

To Our Shareholders:

The strength and solid foundation of the Equifax franchise have become evident since my arrival as CEO last September. In fact, the more I get to know this outstanding organization, the more it reinforces my decision to become a part of it.

My discussions with the Equifax leadership team revealed this performance-driven team's remarkable insight and knowledge. In town hall



Rick Smith
Chairman and Chief Executive Officer

INITIAL OBSERVATIONS

- ♦ Impressive customer relationships
- ♦ Strong talent base supporting key growth initiatives
- ♦ Solid growth opportunities through the core business, new product innovation and strategic acquisition
- ♦ Sustainable financial model and performance with strong operating leverage, cash flows and operating margins

sessions with employees, I have witnessed firsthand the talent and enthusiasm they bring to the business. In time spent with customers, I have consistently heard how our solutions contribute to the effectiveness and efficiency of their businesses. And, I have developed an appreciation of the Equifax values that, over the years, have underscored the Company's high standards and help shape its reputation for excellent stewardship, trust and integrity.

With strong confidence in the foundation of this Company – its proprietary products, its leading market positions, its solid growth prospects, its performance-driven culture and its people – I am excited about the opportunity to lead Equifax to a new level.

Solid Execution Produces Strong Results

The strengths of Equifax are especially clear in its business model. Excellent operating leverage produces strong and consistent cash flow and operating margins. Our 2005 financial results demonstrate the power of this model. Revenue reached a record \$1.4 billion, up 13 percent over the previous year, and our operating margin was an impressive 29 percent. Cash provided by operating activities rose 9 percent to \$338 million.

This performance reflects outstanding execution across every business unit. North American Information Services (NAIS) had its best year ever. This group managed the implementation of the FACT Act requirements in an exemplary manner, balancing the needs of consumers, customers and shareholders. In the United States, revenue climbed 14 percent, and in Canada, revenue grew 12 percent to a record level. Marketing Services delivered its best performance in five years, driven by new leadership and new products. Personal Solutions continued its strong growth, increasing revenue 19 percent to \$115 million.

Shareholders' Letter (continued)

The strong performance of North America underscores the sound foundation of our core business. This foundation is critical to building new growth. Equifax Commercial Solutions, for example, demonstrates how we have leveraged the relationship between Equifax and its core customer base of financial institutions to build an entirely new revenue stream by providing unique solutions serving their small-business lending needs.

Our international businesses did a superb job of focusing on profitable growth. In Latin America, revenue grew 38 percent and operating margins were 26 percent, up from 19 percent in 2004. Europe also did a terrific job by posting a record 24 percent operating margin. Both businesses are excellent illustrations of the sound operating principles that are inherent in our business model.

Growth in 2005 also showed how prudent and targeted acquisitions are an effective way to extend our business and expand our technological capabilities. Last year's acquisition of BeNOW, a marketing solutions company, is providing new ways for Marketing Services' technology to assist customers in acquiring, retaining and growing their customer relationships. Similarly, another 2005 acquisition, APPRO Systems, Inc., has enhanced the ability of our core North American Information Services business to sell small and mid-sized financial institutions high-value decisioning solutions.

With the power of our enabling technologies and APPRO's loan origination expertise, we deliver decisioning solutions that redefine the way financial institutions of all types do business – a powerful combination in today's competitive lending market.

Technology Delivers Added Value

Investment in technology impacts every part of our business and creates new opportunities

between Equifax and its customers. Today, customers must make fast and accurate decisions. We make both possible. Technology is what transforms great data into a valuable solution for risk assessment and decision making. Equifax InterConnect™, for example, makes a credit decision, detects potential fraudulent activity and facilitates a cross-selling opportunity for our financial institution customers – all in real time at the point of consumer interaction. For Equifax, these capabilities generate incremental data sales and create cross-selling opportunities for our own products, such as analytics. And, most importantly, these capabilities build customer loyalty by embedding our software and integrating our solutions deeply within their operations.

Customer acceptance of enabling technologies is high. Today in the United States, more than 1,000 customers are using one of our technologies, including over one-third of our strategic customers; more than half of the top 50 banks; five out of the top eight private-label retail card issuers; and 11 out of the top 14 telecommunications/cable companies. The revenue impact of these technologies also is high, outpacing growth in traditional "information-only" transactions. In accounts using our enabling technologies, Equifax annual billings are growing rapidly, and sales for some accounts often double within a few years.

Innovation Capitalizes On Growth Markets

The success of Enabling Technologies underscores the innovative thinking within Equifax that leads to new growth opportunities through the development of new products and markets. Consider the small-business lending market. Growing more than 20 percent annually, this market is big business for our bank customers, who find that a small-business owner can be more than twice as profitable as an individual

EQUIFAX GROWTH DRIVERS

- ♦ New product innovation across all lines of business
- ♦ Expansion of capabilities in enabling technologies
- ♦ Disciplined and strategic acquisitions
- ♦ Leverage of technology and analytics in international markets

consumer. Through innovation, Equifax Commercial Solutions has expanded rapidly from a one-dimensional database product into a fully integrated platform offering superior predictability through scoring and decisioning capabilities – an industry first using this unique data. Market acceptance is growing as evidenced by sequential quarterly growth in transactions and more than doubling annual revenue in 2005.

Personal Solutions is another area where innovation is occurring in a dynamic growth market. We estimate the current market for direct-to-consumer products is \$1 billion and growing. We continue to invest in this opportunity with products such as subscription-based Score Watch™ and 3-in-1 Monitoring. Subscription revenue is a key driver of growth in this market. It creates more sustainable revenue and cultivates long-term relationships with our membership base – an ideal platform from which to cross-sell future products.

The trust and integrity of the Equifax brand is an important competitive differentiator for Personal Solutions, where data security, technology reliability and privacy protection are well recognized by mainstream America. If you have seen *Firewall*, Harrison Ford's latest movie, then you can appreciate our brand strength. When Ford's character discovers that his identity has been compromised, he logs onto the Equifax Personal Solutions website to determine the damage. We are proud to note that we did not pay or lobby for this exposure, but rather the director wanted to use our services to inject an element of reality into the movie.

Innovation speaks many languages. The Latin American market is expanding rapidly for us in part due to new thinking that has transitioned the business into an integrated, value-added solutions provider. Strong sales growth for decisioning and marketing solutions throughout the region underscores this point.

Leveraging our core competencies to develop new solutions for the markets where we currently have a presence also will help drive international growth. In addition, we will look to our effective Latin American model, where we have often utilized partnerships to build market presence, as we evaluate new global opportunities.

Strategies To Reward Shareholders

Our growth is occurring on many fronts, and all have a common denominator: technology is the driving force. As an information technology company, Equifax will maximize the scale potential that resides within our businesses to continue its heritage of growth and consistency in performance. While technology creates opportunity, talent translates it into results. The Company's record financial and operational success reflects excellent execution by a team that is both accountable and performance-driven.

As we go to press, our leadership team is hard at work on developing a new long-term strategic plan – a blueprint for delivering the sustained revenue and earnings growth our shareholders expect and deserve. I would like to share with you a few key themes of this plan.

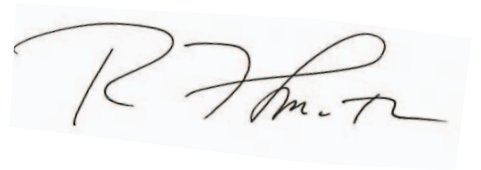
First, we will leverage innovation, a key to our past successes, as a core competency to develop and introduce new products to the market. Second, look for us to continue to develop as a technological leader. We are already recognized for our strength and innovation in technology. In fact, *InformationWeek* recently ranked Equifax third in its annual Top 500 list of technology innovators. Equifax was the only credit reporting company to make the list. Our technologies give us an edge in the marketplace by setting us apart as a leader. The power of innovation and technology can transform a business; we will find new ways to capitalize on this powerful combination in the future. Third, we will embrace the type of growth that

is born out of great leadership. Our goal is not to simply grow, but to grow at an accelerated pace. We are looking for ways to take Equifax to an even higher level of performance.

Our goals for driving these initiatives are aligned with those of our shareholders. Equifax will continue to strive to deliver a consistent, reliable performance while being fiscally responsible. This business generates significant levels of cash, and we are charged with directing it toward initiatives that will yield the highest return to our shareholders. Whether our cash funds internal growth, acquisitions, share repurchases or debt reduction, these funds will be used in the most strategic manner to drive results.

In closing, I want to acknowledge the leadership of my predecessor, Tom Chapman, who retired last year. Tom left us with a strong and dynamic business, well-positioned to achieve scale and accelerated growth. In addition, I want to thank our loyal customers for their business and invaluable relationships, as well as our shareholders for their continuing support and trust. I also extend my appreciation to the Equifax Board of Directors and all of our associates who have welcomed me to this unique and stimulating Company. We have many great opportunities to realize together. I look forward to reporting more successes to you.

Sincerely,



Richard F. Smith
Chairman and Chief Executive Officer
April 2006