

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period ended _____

Commission File Number 1-6605

EQUIFAX INC.

(Exact name of registrant as specified in its charter)

Georgia	58-0401110
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1600 Peachtree Street, N.W. Atlanta, Georgia P.O. Box 4081, Atlanta, Georgia	30302
(Address of principal executive offices)	(Zip Code)

404-885-8000

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed
since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No
--- ---

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 1996
Common Stock, \$1.25 Par Value	151,915,692

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PART I. FINANCIAL INFORMATION

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<S>	<C>	<C>
CONSOLIDATED BALANCE SHEETS	JUNE	DECEMBER
(In thousands)	30,	31,
	1996	1995

(Unaudited)		
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 53,615	\$ 26,136
Accounts receivable.....	274,626	258,335
Deferred income tax assets.....	25,519	30,594
Other current assets.....	40,415	51,611
	-----	-----
Total current assets.....	394,175	366,676
	-----	-----
PROPERTY AND EQUIPMENT:		
Land, buildings and improvements.....	19,085	18,050
Data processing equipment and furniture.....	243,596	218,699
	-----	-----
	262,681	236,749
Less-Accumulated depreciation.....	163,592	148,901
	-----	-----
	99,089	87,848
	-----	-----
GOODWILL.....	360,392	353,571
	-----	-----
PURCHASED DATA FILES.....	72,590	74,828
	-----	-----
OTHER.....	173,456	170,772
	-----	-----
	\$1,099,702	\$1,053,695
	=====	=====

</TABLE>
The notes on pages 8 through 10 are an integral part of these balance sheets.

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<TABLE>		
<CAPTION>		
<S>	<C>	<C>
CONSOLIDATED BALANCE SHEETS	JUNE	DECEMBER
(In thousands, except par value)	30,	31,
	1996	1995

(Unaudited)		
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt and current maturities.....	\$ 44,978	\$ 20,384
Accounts payable.....	73,539	62,194
Accrued salaries and bonuses.....	23,525	27,919
Income taxes payable.....	3,448	--
Other current liabilities.....	142,301	140,123
	-----	-----
Total current liabilities.....	287,791	250,620
	-----	-----
LONG-TERM DEBT, LESS CURRENT MATURITIES.....	266,532	302,665
	-----	-----
POSTRETIREMENT BENEFIT OBLIGATION.....	80,158	80,885
	-----	-----

LONG-TERM DEFERRED REVENUE.....	48,182	--
	-----	-----
OTHER LONG-TERM LIABILITIES.....	64,772	66,103
	-----	-----

COMMITMENTS AND CONTINGENCIES (Note 5)

SHAREHOLDERS' EQUITY:

Common stock, \$1.25 par value; shares authorized - 300,000; issued - 170,214 in 1996 and 168,812 in 1995; outstanding - 145,361 in 1996 and 147,245 in 1995.....	212,767	211,015
Preferred stock, \$0.01 par value; shares authorized - 10,000; issued and outstanding - none in 1996 or 1995.....	--	--
Paid-in capital.....	190,648	171,020
Retained earnings.....	322,580	269,986
Cumulative foreign currency translation adjustment.....	(13,887)	(13,777)
Treasury stock, at cost, 18,298 shares in 1996 and 14,847 shares in 1995.....	(295,257)	(218,613)
Stock held by employee benefits trusts, at cost, 6,554 shares in 1996 and 6,719 shares in 1995...	(64,584)	(66,209)
	-----	-----
Total shareholders' equity.....	352,267	353,422
	-----	-----
	\$1,099,702	\$1,053,695
	=====	=====

</TABLE>

The notes on pages 8 through 10 are an integral part of these balance sheets.

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CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<TABLE>

<CAPTION>

(In thousands, except per share amounts)	THREE MONTHS ENDED	
	JUNE 30,	
	1996	1995
	-----	-----
<S>	<C>	<C>
Operating revenue.....	\$ 445,615	\$ 407,406
	-----	-----
Costs and expenses:		
Costs of services.....	277,710	262,810
Selling, general and administrative expenses.....	92,949	81,078
Asset impairment (Note 9).....	10,313	--
	-----	-----
Total operating expenses.....	380,972	343,888
	-----	-----
Operating income.....	64,643	63,518
	-----	-----
Other income, net.....	8,781	1,990
Interest expense.....	(5,181)	(4,922)
	-----	-----
Income before income taxes.....	68,243	60,586
Provision for income taxes.....	27,113	24,772
	-----	-----
Net income.....	\$ 41,130	\$ 35,814
	=====	=====
Weighted average common shares outstanding.....	145,923	152,974
	=====	=====
Per common share:		
Net income.....	\$ 0.28	\$ 0.23
	=====	=====
Dividends.....	\$ 0.083	\$ 0.078
	=====	=====

</TABLE>

The notes on pages 8 through 10 are an integral part of these statements.

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CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<TABLE>

<CAPTION>

(In thousands, except per share amounts)	SIX MONTHS ENDED	
	JUNE 30,	
	1996	1995
	-----	-----
<S>	<C>	<C>
Operating revenue.....	\$ 868,626	\$ 791,599

	-----	-----
Costs and expenses:		
Costs of services.....	548,080	514,933
Selling, general and administrative expenses.....	179,666	159,913
Asset impairment (Note 9).....	10,313	--
	-----	-----
Total operating expenses.....	738,059	674,846
	-----	-----
Operating income.....	130,567	116,753
	-----	-----
Other income, net.....	9,229	4,246
Interest expense.....	(10,420)	(9,921)
	-----	-----
Income before income taxes.....	129,376	111,078
	-----	-----
Provision for income taxes.....	51,401	45,792
	-----	-----
Net income.....	\$ 77,975	\$ 65,286
	=====	=====
	-----	-----
Weighted average common shares outstanding.....	146,296	152,650
	=====	=====
Per common share:		
Net income.....	\$ 0.53	\$ 0.43
	=====	=====
	-----	-----
Dividends.....	\$ 0.165	\$ 0.155
	=====	=====

</TABLE>

The notes on pages 8 through 10 are an integral part of these statements.

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CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

<TABLE>

<CAPTION>

(In thousands)	SIX MONTHS ENDED JUNE 30, 1996	
	-----	-----
<S>	<C>	
COMMON STOCK:		
Balance at beginning of period.....	\$ 211,015	
Shares issued under stock plans.....	1,752	

Balance at end of period.....	\$ 212,767	
	=====	
PAID-IN CAPITAL:		
Balance at beginning of period.....	\$ 171,020	
Shares issued under stock plans.....	18,162	
Other.....	1,466	

Balance at end of period.....	\$ 190,648	
	=====	
RETAINED EARNINGS:		
Balance at beginning of period.....	\$ 269,986	
Net income.....	77,975	
Cash dividends paid.....	(25,381)	

Balance at end of period.....	\$ 322,580	
	=====	
CUMULATIVE FOREIGN CURRENCY TRANSLATION ADJUSTMENT:		
Balance at beginning of period.....	\$ (13,777)	
Adjustment during period.....	(110)	

Balance at end of period.....	\$ (13,887)	
	=====	
TREASURY STOCK:		
Balance at beginning of period.....	\$ (218,613)	
Cost of shares repurchased.....	(77,259)	
Cost of shares reissued for prior year acquisition.....	615	

Balance at end of period.....	\$ (295,257)	
	=====	
STOCK HELD BY EMPLOYEE BENEFITS TRUSTS:		
Balance at beginning of period.....	\$ (66,209)	
Cost of shares reissued under stock plans.....	1,625	

Balance at end of period.....	\$ (64,584)	
	=====	

</TABLE>

The notes on pages 8 through 10 are an integral part of this statement.

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<TABLE>

<CAPTION>

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)	SIX MONTHS ENDED	
	JUNE 30,	
(In thousands)	1996	1995
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$ 77,975	\$ 65,286
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	40,359	37,923
Asset impairment (Note 9).....	10,313	--
Gain on sale of long-term investment.....	(8,232)	--
Changes in assets and liabilities:		
Accounts receivable, net.....	(14,435)	(1,813)
Current liabilities, excluding debt.....	9,613	(40,153)
Other current assets.....	11,650	(8,952)
Deferred income taxes.....	(1,767)	(1,766)
Other long-term liabilities, excluding debt.....	52,121	(3,001)
Other assets.....	(4,820)	--
Net cash provided by operating activities.....	172,777	47,524
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment.....	(24,948)	(14,560)
Additions to other assets, net.....	(14,533)	(17,622)
Acquisitions, net of cash acquired.....	(26,833)	(11,914)
Deferred payments on prior year acquisitions.....	--	(8,743)
Proceeds from sale of long-term investment.....	18,356	--
Net cash used by investing activities.....	(47,958)	(52,839)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net short-term borrowings.....	24,071	(16,599)
Net long-term borrowings.....	(37,963)	30,863
Dividends paid.....	(25,381)	(24,724)
Treasury stock purchases.....	(77,259)	(10,168)
Proceeds from exercise of stock options.....	17,985	8,826
Other.....	1,081	1,042
Net cash used by financing activities.....	(97,466)	(10,760)
Effect of foreign currency exchange rates on cash.....	126	1,135
Net cash provided.....	27,479	(14,940)
Cash at beginning of period.....	26,136	79,409
Cash at end of period.....	\$ 53,615	\$ 64,469

</TABLE>

The notes on pages 8 through 10 are an integral part of these statements.

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EQUIFAX INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1996

1. BASIS OF PRESENTATION:

The financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. This information reflects all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position of the Company as of June 30, 1996 and the results of operations for the three and six months ended June 30, 1996 and 1995 and the cash flows for the six months ended June 30, 1996 and 1995. All adjustments made have been of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The Company believes that disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1995.

2. NATURE OF OPERATIONS:

The Company principally provides information services to businesses that help them grant credit, authorize and process credit card and check transactions, insure lives and property, and manage and control healthcare costs. The principal lines of business are credit services, payment services, insurance services, and healthcare information services. The principal markets for credit and payment services are retailers, banks and financial institutions, while those for insurance services are life and health and property and casualty insurance companies. The principal markets for healthcare information services are healthcare providers, payers, and managed care organizations. The Company's operations are predominately located within the United States.

3. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. 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. Actual results could differ from these estimates.

4. SHAREHOLDERS' EQUITY:

COMMON AND PREFERRED STOCK. In May 1996, the Company's shareholders approved a Board of Directors resolution which increased the authorized Common Stock of the Company from 250 million to 300 million shares. The shareholders also approved another Board of Directors resolution to authorize 10 million shares of "blank check" preferred stock.

TREASURY STOCK. During the first six months of 1996, the Company repurchased approximately 3,489,000 of its common shares through open market transactions at an aggregate cost of \$77,259,000 and also reissued approximately 38,000 treasury shares in connection with the final payment for a 1994 acquisition.

STOCK HELD BY EMPLOYEE BENEFITS TRUSTS. During the first quarter of 1996, the Company reissued approximately 165,000 shares of stock held by an employee benefits trust, with the shares used for stock option exercises and performance share plan awards.

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5. AGREEMENT WITH COMPUTER SCIENCES CORPORATION:

The Company has an agreement with Computer Sciences Corporation (CSC) under which CSC-owned credit bureaus and certain CSC affiliate bureaus utilize the Company's credit database service. CSC and these affiliates retain ownership of their respective credit files and the revenues generated by their credit reporting activity. The Company receives a processing fee for maintaining the database and for each report supplied. The agreement expires in 1998, is renewable at the option of CSC for successive ten-year periods, and provides CSC with an option to sell its collection and credit reporting businesses to the Company. The option is currently exercisable and expires in 2013. In the event CSC does not exercise its option to sell and does not renew the agreement, or if there is a change in control of CSC, the Company has the option to purchase CSC's collection and credit reporting businesses. The option price is determined, for all purposes, in accordance with the following schedule: on or before July 31, 1998, at the price determined by certain financial formulas; and after July 31, 1998, at appraised value. The Company currently estimates the option price determined by the financial formulas to be approximately \$400 million. In its annual report for the fiscal year ended March 29, 1996, CSC stated that the option price "approached \$500 million at March 29, 1996."

6. LOTTERY CONTRACT DISPUTE, LITIGATION, AND SETTLEMENT:

High Integrity Systems, Inc. (HISI), a Company subsidiary, entered into a contract in July 1992 to provide lottery services to the state of California, whereby HISI agreed to provide a system to automate the processing of instant lottery tickets and a system to sell on-line game tickets through 10,000 low-volume terminals.

On April 26, 1993, the California State Lottery (CSL) filed suit against HISI in Superior Court, Sacramento County, California, with said complaint amended May 7, 1993 naming Equifax Inc., et al. and Federal Insurance Company as additional defendants. The CSL sought unspecified damages for alleged breach of contract and injunctive relief. On May 7, 1993, HISI filed a cross-complaint against the CSL seeking compensatory and general damages in an amount not less than \$65 million and special and consequential damages in an amount not less than \$100 million alleging breach of contract and seeking recovery of the reasonable value of the labor and materials expended on behalf of the CSL based on the theory of quantum meruit and unjust enrichment.

In September 1993, the Company recorded a provision of \$48,438,000 (\$30,939,000 after tax, or \$.21 per share) related to the lottery contract to write down data processing equipment and other assets to their estimated net realizable value and to accrue for estimated costs related to litigation with the CSL.

On July 14, 1995, the CSL and HISI jointly announced a renewed business agreement which allowed the litigation between the parties to be settled pending execution of the terms of the contract. On November 9, 1995, the CSL and HISI finalized the terms of the reinstated contract. The final settlement was approved by the trial court on December 19, 1995, and provides that the CSL and HISI shall file dismissals with prejudice of their respective claims no later than 365 days following the trial court's approval.

The settlement provides for a reinstated contract whereby HISI will install its system to automate the processing of instant lottery tickets, with the CSL purchasing 6,700 terminals, related security hardware and licensing various software applications developed to support the system from HISI for \$25,000,000. In the fourth quarter of 1995, the Company recorded a credit of \$19,665,000 (\$11,996,000 after tax, or \$.08 per share) to reflect the financial impact of this settlement net of related legal expenses and additional costs to be incurred by the Company to complete the system software and install the terminals. Under the reinstated contract, HISI will initially install a minimum of 6,000 terminals with HISI retaining an option to install up to 4,000 additional terminal locations, with CSL approval. HISI is also guaranteed to receive 66 months of revenue for each of the 6,000 terminals at the rate of 5% on each dollar of lottery ticket sales occurring from each terminal. If HISI completes the system and acceptance testing within specified dates, an incentive

payment of up to \$4,000,000 may be earned. HISI and the CSL have established an oversight committee and engaged an independent technical advisor who will consult in the design and implementation of acceptance testing and start-up activities.

On February 6, 1996, HISI and GTECH Corporation (GTECH) entered into an agreement whereby HISI subcontracted many of its obligations under the reinstated contract to GTECH. This subcontract provides for a one-time payment of \$58,000,000 by GTECH to HISI, and also provides that future payments received by HISI from the CSL for lottery ticket sales and incentives earned be paid to GTECH. The Company received the \$58,000,000 from GTECH and recognized \$5,000,000 in revenue related to the subcontract in the first quarter, 1996. The current portion of the remaining \$53,000,000 balance is included in other current liabilities, and the non-current portion is recorded as long-term deferred revenue. The \$53,000,000 balance will be recognized as revenue over the term of the reinstated CSL contract, net of related expenses.

7. ACQUISITIONS:

During the first six months of 1996, the Company acquired substantially all the assets and business operations of four companies and also acquired the remaining 49.9% interest of Transax plc in the United Kingdom. These acquisitions were accounted for as purchases, and had an aggregate purchase price of \$29.5 million, with approximately \$17.9 million allocated to goodwill and \$7.1 million to other assets (primarily software). Their results of operations have been included in the consolidated statement of income from the date of acquisition and were not material to the results of operation of the Company.

8. RESTRUCTURING:

In the fourth quarter of 1995, the Company initiated a restructuring program designed to streamline operations by reducing staffing levels and consolidating facilities. Staffing levels were reduced by approximately 750 employees primarily in the Insurance Services, General Information Services, and Credit Services Segments. The total cost of this program was \$19,572,000 (\$11,939,000 net of tax, or \$.08 per share). Components of the restructuring provision and utilization through June 30, 1996 are as follows:

<TABLE>
<CAPTION>

(In Thousands)	Severance and Termination Benefits	Asset Write-Offs	Lease Costs	Total
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Original provision	\$13,813	\$ 2,994	\$2,765	\$19,572
Utilized in 1995	(2,521)	(2,994)	(915)	(6,430)
Balance, December 31, 1995	11,292	--	1,850	13,142
Utilized in 1996	(6,215)	--	(901)	(7,116)
Balance, June 30, 1996	\$ 5,077	\$ --	\$ 949	\$ 6,026
	=====	=====	=====	=====

</TABLE>

The reserve balance at June 30, 1996 is included in other current liabilities in the accompanying balance sheets.

9. ASSET IMPAIRMENT:

In accordance with the Financial Accounting Standards Board Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of", in June 1996, the Company recorded a loss of \$10,313,000 to write off certain intangible assets in the Healthcare Administrative Services business unit in its General Information Services segment.

This business unit provides back-room functions such as claims administration, analytical services, and cost review primarily for employer based self-insured health plans. The loss resulted from declining revenues caused by healthcare enrollment patterns, which have continued to shift from indemnity type plans to health-maintenance type plans thereby reducing the self-insured administration market. The loss was determined from analysis using both projected future cash flows and an independent appraisal.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF RESULTS OF OPERATIONS AND
FINANCIAL CONDITION

Results of Operations - (second quarter and first six months of 1996 compared to the second quarter and first six months of 1995)

Revenue for the second quarter and first six months increased 9% and 10% respectively over the comparable periods of 1995. Excluding the effects of acquisitions and 1995 divestitures, revenue increased 11% in both periods. Operating income increased 2% in the second quarter and 12% year-to-date. Excluding a \$10.3 million write-off related to asset impairments in the General

Information Services segment (Note 9), operating income improved 18% and 21% respectively over the prior year periods. These increases resulted primarily from revenue growth in higher margin business units, improvement in the International Operations segment, and the recognition of revenue from a lottery subcontract (Note 6).

Net income and earnings per share increased 15% and 22% respectively in the second quarter and 19% and 23% year-to-date, with higher earnings per share increases relative to net income increases a reflection of the Company's continuing repurchases of common shares.

In the fourth quarter of 1995, the Company changed its segment reporting structure by moving its Equifax National Decision Systems business unit from the General Information Services segment to the Credit Services segment. Second quarter and first six months 1995 information has been restated to conform with the new presentation. Operating revenue and operating income by industry segment for the second quarter and first six months of 1996 and 1995 are as follows (in thousands):

<TABLE>
<CAPTION>

	Second Quarter		Six Months	
	1996	1995	1996	1995
Operating Revenue:				
<S>	<C>	<C>	<C>	<C>
Credit Services	\$146,950	\$125,682	\$285,640	\$245,002
Payment Services	79,252	68,831	150,850	129,709
Insurance Services	144,958	132,439	280,713	259,538
International Operations	57,796	50,199	112,442	99,131
General Information Services	16,659	30,255	38,981	58,219
	\$445,615	\$407,406	\$868,626	\$791,599
	=====	=====	=====	=====
Operating Income (Loss):				
Credit Services	\$ 51,288	\$ 42,123	\$ 98,827	\$ 82,738
Payment Services	14,414	15,660	26,229	26,663
Insurance Services	13,116	11,141	22,974	20,699
International Operations	7,901	4,507	11,913	6,787
General Information Services	(10,586)	(2,275)	(7,377)	(3,756)
	-----	-----	-----	-----
Operating Contribution	76,133	71,156	152,566	133,131
General Corporate Expense	(11,490)	(7,638)	(21,999)	(16,378)
	-----	-----	-----	-----
	\$ 64,643	\$ 63,518	\$130,567	\$116,753
	=====	=====	=====	=====

</TABLE>

The following discussion analyzes operating results by industry segment, general corporate expense, and consolidated other income and effective income tax rates.

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Credit Services

Revenue in Credit Services, which includes Credit Reporting Services, Mortgage Information Services, Risk Management Services, and Equifax National Decision Systems, increased 17% in both the second quarter and first six months, with two percentage points of these increases attributable to acquisitions. Credit Reporting Services revenue, excluding acquisitions, was up 15% in the quarter and 13% year-to-date driven by increased prescreening business for credit card issuers and volume growth in the finance, automotive, mortgage, banking and utilities industries. Average prices continue to decline, but at a lower rate than in 1995. This decline, however, was more than offset by continued volume growth. Revenue in Mortgage Information Services, which was up 5% year-to-date exclusive of a 1995 acquisition, declined 11% in the second quarter as mortgage lending activity slowed due to increased interest rates. Risk Management Services revenue was up 18% in the quarter and 23% year-to-date, due primarily to new business from customers outsourcing the accounts receivable management function of their businesses, while revenue in Equifax National Decision Systems increased 34% in the quarter and 20% year-to-date.

Operating income increased 22% in the quarter and 19% in the first six months due primarily to the revenue growth within Credit Reporting Services and Risk Management Services.

Payment Services

Revenue in Payment Services, which includes Check Services, Card Services, and FBS Software, increased 15% in the quarter and 16% in the first six months. Card Services revenue increased 23% in both periods driven by volume increases resulting from growth in the cardholder account base and increased processing of merchant transactions. Check Services revenue was up 2% in the quarter and 3% year-to-date, with a 3% decline in check guarantee revenue in both periods offset by increases in other Check Services products. FBS Software revenue improved \$2.3 million in the quarter and \$5.1 million year-to-date due primarily to several large consulting projects which began in the fourth quarter of 1995 and the second quarter of 1996.

Operating income declined 8% in the quarter due to one-time expenses that are being incurred in connection with a major move to a new location in the Tampa area. Excluding these expenses, second quarter operating income for Payment Services was about even with the prior year as operating income growth within Card Services was offset by a decline in Check Services resulting primarily from higher selling and customer service and support expenses. Payment Services operating income for the first six months declined 2% over the comparable period in 1995.

Insurance Services -----

Second quarter and year-to-date revenue increased 9% and 8% respectively, with motor vehicle registry (the fee charged by states for their records which the Company passes on to its customers) accounting for five percentage points of each period's increase. The balance of the increases were due to improvements in Data Services (up 16% in the quarter and 14% year-to-date), Osborn Laboratories (up 33% in the quarter and 30% year-to-date) and CUE U.K. (up 109% in both periods). The revenue increases in Data Services and Osborn Laboratories resulted primarily from volume increases, while the CUE U.K. increases resulted from the late 1995 roll-out of the CUE Motor product and increased usage of the CUE Home product. A 5% increase in Field Services second quarter revenue was offset by a decline in Commercial Specialists.

Operating income improved 18% in the second quarter and 11% year-to-date, due primarily to gains in Data Services and CUE U.K. which were partially offset by declines in Commercial Specialists.

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International Operations -----

International Operations revenue, adjusted for noncomparables (acquisitions and the second quarter 1995 sale of the Canadian field services insurance products business), increased 4% in the second quarter and 5% in the first six months. In local currencies, excluding noncomparables, second quarter and year-to-date revenue increased 5% and 4% respectively in Canada and 9% in both periods in Europe, with gains in most product lines.

Second quarter operating income increased \$3.4 million, with Canada up \$.9 million, Europe improving by \$1.9 million, and South American joint ventures up \$.7 million. Year-to-date operating income was up \$5.1 million with increases of \$1.3 million in Canada, \$2.9 million in Europe and \$1.1 million in South America. Within Europe, operating leverage resulting from the integration of the 1994 Infolink acquisition was partially offset by higher costs associated with the third quarter 1995 Infocheck acquisition, which is currently being integrated into the European Operations.

General Information Services -----

After adjusting to exclude the effects of the third quarter 1995 divestitures of Elrick & Lavidge and Quick Test, second quarter revenue declined \$.3 million while year-to-date revenue increased \$6.1 million. The \$.3 million decline in the quarter was attributable to reduced revenue within Healthcare Information Services while the year-to-date increase was due to HISI's recognition of \$5.0 million from its lottery subcontract with GTECH in the first quarter of 1996 (Note 6) and a one-time revenue item recorded within Healthcare during the first quarter.

This segment's operating loss increased \$8.3 million in the second quarter due to the recording of a \$10.3 million asset impairment loss within Healthcare Information Services (Note 9) which was partially offset by a non-recurring second quarter gain of \$2.3 million related to a settlement with HISI's insurance carrier. The \$3.6 million year-to-date increase in this segment's operating loss is due to the aforementioned items and also reflects the \$5.0 million HISI revenue recorded in the first quarter of 1996.

General Corporate Expense -----

General corporate expense increased \$3.9 million in the second quarter and \$5.6 million year-to-date due primarily to higher performance share plan and incentive accruals and expenses for projects related to system enhancements.

Other Income and Effective Income Tax Rates -----

Other income increased \$6.8 million in the second quarter and \$5.0 million year-to-date. These gains are primarily the result of an \$8.2 million gain recorded on the sale of the Company's 1995 investment in Physician Computer Network, Inc. This gain was partially offset by lower levels of interest income and certain other nonrecurring items recorded in 1996.

The second quarter and year-to-date effective income tax rates declined to 39.7% from 40.9% in the second quarter 1995 and from 41.2% in the first six months of 1995. The declines were due in large part to a change in the mix of foreign income between tax jurisdictions with different effective tax rates.

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FINANCIAL CONDITION

The Company's financial condition remained strong during the first six months of 1996. Net cash provided by operations increased from \$47.5 million to \$172.8 million primarily due to the receipt of \$58.0 million related to the lottery subcontract (Note 6), reduced disbursements for income taxes due to the timing of payments between quarters, and a reduction in disbursements for salaries and bonuses and other current liabilities between years. Normal capital expenditures and dividend payments were met with these internally generated funds.

Other significant outlays in the first six months included \$77.3 million of treasury stock purchases (Note 4), \$26.8 million for acquisitions (Note 7), and \$38.0 million in long-term debt repayments. These items were principally financed by excess cash from operations.

Capital expenditures for the remainder of 1996 are currently projected to be approximately \$58 million, exclusive of acquisitions. Additional expenditures are possible as opportunities arise. As of June 30, 1996, approximately \$80 million remains authorized under the Company's share repurchase program, and purchases have continued in the third quarter.

The remaining 1996 capital expenditures should be met with internally generated funds. At June 30, 1996, \$530 million was available under the Company's \$550 million revolving credit facility to fund future capital requirements, including the possible purchase of the CSC collections and credit reporting businesses (Note 5). Management feels that the Company's liquidity will remain strong in both the short-term and long-term, and that the Company has sufficient debt capacity to finance all of these requirements, if necessary.

Limited Review By
Independent Public Accountants

Arthur Andersen LLP, independent public accountants, has performed a limited review of the interim financial information contained herein in accordance with established professional standards and procedures for such a review. Attached hereto is a review report from Arthur Andersen LLP covering its limited review of the interim financial information contained herein.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Equifax Inc.:

We have reviewed the accompanying interim consolidated balance sheet of EQUIFAX INC. (a Georgia corporation) AND SUBSIDIARIES as of June 30, 1996 and the related interim consolidated statements of income for the six-month and three-month periods ended June 30, 1996 and 1995, shareholders' equity for the six-month period ended June 30, 1996, and cash flows for the six-month periods ended June 30, 1996 and 1995. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the accompanying consolidated balance sheet of Equifax Inc. and subsidiaries as of December 31, 1995, and in our report dated February 16, 1996, we expressed an unqualified opinion on that statement.

/s/Arthur Andersen LLP

Atlanta, Georgia
August 13, 1996

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On April 26, 1993, the California State Lottery filed suit against High Integrity Systems, Inc., a Company subsidiary, in the Superior Court of the State of California, Sacramento County.

Reference is made to information reported in Note 6 of the Notes to Consolidated Financial Statements, included in Part I of this report.

Item 4. Submission of Matters to a Vote of Security Holders

- (a) On May 1, 1996, the Company held its regular annual meeting of Shareholders.
- (b) Below is a brief description of each matter voted upon at said meeting, each more fully described in that Definitive Proxy Statement, dated March 28, 1996, as filed with the Commission on March 27, 1996, along with the respective vote tabulations:
- (i) Election of six Directors, one to serve a term of one year and five each to serve a term of three years: One year term - Derek V. Smith (131,827,278 votes "for" and 1,807,475 votes withheld); Directors with three year terms - Thomas F. Chapman (131,779,644 votes "for" and 1,855,109 votes withheld); Robert P. Forrestal (131,901,817 votes "for" and 1,732,936 votes withheld); Tinsley H. Irvin (131,955,848 votes "for" and 1,678,905 votes withheld); D. Raymond Riddle (131,866,673 votes "for" and 1,768,080 votes withheld); and Betty L. Siegel, Ph.D. (131,787,904 votes "for" and 1,846,849 votes withheld). The names of each other Director whose term of office as a Director continued after this meeting are as follows: D. W. McLaughlin; Larry L. Prince; C. B. Rogers, Jr.; L. W. Sullivan, M.D.; Lee A. Ault, III; Ron D. Barbaro; John L. Clendenin; A. W. Dahlberg; and L. Phillip Humann.
 - (ii) Approval of the Amended Equifax Inc. 1988 Performance Share Plan for Officers (116,225,157 votes "for"; 14,815,299 votes "against"; 2,453,749 abstentions; and 140,548 broker non-votes).
 - (iii) Approval of Amended Articles of Incorporation to Increase Authorized Common Stock (124,955,378 votes "for"; 6,825,142 votes "against"; 1,756,613 abstentions; and 97,620 broker non-votes).
 - (iv) Approval of Amended Articles of Incorporation to Authorize "Blank Check" Preferred Stock (81,112,559 votes "for"; 34,502,901 votes "against"; 3,004,688 abstentions; and 15,014,605 broker non-votes).
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- (v) Approval of Amended Articles of Incorporated to Adopt the Minimum Shareholder Vote Required Under Current State of Georgia Law (112,607,441 votes "for"; 4,428,056 votes "against"; 1,608,310 abstentions; and 14,990,946 broker non-votes).
 - (vi) Approval of Amended and Restated Articles of Incorporation to Modernize and Conform to Current State of Georgia Law (127,358,866 votes "for"; 4,131,564 votes "against"; 1,361,293 abstentions; and 783,030 broker non-votes).
 - (vii) Approval of Appointment of Arthur Andersen LLP as independent public accountants of the Company for the year 1996 (131,628,058 votes "for"; 625,233 votes "against"; 1,283,562 abstentions; and 97,900 broker non-votes).

Item 5. Other Information

Reference is made to information reported in Notes 1, 2, 3, 4, 7, 8 and 9 of the Notes to Consolidated Financial Statements, included in Part I of this report.

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits
- 15 Letter from Arthur Andersen LLP, dated August 13, 1996.
- (b) Reports on Form 8-K
- Registrant did not file any reports on Form 8-K during the quarter for which this report is filed.

undersigned thereunto duly authorized.

EQUIFAX INC.

(Registrant)

Date: August 13, 1996

/s/D. W. McLaughlin

D. W. McLaughlin, President
and Chief Executive Officer

Date: August 13, 1996

/s/P. J. Mazzilli

P. J. Mazzilli
Corporate Vice President
and Controller

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EXHIBIT INDEX

Exhibit -----	Description of Exhibit -----
15	Arthur Andersen LLP Letter dated August 13, 1996

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To Equifax Inc.:

We are aware that Equifax Inc. has incorporated by reference in its previously filed Registration Statements on Form S-3 or Form S-8, File No. 33-40011, File No. 33-58734, File No. 33-34640, File No. 33-71202, as amended, File No. 33-66728, File No. 33-71200, as amended, File No. 33-82374, File No. 33-86018, File No. 33-86978, File No. 33-58627 and File No. 33-63001 its Form 10-Q for the six months ended June 30, 1996, which includes our report dated August 13, 1996, covering the unaudited interim financial information contained therein. Pursuant to Regulation C of the Securities Act of 1933 (the "Act"), that report is not considered a part of the Registration Statements prepared or certified by our firm or a report prepared or certified by our firm within the meaning of Sections 7 and 11 of the Act.

/s/Arthur Andersen LLP

Atlanta, Georgia
August 13, 1996

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM EQUIFAX INC. FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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