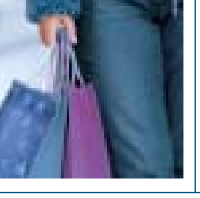
EQUIFAX

2002 ANNUAL REPORT

THE EQUIFAX DIFFERENCE

INFORMATION SERVICES



MARKETING SERVICES

CONSUMER DIRECT

FRAUD, SAFETY & SECURITY

O U R   B U S I N E S S   D E S C R I P T I O N

Equifax, a 104-year-old S&P 500 company, enables and secures global commerce through its information management, marketing, consumer direct, and fraud, safety and security solutions. As a leader in information technology, Equifax serves customers across a wide range of industries and markets, including: financial services, retail, telecommunications, utilities, mortgage, brokerage, insurance, automotive, healthcare, direct marketing, government, security and transportation. Equifax also enlightens, enables and empowers consumers to manage and protect their financial health with consumer direct services offered at www.equifax.com. Equifax employs approximately 5,000 people in 13 countries: the United States, Canada, England, Ireland, Italy, Spain, Portugal, Argentina, Brazil, Chile, El Salvador, Peru and Uruguay. Revenue was $1.1 billion for 2002.

E Q U I F A X   F I N A N C I A L   H I G H L I G H T S*

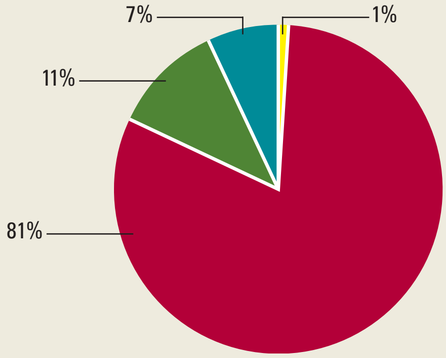
(Dollars in millions, except per share amounts)

Year Ended December 31	2002	2001	2000	Compound Growth Rate
Operating revenue	**$1,109.3**	$1,109.8	$1,027.2	3.9%
Operating income	**$ 351.3**	$ 342.5	$ 320.3	4.7%
Operating income margin	**32%**	31%	31%	NA
Income from continuing operations	**$ 191.3**	$ 177.7	$ 166.7	7.1%
Diluted earnings per share from continuing operations	**$ 1.38**	$ 1.28	$ 1.23	6.4%
Stock price per share at December 31**	**$ 23.14**	$ 24.15	$ 16.98	16.7%

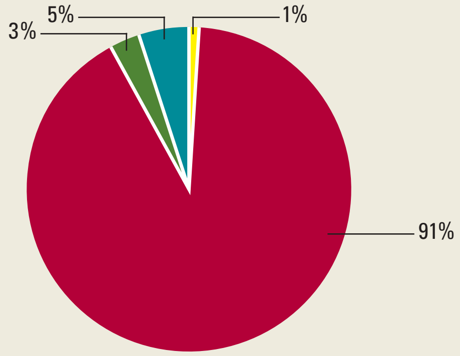
* These financial highlights reflect the core operating results of the Company, as more fully described in Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"). Our core operating results in 2001 and 2000 are adjusted to exclude divested operations in 2001 and 2000, restructuring and impairment charges in 2001, and the adoption of SFAS 142, eliminating goodwill amortization, as if SFAS 142 was effective January 1, 2000. We believe our use of these non-GAAP financial measures allows for management and investors to evaluate and compare our core operating results from ongoing operations from period to period in a more meaningful and consistent manner. A reconciliation of these non-GAAP financial measures to comparable GAAP numbers is shown in the MD&A.

** Stock price for 2000 has been restated to reflect the spin-off of Certegy.

Revenue
by Geographic Region
$1.1 billion



Operating Income
by Geographic Region
$399.0 million*



NORTH AMERICA
EUROPE
LATIN AMERICA
OTHER

** excludes General Corporate Expense of $47.7 million*

C O N T E N T S

INFORMATION SERVICES

The Business

Equifax Information Services provides value-added information solutions that help customers grow their businesses, increase profitability, manage risk and reduce costs throughout their customers' lifecycles.

Equifax is a leading source of consumer and commercial financial information in the United States, Canada, England, Ireland, Italy, Spain, Portugal, Argentina, Brazil, Chile, El Salvador, Peru and Uruguay.

We enable customers to manage risk and reduce costs.

Scope of Services

- Consumer Credit Reporting – helps consumer credit grantors make better decisions by giving them access to a comprehensive database of consumer credit information.
- Commercial Credit Reporting – helps commercial credit grantors make better decisions by giving them access to commercial credit information. In the United States we have developed the first and one of the largest databases of small business credit information.
- Fraud Detection and I.D. Verification – help customers quickly assess fraud potential, detect and respond to fraud attempts and verify identities to reduce exposure and losses.
- Portfolio Management – helps customers grow their portfolios, manage risk and optimize the revenue potential and profitability of their customer relationships.
- Risk Assessment and Decisioning – help enable customers to make real-time, informed decisions at all of their customers' touch points, minimizing risk and increasing profitability.
- Modeling and Analytics – help customers leverage sophisticated data sciences and analytical methods, providing powerful information intelligence to improve decision-making in managing their customer base.
- Locate Services and Debt Recovery – help customers with their collection activities by locating debtors, improving recovery rates and reducing write-offs.
- Industry-specific Proprietary Databases – help customers make informed decisions through the use of our managed and maintained proprietary databases.
- Bankruptcy Solutions – help customers reduce bankruptcy risk, manage the effect of bankruptcy on their portfolios and increase recovery rates.

Markets Served

- Financial
- Retail
- Telecommunications
- Utilities
- Mortgage
- Brokerage
- Government
- Automotive
- Insurance
- Healthcare

MARKETING SERVICES

We help our clients grow their businesses to increase profitability.

The Business

Equifax Marketing Services offers multichannel marketing opportunities for customers. Services include direct marketing as well as eMarketing and prescreening services designed to acquire, retain, manage and grow a customer base.

Naviant, acquired late last year, is the leading provider of email permission marketing solutions, with a database containing more than 100 million opt-in email addresses – the industry's largest.

Scope of Services

- Demographic Information – allows targeting of consumers based on criteria such as marital status, home ownership and presence of children in the household.
- Lifestyle Data – allows targeting of consumers based on their interests.
- Postal and Email Addresses – provides consumers' physical and electronic addresses.
- Address Append Services – adds email or postal addresses to a customer base.
- Customized and General Database Services – includes data enhancement, list cleansing/address updating, and installations of Equifax databases at a client's location.
- Credit Prescreening – delivers prescreened lists of consumer names that meet customer criteria for preapproved credit offers in decision-making processes.
- Custom Modeling and Analytics – permit businesses to fully leverage the power of Equifax data in decision-making processes.
- Management of Product Registration Programs – allow manufacturers to capture self-reported data on their product buyers.
- Lead Development and eSurvey – allows for instant response on direct marketing campaigns, lower marketing costs and increased return on investment.

Markets Served

Any company seeking to build its U.S. customer base through direct marketing, including:

- Publishing
- Pharmaceutical
- Catalog
- Entertainment and Media
- Technology
- Travel
- Retail
- Financial Institutions

EQUIFAX

CONSUMER DIRECT

We enlighten, enable and empower consumers to better manage their financial health.

The Business

Equifax Consumer Direct provides individuals access, via the Internet, to their personal credit information in order to enlighten, enable and empower themselves to understand, manage and protect their information for good financial health.

Scope of Services

- Credit Report – enables a consumer to view his or her credit report to understand what the report contains.
- Credit and Insurance Scores – help consumers understand how they are evaluated by lenders and insurers. A score is a rating index used by creditors, lenders and insurers to make lending and insurance decisions. Credit scores help consumers plan for obtaining credit for major purchases or securing the best interest rates on loans. A good insurance score, based on the consumer's Equifax Credit Report™, may help the consumer reduce insurance premiums over time.
- Identity Protection – enables consumers who are subscribers to receive alerts about inquiries or changes to their credit file, which may be an indication of fraud or identity theft.

Markets Served

- More than 220 million credit-active consumers in the United States and Canada
- Website Link Partners
- Private Label Distributors

FRAUD, SAFETY & SECURITY

We provide solutions that help our customers identify high-risk individuals and entities.

An Emerging Growth Initiative

The Equifax Fraud, Safety and Security initiative provides businesses and governments with solutions to help acquire, manage and distribute information about high-risk individuals and entities, as well as aids in the prevention of further terrorist activity across the globe by providing agencies with risk-relevant information.

Equifax also provides solutions to help customers meet regulatory compliance requirements, uncover money-laundering risks and identify and prevent terrorist financing.

Scope of Services

- I.D. Verification and Fraud Detection – help customers verify identities online and offline and improve fraud detection rates while streamlining compliance processes.
- Customer Models (risk, fraud and identity) – help customers obtain real-time identity verification, determine applicants that present a high risk of fraud, rank risk potential, and facilitate due diligence activities.
- OFAC Screening – helps customers screen high-risk individuals and transactions against the most current Office of Foreign Assets Control (OFAC) list and other lists with real-time alerts.
- Global Regulatory Information Database (GRID℠) – helps customers identify high-risk individuals against a warehouse of numerous data sources compiled from extensive public sources worldwide.

Markets Served

- Financial Services Companies (banks, credit unions and credit card companies)
- Insurance Companies
- Brokerage and Asset Management Firms
- Government Agencies
- Cargo Companies
- Transportation Companies

There are significant differences between Equifax and our competition. It is reflected in the quality of our products; the depth and breadth of our data; our innovative use of technology; and the attitude, values, passion and professionalism of our people.

Further, *The Equifax Difference™* is reflected in our results. Here is what our difference accomplished in 2002:

- Increased earnings per share eight percent to $1.38 – a record high for the Company
- Generated revenues of $1.1 billion
- Outperformed all major stock indices, generated the sixth best return on equity in the S&P 500 and produced operating margins three times the S&P 500 average
- Raised $250 million through an oversubscribed debt offering, adding even more strength to our balance sheet
- Strengthened our senior management team with the addition of a new president and chief operating officer, Mark E. Miller, and a new chief financial officer, Donald T. Heroman
- Expanded the scope, improved the performance and enhanced the capabilities of every Equifax business unit

EQUIFAX

TO OUR VALUED SHAREHOLDERS,

The accomplishments listed on the previous page, plus more, were made in a year marked by one of the most chaotic economic environments in many generations. I am so proud of our people. These achievements reflect *their* tireless efforts. Not only did they overcome a difficult industry environment to make our numbers, but they also made tremendous strategic progress on every business front.

"The Equifax business model is about growth ... "

A BOTTOM-LINE DIFFERENCE

The Equifax business model is about growth, driven by innovation and world-class solutions that hit the bottom line. Nowhere is this more apparent than in our North American business, which accounts for 81 percent of revenues and 91 percent of profits. In 2002, margins reached 40 percent on revenue growth of six percent. This impressive level of profitability demonstrates the superior strategic position that Equifax maintains in the marketplace.

EQUIFAX INFORMATION SERVICES

One of the fundamental drivers of performance is our ownership and use of data that allows us "to serve our customers by utilizing information and technology that provide real-time answers to increasingly complex questions" – our mission statement. Even in the tough economy of 2002, our core credit reporting business grew volume by four percent – continuing the consistent volume growth that it has experienced over the past decade. In addition, we expanded our capability and market position through the acquisition of certain key assets from our second largest affiliate, Credit Bureau of Columbus (CBC), an independent credit reporting agency. The benefits of this purchase are twofold: the expectation of increased profitability and the opportunity to offer our customers seamless service.

The Equifax Decision Power® product suite has been another key growth driver that continues to make a difference to the bottom line through decisioning, cross-selling opportunities and real-time analytics. Since introducing the industry's first analytical decision-making platform a decade ago, we have made continuous technological and functional enhancements to better serve customers. Decision Power Insight™, for example, is a new automated screening process for demand deposit account applicants that combines deposit account history with fraud and identification tools, credit data and models for cross-selling. The power of these products to help businesses make fast, real-time, well-informed decisions is evident by their use, helping Equifax customers make almost *five million* decisions on a monthly basis.

Our Mission Statement:
"To serve our customers by utilizing information and technology that provide real-time answers to increasingly complex questions."

EQUIFAX MARKETING SERVICES

Another major accomplishment during the year, through the acquisition of Naviant, Inc., was the repositioning of Equifax in the marketplace to form the new Equifax Marketing Services. This transaction now makes Equifax the leading provider of email marketing solutions – with a database of more than 100 million opt-in email addresses in the

United States. As a result, we can fully capitalize on eMarketing, the fastest growing component of the direct marketing business. Also, our customers can now take advantage of total solution alternatives to traditional direct marketing with our new multichannel marketing offerings such as targeted opt-in email lists, email appending, email list management, streaming video emails and online and offline lead acquisition. This enhanced strategic position contributed $30 million in new revenue during 2002. We expect Marketing Services to be a key growth engine in 2003 and beyond.

Thomas F. Chapman
Chairman and Chief Executive Officer

A GLOBAL DIFFERENCE

Our global presence is an important part of the Equifax strategic long-term growth model. We have strong, established positions in Europe and Latin America, and during 2002, these international businesses performed admirably. Europe significantly improved margins from four to ten percent, in part due to a very strong performance in the United Kingdom, nearly tripling its profit to $16.5 million and delivering a record margin of 17 percent, up from six percent. Latin America maintained margins at 26 percent, helped considerably by healthy revenue gains in Brazil, our largest market in Latin America, with eight percent growth in local currency. In both regions, new business wins combined with relentless cost management overcame the difficult foreign exchange conditions that have tempered our short-term global expansion.

AN INNOVATIVE DIFFERENCE

Our information and marketing services are powerhouse businesses that continue to produce exceptionally profitable returns year in and year out. Yet, our competitive advantage is not something we take for granted. New business development is a priority. Indeed, innovation is an inherent part of *The Equifax Difference.* And so, today our portfolio includes exciting new businesses – new businesses that just four years ago were either non-existent or in an embryonic stage. Today, they are producing over $50 million in revenue annually. They share several common themes:

- **They all represent *firsts* for the information services industry.** Equifax has been the first to develop and market credit tools for consumers; the first, and only, to build a proprietary database on small businesses; and the first to bring unique products to market in the emerging fraud, safety and security arena.
- **They all demonstrate how Equifax has evolved from a data-centric company into a *technology-centric* enterprise.** The value proposition in our business lies not in the data, but in what our technology enables us to do with the data, such as helping to alert customers to suspicious, high-risk individuals and entities.
- **They all *broaden* our customer range.** Through repurposing content and customizing products to meet specific needs, we are expanding and diversifying our market reach.

Perhaps most importantly, these businesses demonstrate the entrepreneurial drive that is still going strong in our 104-year-old company. Following is an overview of these businesses:

CONSUMER DIRECT

Our groundbreaking initiatives in the consumer area have been an unqualified success in just four years. The consumer product portfolio has grown to encompass six products, three of which were introduced in 2002. Renewal rates for our credit monitoring service, Equifax Credit Watch™, improved by 20 percent. Consumer Direct revenue has doubled annually to reach $39 million in 2002. And, the business is profitable, posting 10 consecutive quarters in the black. Clearly, our mission to enlighten, enable and empower consumers concerning their personal credit has hit upon a true need and we are proud to serve it.

NEW COMMERCIAL SERVICES

Small business credit reporting is another example of our ability to take proprietary databases, unmatched in size, and package them into customized solutions for a niche customer base – those doing business with small businesses. During the past year, these databases reached an impressive level, with 54 data providers online and information on 16 of the 25 million small businesses in the United States. We also have unique data attributes that enable our customers to make better decisions. As a result, Equifax is the only information services provider to produce credit reports (and ultimately scores) on small businesses.

EMERGING FRAUD, SAFETY & SECURITY INITIATIVES

While we have long applied the power of information and technology to yield new risk and marketing intelligence tools, the war on terrorism and now absolute war make this a business priority across the globe. Through our emerging fraud, safety and security offerings, Equifax is responding to a broad spectrum of challenges, working with governments, financial institutions and other organizations in their efforts to make the world a safer place.

Even before the events of September 11th, we were working with financial institutions to develop products that would help them identify and track such activities as money laundering and fraud. The passage of the USA PATRIOT Act has made it essential for financial institutions to know exactly who their customers are. We have the products and procedures in place to help them.

"Through our emerging fraud, safety and security offerings, Equifax is responding to a broad spectrum of challenges ... to make the world a safer place."

Our OFAC Alert™ product is a screening tool for businesses to comply with the Office of Foreign Assets Control's requirement to screen accounts against OFAC's listings of persons and entities prohibited from certain transactions. Because of our proven track record and success in managing various databases, a consortium of banks and brokerage firms selected Equifax to manage the Global Regulatory Information Database (GRID) to detect money laundering and other illegal financing activities. And, we also are assisting the British government and the U.S. Transportation Security Administration with screening activities. The opportunity to repurpose many of our products and to develop new ones for safety and security applications allows Equifax to serve not just our stakeholders, but *all* citizens in this vigilant post-September 11th world.

"Our focus on privacy issues has never been stronger."

A TRUSTED DIFFERENCE

Our focus on privacy issues has never been stronger. For more than a century, Equifax has been a respected steward of confidential data. We are a leader in promoting the fair and ethical use of information, and we have nearly 104 years of experience and expertise in addressing the privacy issue. We believe that responsible management of information and protecting consumer information privacy are key catalysts of consumer trust – trust that is essential for not only our nation's economic growth and its security, but also for our continued growth. This trust is the very fabric of the Equifax brand.

As a company, Equifax is actively supporting renewal of the provisions of the Fair Credit Reporting Act that maintain national standards for credit reporting. Preserving our current national credit reporting system is critical to providing our customers with the basis for making consistent and reliable risk decisions; to providing consumers fair and objective access to credit; and to supporting economic growth. As Federal Reserve Chairman Alan Greenspan noted in a recent speech, "The [nationwide] credit database has had a dramatic impact on consumers, households and for access to credit across the country at reasonable rates."* Equifax is carrying this message to customers, investors and to Washington to ensure policy makers preserve a national system that has served financial institutions, consumers and our economy well for more than 30 years.

A GROWING DIFFERENCE

In closing, consider that an Equifax share purchased in 1980 for $19 had a value of $1,462 at the end of 2002. This not only includes share splits, but also the well-executed spin-offs of two solid companies, ChoicePoint in 1997 and Certegy in 2001. Over this period, the combined market capitalization of Equifax including these two spin-off companies has increased from $70 million to $8.1 billion. There is no doubt that growth is our legacy and it will be our future.

At a recent employee meeting, I opened my remarks with a quotation from Martin Luther, "How soon, not now, becomes never." This message succinctly captures the urgency and vigilance necessary for Equifax to continue meeting its growth objective. Looking forward, we keep these words in mind. We must develop technology-centric businesses that create long-term shareholder value now. We must look ahead to the next generation of industry firsts now. We must work harder and even smarter to continue productivity gains now. We must ensure that the trust and confidence that we have earned from shareholders, customers and consumers is upheld and rewarded now. There has never been a better time for *The Equifax Difference* to make a difference.

Sincerely,

Tom

Thomas F. Chapman
Chairman and Chief Executive Officer

April 2003

**Source: American Banker, February 13, 2003.*

It's what we do with the information that makes the difference.

MISSION

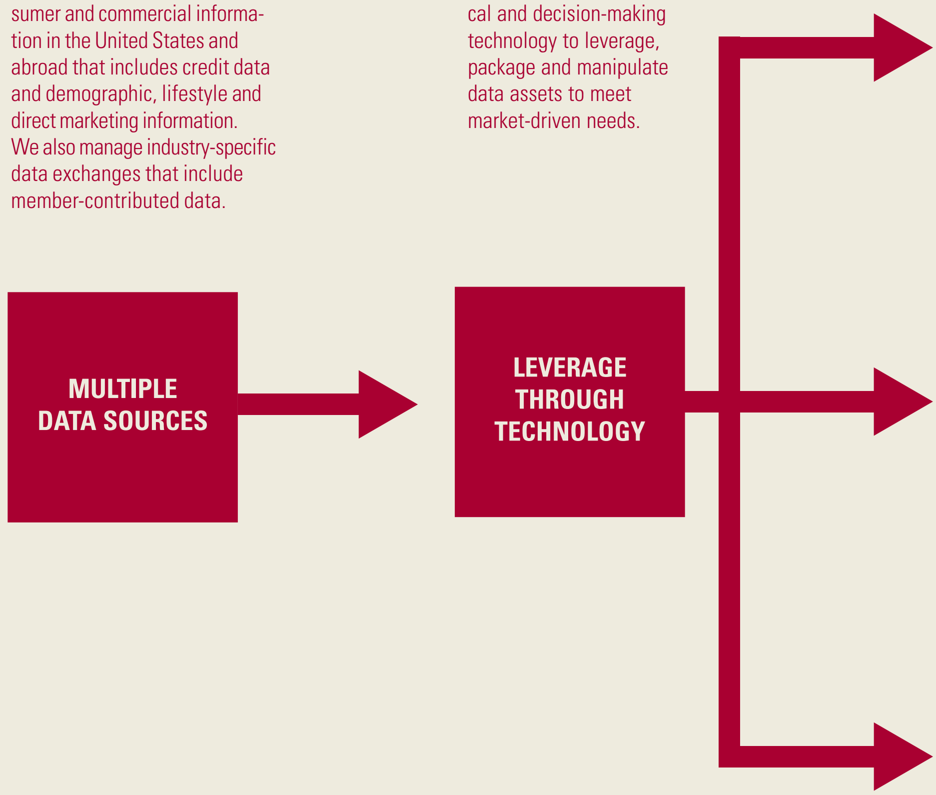
To serve our customers by utilizing information and technology that provide real-time answers to increasingly complex questions.

WHAT WE MANAGE

The leading repository of consumer and commercial information in the United States and abroad that includes credit data and demographic, lifestyle and direct marketing information. We also manage industry-specific data exchanges that include member-contributed data.

WHAT WE DO

Utilize advanced analytical and decision-making technology to leverage, package and manipulate data assets to meet market-driven needs.



HOW WE GROW

PRODUCTS

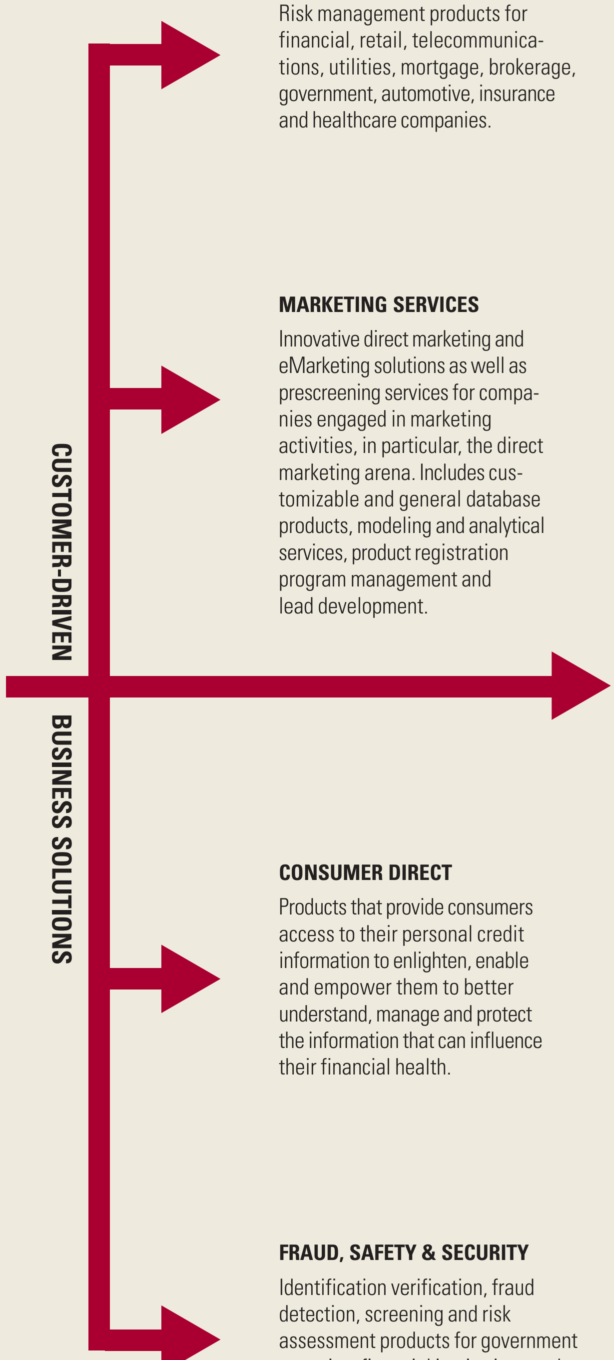
Develop information-based products for specific markets that enhance monitoring, screening, decision-making, validating and analytical functions.

MARKETS/INDUSTRIES

Introduce products and services into industry sectors and emerging markets.

GEOGRAPHIC REGIONS

Further penetrate the 13 countries already served in North America, Europe and Latin America.



WHAT WE PROVIDE AND WHO WE SERVE

INFORMATION SERVICES

Risk management products for financial, retail, telecommunications, utilities, mortgage, brokerage, government, automotive, insurance and healthcare companies.

MARKETING SERVICES

Innovative direct marketing and eMarketing solutions as well as prescreening services for companies engaged in marketing activities, in particular, the direct marketing arena. Includes customizable and general database products, modeling and analytical services, product registration program management and lead development.

CONSUMER DIRECT

Products that provide consumers access to their personal credit information to enlighten, enable and empower them to better understand, manage and protect the information that can influence their financial health.

FRAUD, SAFETY & SECURITY

Identification verification, fraud detection, screening and risk assessment products for government agencies, financial institutions and other private sector businesses.

FUTURE

Continuous marketplace assessment of opportunities that can strategically extend our information and technology assets into new profitable growth arenas.

Nearly 500 million times last year, Equifax customers accessed the largest database of its kind in the world to help facilitate credit-based transactions. Our core credit reporting business continues to be at the heart of global commerce. At the same time, this area has diversified to encompass a broad range of services that detect fraud, verify identity, identify bankruptcy potential, manage and grow portfolios, assess risk, enhance decision-making, recover debt, and analyze and model decision-making intelligence.

Successfully extending a 104-year-old business into new markets, new applications and new products demonstrates *The Equifax Difference* at work – continually pushing the business to a higher level of service and value for customers and shareholders and ultimately benefiting the consumer.

Equifax Information Services was among the first to develop a suite of solutions that addresses the key issues of fraud, risk, bankruptcy, and debt collection that face our customers.

OUR CORE STRENGTH

Growth business. It is a term usually reserved for start-ups and emerging markets, but at Equifax, we have a growth business that even at 104 years old is still setting records. In fact, our Information Services business has been finding ways to grow bigger and serve more customers for more than a century by aggregating increasing amounts of data, utilizing even more sophisticated technology and introducing an array of innovative products.

Today, Information Services remains as viable as ever. In times of economic expansion, this business grows in tandem with increased spending and investment. In times of recession, Information Services is even more relevant as it provides businesses and lenders the tools to better assess risk and enhance credit decision-making – abilities that are essential to managing successfully through an economic downturn.

Our core U.S. credit reporting business has for the past decade posted a compound annual growth rate of 14 percent. And, even during the sluggish economy of 2002 when so many businesses faltered, U.S. credit reporting achieved four percent volume growth, in part due to strong demand from mortgage services customers.

A key strategy over the past decade has been to increase the breadth and depth of data through affiliate acquisition. This effort advanced substantially in 2002 with the acquisition of key assets from CBC (Credit Bureau of Columbus), our second largest affiliate. As a result, we have more data under our control and are able to serve our customers more effectively and efficiently with direct sales, products and support.

PRODUCTS THAT WORK HARDER

At Equifax, product innovation is synonymous with continued growth. We were the first to offer Equifax Decision Power®, a decisioning platform. Recently, we introduced significant enhancements to the Decision Power product portfolio. Decision Power Insight™ is a new automated process for screening banking's demand deposit account applicants. It combines the power of decision-making technology and credit information from Equifax with important closed-for-cause and negative deposit account information. This new product gives financial institutions more knowledge that translates into better risk management and increased profitability.

In addition to enhanced decisioning products, Equifax Information Services was among the first to develop a suite of solutions that addresses the key issues of fraud, risk, bankruptcy and debt collection that face our customers. In this tough economic environment, it is more important than ever to gain insight into these high-risk areas.

The Equifax Small Business Credit Report™ gives lenders access to previously unavailable banking and lease payment information, combined with trade credit history, maximizing their ability to assess risk and make informed lending decisions.

Products such as eIDverifier®, Pinnacle℠ and Bankruptcy Navigator Index® are helping customers detect subversive or fragile financial situations so that they can address them before they impact the organization.

ANALYTICS FOR THE FUTURE

In the almost 10 years since we introduced Decision Solutions, we have established a leading position in the analytics and modeling field. We have set the standard for custom and generic models that help in managing lending risks and in pursuing new market opportunities with greater insight. We serve customers in such industries as telecommunications, mortgage services and the automotive industry who use these models in tens of millions of transactions every year to grow and manage their businesses more profitably. As our information assets increase, along with our level of technological innovation, analytics will afford us the opportunity to add even greater value to our data and design additional customer-driven solutions.

A NEW GROWTH ARENA

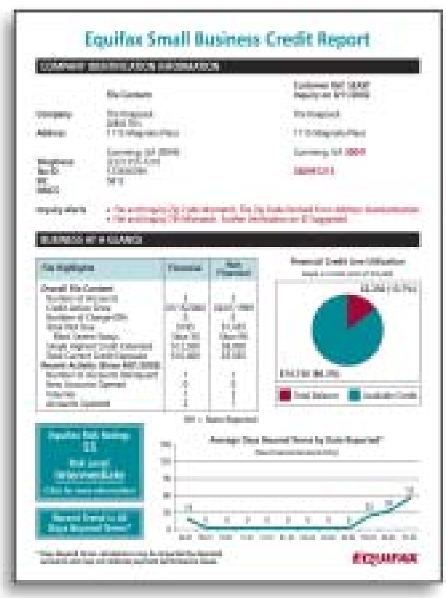
Small businesses represent a major pillar of the American economy. The more than 25 million small businesses in the country make up 99 percent of all employers and 52 percent of the private workforce.* By creating and continuing to build a proprietary database – already 16 million businesses strong – Equifax has introduced another industry first and is poised to revolutionize credit reporting in the commercial arena in the United States. In doing so, Equifax has the opportunity to dramatically impact credit grantors' ability to make financing decisions for small businesses, and, in turn, enable financing for an essential growing segment of the economy.

Equifax can now offer credit reports on small businesses, similar to those that we offer on individual consumers. This product is the first in what is expected to be an expanding portfolio of small business products – products that can effectively tap into this market.

GLOBAL VALUE

The information services needs that Equifax meets every day are not limited to the United States. Indeed, over the past 12 years, we have expanded our operations beyond the United States and Canada to include 11 countries in Europe and Latin America. Our commitment to the global markets we serve remains strong as does our outlook for growth on all fronts.

**Source: Testimony of Hector Barreto, Administrator, U.S. Small Business Administration, before the Committee on Small Business, U.S. House of Representatives, 2/13/02.*


Equifax Small Business Credit Report

Opportunity best summarizes this area of our business. A key acquisition in 2002 has vastly expanded the scope of our marketing products and services to encompass a full range of eMarketing solutions. With the largest body of consumer addresses, demographic information and lifestyle data in existence, Equifax Marketing Services has the opportunity to become the premier multichannel direct marketer in the industry, creating compelling growth for our shareholders and our customers.

The Equifax Difference **means creating opportunity. Combining two industry leaders in traditional direct marketing and eMarketing services resulted in the creation of a powerful, multichannel marketing partner for our customers.**

All of our self-reported database products are developed with opt-in, permission-based information.

OPPORTUNITY THROUGH ACQUISITION

The acquisition of Naviant, Inc., a premier provider of precision eMarketing solutions for large and small customers, elevates our marketing business to new levels of opportunity. By providing a database of more than 100 million opt-in, or consumer-volunteered, email addresses, Naviant offers the most highly effective email marketing programs in the country. This email database, in combination with our vast store of robust demographic and lifestyle data and our traditional credit marketing services, positions us to become the premier multichannel direct marketing organization in the industry.

A HIGHER LEVEL OF CAPABILITY

Equifax List Select™ is an excellent example of the innovation of the Equifax Marketing Services business unit. Introduced in 2002, this service represents the most advanced Web-based list order and fulfillment system in existence. Equifax List Select provides clients with 24/7 access to a broad spectrum of consumer database products. This tool utilizes the

Equifax List Select provides clients with 24/7 access to Equifax data, instantaneous count results, cross-selection and file scoring, online user reports, and the ability to rapidly download lists they have customized to their liking.

industry's most sophisticated technology to offer direct marketers a high degree of functionality that includes database scoring capabilities, analytics or information designed to gauge a consumer's propensity to buy or respond, online access to order history and user reports, and instantaneous count results. Most importantly, Equifax List Select enables clients to customize name selection across multiple Equifax consumer databases in ways that were previously not possible or only available through customized programming.

Equifax Email Append™ provides clients with email addresses for their existing customers. Another product in the suite, Equifax Email Prospecting with Credit Prescreening, combines Equifax credit information with Email Append, giving credit issuers the opportunity to provide firm offers of credit over the Internet.

The upgrade and expansion of Permission!™ – a 100 percent opt-in, self-reported database – is an excellent example of the enhanced capabilities of Equifax Marketing Services. Through its breadth and depth of data and multichannel file, Permission! will be the direct marketing industry's most potent and comprehensive online and offline database. Moreover, modeling capabilities offered in conjunction with the list enable clients to take target marketing to a new level by focusing on prospects most likely to respond.

THE MARKET GROWTH POTENTIAL

Through the formation of Equifax Marketing Services, marketing information powerhouses Equifax and Naviant have combined their benchmark technologies and capabilities into a business resource that will significantly impact the direct marketing industry. By uniting the vast Equifax network of content-rich consumer marketing databases with the advanced online-offline integration that Naviant is known for, this new business unit will provide our clients with the tools required to take precision marketing to an unprecedented level. The creation of Equifax Marketing Services is an excellent example of what Equifax does best – combine proprietary data with technology and product innovation expertise to create compelling growth for both customers and shareholders.

It is hard to imagine a more vital contribution to economic growth than financially healthy consumers. This is the driver behind one of the most successful initiatives ever launched by Equifax. The Consumer Direct product suite, the first of its kind, was developed for the 220 million credit-active consumers in the United States and Canada, and is accessed over the Internet. With revenues doubling every year since its inception in 1999, this initiative is clearly meeting a critical need among consumers.

The Equifax Difference is making a difference in improving the credit health of millions of consumers – giving them the opportunity to enlighten, enable and empower themselves to better manage and protect their financial information in a credit-driven economy.

MORE PRODUCTS, MORE POWER

In the past 12 months, Equifax has provided more products and services directly to the consumer. These product introductions and enhancements include:

- Consumer Credit Reporting – Introduced a new online, instant report that allows individuals to view a line-by-line comparison of their credit history as reported by the three major credit reporting agencies – with just one order.
- Insurance Scores – Another new product that provides consumers with access to their personal automobile and homeowner-insurance scores. Insurance companies use these scores to objectively underwrite and price coverage at a fair cost. By understanding the risk factors that insurance companies take into account, consumers can shop more intelligently for their insurance needs.
- Equifax Credit Watch™ – A credit monitoring, subscription-based, identity protection service that sends the consumer email notifications within 24 hours of key inquiries, or changes in his or her credit file. This product was enhanced this year to offer Identity Theft Insurance to its subscribers through a partnership with AIG eBusiness Risk Solutions, a global leader in Internet-related risk management.
- Score Power® – A combination of a credit score, credit report, and an interactive score simulator tool allows consumers to analyze the impact to their credit scores from simulated changes – such as paying off balances or assuming a loan – in their credit files.

BETTER ACCESS, MORE CONVENIENCE

We are committed to increase awareness and accessibility through our consumer products. From our initial point of distribution at www.equifax.com, Consumer Direct product availability has grown to include approximately 140 different distribution partnerships. In 2002, we strengthened our relationship with one of our largest Website link partners: Microsoft®. Equifax consumer products are packaged with Microsoft® Money 2003 Deluxe – now on the shelves of major retailers. And, we have developed a private label product similar to Equifax Credit Watch for customers to use as a method to generate revenue and customer loyalty.

We are committed to providing individuals with increased access to their personal credit information through our consumer products.

enlighten | enable | empower™

We expanded our Consumer Direct business to address issues such as identity theft that are critical to consumers' financial health.

IDENTITY PROTECTION

We expanded our Consumer Direct business to address critical consumer issues, such as identity theft. Concern with this increasing problem is a key reason that renewal rates for Equifax Credit Watch, which alerts subscribers within 24 hours of changes to their credit files, are running well above the industry average. To further heighten awareness of this issue and eradicate its threat in Georgia, we have teamed with the State of Georgia to create a new Web initiative: www.stopidentitytheft.org. Attorneys general from other states have shown interest in importing these awareness efforts and believe Equifax is addressing a vital need.

FAVORABLE GROWTH TRENDS

The Consumer Direct business is off to a robust start in 2003, fueled by record new customer acquisitions and repeat purchases from existing customers to meet their changing financial health needs. We expect the increases in this diverse revenue stream to build as the market for consumer credit and information management products grows.

Now more than ever, it is critical to the well-being of millions of citizens to verify identification, to screen individuals and transactions, to understand risk-relevant information and to track the movement of funds. Equifax is a "one-stop shop" uniquely positioned to help our customers establish "best practices"– through our extensive databases, the advanced modeling and analytics of our technology and the integrity of our organization.

The essence of our emerging fraud, safety and security initiative is about protecting citizens, reducing threats and saving lives. In no other area does *The Equifax Difference* matter more.

One of the cornerstones of our government's war against terrorism is to pursue perpetrators by tracing and terminating their financial lifelines.

THE OPPORTUNITY TO HELP

The world has changed since September 11th and with this change comes a renewed focus on security, identity verification, and fraud detection and prevention. Indeed, one of the cornerstones of our government's war against terrorism is to pursue perpetrators by tracing and terminating their financial lifelines. The USA PATRIOT Act will further this effort by placing added responsibility on financial institutions and businesses that operate in high-risk arenas to know exactly who their customers are. For decades, Equifax has been the leader in developing a full suite of solutions that provide businesses and government agencies with tools and risk-relevant information solutions to help them manage their fraud and business risk as well as facilitate compliance.

KNOW YOUR CUSTOMER

Equifax has developed online and offline solutions to provide customers with a "one-stop shop" for addressing regulatory and business requirements to mitigate risks. We offer consultative services to assist customers in selecting from a number of identity verification and fraud detection products that meet their particular needs – products that they may not have access to on their own. Among these are a patented authentication solution, eIDverifier®, which was specifically designed to minimize the risk inherent in remote, non-face-to-face transactions. Equifax has also developed its OFAC Alert™ product that automates and streamlines the often costly, time-consuming and cumbersome process of screening against the Office of Foreign Assets Control's lists of Specially Designated Nationals and Blocked Persons. Other efforts under way include assisting the British government and the U.S. Transportation Security Administration with screening activities.

Well before the events of September 11th, Equifax took an active role in discussions that resulted in the formation of the Regulatory DataCorp, Int'l. LLC (RDC), formed by selected major banks and brokerage firms, and the development of Global Regulatory Information Database (GRID℠) – a comprehensive security information solution. Because of our data management experience, proprietary search/match technology, comprehensive information assets and expertise obtained through the strategic acquisition of the Compliance Data Center (CDC)

Equifax was selected to manage and consolidate thousands of global lists of high-risk individuals as well as develop delivery systems for this important tool in the fight against terrorism.

in 2000, Equifax was selected to manage and consolidate thousands of global lists of high-risk individuals as well as develop delivery systems for this important tool in the fight against terrorism. GRID provides the largest single source of publicly available global risk information. With daily monitoring, financial institutions and other businesses can identify potential money laundering, fraud, corruption and organized crime schemes by screening individuals and entities against thousands of publicly available data sources. Indeed, screening is so critical that financial institutions will spend approximately $10 billion on these initiatives over the next three to five years.*

THE EQUIFAX DIFFERENCE

Our screening products, such as eIDverifier and OFAC Alert, as well as the security solution of GRID, are excellent examples of the types of information products needed in the security and compliance area – comprehensive, easily integrated, affordable, timely and convenient. These product attributes help make safeguarding our society a practical and more effective reality.

**Source: Anti-Money Laundering Report, Celent Communications, September 2002.*

B O A R D   O F   D I R E C T O R S

CORPORATE GOVERNANCE

Consistent with our long-standing commitment to good corporate governance, we have reviewed our internal processes to ensure that we maintain the best practices in this area. We are pleased to report that most of our practices were already very close to the new standards enacted by the Sarbanes-Oxley Act and proposed by the New York Stock Exchange (NYSE). We have made some adjustments to our board and committee structure, not just to comply with the law, but to ensure that we incorporate policies and practices that will enable us to operate most effectively and efficiently. We elected a Lead Director who, among other duties, chairs our newly established Governance Committee, which is comprised of all of our non-employee directors. Additionally, as we have always believed in good communications with our shareholders and the investing public, we have made available on our corporate Website the board's Mission Statement and Governance Guidelines, the charters of each of the key board committees, and our code of business conduct and ethics.

We continue to closely monitor the Securities and Exchange Commission's (SEC) ongoing rule-making processes relating to additional Sarbanes-Oxley provisions and the proposed NYSE listing standards. As these proposals become final rules, we will take whatever steps are necessary to keep us in compliance in an efficient manner.

COMPENSATION AND HUMAN RESOURCES COMMITTEE

GOVERNANCE COMMITTEE

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

John L. Clendenin
Retired Chairman
BellSouth Corporation, 1982

Lead Director of the
Equifax Board and Chairman
of Governance Committee

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

Chairman of Compensation and
Human Resources Committee

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

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

AUDIT COMMITTEE

A. William Dahlberg
Chairman
Mirant Corporation, 1992

Chairman of
Audit Committee

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

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

Steven J. Heyer
President and
Chief Operating Officer
The Coca-Cola
Company, 2002

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

Date indicates year of election.

EQUIFAX

2002 FINANCIAL REVIEW

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes included in this Annual Report. This discussion contains forward-looking statements. Also see the section "Forward-Looking Statements" on page 33, and "Risk Factors" in our Form 10-K filed with the Securities and Exchange Commission for a discussion of the uncertainties, risks, and assumptions associated with these statements.

OVERVIEW

As a leading source of consumer and commercial credit information, we collect, organize and manage various types of financial, demographic, and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk, and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as state and federal governments. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to individuals. We have approximately 5,000 employees worldwide, and manage our business globally through the following three operating segments: Equifax North America, Equifax Europe, and Equifax Latin America. Our operations are predominantly located within the United States, with foreign operations principally located in Canada, the United Kingdom, and Brazil.

Our products and services are categorized as follows: Information Services, Marketing Services, and Consumer Direct. Our Information Services products and services allow customers to make credit decisions about consumers and commercial enterprises. Our Marketing Services information products and databases enable customers to identify a target audience for marketing purposes, and our Consumer Direct products and services provide information to consumers that enable them to reduce their exposure to identity fraud and to monitor their credit health.

We develop, maintain, and enhance secured proprietary information databases through compilation of accounts receivable information about consumers and businesses that we obtain from a variety of sources, such as credit granting institutions, public record information, including bankruptcies, liens, and judgments, and marketing information from surveys and warranty cards. We process this information utilizing our information management systems and make it available to our customers in a user-friendly format.

SUMMARY OF SELECTED RECENT EVENTS

Acquisitions. In November 2002, we acquired consumer credit files, contractual rights to territories, and customer relationships and related businesses from CBC Companies, Inc., or CBC, an independent credit reporting agency, for $95.0 million in cash. The purchased CBC database includes customers from Ohio, Florida, West Virginia, South Dakota, North Dakota and Indiana.

In August 2002, we acquired Naviant, Inc. for $135.0 million in cash. Naviant is a direct marketing company with a database of permission-based email addresses. Naviant's products and services enable marketers to identify, target, and build consumer relationships through email marketing.

$250.0 Million Note Offering. In October 2002, we completed the sale of $250.0 million aggregate principal amount of our 4.95% senior unsecured notes, which mature November 1, 2007. The proceeds were used to pay down our revolving credit facility and for general corporate purposes, including the November 2002 acquisition of assets from CBC. In turn, we will borrow $200.0 million under our revolving credit facility to retire our $200.0 million aggregate principal amount of outstanding 6.5% senior unsecured notes, which mature June 2003. See Note 6 to our Consolidated Financial Statements.

Discontinued Operations – 2002 Spain Commercial and 2001 Spin-off of Certegy. In the third quarter of 2002, we initiated a plan to exit our commercial reporting business in Spain, which is now held for sale. Our decision to exit the business was driven by unfavorable growth prospects in this market and unsatisfactory financial performance. Discontinued after tax losses totaled $13.3 million in 2002 including a $9.0 million ($0.07 per share) estimated loss on disposal. The results for this business in 2001 and 2000 were not material, as revenues were less than 1% of our total sales, and thus have not been reclassified to Discontinued Operations.

On July 7, 2001, we completed the spin-off of our Payment Services segment. The spin-off was accomplished by the consolidation of the business units that comprised our Payment Services segment into a separate, wholly-owned subsidiary, Certegy Inc., and the subsequent distribution of all of the common stock of Certegy to our shareholders. As a result of the spin-off, our historical financial statements have been restated with Certegy's net assets, results of operations and cash flows classified as "Discontinued Operations." See Note 2 to the Consolidated Financial Statements.

Divested Operations in 2001 and 2000. In October 2001, we sold our City Directory business and, in the fourth quarter of 2000, we sold our risk management collections businesses in the United States, Canada, and the United Kingdom, our vehicle information businesses in the United Kingdom, and a direct marketing business in Canada. Combined revenues for these businesses in 2001 and 2000 were $29.2 million and $162.0 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 and are included in our income from continuing operations. See Note 4 to the Consolidated Financial Statements.

Restructuring and Impairment Charges in 2001. In the fourth quarter of 2001, we recorded restructuring and impairment charges of $60.4 million ($35.3 million after tax or $0.25 per diluted share). The restructuring charges, which total $37.2 million, are associated with the reconfiguration of our business after the spin-off of Certegy and the realignment of our cost structure in our international operations, and consist of severance costs and reserves to reflect our estimated exposure on facilities to be vacated or consolidated. The asset impairment charges, which total $23.2 million, reflect our write-down of several technology investments. See Note 5 to the Consolidated Financial Statements.

COMPONENTS OF INCOME STATEMENT

Revenues from our three operating segments, Equifax North America, Equifax Europe and Equifax Latin America, are generated from a variety of products and services categorized into three groups: Information Services, Marketing Services, and Consumer Direct. In 2002, our Equifax North America segment generated 81% of our worldwide revenues and 91% of our operating profit before corporate expense.

Information Services revenues are principally transaction related, and are derived from our sales of the following products, many of which are delivered electronically: credit reporting and scoring, mortgage reporting, identity verification, fraud detection, decisioning and modeling services and credit marketing services. Revenues from our Marketing Services are derived from our sales of products that help customers acquire new customers. Consumer Direct revenues are transaction related, and are derived from our sales of credit reporting products and identity theft monitoring services, which we deliver to consumers electronically via the Internet and via mail. Our revenues are sensitive to a variety of factors, such as demand for, and price of, our services, technological competitiveness, our reputation for providing timely and reliable service, competition within our industry, federal, state, foreign and regulatory requirements governing privacy and use of data, and general economic conditions. See "Forward-Looking Statements," below.

Our operating expenses include costs of services and selling, general, and administrative expense. Costs of services consist primarily of data acquisition and royalties; customer service costs, which include: personnel costs to collect, maintain and update our proprietary databases, to develop and maintain software application platforms, and to provide consumer and customer call center support; hardware and software expense associated with transaction processing systems; telecommunication and computer network expense; and occupancy costs associated with facilities where these functions are performed. Selling, general, and administrative, or SG&A expenses consist primarily of personnel costs for compensation paid to sales and administrative employees and management. Depreciation and amortization expense includes amortization of acquired intangible assets.

ADOPTION OF SFAS 142

Beginning January 1, 2002, we adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," or SFAS 142. SFAS 142 modifies the accounting for business combinations, goodwill, and identifiable intangible assets. As of January 1, 2002 all goodwill amortization ceased. SFAS 142 requires an initial impairment test of goodwill and certain other intangibles to be completed in the year of adoption and annually thereafter. In 2002, we completed our goodwill impairment testing required by SFAS 142, which resulted in no adjustment to the carrying amount of goodwill. Although the adoption of the impairment provisions of SFAS No. 142 did not have a material impact on our financial position, we cannot assure you that additional impairment tests will not require an impairment charge during future periods should circumstances indicate that our goodwill balances are impaired. Income from continuing operations for the years ended December 31, 2001 and 2000 included after tax goodwill amortization of $18.5 million ($0.13 per diluted share), and $19.6 million ($0.14 per diluted share), respectively.

CONSOLIDATED RESULTS OF OPERATIONS

Our consolidated results for each of the three years in the periods ended December 31, were as follows:

(In millions, except per share data)	**2002**	2001		2000	
		GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue	**$1,109.3**	$1,139.0	$1,109.8	$1,189.2	$1,027.2
Operating Income	**$ 351.3**	$ 253.8	$ 342.5	$ 308.6	$ 320.3
Income from Continuing Operations	**$ 191.3**	$ 117.3	$ 177.7	$ 141.1	$ 166.7
Net Income	**$ 178.0**	$ 122.5	$ 177.7	$ 228.0	$ 166.7
Diluted EPS:					
Income from Continuing Operations	**$ 1.38**	$ 0.84	$ 1.28	$ 1.04	$ 1.23
Net Income	**$ 1.29**	$ 0.88	$ 1.28	$ 1.68	$ 1.23

All references to earnings per share data in this MD&A are to diluted earnings per share unless otherwise noted.

GAAP AND NON-GAAP FINANCIAL MEASURES

The results presented in the above table are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, we discuss financial measures in accordance with GAAP and also on a non-GAAP basis. When we refer to a financial measure as "reported," we are referring to a GAAP financial measure. When we refer to a financial measure as "adjusted," we are referring to a non-GAAP financial measure.

The following events are reflected in our adjusted results and impacted years 2001 and 2000 only: our restructuring charge taken in the fourth quarter of 2001, our divested operations in 2001 and 2000, and the adoption of SFAS 142. We believe that our use of certain adjusted, non-GAAP financial measures allows our management and investors to evaluate and compare our core operating results from ongoing operations from period to period in a more meaningful and consistent manner. Reconciliations of GAAP to non-GAAP financial measures are included in this MD&A before Critical Accounting Policies.

All "adjusted," or non-GAAP, financial measures that we discuss in this MD&A exclude, and all "reported," or GAAP, financial measures that we discuss in this MD&A include, the following items:

YEAR 2001 NON-GAAP ITEMS REFLECTED IN "ADJUSTED"

- An aggregate net pre-tax charge in 2001 of $94.6 million ($60.4 million after tax; $0.44 loss per share), consisting of:
  - $60.4 million restructuring and impairment charges ($35.3 million after tax; $0.25 loss per share);
  - a combined $8.8 million pre-tax loss ($3.0 million loss from operations and $5.8 million loss on sale included in other income and expense net) from the City Directory business that we sold in the fourth quarter ($6.6 million after tax; $0.06 loss per share) in the fourth quarter of 2001; and
  - the $25.4 million elimination of goodwill amortization expense ($18.5 million after tax; $0.13 income per share) as if SFAS No. 142 had been effective on January 1, 2001.

YEAR 2000 NON-GAAP ITEM REFLECTED IN "ADJUSTED"

- Aggregate net pre-tax income in 2000 of $26.7 million ($25.6 after tax income; $0.19 income per share), consisting of:
  - a pre-tax loss of $3.6 million ($2.1 million after tax; $0.02 loss per share) from the operations of the City Directory that we no longer own;
  - a combined $12.1 million of pre-tax income ($16.3 million in operating income less a $4.2 million loss on sale included in other income (expense net) from the risk management collections and vehicle information businesses ($8.0 million after tax; $0.06 income per share) that we sold in the fourth quarter of 2000;
  - a $7.6 million pro forma reduction of interest expense ($4.5 million after tax; $0.03 income per share) as if the sale of our risk management collections and vehicle information businesses had occurred on January 1, 2000 thereby reducing our debt carrying cost based on cash proceeds at closing of approximately $149.2 million;

– a $3.2 million pro forma increase in interest income ($1.9 million after tax; $0.02 income per share) from our $41.0 million note receivable established as part of seller financing with the divestiture of our risk management collections business;
– lower income tax expense of $5.5 million ($0.04 income per share) to adjust the income tax effective rate from 43.2% to 41.2% to reflect the effective rate for ongoing operations; and
– the $24.4 million elimination of goodwill amortization expense ($19.6 million after tax; $0.14 income per share) as if SFAS No. 142 had been effective on January 1, 2000.

HIGHLIGHTS FOR 2002 CONSOLIDATED FINANCIAL RESULTS

- Our reported consolidated revenues of $1.1 billion decreased 3%. As adjusted, our consolidated revenues were even with 2001.
- Our reported income from continuing operations increased 63%. As adjusted, our income from continuing operations increased 8%.
- Our operating margins improved to 32%.
- Our interest expense of $41.2 million declined 14%.
- Our reported operating income increased 38%. As adjusted, our operating income grew 3%.
- Our reported earnings per share from continuing operations increased 64%. As adjusted, our earnings per share from continuing operations increased 8%.
- Our total debt outstanding at December 31, 2002 was $924.5 million.
- Our cash provided by operations was $248.8 million and our free cash flow, which is a non-GAAP measure of the amount of cash provided by our operating activities less capital expenditures, was $193.0 million.
- We repurchased 2.9 million shares of common stock for a total investment of $72.5 million.

YEAR 2002 COMPARED WITH 2001

Our reported revenues of $1.1 billion in 2002 decreased 3% from 2001. Our adjusted revenues were even with 2002. In 2002, Equifax North America accounted for 81% of our total revenue and 91% of our operating income before corporate expense. Our revenue growth in 2002 was negatively impacted by a global economy that has continued to weaken. Equifax North America revenues grew 6% in 2002, delivering an additional $49.8 million in revenue, compared to 13% growth in 2001. Our 2002 revenue growth is attributable to increases in revenues from our Consumer Direct products, sales of Mortgage Services resulting from increased refinancing activity, and our acquisition of Naviant.

International revenues declined $45.1 million or 18% driven by currency fluctuations, the decision to exit our commercial reporting business in Spain, and the decline of the Argentinean economy. The strengthening of the U.S. dollar against foreign currencies, particularly in Latin America, negatively impacted consolidated revenue by $16.7 million or 2%.

Consolidated operating expenses in 2002 of $758.0 million declined $127.2 million or 14% over 2001. Operating expense, as adjusted, decreased 1%, or $9.3 million. Excluding incremental operating expense from our Naviant acquisition, operating expenses declined 5%, driven by our continued focus on productivity improvements, discretionary expense control and our restructuring actions taken in 2001 after the Certegy spin-off. In the fourth quarter of 2001, we reduced our worldwide workforce 11% to approximately 5,200 employees, and in 2002, continued to drive productivity, resulting in an additional 5% decrease.

Cost of services in 2002 of $427.6 million declined $23.4 million or 5%. The divestiture of our City Directory business in October 2001 accounted for $9.3 million of the reduction. As adjusted, cost of services declined 3%, driven by our decision to exit our commercial credit reporting business in Spain, lower personnel expense and professional service fees partially offset with higher royalties and data purchases expense on higher unit volumes in Equifax North America.

SG&A, expenses of $249.9 million declined nearly 7% over 2001, driven by the divestiture of City Directory. As adjusted, SG&A expense increased $4.5 million, or 2%, due to our Naviant acquisition. Our SG&A expense in 2002 was also negatively impacted by an increase of $4.3 million in bad debt expense, with the WorldCom bankruptcy representing the largest portion of such expense.

Operating income in 2002 increased 38%, to $351.3 million, with operating margins of 32%. Operating income, as adjusted, grew 3%, driven by our focus on productivity and expense control. Equifax North America's ability to maintain strong operating margins while investing in key growth initiatives and Equifax Europe's improvement in margins from 4% to 10% in 2002, offset margin erosion in our Marketing Services operations in the U.S., profit deterioration in Equifax Latin America due to economic conditions in Argentina, and the reduction in income from our former lottery business. See "Segment Results – Other," below.

YEAR 2001 COMPARED WITH 2000

Our reported revenues of $1.1 billion in 2001 decreased 4%, or $50.2 million, driven by our divestiture of several businesses. See Note 4 to the Consolidated Financial Statements. In the fourth quarter of 2000, we sold the risk management collections business that we conducted in the United States, Canada and the United Kingdom, the vehicle information business that we conducted in the United Kingdom, and a direct marketing business that we conducted in Canada. On a combined basis these divested businesses including City Directory, which was sold in 2001, generated revenues of $162.0 million and operating profit of $9.0 million with margins of 6%. Revenues, as adjusted, increased 8% over 2000 driven by Equifax North America's record 13% growth on strong credit reporting volumes and Consumer Direct revenue growth. The strengthening of the U.S. dollar against foreign currencies, particularly in Latin America, negatively impacted consolidated revenue by $26.9 million, or 3%.

Consolidated operating expenses in 2001 of $885.2 million, including a $60.4 million restructuring charge taken in the fourth quarter, increased $4.6 million over 2000. Operating expenses in 2001, as adjusted, were $767.3 compared to adjusted operating expenses of $706.9 in 2000. The $60.4 million increase was driven by record volumes in our North American operations and $22.8 million of incremental operating expense added from our acquisition of the Consumer Information Solutions Group from R.L. Polk & Co. in May 2000, and the November 2000 acquisition of two related Italian businesses named SEK S.r.l. and AIF Gruppo Securitas S.r.l. The products and services of the Consumer Information Solutions Group that we acquired from R.L. Polk & Co., which we had referred to as our Consumer Information Services, are now categorized within our Marketing Services product line, and reported in our Equifax North America segment.

Cost of services in 2001 of $451.0 million declined $62.2 million or 12%, driven by the sale of our risk management collections business in the United States, Canada and the United Kingdom, our vehicle information business in the United Kingdom, and a direct marketing business in Canada, which are classified as Divested Operations. Partially offsetting this decline is a $43.3 million increase in production and data processing expenses due to record volumes in our Equifax North America operations. SG&A expenses of $267.6 million increased 2% over 2000, driven by higher sales incentive payouts on record sales, incremental expense from our acquisition of the Consumer Information Solutions Group from R.L. Polk & Co., and growth in our Consumer Direct product line.

Operating income in 2001 of $253.8 million decreased 18% over 2000 driven by our $60.4 million restructuring charge taken in the fourth quarter of 2001. Operating income, as adjusted, increased 7% over 2000 driven by strong revenue growth in Equifax North America more than offsetting margin deterioration in our international operations.

OTHER INCOME (EXPENSE), NET

Other income (expense), net principally consists of interest income, gains and losses from divested businesses, and gains and losses on foreign currency. Interest income in 2002, 2001, and 2000 totaled $6.3 million, $8.3 million, and $7.9 million, respectively. Included in Other income (expense), net is the sale of our City Directory business in October 2001 and our risk management collections business and vehicle information business in 2000, which generated pre-tax losses of $5.8 million and $4.2 million, in 2001 and 2000, respectively.

INTEREST EXPENSE

Interest expense decreased $6.6 million and $8.0 million in 2002 and 2001, respectively. This reduction was driven by lower average debt outstanding and lower interest rates. Our total debt outstanding at December 31, 2002 was $924.5 million compared to $755.6 million at December 31, 2001. We expect interest expense to increase in 2003 due to higher outstanding debt levels.

EFFECTIVE TAX RATES

Our effective tax rates from continuing operations were 39.3%, 42.1%, and 43.4% in 2002, 2001, and 2000, respectively. Our lower effective rate in 2002 was driven by: the elimination of goodwill amortization beginning January 1, 2002, as required by SFAS 142; the tax basis of goodwill related to the loss on sale of City Directory in the third quarter of 2001; and the implementation of state tax planning strategies. Effective tax rate changes from 2000 to 2001 were mainly due to non-deductible goodwill associated with divestitures and changes in levels of foreign earnings.

SEGMENT RESULTS

Our segment results for each of the three years in the period ended December 31, 2002, are as follows:

(In millions)	**2002**	2001	2000
Revenues:			
Equifax North America	**$ 902.2**	$ 852.4	$ 755.2
Equifax Europe	**126.1**	141.1	142.9
Equifax Latin America	**76.6**	106.7	119.5
Other	**4.4**	9.6	9.6
Revenue before divested operations, Non-GAAP	**1,109.3**	1,109.8	1,027.2
Divested Operations	–	29.2	162.0
Revenues, GAAP	**$1,109.3**	$1,139.0	$1,189.2
Operating income:			
Equifax North America	**$ 361.6**	$ 340.6	$ 295.9
Equifax Europe	**12.7**	5.8	17.2
Equifax Latin America	**20.3**	32.0	40.0
Other	**4.4**	8.9	8.9
General Corporate Expense	**(47.7)**	(44.8)	(41.7)
Operating income, Non-GAAP	**351.3**	342.5	320.3
Divested Operations	–	(2.9)	12.7
Goodwill Amortization	–	(25.4)	(24.4)
Restructuring and Other Charges	–	(60.4)	–
Operating income, GAAP	**$ 351.3**	$ 253.8	$ 308.6

EQUIFAX NORTH AMERICA

In 2002, Equifax North America generated 81% of our revenue and 91% of our operating profit before corporate expense. This segment's revenue increased 6% in 2002. The Naviant acquisition, included in Marketing Services, positively impacted revenue growth 3.5% for the year. We experienced positive momentum in the second half of the year as revenues grew 6% compared to a 1% decline in the first half, excluding revenues from the Naviant acquisition.

As shown in the following table, our Equifax North America segment includes revenues from our:

- U.S. Consumer and Commercial Services, which are comprised of the Consumer and Commercial Services that we provide in the U.S., which we previously referred to as U.S. Credit Information Services.
- Mortgage Services that we provide in the U.S., which we previously referred to as U.S. Credit Information Services.
- Canadian Operations, which are comprised of the Consumer Services, Commercial Services and Credit Marketing Services that we provide in Canada;
- Credit Marketing Services that we provide in the U.S.;
- Direct Marketing Services, are comprised of the direct and email marketing services that we provide in the U.S. and include the products and services that we formerly referred to as our Consumer Information Services, and now include Naviant's products and services; and
- Consumer Direct products and services.

	Revenue		
(In millions)	**2002**	2001	2000
U.S. Consumer and Commercial Services	**$455.4**	$449.2	$393.8
Mortgage Services	**55.2**	44.4	25.7
Canadian Operations	**77.4**	77.5	68.1
North America Information Services	**588.0**	571.1	487.6
Credit Marketing Services	**164.3**	166.5	177.9
Direct Marketing Services	**110.5**	92.9	81.9
Total Marketing Services	**274.8**	259.4	259.8
Consumer Direct	**39.4**	21.9	7.8
	$902.2	$852.4	$755.2

YEAR 2002 COMPARED WITH 2001

U.S. Consumer and Commercial Services 2002 revenue growth was 1% over 2001. Revenue growth in 2002 was challenging due to tough economic conditions in the U.S. and a record 2001 base year. Revenues in the second half of 2002 grew 5.5% compared to a 3% decline in the first half of the year. The momentum was driven by mortgage refinancing and market share gains, principally in financial services. Average prices were flat year over year, influenced by higher mortgage activity. Mortgage Services delivered record revenues with 24% growth. With continued economic weakness, we expect to see low to mid single digit revenue growth percentages in 2003. Mortgage loan originations, a significant contributor to our credit reporting volume growth in 2002 and 2001, are expected to slow during 2003.

Our Marketing Services product lines delivered $274.8 million in revenues or 6% growth in 2002, driven by incremental revenues from our Naviant acquisition. Revenues from our Credit Marketing Services, which include pre-screening, portfolio review, database and other marketing products, were down 1% for the year principally due to the economic conditions. Revenues from Direct Marketing Services were $110.5 million, or 19% above the prior year, driven by incremental revenues from our Naviant acquisition. Our Direct Marketing Services revenues continued to be negatively impacted by the slow down in spending for advertising, mailings, and promotions.

Consumer Direct services revenues grew 80% over the prior year. All products continued strong growth including $6.6 million of incremental sales from the launch of our Equifax 3-in-1 credit report. We continue to expect strong revenue growth in 2003.

Equifax North America delivered record profit of $361.6 million with 6% growth over adjusted operating income on solid revenue growth and strong expense management. We maintained operating margins of 40% as we continue to invest in growth initiatives such as our U.S. Small Business Credit Report and our Fraud, Safety and Security Services.

YEAR 2001 COMPARED WITH 2000

U.S. Consumer and Commercial Services delivered revenue growth of 14% in 2001 on 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, which combined to drive consolidated volumes with consecutive quarterly growth in 2001. Volume growth was partially offset by average unit price declines of 6% in 2001. Mortgage Services revenues grew 73% in 2001 caused by a favorable interest rate environment, compared with a 21% decrease in 2000. Canadian operations revenues increased 14% in 2001 on strong consumer credit volume growth.

Our Marketing Services product lines generated combined revenues of $259.4 million, or almost even with $259.8 million in 2000. Revenues from our Credit Marketing Services declined 6% in 2001 versus 2000. Lower revenues in 2001 were principally due to product mix shifts to lower priced risk management products, and price compression due to customer consolidation. Our 2001 revenues from Direct Marketing Services were $92.9 million, a 13% increase over 2000. Excluding incremental revenues as a result of the May 2000 acquisition from R.L. Polk & Co., revenues declined 11%, principally driven by a significant slow down in advertising and marketing expenditures by our customers due to the slowing U.S. economy.

Consumer Direct revenues in 2001 more than doubled to $21.9 million largely due to $9.7 million of incremental sales from the new ScorePower® credit score product launched in March 2001 and increased sales of the Equifax Credit Report™ credit report and Equifax Credit Watch™ credit monitoring service. Consumer Direct sales in 2000 totaled $7.8 million.

Operating income for Equifax North America increased 15% in 2001 on record revenue and volume growth. Excluding the impact of our May 2000 acquisition from R.L. Polk, operating income growth for 2001 was 16%.

EQUIFAX EUROPE

YEAR 2002 COMPARED WITH 2001

Equifax Europe, which includes the results of our operations in the United Kingdom, Spain, Portugal and Italy, and our support operations in Ireland, continued to improve its profit and operating margins through expense reductions and operating efficiencies, and the decision to exit the commercial credit reporting business in Spain. Revenues declined 14% on a local currency basis driven by our decision to exit the commercial credit reporting business in Spain, and lower revenues from our United Kingdom operations. Our United Kingdom operations generated 77% of Equifax Europe's revenues in 2002. U.S. dollar revenue benefited $5.4 million from the strengthening of local currencies, British pound and the euro.

Operating expenses in 2002 of $113.4 million declined 16%. United Kingdom expenses decreased 11% driven by our fourth quarter 2001 restructuring plan focused on rightsizing our United Kingdom operations and driving productivity. During the third quarter of 2002, we made the decision to exit the commercial credit reporting business in Spain due to local market conditions, and this business is now held for sale. See Note 2 to the Consolidated Financial Statements. For 2002, the results of the Spanish commercial business have been classified as discontinued operations. 2001 results were not material to our consolidated results and as such have not been reclassified to discontinued operations.

Operating income of $12.7 million more than doubled over 2001 driven by United Kingdom expense reductions. We continue to focus on driving operational efficiencies in our European businesses and expect continued margin improvement in 2003.

YEAR 2001 COMPARED WITH 2000

Equifax Europe achieved 2001 revenue growth of 3% in local currency. Our revenue growth was attributable to the November 2000 acquisition of two related Italian businesses named SEK S.r.l. and AIF Gruppo Securitas S.r.l. The strengthening of the U.S. dollar against the British pound and Spanish peseta reduced our revenue in 2001 by approximately $6.0 million. Additionally, we experienced revenue declines in our United Kingdom and Spain commercial credit reporting services.

Operating income, as adjusted, in 2001 of $5.8 million declined $11.4 million from 2000 on lower revenues in the United Kingdom and Spain.

EQUIFAX LATIN AMERICA

YEAR 2002 COMPARED WITH 2001

Revenues of our Equifax Latin America segment, which includes results of our operations in Brazil, Argentina, Chile, Peru, Uruguay and El Salvador, declined by $30.1 million, or 28% from 2001, driven by currency devaluation and the economic crisis in Argentina. Currency devaluation negatively impacted our Latin America revenues by $21.8 million, of which Brazil and Argentina accounted for $18.3 million. Argentina's operating revenue and profit declined $21.8 million and $10.4 million, respectively. In local currency, Brazil's revenues grew 8% in 2002 driven by performance in commercial reporting services.

Operating income, as adjusted, declined 37% to $20.3 million compared to 2001 principally due to Argentina's economic decline. Despite the economic challenges, Equifax Latin America delivered solid operating margins of 26% in 2002 versus 30% in 2001.

YEAR 2001 COMPARED WITH 2000

Equifax Latin America generated revenue of $106.7 million and operating margins of 30% in 2001. In local currency, revenues increased three percent in 2001. 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 in 2001.

Operating income, as adjusted, in 2001 decreased $8.0 million mainly due to weak currencies and economic conditions in the region. Cost containment measures helped deliver strong margins of 30% in 2001.

OTHER

In our Other segment, we report information about our former lottery business, which consists solely of an agreement between a subsidiary of ours and GTECH Corporation. Pursuant to this subcontract, GTECH assumed obligations of our subsidiary under a contract with the State of California to install a system to automate the processing of instant lottery tickets, provide terminals and related security hardware, and license various software applications developed to support the system. We have exited the lottery business, and all previously deferred revenue related to this subcontract has now been recognized, and no further revenue or operating income is expected to occur in this segment.

GENERAL CORPORATE

General corporate expense increased $2.9 million in 2002 based on higher incentive compensation expense and one-time expenses associated with the hiring of senior executive management. Our 2001 expense increase of $3.1 million was driven by higher incentive compensation plan expense.

LIQUIDITY AND CAPITAL RESOURCES

OVERVIEW

Our principal sources of liquidity are cash flow provided by our operating activities, our revolving credit facilities, and cash and cash equivalents.

We believe that our ability to generate cash from our operations is one of our fundamental financial strengths. In 2002 we generated cash flow from operations of $248.8 million. Our free cash flow, the cash flow provided by our operating activities less capital expenditures, was $193.0 million in 2002. Our capital expenditures are used for developing, enhancing and deploying new and existing technology platforms, replacing or adding equipment, updating systems for regulatory compliance, the licensing of software applications and investing in disaster recovery systems. We use free cash flow, along with borrowings, to make acquisitions, to retire outstanding indebtedness, to pay dividends, and to make share repurchases.

CASH FROM OPERATIONS

Our net cash provided by operating activities in 2002 was $248.8 million compared to $255.1 million in 2001. Increased cash flows generated from lower trade receivable balances were offset by payments associated with our fourth quarter restructuring plan in 2001, ongoing data purchases, and a $20.0 million contribution to our U.S. defined benefit pension plan. Our operating cash flow continues to be driven by operating margin performance and aggressive working capital management (days sales outstanding declined from 63 days in 2001 to 55 days in 2002).

Cash provided by operations in 2001 amounted to $255.1 million, an increase of 32% from 2000. The improvement over 2000 was largely influenced by three factors: higher operating income, aggressive working capital management of receivables, and a $24.8 million reduction in capital expenditures.

INVESTING ACTIVITIES

In 2002, net cash used in investing activities totaled $341.0 million, an increase of $234.5 million compared to 2001. The increase was primarily a result of our acquisition of Naviant and acquisition of assets from CBC. Our acquisitions, net of cash acquired, accounted for $321.2 million of total cash invested in 2002. Capital expenditures exclusive of acquisitions totaled $55.8 million, which principally represented development associated with key technology platforms in our businesses. We expect to generate free cash flow in excess of $200.0 million in 2003, with capital expenditures expected to range from $45.0 to $55.0 million.

In the third quarter of 2002, our $41.0 million note receivable associated with the sale of our risk management collections business in 2000 was completely paid.

In 2001, net cash used in investing activities totaled $106.5 million, a decrease of $156.5 million compared to 2000. The decrease was primarily the result of the fact that we were less acquisitive in 2001, focusing on our 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. Acquisitions and investments, net of cash acquired, declined from $346.8 million in 2000 to $68.7 million in 2001, largely due to our acquisition of the Consumer Information Solutions Group from R.L. Polk & Co. in May 2000. These amounts were offset by cash proceeds generated from the sale of businesses and other assets, which amounted to $12.4 million in 2001 and $157.5 million in 2000, and are principally associated with the sale of our City Directory business in 2001 and the sale of our risk management collections and vehicle information businesses in 2000.

FINANCING ACTIVITIES

Net cash provided by financing activities during 2002 totaled $92.6 million, compared with net cash used in financing activities during 2001 that totaled $325.5 million, and net cash provided by financing activities during 2000 that totaled $16.4 million.

In 2002, we received $249.5 million in proceeds from the sale of $250.0 million aggregate principal amount of our 4.95% senior unsecured notes, which mature November 1, 2007. During 2002 we invested $79.8 million to repurchase 2.9 million shares of our common stock, and received $34.2 million in proceeds from the exercise of stock options. At December 31, 2001, our remaining authorization for share repurchases was approximately $45.0 million, and in February 2002, our Board of Directors approved an additional $250.0 million for share repurchases. We also continued our 90-year history of paying dividends, which totaled $11.4 million in 2002.

In 2001, we reduced our long-term debt $298.9 million through the repayment of borrowings under our $465.0 million 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 2001, we invested $42.3 million to repurchase 2.2 million shares of our common stock, up from $6.5 million invested to repurchase shares in 2000, and we received $36.4 million in proceeds from the exercise of stock options. Share repurchases were temporarily suspended in 2000 to enable us to apply available cash to the repayment of debt incurred in connection with our acquisition of the Consumer Information Services Group from R.L. Polk & Co. in May 2000. In 2001, our payment of dividends totaled $32.3 million, a decrease of $20.0 million compared to 2000, due to a reduction of our quarterly dividend after the Certegy spin-off from $0.093 to $0.02 per share.

We expect to increase the amount outstanding under our $465.0 million credit facility in 2003 for purposes of retiring the $200.0 million aggregate principal amount of our outstanding 6.5% senior unsecured notes that mature in June 2003.

CASH AND CASH EQUIVALENTS

Our cash and cash equivalents balance was $30.5 million and $33.2 million at December 31, 2002 and 2001, respectively.

REVOLVING CREDIT FACILITIES

Our $465.0 million revolving credit facility, which we entered into with Bank of America, N.A. and certain other lenders on October 4, 2001, provides for a variable interest rate tied to Base Rate, LIBOR and competitive bid options. The weighted average interest rate of borrowings outstanding under this facility was approximately 2.6% as of December 31, 2002. The credit facility consists of a $160.0 million 364-day portion and a $305.0 million multi-year portion which expire on October 2, 2003 and October 4, 2004, respectively. The agreement governing this facility contains various covenants and restrictions, including, among other things, limitations on liens, subsidiary debt, mergers, liquidation, asset dispositions, acquisitions, and maintenance of certain financial covenants. Our borrowings under this facility, which have not been guaranteed by any of our subsidiaries, are unsecured and will rank on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. As of December 31, 2002, we had $443.2 million of borrowing capacity available under our $465.0 million revolving credit facility.

One of our Canadian subsidiaries has an unsecured, 364-day C$100.0 million revolving credit facility that will expire in October 2003. The agreement provides for borrowings tied to Prime, Base Rate, LIBOR and Canadian Bankers' Acceptances, and contains financial covenants related to interest coverage, funded debt to cash flow, and limitations on subsidiary indebtedness. We have guaranteed the indebtedness of our Canadian subsidiary under this facility. As of December 31, 2002, U.S. $34.3 million of borrowing capacity was available under this credit facility.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The following table summarizes our significant contractual obligations and commitments as of December 31, 2002:

		Payments due by			
(In millions)	Total	Less than 1 Year	1 to 3 Years	4 to 5 Years	Thereafter
Long-term debt (Note 6)	$ 891.9	$201.3	$273.4	$249.8	$167.4
Operating leases (Note 10)	156.0	23.3	34.4	24.3	74.0
Data processing agreement obligations (Note 10)	486.0	97.4	181.1	174.8	32.7
Outsourcing agreements (Note 10)	92.5	17.5	25.3	24.0	25.7
	$1,626.4	$339.5	$514.2	$472.9	$299.8

We believe that future cash flows provided by our operating activities, together with current cash and cash equivalent balances, will be sufficient to meet our projected cash requirements for the next 12 months, and the foreseeable future thereafter, although any projections of future cash needs and cash flows are subject to substantial uncertainty. For instance, Computer Sciences Corporation has an option, exercisable at any time prior to 2013, to sell its credit reporting business to us. The option exercise price will be determined by a third-party appraisal process and would be due in cash within 180 days after the exercise of the option. We estimate that if CSC were to exercise the option today, the option price would be approximately $650.0 to $700.0 million. This estimate is based solely on our internal analysis of the value of the business, current market conditions, and other factors, all of which are subject to constant change. If CSC were to exercise its option, we would have to obtain additional sources of funding. We believe that this funding would be available from sources such as additional bank lines of credit and the issuance of public debt and/or equity. However, the availability and terms of any such financing would be subject to a number of factors, including credit market conditions, the state of the equity markets, general economic conditions, and our financial performance and condition. Because we do not control the timing of CSC's exercise of its option, we could be required to seek such financing and increase our indebtedness at a time when market or other conditions are unfavorable. See "Forward-Looking Statements," below.

We continually evaluate opportunities to sell additional equity or debt securities, obtain credit facilities from lenders, and restructure our long-term debt for strategic reasons, or to further strengthen our financial position. The sale of additional equity or convertible debt securities could result in additional dilution to our shareholders. In addition, we will, from time to time, consider the acquisition of, or investment in, complementary businesses, products, services and technologies, and the repurchase and retirement of debt, which might affect our liquidity requirements or cause us to issue additional equity or debt securities. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all.

OFF-BALANCE SHEET TRANSACTIONS

Other than facility leasing arrangements, we do not engage in off-balance sheet financing activities. We have entered into a synthetic lease on our Atlanta corporate headquarters building in order to provide us with favorable financing terms with regard to this facility. This $29.0 million lease was entered into in 1998 and expires in 2010. Total lease payments for the remaining term total $13.5 million. Under this synthetic lease arrangement, we have also guaranteed the residual value of the leased property to a lessor. In the event that the property were to be sold by the lessor at the end of the lease term, we would be responsible for any shortfall of the sales proceeds, up to a maximum amount of $23.2 million, which equals 80 percent of the value of the property at the beginning of the lease term. We believe that the fair market value of this property exceeds the amount of the guarantee.

LETTERS OF CREDIT AND GUARANTEES

We will, from time to time, issue standby letters of credit, performance bonds or other guarantees in the normal course of our business. The aggregate notional amount of all performance bonds and standby letters of credit is less than $15.0 million and they all have a maturity of one year or less. We provide these guarantees from time to time to support the needs of our operating units. Except for our guarantee of the synthetic lease referred to above, our only outstanding guarantee that is not reflected as a liability on our balance sheet was extended in connection with the sale of our risk management collections business to RMA Holdings, LLC, or RMA, in October 2000, at which time we guaranteed the operating lease payments of a partnership affiliated with RMA to a lender of the partnership pursuant to a term loan. The term loan, which had $7.9 million outstanding as of December 31, 2002, expires December 1, 2011. Our obligations under the RMA guarantee are not secured.

We believe that the likelihood of demand for payment under these instruments is minimal and expect no material losses to occur in connection with these instruments.

SUBSIDIARY FUNDS TRANSFER LIMITATIONS

The ability of certain of our subsidiaries and associated companies to transfer funds is limited in some cases by foreign government regulations. At December 31, 2002, the amount of equity subject to such restrictions for consolidated subsidiaries was not material.

PENSION BENEFITS

During 2002, actual asset returns for our U.S. defined benefit pension plan were adversely impacted by the performance of the U.S. stock market, resulting in a decrease in the market value of our retirement plan assets. The fair value of our defined benefit pension plan assets decreased from $413.1 million at December 31, 2001 to $344.8 million at December 31, 2002. In addition, we lowered our discount rate from 7.25% to 6.75%, which increased our U.S. projected benefit obligations from $419.0 million to $451.2 million. The negative investment performance and declining discount rates during 2002 created an unfunded status in accordance with Statement of Financial Accounting Standards No. 87 ("SFAS 87") at December 31, 2002. As required under SFAS 87, a non-cash minimum pension liability of $179.4 million ($112.4 million after tax) reducing shareholders' equity was recorded at December 31, 2002. The impact of our plan's funded status would be reversed, and shareholder's equity consequently restored, on December 31 of any year in which the fair value of plan assets exceeded the accumulated benefit obligation as of that date. Further, this adjustment had no impact on our income statement, and did not affect cash flow or our compliance with any financial covenants contained in any of our debt agreements.

We continually monitor and evaluate the level of pension contributions based on various factors that include, but are not limited to, investment performance, actuarial valuation and tax deductibility. While the asset return and interest rate environment have negatively impacted the funded status of our U.S. defined benefit pension plan under SFAS 87, our minimum funding requirements, as set forth in the Employment Retirement Income Security Act (ERISA) and federal tax laws have been zero for the past five years. In addition, we expect no mandatory funding requirements in 2003 or 2004. Although no minimum funding was required, at our discretion we contributed $20.0 million to our U.S. defined benefit pension plan in 2002.

Our U.S. defined benefit pension plan delivered pension income of $11.0 million in 2002, and approximately $8.6 million in 2001. The annual pension income is calculated using a number of actuarial assumptions, including the expected long-term rate of return on assets and a discount rate. In determining the expected long-term rate of return on assets, we evaluate input from our investment consultants, investment management firms and actuaries. Additionally, we consider our historical 15-year compounded returns, which have been in excess of our forward-looking return expectations. The expected long-term rate of return on this basis for 2002 was 9.5%. For determination of 2003 pension expense, the long-term rate of return will be reduced to 8.75%. We believe that 8.75% is a reasonable long-term rate of return on assets, despite the recent market downturn in which our plan assets had a return loss of approximately 12.8% for the year ended December 31, 2002.

Our determination of pension income and expense is based on a market related valuation of assets, which reduces year-to-year volatility. This market related valuation of assets recognizes investment gains and losses over a five-year period from the year in which they occur. Investment gains and losses for this purpose are the difference between expected return calculated using the market related value of assets and the actual return on the market related value of assets. Since the market related value of assets recognizes gains or losses over a five-year period, the future value of assets will be affected as previously deferred gains or losses are recognized. Our U.S. cumulative unrecognized actuarial losses at December 31, 2002 were $202.0 million. These unrecognized losses will result in a decrease in our future pension income depending on several factors, including their relative size to our projected benefit obligation and market related value of plan assets.

The discount rate we utilize for determining future pension obligations is based on the yield associated with Moody's Long-Term Aa-rated Corporate Bond Index. The discount rate determined on this basis has decreased from 7.25% at December 31, 2001 to 6.75% at December 31, 2002.

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.

Recent Accounting Pronouncements. In January 2002, we adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The statement supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," but retains the fundamental provisions of that statement related to the recognition and measurement of the impairment of long-lived assets to be held and used while expanding the measurement requirements of long-lived assets to be disposed of by sale to include discontinued operations. The Statement also supersedes Accounting Principles Board Opinion No. 30 (APB 30), for the disposal of a segment of business, extending the reporting of a discontinued operation to a "component of an entity." Further, the Statement requires operating losses from a "component of an entity" to be recognized in the period(s) in which they occur rather than at the measurement date as had been required under APB 30.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 amends SFAS No. 13, "Accounting for Leases," to eliminate inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. SFAS No. 145 also rescinds SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt." Accordingly, gains or losses from extinguishment of debt shall not be reported as extraordinary items unless the extinguishment qualifies as an extraordinary item under the criteria APB Opinion No. 30, "Reporting the Results of Operations – Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 145 is effective for fiscal years beginning after May 15, 2002. We adopted SFAS No. 145 on January 1, 2003.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 provides guidance related to accounting for costs associated with disposal activities covered by SFAS No. 144 or with exit or restructuring activities previously covered by Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 supersedes EITF Issue No. 94-3 in its entirety. SFAS No. 146 requires that costs related to exiting an activity or to a restructuring not be recognized until the liability is incurred. SFAS No. 146 will be applied prospectively to exit or disposal activities that are initiated after December 31, 2002. We adopted SFAS No. 146 on January 1, 2003.

In November 2002, the FASB issued FASB Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." FIN 45 currently requires that a liability be recorded in the guarantor's balance sheet upon issuance of a guarantee. In addition, as of December 31, 2002, FIN 45 requires disclosures about the guarantees that an entity has issued, including a roll-forward of the entity's product warranty liabilities. We adopted the disclosure requirements of FIN 45 effective December 31, 2002 and the remaining provisions on January 1, 2003 and have included the required disclosures in the Notes to the 2002 Consolidated Financial Statements.

In November 2002, the EITF reached a consensus on Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables." EITF Issue No. 00-21 provides guidance on how to account for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. The provisions of EITF Issue No. 00-21 will apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003 and are not expected to have a material impact on our financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation, Transition and Disclosure." SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure provisions of SFAS No. 123 "Accounting for Stock Based Compensation" to currently require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. SFAS No. 148 does not amend SFAS No. 123 to require companies to account for their employee stock-based awards using the fair value method. However, the disclosure provisions are required for all companies with stock-based employee compensation, regardless of whether they utilize the fair value method of accounting described in SFAS No. 123 or the intrinsic value method described in APB Opinion No. 25, "Accounting for Stock Issued to Employees." We adopted SFAS No. 148 on January 1, 2003 and have included the initial required disclosures in the Notes to the 2002 Consolidated Financial Statements.

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. We are evaluating the impact of FIN 46 on our financial position and results of operations.

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES

	2002	2001	2000
GAAP Revenue	**$1,109.3**	$1,139.0	$1,189.2
City Directory	–	(29.2)	(28.7)
Risk Management	–	–	(110.6)
U.K. Vehicle Information	–	–	(22.7)
Adjusted Revenue	**$1,109.3**	$1,109.8	$1,027.2
GAAP Cost of Services	**$ 427.6**	$ 451.0	$ 513.2
City Directory	–	(9.3)	(9.4)
Risk Management	–	–	(79.2)
U.K. Vehicle Information	–	–	(22.5)
Adjusted Cost of Services	**$ 427.6**	$ 441.7	$ 402.1
GAAP SG&A	**$ 249.9**	$ 267.6	$ 261.2
City Directory	–	(22.2)	(22.6)
Risk Management	–	–	(9.7)
U.K. Vehicle Information	–	–	–
Adjusted SG&A	**$ 249.9**	$ 245.4	$ 228.9
GAAP Depreciation & Amortization	**$ 80.5**	$ 80.8	$ 81.8
City Directory	–	(0.5)	(0.4)
Risk Management	–	–	(3.1)
U.K. Vehicle Information	–	–	(2.5)
Adjusted Depreciation & Amortization	**$ 80.5**	$ 80.3	$ 75.8
GAAP Goodwill Amortization	**$ –**	$ 25.4	$ 24.4
City Directory	–	–	–
Risk Management	–	–	–
U.K. Vehicle Information	–	–	–
Adjusted Goodwill Amortization	**$ –**	$ 25.4	$ 24.4
GAAP Operating Income	**$ 351.3**	$ 253.8	$ 308.6
Restructuring and other charges	–	60.4	–
City Directory operating loss	–	2.9	3.6
Risk Management operating income	–	–	(18.6)
U.K. Vehicle Information operating loss	–	–	2.3
SFAS 142 Amortization	–	25.4	24.4
Adjusted Operating Income	**$ 351.3**	$ 342.5	$ 320.3

GAAP Income from continuing operations	**$191.3**	$117.3	$141.1
City Directory operating loss	–	1.7	2.1
City Directory loss on sale	–	4.9	–
Risk/U.K. Vehicle operating profit	–	–	(10.5)
Risk/U.K. Vehicle loss on sale	–	–	2.5
Interest Expense, Risk/HPI sale	–	–	4.5
Interest Income, Risk/HPI sale	–	–	1.9
Income Tax Adjustment	–	–	5.5
2001 restructuring and impairment charges	–	35.3	–
SFAS 142 Amortization	–	18.5	19.6
Adjusted Income from continuing operations	**$191.3**	$177.7	$166.7
GAAP diluted EPS from continuing operations	**$ 1.38**	$ 0.84	$ 1.04
City Directory operating loss	–	0.02	0.02
City Directory loss on sale	–	0.04	–
Risk/U.K. Vehicle operating profit	–	–	(0.08)
Risk/U.K. Vehicle loss on sale	–	–	0.02
Interest Expense, Risk/HPI sale	–	–	0.03
Interest Income, Risk/HPI sale	–	–	0.02
Income Tax Adjustment	–	–	0.04
2001 restructuring and impairment charges	–	0.25	–
SFAS 142 Amortization	–	0.13	0.14
Adjusted diluted EPS from continuing operations	**$ 1.38**	$ 1.28	$ 1.23

APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in our consolidated financial statements and accompanying notes. The following accounting policies involve a "critical accounting estimate" because they are particularly dependent on estimates and assumptions made by management about matters that are highly uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used in the current period, or changes in the accounting estimates that we used are reasonably likely to occur from period to period which may have a material impact on the presentation of our financial condition and results of operations. We also have other key accounting policies, which involve the use of estimates, judgments, and assumptions that are significant to understanding our results. For additional information see Notes to Consolidated Financial Statements, Note 1– Significant Accounting and Reporting Policies. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information presently available. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

REVENUE RECOGNITION

We recognize revenue when the following four conditions are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the price is fixed or determinable and (4) collectibility of the selling price is reasonably assured. For sales contracts having multiple elements that can be divided into separate units of accounting, we allocate revenue to these separate units based on their relative fair values. If relative fair values cannot be established, revenue recognition is deferred until all elements under the contract have been delivered. Multiple deliverable arrangements generally involve delivery of multiple product lines. These product lines are distinct enough to be separated into separate units of accounting. Each product line does not impact the value or usage of other deliverables in the arrangement, and each can be sold alone or purchased from another vendor without affecting the quality of use or value to the customer of the remaining deliverables. Delivery of product lines generally occurs consistently over the contract period.

In conjunction with certain products and services, we charge nonrefundable set-up fees which we recognize on a pro-rata basis over the term of the contract. Revenue from the sale of decision or statistical models is recognized upon customer installation and acceptance. For certain products and services sold on a subscription basis, we recognize revenue pro rata over the term of the contract. We consider revenue recognition to be critical to all of our operating segments due to the impact on our results of operations.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

We evaluate the collectibility of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we record a specific allowance against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. For all other accounts receivable, we recognize allowances for doubtful accounts based on our past write-off experience (i.e., average percentage of receivables written off historically) and the length of time the receivables are past due. Allowances for doubtful accounts were approximately $17.3 million or 9% of the accounts receivable on our consolidated balance sheet at December 31, 2002. Accounts receivable, net of allowances, was approximately $179.8 million or 63% of total current assets in our consolidated balance sheet of December 31, 2002. We consider accounting for accounts receivable allowances critical to all of our operating segments because of the significance of accounts receivable to our current assets and operating cash flow. If the financial condition of our customers was to deteriorate, resulting in an impairment of their ability to make payments, or if economic conditions worsened, additional allowances may be required in the future, which could have a material effect on our consolidated financial statements. We reassess our allowance for doubtful accounts each period. If we made different judgments or utilized different estimates for any period, material differences in the amount and timing of revenue or expense recognized could result.

VALUATION OF LONG-LIVED AND INTANGIBLE ASSETS

Goodwill and certain other intangible assets are tested for impairment in accordance with SFAS 142, and all other long-lived assets are tested for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." We regularly evaluate 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, we measure the impairment based on the projected discounted cash flows of the asset over its remaining life. While we believe that our 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. We adopted the standard effective January 1, 2002 for acquisitions prior to June 30, 2001, and, in accordance with the standard, completed our first fair value-based impairment tests by June 30, 2002.

LEGAL CONTINGENCIES

We are subject to various proceedings, lawsuits, and claims arising in the normal course of our business. Our consolidated financial statements reflect the treatment of claims and contingencies based on our management's view of the expected outcome. We periodically review claims and legal proceedings and assess whether we have potential financial exposure. If the likelihood of an adverse outcome from any claim or legal proceeding is probable and the amount can be estimated, we accrue a liability for estimated legal fees and settlements in accordance with SFAS No. 5, "Accounting for Contingencies."

INCOME TAXES

We account for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves us estimating our current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income, and, to the extent we believe that recovery is not likely, we must establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must include an expense within the tax provision in the statement of operations. A valuation allowance is currently set against deferred tax assets because we believe it is more likely than not that the deferred tax assets will not be realized through the generation of future taxable income. Significant management judgment is required in determining our provision for income taxes and our deferred tax assets and liabilities and our future taxable income for purposes of assessing our ability to realize any future benefit from our deferred tax assets. In the event that actual results differ from these estimates or we adjust these estimates in future periods, our operating results and financial position could be materially affected.

RETIREMENT PLANS

Our pension plans and postretirement benefit plans are accounted for using actuarial valuations required by SFAS No. 87, "Employers' Accounting for Pensions," and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." Our pension and postretirement benefit liabilities were approximately $117.0 million or 9% of the total liabilities on our consolidated balance sheet as of December 31, 2002. We consider accounting for retirement plans critical to all of our operating segments because our management is required to make significant subjective judgments about a number of actuarial assumptions, which include discount rates, health care cost trends rates, salary growth, long-term return on plan assets and mortality rates. Depending on the assumptions and estimates used, the pension and postretirement benefit expense could vary within a range of outcomes and have a material effect on our consolidated financial statements.

FORWARD-LOOKING STATEMENTS

As used herein, the terms "Equifax," "we," "our," and "us" refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

This Annual Report contains forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. In addition, certain statements included in our future filings with the Securities and Exchange Commission (the "SEC"), in press releases, and in oral and written statements made by us or with our approval, that are not statements of historical fact, are forward-looking statements. Words such as "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "seeks," "plan," "project," "continue," "predict," and other words or expressions of similar meaning are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are found at various places throughout this report and in the documents incorporated herein by reference. These statements are based on our current expectations about future events or results and information that is currently available to us, involve assumptions, risks and uncertainties, and speak only as of the date on which such statements are made. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Our actual results may differ materially from the results discussed in such forward-looking statements. Factors that may cause such a difference, include, but are not limited to: declines in the rate of growth, or absolute declines, in consumer spending and consumer debt in our market areas; changes in the marketing techniques of credit card issuers; increased pricing pressures; changes in or failure to comply with U.S. and international legislation or governmental regulations, including the Fair Credit Reporting Act and Gramm-Leach-Bliley Act; successful integration of acquisitions; exchange rate fluctuations and other risks associated with investments and operations in foreign countries; increased domestic or international competition; our ability to successfully develop and market new products and services, successful incorporation of new technology and adaptation to technological change and equity markets, including market disruptions and significant interest rate fluctuations, which may impede our access to, or increase the cost of, external financing; increased competitive pressures both domestically and internationally; and international conflict, including terrorist acts and other risks and unforeseen factors, including those described in this Annual Report and the documents that we file from time to time with the SEC, including but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2002.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

In the normal course of our business, we are exposed to market risk, primarily from changes in foreign currency exchange rates and changes in interest rates, that could impact our results of operations and financial position. We manage our exposure to these market risks through our regular operating and financing activities, and when deemed appropriate, through the use of derivative financial instruments, such as interest rate swaps, to hedge certain of these exposures. We use derivative financial instruments as risk management tools and not for speculative or trading purposes.

FOREIGN CURRENCY EXCHANGE RATE RISK

A substantial majority of our revenue, expense, and capital expenditure activities are transacted in U.S. dollars. However, we do transact business in other currencies, primarily the British pound, the euro, the Canadian dollar, and the Brazilian real. For most of these foreign currencies, we are a net recipient, and therefore, benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currencies in which we transact significant amounts of business.

We are required to translate, or express in U.S. dollars, the assets and liabilities of our foreign subsidiaries that are denominated or measured in foreign currencies at the applicable year-end rate of exchange on our consolidated balance sheet, and income statement items of our foreign subsidiaries at the average rates prevailing during the year. We record the resulting translation adjustment, and gains and losses resulting from the translation of intercompany balances of a long-term investment nature, as components of our shareholders' equity. Other immaterial foreign currency translation gains and losses are recorded in our consolidated statements of income. We do not, as a matter of policy, hedge translational foreign currency exposure. We will, however, hedge foreign currency exchange rate risks associated with material transactions that are denominated in a foreign currency.

At December 31, 2002 we have hedged our foreign currency exchange rate risks associated with the acquisition of our Italian businesses in the fourth quarter of 2000, by borrowing under our $465.0 million revolving credit facility in euros. At December 31, 2002, the foreign currency exchange rate risks associated with loans which funded the acquisition of our Italian businesses during the fourth quarter of 2000 were hedged by denominating a portion of the borrowings under our $465.0 million revolving credit facility in euros.

At December 31, 2002, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2002, would have resulted in an increase of our revenues by $27.8 million, and an increase of our pre-tax operating profit by $6.4 million. A 10% stronger U.S. dollar would have resulted in similar decreases to our revenues and pre-tax operating profit.

INTEREST RATE RISK

Our exposure to market risk for changes in interest rates primarily relates to our variable rate revolving credit debt and the interest rate swap agreements associated with portions of our fixed rate public debt.

We attempt to achieve the lowest all-in weighted average cost of debt while simultaneously taking into account the mix of our fixed and floating rate debt, and the average life and scheduled maturities of our debt. At December 31, 2002, our weighted average cost of debt was 5.1% and the weighted average life of our debt was 5.8 years.

We generally target a mix of fixed and floating rate debt which lies within a range of 30-70% fixed, with the balance being floating rate. At December 31, 2002, 66% of our debt was fixed rate, and the remaining 34% floating rate. We use derivatives to manage our exposure to changes in interest rates by entering into interest rate swaps. As of December 31, 2002, we had $279.0 million, notional amount, of interest rate swap agreements outstanding with bank counterparties.

Our variable rate indebtedness consists primarily of our $465.0 million revolving credit facility and a separate C$100.0 million revolving credit facility in Canada. The rate of interest we pay on our $465.0 million facility is based on a floating rate pricing grid tied to our long-term senior unsecured debt rating. We are currently rated A– by Standard & Poor's and Baa1 by Moody's Investor Service. In the case of a split rating, pricing is based on the higher rating, i.e., A– from S&P. We can borrow under the facility at floating rates of interest tied to Base Rate and the London Interbank Offered Rate, or LIBOR. A competitive bid option is also available, dependent on liquidity in the bank market. At December 31, 2002, $21.8 million of debt was outstanding and $443.2 million of additional borrowing capacity was available under this facility. Borrowings under our Canadian facility bear interest at a floating rate tied to Prime, LIBOR, or Canadian Banker's Acceptances. As of December 31, 2002, C$46.0 million (U.S.$29.3 million) of debt was outstanding, and C$54.0 million (U.S.$34.3 million) of additional borrowing capacity was available under our Canadian facility.

We have interest rate swap agreements in place to float the interest rate on $250.0 million of our fixed rate, 6.3% senior unsecured notes through their maturity date in 2005. These swaps have been designated as fair value hedges, were documented as fully effective under SFAS 133, and were valued on a mark-to-market basis as an asset totaling $18.3 million at December 31, 2002. The offsetting liability of $18.3 million is included as an addition to long-term debt. These swaps give us the right to receive fixed rate payments from the counterparties, in exchange for floating rate payments from us. The floating rate payments on these interest rate swaps are tied to 6-month LIBOR plus a spread, with net settlements paid semi-annually. The final maturity of these interest rate swaps is July 2005, coinciding with the final maturity of the associated notes.

We also have a $29.0 million floating-to-fixed interest rate swap, maturing 2010, which fixes the effective rate of interest on the $29.0 million synthetic lease for our Atlanta corporate headquarters. This derivative instrument is designated as a cash flow hedge, was documented as fully effective under SFAS 133, and was valued on a mark-to-market basis as a liability totaling $4.7 million at December 31, 2002. This interest rate swap gives us the right to receive a floating rate payment tied to 3-month LIBOR plus a spread from the counterparty, in exchange for a fixed rate payment from us. The net settlements occur quarterly.

A 1% increase in the average rate of interest on the variable rate debt outstanding under our revolving credit facilities during 2002 would have increased our pre-tax interest expense by $2.0 million.

A 1% increase in the average rate of interest associated with the floating rate payments due under our interest rate swap agreements during 2002 would have increased our pre-tax interest expense by $2.5 million. Since all of our interest rate swaps are fully effective, our income statement is unaffected by the non-cash quarterly mark-to-market adjustments associated with these derivatives.

EQUIFAX

SELECTED FINANCIAL DATA

The table below summarizes our selected historical financial information for each of the last five years. The financial information for the years ended December 31, 2002, 2001, and 2000 has been derived from our audited financial statements that follow. The financial information for the years ended December 31, 1999 and 1998 has been derived from statements not included in this report. The historical selected financial information may not be indicative of our future performance, and should be read in conjunction with the information contained in the "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the financial statements. As a result of the spin-off of Certegy Inc. our financial statements for the years ended December 31, 1998 through 2001, have been restated to isolate and show Certegy's net assets, results of operations, and cash flows as Discontinued Operations. See Notes to the Consolidated Financial Statements.

(In millions, except per share and employee data)

Year Ended December 31,	2002
SUMMARY OF OPERATIONS	
Operating revenue	**$1,109.3**
Operating income[(1)(2)]	**$ 351.3**
Income from continuing operations[(1)(2)]	**$ 191.3**
Dividends paid	**$ 11.4**
PER COMMON SHARE (diluted)	
Income from continuing operations per share[(1)(2)]	**$ 1.38**
Dividends	**$ 0.080**
Weighted-average common shares outstanding (diluted)	**138.5**

December 31,	2002
BALANCE SHEET DATA	
Total assets	**$1,506.9**
Long-term debt	**$ 690.6**
Total debt	**$ 924.5**
Shareholders' equity	**$ 221.0**
Common shares outstanding	**135.7**
OTHER INFORMATION	
Stock price per share[(3)]	**$ 23.14**
Market capitalization[(3)]	**$3,152.6**
Employees – continuing operations	**5,000**

(1) In 2001, we 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 assets.

(2) In 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." SFAS 142 modifies the accounting for business combinations, goodwill, and identifiable intangible assets. As of January 1, 2002 all goodwill amortization ceased.

(3) Stock prices and market capitalization prior to 2001 have been adjusted to reflect the spin-off of Certegy.

EQUIFAX

SELECTED FINANCIAL DATA

	2001	2000	1999	1998
	$1,139.0	$1,189.2	$1,092.7	$1,055.8
	$ 253.8	$ 308.6	$ 286.3	$ 261.9
	$ 117.3	$ 141.1	$ 147.7	$ 135.2
	$ 32.3	$ 52.3	$ 52.0	$ 52.1
	$ 0.84	$ 1.04	$ 1.06	$ 0.94
	$ 0.225	$ 0.370	$ 0.363	$ 0.353
	139.0	136.0	139.6	144.4

	2001	2000	1999	1998
	$1,422.6	$1,893.1	$1,607.9	$1,675.6
	$ 693.6	$ 993.4	$ 933.4	$ 868.8
	$ 755.6	$1,047.6	$1,012.3	$ 914.4
	$ 243.5	$ 383.6	$ 215.5	$ 366.5
	136.2	135.8	134.0	140.0
	$ 24.15	$ 16.98	$ 13.95	$ 20.24
	$3,288.4	$2,306.9	$1,869.0	$2,834.2
	5,200	6,500	7,800	9,500

CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share amounts)

Year Ended December 31	**2002**	2001	2000
Operating revenue	**$1,109.3**	$1,139.0	$1,189.2
Costs and expenses:			
Costs of services	**427.6**	451.0	513.2
Selling, general and administrative expenses	**249.9**	267.6	261.2
Depreciation	**12.9**	17.1	21.9
Amortization	**67.6**	63.7	59.9
Goodwill amortization (Note 1)	**–**	25.4	24.4
Restructuring and impairment charges (Note 5)	**–**	60.4	–
Total costs and expenses	**758.0**	885.2	880.6
Operating income	**351.3**	253.8	308.6
Other income (expense), net	**6.8**	(1.2)	3.7
Minority interest in earnings, net of tax	**(2.0)**	(2.2)	(7.1)
Interest expense	**(41.2)**	(47.8)	(55.8)
Income from continuing operations before income taxes	**314.9**	202.6	249.4
Provision for income taxes	**(123.6)**	(85.3)	(108.3)
Income from continuing operations	**191.3**	117.3	141.1
Discontinued operations (Note 2):			
(Loss) income from discontinued operations, net of income tax (benefit) expense of ($2.2), $21.4, and $49.1, respectively	**(13.3)**	33.6	86.9
Costs associated with effecting the spin-off, net of income tax benefit of $8.1	**–**	(28.4)	–
Total discontinued operations	**(13.3)**	5.2	86.9
Net income	**$ 178.0**	$ 122.5	$ 228.0
Per common share (basic):			
Income from continuing operations	**$ 1.41**	$ 0.86	$ 1.05
Discontinued operations	**(0.10)**	0.04	0.65
Net income	**$ 1.31**	$ 0.90	$ 1.70
Shares used in computing basic earnings per share	**136.2**	136.8	134.4
Per common share (diluted):			
Income from continuing operations	**$ 1.38**	$ 0.84	$ 1.04
Discontinued operations	**(0.10)**	0.04	0.64
Net income	**$ 1.29**	$ 0.88	$ 1.68
Shares used in computing diluted earnings per share	**138.5**	139.0	136.0
Dividends per common share	**$ 0.080**	$ 0.225	$ 0.370

See Notes to Consolidated Financial Statements.

EQUIFAX

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

Year Ended December 31	**2002**	2001	2000
Cash flows from operating activities:			
Net income	**$178.0**	$122.5	$228.0
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:			
Loss (income) from discontinued operations	**13.3**	(33.6)	(86.9)
Costs associated with effecting the spin-off	**–**	28.4	–
Depreciation and amortization	**80.5**	106.2	106.2
Restructuring and impairment charges	**–**	60.4	–
Income tax benefit from stock plans	**6.6**	4.5	5.6
Deferred income taxes	**17.9**	8.2	19.6
Loss from sale of businesses	**–**	5.8	4.2
Changes in assets and liabilities, excluding effects of acquisitions:			
Accounts receivable, net	**27.5**	16.1	(33.4)
Current liabilities, excluding debt	**(31.7)**	(31.3)	(7.3)
Other current assets	**12.0**	(0.6)	(13.0)
Other long-term liabilities, excluding debt	**(10.8)**	(17.4)	(13.0)
Other assets	**(44.5)**	(14.1)	(17.2)
Cash provided by operating activities	**248.8**	255.1	192.8
Investing activities:			
Additions to property and equipment	**(12.8)**	(13.0)	(26.0)
Additions to other assets, net	**(43.0)**	(34.1)	(45.9)
Acquisitions, net of cash acquired	**(321.2)**	(43.5)	(336.6)
Investments in unconsolidated companies	**(0.1)**	(25.2)	(10.2)
Proceeds from sale of businesses	**41.0**	5.4	149.2
Proceeds from sale of assets	**–**	7.0	8.3
Deferred payments on prior year acquisitions	**(4.9)**	(3.1)	(1.8)
Cash used by investing activities	**(341.0)**	(106.5)	(263.0)
Financing activities:			
Net short-term (payments) borrowings	**(25.8)**	9.3	(21.0)
Additions to long-term debt	**249.5**	–	73.0
Payments on long-term debt	**(75.0)**	(298.9)	(3.3)
Treasury stock purchases	**(79.8)**	(42.3)	(6.5)
Dividends paid	**(11.4)**	(32.3)	(52.3)
Proceeds from exercise of stock options	**34.2**	36.4	23.2
Other	**0.9**	2.3	3.3
Cash provided (used) by financing activities	**92.6**	(325.5)	16.4
Effect of foreign currency exchange rates on cash	**(2.8)**	(5.6)	(5.3)
Cash (used) provided by discontinued operations	**(0.3)**	156.1	15.7
Decrease in cash and cash equivalents	**(2.7)**	(26.4)	(43.4)
Cash and cash equivalents, beginning of year	**33.2**	59.6	103.0
Cash and cash equivalents, end of year	**$ 30.5**	$ 33.2	$ 59.6

See Notes to Consolidated Financial Statements.

EQUIFAX

CONSOLIDATED BALANCE SHEETS

(In millions, except par values)

December 31	**2002**	2001
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 30.5**	$ 33.2
Trade accounts receivable, net of allowance for doubtful accounts of $17.3 in 2002 and $14.0 in 2001	**179.8**	197.0
Other receivables	**20.8**	69.2
Deferred income tax assets	**20.9**	26.4
Other current assets	**33.6**	32.2
Total current assets	**285.6**	358.0
Property and Equipment:		
Land, buildings and improvements	**29.3**	32.3
Data processing equipment and furniture	**115.9**	134.9
	145.2	167.2
Less accumulated depreciation	**94.6**	112.0
	50.6	55.2
Goodwill, net	**650.5**	516.5
Purchased Data Files, net	**265.4**	207.0
Other Assets	**247.3**	285.9
Assets of Discontinued Operations	**7.5**	–
	$1,506.9	$1,422.6

See Notes to Consolidated Financial Statements.

EQUIFAX

CONSOLIDATED BALANCE SHEETS

(In millions, except par values)

December 31	**2002**	2001
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term debt and current maturities	**$ 233.9**	$ 62.0
Accounts payable	**16.5**	13.2
Accrued salaries and bonuses	**31.0**	26.5
Other current liabilities	**146.5**	174.2
Total current liabilities	**427.9**	275.9
Long-Term Debt	**690.6**	693.6
Deferred Revenue	**11.7**	17.2
Deferred Income Tax Liabilities	**25.9**	88.6
Other Long-Term Liabilities	**122.6**	103.8
Liabilities of Discontinued Operations	**7.2**	–
Total liabilities	**1,285.9**	1,179.1
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 – 180.1 in 2002 and 178.4 in 2001		
Outstanding shares – 135.7 in 2002 and 136.2 in 2001	**225.1**	223.0
Paid-in capital	**412.0**	376.7
Retained earnings	**925.4**	758.8
Accumulated other comprehensive (loss)	**(359.4)**	(197.2)
Treasury stock, at cost, 38.1 shares in 2002		
and 35.2 shares in 2001 (Note 8)	**(899.7)**	(828.0)
Stock held by employee benefits trusts, at cost,		
6.3 shares in 2002 and 7.0 shares in 2001 (Note 8)	**(82.4)**	(89.8)
Total shareholders' equity	**221.0**	243.5
	$1,506.9	$1,422.6

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, 1999	134.0	$217.8	$304.5	$726.8
Net income	–	–	–	228.0
Other comprehensive loss	–	–	–	–
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 loss	–	–	–	–
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
Net income	–	–	–	178.0
Other comprehensive loss	–	–	–	–
Shares issued under stock plans	2.4	2.1	28.2	–
Treasury stock purchased	(2.9)	–	–	–
Cash dividends	–	–	–	(11.4)
Income tax benefit from stock plans	–	–	6.6	–
Dividends from employee benefits trusts	–	–	0.5	–
Balance, December 31, 2002	**135.7**	**$225.1**	**$412.0**	**$925.4**

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

	2002	2001	2000
Foreign currency translation	**$(239.6)**	$(191.8)	$(202.8)
Minimum pension liability, net of tax of $70.2 in 2002, $3.2 in 2001, and $2.3 in 2000	**(117.0)**	(4.6)	(3.3)
Cash flow hedging transactions, net of tax of $1.9 in 2002 and $0.6 in 2001	**(2.8)**	(0.8)	–
	$(359.4)	$(197.2)	$(206.1)

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME

Accumulative Other Comprehensive (Loss) Income	Treasury Stock	Stock Held By Employee Benefits Trusts	Total Shareholders' Equity
$(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
–	–	–	178.0
(162.2)	–	–	(162.2)
–	0.8	7.4	38.5
–	(72.5)	–	(72.5)
–	–	–	(11.4)
–	–	–	6.6
–	–	–	0.5
$(359.4)	**$(899.7)**	**$(82.4)**	**$221.0**

Comprehensive Income is as follows:

	2002	2001	2000
Net income	**$178.0**	$122.5	$228.0
Other comprehensive loss:			
Foreign currency translation adjustment	**(47.8)**	(65.2)	(45.5)
Minimum pension liability adjustment	**(112.4)**	(1.3)	1.4
Change in cumulative loss from cash flow hedging transactions	**(2.0)**	(0.8)	–
	$ 15.8	$ 55.2	$183.9

1.

SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Accounting Principles Our financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation Our Consolidated Financial Statements include the accounts of Equifax Inc. 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 2000 financial statements presented have been restated to reflect the spin-off of Certegy Inc. (Note 2).

Nature of Operations We provide information services to businesses to help them grant credit and market to their customers. We also provide products via the Internet to individuals to enable them to manage and protect their financial affairs (see Note 12 for segment information). Our primary markets include retailers, banks and other financial institutions, the transportation, telecommunications, utility, and manufacturing industries, as well as consumers and government. Our operations are predominantly located within the United States, with foreign operations principally located in Canada, the United Kingdom, and Brazil.

Use of Estimates Our financial statements are prepared in conformity with accounting principles generally accepted in the United States. Those principles require us to make estimates and assumptions. We believe that these estimates and assumptions are reasonable based upon information available to us at the time they are made. 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. Estimates and assumptions are used for, but not limited to, the accounting for the allowance for doubtful accounts, goodwill impairments, contingencies, restructuring costs, preliminary allocation of purchase price of acquisitions, and valuation of pension assets. Actual results could differ materially from these estimates.

Revenue Recognition and Deferred Revenue We recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable, and collectibility of the selling price is reasonably assured. For sales contracts having multiple elements that can be divided into separate units of accounting, we allocate revenue to these separate units based on their relative fair values. If relative fair values cannot be established, revenue recognition is deferred until all elements under the contract have been delivered. Multiple deliverable arrangements generally involve delivery of multiple product lines. These product lines are distinct enough to be separated into separate units of accounting. Each product line does not impact the value or usage of other deliverables in the arrangement, and each can be sold alone or purchased from another vendor without affecting the quality of use or value to the customer of the remaining deliverables. Delivery of product lines generally occurs consistently over the contract period.

In conjunction with certain products and services, we charge a non-refundable set-up fee which is recognized ratably on a pro-rata basis over the term of the contract. Revenue from the sale of decision or statistical models is recognized upon customer installation and acceptance. For certain products and services sold on a subscription basis, we recognize revenue pro rata over the term of the contract.

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 twelve months. Current deferred revenue is included with other current liabilities in the accompanying consolidated balance sheets, and as of December 31, 2002 and 2001, totaled \$22.9 million and \$21.8 million, respectively. In 1996, we received a one-time payment of \$58.0 million related to a lottery subcontract and recognized \$5.4 million in revenue. The remaining balance was recognized as revenue over the term of the contract, with \$9.6 million per year recognized in 1997 through 2001 and \$4.4 million recognized in 2002. In conjunction with the divestiture of our risk management collections businesses in the U.S. and Canada 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, 2002, \$14.9 million remained unrecognized, with \$10.6 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.

Trade Accounts Receivable The provision for losses on trade accounts receivable was \$17.3 million, write-offs were \$12.6 million and recoveries were \$1 million for 2002, and were included in the "selling, general and administrative expenses" line item on the accompanying Consolidated Statements of Income.

Costs of Services Costs of services consist primarily of data acquisition and royalties; customer service costs, which include: personnel costs to collect, maintain and update our proprietary databases, to develop and maintain software application platforms, and to provide consumer and customer call center support;

hardware and software expense associated with transaction processing systems; telecommunication and computer network expense; and occupancy costs associated with facilities where these functions are performed.

Selling, General and Administrative Expenses Selling, general and administrative expenses consist primarily of personnel costs paid to sales and administrative employees and management.

Legal Contingencies We periodically review claims and legal proceedings and assess whether we have potential financial exposure. If the potential loss from any claim or legal proceeding is probable and can be estimated, we accrue a liability for estimated legal fees and settlements.

Income Taxes We base income tax expense on pre-tax financial accounting income, and recognize deferred tax assets and liabilities for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Significant judgment is required to determine our global income tax expense due to transactions and calculations where the ultimate tax consequence is uncertain, and we record a valuation allowance to reduce our deferred tax assets to the amount of future tax benefit that is likely to be received. We believe that our estimates are reasonable, however, the final outcome of tax matters may be different than the estimates reflected on our financials.

Earnings Per Share Our basic earnings per share, or 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 our EPS calculations is the same for both basic and diluted EPS. A reconciliation of the weighted average outstanding shares used in the two calculations is as follows:

(In millions)	**2002**	2001	2000
Weighted average shares outstanding (basic)	**136.2**	136.8	134.4
Effect of dilutive securities:			
Stock options	**2.3**	2.1	1.4
Long-term incentive plans	**–**	0.1	0.2
Weighted average shares outstanding (diluted)	**138.5**	139.0	136.0

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 Prior to 2002, goodwill was amortized on a straight-line basis predominantly over periods from 20 to 40 years. In 2001, the Financial Accounting Standards Board, or FASB, issued Statement of Financial Accounting Standards, or SFAS, No. 142, “Goodwill and Other Intangible Assets,” or SFAS 142. 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. We 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. We completed fair value-based impairment tests and in doing so, we determined that goodwill was not impaired; therefore no transitional impairment charge was recorded.

Amortization expense was $25.4 million in 2001 and $24.4 million in 2000. As of December 31, 2002 and 2001, accumulated amortization balances were $88.2 million and $94.5 million, respectively.

A reconciliation of 2001 and 2000 reported earnings with pro forma earnings excluding goodwill amortization is shown on the table below (in millions, except per share amounts):

Year Ended December 31, 2001:	As Reported	Amortization (Net of Tax)	Pro Forma
Income from continuing operations	$117.3	$18.5	$135.8
Income from continuing operations per share (diluted)	$ 0.84	$0.13	$ 0.98
Net income	$122.5	$22.0	$144.5
Net income per share (diluted)	$ 0.88	$0.16	$ 1.04
Year Ended December 31, 2000:			
Income from continuing operations	$141.1	$19.6	$160.7
Income from continuing operations per share (diluted)	$ 1.04	$0.14	$ 1.18
Net income	$228.0	$25.6	$253.6
Net income per share (diluted)	$ 1.68	$0.18	$ 1.86

Purchased Data Files Purchased data files are amortized on a straight-line basis primarily over 15 years. Amortization expense was $26.3 million in 2002, $21.8 million in 2001, and $20.2 million in 2000. As of December 31, 2002 and 2001, accumulated amortization balances were $147.5 million and $136.6 million, respectively.

Impairment of Long-Lived Assets We test long-lived assets for impairment annually, and more frequently if events and circumstances indicate that the carrying amounts of such assets may not be recoverable. If potential indicators of impairment exist, we estimate recoverability using undiscounted future cash flows resulting from the use of the assets and their eventual disposition. If the carrying value of the assets exceeds the estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the assets' carrying value over the fair value.

Other Assets Other assets at December 31, 2002 and 2001 consist of the following:

(In millions)	**2002**	2001
Systems development and other deferred costs	**$102.8**	$ 81.5
Purchased software	**22.1**	28.6
Prepaid pension cost	**13.3**	97.3
Risk management purchased paper (Note 4)	**1.7**	31.2
Investments in unconsolidated companies	**27.4**	26.3
Indefinite lived intangible and other	**80.0**	21.0
	$247.3	$285.9

Purchased software and systems development and other deferred costs are being amortized on a straight-line basis over five to ten years. Amortization expense for other assets was $39.7 million in 2002, $38.7 million in 2001, and $36.7 million in 2000. As of December 31, 2002 and 2001, accumulated amortization balances were $123.9 million and $117.6 million, respectively. For intangible assets subject to amortization, the estimated aggregate amortization expense is $70.7 million for 2003, $69.7 million for 2004, $57.3 million for 2005, $40.9 million for 2006 and $35.2 million for 2007. We have entered into strategic investments in privately held companies totaling $27.4 million and $26.3 million at December 31, 2002 and 2001, respectively. These investments are accounted for under the cost method as we do not exercise significant influence over the investment entities or hold significant levels of ownership. Investments in unconsolidated companies also include a notes receivable from a company of $20.0 million which is due November 2006. We regularly review these investments for impairment issues, and in the fourth quarter 2001, we wrote off investments totaling $6.9 million (Note 5). We believe that these investments are appropriately valued at December 31, 2002.

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

Consolidated Statements of Cash Flows We consider 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)	**2002**	2001	2000
Income taxes, net of amounts refunded	**$92.6**	$78.4	$81.7
Interest	**41.8**	49.7	56.0

In 2002, 2001, and 2000, we acquired various businesses that were accounted for as purchases (Note 3). In conjunction with these transactions, liabilities were recorded as follows:

(In millions)	**2002**	2001	2000
Fair value of assets acquired	**$344.2**	$50.4	$368.2
Cash paid for acquisitions	**328.4**	44.4	334.8
Value of treasury stock reissued for acquisitions	–	–	10.6
Liabilities recorded	**$ 15.8**	$ 6.0	$ 22.8

Financial Instruments Our 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, 2002, the fair value of our long-term debt (determined primarily by broker quotes) was $720.5 million compared to its carrying value of $690.6 million.

Accounting for Stock-Based Compensation In accordance with the provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123), we have elected to apply APB Opinion No. 25 and related interpretations in accounting for our stock option and performance share plans. Accordingly, we do not recognize compensation cost in connection with our stock option plans and record compensation expense related to our performance share plan based on the current market price of the our common stock and the extent to which performance criteria are being met.

We have computed the pro forma disclosures required under SFAS No. 123 using the Black-Scholes option pricing model. The fair value of options granted in 2002, 2001, and 2000 is estimated on the date of grant using the Black-Scholes option pricing model based on the following weighted average assumptions:

	2002	2001	2000
Dividend yield	**0.3%**	0.5%	1.7%
Expected volatility	**40.8%**	41.0%	42.0%
Risk-free interest rate	**3.5%**	4.2%	6.5%
Expected life in years	**2.9**	2.6	2.3

The weighted-average grant-date fair value per share of options granted in 2002, 2001, and 2000 is as follows:

	2002	2001	2000
Grants (all at market price)	**$7.51**	$8.80	$6.14

If we 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):

	2002		2001		2000	
	Reported	**Pro Forma**	Reported	Pro Forma	Reported	Pro Forma
Net income	**$178.0**	**$163.9**	$122.5	$102.6	$228.0	$211.9
Net income per share (basic)	**$ 1.31**	**$ 1.20**	$ 0.90	$ 0.75	$ 1.70	$ 1.58
Net income per share (diluted)	**$ 1.29**	**$ 1.18**	$ 0.88	$ 0.74	$ 1.68	$ 1.56

Derivative Instruments and Hedging Activities Effective January 1, 2001, we adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," or 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.

We enter into hedging transactions in order to reduce financial volatility and manage the fixed-floating mix of our debt portfolio. As of December 31, 2002, the only hedging transactions to which we were a counterparty consisted of interest rate swap agreements.

At December 31, 2002, we have a $29.0 million notional amount floating-to-fixed interest rate swap agreement in place with a bank counterparty that fixes the interest rate on the $29.0 million synthetic lease related to our corporate headquarters through its maturity in 2010. This hedge has been designated as a cash flow hedge under SFAS 133, is fully effective, and at December 31, 2002, was valued as a liability totaling $4.7 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, 2002, we also have interest rate swap agreements in place with a bank counterparty to float the interest rate on $250.0 million of our fixed rate senior unsecured 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 $18.3 million at December 31, 2002, and was recorded as an asset along with a corresponding increase in long-term debt.

Our maximum exposure to loss due to credit risk on these interest rate swap agreements approximates $13.5 million if all of the bank counterparties default. We mitigate this exposure by monitoring the concentration of risk exposure that we have with any one bank, and through the use of minimum credit quality standards for all counterparties.

Recent Accounting Pronouncements In January 2002, we adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," or SFAS 144. The statement supersedes SFAS No. 121,"Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," but retains the fundamental provisions of that statement related to the recognition and measurement of the impairment of long-lived assets to be held and used while expanding the measurement requirements of long-lived assets to be disposed of by sale to include discontinued operations. SFAS 144 also supersedes Accounting Principles Board Opinion No. 30," Reporting the Results of Operations – Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," or APB 30, for the disposal of a segment of business, extending the reporting of a discontinued operation to a "component of an entity." Further, SFAS 144 requires operating losses from a "component of an entity" to be recognized in the period(s) in which they occur rather than at the measurement date as had been required under APB 30.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections or SFAS 145." SFAS 145 amends SFAS No. 13, "Accounting for Leases," to eliminate inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. SFAS 145 also rescinds SFAS 4, "Reporting Gains and Losses from Extinguishment of Debt." Accordingly, gains or losses from extinguishment of debt shall not be reported as extraordinary items unless the extinguishment qualifies as an extraordinary item under the criteria APB 30, SFAS 145 is effective for fiscal years beginning after May 15, 2002. We adopted SFAS 145 on January 1, 2003.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," or SFAS 146. SFAS 146 provides guidance related to accounting for costs associated with disposal activities covered by SFAS 144 or with exit or restructuring activities previously covered by Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS 146 supersedes EITF Issue No. 94-3 in its entirety. SFAS 146 requires that costs related to exiting an activity or to a restructuring not be recognized until the liability is incurred. SFAS 146 will be applied prospectively to exit or disposal activities that are initiated after December 31, 2002. We adopted SFAS 146 on January 1, 2003.

In November 2002, the FASB issued FASB Interpretation No. 45, or FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." FIN 45 currently requires that a liability be recorded in the guarantor's balance sheet upon issuance of a guarantee. In addition, as of December 31, 2002, FIN 45 requires disclosures about the guarantees that an entity has issued, including a roll-forward of the entity's product warranty liabilities. We adopted the disclosure requirements of FIN 45 effective December 31, 2002 and the remaining provisions on January 1, 2003 and have included the required disclosures in these Notes to our Consolidated Financial Statements.

In November 2002, the EITF reached a consensus on Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables." EITF Issue No. 00-21 provides guidance on how to account for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. The provisions of EITF Issue No. 00-21 will apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003 and are not expected to have a material impact on our financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation, Transition and Disclosure or SFAS 148." SFAS 148 provides alternative methods of transition for a voluntary change to the fair value-based method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure provisions of SFAS 123, "Accounting for Stock-Based Compensation" to currently require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. SFAS 148 does not amend SFAS 123 to require companies to account for their employee stock-based awards using the fair value method. However, the disclosure provisions are required for all companies with stock-based employee compensation, regardless of whether they utilize the fair value method of accounting described in SFAS 123 or the intrinsic value method described in APB Opinion No. 25, "Accounting for Stock Issued to Employees." We adopted SFAS 148 on January 1, 2003 and have included the initial required disclosures in these Notes to our Consolidated Financial Statements.

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. We are evaluating the impact of FIN 46 on our financial position and results of operations.

2.
DISCONTINUED OPERATIONS

During the third quarter of 2002, we made the decision to exit our commercial services business in Spain, and this business is now held for sale, with the expectation to sell the business within twelve months. In accordance with SFAS 144 (Note 1), the net assets, results of operations and cash flows of the Spain commercial business for 2002 have been classified as "discontinued operations." For 2002, revenues for this business totaled $9.1 million and pre-tax losses (after minority interest and before estimated loss on disposal) were $6.5 million. The estimated loss on disposal recorded in the third quarter of 2002 totaled $9.0 million after minority interest, or $0.07 per share. Prior year results were not material and have not been reclassified to discontinued operations.

On July 7, 2001, we completed the spin-off of our Payment Services business segment (Certegy Inc. or Certegy) through a tax-free dividend of all of our Certegy stock to our 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, we reduced debt by $275.0 million in July 2001 following Certegy's cash dividend of that amount to us.

As a result of the spin-off, our financial statements have been prepared with Certegy's net assets, results of operations, and cash flows classified 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 we 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 2002, charges to this reserve totaled $2.3 million, and the remaining reserve of $0.7 million at December 31, 2002, which represents known costs we expect to incur within the foreseeable future, is included in other current liabilities in the accompanying consolidated balance sheets.

Summarized financial information for the discontinued Certegy operation is as follows:

(In millions)	2001	2000
Revenue	$398.3	$776.7
Income before income taxes	56.0	137.1
Net Income	$ 33.6	$ 86.9

3.
ACQUISITIONS

In 2002, we acquired the credit files, contractual right to territories (generally states of integration areas), and customer relationships and related businesses of eight independent credit reporting agencies that house their consumer information on our system ("Affiliates") located in the United States and three Affiliates in Canada to continue to grow our credit data franchise. The consumer credit files, contractual right to territories (generally states of integration areas), and customer relationships of the largest of these Affiliates, CBC Companies, Inc., were acquired in November 2002 for $95.0 million. In April 2002, in conjunction with a put arrangement with the original owners, we completed the purchase of the remaining 20% minority interest in our Brazilian operation, making us the sole owners, and in June 2002 completed the purchase of a small technology development company. In August 2002, to accelerate growth in our marketing services business, we purchased Naviant, Inc., a provider of precision marketing services, for approximately $135.0 million. At the closing of the Naviant, Inc. acquisition, the sellers deposited $10.0 million of the transaction consideration into escrow. The escrow fund will be held for 24 months following the closing date of August 15, 2002. The escrow arrangement provides for payment to us in the event any indemnified loss arises and is settled during the period. At the end of the 24 months, all escrow funds will be returned to the sellers with holdback for any unresolved claims. In October 2002, we acquired outstanding shares and increased our ownership to 79.4%, from 60.0%, of our information Spanish subsidiary. These acquisitions were accounted for as purchases and had a total purchase price of $333.6 million. They were acquired for cash of $328.4 million and notes payable of $5.2 million. The following table summarizes the estimated fair value of the net assets acquired and the liabilities assumed at the acquisition dates.

(In millions)	
Current Assets	$ 17.6
Property and Equipment	3.1
Other Assets	59.0
Purchased Data Files	88.8
Goodwill	175.7
Total Acquired Assets	344.2
Total Liabilities	10.6
Net Assets Acquired	$333.6

The results of operations from these acquisitions have been included in the consolidated statements of income from the dates of acquisition. The following unaudited pro forma information has been prepared as if these acquisitions had occurred on January 1, 2001. The information is based on the historical results of the separate companies, and may not necessarily be indicative of the results that could have been achieved, or of results that may occur in the future.

(In millions, except per share amounts)	**2002**	2001
Revenue	**$1,148.0**	$1,178.2
Net income	**182.4**	98.4
Net earnings per common share (diluted)	**1.32**	0.72

In 2001, we acquired the credit files, customer contracts and related businesses of five Affiliates located in the United States and 13 Affiliates in Canada, as well as an information services business in Uruguay. These acquisitions were accounted for as purchases and had a 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.

Goodwill related to acquisitions was allocated to our reporting segments as follows:

(In millions, except per share amounts)	**2002**	2001	2000
Equifax North America	**$145.5**	$13.2	$195.5
Equifax Europe	**2.6**	–	15.4
Equifax Latin America	**27.6**	7.3	7.2
Total	**$175.7**	$20.5	$218.1

During 2000, we acquired or increased our 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, we acquired the credit files, customer contracts, and related business, of 12 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. 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. The estimated fair value of the net assets acquired and the liabilities assumed at the acquisition dates are summarized in the following table:

(In millions)	
Current Assets	$ 43.0
Property and Equipment	11.0
Other Assets	17.3
Purchased Data Files	78.8
Goodwill	218.1
Total Acquired Assets	368.2
Total Liabilities	19.8
Net Assets Acquired	$348.4

The results of operations from these acquisitions have been included in our consolidated statements of income from the dates of acquisition. The following unaudited pro forma information has been prepared as if these acquisitions had occurred on January 1, 2000. The information is based on the historical results of the separate companies, and may not necessarily be indicative of the results that could have been achieved, or of results that may occur in the future.

(In millions, except per share amounts)	2000
Revenue	$1,277.0
Net income	141.1
Net earnings per common share (diluted)	1.04

4.
DIVESTITURES

In October 2001, we sold our 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 our consolidated statement of income as a charge to other income in September 2001.

In October 2000, we sold our risk management collections businesses located in the U.S., Canada, and the United Kingdom, and in December 2000, sold our vehicle information business in the United Kingdom, 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 $41.0 million note receivable from one of the buyers (repaid to us in 2002), 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 sale of our risk management collections business in the United Kingdom, we guaranteed approximately $60.0 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 us, 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 our guarantee is reduced. The balances totaled $1.7 million, $31.2 million, and $59.1 million at December 31, 2002, 2001, and 2000, respectively.

5.

RESTRUCTURING AND IMPAIRMENT CHARGES

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

Due to changes in market conditions and our technology strategy, we recorded an impairment charge in the fourth quarter of 2001 of $23.2 million to write down certain technology investments, including $6.9 million of investments in several third-party technology companies.

In the fourth quarter of 2001, we initiated a restructuring plan to align our cost structure with changing market conditions, reduce expenses and improve efficiencies, particularly in international operations. The plan included headcount reductions of approximately 700 employees, primarily located in our international operations. The restructuring charge for the year ended 2001 totaled $37.2 million, and consisted of severance costs associated with headcount reductions and other related costs, including reserves to reflect our estimated exposure on facilities to be vacated or consolidated. Charges to the restructuring reserve totaled $12.1 million in 2002 and $8.8 million in 2001, and the remaining reserve of $16.3 million at December 31, 2002 is included in other current liabilities in the accompanying consolidated balance sheet. During the fourth quarter of 2002, based on revised estimates, we determined that the severance portion of the reserve was inadequate and that the facilities and other portion of the reserve was excessive and made an adjustment of $1.6 million to each reserve with no effect to net income. The majority of the remaining severance and related charges are expected to be paid in 2003, with charges related to real estate rental obligations being paid over the next several years. An analysis of activity in the reserve for 2001 and 2002 is as follows (in millions):

	Severance	Facilities and Other	Total
Original reserve, fourth quarter, 2001	$12.0	$25.2	$37.2
Less 2001 charges	(3.6)	(5.2)	(8.8)
Balance, December 31, 2001	8.4	20.0	28.4
Less 2002 charges	**(8.4)**	**(3.7)**	**(12.1)**
Adjustment	**1.6**	**(1.6)**	**–**
Balance, December 31, 2002	**$ 1.6**	**$14.7**	**$16.3**

6.

LONG-TERM DEBT AND SHORT-TERM BORROWINGS

Long-term debt at December 31, 2002 and 2001 was as follows:

(In millions)	**2002**	2001
Senior Notes, 6.5%, due 2003, net of unamortized discount of $0.1 million in 2002 and $0.2 million in 2001	**$199.9**	$199.8
Notes, 6.3%, due 2005, net of unamortized discount of $0.4 million in 2002 and $0.6 million in 2001	**249.6**	249.4
Notes, 4.95%, due 2007, net of unamortized discount of $0.5 million in 2002	**249.5**	–
Debentures, 6.9%, due 2028, net of unamortized discount of $1.3 million in 2002 and $1.3 million in 2001	**148.7**	148.7
Borrowings under revolving credit facilities,weighted average rate of 2.6% at December 31, 2002	**21.8**	90.9
Other	**22.4**	8.7
	891.9	697.5
Less current maturities	**201.3**	3.9
	$690.6	$693.6

In October 2002, we issued new 4.95% fixed rate five-year senior unsecured notes with a face value of $250.0 million. The notes, which expire in 2007, were sold at a discount of $0.5 million. The discount, and related issuance costs, will be amortized on a straight-line basis over the term of the notes. Our $200.0 million 6.5% senior unsecured notes, originally issued in 1993, mature during June 2003, and therefore appear in the short-term debt and current maturities category on our December 31, 2002 balance sheet. The indebtedness evidenced by our 4.95% senior unsecured notes, our 6.5% senior unsecured notes, our 6.3% notes, and our 6.9% senior unsecured debentures, none of which has been guaranteed by any of our subsidiaries, is unsecured, and ranks on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

In October 2001, we replaced our $750.0 million revolving credit facility with a new, committed $465.0 million revolving credit facility with a group of commercial and investment banks. This facility is comprised of a $160.0 million, 364-day portion and a $305.0 million, multi-year portion. The 364-day portion matures October 2, 2003. The multi-year portion expires October 4, 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. Our borrowings under this facility, which have not been guaranteed by any of our subsidiaries, are unsecured and will rank on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. At December 31, 2002, $11.8 million of the revolving credit facility's outstanding balance was denominated in a foreign currency. This foreign denominated obligation is used to hedge the impact of foreign exchange rate fluctuations related to inter-company advances with one of our foreign subsidiaries.

Scheduled maturities of long-term debt during the five years subsequent to December 31, 2002, are as follows:

(In millions)	Amount
2003	$201.3
2004	23.8
2005	249.6
2006	–
2007	249.8

Our short-term borrowings at December 31, 2002 and 2001, totaled $32.6 million and $58.1 million, respectively, and consisted primarily of notes payable to banks. These notes had a weighted-average interest rate of 3.24% at December 31, 2002 and 3.30% at December 31, 2001. In October 2001, one of our Canadian subsidiaries entered into a C$100.0 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. Our subsidiary's borrowings under this facility, which we have guaranteed, are unsecured. Borrowings under this loan (which are included in the short-term borrowings totals above) at December 31, 2002 and 2001 were $29.3 million and $47.7 million, respectively.

7.
INCOME TAXES

We record 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)	**2002**	2001	2000
Current:			
Federal	**$ 71.9**	$65.7	$ 60.6
State	**10.0**	8.4	2.9
Foreign	**20.6**	5.7	25.6
	102.5	79.8	89.1
Deferred:			
Federal	**23.3**	5.7	10.8
State	**(1.9)**	(2.5)	2.2
Foreign	**(0.3)**	2.3	6.2
	21.1	5.5	19.2
	$123.6	$85.3	$108.3

Domestic and foreign income from continuing operations before income taxes was as follows:

(In millions)	**2002**	2001	2000
United States	**$264.5**	$197.6	$216.3
Foreign	**50.4**	5.0	33.1
	$314.9	$202.6	$249.4

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

(In millions)	**2002**	2001	2000
Federal statutory rate	**35.0%**	35.0%	35.0%
Provision computed at federal statutory rate	**$110.2**	$70.9	$ 87.3
State and local taxes, net of federal tax benefit	**5.0**	3.8	3.3
Nondeductible goodwill (including amounts related to divestitures)	**–**	6.7	8.8
Foreign	**(8.8)**	1.3	4.0
Valuation allowance	**21.1**	–	–
Other	**(3.9)**	2.6	4.9
	$123.6	$85.3	$108.3

Components of the deferred income tax assets and liabilities at December 31, 2002 and 2001 are as follows:

(In millions)	**2002**	2001
Deferred income tax assets:		
Reserves and accrued expenses	**$ –**	$ 30.0
Postretirement benefits	**70.2**	10.0
Employee compensation programs	**11.5**	9.9
Deferred revenue	**6.9**	4.7
Depreciation	**6.2**	–
Net operating loss carryforwards of subsidiaries	**42.3**	9.9
Foreign tax credits	**22.2**	41.5
Valuation allowance	**(52.7)**	(21.6)
Other	**5.0**	4.6
	111.6	89.0
Deferred income tax liabilities:		
Reserves and accrued expenses	**(2.4)**	–
Data files and other assets	**(44.6)**	(54.4)
Depreciation	**–**	(0.5)
Pension expense	**(47.2)**	(40.8)
Undistributed earnings of foreign subsidiaries	**(11.7)**	(36.3)
Other	**(10.7)**	(19.2)
	(116.6)	(151.2)
Net deferred income tax liability	**$ (5.0)**	$ (62.2)

Our deferred income tax assets and liabilities at December 31, 2002 and 2001, are included in the accompanying consolidated balance sheets as follows:

(In millions)	**2002**	2001
Deferred income tax assets	**$20.9**	$ 26.4
Deferred income tax liabilities	**(25.9)**	(88.6)
Net deferred income tax liability	**$ (5.0)**	$(62.2)

Accumulated undistributed retained earnings of Canadian subsidiaries amounted to approximately $51.9 million at December 31, 2002. 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 $2.6 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.

As of December 31, 2002, we have a deferred tax asset of $78.6 million related to accumulated foreign currency translation loss for foreign locations, excluding Canada. A full valuation allowance, included in accumulated other comprehensive loss, has been provided due to uncertainty of future realization of this deferred tax asset.

At December 31, 2002, we had net operating loss and capital loss carryforwards of approximately $125.7 million of which $61.2 million related to U.S. federal and $64.5 million to foreign jurisdictions. Of the total net operating loss and capital loss carryforwards, $39.1 million has no expiration date, $32.7 million will expire in 2006 and $53.9 million will begin to expire at various times beginning in 2012. The U.S. federal loss carryforward may be subject to certain limitations under Section 382 of the Internal Revenue Code of 1986, as amended. Additionally, we had foreign tax credit carryforwards of approximately $22.2 million of which $13 million will begin to expire in 2005 and the remaining $9.2 million will be utilized upon repatriation of foreign earnings. Tax effected net operating loss, capital loss and foreign tax credit carryforwards of $52.7 million have been fully reserved in the deferred tax valuation allowance due to the uncertainty resulting from a lack of previous foreign taxable income within certain foreign tax jurisdictions, uncertainty that sufficient capital gains will be generated and U.S. federal limitations under Section 382.

A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. We increased the valuation allowance by $31.1 million in 2002 for capital loss carryovers and net operating loss carryforwards relating to Naviant, Spain, the United Kingdom and other entities.

8.
SHAREHOLDERS' EQUITY

Rights Plan In 1995, our Board of Directors adopted a Shareholders Rights Plan. Our Rights Plan contains provisions to protect our shareholders in the event of an unsolicited offer to acquire us, 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 our Board to represent shareholders' interests fully. Pursuant to the Rights Plan, our Board declared a dividend of one Share Purchase Right for each outstanding share of our 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, our 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 our 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 2002, 2001, and 2000, we repurchased 2.9 million, 2.2 million, and 0.3 million of our own common shares through open market transactions at an aggregate investment of $72.5 million, $49.5 million, and $6.5 million, respectively. At its February 2002 meeting, our Board of Directors authorized an additional $250.0 million in share repurchases. At December 31, 2002, approximately $222.2 million remained available for future purchases from prior authorizations of our Board of Directors.

In 1993, we 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, we 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 2002, 2001, and 2000, 752,178 shares, 48,593 shares and 39,830 shares, respectively, were used for various employee incentive and stock option programs.

Stock Options Our shareholders have approved several stock option plans which provide that qualified and nonqualified options may be granted to officers and employees. Our Board of Directors has also approved a nonqualified stock option plan that cannot be used to grant shares to directors or executive officers. In addition, options remain outstanding under two plans from which no new grants may be made, one which was approved by shareholders. 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 our common stock. At December 31, 2002, there were 4.5 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:

	2002		2001		2000	
(Shares in thousands)	**Shares**	**Average Price**	Shares	Average Price	Shares	Average Price
Balance, beginning of year	**10,909**	**$16.37**	9,698	$25.22	10,563	$24.14
Adjustment due to spin-off	**–**	**–**	2,055	–	–	–
Granted (all at market price)	**2,388**	**25.06**	2,680	28.27	1,841	22.39
Canceled	**(414)**	**18.41**	(1,171)	22.25	(924)	28.75
Exercised	**(2,314)**	**15.31**	(2,353)	16.91	(1,782)	13.70
Balance, end of year	**10,569**	**18.48**	10,909	16.37	9,698	25.22
Exercisable at end of year	**8,232**	**$17.59**	7,743	$15.66	6,069	$22.13

The following table summarizes information about stock options outstanding at December 31, 2002 (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
$5.14 to $14.47	3,410	5.3	$12.22	3,310	$12.21
$14.58 to $19.35	2,692	6.9	17.13	2,012	17.16
$19.39 to $25.50	4,176	7.5	23.76	2,650	23.56
$25.75 to $37.25	291	5.0	28.55	260	28.63
	10,569	6.6	18.48	8,232	$17.59

Long-Term Incentive Plans We have key management long-term incentive plans for certain key officers that provide for cash awards at the end of various 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.

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 $1.6 million in 2002, and $4.5 million in 2001, and a credit to expense of $3.1 million in 2000.

9.
EMPLOYEE BENEFITS

In 1998, we adopted SFAS 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.

Pension Benefits Pension benefits are provided through U.S. and Canadian defined benefit pension plans and a supplemental executive defined benefit pension plan.

U.S. and Canadian Retirement Plans: We have a non-contributory qualified retirement plan covering most U.S. salaried employees and maintain a defined benefit plan for most salaried employees in Canada. Benefits are primarily a function of salary and years of service.

Supplemental Retirement Plan: We maintain 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.

Other Benefits We maintain certain health care and life insurance benefit plans for eligible retired employees. Substantially all of our U.S. employees may become eligible for these benefits if they reach retirement age while working for us and satisfy certain years of service requirements. We accrue the cost of providing these benefits over the active service period of the employee.

A reconciliation of the benefit obligations, plan assets, and funded status of the plans are as follows (in millions):

	Pension Benefits		Other Benefits	
Change in benefit obligation	**2002**	2001	**2002**	2001
Benefit obligation at beginning of year	**$442.6**	$422.1	**$23.1**	$ 22.5
Service cost	**4.8**	5.8	**0.7**	0.7
Interest cost	**30.8**	31.9	**1.6**	1.6
Actuarial loss	**32.7**	48.5	**4.8**	2.0
Plan amendments	**0.7**	–	**–**	–
Foreign currency exchange	**0.3**	(1.5)	**–**	–
Curtailments	**–**	(1.5)	**–**	–
Spin-off of Certegy	**–**	(27.3)	**–**	(1.8)
Settlements	**–**	(0.3)	**–**	–
Benefits paid	**(34.7)**	(35.1)	**(2.2)**	(1.9)
Benefit obligation at end of year	**$477.2**	$442.6	**$28.0**	$ 23.1

	Pension Benefits		Other Benefits	
Change in plan assets	**2002**	2001	**2002**	2001
Fair value of plan assets at beginning of year	**$446.3**	$549.2	**$ 0.0**	$ 0.2
Actual return on plan assets	**(55.7)**	(33.0)	**(0.5)**	–
Employer contribution	**19.2**	12.3	**4.0**	–
Foreign currency exchange	**0.4**	(2.1)	**–**	–
Spin-off of Certegy	**–**	(45.0)	**–**	–
Benefits paid	**(34.7)**	(35.1)	**–**	(0.2)
Fair value of plan assets at end of year	**$375.5**	$446.3	**$ 3.5**	$ –

	Pension Benefits		Other Benefits	
	2002	2001	**2002**	2001
Funded status	**$(101.7)**	$ 3.7	**$(24.5)**	$(23.1)
Unrecognized actuarial loss	**210.5**	75.0	**8.0**	2.3
Unrecognized prior service cost	**0.9**	0.2	**(0.4)**	(0.6)
Net amount recognized	**$ 109.7**	$ 78.9	**$(16.9)**	$(21.4)

	Pension Benefits		Other Benefits	
Amounts recognized in the statement of financial position consist of:	**2002**	2001	**2002**	2001
Prepaid benefit cost	**$ 13.3**	$ 97.3	**$ –**	$ –
Accrued benefit liability	**(91.6)**	(26.3)	**(16.9)**	(21.4)
Intangible asset	**0.8**	0.1	**–**	–
Accumulated other comprehensive income	**187.2**	7.8	**–**	–
Net amount recognized	**$ 109.7**	$ 78.9	**$(16.9)**	$(21.4)

	Pension Benefits		Other Benefits	
Weighted-average assumptions as of December 31	**2002**	2001	**2002**	2001
Discount rate	**6.75%**	7.25%	**6.75%**	7.25%
Expected return on plan assets	**9.50%**	9.50%	**9.50%**	5.00%
Rate of compensation increase	**4.25%**	4.25%	**N/A**	N/A

For measurement purposes, a 9 percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 2003. The rate was assumed to decrease gradually to 5 percent for 2007 and remain at that level thereafter.

Net pension (income) expense for the plans include the following (income) expense components:

	Pension Benefits			Other Benefits		
(In millions)	**2002**	2001	2000	**2002**	2001	2000
Service cost	**$ 4.8**	$ 5.8	$ 5.9	**$0.7**	$0.7	$0.8
Interest cost	**30.8**	31.9	32.8	**1.6**	1.6	1.6
Expected return on plan assets	**(47.3)**	(47.1)	(46.3)	**(0.4)**	–	–
Amortization of initial unrecognized net (asset)	**–**	0.1	(0.1)	**–**	–	–
Amortization of prior service cost	–	0.3	0.7	**(0.2)**	(0.5)	(1.0)
Recognized actuarial loss	**0.2**	0.1	0.4	**–**	–	–
Curtailment gain	**–**	–	(1.3)	**–**	–	(0.8)
Settlement gain	**–**	0.3	–	**–**	–	–
Net pension income	**$(11.5)**	$(8.6)	$(7.9)	**$1.7**	$1.8	$0.6

Assumed health care cost trend rates have an effect on the amounts reported for the health care plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service cost and interest cost components	$0.1	$(0.1)
Effect on postretirement benefit obligation	$0.7	(0.7)

The discount rate used to calculate the U.S. Retirement Plan funded status was decreased from 7.25% for year-end 2001 to 6.75% for year-end 2002. The effect of this change was an increase in year-end 2002 benefit obligation (and reduction in funded status) of $22.3 million.

The discount rate used to calculate U.S. Retirement Plan pension income was decreased from 8.00% for 2001 to 7.25% for 2002. The effect of this change was a decrease in 2002 income of $0.1 million.

For calculating pension income, a market-related value of assets is used. The market-related value of assets recognizes the difference between actual returns and expected returns over five years at a rate of 20% per year.

The net pension income shown above includes income amounts allocated to discontinued operations of $0, $2.1 million, and $3.3 million in 2002, 2001, and 2000, respectively. The 2000 curtailment gains of $1.3 million (pension benefits) and $0.8 million (other benefits) related to the sale of the U.S. risk management collections business (Note 4), and was included as a component of the loss on sale of businesses recorded in other income.

The U.S. Retirement Plan and the Supplemental Retirement Plan both have accumulated benefit obligations in excess of plan assets as of December 31, 2002. The aggregate projected benefit obligation, accumulated benefit obligation, and fair value of plan assets (in millions) for these two plans are $451.2, $436.4, and $344.8, respectively, as of December 31, 2002, and $419.0, $408.1, and $413.1, respectively, as of December 31, 2001.

During 2002, actual asset returns for the pension plans were adversely impacted by further deterioration in the equity markets. The S&P 500 has declined 22% and 12% in 2002 and 2001, respectively. Our actual return on pension plan assets in 2002 was a negative 12.8%. Also in 2002, corporate bond yields, which we use in determining our discount rate for future pension obligations, continued to decline. The 2002 asset returns and lower discount rates negatively impacted the funded status of our pension plans requiring us to recognize a minimum pension liability. The liability was recorded as a non-cash $112.4 million after-tax reduction to Shareholder's equity as part of accumulated other comprehensive income (loss). This equity reduction did not impact our net income or cash flow in 2002 and has no impact on compliance with debt covenants.

While the asset return and interest rate environment have negatively impacted the funded status of our plans, we do not currently have minimum funding requirements, as set forth in the Employment Retirement Income Security Act and federal tax laws. Although no minimum funding was required, we voluntarily contributed $20.0 million to our U.S. retirement plan in 2002.

At December 31, 2002 and 2001, the plan's assets included 1.76 million shares of the Company's common stock with a market value of approximately $40.9 million and $42.6 million, respectively.

Foreign Retirement Plans We also maintain defined contribution plans for certain employees in the United Kingdom. For the year ended December 31, 2002 our expenses related to these plans were $1.2 million.

Employee Retirement Savings Plans Our 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 common stock. Employees may sell their stock, including shares contributed as the Company match, at any time. Expense for these plans was $3.0 million in 2002, $2.5 million in 2001, and $2.4 million in 2000.

10.

COMMITMENTS AND CONTINGENCIES

Leases Our operating leases involve principally office space and office equipment. Under the terms of the operating lease for our headquarters building in Atlanta, Georgia, which commenced in 1998, we have 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 $23.2 million. We believe the fair market value of this property exceeds the amount of the guarantee.

Rental expense related to our operating leases was $22.0 million in 2002, $23.8 million in 2001, and $28.4 million in 2000. Our headquarters building operating lease has ground purchase options exercisable beginning in 2019, ground renewal options exercisable in 2048, and escalation clauses of $50,000 beginning in 2009. Our technology center in Alpharetta, Georgia has rent escalations of approximately $4.0 million over the next five years, termination options exercisable beginning in 2003, and renewal options through 2039. Future minimum payment obligations for noncancelable operating leases exceeding one year are as follows as of December 31, 2002:

(In millions)	Amount
2003	$ 23.3
2004	18.7
2005	15.7
2006	13.0
2007	11.3
Thereafter	74.0
	$156.0

Agreement with Computer Sciences Corporation We have an agreement with Computer Sciences Corporation and certain of its affiliates, collectively, CSC, under which CSC-owned credit reporting agencies utilize our computerized credit database services. CSC retains ownership of its credit files and the revenues generated by its credit reporting activity. We receive a processing fee for maintaining the database and for each report supplied. The agreement was renewed by CSC for a ten-year period beginning August 1, 1998. The agreement provides us with an option to purchase CSC's credit reporting business 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. Under the agreement CSC also has an option, exercisable at any time, to sell its credit reporting business to us. The option expires in 2013. The option exercise price will be determined by a third-party appraisal process and would be due in cash within 180 days after the exercise of the option. We estimate that if the option were exercised at this time, the price range would approximate $650.0 – $700.0 million. This estimate is based solely on our internal analysis of the value of the businesses, current market conditions, and other factors, all of which are subject to constant change. Therefore, the actual option exercise price could be materially higher or lower than the estimated amount. If CSC were to exercise its option, we would have to obtain additional sources of funding. We believe that this funding would be available from sources such as additional bank lines of credit and the issuance of public debt and/or equity. However, the availability and terms of any such capital financing would be subject to a number of factors, including credit market conditions, the state of the equity markets, general economic conditions, and our financial performance and condition.

Data Processing and Outsourcing Services Agreements We have separate agreements with IBM, PwCES LLC, Polk/Acxiom, Seisint Inc., Xerox Connect, Inc., and Jones-Lang LaSalle which outsource portions of our computer data processing operations and related functions and certain administrative functions. The agreements expire between 2004 and 2010. The estimated aggregate contractual obligation remaining under these agreements is $578.5 million as of December 31, 2002, with no future year expected to exceed $115.0 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 our servicing needs as a result of acquisitions or divestitures. Under certain circumstances (e.g., a change in control, or for our convenience), we may terminate these agreements. However, some of the agreements provide that we must pay a significant termination charge in the event of such a termination.

Change in Control Agreements We have agreements with 15 of our 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." "Change in control" is defined as the accumulation by any person, entity, or group of 20% or more of the combined voting power of our voting stock or the occurrence of certain other specified events. In the event of a "change in control," our 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, 2002, the maximum contingent liability under the agreements and plans was approximately $22.0 million.

Guarantees We will from time to time issue standby letters of credit, performance bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance bonds and standby of all letters of credit is less than $15.0 million and all have a maturity of less than one year. Guarantees are issued from time to time to support the needs of operating units. The only outstanding guarantee that is not reflected as a liability on our balance sheet was extended in connection with the sale of our risk management collections business to RMA Holdings, LLC ("RMA") in October 2000, at which time we guaranteed the operating lease payments of a partnership affiliated with RMA to a lender of the partnership pursuant to a term loan. The term loan, which had $7.9 million outstanding as of December 31, 2002, expires December 1, 2011. Our obligations under such guarantee are not secured. We believe the likelihood of demand for payment under these instruments is minimal and expect no material losses to occur in connection with these instruments.

Subsidiary Dividends and Fund Transfers The ability of certain of our subsidiaries and associated companies to transfer funds to us is limited by certain restrictions imposed by foreign governments, which do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations, or pay dividends.

Litigation A number of lawsuits seeking damages are brought against us each year, primarily as a result of reports issued by us. In 2002, a class of plaintiffs was recently certified in a lawsuit, *Franklin Clark and Latanjala Denise Miller v. Equifax Inc. and Equifax Credit Information Services, Inc.,* which alleges that we violated the Fair Credit Reporting Act by failing to follow reasonable procedures to assure maximum possible accuracy with respect to the reporting of accounts included in a bankruptcy. All parties have reached an agreement to settle all claims, and the court has preliminarily approved the settlement. The suit was filed in April 2000 and is pending in federal court in South Carolina. We do not believe the final settlement will be material to our operations or financial condition.

In addition, in *1600 Peachtree, L.L.C. v. Equifax Inc.* the Plaintiff alleges breach of a guaranty agreement relating to our prior headquarters building, and seeks damages of approximately $43.0 million, substantially all of which represents future rent contingencies. We contend that the guaranty is void and intend to vigorously defend the matter. A related lawsuit based on the same facts, *SouthTrust Bank f/k/a SouthTrust Bank National Association v. Equifax Inc.,* has been dismissed for lack of standing.

We are involved in other lawsuits, claims and proceedings as is normal in the ordinary course of our business. Any possible adverse outcome arising from these matters is not expected to have a material impact on or resulted operations or financial position, either individually or in the aggregate. However, our evaluation of the likely impact of these pending lawsuits could change in the future.

We provide for estimated legal fees and settlements relating to pending lawsuits. In our opinion, the ultimate resolution of these matters will not have a materially adverse effect on our financial position, liquidity, or results of operations.

11.

QUARTERLY FINANCIAL DATA (UNAUDITED)

Quarterly financial data for 2002 and 2001 are as follows (in millions, except per share amounts):

2002	**First**	**Second**	**Third**	**Fourth**
Operating revenue	**$259.0**	**$268.0**	**$289.7**	**$292.6**
Operating income	**$ 79.3**	**$ 87.6**	**$ 89.7**	**$ 94.7**
Income from continuing operations	**$ 42.0**	**$ 47.9**	**$ 49.7**	**$ 51.7**
Net income	**$ 41.7**	**$ 47.5**	**$ 38.9**	**$ 49.9**
Per Common Share (Basic):				
Income from continuing operations	**$ 0.31**	**$ 0.35**	**$ 0.37**	**$ 0.38**
Net income	**$ 0.31**	**$ 0.35**	**$ 0.29**	**$ 0.37**
Per Common Share (Diluted):				
Income from continuing operations	**$ 0.30**	**$ 0.34**	**$ 0.36**	**$ 0.38**
Net income	**$ 0.30**	**$ 0.34**	**$ 0.28**	**$ 0.36**

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	$285.2	$289.5	$282.4	$281.9
Operating income before divested operations, goodwill, and restructuring and other charges	$ 75.4	$ 85.3	$ 88.2	$ 93.6
Divested operations	1.3	(2.8)	(1.4)	–
Goodwill amortization	(6.4)	(6.3)	(6.3)	(6.4)
Restructuring and other charges	–	–	–	(60.4)
Operating income	$ 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

12.

SEGMENT INFORMATION

Our operations are primarily organized in five reportable segments, with three segments based on the provision of our three core product lines (Information Services, Marketing Services, and Consumer Direct) within geographic regions (Equifax North America, Equifax Europe, and Equifax 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 our summary of significant accounting and reporting policies (Note 1). We evaluate the segment performance based on its operating income before unusual items (if any). Intersegment sales and transfers are not material. The measurements of segment profit or loss and segment assets for each reportable segment are substantially the same. All transactions between segments are accounted for at cost, and no timing differences occur between segments.

The 2002 operating results of Spain's Commercial Services business have been reclassified to discontinued operations and are not included in Equifax Europe's segment results below. The 2001 and 2000 operating results for this business have not been reclassified to discontinued operations since they were not material, and are included in Equifax Europe's segment results below (Note 2).

Goodwill amortization in 2001 and 2000 for all business segments has been reclassified to a separate line to provide for comparability with 2002.

A description of segment products and services is as follows:

Equifax North America Information Services including consumer services such as credit information; credit card marketing services; locate services; fraud detection and prevention services; mortgage loan origination information; analytics and consulting; identity verification services; commercial services, primarily in Canada and Marketing Services consisting of consumer demographic and lifestyle information and Consumer Direct credit and finance products sold directly to individuals.

Equifax Europe Information Services including Consumer and Commercial Services such as credit, credit scoring and modeling services and Credit Marketing Services.

Equifax Latin America Information Services including consumer and Commercial Services such as credit and other commercial, financial, and consumer information.

Other Lottery services relating solely to a contract to provide services to the state of California. No further revenue or operating income has been received since the second quarter 2002 or is expected to occur in this segment.

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

Segment information for 2002, 2001, and 2000 is as follows (in millions):

	2002	2001	2000
Operating Revenue:			
Equifax North America	**$ 902.2**	$ 852.4	$ 755.2
Equifax Europe	**126.1**	141.1	142.9
Equifax Latin America	**76.6**	106.7	119.5
Other	**4.4**	9.6	9.6
	1,109.3	1,109.8	1,027.2
Divested Operations	–	29.2	162.0
	$1,109.3	$1,139.0	$1,189.2
Operating Income (Loss):			
Equifax North America	**$ 361.6**	$ 340.6	$ 295.9
Equifax Europe	**12.7**	5.8	17.2
Equifax Latin America	**20.3**	32.0	40.0
Other	**4.4**	8.9	8.9
General Corporate Expense	**(47.7)**	(44.8)	(41.7)
	351.3	342.5	320.3
Divested Operations	–	(2.9)	12.7
Goodwill Amortization	–	(25.4)	(24.4)
Restructuring and Other Charges (Note 5)	–	(60.4)	–
	$ 351.3	$ 253.8	$ 308.6

Total Assets at December 31:			
Equifax North America	**$1,064.8**	$ 825.5	$ 832.9
Equifax Europe	**174.4**	192.4	225.0
Equifax Latin America	**161.8**	190.6	251.6
Other	**3.5**	3.7	2.9
Corporate	**94.9**	210.3	213.5
	1,499.4	1,422.6	1,525.9
Divested Operations	**–**	–	39.3
	1,499.4	1,422.6	1,565.2
Assets of Discontinued Operations	**7.5**	–	504.4
	$1,506.9	$1,422.6	$2,069.6

	2002	2001	2000
Depreciation and Amortization:			
Equifax North America	**$ 53.8**	$ 64.4	$ 57.2
Equifax Europe	**12.9**	18.5	17.9
Equifax Latin America	**5.4**	14.4	15.7
Other	**–**	0.8	0.8
Corporate	**8.4**	6.9	5.4
	80.5	105.0	97.0
Divested Operations	**–**	1.2	9.2
	$ 80.5	$ 106.2	$ 106.2

	2002	2001	2000
Capital Expenditures (excluding property and equipment and other assets acquired in acquisitions):			
Equifax North America	**$ 42.9**	$ 20.1	$ 40.3
Equifax Europe	**6.2**	12.3	13.8
Equifax Latin America	**5.3**	8.6	12.3
Other	**–**	–	–
Corporate	**1.4**	5.5	3.9
	55.8	46.5	70.3
Divested Operations	**–**	0.6	1.6
	$ 55.8	$ 47.1	$ 71.9

Financial information by geographic area is as follows:

	2002		2001		2000	
	Amount	**%**	Amount	%	Amount	%
Operating Revenue (based on location of customer):						
United States	**$ 826.0**	**74%**	$ 813.8	71%	$ 801.6	67%
Canada	**80.4**	**7**	77.5	7	94.6	8
United Kingdom	**97.6**	**9**	97.6	9	137.7	12
Brazil	**43.4**	**4**	49.5	4	60.9	5
Other	**61.9**	**6**	100.6	9	94.4	8
	$1,109.3	**100%**	$1,139.0	100%	$1,189.2	100%
Long-Lived Assets of Continuing Operations at December 31:						
United States	**$ 844.1**	**70%**	$ 665.2	63%	$ 717.1	62%
Canada	**99.9**	**8**	100.8	9	96.7	8
United Kingdom	**84.0**	**7**	78.8	7	88.2	8
Brazil	**89.0**	**7**	97.3	9	119.3	10
Other	**96.8**	**8**	122.5	12	140.2	12
	$1,213.8	**100%**	$1,064.6	100%	$1,161.5	100%

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

THE BOARD OF DIRECTORS AND SHAREHOLDERS EQUIFAX INC.

We have audited the accompanying consolidated balance sheet of Equifax Inc. (the "Company") as of December 31, 2002, and the related consolidated statements of income, shareholders' equity and comprehensive income and cash flows for the year then ended. 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 audit. The consolidated financial statements of the Company as of December 31, 2001, and for the two years then ended, were audited by other auditors who have ceased operations and whose report dated February 8, 2002 expressed an unqualified opinion on those statements before the revisions in the consolidated statements of shareholders' equity and comprehensive income of the Company for each of the two years in the period ended December 31, 2001, and as described in Notes 1, 3, 5, 7, 9, and 12.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2002 financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2002, and the consolidated results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

As described in Note 1 to the consolidated financial statements, effective January 1, 2002, the Company changed its method of accounting for goodwill and other intangible assets to conform with Statement of Financial Accounting Standard No. 142, *Goodwill and Other Intangible Assets.*

As discussed above, the consolidated financial statements of the Company as of December 31, 2001 and for the two years then ended were audited by other auditors who have ceased operations. However, the Company made certain adjustments and disclosures to the prior years' financial statements to conform with the current year's presentation or to comply with adoption requirements of new accounting pronouncements, as follows:

(i) The consolidated statements of income of the Company for each of the two years in the period ended December 31, 2001 have been revised to separately disclose depreciation expense, amortization expense and goodwill amortization expense which were classified within cost of services and selling, general and administrative expenses in the prior years. Our audit procedures with respect to these revisions included (a) agreeing the depreciation expense, amortization expense and goodwill amortization expense balances to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the revisions within the consolidated statements of income.

(ii) The consolidated statements of shareholders' equity and comprehensive income of the Company for each of the two years in the period ended December 31, 2001 have been revised to include the income tax effect for the minimum pension liability and cash flow hedging transactions. Our audit procedures with respect to the income tax effects for 2001 and 2000 included (a) agreeing the previously reported minimum pension liability and cash flow hedging transactions before tax balances to the previously issued financial statements, (b) re-calculating the income tax effect for the minimum pension liability and cash flow hedging transactions using the Company's income tax rate for the respective year, and (c) re-calculating the minimum pension liability, net of tax, and the cash flow hedging transactions, net of tax, balances.

(iii) As discussed in Note 1, the consolidated financial statements of the Company as of December 31, 2001 and for each of the two years in the period then ended have been revised to include the disclosures required by Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangibles,* which was adopted by the Company as of January 1, 2002. Our audit procedures with respect to the disclosures in Note 1 with respect to 2001 and 2000 included (a) agreeing the previously reported net income to the previously issued financial statements, (b) agreeing the adjustments to reported net income representing amortization expense (including any related tax effects) recognized in those periods related to goodwill that is no longer being amortized as a result of initially applying Statement No. 142 (including any related tax effects) to the Company's underlying records obtained from management, (c) agreeing all 2001 separate asset and accumulated amortization balances as disclosed for individual intangibles to the Company's underlying accounting records obtained from management, (d) agreeing all 2001 and 2000 amortization expense disclosures to the Company's underlying accounting records obtained from management and (e) testing the mathematical accuracy of the reconciliation of pro forma net income to reported net income.

(iv) The disclosures in Note 3 of the consolidated financial statements of the Company have been revised to disclose additional detail with respect to the estimated fair value of assets acquired and liabilities assumed at the acquisition dates. Our audit procedures with respect to these additional disclosures in Note 3 included (a) agreeing the estimated fair value of assets acquired and liabilities assumed at the acquisition dates balances to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the estimated fair value of the net assets acquired and liabilities assumed information included within the table in Note 3.

(v) The disclosures in Note 5 of the consolidated financial statements of the Company as of December 31, 2001 and for the year then ended have been revised to disclose additional detail with respect to severance and facilities and other charges reserve and the related activity for 2001. Our audit procedures with respect to these additional disclosures in Note 5 included (a) agreeing the severance and facilities and other charges reserve and the related activity for 2001 to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the restatement within the table in Note 5.

(vi) The disclosures in Note 7 of the consolidated financial statements of the Company as of December 31, 2001 and 2000 with respect to certain deferred tax balances have been revised to disclose additional detail with respect to the net operating loss carryforwards of subsidiaries, foreign tax credits and valuation allowance balances. Our audit procedures with respect to these additional disclosures in Note 7 included (a) agreeing the net operating loss carryforwards of subsidiaries, foreign tax credits and valuation allowance balances to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the revisions within the table in Note 7.

(vii) The disclosures in Note 9 of the consolidated financial statements of the Company as of December 31, 2001 and 2000 and for each of the two years in the period then ended with respect to employee benefit plan information have been revised to disclose additional detail for the Canadian Retirement Plan, Supplemental Retirement Plan, and Other Benefits with respect to benefit obligations, plan assets, funded status, and amounts recognized in the statement of financial position as of December 31, 2001 and net pension (income) expense components for each of the two years in the period ended December 31, 2001. Our audit procedures with respect to these additional disclosures in Note 9 included (a) agreeing the benefit obligations, plan assets and funded status as of December 31, 2001 and net pension (income) expense components for each to the two years in the period ended December 31, 2001 to the Company's underlying records obtained from management and (b) testing the mathematical accuracy of the revisions included in the tables disclosed in Note 9.

In our opinion, the adjustments and disclosures with respect to the matters discussed in the preceding paragraphs (i) through (vii) are appropriate and have been properly applied. However, we were not engaged to audit, review, or apply any procedures to the 2001 and 2000 consolidated financial statements of the Company other than with respect to such adjustments and disclosures and, accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 consolidated financial statements taken as a whole.

Ernst & Young LLP

Atlanta, Georgia
January 22, 2003

EQUIFAX

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

/s/ Arthur Andersen LLP
Atlanta, Georgia
February 13, 2002

THIS IS A COPY OF AN ACCOUNTANTS' REPORT PREVIOUSLY ISSUED BY ARTHUR ANDERSEN LLP, AND HAS NOT BEEN REISSUED BY ANDERSEN.

EQUIFAX

EXECUTIVE OFFICERS AND CONTACTS

EXECUTIVE OFFICERS

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

Mark E. Miller
President and
Chief Operating Officer

Karen H. Gaston
Chief Administrative Officer

Donald T. Heroman
Chief Financial Officer

Kent E. Mast
Chief Development Officer
and General Counsel

Michael G. Schirk
Treasurer

Dennis B. Story
Corporate Controller

CONTACTS

CORPORATE OFFICES
Equifax Inc.
1550 Peachtree Street, N.W.
Atlanta, Georgia 30309
Telephone (404) 885-8000
www.equifax.com

SHAREHOLDER RELATIONS
Kathryn J. Harris
Office of the Corporate Secretary
corpsec@equifax.com

INVESTOR RELATIONS
Jeffrey L. Dodge
investor@equifax.com

PUBLIC RELATIONS
Mitchell J. Haws
pr@equifax.com

TRANSFER AGENT AND REGISTRAR
SunTrust Bank
Stock Transfer Department
P.O. Box 4625
Atlanta, Georgia 30302
Telephone (800) 568-3476

AUDITORS
Ernst & Young LLP
600 Peachtree Street
Suite 2800
Atlanta, Georgia 30308-2215

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, 2002, Equifax has approximately 9,504 shareholders of record.

DIVIDENDS

Cash dividends have been paid by Equifax for 90 consecutive years. In the third quarter of 2001, the dividend was reduced due to the spin-off of Certegy. In 2002, investors were paid dividends of .08 cents per share. In most cases, shareholders of record receive cash dividends quarterly on specific payable dates.

DIVIDENDS PER SHARE

Quarter	**2002**	2001
First	**$0.020**	$0.093
Second	**$0.020**	$0.093
Third	**$0.020**	$0.020
Fourth	**$0.020**	$0.020
Year	**$0.080**	$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 of shareholders will be held at 10:00 a.m. on Wednesday, May 14, 2003, at the Carter Presidential Center, 453 Freedom Parkway, Atlanta, Georgia. Proxies will be mailed to all shareholders before the meeting.

EQUIFAX ON THE INTERNET

A broad range of consumer, business, investor and governance 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 email 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, 2003. Shareholders may obtain a copy without charge by writing to the Corporate Secretary, P.O. Box 4081, Atlanta, Georgia 30302, or online from our website, www.equifax.com.

STOCK PRICES*

	2002		2001	
(In dollars)	**High**	**Low**	High	Low
1st Quarter	**31.30**	**22.69**	19.58	16.24
2nd Quarter	**29.92**	**25.19**	22.94	17.52
3rd Quarter	**27.03**	**18.93**	27.41	18.60
4th Quarter	**25.80**	**20.03**	25.33	21.45
Year	**31.30**	**18.93**	27.41	16.24

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

Form #3201-02

Designed and produced by Corporate Reports Inc./Atlanta

The Equifax Difference **is made daily by nearly 5,000 Equifax employees who work on behalf of consumers and customers in 13 countries. We extend our gratitude to this team for their talent and dedication. You are what keeps Equifax the vibrant, dynamic and innovative 104-year-old enterprise that it is. We also appreciate the trust of the customers, consumers and shareholders that we serve. Your support enables** ***The Equifax Difference*** **to make a difference in our communities and in our world.**

EQUIFAX INC.
1550 PEACHTREE STREET, N.W.
ATLANTA, GA 30309

www.equifax.com