

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 September 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 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 September 30, 1996
-----	-----
Common Stock, \$1.25 Par Value	151,080,023

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Part I. Financial Information

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PART I. FINANCIAL INFORMATION

<TABLE>		
<CAPTION>		
CONSOLIDATED BALANCE SHEETS	SEPTEMBER	DECEMBER
(In thousands)	30, 1996	31, 1995

	(Unaudited)	
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 57,614	\$ 26,136
Accounts receivable.....	281,665	258,335
Deferred income tax assets.....	25,760	30,594
Other current assets.....	48,800	51,611
	-----	-----
Total current assets.....	413,839	366,676
	-----	-----
PROPERTY AND EQUIPMENT:		
Land, buildings and improvements.....	23,933	18,050
Data processing equipment and furniture.....	269,421	218,699
	-----	-----
	293,354	236,749
Less-Accumulated depreciation.....	173,236	148,901
	-----	-----
	120,118	87,848
	-----	-----
GOODWILL.....	419,970	353,571
	-----	-----
PURCHASED DATA FILES.....	85,277	74,828
	-----	-----
OTHER.....	214,722	170,772
	-----	-----
	\$1,253,926	\$1,053,695
	=====	=====

</TABLE>

The notes on pages 8 through 11 are an integral part of these balance sheets.

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

	(Unaudited)	

<u><S></u>	<u><C></u>	<u><C></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt and current maturities.....	\$ 59,614	\$ 20,384
Accounts payable.....	92,254	62,194
Accrued salaries and bonuses.....	36,061	27,919
Income taxes payable.....	7,396	--
Other current liabilities.....	144,108	140,123
	-----	-----
Total current liabilities.....	339,433	250,620
	-----	-----
LONG-TERM DEBT, LESS CURRENT MATURITIES.....	360,199	302,665
	-----	-----
POSTRETIREMENT BENEFIT OBLIGATION.....	79,979	80,885
	-----	-----
LONG-TERM DEFERRED REVENUE.....	45,773	--
	-----	-----
OTHER LONG-TERM LIABILITIES.....	65,190	66,103
	-----	-----
COMMITMENTS AND CONTINGENCIES (Note 5)		
SHAREHOLDERS' EQUITY:		
Common stock, \$1.25 par value; shares authorized - 300,000; issued - 170,510 in 1996 and 168,812 in 1995; outstanding - 144,526 in 1996 and 147,245 in 1995.....	213,138	211,015
Preferred stock, \$0.01 par value; shares authorized - 10,000; issued and outstanding - none in 1996 or 1995.....	--	--
Paid-in capital.....	194,805	171,020
Retained earnings.....	356,387	269,986
Cumulative foreign currency translation adjustment.....	(12,769)	(13,777)
Treasury stock, at cost, 19,430 shares in 1996 and 14,847 shares in 1995.....	(323,625)	(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.....	363,352	353,422
	-----	-----
	\$1,253,926	\$1,053,695
	=====	=====

</TABLE>

The notes on pages 8 through 11 are an integral part of these balance sheets.

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<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	THREE MONTHS ENDED	
	SEPTEMBER 30,	
(In thousands, except per share amounts)	1996	1995
<u><S></u>	<u><C></u>	<u><C></u>
Operating revenue.....	\$ 454,986	\$ 412,027
	-----	-----
Costs and expenses:		
Costs of services.....	284,523	264,444
Selling, general and administrative expenses.....	89,422	81,483
Asset impairment (Note 9).....	--	--
	-----	-----
Total operating expenses.....	373,945	345,927
	-----	-----
Operating income.....	81,041	66,100
Other income, net.....	757	2,233
Interest expense.....	(5,800)	(5,398)
	-----	-----
Income before income taxes.....	75,998	62,935
Provision for income taxes.....	30,194	24,954
	-----	-----
Net income.....	\$ 45,804	\$ 37,981
	=====	=====
Weighted average common shares outstanding.....	144,752	151,618
	=====	=====

Per common share:		
Net income.....	\$ 0.32	\$ 0.25
	=====	=====
Dividends.....	\$ 0.083	\$ 0.078
	=====	=====

</TABLE>

The notes on pages 8 through 11 are an integral part of these statements.

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<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In thousands, except per share amounts)	NINE MONTHS ENDED	
	SEPTEMBER 1996	SEPTEMBER 30, 1995
<S>	<C>	<C>
Operating revenue.....	\$1,323,612	\$1,203,626
Costs and expenses:		
Costs of services.....	832,603	779,377
Selling, general and administrative expenses.....	269,088	241,396
Asset impairment (Note 9).....	10,313	--
Total operating expenses.....	1,112,004	1,020,773
Operating income.....	211,608	182,853
Other income, net.....	9,986	6,479
Interest expense.....	(16,220)	(15,319)
Income before income taxes.....	205,374	174,013
Provision for income taxes.....	81,595	70,746
Net income.....	\$ 123,779	\$ 103,267
	=====	=====
Weighted average common shares outstanding.....	145,781	152,305
	=====	=====
Per common share:		
Net income.....	\$ 0.85	\$ 0.68
	=====	=====
Dividends.....	\$ 0.248	\$ 0.233
	=====	=====

</TABLE>

The notes on pages 8 through 11 are an integral part of these statements.

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<TABLE>
<CAPTION>

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

(In thousands)	NINE MONTHS ENDED	
	SEPTEMBER 30, 1996	
<S>	<C>	
COMMON STOCK:		
Balance at beginning of period.....	\$ 211,015	
Shares issued under stock plans.....	2,123	
Balance at end of period.....	\$ 213,138	
	=====	
PAID-IN CAPITAL:		
Balance at beginning of period.....	\$ 171,020	
Shares issued under stock plans.....	21,382	
Other.....	2,403	
Balance at end of period.....	\$ 194,805	
	=====	
RETAINED EARNINGS:		

Balance at beginning of period.....	\$ 269,986
Net income.....	123,779
Cash dividends paid.....	(37,378)

Balance at end of period.....	\$ 356,387
	=====
CUMULATIVE FOREIGN CURRENCY TRANSLATION ADJUSTMENT:	
Balance at beginning of period.....	\$ (13,777)
Adjustment during period.....	1,008

Balance at end of period.....	\$ (12,769)
	=====
TREASURY STOCK:	
Balance at beginning of period.....	\$ (218,613)
Cost of shares repurchased.....	(105,550)
Cost of shares reissued for prior year acquisition.....	538

Balance at end of period.....	\$ (323,625)
	=====
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 11 are an integral part of this statement.

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<TABLE>
<CAPTION>

(In thousands)	NINE MONTHS ENDED	
	1996	1995
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$ 123,779	\$ 103,267
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	61,860	58,027
Asset impairment (Note 9).....	10,313	--
Gain on sale of long-term investment.....	(8,232)	--
Gain on sale of businesses.....	--	(847)
Changes in assets and liabilities:		
Accounts receivable, net.....	(16,312)	(11,007)
Current liabilities, excluding debt.....	40,474	(40,150)
Other current assets.....	5,811	(8,422)
Deferred income taxes.....	(17,551)	(3,498)
Other long-term liabilities, excluding debt.....	52,208	(1,941)
Other assets.....	(7,644)	--
	-----	-----
Net cash provided by operating activities.....	244,706	95,429
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment.....	(43,831)	(19,626)
Additions to other assets, net.....	(27,740)	(25,369)
Acquisitions, net of cash acquired.....	(120,617)	(14,583)
Deferred payments on prior year acquisitions.....	--	(8,743)
Proceeds from sale of long-term investment.....	18,356	--
Proceeds from sale of businesses.....	--	14,868
	-----	-----
Net cash used by investing activities.....	(173,832)	(53,453)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net short-term borrowings.....	23,671	18,401
Net long-term borrowings.....	56,132	27,810
Dividends paid.....	(37,378)	(37,155)
Treasury stock purchases.....	(105,550)	(71,853)
Proceeds from exercise of stock options.....	21,421	14,091
Other.....	2,044	1,563
	-----	-----
Net cash used by financing activities.....	(39,660)	(47,143)
	-----	-----
Effect of foreign currency exchange rates on cash.....	264	1,298
	-----	-----
Net cash provided.....	31,478	(3,869)
Cash at beginning of period.....	26,136	79,409
	-----	-----
Cash at end of period.....	\$ 57,614	\$ 75,540
	=====	=====

</TABLE>

The notes on pages 8 through 11 are an integral part of these statements.

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EQUIFAX INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SEPTEMBER 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 September 30, 1996 and the results of operations for the three and nine months ended September 30, 1996 and 1995 and the cash flows for the nine months ended September 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, and insure lives and property. The principal lines of business are credit services, payment services, and insurance 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 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 nine months of 1996, the Company repurchased approximately 4,614,000 of its common shares through open market transactions at an aggregate cost of \$105,550,000 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, and is currently expected to begin in the first quarter, 1997.

7. ACQUISITIONS:

During the first nine months of 1996, the Company acquired substantially all the assets and business operations of the following companies:

<TABLE>
<CAPTION>

Business	Month Acquired	Industry Segment	Percentage Ownership
<S>	<C>	<C>	<C>

Creditel of Canada Limited	September	International	100%
CDB Infotek	August	Insurance	70%
Transax plc (U.K.)	June	International	100% (1)
Collective Credit Bureaus Ltd. (Canada)	May	International	100%
Professional Test Administrators, Inc.	April	Insurance	100%
Market Knowledge, Inc.	January	Credit	100%

(1) Increased to 100% from the 50.1% ownership position acquired in 1995 and 1992.
</TABLE>

The Company also acquired the credit files of five credit bureaus located in the United States. These business and credit file acquisitions were accounted for as purchases, and had an aggregate purchase price of \$125.0 million, with approximately \$78.7 million allocated to goodwill and \$50.8 million to other assets (primarily purchased data files and 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 September 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	(8,016)	--	(1,356)	(9,372)
	-----	-----	-----	-----
Balance, September 30, 1996	\$ 3,276	\$ --	\$ 494	\$ 3,770
	=====	=====	=====	=====

</TABLE>

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

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9. ASSET IMPAIRMENT AND DIVESTITURES:

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.

During the fourth quarter 1996, the Company announced its intent to divest of all the Healthcare Information Services business units within the General Information Services segment. As of mid-November 1996, the Healthcare Administrative Services and the Healthcare EDI Services business units had been sold, and the divestiture of the remaining business units is probable in the next several months. Management anticipates that these transactions will not have a material effect on the results of operations or financial condition of the Company.

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

Results of Operations - (third quarter and first nine months of 1996 compared to the third quarter and first nine months of 1995)

Revenue for both the third quarter and first nine months increased 10% over the comparable periods of 1995. Excluding the effects of acquisitions and 1995 divestitures, revenue increased 10% in the third quarter and 11% year-to-date. Operating income increased 23% in the third quarter and 16% year-to-date. Excluding a \$10.3 million second quarter, 1996 write-off related to asset

impairments in the General Information Services segment (Note 9), year-to-date operating income improved 21% over the prior year. 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 21% and 26% respectively in the third quarter and 20% and 25% year-to-date, with higher earnings per share increases relative to net income increases a reflection of the Company's continued repurchase 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. Third quarter and first nine months 1995 information has been restated to conform with the new presentation. Operating revenue and operating income by industry segment for the third quarter and first nine months of 1996 and 1995 are as follows (in thousands):

<TABLE>

<CAPTION>

	Third Quarter		Nine Months	
	1996	1995	1996	1995
Operating Revenue:				
<S>	<C>	<C>	<C>	<C>
Credit Services	\$144,764	\$129,836	\$ 430,404	\$ 374,838
Payment Services	84,732	72,645	235,582	202,354
Insurance Services	151,593	130,362	432,306	389,900
International Operations	58,992	55,532	171,434	154,663
General Information Services	14,905	23,652	53,886	81,871
	-----	-----	-----	-----
	\$454,986	\$412,027	\$1,323,612	\$1,203,626
	=====	=====	=====	=====
Operating Income (Loss):				
Credit Services	\$ 52,145	\$ 45,069	\$ 150,972	\$ 127,807
Payment Services	16,051	16,090	42,280	42,753
Insurance Services	14,790	11,353	37,764	32,052
International Operations	10,764	7,939	22,677	14,726
General Information Services	(2,299)	(3,560)	(9,676)	(7,316)
	-----	-----	-----	-----
Operating Contribution	91,451	76,891	244,017	210,022
General Corporate Expense	(10,410)	(10,791)	(32,409)	(27,169)
	-----	-----	-----	-----
	\$ 81,041	\$ 66,100	\$ 211,608	\$ 182,853
	=====	=====	=====	=====

</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

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Revenue in Credit Services, which includes Credit Reporting Services, Mortgage Information Services, Risk Management Services, and Equifax National Decision Systems, increased 11% in the third quarter and 15% in the first nine months, with two percentage points of these increases attributable to acquisitions. Credit Reporting Services revenue, excluding acquisitions, was up 13% both in the quarter and year-to-date driven by increased prescreening business for credit card issuers and volume growth in the finance, automotive, 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, exclusive of a 1995 acquisition, declined 29% in the third quarter and 8% year-to-date. These declines were due to the continuing shift to a lower priced automated product and a slowing in mortgage lending activity due to increased interest rates. Risk Management Services revenue was up 7% in the quarter and 17% year-to-date, due primarily to new business from customers outsourcing the accounts receivable management function of their businesses. Third quarter revenue growth, however, was tempered by a decline in government student loan business. Revenue in Equifax National Decision Systems increased 11% in the quarter and 17% year-to-date.

Operating income increased 16% in the quarter and 18% in the first nine months due primarily to the revenue growth within Credit Reporting Services. Strong revenue growth within Risk Management Services in the first six months of 1996 also contributed to the year-to-date increase.

Payment Services

Revenue in Payment Services, which includes Check Services, Card Services, and FBS Software, increased 17% in the quarter and 16% in the first nine 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 5% in the quarter and 3% year-to-date, with declines in check guarantee revenue of 1% in the third quarter and 2% year-to-date offset by increases in other Check Services products. FBS Software revenue improved \$2.3 million in the quarter and \$7.3 million year-to-date due primarily to several large consulting projects which began in the fourth quarter of 1995 and the first quarter of 1996.

Operating income in the third quarter was flat versus the prior year and was down 1% year-to-date, due primarily 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, third quarter and year-to-date operating income increased 13% and 7% respectively due primarily to the revenue growth within Card Services.

Insurance Services

Third quarter revenue increased 16%, with motor vehicle registry (the fee charged by states for their records which the Company passes on to its customers) accounting for seven percentage points of the increase and acquisitions accounting for two percentage points. Year-to-date revenue increased 11%, with six percentage points due to motor vehicle registry and one percentage point due to acquisitions. The balance of the increases were due to improvements in Data Services (up 21% in the quarter and 16% year-to-date), Osborn Laboratories (up 32% in the quarter and 31% year-to-date) and CUE U.K. (up 87% in the quarter and 102% in the first nine months). 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 third quarter revenue was offset by a decline in Commercial Specialists.

Operating income improved 30% in the third quarter and 18% year-to-date, due primarily to gains in Data Services, Osborn Laboratories, 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 third quarter 1995 sale of the Canadian field services insurance products business), increased 4% in both the third quarter and first nine months. In local currencies, excluding noncomparables, third quarter and year-to-date revenue increased 1% and 3% respectively in Canada and 7% and 8% respectively in Europe. Within Canada, gains resulted primarily from Check Services and Collection Services. Canadian Credit Services revenue was virtually flat in both periods, as increases in credit report unit volumes were offset by average price declines and lower revenues in several other related products. The gains within Europe were attributable primarily to consumer credit and marketing services and auto lien information services.

Third quarter operating income increased \$2.8 million, with Canada down \$.5 million, Europe improving by \$2.5 million, and South American joint ventures up \$.9 million. Year-to-date operating income was up \$8.0 million with increases of \$.8 million in Canada, \$5.4 million in Europe and \$2.0 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, third quarter revenue declined \$2.6 million while year-to-date revenue increased \$3.6 million. The decline in the third quarter was attributable to the loss of a major contract in the administrative services area of Healthcare Information Services while the year-to-date increase was primarily due to HISI's recognition of \$5.0 million from its lottery subcontract with GTECH in the first quarter of 1996 (Note 6).

This segment's operating loss improved by \$1.3 million in the third quarter due primarily to cost controls implemented in several of the Healthcare Services business units. The year-to-date operating loss increased \$2.4 million, due primarily to the recording of a \$10.3 million asset impairment loss within Healthcare Information Services (Note 9) partially offset by HISI's recognition of \$5.0 million revenue in the first quarter and a \$2.3 million gain in the second quarter related to a settlement with their insurance carrier.

During the fourth quarter, the Company announced its intent to divest of the business units within Healthcare Information Services based on a re-evaluation of strategic priorities and changing trends within the healthcare industry (Note 9).

General Corporate Expense
- -----

General corporate expense decreased \$.4 million in the third quarter and increased \$5.2 million year-to-date. The year-to-date increase was due primarily to higher benefit and incentive accruals and expenses for projects related to system enhancements.

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

Other income declined \$1.5 million in the third quarter due primarily to a one-time gain recorded in 1995. Year-to-date other income increased \$3.5 million as a result of an \$8.2 million gain recorded for the second quarter 1996 sale of the Company's 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 year-to-date effective income tax rate declined to 39.7% from 40.7% 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 nine months of 1996. Net cash provided by operations increased from \$95.4 million to \$244.7 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 nine months included \$105.6 million of treasury stock purchases (Note 4), and \$120.6 million for acquisitions (Note 7). These items were principally financed by excess cash from operations and a \$79.8 million increase in short-term notes and long-term debt.

Capital expenditures for the remainder of 1996 are currently projected to be approximately \$36 million, exclusive of acquisitions. Additional expenditures are possible as opportunities arise. As of September 30, 1996, approximately \$52 million remains authorized under the Company's share repurchase program.

The remaining 1996 capital expenditures should be met with internally generated funds. At September 30, 1996, \$550 million was available under the Company's 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 September 30, 1996 and the related interim consolidated statements of income for the nine-month and three-month periods ended September 30, 1996 and 1995, shareholders' equity for the nine-month period ended September 30, 1996, and cash flows for the nine-month

periods ended September 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
November 12, 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 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 November 12, 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.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EQUIFAX INC.

(Registrant)

Date: November 13, 1996

/s/ D. W. McGlaughlin

D. W. McGlaughlin, President
and Chief Executive Officer

Date: November 13, 1996

/s/ P. J. Mazzilli

P. J. Mazzilli
Corporate Vice President,
Controller and Treasurer

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EXHIBIT INDEX

Exhibit -----	Description of Exhibit -----
15	Arthur Andersen LLP Letter dated November 12, 1996

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To Equifax Inc.:

We are aware that Equifax Inc. has incorporated by reference 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, File No. 33-63001 and File No. 333-12961 in its Form 10-Q for the nine months ended September 30, 1996, which includes our report dated November 12, 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 within the meaning of Sections 7 and 11 of the Act.

/s/ Arthur Andersen LLP

Atlanta, Georgia
November 12, 1996

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

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