

## Reconciliations Related to Non-GAAP Financial Measures

**EQUIFAX**

The following are reconciliations of non-GAAP financial measures included in this report to the corresponding GAAP financial measures. The items excluded from the non-GAAP financial measures and the basis for excluding them are set forth in this section.

<i>(in millions)</i>	Twelve Months Ended December 31,		Change
	2005	2004	
<b>Reconciliation of cash provided by operating activities to free cash flow:</b>			
Cash provided by operating activities	\$337.8	\$309.0	9%
Less additions to property and equipment and other assets	(46.2)	(47.5)	
Free cash flow	\$291.6	\$261.5	12%

<i>(in millions)</i>	Twelve Months Ended December 31, 2005			
	Consolidated	North America Information Services	U.S. Commercial and Consumer Services	Mortgage Services
<b>Reconciliation of operating revenue to operating revenue, excluding regulatory recovery fee revenue related to the FACT Act:</b>				
Operating revenue	\$1,443.4	\$806.3	\$610.4	\$85.1
Regulatory recovery fee revenue related to the FACT Act	(38.0)	(38.0)	(35.1)	(2.9)
Operating revenue, excluding regulatory recovery fee revenue related to the FACT Act	\$1,405.4	\$768.3	\$575.3	\$82.2

<i>(in millions, except per share amounts)</i>	Twelve Months Ended December 31,	
	2005	2004
<b>Reconciliation of certain GAAP to non-GAAP financial measures:</b>		
Operating income – GAAP	\$422.0	\$375.8
FACT Act related revenue and expense	(15.6)	–
Asset impairment and related charges	–	2.4
Operating income – Non-GAAP	\$406.4	\$378.2
Income from continuing operations – GAAP	\$246.5	\$237.3
FACT Act related revenue and expense	(9.8)	–
Asset impairment and related charges	–	1.5
Sale of investment in Intersections Inc.	–	(23.0)
Income from continuing operations – Non-GAAP	\$236.7	\$215.8
Diluted earnings per share from continuing operations – GAAP	\$ 1.86	\$ 1.78
FACT Act related revenue and expense	(0.07)	–
Asset impairment and related charges	–	0.01
Sale of investment in Intersections Inc.	–	(0.17)
Diluted earnings per share from continuing operations – Non-GAAP	\$ 1.79	\$ 1.62

## Reconciliations Related to Non-GAAP Financial Measures



### Notes to Our Non-GAAP Financial Measures That Supplement GAAP Financial Measures

Certain disclosures prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) contained in the preceding reconciliation are supplemented by disclosures that are not prepared in conformity with GAAP. These non-GAAP disclosures exclude certain items from the nearest equivalent GAAP presentations. We believe that a meaningful analysis of our financial performance requires an understanding of the factors underlying that performance and our judgments about the likelihood that particular factors will repeat. In some cases, short-term patterns and long-term trends may be obscured by unique large factors or one-time events. For example, events or trends in a particular business segment may be so significant as to obscure patterns and trends of our business in total. For this reason, we believe that investors may find it useful to see our “free cash flow,” as well as our revenue growth, net income and earnings per share excluding the effects of the FACT Act and items in 2004 (which included a gain from the sale of our investment in Intersections Inc. and an impairment charge relating to our eMarketing business) that were not a result of our core operations.

These non-GAAP financial measures should not be construed as being more important than comparable GAAP measures. They are presented because management believes this information provides (1) a more meaningful, consistent comparison of our underlying operational performance and trends for the periods presented, on a basis consistent with our chief decision makers’ means of evaluating operating performance, including those related to staffing, future management priorities and how it will direct future operating expenses; and (2) additional information for investors to assess changes between periods that better reflect our ongoing operations.

**Free Cash Flow** – We calculate free cash flow by subtracting capital-related expenditures from cash provided by (used in) operating, financing and investing activities. We believe free cash flow provides an important measure because it is one factor in determining our liquidity and financial health, showing the cash generated by us that is available to be used for dividends and discretionary investment. Free cash flow is not a measurement of liquidity under GAAP and should not be considered as an alternative to net income, operating income, cash flow from operating activities, or the change in cash on the balance sheet and may not be comparable with cash flow as defined by other companies.

**Consolidated Revenue, North America Information Services Revenue, U.S. Consumer and Commercial Services Revenue, Mortgage Services Revenue – all Excluding Regulatory Recovery Fee Revenue related to FACT Act** – As noted previously, we began assessing a regulatory recovery fee for certain of our business-to-business products in December 2004 to help mitigate our costs required to comply with the provisions of the FACT Act. We believe providing revenue measures excluding this fee provides a more consistent comparison of our underlying operating results and trends for the periods presented, on a basis consistent with management’s means of evaluating revenue growth. The fee was not in effect until December 2004, and the phase-in of initial FACT Act compliance requirements was not completed until September 1, 2005.

**Operating Income, Income from Continuing Operations, Diluted Earnings Per Share from Continuing Operations (excluding items impacting comparability)** – We have presented certain financial measures with the following non-GAAP adjustments: (1) We believe the FACT Act impacts the comparability of results and growth rates of certain of our North America Information Services business, including its underlying U.S. Consumer and Commercial, Mortgage Services, Information Services and Personal Solutions businesses. Our management believes that excluding the impact of the FACT Act provides a useful perspective on changes in the basic underlying operations of these businesses and our company as a whole, and is a key indicator of financial performance. (2) The sale in 2004 of Intersections Inc. for a gain of \$23.0 million, net of tax, was material and not a result of our core operations relative to the financial results for the periods presented. (3) The asset impairment and related charges in 2004 were not a result of our core operations for the financial results for the periods presented.