



Market Release

8 February 2016

Chairman's Address and Presentation – Scheme Meeting

In accordance with Listing Rule 3.13, attached is the Chairman's Address and Presentation to be given at today's Scheme Meeting.

Further information

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About Veda

Veda (ASX:VED) is a data analytics company and the leading provider of credit information and analysis in Australia and New Zealand. From its core credit bureau business established in 1967, Veda has expanded to deliver a suite of credit and other analytical products targeted to specific industry segments.

Veda is built on the largest, most comprehensive and current data source in Australia and New Zealand with information on around 20 million credit active people and 5.7 million commercial entities. The breadth and depth of our data, and the knowledge it delivers help customers take a proactive and informed approach in making decisions.

Veda's customers use data intelligence provided by Veda to make decisions on credit risk, verify identity and employee background, reduce identity theft and fraud, and undertake digital marketing strategies. For further information, please visit our website at www.veda.com.au.

**VEDA GROUP LIMITED
MARKET ANNOUNCEMENT**

2016 SCHEME MEETING

CHAired BY: DR HELEN NUGENT AO, CHAIRMAN
8 February 2016

1. Introduction – Slide 1

Good morning, Ladies and Gentlemen. My name is Helen Nugent, and I am Chairman of the Board of Veda Group Limited.

It is now 10.30am, the appointed time for the shareholders of Veda Group to consider the previously announced Scheme of Arrangement under which Equifax Inc. would acquire all of the shares of Veda.

I, therefore, have pleasure in declaring this Scheme Meeting open. I thank you for attending. I am advised that a quorum is present.

I would appreciate it if all mobile phones could now be switched to silent.

Before proceeding with the formal business of the Meeting, I would like to introduce my fellow Directors, as well as the Company Secretary and Chief Financial Officer. Starting on my right, I introduce:

- Mr Anthony Kerwick, Non-Executive Director;
- Mr Bruce Beeren, Independent Non-Executive Director;
- Mr Jim Orlando, Chief Financial Officer;
- Ms Nerida Caesar, Chief Executive Officer and Managing Director;
- Mr Tim Woodforde, General Counsel and Company Secretary;
- Dr Peter Shergold AC, Independent Non-Executive Director; and
- Mr Steven Sargent, Independent Non-Executive Director.

Ms Diana Eilert, Independent Non-Executive Director, is currently overseas but has joined the meeting via phone. She apologises for not being here.

Other members of our Senior Leadership Team are also with us today, sitting in the front row. I ask them to rise and identify themselves. They are: Mr Tim Courtright – Executive General Manager Sales; Mr John Wilson – Executive General Manager Product & Market Development; Mr Mike Cutter – Executive General Manager Credit Risk and Advisory Services; and Mr Tony Kesby – Chief Information Officer.

On behalf of the Veda Board, I am pleased to address you today regarding the Scheme of Arrangement, under which it is proposed that Equifax will acquire all of the Shares in Veda, for A\$2.825 in cash per share.

When Veda was first established almost 50 years ago it provided basic data to assist banks make lending decisions. Veda is now a sophisticated data and analytics business, supporting a broad cross section of the economy. Veda has depth and breadth in its products and services and makes a real difference to the consumers and organisations with which it does business. The current proposed acquisition by Equifax demonstrates how strategically valuable Veda has become as a company.

If the proposed Scheme is implemented, Veda will become part of a leading global data analytics business. We consider this would be a positive outcome for shareholders, customers and staff.

2. Agenda/Purpose of the meeting – Slide 3

The agenda of today's meeting is as follows. I will provide an overview of the proposed transaction, including:

- the background to the transaction;
- the reasons your Directors recommend unanimously that you vote in favour of the Scheme, at which time I will also cover the conclusion of the Independent Expert, Grant Samuel & Associates; and
- the status of the conditions precedent of the Scheme.

I will then move to the most important business of the day, which is providing you with the opportunity to cast your vote. At that point I will outline the voting process as well the proxy results.

Morning tea will then be served in the foyer outside, including the crowd favourite sausage rolls. At that point we would be delighted for you to join the Board and Senior Management for morning tea.

3. Purpose of the meeting – Slide 4

As you are all aware, the purpose of today's meeting is to consider, and vote on, the Scheme Resolution. The Scheme Resolution is shown on the screen and is included in the Notice of Meeting that you will have received. Because of the significance of the Scheme Resolution, I will take a moment to read it in full:

“That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Veda Group Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which Veda Group Limited and Equifax Inc. agree”

4. Background – Slide 5

By way of background, on 18 September 2015 Veda received a conditional and non-binding Expression of Interest from Equifax to acquire 100% of the shares in Veda at a price of \$2.70 per share in cash.

Your Board of Director's spent significant effort examining this initial proposal, and negotiating a revised offer. During this period your Board undertook a range of analyses to understand the value of the company. This included considering value both with and without potential synergies; examining the takeover premium implicit in the transaction over various timeframes; as well as looking at benchmark data for comparable transactions.

After a period of negotiation, a revised proposal was received from Equifax to acquire 100% of the shares in Veda at a price of \$2.825 per share. At this point, after much analysis and deliberation, your Board agreed to allow Equifax to conduct due diligence during an exclusivity

period, and also agreed to recommend that Veda shareholders vote in favour of the proposal in the absence of a superior proposal, assuming it proceeded to a binding offer. Shortly, I will describe to you the reasons your Directors unanimously reached this conclusion.

After completing a thorough due diligence process, Equifax made a binding offer as documented in the Scheme Implementation Deed that Veda and Equifax executed on 22 November 2015.

Under the Scheme, Veda shareholders will receive consideration of \$2.825 cash per Veda share which represents a 41.6% premium to Veda's share price on the day prior to the initial approach on 18 September 2015. This implies a market capitalisation of \$2,506 million and an enterprise value of \$2,617 million as at 30 June 2015, on a fully diluted basis. The offer price represents an FY15 EV/EBITDA multiple of 18.1 times and a FY15 P/E multiple of 32.2 times. These multiples are at a premium to those paid for similar transactions.

Full details of the Equifax proposal are contained within the Scheme Booklet that was sent to Veda's shareholders in December 2015.

5. Director's Recommendation – Slide 6

Your Directors have carefully considered the Equifax proposal and continue to recommend unanimously that you vote in favour of the Scheme. I also highlight that the Veda Directors intend to or have voted all of the Veda shares held or controlled by them in favour of the Scheme.

In reaching this recommendation, your Directors undertook thorough analysis and have considered the market position of Veda, the outlook for the business and the market and a range of industry drivers (including the potential impact of Comprehensive Credit Reporting).

The Scheme Booklet, which was released to ASX on Friday 11 December 2015, and dispatched to shareholders on Friday 18 December, outlines the reasons why you might vote for or against the Scheme in Sections 4.2 and 4.3. While I do not intend to read out those sections, I will take the time to outline for you the key reasons your Directors recommend unanimously that you vote in favour of the Scheme.

- (i) First, the Independent Expert, Grant Samuel & Associates, concluded that the Scheme is fair and reasonable and in the best interests of Veda shareholders. The Independent Expert's Report, which outlines how the Independent Expert reached this conclusion, is included in the Scheme Booklet.
The Independent Expert assessed the full underlying value of Veda to be in the range of \$2.65 to \$2.88 per share. The proposed consideration of \$2.825 is in the upper quartile of the range outlined by Grant Samuel.
- (ii) Second, the cash consideration provides an opportunity for Veda shareholders to recognise certainty of value for their Veda shares.
- (iii) Third, the Scheme consideration of \$A\$2.825 is higher than Veda shares had ever traded prior to the engagement with Equifax. Prior to the announcement of Equifax's interest in Veda, the highest price Veda shares had reached was A\$2.55 per share, which occurred on two dates in March 2014.
- (iv) Point four is that the A\$2.825 represents a significant premium to the trading price of Veda shares, including a 41.6% premium over the previous closing price of Veda Shares of A\$1.995 on 17 September 2015, the day before the Equifax approach.
- (v) Next, it is also important to consider what may happen if the Scheme does not proceed and there is no superior proposal. In this scenario, the price of Veda shares may fall and you will continue to be subject to the risks associated with owning Veda shares.
- (vi) Sixth, since the announcement of Equifax's initial expression of interest on 18 September 2015, there has been a significant period of time and ample opportunity for a competing proposal to emerge. However, no superior proposal has emerged and your Directors are not aware of any superior proposal that is likely to emerge.

- (vii) The last point to consider is that you will not incur any brokerage charges or stamp duty on the transfer of your Veda shares to Equifax under the Scheme.

6. Status of Conditions Precedent – Slide 7

Let me now turn to the status of the Conditions Precedent. The Scheme Implementation Deed contains a number of Conditions Precedent, which are outlined in Section 6.6 of the Scheme Booklet.

As previously announced to ASX, the conditions relating to FIRB and New Zealand OIO approval have now been satisfied.

The two key conditions that are outstanding are shareholder approval of the Scheme as will be put to shareholders at today's Scheme Meeting and final approval by the Federal Court at the Second Court Hearing, which is scheduled for two days time on 10 February 2016.

In addition a number of negative conditions, being no material adverse change; no prescribed occurrence; and no restraint, need to be satisfied as at the date of the Second Court Hearing. Nothing has occurred to date that would prevent any of those conditions from being satisfied.

7. Timetable for implementation – Slide 8

If the Scheme is approved by Veda's shareholders today and by the Federal Court of Australia, which is expected to be on Wednesday, Veda will become a wholly owned subsidiary of Equifax and an application will be made to delist Veda shares from ASX.

The key dates in the process are now shown on the screen. Of particular importance is the Implementation Date. This is the date on which Veda shares would be transferred to Equifax and the Scheme Consideration would be dispatched to Veda's shareholders. That date is expected to be 25 February 2016.

If the Scheme is not approved, the Scheme will not proceed and Veda will continue as a standalone entity listed on ASX.

[Formal section of the meeting].

Scheme Meeting

Veda Group Limited

Helen Nugent AO
Chairman
8 February 2016



Important notice



This presentation contains general information about Veda Group Limited (Veda) and the proposed acquisition by scheme of arrangement of Veda by Equifax Inc. through its subsidiary Equifax Australia Pty Ltd (**Scheme**). The information is current as at 7 February 2016. It is in summary form and does not purport to be complete. This presentation is not a recommendation or advice in relation to any product or service offered by Veda's subsidiaries. It is not intended to be relied upon as advice to investors or potential investors, and does not contain all information relevant or necessary for an investment decision or any decision whether or not to vote in favour of the Scheme. It should be read in conjunction with Veda's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, and in particular the Scheme Booklet. These are also available at www.veda.com.au.

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All amounts are in Australian dollars.

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- 1 Overview of the Scheme
 - 2 Reasons to vote in favour of the Scheme
 - 3 Status of conditions precedent
 - 4 Voting on the Scheme Resolution
-

To consider and, if thought fit, to pass the following resolution:

“That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Veda Group Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which Veda Group Limited and Equifax Inc. agree”

- On 22 November 2015, Veda and Equifax, through its Australian subsidiary Equifax Australia, executed a binding Scheme Implementation Deed under which Equifax will acquire all the shares in Veda
- If the Scheme becomes Effective, Veda shareholders will receive A\$2.825 cash per Veda share on the Implementation Date (25 February 2015)
- Full details of the Equifax proposal are contained within the Scheme Booklet sent to Veda shareholders
- Your Directors have carefully considered the Equifax proposal and unanimously recommend that you vote in favour of the Scheme

Reasons to vote in favour of the Scheme



- 1 The Independent Expert has concluded that the Scheme is **fair and reasonable and in the best interests of Veda shareholders**, in the absence of a superior proposal
- 2 Opportunity to realise **certainty of value**
- 3 Scheme consideration of A\$2.825 is **higher than Veda shares have ever traded** on ASX
- 4 Scheme consideration of A\$2.825 represents a **significant premium** over uninterrupted trading of Veda shares, including a:
 - 41.6% premium over the previous closing price of A\$1.995 on 17 September 2015⁽¹⁾;
 - 33.9% premium over the 1 month VWAP of A\$2.109;
 - 28.5% premium over the 3 month VWAP of A\$2.198; and
 - 25.5% premium over the 6 month VWAP of A\$2.251
- 5 If the Scheme does not proceed and no superior proposal emerges, the **price of Veda shares may fall**, and you will continue to be subject to the risks associated with owning Veda shares
- 6 **No superior proposal** has emerged
- 7 **No stamp duty or brokerage** charges

(1) The last trading day prior to the announcement of Equifax's Original Expression of Interest

Status of Conditions Precedent to the Scheme



Clause	Condition	Status	
3.1(a)(1)	FIRB approval	Notification received and announced to ASX	✓
3.1(a)(2)	OIO approval	Notification received and announced to ASX	✓
3.1(b)	Shareholders vote in favour at Scheme Meeting	To be determined today	
3.1(c)	Federal Court of Australia approval	Scheduled for 10 February 2016	
3.1(d)	No restraints on transaction ordered by any court	To be satisfied on 10 February 2016 No restraint has been ordered to date	
3.1(e)	No Veda Material Adverse change	To be satisfied on 10 February 2016 No Material adverse change has occurred to date	
3.1(f)	No Veda Prescribed Occurrence	To be satisfied on 10 February 2016 No Veda Prescribed Occurrence has occurred to date	
3.1(g)	Executive Incentive Arrangements implemented	All necessary steps have been taken, conditional on the Scheme being approved	

Timetable for implementation



If the Scheme is agreed to by the requisite majorities of Veda Shareholders

25 Feb 2016

Implementation Date (for transfer of Scheme Shares to Equifax Australia and sending Scheme Consideration to Scheme Shareholders)

10 Feb 2016

Second Court Date (for approval of the Scheme)

February

11 Feb 2016

Effective Date (Federal Court order lodged with ASIC)

Close of trading 11 Feb 2016

Veda Shares suspended from trading on ASX

18 Feb 2016

Scheme Record Date (for determining entitlements to Scheme Consideration)

Requirements to pass the resolution



In accordance with the Corporations Act 2001 (Cth), for the Scheme Resolution to pass, it needs to be approved on two bases:

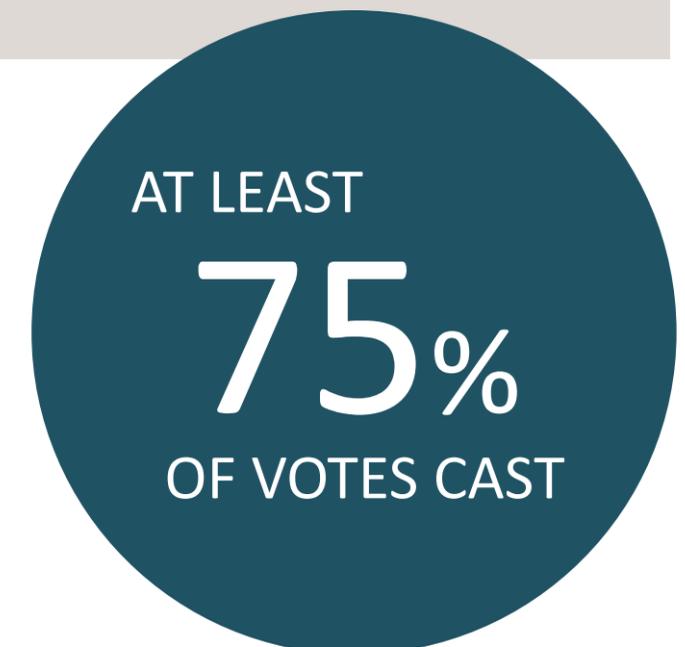
Approval 1

- A majority in number (more than 50%) of Veda shareholders present and voting at the Scheme Meeting (either in person or by proxy); and



Approval 2

- At least 75% of the total number of votes cast on the Scheme Resolution by Veda shareholders present and voting at the Scheme Meeting (either in person or by proxy)



To consider and, if thought fit, to pass the following resolution:

“That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Veda Group Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which Veda Group Limited and Equifax Inc. agree”

Summary of proxy votes



	For	Against	Open (Chair) ⁽¹⁾	Open (Other) ⁽¹⁾	Total votes ⁽²⁾	% For and Open (Chair)	Abstain ⁽³⁾
Proxy votes	536,427,449	224,000	628,727	28,904	537,309,080		70,150
% of valid votes	99.836%	0.042%	0.117%	0.005%	100%	99.953%	
Number of holders	701	47	94	4	846		7
% of valid holders	82.86%	5.56%	11.11%	0.47%	100%	93.97%	

(1) To be voted at proxy's discretion

(2) Valid votes as at close of proxies at 10:30am on 6 February 2016

(3) Votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities

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