking insight into the hows and whys behind their creditworthiness, Score Power™ debuted in the first quarter of 2001 as part of the Company's new Consumer Direct initiative. It was a resounding success, with over $10 million net new revenue to Equifax. Score Power is another demonstration of Equifax's commitment to enlighten, enable and empower consumers about their credit health.

Equifax *climbs* into Top 100 IT Innovators.



Technology and innovation are two of Equifax's primary operating principles, so it was most satisfying when *Information Week* magazine named the Company one of its top 100 information technology innovators for the year. In its ranking of 500 companies, Equifax moved from 205th in 2000 to 96th in 2001.

EQUIFAX *translates* *Momentum* *into value*

EFX share price ***gained*** 45 percent during 2001 compared to a 13 percent decline for the S&P 500.

TO OUR VALUED SHAREHOLDERS

Through momentum, Equifax is well positioned for the 21st century. We continue to achieve success in a changing business environment. We are shaping commerce and bringing a sharper focus. Stretching our thinking as never before. Working together at a higher level of teamwork. Increasing productivity by generating more business on more effective investment.

By flawlessly executing the spin-off of our payment services group into Certegy, we created two great companies from one and as of December 31, 2001, $2.3 billion in new market value for shareholders. My sincere thanks to the employees of Equifax and Certegy for making this happen.

Equifax is the only company in the Standard & Poor's 500 to post eight consecutive quarters of stock price growth. Equifax share price rose 45 percent during the year, outperforming the S&P 500 by 58 percent. In addition, Equifax was ranked in the top five in return on equity in *Business Week*'s listing published in 2001.

EQUIFAX EXECUTIVE OFFICERS

– Right to Left

KAREN H. GASTON
Chief Administrative Officer

WILLIAM V. CATUCCI
Group Executive
Global Operations

PHILIP J. MAZZILLI
Chief Financial Officer

KENT E. MAST
Chief Development Officer
and General Counsel

THOMAS F. CHAPMAN
Chairman and
Chief Executive Officer

VIRGIL P. GARDAYA
General Manager
Consumer Direct

A Record Level of Success

This momentum led Equifax to achieve a record level of success in 2001. Despite a weak economy, revenues rose 8 percent to $1.1 billion, while earnings per share grew to $1.15. Momentum also translated into an exceptional performance in our U.S. credit reporting business, which posted volume growth of 20 percent, the highest in our 102-year history.

Our franchise is well positioned, operating in 13 countries, where we have earned the number one or two position in each market. Equifax customers, products, services and employees span the globe doing business where over 50 percent of the world's gross domestic product (GDP) is created. The result is a strong business model in which 70 percent of revenue is recurring and nearly a third of every revenue dollar is profit.

Our Innovative Initiatives

We strengthened our position even further in 2001 by matching growth in established markets with substantial progress in our newest and most innovative initiatives. We built the Small Business Financial Exchange™, which is generating revenue for 2002. By combining data contributed from leading financial institutions, this unprecedented central repository offers information concerning lending experiences on more than five million small businesses.

Our Consumer Direct business continued to expand by using Equifax information to enlighten, enable and empower consumers. Revenues more than tripled to $22 million as consumers made 2.1 million purchases of our products. These products, Score Power™, Equifax Credit Watch™ and Equifax Credit Profile®, not only create a profitable new revenue stream, but also truly benefit those consumers who comprise the backbone of this economy. So much so that *Business Week* named Equifax Credit Watch, an identity theft monitoring service for consumers, one of "The Best Products of 2001." Further, Equifax has given consumers groundbreaking insight into their creditworthiness and taken the mystery out of credit scores through Score Power. After more than a century of being in the information technology business, Equifax is now a consumer products company, as well.

Before going any further, I commend the more than 5,200 Equifax employees who made 2001 exceptional. Their accomplishments are even more admirable given the challenging economic conditions under which they were achieved. The performance of our people is a direct reflection of their passionate commitment to excellence. Our success also reflects the loyalty and trust that we enjoy from our 300,000 customers worldwide. We value and appreciate their confidence.

A More Relevant Role than Ever

The world has changed dramatically and permanently since September 11, 2001. It's a smaller world. More uncertain and unpredictable. Yet, it is a world in which the role of Equifax is more relevant than ever.

It begins with *how* we do business. We do it with respect, fairness, speed, personal accountability and diversity. We work as many, we win as one. In all that we do, Equifax operates with a rich heritage and foundation of integrity, trust and values.

What Equifax does is also more important than ever. Our proprietary database of 400 million consumer and commercial records utilizes our technology to facilitate and secure commerce around the world. This data is unmatched in its comprehensiveness, accuracy and quality.

Equifax has allocated its information management resources around three primary businesses:

- Consumer and Commercial Credit Reporting;
- Marketing Services, our customer relationship management businesses that include credit prescreening, account management, analytics, modeling, direct marketing, data and list services;
- Direct-to-Consumer business.

We will sustain momentum through 2002 by focusing on growth initiatives:

Extending core information competencies into emerging markets such as brokerage, insurance, healthcare, government and homeland security.

Leveraging state-of-the-art delivery platforms such as Equifax Decision Power®, providing advanced decision-making technology, and offering Equifax APPLY℠, our sophisticated application-processing system. Increasingly, customers across all industries are utilizing these products as they interact directly with consumers to open new accounts and cross-sell products and services.

Expanding the Consumer Direct business through new product introduction, multiple channels of distribution and establishing value-added partnerships and alliances. Our newly created relationship with consumers presents compelling opportunities for new applications in the future as we leverage a strong tradition of supporting, protecting and safeguarding consumer rights and privacy.

Developing new marketing platforms to improve speed to market and create unique, innovative products. Our proprietary data coupled with high-tech expertise represents some of the world's most advanced analytical and decision-making applications establishing competitive entry barriers.

Strengthening the commercial business through further development of the Small Business Financial Exchange™, while leveraging our skills by launching new Exchanges and exploiting their synergies.

Providing secure solutions that are essential in the virtual marketplace we serve through investments we have made in real-time authentication and verification technology. These proprietary solutions will be key components of our customers' ability to conduct business more efficiently and safely.

Seeking acquisitions and alliances that drive growth by providing Equifax with new data, enhanced technology, new customers and markets.

Capitalizing on the growth of credit-driven economies throughout the world as we build on our strong presence in North America, Europe and Latin America. These are some of the most prolific economies in the world and represent significant expansion potential for Equifax in the future.

All of these objectives share a common strategy: to maximize shareholder value by leveraging our market leadership, product innovation and unique technology to deliver value-added information solutions to our customers.

The year 2001 was unquestionably great for Equifax. But as Oliver Wendell Holmes once said, "The greatest thing in the world is not so much where we are, but in what direction we are moving."

Equifax enters its 103rd year continuing to move in the right direction. We are building our future on the basis of a robust business model and a strong capital structure that will support new investment and growth. Equifax people, who have proven that they are "Momentum Makers," are creating this future.

Tom

Thomas F. Chapman
Chairman and Chief Executive Officer

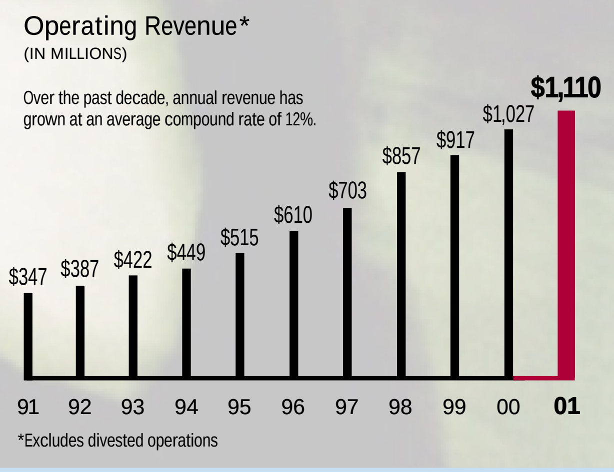
February 2002

EQUIFAX

Growth
Innovation
Technology
People

Growth

WE CREATE a multi-dimensional growth dynamic by pursuing new markets, new industries and new territories.



On Many Fronts

What does it take for a billion dollar business to grow for a decade at a double-digit compound annual growth rate? Even more important, what does it take to sustain this growth in the future? It requires a multi-dimensional growth strategy that encompasses geographic expansion, emerging markets, technological development and a combination of new products and services.

Core Business Growth *The epicenter of this growth strategy is the Company's core credit reporting business. In the past ten years, this business has more than tripled in volume. Despite a slower economy in 2001, volume growth accelerated to 20 percent – a record level. Market share gains and an overall expanding market for credit transactions has fueled this growth. Share growth reflects the formidable competitive position that Equifax enjoys. With the largest credit database in the industry, high levels of customer satisfaction and technological innovation that continually improves capabilities and services, the Company expects to realize continued growth in the coming years. In addition, Equifax's credit marketing business, greatly enhanced with the 2000 acquisition of the country's largest consumer and demographic database, creates cross-selling and other synergistic opportunities within the credit marketing business.*

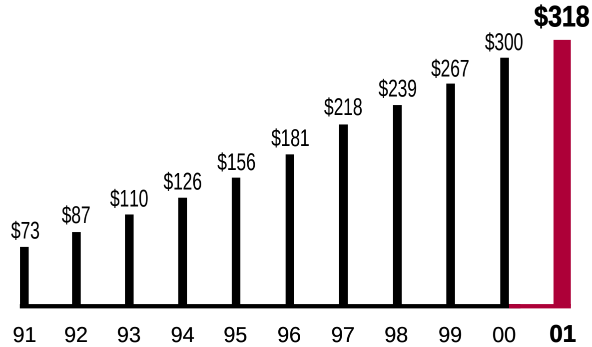
Emerging Markets *Increasingly, we have successfully leveraged our core business competencies into new applications across numerous industries. Equifax has developed, for instance, risk assessment tools and solutions for healthcare professionals, insurance companies, government and homeland security. The success of these product line extensions has been seen in a 38 percent revenue growth rate for emerging markets business during 2001.*

The Consumer Commitment *Equifax has a long tradition of supporting, protecting and safeguarding consumer rights and privacy. Two years ago, this philosophy was transformed into a product line that not only has created a new business opportunity, but also is a powerful tool that enlightens, enables and empowers consumers about their credit history. With a suite of Internet-delivered products, this direct-to-consumer business experienced a groundbreaking year in 2001 – more than tripling its revenues. Consumer Direct presents many compelling applications and growth opportunities for the future. In 2002, we intend to expand distribution and introduce the new products internationally. In addition, we have begun offering consumer products to businesses as a benefit for their employees. Just as health insurance helps to ensure an individual's medical well-being, products such as* Score Power™ *and* Equifax Credit Watch™ *can help to promote financial well-being.*

Global Opportunity *Long-term, international expansion is among the most significant, but hardest to predict, growth opportunities for the Company. Today, we have an established presence in 13 countries representing more than 50 percent of the world's gross domestic product (GDP). Although currency fluctuations and regional economic cycles create volatility short-term, the growth of credit-driven economies throughout the world continues to offer Equifax expansion potential.*

Operating Income*
(IN MILLIONS)

Strong revenue and margin trends have contributed to consistent income growth.



*Excludes divested operations and unusual items

Innovation

WE FOCUS new ideas toward
identifying and meeting a market need.

With A Purpose

A new market trend. A technological advancement. An acquisition. These are all traditional and identifiable examples of growth and profit drivers. But one of Equifax's strongest growth mechanisms is much harder to see, appreciate and quantify – it is a culture of innovation. This critical part of the Company's operating philosophy is also its most subtle. It is personified by thinking differently. Spotting an unnoticed opportunity. Being challenged by unmet customer needs.

Fulfilling A Need *While the process of innovation is not always obvious, the results are. Consider the* Small Business Financial Exchange™. *It is an industry first, being the only Exchange to serve financial institutions. Now, lenders are able to grant credit based on information that is shared among multiple financial institution customers, who are contributing their own data to create the Exchange.*

Also in 2001, the Company launched Equifax Connexus™*, a customer data integration and personalization solution that is expected to begin generating revenue in 2002.* Connexus *creates a host of new benefits for Equifax clients. Among them is the ability to achieve a single view of the customer across the client's entire enterprise. Companies that have a comprehensive understanding of their customers can effectively craft personalized messages and achieve true one-to-one marketing.*

Leveraging a Product Line *Another powerful example of innovation is* Equifax Decision Power®*, a platform that combines advanced risk-modeling techniques with multiple risk and fraud assessment tools.* Decision Power *is a highly customized product that is used to approve new accounts and cross-sell additional services to existing accounts. A recent innovation has been the introduction of* Equifax Decision Power Express℠*, a standardized version for the mid-market customer with lower volume needs than the original product. It can be utilized across multiple industries in call centers, on the Web and at the point-of-sale or contact. By finding new product applications beyond its core customer base and expanding functionality, Equifax has increased sales of Decision Power Express to almost $1 million in net new revenue in its first ten months. That is innovation with a purpose and a result.*

Innovation Never Stops *The Office of Foreign Assets Control (OFAC) administers a series of laws that imposes economic sanctions against hostile targets to further U.S. foreign policy and national security goals. The OFAC regulations are comprehensive and constantly changing – and financial institutions are tasked with implementing a program to comply with these laws. Equifax developed* OFAC Alert™*, a sophisticated screening tool that streamlines a financial institution's compliance procedures with minimal cost and effort.*

Small Business Financial Exchange

One of the keys to successfully building and managing a data exchange is to ensure a critical mass of data from the right players. The Small Business Financial Exchange represents a partnership between Equifax and leading financial institutions such as Capital One Financial Corporation, SunTrust Banks, Inc., Wachovia Corporation and Wells Fargo & Company.

Decision Power Express

Speed is one of the strongest attributes of Decision Power Express. Users receive "decisions" within five seconds. This enables a call center operator to extend a sales offer to a customer on the spot. A telecommunications provider can approve a service application instantly. The time to process a home equity loan can be streamlined significantly, providing superior customer service. In every case, sales and satisfaction increase; acquisition and retention costs decrease – both dramatically.

OFAC Alert

By law, the Office of Foreign Assets Control (OFAC) regulates financial transactions with Specially Designated Nationals and Blocked Persons. For businesses, identifying these individuals can be a timely, cumbersome and costly process. OFAC Alert can be easily integrated into current account opening processes and is available at the point-of-sale or for batch processing. OFAC Alert relies on complete, accurate information and delivers easy-to-read results online or via e-mails to compliance contacts.

Technology

WE INVEST in technology that breaks new ground *and* earns its own return.

On A Higher Level

Locate a specific record in a database of 400 million records quickly and affordably…Cross reference that record to provide clients new insights to their customers…Verify…Authenticate…Add value! Difficult? Yes. Complex? Yes, but in the world of Equifax technology, an everyday occurrence.

Equifax technology represents the world's most advanced analytical and decision-making technology of its kind. Neural networks...decision-making analytics…revolutionary applications for new, far-reaching technological engines. Proprietary solutions that open new doors for Equifax and close markets to competitors.

Delivering Efficiency *No matter how advanced, Equifax technology is practical. It is everyday, useable technology that directly benefits our customers and our company. It is technology that delivers answers. Helps with solutions. Pinpoints opportunities. Stimulates new thinking. Accelerates efficiency.*

Consider how our technology has dramatically reduced the time it takes to update a credit file. By combining electronic data submission and implementing DataQA *– a new sophisticated software that enables faster automatic review of more than one and a half billion trade line updates per month – we have been able to speed up the process by more than 50 percent. Time is money, and Equifax clients recognized the importance of this technological improvement by increasing their transactions by more than 20 percent.*

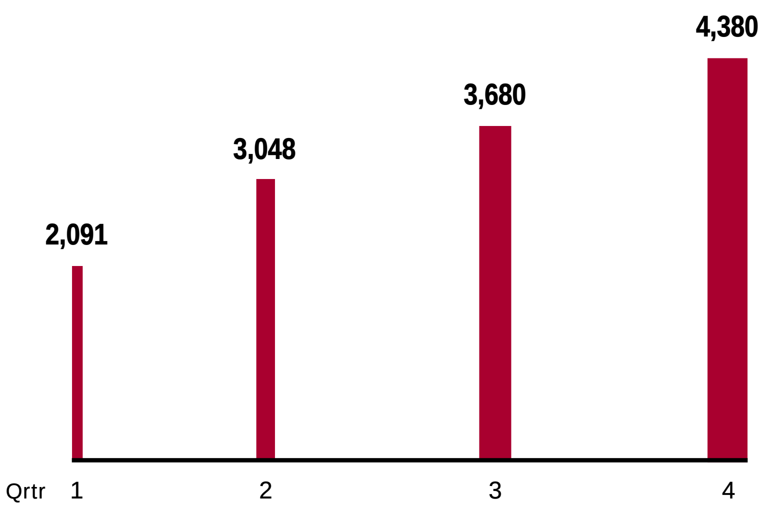
Developing Proprietary Solutions *The growth of Internet technology and the virtual marketplace create a unique opportunity for affordable and convenient business…they also carry a degree of risk…how can businesses ensure the identity of participants in online transactions? Equifax technology developed a solution – its patented consumer authentication technology,* eIDverifier™*. Using private, personal financial information known only to the end-user and Equifax, this proprietary technology differentiates itself from the competition by adding another dimension to the authentication process.* eIDverifier *has facilitated over six and one-half million Internet transactions – and the number keeps growing.*

Breaking New Ground *Equifax continues to enhance our technological capabilities through the creation and expansion of our proprietary decisioning platforms. We built on the success of* Equifax Decision Power®*, the customized service used to approve new accounts and cross-sell products and services …we targeted the telecommunications industry and launched* Equifax APPLY℠*, a proprietary application processing platform designed to make instant credit decisions…we leveraged our technological capabilities geographically with the introduction of* EXPERTO™*, the Latin American answer to* Decision Power*.*

All platforms enable clients to evaluate and assess risk for customers at critical touch points throughout our global marketplace.

2001 Quarterly ePORT Transactions
(IN THOUSANDS)

Our new Internet delivery channel, ePORT, maximizes technological efficiency and more than doubled the transactions processed over the year.



People

WE GET IT DONE through discipline and dedication; passion and experience.

Who Deliver

The foundation of Equifax is more than 5,200 "Momentum Makers" around the world. They are the cornerstone of our operating principles, truly creating the dynamics that drive growth, innovation and technology. They excel by constantly challenging the status quo, anticipating change and executing with confidence and passion. We enhance the strength of our people in three primary ways:

A Commitment to Learning *We believe the investment of time and resources in our employees is the first step to producing returns in all areas of our business. Our employee development programs center around three key strategies – assignments, coaching and education. We use assignments, such as promotions, lateral moves and special projects, as opportunities to build strength and experience. Coaching employees is a key responsibility of every manager. Equifax annually mentors over 70 future leaders. Equifax University, which began ten years ago, is a continuous learning program that represents a proactive, centralized and strategic approach to employee education. The University is available by e-learning, as well as classroom, enabling a larger population of employees to participate.*

Diversity with an EDGE *Empowering Differences Generates Excellence – this summarizes our philosophy of diversity. We believe in building businesses based on inclusiveness, respecting each individual and the unique talents he or she brings. The Equifax definition of diversity goes far beyond such traditional lines of gender, age or race. We include a wide variety of differences, such as geographic location, business experience and management styles. All of these factors bring a multitude of backgrounds, perspectives and energy to our organization. More than half of us work outside North America. Nearly 40 percent of employees are college educated. Over half are women. Indeed, women and minorities are responsible for areas that generate almost 50 percent of our revenue. At Equifax, diversity delivers a competitive edge.*

We Win as One *Our philosophy of inclusion not only means fostering a diverse culture, but also nurturing a united one. Teamwork is an essential part of this effort. We import and export ideas and people around the world as we leverage expertise among different business areas. By applying successes in one area to another, we develop a common set of practices and values that we refer to as* THE EQUIFAX WAY. *The result is a company where we work as many, we win as one.*

THE EQUIFAX WAY

Operating Principles

It is all about growth, innovation, deployment of technology, led by the greatest people anywhere.

Our Business Values

We do what we say.
We do it with respect.
We do it fairly.
We do it with integrity.
We execute with speed.
We take prudent risks.
We work as a team.
We are accountable for our actions.
We make tough decisions.
We are performance driven.

MAJOR OPERATING UNITS

INFORMATION SERVICES

Products and Services:
Consumer and Commercial Credit Reporting, Fraud Prevention, Risk Management and Industry Data Exchanges

Customer Base:
Financial Institutions, Retailers, Automotive Manufacturers and Dealers, Telecommunications and Utility Companies, Brokerage Firms, Insurance Companies, Healthcare Professionals, Security Providers, Government and Service Providers

Scope:
Value-added information on more than 400 million consumers and businesses worldwide

MARKETING SERVICES

Products and Services:
Modeling and Analytical Services, Point-of-Sale Decisioning, Application Processing and Customer Data Integration, Credit Marketing, Direct Marketing, Database Management and Online Identity Authentication

Customer Base:
Information Services Customers; List Brokers; Value-Added Data Resellers; Major Mailers in the Insurance, Catalog, Publishing, High-Tech, Travel and Continuity Programs; Manufacturing Industries; and Internet Companies

Scope:
Customer relations management, advanced platforms and marketing services employing extensive database resources worldwide

CONSUMER DIRECT SERVICES

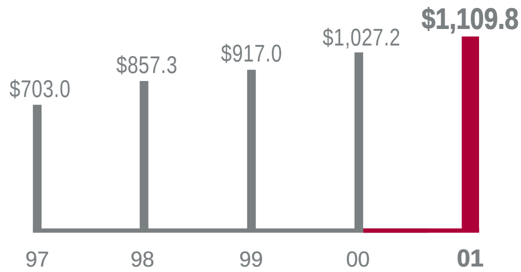
Products and Services:
Direct-to-Consumer Credit Profiles, Credit Scores and Credit Monitoring/Identity Theft Detection Service via the Internet and/or U.S. mail

Customer Base:
Direct Purchasing Consumers, Employees and Customers of Fortune 1000 Companies and Consumers purchasing through Resale Channels

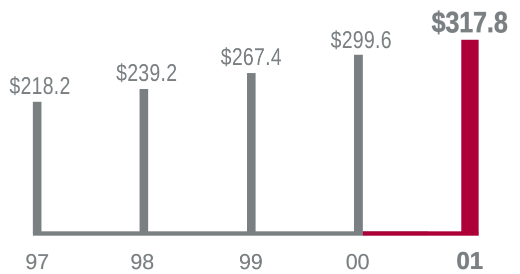
Scope:
Provides individual, secure credit information to millions of consumers

Equifax Financials

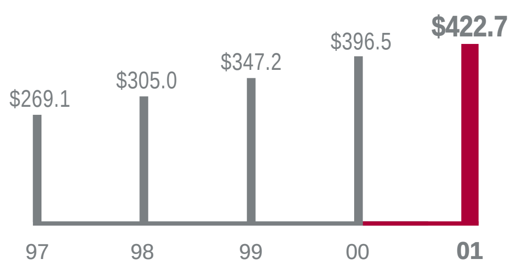
Operating Revenue*
IN MILLIONS



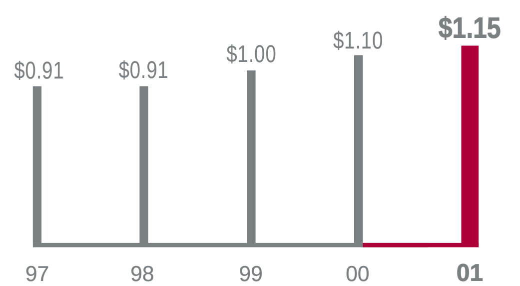
Operating Income**
IN MILLIONS



EBITDA***
IN MILLIONS



Diluted Earnings Per Share
From Continuing Operations**



** Excludes divested operations*
*** Excludes divested operations and unusual items*
**** Operating income excluding divested operations and unusual items plus depreciation and amortization*

Overview

For an understanding of the significant factors that influenced the Company's results, the following discussion should be read in conjunction with the consolidated financial statements and related notes.

Equifax Inc. is a leading source of consumer and commercial credit information worldwide. The Company provides to a wide range of customers information management, consumer credit information, marketing, business information, and identity verification services to enable credit and business decisions. The Company, through its Consumer Direct business, provides credit reporting and identity theft monitoring services direct to consumers enabling them to proactively manage their credit health and safeguard against identity theft. The Company is the market leader for credit information services in North America.

Equifax Inc.'s 2001 financial reporting was significantly impacted by the spin-off of its Payment Services business ("Certegy"), divestitures of non-core businesses ("Divested Operations"), and restructuring and other charges recorded in the fourth quarter of 2001. Excluding these transactions, Equifax reported record revenues, earnings and cash flow for its core business, largely attributable to performance in its North American Information Services businesses. Significant 2001 financial highlights were:

– Consolidated revenues increased 8% to $1.1 billion.
– Diluted earnings per share increased 5% to $1.15, before restructuring and other charges of $60 million (pre-tax).
– Consolidated operating margins were 29%.
– North American revenues increased 13% and operating income increased 14%.
– U.S. consumer reporting volumes grew 20%.
– The Consumer Direct business more than tripled revenues.
– Free cash flow grew to $208 million, a 72% increase over 2000.

Significant Transactions

On July 7, 2001, Equifax completed the spin-off of Certegy into a separate, publicly traded company. The spin-off permitted both companies to focus on growth in their core businesses with dedicated resources, and the continued creation of shareholder value. As a result of the spin-off, the Company's financial statements have been prepared with Certegy's net assets, results of operations and cash flows classified as "discontinued operations," with all historical financial statements restated to conform to this presentation.

In October 2001, the Company divested its City Directory business and, in the fourth quarter of 2000, sold its global risk management and U.K. vehicle information businesses. Combined revenues for these businesses in 2001 and 2000 were $29 million and $162 million, respectively, with a 2001 operating loss of $3.6 million and 2000 operating income of $9.0 million. The operating results of these businesses are classified in Divested Operations for segment reporting purposes.

In the fourth quarter of 2001, restructuring and other charges were recorded in connection with efforts to properly size and configure our post-spin business and to align our cost structure in our international operations. The charge totaled $60 million ($35 million after tax or $0.25 per diluted share) and consisted of approximately $37 million for employee severance and facilities consolidation and $23 million to write down several technology investments.

Financial Results

The following table summarizes Equifax's Core Business and As Reported results from continuing operations for each of the three years in the period ended December 31, 2001.

(In millions, except per share)	Core Business 2001	Core Business 2000	Core Business 1999	As Reported 2001	As Reported 2000	As Reported 1999
Revenue	**$1,109.8**	$1,027.2	$917.0	**$1,139.0**	$1,189.2	$1,092.7
Operating income	**$ 317.8**	$ 299.6	$267.4	**$ 253.8**	$ 308.6	$ 286.3
Other income (expense), net	**$ 4.7**	$ 11.1	$ 11.0	**$ (1.2)**	$ 3.7	$ 10.8
Interest expense	**$ (47.8)**	$ (48.3)	$ (32.9)	**$ (47.8)**	$ (55.8)	$ (42.2)
Income from continuing operations	**$ 159.7**	$ 150.2	$140.1	**$ 117.3**	$ 141.1	$ 147.7
Diluted earnings per share from continuing operations	**$ 1.15**	$ 1.10	$ 1.00	**$ 0.84**	$ 1.04	$ 1.06

Management believes the Core Business results are more useful in analyzing the underlying business by providing a consistent comparison of the Company's historical operating performance. Adjustments to reconcile the As Reported results for each of the three years in the period ended December 31, 2001 to the Core Business results and the associated impact on diluted earnings per share are as follows:

– Exclude the operating results and disposition gains and losses of Divested Operations
– Exclude the 2001 restructuring and other charges
– Adjust other income and interest expense to reflect the impact of the proceeds from Divested Operations
– Adjust the effective income tax rate, which reflects the above adjustments

See Exhibit 99.8 in the Company's Annual Report on Form 10-K for the year ended December 31, 2001 for a more detailed analysis of the reconciling adjustments for Core Business results of operations.

Earnings Per Share (Diluted):	2001	2000	1999
Continuing operations, As Reported	**$0.84**	$1.04	$1.06
Adjustments:			
– Exclude the 2001 restructuring and other charges	**0.25**	–	–
– Adjust for the impacts of Divested Operations	**0.05**	0.03	(0.05)
– Adjust income taxes	**–**	0.04	(0.01)
Continuing operations, Core Business	**$1.15**	$1.10	$1.00

The following discussion of revenue, operating income and segment results is on a Core Business basis (as previously described). The discussion of other income (expense), net, interest expense and effective tax rates is on an As Reported basis.

Revenue

Revenues of $1.1 billion in 2001 increased 8% over 2000, driven by our North American Information Services segment's record consumer credit reporting volumes and growth in our Consumer Direct business. In 2001, North America accounted for 77% of the Company's total revenue and 90% of the operating income before corporate expense. Revenue growth in North America was 13%. The strengthening of the U.S. dollar against foreign currencies, particularly in Latin America, negatively impacted revenue $27 million or 3%. Incremental revenues from our acquisitions in 2000 positively impacted revenue growth approximately 4%.

Revenues of $1.0 billion in 2000 increased 12% over 1999. Revenue growth was significantly influenced by the May 2000 acquisition of our Direct Marketing Services business, formerly the Consumer Information Solutions Group ("CIS") from R.L. Polk & Co. Excluding the impact of the CIS acquisition, revenue growth was 3%. The strengthening of the U.S. dollar against foreign currencies during 2000, particularly the British pound and Spanish peseta, reduced 2000 revenue by approximately $15 million or 2%.

Operating Income

Operating income in 2001 increased 6% to $317.8 million on operating margins of 29%. North America's operating income growth of 14% and 40 basis point margin improvement driven by consumer reporting and Consumer Direct offset margin deterioration in our international operations, particularly in Europe.

Operating income in 2000 grew 12% to $299.6 million with operating margins of 29%. Excluding the CIS acquisition, profit growth was 7%. Operating income growth in our traditional U.S. credit marketing services business, Canada's consumer reporting business and improved operating expenses drove 2000 performance.

Other Income (Expense), Net

Other income (expense), net includes interest income on cash balances of $3.2 million in 2001, $7.5 million in 2000 and $5.8 million in 1999. Lower cash balances in foreign operations combined with lower interest rates accounted for the decline in 2001. Other income (expense), net in 2001 and 2000 includes losses associated with the disposition of Divested Operations. In October 2001, the Company sold its City Directory business, which generated a pre-tax loss of $5.8 million. The sale of the risk management and vehicle information businesses generated pre-tax losses of $4.2 million in 2000. In 1999, the Company sold three risk management offices located in the U.S. that resulted in a pre-tax gain of $4.1 million.

Interest Expense

Interest expense decreased $8.0 million in 2001 and increased $13.6 million in 2000, as compared with prior years. The decrease in 2001 from 2000 was due to lower average debt outstanding and lower effective borrowing rates. The increase in 2000 resulted from higher average debt outstanding associated with 2000 acquisition activity and 1999 treasury stock purchases. After adjusting for the $275 million debt reduction related to the spin-off of Certegy, average total debt outstanding was $775.4 million in 2001, $824.8 million in 2000 and $699.0 million in 1999.

Effective Tax Rates

The effective tax rates from continuing operations were 42.1%, 43.4% and 40.3% in 2001, 2000 and 1999, respectively. Changes in the levels of non-deductible goodwill associated with divestitures and in the levels of foreign earnings accounted for the changes in effective tax rates between periods. The effective rate in 2002 is expected to decline to approximately 40%, due to the elimination of goodwill amortization and the effects of tax planning strategies.

Segment Results

The following table summarizes the segment results for each of the three years in the period ended December 31, 2001. The results of businesses sold in October 2001 and in the fourth quarter of 2000 are classified as Divested Operations. The Company's previous Consumer Information Services segment results are now reported in the North American Information Services segment.

(In millions)	Revenue 2001	2000	1999	Operating Income (Loss) 2001	2000	1999
North American Information Services	**$ 852.4**	$ 755.2	$ 633.1	**$327.5**	$287.2	$261.0
Equifax Europe	**141.1**	142.9	148.7	**1.8**	13.7	4.7
Equifax Latin America	**106.7**	119.5	125.5	**24.4**	31.5	28.8
Other	**9.6**	9.6	9.6	**8.9**	8.9	8.9
General Corporate Expense	**–**	–	–	**(44.8)**	(41.7)	(36.0)
Core Business	**1,109.8**	1,027.2	917.0	**317.8**	299.6	267.4
Divested Operations	**29.2**	162.0	175.7	**(3.6)**	9.0	18.9
Restructuring and Other Charges (Note 5)	**–**	–	–	**(60.4)**	–	–
As Reported	**$1,139.0**	$1,189.2	$1,092.7	**$253.8**	$308.6	$286.3

North American Information Services

North American Information Services accounted for $852.4 million, or 77% of the Company's revenues in 2001 and $327.5 million, or 90% of the operating income, before corporate expense. This segment includes U.S. Credit Information Services, Mortgage Services, Credit Marketing Services, Direct Marketing Services, Canadian Operations and Consumer Direct. Segment revenues increased 13% in 2001 and 19% in 2000. Excluding the impact of the May 2000 CIS acquisition, North America's revenue increased 8% in 2001 and 6% in 2000.

U.S. Credit Information Services 2001 revenue increased 13% compared to 1% growth in 2000, with 2001 growth driven by a record credit reporting volume increase of 20%. The key industry growth drivers were: mortgage, telecommunications, financial services and automotive. Lower interest rates helped generate record volumes in mortgage refinancing, cellular usage increased, and automakers' zero rate financing incentives drove consolidated volumes with consecutive quarterly growth in 2001. In 2000, volumes increased 11%. Volume growth was partially offset by average unit price declines of 6% in 2001 and 9% in 2000. Average pricing is impacted by mix of business, with many of our large customers driving increased volumes at lower average unit prices. U.S. Credit Information Services compounded annual volume growth since 1990 is approximately 13%. In 2002, we expect volume growth to return to levels more indicative of historical performance. Canadian revenue increased 14% in 2001 on strong consumer credit volume growth compared to almost flat growth in 2000.

During 2001, increasing demand for information from mortgage industry customers, caused by a declining interest rate environment, resulted in 73% growth in Mortgage Services revenue to $44.4 million, compared with a 21% decrease in 2000. In 2002, we expect this business to decline from 2001 levels, as re-financing activity moderates.

Our Credit Marketing Services and Direct Marketing Services businesses generated combined revenue of $259.3 million, or 2% growth, compared to $253.6 million in 2000. Excluding the Direct Marketing Services incremental revenues of $33.2 million from the May 2000 acquisition, 2001 revenues declined 11% largely due to the economic impact of companies reducing advertising and marketing expenditures. In Credit Marketing Services, which includes pre-screening, portfolio review, database and other marketing products, 2001 revenues declined 6%

versus a 2000 record year of 28% growth. Lower revenues in 2001 were principally due to product mix shifts to lower priced risk management products, some price compression due to customer consolidation, and fewer marketing campaigns. Our Direct Marketing Services business experienced a 22% sales decline in comparable sales in 2001 versus 2000, principally driven by a significant contraction in advertising and marketing expenditures by its customers due to the slowing U.S. economy.

Consumer Direct more than tripled revenues to $21.9 million in 2001 largely due to $10 million of incremental sales from the new Score Power™ credit score product launched in March 2001 and increased sales of the Equifax Credit Profile® credit report and Equifax Credit Watch™ credit monitoring service. Consumer Direct sales in 2000 totaled $5.5 million.

Operating income for North American Information Services increased 14% in 2001 compared to 10% in 2000. Excluding the impact of the CIS acquisition, operating income growth for 2001 and 2000 was 13% and 5%, respectively. Operating margins were 38% in 2001 and 2000, compared to 41% in 1999. Lower margins in 2001 and 2000 are attributable to the Company's investment in its marketing services businesses, Consumer Direct and identity authentication services.

Equifax Europe

Revenue in Equifax Europe, which consists of operations in the United Kingdom, Ireland, Spain, Portugal and Italy, grew 3% and 4% in 2001 and 2000, respectively, on a local currency basis. The local currency growth in 2001 is attributable to the November 2000 acquisition of SEK in Italy. The strengthening of the U.S. dollar against the British pound and Spanish peseta reduced Equifax Europe's revenue by approximately $6.0 million in 2001 and $12.5 million in 2000.

Operating income in 2001 of $1.8 million declined $11.9 million from 2000 on lower revenues in the United Kingdom and Spain primarily due to slower economic growth. In 2000, operating income improved $9.0 million over 1999, substantially driven by expense reductions. We continue to focus on driving operational efficiencies in our European businesses and expect improved margins in 2002.

Equifax Latin America

Equifax Latin America generated revenue of $106.7 million and an operating margin of 23% in 2001. The Company has operations in Brazil, Argentina, Chile, Peru, Uruguay and El Salvador. In local currency, revenues increased 3% in 2001 while declining 3% in 2000. The strengthening of the U.S. dollar against the Brazilian real and the Chilean peso reduced this segment's revenue by approximately $17.5 million and $2.3 million in 2001 and 2000, respectively.

Operating income in 2001 decreased $7.1 million mainly due to weak currencies and economic conditions in the region compared to a $2.7 million increase in 2000. Cost containment measures have helped stabilize and maintain attractive margins of 23% in 2001 and 26% in 2000.

This segment's operating results will be adversely affected in 2002 by the recent economic events in Argentina. These events have impacted both the conversion rates of the Argentine peso to the U.S. dollar and also the general business conditions in Argentina. The 2001 revenue and operating income for our business in Argentina totaled $26.0 million and $9.1 million, respectively, and the Company's investment in that business totaled approximately $26 million at December 31, 2001.

Other

Other consists solely of a subcontract, which expires at the end of May 2002, relating to the Company's lottery subsidiary. Revenue and operating income remained comparable at $9.6 million and $8.9 million, respectively, in all periods.

General Corporate

General corporate expense in 2001 increased $3.1 million on higher incentive plan expense and increased $5.7 million in 2000 primarily due to higher technology costs and one-time expenses associated with our headquarters relocation.

Financial Condition

Cash provided by operations increased 32% to $255.1 million in 2001, and free cash flow (operating cash flow less capital expenditures) increased 72% to $208 million. The improvement over 2000 was largely influenced by higher operating income from Core Businesses, aggressive management of receivables (days sales outstanding declined from 75 days in 2000 to 63 days in 2001), and a $24.8 million reduction in capital expenditures. Cash provided by operations in 2000 was $192.8 million. Operating cash flow has been sufficient to fund capital expenditures, dividend payments and scheduled maturities of long-term debt.

During 2001, the Company's cash used in investing activities totaled $106.5 million compared to $263.0 million in 2000. The Company was less acquisitive in 2001 versus 2000 as its major focus was the spin-off of Certegy. Capital expenditures, exclusive of acquisitions and investments, amounted to $47.1 million in 2001 compared to $71.9 million in 2000. Total capital expenditures in 2002 are expected to approximate $50 million. Acquisitions and investments, net of cash acquired, declined from $346.8 million in 2000 to $68.7 million in 2001, largely due to the May 2000 CIS acquisition. Cash proceeds generated from the sale of businesses and other assets amounted to $12.4 million in 2001 and $157.5 million in 2000, and are principally associated with the City Directory sale in 2001 and the sales of our risk management and vehicle information businesses in 2000.

In 2001, cash used by financing activities totaled $325.5 million compared to $16.4 million of cash generated in 2000. In 2001, the Company reduced its long-term debt $298.9 million through the repayment of borrowings under its revolving credit facility. Debt repayments were funded through operating cash flows and the cash dividend received from Certegy in conjunction with the spin-off. During the year, the Company acquired 2.15 million shares of stock at an investment of $49.5 million. Stock repurchases in 2000 amounted to $6.5 million, down from $210.2 million in 1999. The repurchases were temporarily suspended in 2000 to enable the Company to apply available cash to the repayment of debt incurred in connection with the CIS acquisition. At December 31, 2001, the Company's remaining authorization for share repurchases was approximately $45 million, and in February 2002, the Company's Board of Directors approved an additional $250 million for share repurchases. The Company continued its 89-year history of paying dividends, which totaled $32.3 million in 2001. Dividends were $20.0 million lower than 2000 as the Company reduced its quarterly dividend after the Certegy spin-off from $0.093 to $0.02 per share.

At December 31, 2001, $367.5 million was available to the Company under its new $465 million revolving credit facility. Should CSC exercise its option to sell its credit reporting business to the Company (Note 10), additional sources of financing would be required. However, management believes the Company has sufficiently broad access to the capital markets to enable it to arrange alternative sources of financing. Alternative sources of funding available would include the public debt markets and additional bank lines of credit.

Inflation

We do not believe that the rate of inflation has had a material effect on our operating results. However, inflation could adversely affect our future operating results if it were to result in a substantial weakening in economic conditions.

Critical Accounting Policies and Estimates

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities at the date of the financial statements; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Management regularly evaluates its estimates and assumptions. These estimates and assumptions are based on historical experience and on various other factors that are believed to be reasonable under the circumstances, and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company's significant accounting policies are described in Note 1 of Notes to Consolidated Financial Statements. Management believes that the following accounting policies involve a higher degree of complexity and warrant specific description:

Valuation of Long-Lived Assets The Company regularly evaluates whether events or circumstances have occurred which indicate that the carrying amounts of long-lived assets (principally goodwill, purchased data files, systems development and other deferred costs, and investments in unconsolidated subsidiaries) may be impaired or not recoverable. The significant factors that are considered that could trigger an impairment review include: changes in business strategy, market conditions, or the manner of use of an asset; underperformance relative to historical or expected future operating results; and negative industry or economic trends. In evaluating an asset for possible impairment, management estimates that asset's future undiscounted cash flows to measure whether the asset is recoverable. If it is determined that the asset is not recoverable, the Company measures the impairment based on the projected discounted cash flows of the asset over its remaining life. While the Company believes that its estimates of future cash flows are reasonable, different assumptions regarding such cash flows could materially affect these evaluations. In 2001, the FASB issued Statement No. 142, "Goodwill and Other Intangible Assets," which among other things, eliminates the amortization of goodwill and certain other intangible assets and requires that goodwill be evaluated annually for impairment by applying a fair value-based test. The Company adopted the standard effective January 1, 2002 for acquisitions prior to June 30, 2001, and, in accordance with the standard, will complete its first fair value-based impairment tests by June 30, 2002.

Deferred Tax Assets The Company estimates levels of future taxable income and utilizes prudent and feasible tax planning strategies in establishing and maintaining deferred tax assets (see Note 7 of Notes to Consolidated Financial Statements). If the Company is unable to realize all or part of its deferred tax assets in the future, the Company's effective tax rate could increase.

Market Risk

The Company is exposed to market risk, primarily from changes in foreign currency exchange rates and changes in interest rates.

In the normal course of business, the balance sheets and results of operations of the Company's foreign subsidiaries can be impacted by changes in foreign currency exchange rates. The Company's position is to not hedge translational foreign currency exchange risks. However, the Company does hedge material transactional foreign currency exchange risks, and at December 31, 2001, the exchange risks associated with the Company's intercompany advances to its U.K. operations, as well as the intercompany balances associated with funding its Italy acquisition were hedged by having a portion of the borrowings under its revolving credit facility denominated in those respective currencies.

The Company manages its exposure to changes in interest rates by: (1) maintaining an appropriate weighted average debt maturity and (2) controlling the mix of fixed and variable rate debt, in part by using interest rate swap agreements. The Company's earnings can be affected by the impact that changes in interest rates have on its variable-rate obligations. At December 31, 2001, approximately $358 million (47%) of the Company's short-term and long-term debt was in variable-rate facilities. At this level, if market interest rates increased 1%, interest expense would increase approximately $3.6 million per year (pre-tax).

Forward-Looking Information

The management's discussion and analysis, and other portions of this Annual Report, include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities Exchange Act of 1934. These forward-looking statements may include, among others, statements concerning the Company's outlook for 2002, volume and pricing trends, cost control measures and their results, effective income tax rates, the Company's expectations as to funding its capital expenditures and operations, and other statements relative to future plans and strategies. These statements are based on a number of assumptions that are inherently subject to significant uncertainties, many of which are beyond Equifax's control.

Important factors that either individually or in the aggregate could cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, the following: a change in the growth rate of the economies within which the Company conducts business, particularly in the U.S., such that consumer spending and related consumer debt are impacted; a decline or change in the marketing techniques of credit card issuers; unexpected pricing pressures above and beyond the levels experienced in the past; U.S. and international regulatory or legislative changes which may adversely affect the businesses conducted by the Company; successful integration of acquisitions; risks associated with investments and operations in foreign countries, including regulatory environments, exchange rate fluctuations, and local political, social and economic factors; successful development and marketing of new products and services to existing and new industries; protection and validity of patent and other intellectual property rights; successful incorporation of technological change; control and reduction of cost and expense; interest rate fluctuations; changes in U.S. and global financial and equity markets, including market disruptions and significant interest rate fluctuations, which may impede the Company's access to, or increase the cost of, external financing; increased competitive pressures both domestically and internationally; and other risks or unforeseen factors including those described from time to time in the reports which the Company files with the Securities and Exchange Commission, including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2001.

This list of aforementioned factors that may affect future performance and the accuracy of forward-looking statements are illustrative and by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

(In millions, except per share amounts and number of employees)

Year Ended December 31	2001
SUMMARY OF OPERATIONS	
Operating revenue	$1,139.0
Operating expenses before restructuring and other charges	824.8
Restructuring and other charges[1]	(60.4)
Operating income	$ 253.8
Income from continuing operations[1]	$ 117.3
Dividends paid	$ 32.3
PER COMMON SHARE (diluted)	
Income from continuing operations[1]	$ 0.84
Dividends	$ 0.225
Weighted average common shares outstanding (diluted)	139.0
BALANCE SHEET DATA (at December 31)	
Total assets	$1,422.6
Long-term debt	$ 693.6
Shareholders' equity	$ 243.5
Common shares outstanding	136.2
OTHER INFORMATION (at December 31)	
Stock price per share[2]	$ 24.15
Market capitalization[2]	$3,288.4
Employees – continuing operations	5,200

[1] In 2001, the Company recorded restructuring and other charges of $60.4 million ($35.3 million after tax, or $0.25 per share) for employee severance, facilities consolidation, and the write down of certain technology investments (see Note 5 of Notes to Consolidated Financial Statements). In 1997, the Company recorded a charge of $25 million ($14.9 million after tax, or $0.10 per share) related to a pending acquisition.

[2] Stock prices and market capitalization prior to 2001 have been adjusted to reflect the spin-off of Certegy (see Note 2 of Notes to Consolidated Financial Statements).

	2000	1999	1998	1997
	$1,189.2	$1,092.7	$1,055.8	$ 880.8
	880.6	806.4	793.9	640.1
	–	–	–	(25.0)
	$ 308.6	$ 286.3	$ 261.9	$ 215.7
	$ 141.1	$ 147.7	$ 135.2	$ 136.2
	$ 52.3	$ 52.0	$ 52.1	$ 52.0
	$ 1.04	$ 1.06	$ 0.94	$ 0.92
	$ 0.370	$ 0.363	$ 0.353	$ 0.345
	136.0	139.6	144.4	147.8
	$1,893.1	$1,607.9	$1,675.6	$1,053.3
	$ 993.4	$ 933.4	$ 868.8	$ 338.5
	$ 383.6	$ 215.6	$ 366.5	$ 349.4
	135.8	134.0	140.0	142.6
	$ 16.98	$ 13.95	$ 20.24	$ 20.98
	$2,306.9	$1,869.0	$2,834.2	$2,991.6
	6,500	7,800	9,500	7,200

Consolidated Statements of Income

(In millions, except per share amounts)

Year Ended December 31	**2001**	2000	1999
Operating revenue	**$1,139.0**	$1,189.2	$1,092.7
Costs and expenses:			
Costs of services	**488.7**	562.3	559.9
Selling, general and administrative expenses	**336.1**	318.3	246.5
Restructuring and other charges (Note 5)	**60.4**	–	–
Total costs and expenses	**885.2**	880.6	806.4
Operating income	**253.8**	308.6	286.3
Other income (expense), net	**(1.2)**	3.7	10.8
Interest expense	**(47.8)**	(55.8)	(42.2)
Minority interests in earnings	**(2.2)**	(7.1)	(7.3)
Income from continuing operations before income taxes	**202.6**	249.4	247.6
Provision for income taxes	**(85.3)**	(108.3)	(99.9)
Income from continuing operations	**117.3**	141.1	147.7
Discontinued operations (Note 2):			
Income from discontinued operations, net of income taxes of $21.4, $49.1, and $50.2, respectively	**33.6**	86.9	68.2
Costs associated with effecting the spin-off, net of income tax benefit of $8.1	**(28.4)**	–	–
Total discontinued operations	**5.2**	86.9	68.2
Net income	**$ 122.5**	$ 228.0	$ 215.9
Per common share (basic):			
Income from continuing operations	**$ 0.86**	$ 1.05	$ 1.07
Discontinued operations	**0.04**	0.65	0.50
Net income	**$ 0.90**	$ 1.70	$ 1.57
Shares used in computing basic earnings per share	**136.8**	134.4	137.5
Per common share (diluted):			
Income from continuing operations	**$ 0.84**	$ 1.04	$ 1.06
Discontinued operations	**0.04**	0.64	0.49
Net income	**$ 0.88**	$ 1.68	$ 1.55
Shares used in computing diluted earnings per share	**139.0**	136.0	139.6
Dividends per common share	**$ 0.225**	$ 0.370	$ 0.363

See Notes to Consolidated Financial Statements.

(In millions)

Year Ended December 31	**2001**	2000	1999
Cash flows from operating activities:			
Net income	**$122.5**	$228.0	$215.9
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:			
Income from discontinued operations	**(33.6)**	(86.9)	(68.2)
Costs associated with effecting the spin-off	**28.4**	–	–
Depreciation and amortization	**106.2**	106.2	89.6
Restructuring and other charges	**60.4**	–	–
Income tax benefit from stock plans	**4.5**	5.6	2.0
Loss (gain) from sale of businesses	**5.8**	4.2	(4.1)
Changes in assets and liabilities, excluding effects of acquisitions:			
Accounts receivable, net	**16.1**	(33.4)	(5.4)
Current liabilities, excluding debt	**(31.3)**	(7.3)	(22.2)
Other current assets	**(0.6)**	(13.0)	5.0
Deferred income taxes	**8.2**	19.6	18.2
Other long–term liabilities, excluding debt	**(17.4)**	(13.0)	(5.4)
Other assets	**(14.1)**	(17.2)	(36.8)
Cash provided by operating activities	**255.1**	192.8	188.6
Investing activities:			
Additions to property and equipment	**(13.0)**	(26.0)	(29.6)
Additions to other assets, net	**(34.1)**	(45.9)	(41.1)
Acquisitions, net of cash acquired	**(43.5)**	(336.6)	(24.2)
Investments in unconsolidated affiliates	**(25.2)**	(10.2)	–
Proceeds from sale of businesses	**5.4**	149.2	8.1
Proceeds from sale of assets	**7.0**	8.3	–
Deferred payments on prior year acquisitions	**(3.1)**	(1.8)	–
Cash used by investing activities	**(106.5)**	(263.0)	(86.8)
Financing activities:			
Net short–term borrowings	**9.3**	(21.0)	33.1
Additions to long–term debt	**–**	73.0	70.2
Payments on long–term debt	**(298.9)**	(3.3)	(5.4)
Treasury stock purchases	**(42.3)**	(6.5)	(210.2)
Dividends paid	**(32.3)**	(52.3)	(52.0)
Proceeds from exercise of stock options	**36.4**	23.2	7.0
Other	**2.3**	3.3	3.1
Cash (used) provided by financing activities	**(325.5)**	16.4	(154.2)
Effect of foreign currency exchange rates on cash	**(5.6)**	(5.3)	(7.2)
Cash provided by discontinued operations	**156.1**	15.7	94.8
(Decrease) increase in cash and cash equivalents	**(26.4)**	(43.4)	35.2
Cash and cash equivalents, beginning of year	**59.6**	103.0	67.8
Cash and cash equivalents, end of year	**$ 33.2**	$ 59.6	$103.0

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

(In millions)

December 31	**2001**	2000
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 33.2**	$ 59.6
Trade accounts receivable, net of allowance for doubtful accounts of $14.0 in 2001 and $16.5 in 2000	**197.0**	226.0
Other receivables	**69.2**	66.2
Deferred income tax assets	**26.4**	18.4
Other current assets	**32.2**	33.6
Total current assets	**358.0**	403.8
Property and Equipment:		
Land, buildings and improvements	**32.3**	31.0
Data processing equipment and furniture	**134.9**	150.5
	167.2	181.5
Less accumulated depreciation	**112.0**	115.5
	55.2	66.0
Goodwill	**516.5**	557.0
Purchased Data Files	**207.0**	209.4
Other Assets	**285.9**	329.1
Net Assets of Discontinued Operations	**–**	327.8
	$1,422.6	$1,893.1

See Notes to Consolidated Financial Statements.

(In millions, except par values)

December 31	2001	2000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term debt and current maturities	**$ 62.0**	$ 54.2
Accounts payable	**13.2**	16.8
Accrued salaries and bonuses	**26.5**	24.5
Income taxes payable	**4.0**	16.4
Other current liabilities	**170.2**	155.2
Total current liabilities	**275.9**	267.1
Long-Term Debt	**693.6**	993.4
Deferred Revenue	**17.2**	32.9
Deferred Income Tax Liabilities	**88.6**	80.1
Other Long-Term Liabilities	**103.8**	136.0
Total liabilities	**1,179.1**	1,509.5
Commitments and Contingencies (Note 10)		
Shareholders' Equity:		
Preferred stock, $0.01 par value: Authorized – 10.0; Issued – none	**–**	–
Common stock, $1.25 par value: Authorized shares – 300.0 Issued shares – 178.4 in 2001 and 176.0 in 2000 Outstanding shares – 136.2 in 2001 and 135.8 in 2000	**223.0**	220.0
Paid-in capital	**376.7**	336.5
Retained earnings	**758.8**	902.5
Accumulated other comprehensive income	**(197.2)**	(206.1)
Treasury stock, at cost, 35.2 shares in 2001 and 33.1 shares in 2000 (Note 8)	**(828.0)**	(779.0)
Stock held by employee benefits trusts, at cost, 7.0 shares in 2001 and 7.1 shares in 2000 (Note 8)	**(89.8)**	(90.3)
Total shareholders' equity	**243.5**	383.6
	$1,422.6	$1,893.1

Equifax

Consolidated Statements of Shareholders' Equity and Comprehensive Income

(In millions)

	Common Stock: Shares Outstanding	Common Stock: Amount	Paid-In Capital	Retained Earnings
Balance, December 31, 1998	140.0	$217.2	$286.5	$562.9
Net income	–	–	–	215.9
Other comprehensive income	–	–	–	–
Shares issued under stock plans	0.6	0.6	6.9	–
Shares contributed to U.S. retirement plan	0.3	–	7.0	–
Treasury stock purchased	(6.9)	–	–	–
Cash dividends	–	–	–	(52.0)
Income tax benefit from stock plans	–	–	2.1	–
Dividends from employee benefits trusts	–	–	2.0	–
Balance, December 31, 1999	134.0	217.8	304.5	726.8
Net income	–	–	–	228.0
Other comprehensive income	–	–	–	–
Shares issued under stock plans	1.8	2.2	21.1	–
Treasury stock purchased	(0.3)	–	–	–
Treasury stock reissued for acquisitions	0.3	–	2.6	–
Cost of treasury stock transferred to employee benefits trust	–	–	–	–
Cash dividends	–	–	–	(52.3)
Income tax benefit from stock plans	–	–	5.6	–
Dividends from employee benefits trusts	–	–	2.7	–
Balance, December 31, 2000	135.8	220.0	336.5	902.5
Net income	–	–	–	122.5
Other comprehensive income	–	–	–	–
Shares issued under stock plans	2.5	3.0	33.7	–
Treasury stock purchased	(2.1)	–	–	–
Cash dividends	–	–	–	(32.3)
Spin-off of Certegy Inc.	–	–	–	(233.9)
Income tax benefit from stock plans	–	–	4.9	–
Dividends from employee benefits trusts	–	–	1.6	–
Balance, December 31, 2001	**136.2**	**$223.0**	**$376.7**	**$758.8**

Accumulated Other Comprehensive Income consists of the following components at December 31:

	2001	2000	1999	1998
Foreign currency translation	**$(191.8)**	$(202.8)	$(157.3)	$(29.0)
Minimum liability under supplemental retirement plan	**(4.6)**	(3.3)	(4.7)	(6.1)
Cash flow hedging transactions	**(0.8)**	–	–	–
	$(197.2)	$(206.1)	$(162.0)	$(35.1)

See Notes to Consolidated Financial Statements.

Accumulated Other Comprehensive Income	Treasury Stock	Stock Held By Employee Benefits Trusts	Total Shareholders' Equity
$ (35.1)	$(606.1)	$(59.0)	$ 366.4
–	–	–	215.9
(126.9)	–	–	(126.9)
–	0.1	0.6	8.2
–	–	3.0	10.0
–	(210.2)	–	(210.2)
–	–	–	(52.0)
–	–	–	2.1
–	–	–	2.0
(162.0)	(816.2)	(55.4)	215.5
–	–	–	228.0
(44.1)	–	–	(44.1)
–	0.4	0.4	24.1
–	(6.5)	–	(6.5)
–	8.0	–	10.6
–	35.3	(35.3)	–
–	–	–	(52.3)
–	–	–	5.6
–	–	–	2.7
(206.1)	(779.0)	(90.3)	383.6
–	–	–	122.5
(67.3)	–	–	(67.3)
–	0.5	0.5	37.7
–	(49.5)	–	(49.5)
–	–	–	(32.3)
76.2	–	–	(157.7)
–	–	–	4.9
–	–	–	1.6
$(197.2)	**$(828.0)**	**$(89.8)**	**$ 243.5**

Comprehensive Income is as follows:

	2001	2000	1999
Net income	**$122.5**	$228.0	$215.9
Other comprehensive income:			
Foreign currency translation adjustment	**(65.2)**	(45.5)	(128.3)
Adjustment for minimum liability under supplemental retirement plan	**(1.3)**	1.4	1.4
Change in cumulative loss from cash flow hedging transactions	**(0.8)**	–	–
	$ 55.2	$183.9	$ 89.0

1.
Significant Accounting and Reporting Policies

Principles of Consolidation The consolidated financial statements include the accounts of the Company and its majority-owned and controlled subsidiaries. All significant intercompany transactions and balances have been eliminated. Certain prior year amounts have been reclassified to conform with the current year presentation. The historical financial statements presented have been restated to reflect the spin-off of Certegy Inc. (Note 2).

Nature of Operations The Company principally provides information services to businesses to help them grant credit and market to their customers (see Note 12 for segment information). The primary markets include retailers, banks and other financial institutions, the transportation, telecommunications, utility, and manufacturing industries, as well as consumers and government. The Company's operations are predominantly located within the United States, with foreign operations principally located in Canada, the United Kingdom and Brazil.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Revenue Recognition and Deferred Revenue
Revenues from the delivery of consumer and commercial credit information and related products and services are recognized at the time of delivery based on a fixed unit price or, in the case of subscription contracts, which provide credit reports or products to customers for a specified period of time, revenues are recognized over the subscription term.

Revenues from credit marketing services are based on the number of records sold and are recognized as data is delivered and accepted by the customer.

Revenues from direct marketing products and services are based on the number of records processed or delivered and are recognized when products are delivered or services are performed. The Company also licenses its direct marketing data to customers and recognizes revenues when the data is delivered. For arrangements that include ongoing data updates and other significant obligations throughout the license term, revenues are recognized over the license term.

Amounts billed in advance are recorded as current or long-term deferred revenue on the balance sheet, with current deferred revenue reflecting services expected to be provided within the next 12 months. Current deferred revenue is included with other current liabilities in the accompanying consolidated balance sheets, and as of December 31, 2001, and 2000, totaled $21.8 million and $32.2 million, respectively. In 1996, the Company received a one-time payment of $58 million related to a lottery subcontract and recognized $5.4 million in revenue. The remaining balance is being recognized as revenue over the term of the contract, with $9.6 million per year recognized in 1997 through 2001. The unrecognized balance at December 31, 2001, totaled $4.4 million. In conjunction with the divestiture of the Company's U.S. risk management and Canadian risk management businesses in October 2000 (Note 4), certain of the proceeds received related to contracts to provide credit information products and services to the buyers over the next five to six years and were recorded in current and long-term deferred revenue. At December 31, 2001, $19.0 million remained unrecognized, with $14.7 million included in long-term deferred revenue in the accompanying consolidated balance sheets. This deferred revenue will be recognized as the contracted products and services are provided.

Earnings Per Share Basic EPS is calculated as income available to common stockholders divided by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The income amount used in the Company's EPS calculations is the same for both basic and diluted EPS. A reconciliation of the average outstanding shares used in the two calculations is as follows:

(in millions)	2001	2000	1999
Weighted average			
shares outstanding (basic)	**136.8**	134.4	137.5
Effect of dilutive securities:			
Stock options	**2.1**	1.4	1.9
Long-term incentive plans	**0.1**	0.2	0.2
Weighted average			
shares outstanding (diluted)	**139.0**	136.0	139.6

Property and Equipment The cost of property and equipment is depreciated primarily on the straight-line basis over estimated asset lives of 30 to 50 years for buildings; useful lives, not to exceed lease terms, for leasehold improvements; three to five years for data processing equipment; and eight to 20 years for other fixed assets.

Goodwill Goodwill is amortized on a straight-line basis predominantly over periods from 20 to 40 years. Amortization expense was $25.4 million in 2001, $24.4 million in 2000, and $19.7 million in 1999. As of December 31, 2001, and 2000, accumulated amortization balances were $94.5 million and $75.8 million, respectively.

In 2001, the FASB issued Statement No. 141, "Business Combinations," (SFAS 141) and Statement No. 142, "Goodwill and Other Intangible Assets," (SFAS 142). SFAS 141 eliminates pooling-of-interests accounting and requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method. SFAS 142 eliminates the amortization of goodwill and certain other intangible assets and requires that goodwill be evaluated for impairment by applying a fair value-based test. The Company adopted the standard effective June 30, 2001, for all subsequent acquisitions, and adopted the standard effective January 1, 2002, for all acquisitions that occurred prior to June 30, 2001. The Company expects to complete its first fair value-based impairment tests by June 30, 2002.

Purchased Data Files Purchased data files are amortized on a straight-line basis primarily over 15 years. Amortization expense was $21.8 million in 2001, $20.2 million in 2000, and $17.6 million in 1999. As of December 31, 2001, and 2000, accumulated amortization balances were $136.6 million and $118.0 million, respectively.

Other Assets Other assets at December 31, 2001 and 2000, consist of the following:

(in millions)	2001	2000
Systems development		
and other deferred costs	**$ 81.5**	$ 86.3
Purchased software	**28.6**	49.3
Prepaid pension cost	**97.3**	98.2
Risk management		
purchased paper (Note 4)	**31.2**	59.1
Investments in		
unconsolidated companies	**26.3**	12.4
Other	**21.0**	23.8
	$285.9	$329.1

Purchased software and systems development and other deferred costs are being amortized on a straight-line basis over five to 10 years. Amortization expense for other assets was $38.7 million in 2001, $36.7 million in 2000 and $27.9 million in 1999. As of December 31, 2001, and 2000, accumulated amortization balances were $117.6 million and $121.5 million, respectively. The Company has entered into several strategic investments in privately held companies totaling $26.3 million and $12.4 million at December 31, 2001, and 2000, respectively. These investments are accounted for under either the cost method or the equity method, depending on the level of influence the Company has over the investment entity. The Company regularly reviews these investments for impairment issues, and in the fourth quarter 2001, the Company wrote off investments totaling $6.9 million (Note 5). The Company believes that these investments are appropriately valued at December 31, 2001.

Long-Lived Assets Long-lived assets include property and equipment, goodwill, purchased data files and other assets. The Company regularly evaluates whether events and circumstances have occurred which indicate that the carrying amount of long-lived assets may warrant revision or may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, the Company uses an estimate of the future undiscounted net cash flows of the related business over the remaining life of the asset in measuring whether the asset is recoverable.

Foreign Currency Translation The functional currency of the Company's foreign subsidiaries are those subsidiaries' local currencies. The assets and liabilities of foreign subsidiaries are translated at the year-end rate of exchange, and income statement items are translated at the average rates prevailing during the year. The resulting translation adjustment is recorded as a component of shareholders' equity. Gains and losses resulting from the translation of intercompany balances of a long-term investment nature are also recorded as a component of shareholders' equity. Other foreign currency translation gains and losses, which are not material, are recorded in the consolidated statements of income.

Consolidated Statements of Cash Flows
The Company considers cash equivalents to be short-term cash investments with original maturities of three months or less.

Cash paid for income taxes and interest from continuing operations is as follows:

(in millions)	**2001**	2000	1999
Income taxes, net of amounts refunded	**$78.4**	$81.7	$93.7
Interest	**49.7**	56.0	41.6

In 2001, 2000 and 1999, the Company acquired various businesses that were accounted for as purchases (Note 3). In conjunction with these transactions, liabilities were recorded as follows:

(in millions)	**2001**	2000	1999
Fair value of assets acquired	**$50.4**	$368.2	$24.8
Cash paid for acquisitions	**44.4**	334.8	22.2
Value of treasury stock reissued for acquisitions	**–**	10.6	–
Liabilities recorded	**$ 6.0**	$ 22.8	$ 2.6

Financial Instruments The Company's financial instruments consist primarily of cash and cash equivalents, accounts and notes receivable, accounts payable, and short-term and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to their short maturity. As of December 31, 2001, the fair value of the Company's long-term debt (determined primarily by broker quotes) was $686.7 million compared to its carrying value of $693.6 million.

Derivative Instruments and Hedging Activities
Effective January 1, 2001, the Company adopted FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). SFAS 133 requires that a company recognize derivatives as assets or liabilities on its balance sheet, and also requires that the gain or loss related to the effective portion of derivatives designated as cash flow hedges be recorded as a component of other comprehensive income.

At December 31, 2001, the Company has an interest rate swap agreement in effect that fixes the interest rate for one of its variable rate obligations through its duration in 2010. This derivative has been designated as a cash flow hedge, was documented as fully effective, and at December 31, 2001, was valued as a liability totaling $1.4 million. This liability is included with other current liabilities in the accompanying consolidated balance sheets, and the related loss was recorded, net of income tax, as a component of accumulated other comprehensive loss.

At December 31, 2001, the Company also has interest rate swap agreements in place to float the interest rate on $200 million of its fixed rate senior notes through their maturity date in 2005. These derivatives have been designated as fair value hedges and are fully effective. The value of these swaps was $1.7 million at December 31, 2001, and was recorded as an asset along with a corresponding increase in long-term debt.

2. *Discontinued Operations*

On July 7, 2001, the Company completed the spin-off of its Payment Services business segment (Certegy Inc. or Certegy) through a tax-free dividend of all of its Certegy stock to Equifax shareholders. Shareholders received a dividend of one share of Certegy stock for each two shares of Equifax stock owned. This non-cash dividend totaled $233.9 million. Also in connection with the spin-off, the Company reduced debt by $275 million in July 2001 following Certegy's cash dividend of that amount to the Company.

As a result of the spin-off, the Company's financial statements have been prepared with Certegy's net assets, results of operations, and cash flows isolated and shown as "discontinued operations." All historical statements have been restated to conform with this presentation. Also as a result of the spin-off, during the second quarter of 2001 the Company recorded an expense of $36.5 million ($28.4 million after tax, or $0.21 per share) to accrue the costs associated with effecting the spin-off. These costs include fees for investment bankers, legal and accounting services, duplicate software licenses and various other directly related expenses. This expense has been included as a component of discontinued operations in the accompanying statements of income and cash flows. In 2001, charges to this reserve totaled $33.5 million, and the remaining reserve of $3.0 million at December 31, 2001, is included in other current liabilities in the accompanying consolidated balance sheets.

Summarized financial information for the discontinued operation is as follows:

(in millions)	**2001**	2000	1999
Revenue	**$398.3**	$776.7	$680.0
Income before income taxes	**56.0**	137.1	118.3
Net income	**33.6**	86.9	68.2

(in millions)	December 31, 2000
Current assets	$201.2
Total assets	504.4
Current liabilities	159.1
Total liabilities	176.6
Net assets of discontinued operations	327.8

3. *Acquisitions*

In 2001, the Company acquired the credit files of five affiliated credit reporting agencies located in the United States and 13 agencies in Canada, as well as an information services business in Uruguay. These acquisitions were accounted for as purchases and had a total purchase price of $48.9 million. They were acquired for cash of $44.4 million and notes payable of $4.5 million. They resulted in $20.5 million of goodwill and $27.2 million of purchased data files. Their results of operations have been included in the consolidated statements of income from their respective dates of acquisition and were not material. During the first quarter of 2002, the Company expects to complete the purchase of the remaining 20% of its 80% owned information services company in Brazil. The purchase price is currently estimated to be approximately $36 million.

During 2000, the Company acquired or increased its ownership in the following businesses:

Business	Month Acquired	Industry Segment	Percentage Ownership
Organizacion Veraz S.A. (Argentina)	December	Latin America	79.5%[1]
SEK S.r.l. and AIF Gruppo Securitas S.r.l. (Italy)	November	Europe	100.0%
Compliance Data Center, Inc.	October	North America	100.0%
Consumer Information Solutions (CIS) Group of R.L. Polk & Co.	May	North America	100.0%
Propago, S.A. (Chile)	January	Latin America	100.0%

[1] *Increased to 79.5% from 66.7% acquired in 1997 and 1994*

In 2000, in addition to the businesses above, the Company acquired the credit files of 12 credit affiliates located in the United States and 14 affiliates in Canada. All of the 2000 acquisitions were accounted for as purchases and had an aggregate purchase price of $348.4 million, with $218.1 million allocated to goodwill and $78.8 million allocated to purchased data files. They were purchased with a combination of cash totaling $334.8 million, the re-issuance of treasury stock with a fair market value of $10.6 million, and notes payable of $3.0 million. Their results of operations have been included in the consolidated statements of income from the dates of acquisition and were not material.

In 1999, the Company acquired the credit files of 14 credit affiliates located in the United States and three credit affiliates in Canada. They were accounted for as purchases and had an aggregate purchase price of $24.2 million, with $7.5 million allocated to goodwill and $16.0 million allocated to purchased data files. Their results of operations have been included in the consolidated statements of income from the dates of acquisition and were not material.

4. *Divestitures*

In October 2001, the Company sold its City Directory business which had been acquired from R.L. Polk & Co. in May 2000. The resulting pre-tax loss of $5.8 million ($4.9 million after tax, or $0.035 per share) was recorded in the consolidated statement of income as a charge to other income in September 2001.

In October 2000, the Company sold its risk management businesses located in the U.S., Canada, and the U.K., and in December 2000, sold its vehicle information business in the U.K., as well as a direct marketing business in Canada that was a small component of the CIS group acquired earlier in the year from R.L. Polk & Co. Proceeds from these sales included cash of $149.2 million (net of cash sold) and a $41 million note receivable from one of the buyers, and resulted in a pre-tax loss of $4.2 million recorded in other income. Approximately $25.5 million of the proceeds received in the U.S. and Canadian risk management sales related to exclusive contracts to provide the buyers with credit information products and services over several years, and was recorded in current and long-term deferred revenue. In conjunction with the U.S. risk management sale, the Company guaranteed approximately $60 million of the buyer's third-party acquisition financing which related to a portfolio of purchased paper. Since this purchased paper financing was entirely guaranteed by the Company, the amount guaranteed has been recorded in other assets and other long-term liabilities in the accompanying consolidated balance sheets. These corresponding asset and liability balances will be reduced as the buyer makes principal payments on their loan and the Company's guarantee is reduced. The balances totaled $59.1 million at December 31, 2000, and $31.2 million at December 31, 2001.

In June 1999, the Company sold three risk management offices located in the U.S. Proceeds from these sales totaled $8.1 million and resulted in a gain of $4.1 million recorded in other income ($1.7 million after tax, or $.01 per share).

5.
Restructuring and Other Charges

In the fourth quarter of 2001, the Company recorded restructuring and other charges (discussed below) of $60.4 million ($35.3 million after tax, or $0.25 per share).

The Company implemented a restructuring plan to align the Company's cost structure with changing market conditions, reduce expenses and improve efficiencies, particularly in international operations. The plan includes headcount reductions of approximately 700 employees, primarily located in the Company's international operations. The restructuring charge totaled $37.2 million, and consists of severance costs associated with headcount reductions and other related costs, including reserves to reflect the Company's estimated exposure on facilities to be vacated or consolidated. In 2001, charges to the restructuring reserve totaled $8.8 million, and the remaining reserve of $28.4 million at December 31, 2001, is included in other current liabilities in the accompanying consolidated balance sheets. The majority of the remaining severance and related charges are expected to be incurred in 2002, with charges related to real estate rental obligations being incurred over the next several years.

Due to changes in market conditions and the Company's technology strategy, the Company recorded an impairment charge of $23.2 million to write down certain technology investments, including $6.9 million of investments in several third party technology companies.

6.
Long-Term Debt and Short-Term Borrowings

Long-term debt at December 31, 2001, and 2000 was as follows:

(in millions)	**2001**	2000
Senior Notes, 6.5%, due 2003, net of unamortized discount of $0.2 million in 2001 and $0.3 million in 2000	**$199.8**	$199.7
Senior Notes, 6.3%, due 2005, net of unamortized discount of $0.6 million in 2001 and $0.8 million in 2000	**249.4**	249.2
Senior Debentures, 6.9%, due 2028, net of unamortized discount of $1.3 million in 2001 and $1.4 million in 2000	**148.7**	148.6
Borrowings under revolving credit facilities, weighted average rate of 3.0% at December 31, 2001	**90.9**	390.5
Other	**8.7**	8.1
	697.5	996.1
Less current maturities	**3.9**	2.7
	$693.6	$993.4

In October 2001, the Company replaced its $750 million revolving credit facility with a new, committed $465 million revolving credit facility with a group of commercial and investment banks. The new facility is composed of a $160 million, 364-day portion and a $305 million, multi-year portion. The multi-year portion expires in October 2004. The agreement provides for borrowings tied to Base Rate, LIBOR and competitive bid interest rate options and contains certain financial covenants related to interest coverage, funded debt to cash flow, and limitations on subsidiary indebtedness. At December 31, 2001, $27.5 million of the revolving credit facility's outstanding balance was denominated in foreign currencies. Portions of these foreign denominated obligations are used to hedge the impacts of foreign exchange rate fluctuations related to inter-company advances between the Company and several of its foreign subsidiaries.

Scheduled maturities of long-term debt during the five years subsequent to December 31, 2001, are as follows:

(in millions)	Amount
2002	$ 3.9
2003	201.1
2004	92.4
2005	251.2
2006	0.1

The Company's short-term borrowings at December 31, 2001 and 2000, totaled $58.1 million and $51.5 million, respectively, and consisted primarily of notes payable to banks. These notes had a weighted average interest rate of 3.30% at December 31, 2001, and 6.25% at December 31, 2000. In October 2001, a Canadian subsidiary of the Company entered into a C$100 million loan, renewable annually, with a bank. The loan agreement provides interest rate options tied to Prime, Base Rate, LIBOR, and Canadian Banker's Acceptances, and contains financial covenants related to interest coverage, funded debt to cash flow, and limitations on subsidiary indebtedness. Borrowings under this loan (which are included in the short-term borrowings totals above) at December 31, 2001 and 2000, were C$76.0 million and C$69.0 million, respectively.

7.
Income Taxes

The Company records deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities.

The provision for income taxes from continuing operations consists of the following:

(in millions)	**2001**	2000	1999
Current:			
Federal	**$65.7**	$ 60.6	$58.6
State	**8.4**	2.9	8.9
Foreign	**5.7**	25.6	16.8
	79.8	89.1	84.3
Deferred:			
Federal	**5.7**	10.8	6.5
State	**(2.5)**	2.2	1.7
Foreign	**2.3**	6.2	7.4
	5.5	19.2	15.6
	$85.3	$108.3	$99.9

The provision for income taxes from continuing operations is based on income from continuing operations before income taxes, as follows:

(in millions)	**2001**	2000	1999
United States	**$197.6**	$216.3	$211.7
Foreign	**5.0**	33.1	35.9
	$202.6	$249.4	$247.6

The provision for income taxes from continuing operations is reconciled with the federal statutory rate, as follows:

(in millions)	2001	2000	1999
Federal statutory rate	**35.0%**	35.0%	35.0%
Provision computed at federal statutory rate	**$70.9**	$87.3	$86.7
State and local taxes, net of federal tax benefit	**3.8**	3.3	6.9
Nondeductible goodwill (including amounts related to divestitures)	**6.7**	8.8	4.4
Foreign	**1.3**	4.0	2.1
Other	**2.6**	4.9	(0.2)
	$85.3	$108.3	$99.9

Components of the Company's deferred income tax assets and liabilities at December 31, 2001, and 2000 are as follows:

(in millions)	2001	2000
Deferred income tax assets:		
Reserves and accrued expenses	**$ 30.0**	$ 15.5
Postretirement benefits	**10.0**	9.7
Employee compensation programs	**9.9**	13.5
Deferred revenue	**4.7**	9.9
Net operating loss carryforwards of subsidiaries	**1.3**	1.4
Foreign tax credit carryforwards	**28.5**	26.6
Other	**4.6**	8.0
	89.0	84.6
Deferred income tax liabilities:		
Data files and other assets	**(54.4)**	(60.6)
Depreciation	**(0.5)**	(2.0)
Pension expense	**(40.8)**	(38.3)
Undistributed earnings of foreign subsidiaries	**(36.3)**	(33.6)
Other	**(19.2)**	(11.8)
	(151.2)	(146.3)
Net deferred income tax liability	**$ (62.2)**	$ (61.7)

The Company's deferred income tax assets and liabilities at December 31, 2001 and 2000, are included in the accompanying consolidated balance sheets as follows:

(in millions)	2001	2000
Deferred income tax assets	**$ 26.4**	$ 18.4
Deferred income tax liabilities	**(88.6)**	(80.1)
Net deferred income tax liability	**$(62.2)**	$(61.7)

Accumulated undistributed retained earnings of Canadian subsidiaries amounted to approximately $38.8 million at December 31, 2001. No provision for Canadian withholding taxes or United States federal income taxes is made on these earnings, because they are considered by management to be permanently invested in those subsidiaries and, under the tax laws, are not subject to such taxes until distributed as dividends. If the earnings were not considered permanently invested, approximately $1.9 million of deferred income taxes would have been provided. Such taxes, if ultimately paid, may be recoverable as foreign tax credits in the United States.

8. *Shareholders' Equity*

Rights Plan In 1995, the Company's Board of Directors adopted a Shareholder Rights Plan (Rights Plan). The Rights Plan contains provisions to protect the Company's shareholders in the event of an unsolicited offer to acquire the Company, including offers that do not treat all shareholders equally, the acquisition in the open market of shares constituting control without offering fair value to all shareholders, and other coercive, unfair or inadequate takeover bids and practices that could impair the ability of the Board to represent shareholders' interests fully. Pursuant to the Rights Plan, the Board declared a dividend of one Share Purchase Right (a Right) for each outstanding share of the Company's common stock, with distribution to be made to shareholders of record as of November 24, 1995. The Rights, which will expire in November 2005, initially will be represented by, and traded together with, the Company's common stock. The Rights are not currently exercisable and do not become exercisable unless certain triggering events occur. Among the triggering events is the acquisition of 20% or more of the Company's common stock by a person or group of affiliated or associated persons. Unless previously redeemed, upon the occurrence of one of the specified triggering events, each Right that is not held by the 20% or more shareholder will entitle its holder to purchase one share of common stock or, under certain circumstances, additional shares of common stock at a discounted price.

Treasury Stock and Employee Benefits Trusts During 2001, 2000, and 1999, the Company repurchased 2.15 million, 0.3 million, and 6.9 million of its own common shares through open market transactions at an aggregate investment of $49.5 million, $6.5 million, and $210.2 million, respectively. At December 31, 2001, approximately $45 million remained available for future purchases, and at its February 2002 meeting, the Company's Board of Directors authorized an additional $250 million for share repurchases. During 2000, the Company reissued 0.3 million treasury shares in connection with an acquisition (Note 3).

In 1993, the Company established the Equifax Inc. Employee Stock Benefits Trust to fund various employee benefit plans and compensation programs and transferred 6.2 million treasury shares to the Trust. In 1994 and 2000, the Company transferred 0.6 million and 1.5 million treasury shares, respectively, to two other employee benefits trusts. Shares held by the trusts are not considered outstanding for earnings per share calculations until released to the employee benefit plans or programs. During 2001 and 2000, 48,593 shares and 39,830 shares, respectively, were used for various employee incentive programs. In 1999, 364,354 shares were used, with 304,183 shares contributed to the Company's U.S. Retirement Plan and 60,171 shares used for various employee incentive programs.

Stock Options The Company's shareholders have approved several stock option plans which provide that qualified and nonqualified options may be granted to officers and employees. The Company's Board of Directors has also approved a nonqualified stock option plan that cannot be used to grant shares to directors or executive officers. All plans require that options be granted at exercise prices not less than market value on the date of grant. Generally, options vest over periods of up to four years and are exercisable for ten years from grant date. Certain of the plans also provide for awards of restricted shares of the Company's common stock. At December 31, 2001, there were 5.5 million shares available for future option grants and restricted stock awards.

The number of options outstanding and their exercise prices were adjusted in July 2001 pursuant to a formula as a result of the spin-off of Certegy. The adjustment increased the number of options outstanding in 2001 by approximately 2.1 million shares. A summary of changes in outstanding options and the related weighted average exercise price per share is shown in the following table:

	2001		2000		1999	
(Shares in thousands)	**Shares**	**Average Price**	Shares	Average Price	Shares	Average Price
Balance, beginning of year	**9,698**	**$25.22**	10,563	$24.14	7,820	$22.40
Adjustment due to spin-off	**2,055**	–	–	–	–	–
Granted (all at market price)	**2,680**	**$28.27**	1,841	$22.39	3,924	$27.62
Canceled	**(1,171)**	**$22.25**	(924)	$28.75	(591)	$34.42
Exercised	**(2,353)**	**$16.91**	(1,782)	$13.70	(590)	$13.39
Balance, end of year	**10,909**	**$16.37**	9,698	$25.22	10,563	$24.14
Exercisable at end of year	**7,743**	**$15.66**	6,069	$22.13	5,165	$17.95

The following table summarizes information about stock options outstanding at December 31, 2001 (shares in thousands):

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
$4.20 to $13.62	3,656	5.9	$11.41	3,134	$11.10
$14.44 to $17.21	3,910	8.0	$16.14	2,475	$15.88
$17.39 to $24.18	3,026	6.1	$21.43	1,844	$21.15
$25.15 to $37.25	317	6.1	$28.00	290	$28.16
	10,909	6.7	$16.37	7,743	$15.66

The weighted average grant-date fair value per share of options granted in 2001, 2000 and 1999 is as follows:

	2001	2000	1999
Grants (all at market price)	**$8.80**	$6.14	$9.95

The fair value of options granted in 2001, 2000 and 1999 is estimated on the date of grant using the Black-Scholes option pricing model based on the following weighted average assumptions:

	2001	2000	1999
Dividend yield	**0.5%**	1.7%	1.4%
Expected volatility	**41.0%**	42.0%	42.4%
Risk-free interest rate	**4.2%**	6.5%	5.6%
Expected life in years	**2.6**	2.3	4.0

Long-Term Incentive Plans The Company has key management long-term incentive plans for certain key officers that provide for cash awards at the end of various length measurement periods based on the growth in earnings per share and/or various other criteria over the measurement period. For certain awards, the employee may elect to receive some or all of their distribution as an equity interest in the Company.

Expense for these plans can vary between years due to revisions of estimates of future distributions under the plans, which are based on the likelihood that the performance criteria will be met. The total expense under these plans was $4.5 million in 2001, and credits to expense of $3.1 million in 2000 and $0.9 million in 1999.

Pro Forma Information In accordance with the provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123), the Company has elected to apply APB Opinion No. 25 and related interpretations in accounting for its stock option and performance share plans. Accordingly, the Company does not recognize compensation cost in connection with its stock option plans and records compensation expense related to its performance share plan based on the current market price of the Company's common stock and the extent to which performance criteria are being met. If the Company had elected to recognize compensation cost for these plans based on the fair value at grant date as prescribed by SFAS No. 123, net income and net income per share would have been reduced to the pro forma amounts indicated in the table below (in millions, except per share amounts):

	2001		2000		1999	
	Reported	**Pro Forma**	Reported	Pro Forma	Reported	Pro Forma
Net income	**$122.5**	**$102.6**	$228.0	$211.9	$215.9	$201.0
Net income per share (basic)	**$ 0.90**	**$ 0.75**	$ 1.70	$ 1.58	$ 1.57	$ 1.46
Net income per share (diluted)	**$ 0.88**	**$ 0.74**	$ 1.68	$ 1.56	$ 1.55	$ 1.44

9.
Employee Benefits

In 1998, the Company adopted Statement of Financial Accounting Standards No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." This statement revises employers' disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of these plans.

U.S. Retirement Plan The Company has a non-contributory qualified retirement plan covering most U.S. salaried employees. Benefits are primarily a function of salary and years of service. A reconciliation of the benefit obligation, plan assets, and funded status of the plan is as follows (in millions):

Change in benefit obligation	**2001**	2000
Benefit obligation at beginning of year	**$372.8**	$387.0
Service cost	**4.8**	4.5
Interest cost	**28.4**	29.0
Actuarial loss (gain)	**44.7**	(17.2)
Curtailments	**(1.5)**	(1.3)
Spin-off of Certegy	**(27.3)**	–
Benefits paid	**(30.1)**	(29.2)
Benefit obligation at end of year	**$391.8**	$372.8

Change in plan assets	**2001**	2000
Fair value of plan assets at beginning of year	**$513.1**	$500.6
Actual return on plan assets	**(34.9)**	41.7
Employer contribution	**10.0**	–
Spin-off of Certegy	**(45.0)**	–
Benefits paid	**(30.1)**	(29.2)
Fair value of plan assets at end of year	**$413.1**	$513.1

Funded status	**$ 21.3**	$140.3
Unrecognized actuarial loss (gain)	**64.2**	(54.9)
Unrecognized prior service cost	**–**	0.2
Prepaid pension cost	**$ 85.5**	$ 85.6

Assumptions used in accounting for the plan are as follows:

	2001	2000
Discount rate	**7.25%**	8.00%
Expected return on plan assets	**9.50%**	9.50%
Rate of compensation increase	**4.25%**	4.25%

Net pension income for the plan includes the following (income) expense components:

(in millions)	**2001**	2000	1999
Service cost	**$ 4.8**	$ 4.5	$ 5.1
Interest cost	**28.3**	29.0	27.6
Expected return on plan assets	**(44.3)**	(43.3)	(40.1)
Amortization of prior service cost	**0.2**	0.3	0.4
Recognized actuarial loss	**–**	–	0.4
Curtailment gain	**–**	(1.3)	(3.8)
Net pension income	**$(11.0)**	$(10.8)	$(10.4)

The net pension income shown above includes income amounts allocated to discontinued operations of $2.1 million in 2001, $3.3 million in 2000 and $3.4 million in 1999. The 2000 curtailment gain of $1.3 million related to the sale of the U.S. risk management business (Note 4), and was included as a component of the loss on sale of businesses recorded in other income. The 1999 curtailment gain of $3.8 million resulted from workforce reductions related to outsourcing certain administrative and data processing functions and the sale of three risk management offices.

At December 31, 2001, the plan's assets included 1.76 million shares of the Company's common stock with a market value of approximately $42.6 million.

Foreign Retirement Plans The Company maintains a defined benefit plan for most salaried employees in Canada. The aggregate fair market value of the Canadian plan assets approximates the plan's projected benefit obligation, which totaled $23.6 million and $24.9 million at December 31, 2001 and 2000, respectively. Prepaid pension cost for this plan was $11.8 million and $12.5 million at December 31, 2001 and 2000, respectively. The Company also maintains defined contribution plans for certain employees in the United Kingdom.

Supplemental Retirement Plan The Company maintains a supplemental executive retirement program for certain key employees. The plan, which is unfunded, provides supplemental retirement payments based on salary and years of service. The expense for this plan was $2.4 million in 2001, $3.0 million in 2000, and $3.1 million in 1999. The accrued liability for this plan at December 31, 2001 and 2000, was $26.3 million and $24.2 million, respectively, and is included in other long-term liabilities in the accompanying consolidated balance sheets.

Employee Retirement Savings Plans The Company's retirement savings plans provide for annual contributions, within specified ranges, determined at the discretion of the Board of Directors for the benefit of eligible employees in the form of cash or shares of the Company's common stock. Employees may sell their Company stock, including shares contributed as the Company match, at any time. Expense for these plans was $2.5 million in 2001, $2.4 million in 2000, and $3.4 million in 1999.

Postretirement Benefits The Company maintains certain unfunded healthcare and life insurance benefit plans for eligible retired employees. Substantially all of the Company's U.S. employees may become eligible for these benefits if they reach retirement age while working for the Company and satisfy certain years of service requirements. The Company accrues the cost of providing these benefits over the active service period of the employee. Expense for these plans was $1.5 million in 2001, $0.1 million in 2000, and $0.9 million in 1999. Expense in 2000 was reduced by a $0.8 million curtailment gain related to the sale of the U.S. risk management business (Note 4). The curtailment gain was included as a component of the loss on sale of businesses recorded in other income. The accrued liability for these plans at December 31, 2001 and 2000, was $21.4 million and $24.0 million, respectively, and is included in other long-term liabilities in the accompanying consolidated balance sheets.

10.
Commitments and Contingencies

Leases The Company's operating leases involve principally office space and office equipment. Under the terms of its headquarters building operating lease, which commenced in 1999, the Company has guaranteed a portion of the residual value of the building at the end of the lease in 2010. The maximum exposure under the guarantee is approximately $23 million.

Rental expense related to the Company's operating leases was $23.8 million in 2001, $28.4 in 2000, and $28.4 million in 1999. Future minimum payment obligations for noncancelable operating leases exceeding one year are as follows as of December 31, 2001:

(in millions)	Amount
2002	$ 16.3
2003	11.7
2004	9.2
2005	7.9
2006	7.8
Thereafter	76.7
	$129.6

Agreement with Computer Sciences Corporation The Company has an agreement with Computer Sciences Corporation and certain of its affiliates (CSC) under which CSC-owned credit reporting agencies utilize the Company's computerized credit database services. CSC retains ownership of its credit files and the revenues generated by its credit reporting activity. The Company receives a processing fee for maintaining the database and for each report supplied. The initial term of the agreement expired in July 1998 and was renewed by CSC for the ten-year period beginning August 1, 1998. The agreement provides CSC with an option to sell its credit reporting businesses to the Company and provides the Company with an option to purchase CSC's credit reporting businesses if CSC does not elect to renew the agreement or if there is a change in control of CSC while the agreement is in effect. Both options expire in 2013. The option price is determined by appraisal.

Data Processing and Outsourcing Services Agreements The Company has separate agreements with IBM, PwCES LLC, Polk / Acxiom, Seisint Inc., and Xerox Connect, Inc. which outsource portions of its computer data processing operations and related functions and certain administrative functions. The agreements expire between 2003 and 2010. The aggregate contractual obligation remaining under these agreements is currently estimated to be approximately $869 million as of December 31, 2001, with no future year expected to exceed $150 million. However, these amounts could be more or less depending on various factors such as the inflation rate, the introduction of significant new technologies, or changes in the Company's servicing needs as a result of acquisitions or divestitures. Under certain circumstances (e.g., a change in control of the Company, or for the Company's convenience), the Company may terminate these agreements. However, some of the agreements provide that the Company must pay a significant termination charge in the event of such a termination.

Change in Control Agreements The Company has agreements with 15 of its officers which provide certain severance pay and benefits in the event of a termination of the officer's employment under certain circumstances following a "change in control" of the Company. "Change in control" is defined as the accumulation by any person, entity, or group of 20% or more of the combined voting power of the Company's voting stock or the occurrence of certain other specified events. In the event of a "change in control," the Company's performance share plan provides that all shares designated for future distribution will become fully vested and payable, subject to the achievement of certain levels of growth in earnings per share and certain other criteria. At December 31, 2001, the maximum contingent liability under the agreements and plans was approximately $20.1 million.

Litigation A number of lawsuits seeking damages are brought against the Company each year, primarily as a result of reports issued by the Company. Two lawsuits, *1600 Peachtree, L.L.C.v. Equifax Inc.* and *SouthTrust Bank, f/k/a SouthTrust Bank National Association v. Equifax Inc.,* allege breach of a guaranty agreement relating to the Company's prior headquarters building, and seek damages of approximately $43 million, substantially all of which represents future rent contingencies. The Company contends that the guaranty is void.

The Company provides for estimated legal fees and settlements relating to pending lawsuits. In the opinion of management, the ultimate resolution of these matters will not have a materially adverse effect on the Company's financial position, liquidity, or results of operations.

11.
Quarterly Financial Data (unaudited)

Quarterly financial data for 2001 and 2000 are as follows (in millions, except per share amounts):

2001	**First**	**Second**	**Third**	**Fourth**
Operating revenue before divested operations	**$272.5**	**$281.4**	**$274.0**	**$281.9**
Divested operations	**12.7**	**8.1**	**8.4**	**–**
Operating revenue, as reported	**$285.2**	**$289.5**	**$282.4**	**$281.9**
Operating income before divested operations and restructuring and other charges	**$ 69.4**	**$ 79.2**	**$ 82.0**	**$ 87.2**
Divested operations	**0.9**	**(3.0)**	**(1.4)**	**–**
Restructuring and other charges	**–**	**–**	**–**	**(60.4)**
Operating income, as reported	**$ 70.3**	**$ 76.2**	**$ 80.5**	**$ 26.8**
Income from continuing operations	**$ 34.1**	**$ 38.3**	**$ 35.8**	**$ 9.1**
Net income	**$ 48.1**	**$ 29.5**	**$ 35.8**	**$ 9.1**
Per common share (basic):				
Income from continuing operations	**$ 0.25**	**$ 0.28**	**$ 0.26**	**$ 0.07**
Net income	**$ 0.35**	**$ 0.22**	**$ 0.26**	**$ 0.07**
Per common share (diluted):				
Income from continuing operations	**$ 0.25**	**$ 0.28**	**$ 0.26**	**$ 0.07**
Net income	**$ 0.35**	**$ 0.21**	**$ 0.26**	**$ 0.07**

2000	First	Second	Third	Fourth
Operating revenue before divested operations	$230.9	$258.2	$270.1	$268.0
Divested operations	42.9	47.3	53.8	17.9
Operating revenue, as reported	$273.8	$305.5	$323.9	$285.9
Operating income before divested operations	$ 57.8	$ 70.2	$ 82.3	$ 89.3
Divested operations	4.7	1.2	3.4	(0.3)
Operating income, as reported	$ 62.5	$ 71.4	$ 85.7	$ 89.0
Income from continuing operations	$ 28.6	$ 32.0	$ 38.3	$ 42.2
Net income	$ 42.2	$ 53.1	$ 64.3	$ 68.4
Per common share (basic):				
Income from continuing operations	$ 0.21	$ 0.24	$ 0.29	$ 0.31
Net income	$ 0.32	$ 0.40	$ 0.48	$ 0.51
Per common share (diluted):				
Income from continuing operations	$ 0.21	$ 0.24	$ 0.28	$ 0.31
Net income	$ 0.31	$ 0.39	$ 0.47	$ 0.50

12.
Segment Information

The Company's operations are primarily organized in five reportable segments, with three segments based on credit and marketing related products within geographic regions (North America, Europe, and Latin America), and two segments based on other criteria (Other and Divested Operations). The accounting policies of the segments are the same as those described in the Company's summary of significant accounting and reporting policies (Note 1). The Company evaluates the segment performance based on its operating income before unusual items (if any). Intersegment sales and transfers are not material.

In the fourth quarter of 2001, the Company changed its segment reporting structure to more closely match management's internal reporting of business operations by merging the previous Consumer Information Services segment into North American Information Services. The 2000 and 1999 segment data has been restated to conform with the current year presentation.

A description of segment products and services is as follows:

North American Information Services
Consumer credit information; credit card marketing services; locate services; fraud detection and prevention services; mortgage loan origination information; analytics and consulting; commercial credit reporting in Canada; identity verification services; and consumer demographic and lifestyle information.

Equifax Europe Consumer and commercial credit information and marketing services, and credit scoring and modeling services.

Equifax Latin America Consumer and commercial credit information and other commercial, financial, and consumer information.

Other Lottery services.

Divested Operations Includes businesses divested in the fourth quarter of 2001 and 2000 (City Directory, the risk management businesses in the U.S., Canada, and the U.K., as well as the vehicle information business in the U.K.) (Note 4).

Segment information for 2001, 2000 and 1999 is as follows (in millions):

	2001	2000	1999
Operating Revenue:			
North American Information Services	**$ 852.4**	$ 755.2	$ 633.1
Equifax Europe	**141.1**	142.9	148.7
Equifax Latin America	**106.7**	119.5	125.5
Other	**9.6**	9.6	9.6
	1,109.8	1,027.2	917.0
Divested Operations	**29.2**	162.0	175.7
	$1,139.0	$1,189.2	$1,092.7
Operating Income (Loss):			
North American Information Services	**$ 327.5**	$ 287.2	$ 261.0
Equifax Europe	**1.8**	13.7	4.7
Equifax Latin America	**24.4**	31.5	28.8
Other	**8.9**	8.9	8.9
General Corporate Expense	**(44.8)**	(41.7)	(36.0)
	317.8	299.6	267.4
Divested Operations	**(3.6)**	9.0	18.9
Restructuring and Other Charges (Note 5)	**(60.4)**	–	–
	$ 253.8	$ 308.6	$ 286.3
Total Assets at December 31:			
North American Information Services	**$ 825.5**	$ 832.9	$ 490.3
Equifax Europe	**192.4**	225.0	224.9
Equifax Latin America	**190.6**	251.6	277.0
Other	**3.7**	2.9	4.0
Corporate	**210.3**	213.5	145.2
	1,422.6	1,525.9	1,141.4
Divested Operations	**–**	39.3	193.8
Net Assets of Discontinued Operations	**–**	327.8	272.7
	$1,422.6	$1,893.1	$1,607.9

	2001	2000	1999
Depreciation and Amortization:			
North American Information Services	**$ 64.4**	$ 57.2	$ 40.3
Equifax Europe	**18.5**	17.9	17.1
Equifax Latin America	**14.4**	15.7	16.4
Other	**0.8**	0.8	0.8
Corporate	**6.9**	5.5	5.2
	105.0	97.0	79.8
Divested Operations	**1.2**	9.2	9.8
	$106.2	$106.2	$ 89.6

	2001	2000	1999
Capital Expenditures (excluding property and equipment and other assets acquired in acquisitions):			
North American Information Services	**$ 20.1**	$ 40.3	$35.5
Equifax Europe	**12.3**	13.8	14.6
Equifax Latin America	**8.6**	12.3	10.1
Other	**–**	–	–
Corporate	**5.5**	3.9	5.7
	46.5	70.3	65.9
Divested Operations	**0.6**	1.6	4.8
	$ 47.1	$ 71.9	$ 70.7

Financial information by geographic area is as follows:

	2001		2000		1999	
	Amount	**%**	Amount	%	Amount	%
Operating Revenue (based on location of customer):						
United States	**$ 813.8**	**71%**	$ 801.6	67%	$ 687.0	63%
Canada	**77.5**	**7**	94.6	8	91.8	8
United Kingdom	**97.6**	**9**	137.7	12	151.1	14
Brazil	**49.5**	**4**	60.9	5	61.1	6
Other	**100.6**	**9**	94.4	8	101.7	9
	$1,139.0	**100%**	$1,189.2	100%	$1,092.7	100%
Long-Lived Assets of Continuing Operations at December 31:						
United States	**$ 665.2**	**63%**	$ 717.1	62%	$ 424.0	45%
Canada	**100.8**	**9**	96.7	8	107.6	11
United Kingdom	**78.8**	**7**	88.2	8	174.3	18
Brazil	**97.3**	**9**	119.3	10	126.1	13
Other	**122.5**	**12**	140.2	12	125.2	13
	$1,064.6	**100%**	$1,161.5	100%	$ 957.2	100%

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Equifax Inc.

We have audited the accompanying consolidated balance sheets of Equifax Inc. (a Georgia corporation) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, changes in shareholders' equity and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Equifax Inc. and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Atlanta, Georgia
February 13, 2002

REPORT OF MANAGEMENT

The consolidated financial statements presented in this report, which were prepared by the Company, are based on generally accepted accounting principles applied on a consistent basis and are considered by management to reflect the financial position of the Company at December 31, 2001 and 2000, and the results of operations and cash flows for each of the three years in the period ended December 31, 2001.

The integrity and objectivity of the data in these financial statements, including estimates and judgments relating to matters not concluded by year-end, are the responsibility of management. The Company and its subsidiaries maintain accounting systems and related controls, including a detailed budget and reporting system, to provide reasonable assurance that financial records are reliable for preparing the consolidated financial statements and for maintaining accountability of assets. The system of controls also provides assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization. Periodic reviews of the systems and controls are performed by the Company's internal auditors.

The system of controls includes the careful selection of people, a division of responsibility consistent with cost effectiveness, and the application of formal policies and procedures that are consistent with good standards of accounting and administrative practices.

Philip J. Mazzilli

Philip J. Mazzilli
Executive Vice President
and Chief Financial Officer

Equifax

Board of Directors, Company Officers and Contacts

DIRECTORS*

Thomas F. Chapman
Chairman of the Board &
Chief Executive Officer
Equifax Inc., 1994

Lee A. Ault, III
Chairman of the Board
In-Q-Tel, Inc., 1991

John L. Clendenin
Retired Chairman
BellSouth Corporation, 1982

A. William Dahlberg
Chairman
Mirant Corporation, 1992

Robert P. Forrestal
Of Counsel
Smith, Gambrell & Russell
Retired President &
Chief Executive Officer
Federal Reserve Bank of Atlanta, 1996

L. Phillip Humann
Chairman, President &
Chief Executive Officer
SunTrust Banks, Inc., 1992

Larry L. Prince
Chairman &
Chief Executive Officer
Genuine Parts Company, 1988

D. Raymond Riddle
Retired Chairman &
Chief Executive Officer
National Service Industries, Inc., 1989

Louis W. Sullivan, M.D.
President
Morehouse School of Medicine, 1995

Jacquelyn M. Ward
Outside Managing Director
Intec Telecom Systems, 1999

*Date indicates year of election.
Mr. Forrestal retired October 31, 2001.

EXECUTIVE OFFICERS

Thomas F. Chapman
Chairman of the Board &
Chief Executive Officer

William V. Catucci
Group Executive
Global Operations

Philip J. Mazzilli
Chief Financial Officer

Virgil P. Gardaya
General Manager
Consumer Direct

Karen H. Gaston
Chief Administrative Officer

Kent E. Mast
Chief Development Legal Officer

John T. Chandler
Financial Administration

Mitchell J. Haws
Investor & Public Relations

Michael G. Schirk
Treasurer

Dennis B. Story
Corporate Controller

CONTACTS

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TRANSFER AGENT AND REGISTRAR
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Stock Transfer Department
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Atlanta, Georgia 30302
Tel 800 568 3476

AUDITORS
Arthur Andersen LLP
133 Peachtree Street, N.E.
Atlanta, Georgia 30303

Equifax Shareholder Information

Equifax began operations in 1899 and became a publicly owned corporation in 1965. Equifax common stock is listed on the New York Stock Exchange under the symbol EFX. As of December 31, 2001, Equifax has approximately 10,100 shareholders of record.

DIVIDENDS

Cash dividends have been paid by Equifax for 89 consecutive years. In the third quarter of 2001, the dividend was reduced due to the spin-off of Certegy. In 2001, investors were paid dividends of 22.5 cents per share. In most cases, shareholders of record receive cash dividends quarterly on specific payable dates.

DIVIDENDS PER SHARE

Quarter	2000	**2001**
First	$0.093	**$0.093**
Second	$0.093	**$0.093**
Third	$0.093	**$0.020**
Fourth	$0.093	**$0.020**
Year	$0.370	**$0.225**

INVESTORS' SERVICE PLAN

The Investors' Service Plan provides shareholders and other investors with a convenient and economical way to purchase shares of Equifax common stock directly through the Plan. Current shareholders may purchase additional shares and non-shareholders may make initial investments through the Plan Administrator, SunTrust Bank. Shareholders may reinvest their quarterly dividends and may make optional cash investments weekly in amounts up to $10,000 per month. A brochure and enrollment form are available by calling toll-free (888) 887-2971.

ANNUAL SHAREHOLDERS' MEETING

The Equifax annual meeting for shareholders will be held at 10:00 a.m. on Wednesday, May 1, 2002, at the Georgia Center for Advanced Telecommunications Technology, 250 14th Street, NW, Atlanta, Georgia. Proxies will be mailed to all shareholders before the meeting.

EQUIFAX ON THE INTERNET

A broad range of consumer, business and investor information is available at www.equifax.com.

INVESTOR RELATIONS

Investor requests for financial information may be directed by phone to (404) 885-8000, in writing to P.O. Box 4081, Atlanta, Georgia 30302, or by e-mail to investor@equifax.com. Requests may be faxed to (404) 885-8988. Form10-K, the Annual Report to the Securities and Exchange Commission, will be available after March 31, 2002. Shareholders may obtain a copy without charge by writing to the Corporate Secretary, P.O. Box 4081, Atlanta, Georgia 30302.

STOCK PRICES*

(In dollars)	2000		**2001**	
	High	Low	**High**	**Low**
1st Quarter	15.10	11.77	**19.58**	**16.24**
2nd Quarter	17.57	13.84	**22.94**	**17.52**
3rd Quarter	16.13	13.76	**27.41**	**18.60**
4th Quarter	21.61	15.39	**25.33**	**21.45**
Year	21.61	11.77	**27.41**	**16.24**

** Stock prices have been adjusted to reflect the spin-off of Certegy.*

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The year 2001 has been one of the most successful years in the 102-year history of Equifax. This success is the result of more than 5,200 Equifax "Momentum Makers" who work tirelessly to bring value to millions of consumers and customers in 13 countries. To these employees, we thank you for your commitment; to our customers, we thank you for your trust; to our communities, we thank you for allowing us to serve you; and to our shareholders, we thank you for your support.