news release

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Delinquent debt on the rise for very small and largest businesses, according to Experian's latest Business Benchmark Report

Mid-size businesses weather economic storm

Costa Mesa, Calif., Aug. 23, 2011 — Experian®, the leading global information services company, today announced findings from its recently redesigned Business Benchmark Report. Findings from the Q2 report showed that the amount of delinquent debt has increased significantly for the largest and smallest businesses. Very large businesses (those with more than 1,000 employees) had the greatest shift in percentage of dollars delinquent, going from 11.6 percent in June 2010 to 18.2 percent in June 2011, and very small businesses (those with one to four employees) had the greatest shift in percentage of dollars considered severely delinquent, going from 9.9 percent in June 2010 to 11.7 percent in June 2011.

Conversely, the Q2 report indicated that businesses with 100 to 249 employees have shown the greatest improvement in percentage of dollars delinquent and severely delinquent, reducing their debt by as much as 7.3 percent and 35.8 percent, respectively, year over year. The trend for Q2 mirrors this observation, showing that businesses with 100 to 249 employees have significantly decreased their delinquent and severely delinquent dollars by 5.4 percent and 20.2 percent, respectively.

Experian's Business Benchmark Report provides a look at the health of U.S. businesses, focusing on key risk indicators such as commercial risk score,* days beyond terms (DBT) and percentage of delinquent debt. Experian recently redesigned the report to provide improved insights that will assist business-to-business professionals in better identifying potential risk and areas of opportunity.

Other findings from the Q2 Business Benchmark Report include the following:

Risk score

- The average commercial risk score for June 2011 was 57.4, worsening by 1.4 percent when compared with June 2010. However, the Q2 trend showed that this metric has remained relatively flat in recent months.

**Based on a scale of 1 to 100 and predicts the likelihood of severe delinquency (slow 91-plus) within the next 12 months*

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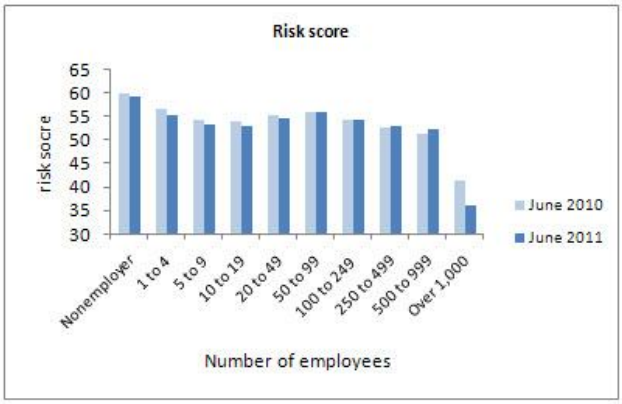
- Very large businesses have seen the greatest deterioration in commercial risk scores in a year-over-year comparison, decreasing by 13.2 percent. However, the Q2 trend showed a slight but steady improvement in commercial credit risk scores for very large businesses, rising by 2.2 percent.
- In June 2011, the commercial risk scores for businesses in the Mid-Atlantic and Northeast regions remained steady when compared with the previous year. All other regions showed deterioration in scores, with the Southeast region showing the greatest decrease in average score, worsening by 4.3 percent year over year.

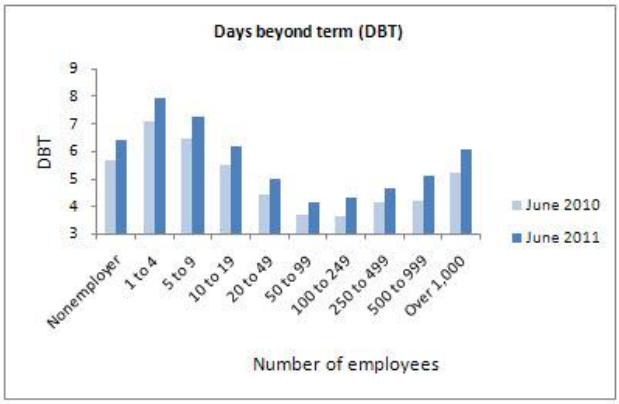
DBT

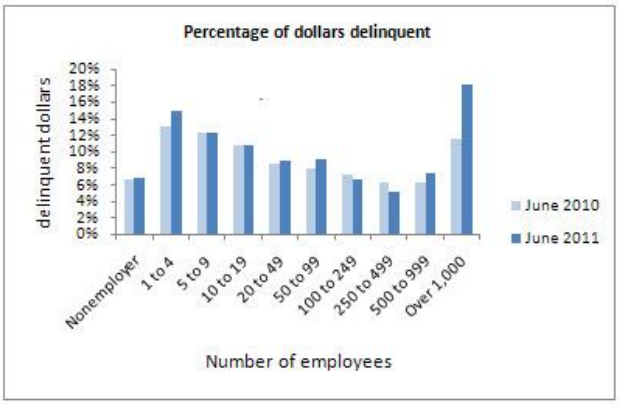
- U.S. businesses paid their bills an average of 6.8 days beyond contracted terms in June 2011, a 12.5 percent increase when compared with June 2010. However, according to the Q2 trend, businesses have shown relative stability, decreasing by only 0.6 percent.
- All business sectors have shown an increase in slow payment in a year-over-year comparison. The largest increase in slow payment came from the Construction industry (17 percent) and Insurance industry (15.7 percent) when compared with June 2010. However, the Q2 trend showed that the Utilities, Insurance, Legal Services and Health Services sectors have improved their DBT by as much as 2.9 percent.
- In June 2011, all regions showed deterioration in DBT, with Midwest businesses showing the greatest increase (23.9 percent) in slow payment compared with the previous year. However, all regions showed a relative stabilization in DBT in the Q2 trend, decreasing their slow payment by as much as 1.4 percent.

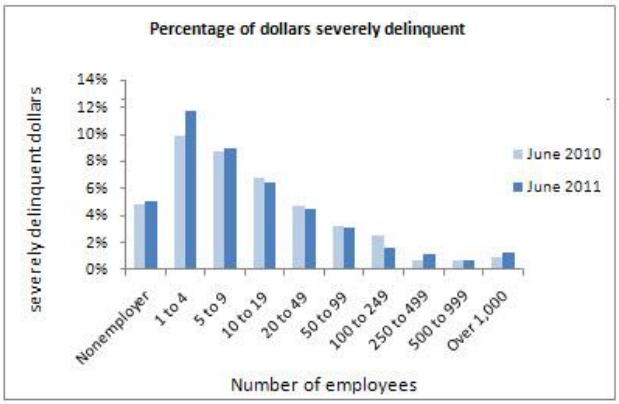
Percentage of dollars delinquent

- The national average percentage of dollars delinquent and percentage of dollars considered severely delinquent increased by 7.1 percent and 3.7 percent, respectively, when compared with June 2010.
- The Insurance sector showed the greatest decrease in percentage of dollars delinquent and severely delinquent, reducing its debt by 38.9 percent and 45.5 percent, respectively, year over year. The trend for Q2 2011 showed that Insurance continued to reduce its delinquent debt (by 7.5 percent) and severely delinquent debt (by 8.5 percent).
- As of June 2011, Midwest, Southeast and Mid-Atlantic businesses have shown the greatest increase in percentage of dollars delinquent, increasing by as much as 15.9 percent when compared with the previous year. Businesses in the Northwest and the Midwest have shown the greatest increase in percentage of dollars considered severely delinquent, increasing by 35.6 percent and 18.2 percent, respectively, in the same time period. Conversely, businesses in the Southwest showed the greatest improvement in delinquent and severely delinquent dollars, reducing their debt by 16.9 percent and 24.9 percent, respectively, year over year.
- The trend for Q2 2011 showed that the Mountain region has increased its delinquent debt (by 9.7 percent) and percentage of dollars severely delinquent (by 21.3 percent). Additionally, the Northwest has continued to increase its percentage of delinquent and severely delinquent debt, rising by 4.7 percent and 22.9 percent, respectively.









Business Benchmark Report

June 2011					Year-Over-Year change			
	Risk score	*Average DBT*	*Percent $ delinquent*	*Percent $ 91+*	*Risk score*	*Average DBT*	*Percent $ delinquent*	*Percent $ 91+*
National average	**57.4**	**6.8**	**9.5%**	**5.9%**	**-1.4%**	**12.5%**	**7.1%**	**3.7%**
Number of employees								
Nonemployer	59.1	6.4	6.8%	5.1%	-1.3%	13.4%	2.9%	3.5%
One to four	55.3	8.0	14.9%	11.7%	-2.3%	12.3%	13.2%	19.1%
Five to nine	53.4	7.3	12.4%	9.0%	-1.9%	12.8%	0.4%	3.2%
10 to 19	52.8	6.2	10.9%	6.5%	-1.8%	12.2%	0.4%	-3.8%
20 to 49	54.6	5.0	9.0%	4.5%	-1.1%	12.5%	4.4%	-3.7%
50 to 99	55.8	4.2	9.1%	3.1%	-0.4%	13.1%	13.6%	-1.8%
100 to 249	54.2	4.3	6.7%	1.6%	-0.2%	18.4%	-7.3%	-35.8%
250 to 499	53.0	4.7	5.2%	1.1%	0.7%	13.1%	-18.2%	69.4%
500 to 999	52.4	5.1	7.4%	0.7%	2.1%	21.1%	16.6%	3.8%
1,000 and more	36.0	6.1	18.2%	1.3%	-13.2%	16.7%	57.0%	37.0%

	Risk score	*Average DBT*	*Percent $ delinquent*	*Percent $ 91+*	*Risk score*	*Average DBT*	*Percent $ delinquent*	*Percent $ 91+*
Industry group								
Agriculture	62.7	8.8	10.5%	8.0%	-0.1%	10.4%	-17.9%	-19.4%
Forestry	65.3	3.8	4.4%	2.9%	0.0%	11.6%	-7.8%	3.7%
Mining	60.0	3.2	2.8%	0.3%	-0.4%	3.3%	24.9%	-14.7%
Construction	54.2	12.1	22.8%	17.4%	-1.9%	17.0%	14.4%	15.5%
Manufacturing	55.0	5.2	10.6%	4.0%	-1.0%	12.5%	3.0%	-12.8%
Transportation	52.7	7.1	10.6%	4.8%	-0.4%	7.3%	-5.0%	-17.9%
Communications	48.9	8.1	19.3%	11.7%	-1.2%	9.9%	-16.6%	-10.3%
Utilities	69.2	5.4	6.9%	2.7%	0.0%	6.7%	0.1%	3.3%
Wholesale trade	55.4	5.1	7.7%	3.2%	-0.7%	11.4%	9.0%	6.9%
Retail trade	50.7	7.2	14.8%	6.4%	-2.2%	8.5%	11.5%	0.7%
Finance	48.2	8.9	11.2%	7.8%	-2.3%	10.1%	18.2%	4.4%
Insurance	56.7	5.3	11.9%	8.1%	-3.5%	15.7%	-38.9%	-45.5%
Real estate	55.1	6.9	7.3%	5.6%	-1.7%	14.1%	21.6%	30.0%
Hospitality	50.4	5.1	3.4%	2.5%	-3.1%	11.4%	21.8%	27.7%
Business services	53.0	9.2	12.7%	9.0%	-2.1%	10.4%	12.5%	10.0%
Health services	59.2	3.8	6.3%	3.9%	-2.3%	9.7%	2.3%	6.2%
Legal services	54.8	4.8	13.6%	9.0%	-1.6%	13.7%	12.5%	16.6%
Educational services	60.4	4.8	8.8%	5.5%	-1.5%	10.6%	6.5%	-1.9%
Public administration	60.6	3.4	9.7%	4.1%	-1.3%	7.8%	-8.4%	50.7%

	Risk score	*Average DBT*	*Percent $ delinquent*	*Percent $ 91+*	*Risk score*	*Average DBT*	*Percent $ delinquent*	*Percent $ 91+*
Region								
Mid-Atlantic	60.4	5.1	23.5%	12.4%	0.1%	8.4%	11.0%	13.5%
Midwest	59.2	10.3	18.6%	13.0%	-0.9%	23.9%	15.9%	18.1%
Mountain	57.2	3.7	3.3%	1.7%	-1.6%	8.7%	5.1%	5.5%
New England	61.0	4.3	20.5%	11.2%	-0.5%	12.7%	6.0%	12.6%
Northeast	55.3	4.7	25.0%	12.5%	0.1%	10.7%	0.7%	-9.3%
Northwest	60.3	3.8	8.5%	3.9%	-0.1%	6.9%	5.2%	35.6%
Plains	60.9	5.4	10.7%	5.3%	-1.2%	8.9%	-4.8%	2.6%
South Central	57.3	5.1	5.1%	2.2%	-1.2%	5.4%	7.6%	-10.8%
Southeast	53.5	9.2	21.4%	14.5%	-4.3%	8.1%	14.6%	11.8%
Southwest	56.1	6.0	4.2%	2.9%	-0.9%	11.1%	-16.9%	-24.9%

To download previous reports or to see a visual representation of this data and other information broken down by state in an interactive map, visit http://www.experian.com/business-benchmark-report.

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Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended March 31, 2011, was $4.2 billion. Experian employs approximately 15,000 people in 41 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; Costa Mesa, California; and São Paulo, Brazil.

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