TRANS UNION CORPORATION

90 Half Day Road
Lincolnshire, Illinois 60015

J. W. Van Gorkom
Chairman of the Board

January 19, 1981

To the Stockholders:

On February 10, 1981, a special meeting of the stockholders of Trans Union will be held to vote on a merger agreement with a company affiliated with The Marmon Group, Inc. Under that merger plan, each stockholder of Trans Union would receive $55.00 in cash for each share of common stock held on the effective date of the merger. Enclosed is a proxy statement which describes the merger in detail and provides pertinent information to assist you in deciding how to vote. You are urged to read the proxy statement carefully.

The basic reason for the merger lies in the substantial premium being offered to the stockholders over the price at which the shares have traded in the public markets. Although the Company's prospects for further increases in earnings in the next few years, assuming reasonably favorable economic and financial conditions, are excellent, there seems no basis for assuming that such increases would be reflected in higher stock prices. The $55.00 per share will provide our stockholders with concrete recognition of the value of their shares, a price that represents a premium of 62% over the average of the high and low at which the shares traded in 1980 before the merger was announced and of about 47% over the last closing price before the announcement.

Under the merger agreement, the Company has been permitted to actively seek other offers through January 31, 1981, which are considered more favorable to the stockholders than the $55.00 in cash. Since October, a concentrated effort has been made to do just that. Salomon Brothers, our investment banker, has contacted over one hundred companies selected from a specially prepared list of potential merger partners. Discussions have been held with some companies that expressed serious interest, but as of the date of this letter, no firm proposal has been received. However, General Electric Credit Corporation has stated that it is considering whether to make a firm offer to acquire Trans Union and will communicate its decision to management before the end of January. You will be notified promptly if a firm offer is made and the response of your Board of Directors with respect to such offer.

Absent the receipt from some other entity of a firm offer that might reasonably be regarded as more favorable to stockholders, your Board of Directors unanimously recommends approval of the $55.00 cash merger.

You are strongly urged to read the enclosed proxy statement carefully and to vote your shares in person or by proxy.

Sincerely yours,

J. W. Van Gorkom

TRANS UNION CORPORATION
90 Half Day Road
Lincolnshire, Illinois 60015

Notice of Special Meeting of Stockholders

February 10, 1981

A Special Meeting of the Stockholders of Trans Union Corporation, a Delaware corporation ("Trans Union"), will be held at 9:30 a.m., Chicago time, on Tuesday, February 10, 1981, at 111 West Jackson Boulevard, Chicago, Illinois, for the following purposes:

1. To consider and vote upon an Agreement and Plan of Merger pursuant to which New T Co., a Delaware corporation ("NTC"), would be merged into Trans Union, and each outstanding share of common stock of Trans Union would be exchanged for $55.00 in cash, all as described in the accompanying proxy statement and the Agreement and Plan of Merger and related agreements, as amended, included as Appendix I; and

2. To transact such other business as may properly come before the meeting.

Stockholders of Trans Union who dissent from the proposed merger have the right to seek appraisal of their shares. See "Proposed Merger—Appraisal Rights" and Appendix II in the accompanying proxy statement for a description of the procedures required to be followed under the Delaware General Corporation Law to seek appraisal.

Stockholders of record at the close of business on December 19, 1980, will be entitled to notice of and to vote at the meeting. You will greatly assist the Company in conducting the Special Meeting if you will sign and date the enclosed proxy and promptly return it in the postpaid envelope furnished for that purpose.

By order of the Board of Directors.

WILLIAM B. MOORE
Secretary

January 19, 1981

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SUMMARY OF PROXY STATEMENT

The following is a summary intended to highlight certain information contained in this proxy statement. This summary is not intended to be complete and is qualified in all respects by reference to the more detailed information which may be found in the remainder of this proxy statement.

Solicitation of Proxies; Special Meeting of Stockholders

Proxies are being solicited by the Board of Directors of Trans Union for use at a Special Meeting of Stockholders to be held on February 10, 1981, for the purpose of considering and voting upon an Agreement and Plan of Merger pursuant to which New T Co. ("NTC") an indirect wholly-owned subsidiary of GL Corporation ("GL"), a corporation owned beneficially by certain members of the Pritzker family of Chicago, would merge into Trans Union (the "Merger").

Voting; Approval of Transaction

Pursuant to the General Corporation Law of Delaware, the affirmative vote of the holders of a majority of the outstanding shares of Trans Union common stock entitled to vote is required for approval of the Merger.

Effect and Summary of Merger

If the Merger is approved by the stockholders, Trans Union would become an indirect, wholly-owned subsidiary of GL, and the stockholders of Trans Union would receive $55.00 in cash for each Trans Union share held. The Exchange Agent, to whom certificates for Trans Union common stock should be sent only after receipt of a form of transmittal letter if the Merger is approved, is The First National Bank of Chicago.

In a related transaction, Trans Union agreed to sell 1,000,000 authorized but unissued shares of its common stock to GL or its designee for $38.00 per share in cash. GL has assigned its right to purchase such shares to trusts for the benefit of certain members of the Pritzker family (the "Trusts"). See "Proposed Merger". As of the date of this proxy statement, such shares have not been purchased, and, if purchased, they would not be entitled to vote on the Merger.

Reasons for Merger—Recommendation of Board of Directors

The principal reason for the Merger is the substantial premium that the stockholders would obtain for their shares. The Company believes its prospects for further increases in earnings and dividends in the next few years, assuming reasonably favorable economic and financial conditions, are excellent, as its projections, which were furnished to GL and certain other entities, so indicate. Nevertheless, there seems no basis for assuming that such increases would be reflected in higher stock prices. Although the Board of Directors regards the intrinsic value of the Company's assets to be significantly greater than their book value of approximately $28.00 per share, systematic liquidation of such a large and complex entity as Trans Union is simply not regarded as a feasible method of realizing its inherent values. Therefore, a business combination such as the Merger would seem to be the only practicable way in which the stockholders could realize the value of the Company. At a meeting held on September 20, 1980, the Board of Directors approved the Merger and decided to recommend it to the stockholders for their consideration and approval.

Subsequent to the initial approval of the Merger, several members of Trans Union's management stated that they believed that the $55.00 offered in the Merger was not fair in view of Trans Union's underlying value and some stockholders indicated that a non-taxable transaction as distinguished from the taxable Merger could be more favorable to the stockholders. The Board of Directors of the Company supported seeking any proposal that would be more favorable to the stockholders so long as the opportunity to consummate the $55.00 cash merger was not jeopard-

ized by seeking such a more favorable proposal. Thereafter, Trans Union management initiated discussions with GL as a result of which the Agreement and Plan of Merger and the related agreements were amended as of October 10, 1980 (all of which, as amended, are attached hereto as Appendix I), to permit Trans Union to attempt to obtain, through January 31, 1981, offers for a business combination more favorable to the stockholders of Trans Union than the Merger, including a possible tax-free reorganization. In order to assist it in obtaining such offers, Trans Union engaged the investment banking firm of Salomon Brothers. Salomon Brothers has contacted over 100 companies in search of a more favorable offer. As of the date this proxy statement is first being mailed to stockholders, Trans Union has had discussions with several other companies but has received no firm offers. However, General Electric Credit Corporation has stated that it is considering whether to make by the end of January a firm offer to acquire Trans Union. If any firm offer is received from General Electric (or from some other entity) which might reasonably be deemed more favorable to the stockholders, the Board will promptly consider it. Whether or not the Board regards such other offer as more favorable to the stockholders than the proposed Merger or whether its recommendation of the Merger set forth in the following paragraph is changed, it will provide the stockholders with information relative to the new offer and the position of the Board of Directors with respect thereto so that stockholders may consider such offer in determining how to vote or whether to change their vote. In the event that the Special Meeting of stockholders is not held by February 10, 1981, NTC may, at its option, terminate the Merger.

The Board of Directors believes that the Merger is fair and equitable to Trans Union's stockholders and unanimously recommends that the stockholders approve the Merger. The members of the Board of Directors intend to vote their shares in favor of the Merger. At December 19, 1980, directors and officers as a group owned shares entitling them to vote less than 1.5% of the shares entitled to vote at the Special Meeting. See "Reasons for the Merger—Recommendation of the Board of Directors" and "Management".

Information Concerning NTC and GL

NTC is a newly formed Delaware corporation organized by GL for the purpose of effecting the Merger. GL is a privately-held holding company which, among other things, owns all of the outstanding common stock of The Marmon Group, Inc. The Trusts have beneficially owned approximately 110,000 shares of the common stock of Trans Union for several years as a result of a 1970 acquisition by Trans Union, and, as aforesaid, the Trusts have the right to acquire 1,000,000 shares of Trans Union common stock for $38.00 per share in cash. See "Information Concerning NTC and GL and Actions to be Taken After Merger".

Tax Consequences to Trans Union Stockholders

If the Merger is consummated, each stockholder of Trans Union (including any dissenting stockholders) will recognize taxable gain or loss for federal income tax purposes equal to the difference between the stockholder's adjusted tax basis in his shares and the amount of cash received therefor. Stockholders should consult their personal tax advisors with respect to the tax consequences of the transaction. See "Proposed Merger—Income Tax Consequences".

Appraisal Rights

Stockholders of Trans Union who do not wish to accept the $55.00 per share in cash to be paid under the terms of the Merger are entitled to dissent from the Merger and to have the fair value of their shares determined and paid to them by complying with the requirements of the Delaware General Corporation Law. Any stockholder who elects to dissent from the Merger and demand appraisal of his shares (i) must deliver a written demand for appraisal to Trans Union before the taking of the vote with respect to the Merger, and (ii) must not vote in favor of the Merger. All written demands for appraisal should be delivered to Trans Union Corporation, 90 Half Day Road, Lincoln-

shire, Illinois 60015, Attention: William B. Moore, Secretary. Neither the delivery of a proxy directing a vote against the Merger nor a failure to vote for the Merger constitutes a written demand for appraisal. A vote in favor of the Merger will constitute a waiver of a stockholder's right of appraisal and will nullify any previously filed demand for appraisal. See "Proposed Merger—Appraisal Rights" and Appendix II.

Conditions to the Merger

The obligations of Trans Union, NTC and GL to consummate the Merger are each subject to the approval of the Agreement and Plan of Merger by the stockholders of Trans Union and compliance with certain other conditions. See "Proposed Merger—Conditions to the Merger" and "Information Concerning NTC and GL and Actions to be Taken After Merger".

Litigation Relating to the Merger

On December 19, 1980, Alden Smith, a stockholder of Trans Union, filed suit in the Delaware Court of Chancery against Trans Union, GL, NTC, and The Marmon Group, Inc., an affiliate of GL, together with certain of their respective directors and officers, seeking among other things to enjoin the issuance of the 1,000,000 shares of Trans Union common stock to GL or its designee and the taking of any action to complete the Merger. The suit alleges that the Merger is contrary to the best interests of Trans Union and its public stockholders, and further alleges breach of fiduciary duty, waste of corporate assets, discriminatory tax treatment, self-dealing by directors and officers of Trans Union, conflict of interest, appropriation of corporate opportunity, and fraudulent conspiracy to manipulate corporate machinery. Named individually as defendants in the lawsuit were two members of the Pritzker family and eight of Trans Union's ten directors.

This litigation is described as a class action suit brought by Mr. Smith for himself and as representative of all other persons, other than the named defendants, who were record owners of Trans Union common stock prior to September 22, 1980, the date the Merger was announced. Trans Union believes that there is no merit to the suit and intends to contest it vigorously. Absent the issuance of an injunction (or the receipt of a more favorable offer to acquire Trans Union, as discussed above), Trans Union and GL intend to proceed with the Merger.

Business of Trans Union

Trans Union is a diversified holding company which conducts its operations entirely through its subsidiaries. Such subsidiaries are engaged primarily in the manufacture and full service leasing of railway cars, designing and manufacturing water and waste treatment equipment, overseas marketing of products, manufacturing and distributing fasteners and forged products, and providing information services through credit reporting bureaus. See "Business and Properties".

Selected Financial Information

In the fiscal year ended December 31, 1979, Trans Union had consolidated revenues of $922,552,000, consolidated income from continuing operations of $60,664,000 and net income of $58,248,000. Income per share from continuing operations was $5.01 and net income was $4.81. See "Consolidated Statement of Income".

	Years Ended December 31,			Nine Months Ended September 30,
	1977	1978	1979	1980
Income Statement:		(Dollars in Thousands)		
Net Sales and Services	$730,264	$772,706	$922,552	$787,172
Income from Continuing Operations	$ 48,018	$ 53,794	$ 60,664	$ 46,756
Net Income	$ 51,445	$ 50,554	$ 58,248	$ 46,756
Per Share:				
Income per Share of Common Stock:				
From Continuing Operations	$4.00	$4.52	$5.01	$3.75
Net Income	$4.29	$4.25	$4.81	$3.75

	Year Ended December 31, 1979	Nine Months Ended September 30, 1980
	(Dollars in Thousands)	
Balance Sheet (at end of period):		
Total Assets	$1,790,790	$2,023,773
Total Assets Less Goodwill of Acquired Businesses	$1,771,477	$2,004,900
Borrowed Debt	$ 992,800	$1,159,571
Stockholders' Equity	$ 322,751	$ 347,906

Price Range of Trans Union Common Stock

Trans Union common stock is traded on the New York Stock Exchange. Set forth below are the high and low sales prices per share (as reported for New York Stock Exchange transactions through January 23, 1976, and thereafter for New York Stock Exchange—Composite Transactions) for the periods indicated.

Period	High	Low
1975	$39½	$24¼
1976	37	29
1977	39⅛	32¼
1978	38¼	28¾
1979		
1st quarter	31¼	27¾
2nd quarter	34¼	29¼
3rd quarter	35⅞	33⅜
4th quarter	36	30
1980		
1st quarter	38¼	29½
2nd quarter	34¾	29⅞
3rd quarter (through September 19)	37½	32¾
3rd quarter (commencing September 22 through September 30)	52	49
4th quarter	58¼	49½
1981		
1st quarter (through January 16)	56⅜	52⅞

The closing sales price of Trans Union common stock on September 19, 1980 (the last trading day prior to the announcement of the Merger) was $37.25. The opening sales price of such common stock on September 22, 1980 (the first trading day after the announcement of the Merger) was $52.00. See "Price Range of Common Stock".

TRANS UNION CORPORATION
90 Half Day Road
Lincolnshire, Illinois 60015

Proxy Statement

INTRODUCTION

The proxy enclosed with this proxy statement is solicited by the Board of Directors of Trans Union Corporation ("Trans Union" or the "Company") for use at a Special Meeting of Stockholders of Trans Union to be held on February 10, 1981, and at any adjournment thereof. This proxy statement, the Notice of Special Meeting of Stockholders, and the enclosed form of proxy are first being mailed to stockholders of Trans Union on or about January 20, 1981. The shares represented by all validly executed proxies received in response to this solicitation will be voted at the Special Meeting. In the event that the Company receives another offer of the nature described under "Approval of Amended Merger Proposal; Solicitation of Other Offers" beginning on page 4 of this proxy statement, the Board of Directors will, however, provide the stockholders with an opportunity to reconsider their vote.

Any stockholder giving a proxy has the power to revoke it by filing with the Secretary of the Company a written notice of revocation or a duly executed proxy bearing a later date. The attendance at the meeting of a stockholder who may have theretofore given a proxy shall not have the effect of revoking such proxy unless the stockholder so attending shall, in writing, so notify the secretary of the meeting at any time prior to the voting of the proxy.

Trans Union's only outstanding class of voting securities is its common stock. As of December 19, 1980, there were 12,512,956 shares of Trans Union common stock issued and outstanding. Stockholders of record at the close of business December 19, 1980, will be entitled to vote at the Special Meeting.

All of the expenses of soliciting the proxy enclosed with this proxy statement, will be paid for by the Company. In the event that persons who hold stock for others forward copies of this material to the owners of such stock and request authority for execution of proxies, such persons may be reimbursed for both clerical and out-of-pocket expenses incurred in so doing. Solicitation of proxies may also be conducted by mail, by telephone or telegraph, or in person, by directors, officers, and regular employees of Trans Union. In addition, although no outside firm has yet been retained for the solicitation of proxies, it is anticipated that if any such firm is so retained, any fees involved would not exceed $10,000, plus out-of-pocket expenses.

PURPOSE OF SPECIAL MEETING; VOTING

Stockholders of the Company are being asked to approve and adopt the Agreement and Plan of Merger, pursuant to which New T Co. ("NTC"), a wholly-owned indirect subsidiary of GL Corporation ("GL"), would merge into Trans Union (the "Merger"). NTC is a Delaware corporation formed for the purpose of effecting the Merger. GL is a privately-held Delaware corporation beneficially owned by certain members of the Pritzker family of Chicago, Illinois, trusts primarily for the benefit of certain members of such family, and other entities controlled by such family members or trusts. As used herein, the term "Pritzker family" refers to the lineal descendants of Nicholas J. Pritzker, deceased (including, among others, Jay A. and Robert A. Pritzker, who are directors and the principal executive officers of GL), and certain of their spouses. Upon the Merger becoming effective, each outstanding share of Trans Union common stock will be converted into and exchanged for $55.00 in cash. Trans Union will then become a wholly-owned indirect subsidiary of GL.

Under Delaware law, approval of the Agreement and Plan of Merger requires the affirmative vote of a majority of the outstanding shares of Trans Union common stock, each share being entitled to one vote. Proxies received by Trans Union which do not expressly provide for a vote For or Against the Merger, or do not Abstain from the vote, will be voted For the Merger.

To the knowledge of Trans Union, no person beneficially owns 5% or more of the outstanding common stock of Trans Union.

Several trusts for the benefit of certain members of the Pritzker family (the "Trusts") have the right to acquire 1,000,000 authorized but unissued shares of Trans Union common stock; however, as of the date of this proxy statement, such shares had not been purchased, and, if purchased, they would not be eligible to vote at the Special Meeting. If the Board of Directors should for any reason set a new record date for a vote on the Merger or on any other matters submitted to the stockholders, the 1,000,000 shares will be eligible to vote if they are issued prior to such new record date. (See "Reasons for Merger—Recommendation of Board of Directors").

The directors and executive officers of Trans Union own less than 1.5% of the Company's outstanding common stock.

REASONS FOR MERGER—RECOMMENDATION OF BOARD OF DIRECTORS

Background

The common stock of Trans Union or its predecessor and principal subsidiary, Union Tank Car Company, has been traded on the New York Stock Exchange for more than 60 years. In each of those years the Company's operations have been profitable. In addition, the Company has paid regular cash dividends every year since 1914.

In the view of the Board of Directors of the Company, the prices at which the Company's common stock has traded in recent years have not reflected the inherent value of the Company. During the past decade, Trans Union's Income from Continuing Operations, Net Income, Income Per Share from Continuing Operations, and Net Income Per Share have generally increased at a substantial rate. Cash dividends have been steadily increased by the Board of Directors. However, during this period, as shown in the table below under "Reasons for Merger", the price range of the Company's common stock, despite some fluctuations, has remained essentially unchanged. (See also "Price Range of Common Stock.")

In September, 1980, Trans Union and GL entered into serious discussions as to the feasibility of GL acquiring Trans Union for a cash consideration which would be deemed fair and equitable by Trans Union's Board of Directors and would be so regarded by the stockholders. On September 19, 1980, GL agreed to enter into a $55.00 per share cash merger, subject to the condition that GL would have the right to terminate the proposed merger if it had not obtained satisfactory financing for the Merger by October 10, 1980. GL also required as a condition to its offer and as a part of the Merger proposal that Trans Union agree to sell to GL or its designee 1,000,000 authorized but unissued shares of the Company's common stock for $38.00 per share in cash, which was above the price level at which the Company's common stock had been trading over the preceding several months. (The closing price of the Company's common stock on September 19, 1980, was $37.25). The issuance of the additional 1,000,000 shares was also conditioned on GL having obtained satisfactory merger financing (subject to waiver by GL) by October 10, 1980.

As noted above, the additional 1,000,000 shares of Trans Union common stock has not been purchased as of the date of this proxy statement. Such purchase is not conditional upon consummation of the Merger. However, pursuant to an agreement dated November 17, 1980, between Trans Union and the Trusts, such shares must be purchased not later than February 10, 1980 (the date of the Special Meeting to vote on the Merger), on not less than 5 days prior written notice by the Trusts. GL has informed the Company that the condition relating to the purchase of the 1,000,000 shares was predicated upon GL's expectation that it would derive benefit after paying its costs (including those incurred in obtaining financing commitments for the Merger) if another entity acquired Trans Union.

GL also indicated that it expected the Trans Union Board of Directors to act upon the merger proposal promptly, and a special meeting of the Board was called for September 20, 1980. At the special meeting of the Board held on that date, the Board, after consideration of what the members considered the relevant factors referred to below under "Reasons for Merger", voted to approve the Merger and recommend it to the stockholders for their approval, subject to any future competing fiduciary obligation to stockholders.

Reasons for Merger

The primary reason for the decision of the Company's Board of Directors to approve and recommend the Merger was that the stockholders would obtain a substantial premium over the prices at which Trans Union's common stock has traded in recent years. Up to the date that the merger was announced, the stock sold in 1980 at an average price of only $33.88. On September 19, 1980, the last trading date before the announcement of the merger, the stock closed at $37.25. The table below presents basic information on the earnings, dividends and price per share of the Company's stock over the decade from 1970 through 1979.

	Income Per Share From Continuing Operations	Net Income Per Share	Cash Dividends Per Share	Average Price Per Share of Common Stock*
1970	$2.04	$2.39	$1.18	$30.06
1971	2.11	2.93	1.24	41.10
1972	2.33	2.61	1.30½	43.65
1973	2.68	2.93	1.38½	35.87
1974	2.86	3.13	1.50	34.44
1975	3.20	1.60	1.58	31.04
1976	3.21	3.85	1.68	33.17
1977	4.00	4.29	1.84	36.34
1978	4.52	4.25	2.02	34.30
1979	5.01	4.81	2.24	32.31

* Determined by dividing by twelve the simple average of the high and low sales prices during each month of each year.

The data in the foregoing table illustrates that the market price of the Company's shares has consistently failed to reflect the growth of the Company's earnings and dividends. The Board of Directors believes that, assuming reasonably favorable economic and financial conditions, the Company's prospects for further earnings growth are excellent. The Company's business plan prepared in July, 1980, contains projections which were furnished to GL, and by Salomon Brothers to other potential business combination entities as referred to below, and would indicate that its net income might increase to approximately $153,000,000 in 1985. Since most of the Company's income before income taxes is derived from its leasing operations (almost 80% in 1979), its future earnings will be largely dependent upon the success of such operations. The success of leasing operations, in turn, is dependent to a large extent upon general conditions such as levels of economic activity, interest rates, inflation and federal income tax laws, which are not predictable or controllable by the Company. For instance, record high interest rates in the early half and again in the latter part of 1980 had an adverse affect on 1980 earnings. In addition, it is possible that Congress will, in order to stimulate investment, amend the federal income tax laws to increase accelerated depreciation rates on new equipment in a manner that would require the Company to alter its leasing business. Because the Company's projections were based upon significantly lower than current interest rate assumptions and upon the continuance of current federal tax laws, it cannot be regarded as a meaningful prediction of earnings for future periods. Although for the foregoing reasons no meaningful predictions of earnings for future periods can be made, the history of the Company's common stock prices convinced the Board of Directors that even if the past pattern of earnings growth continues, there is no basis for confidence that it would result in a materially higher market price per share. The Board also considered the

intrinsic value of the Company's assets to be significantly greater than their book value of approximately $28.00 per share, but systematic liquidation of such a large and complex entity as Trans Union was simply not regarded as a feasible method of realizing its inherent values. The Board has concluded, therefore, that the only realistic means by which the stockholders can realize on the underlying value of their investment in the foreseeable future is through a business combination such as the proposed cash merger at $55 per share.

Approval of Amended Merger Proposal; Solicitation of Other Offers

Subsequent to the execution of the Agreement and Plan of Merger and the related agreements and the public announcement of the Merger, several members of Trans Union management stated that they believed that the $55.00 cash merger was not fair in view of the Company's underlying value and some stockholders indicated that a non-taxable transaction as distinguished from the taxable Merger could be more favorable to the stockholders. Such members of Trans Union management also stated that they would terminate their employment with the Company if the Merger were consummated. Most of such management members have indicated, since the Merger agreements were amended, that they have no intention of resigning whether or not the Merger is consummated. Since the Board of Directors of Trans Union had indicated that it supported seeking any proposal which would be more favorable to the stockholders of the Company so long as the opportunity to consummate the Merger would not be jeopardized by seeking a more favorable proposal, Trans Union management initiated discussions with GL to determine whether GL would be willing to amend the merger documents to permit Trans Union to seek a more favorable offer. GL indicated that, subject to limitations designed to provide it reasonable assurance that the Merger would be timely submitted to Trans Union stockholders, it would agree to such amendments. On October 8, 1980, the Company's Board of Directors authorized management to amend the merger documents so as to permit Trans Union to actively seek, through January 31, 1981, other offers for a business combination which might be more favorable to the stockholders than the Merger. In addition the Board authorized management to engage a firm of investment bankers to assist in obtaining such offers. After further discussions with GL, the Agreement and Plan of Merger and related agreements were so amended on October 9, 1980. (Such amendments, which bear the date October 10, 1980, are included as part of Appendix I attached hereto). The amendments did not affect the substantive terms of the Merger or the $55.00 per share cash merger price.

The amendments to the Agreement and Plan of Merger and related agreements were publicly announced on October 9, 1980. At the same time, it was announced that GL had obtained the financing commitments necessary to consummate the Merger and thus, Trans Union, as previously agreed, would sell to GL or its designee 1,000,000 authorized but unissued shares of the Company's common stock for $38 million. GL subsequently designated the Trusts as the purchaser of such shares. As stated above, as of the date of this proxy statement such shares have not yet been purchased.

In accordance with the Board's authorization, Trans Union management engaged the investment banking firm of Salomon Brothers to assist it in obtaining such offers. As compensation for its services, Salomon Brothers will receive a fee of ⅜ of 1% of the consideration paid to the Company or its stockholders if a business combination other than the Merger is consummated (3/16 of 1% if the business combination is other than the Merger but with an entity controlled by the Pritzker family) and will be reimbursed for its reasonable disbursements and expenses. If no business combination (other than the Merger) is consummated, Salomon Brothers will receive a fee of $500,000 for its services, but shall not be entitled to any reimbursement for its disbursements and expenses. Salomon Brothers did not participate in the negotiation of the Merger, nor does the involvement of Salomon Brothers require it to express any opinion whatsoever on the fairness of the Merger to the stockholders of Trans Union. Salomon Brothers has on numerous occasions rendered investment banking services to Trans Union and its subsidiaries, particularly Union Tank Car Company. After the announcement of the Merger on September 22, 1980, and prior to the commencement of discussions relating to its present engagement on October 8, 1980, Salomon Brothers acquired 203,800 shares of Trans Union common stock, which it continues to hold, at an average cost of $50.704 per share. Salomon Brothers

has in the past also rendered financial advisory and investment banking services to GL and its affiliates and to members of the Pritzker family.

Immediately after its engagement by the Company, Salomon Brothers began the preparation of a list of companies which might be interested in acquiring Trans Union. A list of over 100 companies was compiled, and each company on the list was contacted by Salomon Brothers. Several companies manifested serious interest, and the Company had extended discussions and exchanges of data with some of them. At the date this proxy statement is first being mailed to stockholders, no firm offer had been received. However, General Electric Credit Corporation has stated that it is considering whether to make by the end of January a firm offer to acquire Trans Union. Trans Union's management does not know whether such offer will be made or, if made, whether it would be for stock of General Electric Company or cash or a combination of both stock and cash or whether it would be a taxable transaction like the Merger or constitute a tax-free reorganization. If General Electric Credit Corporation does make a firm offer for the Company (or if a firm offer should be received from another entity) which might reasonably be deemed more favorable to the stockholders, the Board of Directors will promptly consider such offer. Whether or not the Board of Directors regards such offer as more favorable to the stockholders of Trans Union than the Merger or whether its recommendation of the Merger set forth below under "Recommendation of Board of Directors" is changed, it will provide the stockholders with information relative to the new offer and the position of the Board of Directors with respect thereto so that stockholders may consider such offer in determining how to vote or whether to change their vote. In the event that the Special Meeting of stockholders is not held by February 10, 1981, NTC may, at its option, terminate the Merger.

Recommendation of Board of Directors

The Board of Directors believes that the Merger is fair and equitable to the Company's stockholders and unanimously recommends that the stockholders approve the Merger. The members of the Board of Directors intend to vote their shares in favor of the Merger. At December 19, 1980, all directors and officers of the Company as a group owned shares entitling them to vote less than 1.5% of the shares entitled to vote at the Special Meeting.

PRICE RANGE OF COMMON STOCK

Trans Union common stock is traded on the New York Stock Exchange (such stock also trades on the London Stock Exchange and other domestic, regional exchanges where it has unlisted trading privileges). Set forth below are the high and low sales prices per share (as reported for New York Stock Exchange transactions through January 23, 1976, and thereafter for New York Stock Exchange—Composite Transactions) for the periods indicated.

Period	High	Low
1975	$39½	$24¼
1976	37	29
1977	39⅛	32¼
1978	38¼	28¾
1979		
1st quarter	31¼	27¾
2nd quarter	34¼	29¼
3rd quarter	35⅞	33⅜
4th quarter	36	30
1980		
1st quarter	38¼	29½
2nd quarter	34¾	29⅞
3rd quarter (through September 19)	37½	32¾
3rd quarter (commencing September 22 through September 30)	52	49
4th quarter	58¼	49½
1981		
1st quarter (through January 16)	56⅜	52⅞

The closing sales price of the Company's common stock on September 19, 1980 (the last trading day prior to the announcement of the Merger) was $37.25. The opening sales price of such common stock on September 22, 1980 (the first trading day after the announcement of the Merger) was $52.00.

PROPOSED MERGER

General Description of the Transaction

Pursuant to the terms of the Agreement and Plan of Merger, Trans Union would be merged with NTC, a wholly-owned indirect subsidiary of GL. Trans Union, which would be the surviving corporation in the Merger, would thus become a "sister" corporation to The Marmon Group, Inc., also owned by GL. The Merger will be governed by the Agreement and Plan of Merger, together with a related Supplemental Agreement, both as amended and included in Appendix I to this proxy statement, to which reference is hereby made. The summary descriptions contained herein are qualified in their entirety by reference to such documents in Appendix I.

The authorized capital stock of NTC consists of 1,000 shares of common stock without par value, all of which are owned indirectly by GL. Upon the Merger being consummated, the 1,000 shares of NTC outstanding immediately prior to the Merger would become 1,000 shares of "new common stock" of Trans Union. The presently issued and outstanding common stock of Trans Union (other than shares held by NTC) would be converted to cash, as explained below under "Conversion of Shares". The Trusts own approximately 110,000 shares of the Company's common stock as the result of a 1970 acquisition by Trans Union (and, as set forth above, have the right to acquire 1,000,000 additional shares) and the Company has been informed that it is intended that all such shares of such common stock owned by the Trusts will be contributed to NTC prior to the Effective Date.

Approval and adoption of the Agreement and Plan of Merger requires the affirmative vote of a majority of the outstanding shares of Trans Union common stock. If the transaction is approved, the Merger is expected to occur on February 10, 1981 (sometimes herein referred to as the "Effective Date"), following the vote of stockholders on the Merger.

Consummation of the Merger is also subject to a number of conditions in addition to stockholder approval. (See "Conditions to the Merger").

Conversion of Shares

Upon effectiveness of the Merger, each outstanding share of Trans Union common stock (other than shares owned by NTC) will be converted into and exchanged for $55.00 in cash. Each share of common stock held in Trans Union's treasury and by NTC will be cancelled.

Promptly following the Merger, The First National Bank of Chicago, as Exchange Agent, will mail to holders of record of the Company's common stock on the Effective Date a form of letter of transmittal for use in surrendering their stock certificates in order to receive the cash to which they will be entitled as a result of the Merger. No interest will be paid or accrued on the cash payable upon surrender of stock certificates. **CERTIFICATES REPRESENTING TRANS UNION COMMON STOCK SHOULD NOT BE SENT IN UNTIL AFTER RECEIPT OF NOTICE THAT THE MERGER HAS BECOME EFFECTIVE AND RECEIPT OF THE AFORESAID FORM OF LETTER OF TRANSMITTAL.**

On or before the Effective Date, GL will cause NTC to deposit with the Exchange Agent currently available cash funds (or the equivalent) in an amount sufficient to pay the $55.00 per share merger price. Any sums remaining with the Exchange Agent six months after the Effective Date shall be released to Trans Union, after which time persons entitled thereto may look only to Trans Union as a general creditor thereof for payment of their shares, subject to applicable escheat and other similar laws.

Trans Union Stock Options and Other Stock Commitments

As of December 31, 1980, options to purchase 174,224 shares of the Company's common stock were outstanding. In addition, the Company had as of that date certain other contingent and non-contingent forward commitments for the issuance of its common stock, including 13,861 shares covered under restricted stock awards to key employees, 3,600 shares issuable under an employment contract with a division executive, and approximately 10,300 shares under an installment payout arrangement made in connection with a past acquisition. (Information on options and restricted stock awards held by directors and officers of the Company is set forth on pages 28 and 29 of this proxy statement.)

It is planned that, immediately prior to the Merger, the Company will purchase all such outstanding options, regardless of whether currently exercisable, at a price equal to the difference between the option exercise price and the $55.00 per share to be received by all stockholders in the Merger. The remainder of the Company's outstanding forward commitments for the issuance of its common stock will be liquidated for cash on a basis satisfactory to the Company, GL, and the contract beneficiaries. If the Company's options and other forward stock commitments were not liquidated prior to the Merger, they would represent an undefined contractual right against the Company's assets and a potential minority interest which is unacceptable to GL.

Trans Union also has two profit sharing plans in which a number of Company employees participate. As of December 31, 1980, the profit sharing plan trusts held 611,776 shares of Trans Union common stock, and these shares together with any subsequent additions will, upon effectiveness of the Merger along with all other outstanding shares of such common stock (other than shares owned by NTC), be converted to cash at the rate of $55.00 per share. Since the profit sharing plans permit investment solely in Company stock (except for investment in certain government securities for temporary periods), the Company intends to amend both plans so as to make provision for other investment alternatives yet to be finally determined.

Income Tax Consequences

The Company has been advised by Sidley & Austin, special counsel to the Company, that the receipt of cash by the stockholders in exchange for shares of the Company's common stock pursuant to the Merger or pursuant to the exercise of appraisal rights will be a taxable transaction for Federal income tax purposes. A holder of the Company's common stock will recognize gain or loss measured by the difference between such stockholder's basis for the shares owned by such stockholder at the time of the Merger or at the time appraisal rights are satisfied, as the case may be, and the amount of cash received therefor. If the shares of the Company's common stock are capital assets in the hands of a stockholder, such gain or loss will be long-term capital gain or loss with respect to shares which, on the effective date of the Merger or on the date appraisal rights are satisfied, as the case may be, have been held for more than twelve months and short-term capital gain or loss with respect to shares which have been so held for twelve months or less.

Under current Federal income tax law, a noncorporate stockholder is entitled to deduct from gross income 60% of the net capital gain (the excess of net long-term capital gain over net short-term capital loss) for the taxable year. The deductible portion of such net capital gain (excluding any gain realized on the sale of a personal residence) is a tax preference item for purposes of computing the alternative minimum tax, which may result in additional tax liability depending upon each stockholder's particular tax situation. There are special limitations on the amount of capital loss which may be deducted in a taxable year.

The foregoing summary is not a complete description of the possible Federal income tax consequences of the Merger or exercise of appraisal rights. In addition, state and local tax consequences of the transaction are not discussed. Accordingly, stockholders are urged to consult their own tax advisors with respect to the tax consequences of the transaction.

Appraisal Rights

Pursuant to the Delaware General Corporation Law, any stockholder who does not wish to accept the cash merger price of $55.00 per share may dissent from the Merger and elect to have the value of the shares of common stock owned by such stockholder on the Effective Date (exclusive of any element of value arising from the accomplishment or expectation of the Merger) judicially determined and paid to such stockholder, provided that such stockholder complies with the requirements of Section 262 of the Delaware General Corporation Law.

The following is a brief summary of the statutory procedures to be followed by a holder of common stock in order to perfect appraisal rights under Section 262 and is qualified in its entirety by reference to Section 262, the text of which is attached to this proxy statement as Appendix II.

If any holder of common stock elects to dissent from the Merger and demand appraisal, such holder must satisfy each of the following conditions:

(i) such holder must deliver a written demand for appraisal of the shares owned by such holder to Trans Union before the taking of the vote with respect to the Merger (this written demand for appraisal of shares must be in addition to and separate from any proxy or vote against the Merger—neither voting against nor failure to vote in favor of the Merger will constitute a demand for appraisal within the meaning of Section 262); and

(ii) such holder must not vote in favor of the Merger (a failure to vote will satisfy this requirement, but a vote in favor of the Merger, by proxy or in person, will constitute a waiver of such holder's right of appraisal and will nullify any previously filed written demand for appraisal).

If any stockholder fails to comply with either of these conditions and the Merger becomes effective, such stockholder will be entitled to receive the $55.00 per share provided for in the Agreement and Plan of Merger, but will have no appraisal rights.

All written demands for appraisal should be delivered to Trans Union Corporation, 90 Half Day Road, Lincolnshire, Illinois 60015, Attention: William B. Moore, Secretary, before the taking of the vote on the Merger at the Special Meeting of Stockholders, and should be executed by, or on behalf of, the holder of record. Such demand must reasonably inform Trans Union of the identity of the stockholder and of the intention of the stockholder to demand the appraisal of the shares owned by such stockholder. To be effective, the demand must be made by or for the registered stockholder, fully and correctly, as such stockholder's name appears on his stock certificates and cannot be made by the beneficial owner if the shares are not also held of record. The beneficial owner must, in such cases, have the registered owner submit the required demand in respect of such shares.

If common stock is owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a demand for appraisal should be made in such capacity; and if the stock is owned of record by more than one person, as in a joint tenancy or tenancy in common, such demand should be executed by or for all owners. An authorized agent, including one of two or more joint or common owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, such person is acting as agent for the record owner. A record owner, such as a broker, who holds common stock as a nominee for others, may exercise the right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising such right for other beneficial owners. In such case, the written demand should set forth the number of shares as to which appraisal is sought. Where no number of shares is expressly mentioned, the demand will be presumed to cover all shares held in the name of such record owner.

Within ten days after the Effective Date, Trans Union must give written notice that the Merger has become effective to each Stockholder who so filed a written demand for appraisal prior to the Merger and who did not vote in favor of the Merger. Within 120 days after the Effective Date, but not thereafter, either Trans Union or any stockholder entitled to appraisal rights under Section 262 may file a petition in the Delaware Court of Chancery demanding a determination of the value of

the stock of all stockholders entitled to appraisal. Since Trans Union has no obligation to file such a petition and has no present intention of doing so, the failure of a stockholder to do so within the period specified would in all likelihood nullify such stockholder's previous written demand for appraisal. At any time within 60 days after the Effective Date, any stockholder who has demanded appraisal of his shares has the right to withdraw such demand and to accept the payment of $55.00 per share.

If a petition for appraisal described above is duly filed by a Trans Union stockholder and a copy thereof is delivered to Trans Union, Trans Union will then be obligated within ten days to provide the Delaware Court of Chancery Register with a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by Trans Union. After notice to such stockholders, the Court of Chancery is empowered to conduct a hearing upon the petition, to determine those stockholders who have complied with Section 262 and who have become entitled to appraisal rights under that section. The Court may require the stockholders who demanded payment for their shares to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the court may dismiss the proceedings as to such stockholder.

After determination of the stockholders entitled to an appraisal, the Court of Chancery shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the Merger. When the value is so determined, the Court will direct the payment by Trans Union of such value, with interest thereon if the Court so determines, to the stockholders entitled to receive the same, upon surrender to Trans Union by such stockholders of the certificates representing such common stock.

Costs of the appraisal proceeding may be taxed upon the parties thereto (i.e., Trans Union and the stockholders participating in the appraisal proceeding) by the Court as the Court deems equitable in the circumstances. Upon the application of Trans Union or any stockholder, the Court may determine the amount of interest, if any, to be paid upon the value of the stock of the stockholders entitled thereto. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal.

Conditions to the Merger

Under the Agreement and Plan of Merger, there are a number of conditions to the obligations of the parties to consummate the Merger, including the following: (a) the requisite vote of the stockholders of Trans Union, as discussed above, (b) the correctness, both on the date of the Agreement and Plan of Merger and on the Effective Date, of certain representations, warranties and covenants made by NTC, GL or Trans Union relating, among other things, to corporate status, capitalization, claims and liabilities, and accuracy of information furnished in connection with the Merger; (c) the absence of any material adverse change in the assets, liabilities, properties, business or financial condition of Trans Union and its subsidiaries taken as a whole; (d) the number of shares of Trans Union common stock in respect of which stockholders have filed written objections to the Merger seeking to exercise dissenters' appraisal rights not being in the aggregate 5% or more of the total number of issued and outstanding shares of Trans Union common stock entitled to vote on the Merger; (e) the absence of certain litigation, proceedings and investigations; (f) the delivery of certain certificates and closing paper; and (g) the obtaining of any required U.S. governmental consents and approvals, and the absence of any disapproval of the transaction under the Canadian Foreign Investment Review Act.

Litigation Relating to the Merger

On December 19, 1980, Alden Smith, a Trans Union stockholder, filed suit in the Delaware Court of Chancery against Trans Union, GL, NTC, and The Marmon Group, Inc., together with certain of

their respective directors and officers, seeking to enjoin issuance of any additional shares of Trans Union common stock to the Trusts or the defendants, to enjoin the taking of any action to complete the Merger, to rescind the issuance of such shares, if already issued, or award damages with respect thereto, or, alternatively, if such shares have been issued, to prohibit the voting thereof. The suit alleges that the Merger is contrary to the best interests of Trans Union and its public stockholders, and further alleges breach of fiduciary duty, waste of corporate assets, discriminatory tax treatment, self-dealing by directors and officers of Trans Union, conflict of interest, appropriation of corporate opportunity, and fraudulent conspiracy to manipulate corporate machinery. The following persons were named individually as defendants: J. A. Pritzker and R. A. Pritzker (who serve as directors and/or officers of GL, New T Co. and The Marmon Group, Inc.); J. W. Van Gorkom, B. S. Chelberg, and T. P. O'Boyle (who serve as directors and officers of Trans Union); and W. B. Johnson, J. B. Lanterman, G. J. Morgan, R. W. Reneker, and W. A. Wallis (who serve as directors of Trans Union).

This litigation is described as a class action suit brought by Mr. Smith for himself and as representative of all other persons, other than the named defendants, who were record owners of Trans Union common stock prior to September 22, 1980, the date the Merger was announced.

As noted elsewhere in this proxy statement, the 1,000,000 authorized but unissued shares of Trans Union common stock which Trans Union is obligated to sell to GL or its designee (i.e., the Trusts) have not been purchased as of the date of this proxy statement. Accordingly, because the shares were not issued on December 19, 1980, which is the record date for stockholders entitled to vote on the Merger, such shares would not, even if they are subsequently issued, be entitled to vote on the Merger unless the stockholder's meeting is postponed beyond February 17, 1981, and such shares are issued before a new record date is set. Insofar as the remainder of the claims in the lawsuit are concerned, Trans Union believes that there is no merit to the suit as it pertains to the Merger and Trans Union intends to contest it vigorously. Absent the issuance of an injunction (or the receipt of a more favorable offer to acquire Trans Union, as discussed above), Trans Union and GL intend to proceed with the Merger.

Waivers; Modifications; Termination

As mentioned above, under the terms of the Agreement and Plan of Merger, as amended, Trans Union is permitted to actively solicit, through January 31, 1981, other offers for the Company which the Board of Directors might view as being more favorable to Trans Union stockholders.

The receipt by the Board of Directors of another offer which it considers to be more favorable to the stockholders would not necessarily, of itself, permit the Company to terminate the Merger. The Merger can be terminated by Trans Union only if a definitive agreement has been signed with another party and if the other offer has a value in excess of $55.00 per share and is subject to no conditions other than stockholder approval by both parties and the absence of a court order restraining consummation of the transaction. In case another offer deemed by the Board to be more favorable to the stockholders does not meet these conditions, GL has the option of terminating the Merger or requiring Trans Union to present the Merger to the stockholders along with the new offer. If the Company receives another offer which the Board deems to be more favorable to the stockholders, it would not be able to present such offer to the stockholders at the same time as the proposed Merger. Regardless of whether the Board regards such other offer as more favorable to the stockholders than the proposed Merger or whether its recommendation of the Merger is changed, it will provide the stockholders with information relative to the new offer and the position of the Board of Directors with respect thereto so that stockholders may consider such offer in determining how to vote or whether to change their vote.

At any time prior to the time the Merger is consummated, whether before or after approval thereof by Trans Union stockholders, either NTC or Trans Union may, by written agreement, (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations or warranties of the other (or in the case of Trans Union, GL) contained in the Agreement and Plan of Merger or the related agreements, (c) waive compliance with any of the covenants or agreements of the other party (or, in the case of Trans

Union, GL) contained in such agreements, and/or (d) make any other modification of the Agreement and Plan of Merger or the related agreements which may be approved by the Board of Directors of NTC and Trans Union; provided, however, that no such modification may alter the nature of the consideration to be received by Trans Union stockholders of $55.00 per share in cash.

The Agreement and Plan of Merger may be terminated at any time prior to consummation of the Merger, whether before or after the approval thereof by Trans Union stockholders, in the event any condition to the Merger (including any of the conditions thereto referred to above under "Conditions to the Merger") shall fail to be met and in the event the party entitled to the benefit of such condition shall elect to terminate the Agreement and Plan of Merger rather than to waive the requirements of such condition. The Agreement and Plan of Merger may also be terminated and the Merger may be abandoned at any time prior to consummation thereof (a) by mutual consent of the Board of Directors of NTC and the Board of Directors of Trans Union, or (b) by the Board of Directors of NTC if Trans Union stockholders shall not have approved the Merger on or before March 31, 1981, or if the Merger shall not have been consummated by that date.

INFORMATION CONCERNING NTC AND GL AND ACTIONS TO BE TAKEN AFTER MERGER

Information on NTC and GL

New T Co., a Delaware corporation with its principal office at 39 South LaSalle Street, Chicago, Illinois 60603, was recently organized as a wholly-owned indirect subsidiary of GL solely for purposes of effecting the proposed Merger. It has engaged in no business activities other than those related to the Merger.

GL, a Delaware corporation with its principal office at 39 South LaSalle Street, Chicago, Illinois 60603, is a private company wholly-owned, directly and indirectly through trusts and other entities, by the Pritzker family. GL has investments in several public and private companies, including The Marmon Group, Inc., which is engaged principally in diversified manufacturing and distribution activities. All of the outstanding common stock and 82% of the voting rights of The Marmon Group, Inc. are held by GL.

Source and Amount of Funds

The cash funds necessary to acquire all of the outstanding shares of common stock of Trans Union (other than those owned by the Trusts) will aggregate approximately $700,000,000. Of such amount, a total of $600,000,000 will be borrowed by affiliates of GL, under two separate loan agreements, and ultimately contributed to the capital of NTC. The balance of the required funds will be obtained from internally generated sources of GL and other Pritzker family entities. GL has represented to the Company in the Supplemental Agreement included in Appendix I that its principal subsidiary, The Marmon Group, Inc., which is in part a publicly held corporation, has a net worth in excess of $300,000,000.

One of the loans referred to above is in the aggregate principal amount of $450,000,000. The lenders and their respective commitments are Continental Illinois National Bank and Trust Company of Chicago ($75,000,000), Citicorp (USA), Inc. ($100,000,000), Manufacturers Hanover Trust Company ($100,000,000), Bank of America National Trust and Savings Association ($50,000,000), The First National Bank of Chicago ($50,000,000), Marine Midland Bank ($30,000,000), Wells Fargo Bank, N.A. ($30,000,000), and First National Bank in St. Louis ($15,000,000). The terms of such loan provide for interest at the rate of 14% per year, payable quarterly. The principal of such loan will be repayable in 21 quarterly installments of varying amounts (together with interest as aforesaid) with a "balloon" payment of $135,000,000 at the end of such period. Such bank loan will be secured by a pledge of (1) all of the common stock of Trans Union, and (2) all of the common stock of The Marmon Group, Inc.; provided, however, that the pledge of the common stock of The Marmon Group, Inc. will be released under certain circumstances after $150,000,000 principal amount of this loan has been repaid. The requirement of the lenders to make the foregoing loan expires on March 31, 1981.

The other loan referred to above, in the principal amount of $150,000,000, will be borrowed under a credit agreement under which the lenders are Continental Illinois Corporation ($75,000,000) and Citibank, N.A. ($75,000,000), which provides for a revolving loan period through September 30, 1983. Thereafter, the balance of this loan is convertible to a term loan repayable in eight semi-annual installments of varying amounts commencing March 15, 1984. The interest rate on such loan during the revolving period is 105% of the prime rate, or if certain options are exercised, ½ of 1% in excess of the London Interbank Offered Rate (LIBOR). During the term loan period the interest rate is, at the option of the borrower, either (1) 105% of the sum of (a) ¼ of 1% plus (b) the prime rate, or (2) ¾ of 1% in excess of LIBOR.

The obligations of the various lenders to fund the loans referred to above are subject to conditions relating, among other things, to the absence of material adverse change in the business and financial condition of Trans Union and other conditions which are common in transactions of this type.

It is anticipated that the $450,000,000 loan will be repaid primarily out of the cash flow available from operations of Trans Union after the Merger and the other loan will be repaid out of the cash flow available from operations of affiliates of GL. In this regard, while no definite arrangements or plans have yet been made, it can be expected that after the Merger, certain of Trans Union's operations will be disposed of and the proceeds therefrom utilized to repay a portion of the $450,000,000 loan. It is not believed that any such disposals would materially change the basic business or properties of Trans Union.

Operations After the Merger

It is contemplated that after the Merger Trans Union will be operated as a wholly-owned indirect subsidiary of GL in substantially the same manner as it is presently operated. It is anticipated that substantially all of the officers and employees of Trans Union will continue to perform the functions presently performed by them. GL believes that, after consummation of the Merger, it should be able to take greater advantage of the tax benefits inherent in Trans Union's operations by utilizing taxable income generated by other members of the GL consolidated tax group. In addition, GL intends to study the restructuring of Trans Union to determine whether additional tax benefits, primarily from an increase in the tax basis of depreciable assets (offset by depreciation and investment tax credit recapture), can be achieved.

CAPITALIZATION

The following table shows the capitalization of Trans Union and its consolidated subsidiaries as of September 30, 1980:

	(Dollars in thousands)
Borrowed Debt(A):	
Due Within One Year	$ 176,675
Long-term Borrowings	803,048
Interim Financing	179,848
Total Borrowed Debt	$1,159,571
Deferred Items:	
Federal Income Taxes	$ 244,050
Investment Tax Credit	47,450
Total Deferred Items	$ 291,500
Stockholders' Equity:	
Preferred Stock, $1 par value (5,000,000 shares authorized, none issued)	$ —
Common Stock, $1 par value (20,000,000 shares authorized, 12,529,258 shares issued)	12,529
Additional Capital	82,317
Retained Earnings	253,903
Reacquired Common Stock (23,155 shares, at cost)	(843)
Total Stockholders' Equity	$ 347,906
Total Borrowed Debt, Deferred Items, and Stockholders' Equity	$1,798,977

(A) Borrowed Debt consists of the following:	(Dollars in thousands)
Equipment Obligations (secured by rail cars)	$ 559,226
Vessel Financing Notes (secured by vessels)	70,167
Sinking Fund Debentures	11,778
Bank Term Loans	138,430
Other Long Term Borrowings	95,807
Short Term Borrowings	284,163
	$1,159,571

Information as to maturities, interest rates and other terms and conditions is summarized in Notes 2, 3 and 4 to the Consolidated Financial Statements.

TRANS UNION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

The following consolidated statement of income of Trans Union and subsidiaries for the five years ended December 31, 1979, has been examined by Arthur Andersen & Co., independent public accountants, as set forth in their report included elsewhere in this proxy statement. The consolidated statement of income for the nine month periods ended September 30, 1979 and September 30, 1980 (including the related notes and summary of accounting principles and practices), has not been examined by independent public accountants, but in the opinion of the Company, includes all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for such periods. Operating results for the nine months ended September 30, 1980 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 1980. This statement should be read in conjunction with the accompanying notes and the consolidated financial statements and notes thereto and the summary of accounting principles and practices which appear elsewhere in this proxy statement.

	For the Year Ended December 31					Nine Months Ended September 30 (Unaudited)	
	1975	1976	1977	1978	1979	1979	1980
	(Dollars in Thousands)						
Revenues:							
Net Sales	$314,244	$386,113	$452,182	$464,119	$556,336	$391,105	$466,666
Services	211,343	244,158	278,082	308,587	366,216	266,574	320,506
	$525,587	$630,271	$730,264	$772,706	$922,552	$657,679	$787,172
Other Income	26,574	22,699	20,200	29,249	33,196	22,940	24,637
	$552,161	$652,970	$750,464	$801,955	$955,748	$680,619	$811,809
Costs and Expenses:							
Cost of Sales	$245,686	$300,774	$350,196	$355,646	$437,981	$309,606	$357,477
Cost of Services	103,210	123,779	144,987	162,562	177,104	130,978	149,679
Selling, General and Administrative Expenses	83,976	104,049	114,043	124,405	152,266	109,433	134,232
Interest Expense	58,337	60,232	58,790	65,428	89,873	63,060	92,995
	$491,209	$588,834	$668,016	$708,041	$857,224	$613,077	$734,383
Income Before Income Taxes	$ 60,952	$ 64,136	$ 82,448	$ 93,914	$ 98,524	$ 67,542	$ 77,426
Provision for Income Taxes:							
Current	$ 9,920	$ 10,020	$ 14,460	$ 24,980	$ 16,310	$ 11,980	$ 8,920
Deferred	12,450	16,850	19,380	10,980	7,960	4,640	10,990
Investment Tax Credit	2,812	33	590	4,160	13,590	10,270	10,760
	$ 25,182	$ 26,903	$ 34,430	$ 40,120	$ 37,860	$ 26,890	$ 30,670
Income From Continuing Operations	$ 35,770	$ 37,233	$ 48,018	$ 53,794	$ 60,664	$ 40,652	$ 46,756
Income (Loss) From Discontinued Operations, Net of Applicable Income Taxes	(17,873)	7,424	3,427	(3,250)	(2,416)	(2,416)	—
Net Income	$ 17,897	$ 44,657	$ 51,445	$ 50,544	$ 58,248	$ 38,236	$ 46,756
Income Per Share of Common Stock:							
From Continuing Operations	$ 3.20	$ 3.21	$ 4.00	$ 4.52	$ 5.01	$ 3.38	$ 3.75
Net Income	$ 1.60	$ 3.85	$ 4.29	$ 4.25	$ 4.81	$ 3.18	$ 3.75
Dividends Per Share of Common Stock	$ 1.58	$ 1.68	$ 1.84	$ 2.02	$ 2.24	$ 1.65	$ 1.83
Average Number of Shares Outstanding (in thousands)	11,179	11,606	11,978	11,895	12,120	12,024	12,466

TRANS UNION CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENT OF INCOME

(Data with respect to the nine months ended September 30, 1979 and September 30, 1980 have not been examined by independent public accountants.)

A. Income Per Share

Income per share amounts have been computed on the basis of the weighted-average number of shares outstanding after adjustment for poolings of interests.

B. Acquisition and Divestiture of Businesses

1. *Discontinued Operations*

During 1979, the Company distributed to its shareholders, by a dividend in kind, 2,417,331 shares of International Shipholding Corporation (ISC) common stock. The distribution was on the basis of one share of ISC common stock held for each five shares of Trans Union's stock held. The transaction has been accounted for as a spin-off and is effective for accounting purposes as of March 31, 1979. The operations of ISC, primarily the direct operation of ocean vessels, and the chartering in of vessels for servicing the bulk trades, which was a former activity of this shipping operation, are included in the accompanying consolidated statement of income as "discontinued operations."

A summary of the results of discontinued operations for the years 1975-1978 and the three months ended March 31, 1979, is as follows:

	Revenues	Income (Loss) Before Tax	Net Income (Loss)
		(Dollars in thousands)	
1975	$115,084	$(21,118)	$(17,873)
1976	140,417	12,208	7,424
1977	168,837	4,385	3,427
1978	128,975	(8,460)	(3,250)
Three Months Ended March 31, 1979	28,653	(5,281)	(2,416)

The provisions for income tax charged (credited) to discontinued operations result in effective tax rates which are lower than the U.S. ordinary income tax rate primarily because of foreign income (losses) in jurisdictions which are subject to tax at lower rates.

2. *Poolings of Interests*

During the period 1975 to September 30, 1980 the Company acquired the following businesses in poolings of interests transactions:

Year	Business	Principal Activity	Number of Trans Union Shares Issued
1980	White Machinery Corporation	Manufacture of heavy duty rail car movers	59,993
1979	World Computer Corporation	Sale and lease of in-house computer systems	313,565
1978	Medical Computer Systems, Inc.	Specialized computer services	408,278
1978	Rochester Instrument Systems, Inc.	Manufacture of electronic process equipment	423,444
1977	Medx, Inc.	Marketing of used medical equipment	38,852
1977	Metric Resources Corporation	Rental of electronic equipment	242,165
1976	Dell Fastener Corporation	Distribution of fasteners	45,304
1975	New Century Freight Traffic Association, Inc.	Freight invoice auditing	52,000

The accompanying consolidated statement of income has been restated to include the accounts of the 1978 pooled companies for the periods prior to their respective acquisitions. The net sales and service revenues included for these pooled companies in the financial statements for the periods before the combinations were $20,211,000, $23,969,000, $28,263,000 and $3,575,000, respectively, for the years 1975-1978. Similarly, net income amounts included for these pooled companies for the same periods were $1,464,000, $1,902,000, $2,094,000 and $423,000, respectively.

The accompanying consolidated statement of income has not been restated to include the accounts of the remaining pooled companies (all except 1978 poolings) for the years prior to their respective acquisitions because the effect on such statement would be insignificant.

3. *Purchase Acquisitions*

During the period 1975 to September 30, 1980, significant purchase acquisitions were as follows:

Year	Business	Principal Activity	Number of Trans Union Shares Issued	Purchase Price
1979	Wagon Repairs Limited	Repair of rail cars in U.K.	—	$ 9,329,000
1979	Solidstate Controls, Inc.	Manufacture of uninterruptible power supply systems	138,727	3,669,000
1978	Atlas Bolt & Screw Company	Manufacture of rail cars for industrial plant use; produce and distribute specialized fasteners	649,962	14,788,000
1977	Republic Car Line, Inc.	Lease rail cars	148,191*	4,275,000
1975	Muller & Phipps International Corporation	International marketing services	341,165	7,590,065
1975	Frank Speno Railroad Ballast Cleaning Company, Inc.	Rail grinding and ballast cleaning services for railroads	317,230	7,227,157

* plus additional shares in quarterly installments through 1981 equivalent to approximately $755,000 in market value.

The accounts of the aforementioned purchased companies are included in the accompanying consolidated statement of income from the respective dates of acquisition.

During 1977 the Company also acquired all the outstanding minority-held shares (approximately 15%) of Ecodyne Corporation in exchange for 332,870 shares of the Company's common stock.

C. Interest Charged to Asset Accounts

The Company capitalizes interest on ocean vessels and condominium projects during construction to more closely reflect the actual economics of such transactions and to provide a proper matching of the costs with the revenues to be derived from the related assets. Also, during certain periods interest has been capitalized on certain tracts of land held for resale. Interest capitalized for the years 1975-1979 was $2,021,000, $779,000, $408,000, $407,000, and $515,000, respectively. Interest capitalized for the nine month periods ending September 30, 1979 and 1980 was $358,000 and $909,000, respectively.

D. Rail Car Salvage Values

As of April 1, 1979, the Company revised its estimates of salvage values for certain rail cars to reflect more realistic scrap values. This change, which will result in reduced depreciation expense on a prospective basis, increased net income for 1979 by approximately $1,500,000.

E. Other Income

Other income for the years 1977, 1978 and 1979 and interim periods ended September 30, 1979 and 1980, consisted of the following:

	Years Ended December 31			Nine Months Ended September 30	
	1977	1978	1979	1979	1980
	(Dollars in Thousands)				
Earned income from finance lease assets	$10,137	$ 9,981	$10,326	$ 7,748	$ 8,536
Net income from finance lease subsidiaries	3,199	3,891	4,561	3,475	2,749
Gain on sale of condominium project	—	5,328	—	—	—
Interest income	3,685	5,683	9,391	6,103	10,395
Foreign currency exchange adjustments	(971)	(1,827)	(1,635)	(966)	(3,065)
Equity in net income of 20-50% owned companies	1,017	743	594	475	252
Minority interest in income of subsidiaries	(443)	—	—	—	—
Gain on retirement of debt	732	1,061	716	561	1,931
Gain on sale of vessels	—	—	4,379	4,379	1,439
Gain on sale of cranes	—	1,965	526	349	193
Gain on sale of real estate	—	—	1,991	—	—
Royalties and other, net	2,844	2,424	2,347	816	2,207
	$20,200	$29,249	$33,196	$22,940	$24,637

F. Income Taxes

1. The total provision for income taxes differed from the hypothetical amount obtained by multiplying income before taxes by the U.S. ordinary income tax rate as follows:

	Years Ending December 31			Nine Months Ended September 30	
	1977	1978	1979	1979	1980
	(Dollars in Thousands)				
Income Before Taxes	$82,448	$93,914	$ 98,524	$67,542	$77,426
Hypothetical provisions (48% in 1977 and 1978; 46% in 1979 and 1980)	$39,575	$45,079	$ 45,321	$31,069	$35,616
Provision as reported	34,430	40,120	37,860	26,890	30,670
Difference	$ 5,145	$ 4,959	$ 7,461	$ 4,179	$ 4,946

	Years Ending December 31			Nine Months Ended September 30	
	1977	1978	1979	1979	1980
	(Dollars in Thousands)				
The difference is due to the following:					
Differences due to foreign income in jurisdictions subject to tax at lower rates	$ 3,271	$ 2,270	$ 3,810	$ 2,147	$ 1,823
Difference resulting from net income of nonconsolidated finance-lease subsidiaries included in income on an after tax basis	1,437	1,703	2,098	1,598	1,264
Difference resulting from amortization of investment tax credit	551	671	1,080	691	1,512
Other net	(114)	315	473	(257)	347
	$ 5,145	$ 4,959	$ 7,461	$ 4,179	$ 4,946

The provision for income taxes for the years 1975 through 1979 consists of the following:

Years Ended December 31	State	Foreign			Federal			Total
		Current	Deferred	Investment Tax Credit	Current	Deferred	Investment Tax Credit	
	(Dollars in Thousands)							
1975	$1,521	$4,045	$8,100	—	$ 4,354	$ 4,350	$ 2,812	$25,182
1976	2,028	4,780	5,160	(1)	3,212	11,690	34	26,903
1977	2,720	2,720	4,240	—	9,020	15,140	590	34,430
1978	3,680	5,782	3,788	10	15,518	7,192	4,150	40,120
1979	2,761	4,596	8,358	2,259	8,953	(398)	11,331	37,860

The provision for income taxes for the interim periods for 1979 and 1980 consist of the following:

Nine Months Ended September 30	State	Foreign			Federal			Total
		Current	Deferred	Investment Tax Credit	Current	Deferred	Investment Tax Credit	
	(Dollars in Thousands)							
1979	$2,205	$4,580	$5,839	$ —	$ 5,195	$(1,199)	$10,270	$26,890
1980	2,702	4,221	7,728	1,882	1,997	3,262	8,878	30,670

State income taxes are substantially all current.

2. Details of the deferred tax provisions by type of timing difference are as follows:

	Years Ending December 31			Nine Months Ended September 30	
	1977	1978	1979	1979	1980
	(Dollars in Thousands)				
Excess of tax over book depreciation	$14,599	$14,866	$15,449	$10,818	$23,191
Investment tax credit	4,056	(680)	(3,960)	(5,080)	(12,410)
Contracts and warranties	2,202	532	(3,080)	(403)	191
All other	(1,477)	(3,738)	(449)	(695)	18
	$19,380	$10,980	$ 7,960	$ 4,640	$10,990

G. Supplementary Profit and Loss Information

	For the Year Ended December 31			For the Nine Months Ended September 30	
	1977	1978	1979	1979	1980
	(Dollars in Thousands)				
Maintenance and repairs	$36,700	$51,000	$53,500	$38,300	$44,400
Taxes, other than taxes on income	$11,400	$15,500	$17,500	$11,000	$12,600

The respective amounts of royalties, advertising and research and development costs are less than 1% of consolidated revenues from net sales and services.

H. Lease and Rental Expense

Rentals under long term leases for space and equipment charged to costs and expenses of continuing operations were approximately $13,700,000 in 1975, $16,000,000 in 1976, $16,000,000 in 1977, $19,800,000 in 1978, $19,100,000 in 1979, and for the nine months ended September 30, 1979 and 1980, $13,700,000 and $16,700,000, respectively.

I. Interim Financial Data (Unaudited)

Quarterly financial data (in thousands of dollars except for per share amounts) for 1978, 1979 and 1980 are summarized as follows:

	Three Months Ended			
	March 31	June 30	September 30	December 31
1978				
Net Sales and Service Revenues	$179,581	$187,538	$193,089	$212,498
Cost of Sales and Services	122,944	120,606	133,303	141,355
Income from Continuing Operations	13,351	14,318	11,518	14,607
Net Income	12,783	14,142	10,065	13,554
Per Share—				
Continuing Operations	1.13	1.20	.97	1.22
Net Income	1.09	1.18	.84	1.14
1979				
Net Sales and Service Revenues	$201,157	$230,429	$226,093	$264,873
Cost of Sales and Services	133,993	157,845	148,746	174,501
Income from Continuing Operations	11,125	14,668	14,859	20,012
Net Income	8,709	14,668	14,859	20,012
Per Share—				
Continuing Operations	.93	1.22	1.23	1.63
Net Income	.73	1.22	1.23	1.63

TRANS UNION CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENT OF INCOME—(Continued)

	Three Months Ended		
	March 31	June 30	September 30
1980			
Net Sales and Service Revenues	$241,973	$260,149	$285,050
Cost of Sales and Services	153,156	167,669	186,331
Income from Continuing Operations	14,681	12,899	19,176
Net Income	14,681	12,899	19,176
Per Share—			
Continuing Operations	1.18	1.04	1.53
Net Income	1.18	1.04	1.53

J. Net Book Value Per Share

The net book value per share of common stock outstanding (less shares held as treasury stock) at September 30, 1980, was $27.82. Trans Union has agreed to sell 1,000,000 authorized but unissued shares of common stock to GL Corporation or its designee for $38.00 per share. Including these shares on a pro-forma basis, the net book value per share of common stock would be $28.57.

K. Reclassification

Amorization of deferred Investment Tax Credit has been classified in "Other Income" in previous reports. This item has been reclassified to the "Provisions for Income Taxes—Investment Tax Credit" in this report. The amounts so reclassified were $918,000, $1,027,000, $1,060,000, $1,290,000, and $2,000,000 for the years 1975, 1976, 1977, 1978 and 1979, respectively and $1,280,000 and $2,800,000 for the nine-month periods ended September 30, 1979, and 1980, respectively.

Gains on reacquisitions of debt instruments resulting from sinking fund operations have been classified as a reduction of interest expense in previous reports. This item has been reclassified to "Other Income" in this report. The amounts so reclassified were $1,129,000, $822,000, $732,000, $1,061,000, and $716,000 for the years 1975, 1976, 1977, 1978 and 1979, respectively and $561,000 and $1,931,000 for the nine-month periods ended September 30, 1979 and 1980, respectively.

TRANS UNION CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED STATEMENT OF INCOME

Discussion and Analysis for the Most Recent Years

Earnings per share from Trans Union's continuing operations in 1979 were $5.01, up 10.8% from the $4.52 earned in 1978. The 1978 results from continuing operations were 13.0% over 1977. Additionally, the earnings improvement in both years would have been significantly better had it not been for losses incurred in cooling tower construction activities. During 1979, the decision was made to phase out this business; as a result, future earnings should benefit from elimination of this source of volatility.

As set forth in Note B to the notes to the Consolidated Statement of Income, the highly volatile segments of the Company's shipping operations involving primarily the direct operation of ocean vessels were spun off to the Company' stockholders in the spring of 1979. This event, when taken together with the decision to vacate the cooling tower construction market, brings the Company closer to the realization of its goal of stable growth.

Revenues from Net Sales increased 19.9% or $92.2 million in 1979, up from an $11.9 million increase in 1978 and a $66.1 million increase in 1977. The modest increase in 1978 reflects the fact that revenue growth was held down because a substantial portion of the Company's condominium activities were sold at a profit in late 1977 and early 1978. The 1979 increase is largely attributable to increases in distribution activities; fastener and forged products revenues were up 23.1% and overseas marketing revenues increased 51.6%. Rail car sales revenues in 1979 remained close to the high level of 1978 because of manufacturing capacity constraints and the opportunity to lease much of the Company's output. Water and waste treatment sales revenues increased $26.1 million, but this gain was largely offset by a decline in real estate development revenues which resulted from slower housing markets and the absence of the Denver condominium activities sold in 1978.

Revenues from Services increased $57.6 million or 18.7% in 1979, following increases of $30.5 million in 1978 and $33.9 million in 1977. The gains largely reflect the rapid expansion of the rail car leased fleet in the last several years, as well as increased general leasing volumes. More than $200 million was invested in new assets for lease or rental during 1979; moreover, rates were increased on 8,000 rail cars which came up for lease renewal in 1979. High interest rates generated a broad market for general leasing, and demand for the Company's electronic equipment rentals remained exceptionally strong.

Cost of Sales as a percentage rose in excess of Revenues from Net Sales in 1979 with a composite gross margin deterioration of two percentage points from 1978 to 1979. The predominant factor in this deterioration was the aforementioned loss from cooling tower construction activities which was brought about by substantial unanticipated costs; aside from this, the gross margin decline was minor.

The increase in Cost of Services in 1979 was only 9.0% as compared to the increase in Revenues from Services of 18.7%. As a result, service gross margins improved from 47.3% in 1978 to 51.6% in 1979. This rebound follows several years of percentage margin decline, and reflects rental rate increases as well as a slowdown in the rate of rail car repair cost increases and a change in depreciation to more realistically reflect the value of rail car residuals.

Following a $9.0 million increase in 1978, Other Income rose $3.9 million in 1979, largely due to an increase in interest income of $3.7 million. The remainder was attributable to the differential between 1979 gains on the sale of two charter vessels ($4.4 million) and a parcel of land in Okinawa ($2.0 million), as compared to the 1978 gain from the sale of Denver condominium properties ($5.3 million) and a decrease in gain on sale of cranes of $1.4 million.

Selling, General and Administrative Expenses rose 22.4% as compared to 9.1% in 1978 and 9.6% in 1977. However, as a percentage of revenues, the increase was nominal (from 15.6% in 1977 to 16.1% in 1978 and 16.5% in 1979).

Interest Expense increased $24.4 million in 1979 following a modest increase of $6.6 million in 1978. The 1979 increase in interest expense reflects both an increase in average rate (from 8.8% to 10.2%) and an increase in average borrowing (from $738.8 million to $882.0 million) because of the high level of rail car leased fleet additions achieved in 1978 and 1979.

The effective tax rate decreased in 1979 to 38.4% from 42.7% in 1978. Contributing to this was a 2.0% reduction in the U.S. Federal rate and increased foreign income in jurisdictions subject to taxes at lower rates.

In combination, these elements resulted in a 1979 increase in Income from Continuing Operations of $6.9 million or $.49 per share, following a 1978 increase of $5.8 million or $.52 per share.

Discussion and Analysis for Interim Nine Months

Revenues from Net Sales for 1980 increased $75.6 million or 19.3% over 1979 primarily because of an increased level of 1980 contract closings in a number of water and waste units, and improved operational results in overseas marketing channels. An Information Services Group acquisition during the fourth quarter of 1979 also contributed to this increase. Revenues from Services increased $53.9 million or 20.2%, with most of the gain attributable to the significant continuing year to year rail car fleet expansion, near 100% utilization of the rail car lease fleet, and higher lease renewal rates.

Both Cost of Sales and Cost of Services rose at a slower rate than Revenues in 1980. Sales margins improved to 23.4% from 20.8% the previous year, primarily due to the absence in 1980 of the heavy reserves for warranties and cost overruns in the water and waste activities that were established in 1979. Service margins improved to 53.3% from 50.9% in 1979 as a result of the increased contribution from substantial volume gains in rail car leasing activities.

Other Income increased $1.7 million due to a combination of factors. The major factor was increased interest income which offset lower income from sale of vessels. Interest income rose $4.3 million as a combined result of increased interest rates and an increase in the average amount of interest bearing receivables, including the $35.3 million of notes receivable acquired from International Shipholding Corporation in May, 1979. Income from sale of vessels decreased $2.9 million as a single ship was sold in the current period as opposed to two ships in the prior period.

Selling, General & Administrative Expenses as a percentage of Revenues remained level.

Interest Expense increased $29.9 million or 47.4%, with $16.8 million due to the increased debt levels associated with major asset expansion, and $13.1 million due to higher interest rates.

In combination, these elements resulted in a $9.9 million or 14.6% increase in Income Before Income Taxes. Income from Continuing Operations similarly increased $6.1 million or 15.0%. Including prior year losses from Discontinued Operations (Shipping activities spun-off to Trans Union stockholders in May, 1979), overall Net Income increased $8.5 million or 22.3%. From year to year, the overall nine-month gain in net income was $0.57 per share.

The interim results of operations of the Company for the nine months ended September 30, 1980, are not necessarily indicative of the results of operations for the full year 1980. It is anticipated that income for the fourth quarter will be moderately less than the average quarterly income for the first three quarters due to the dramatic increase in interest rates which occurred in the latter part of 1980.

The above commentary is not a financial statement and as such is not covered by the Auditors' Report.

BUSINESS AND PROPERTIES

Trans Union is a diversified holding company whose operations are conducted entirely through its subsidiaries. As used in this discussion of the business of the Company, the term "Company" refers to Trans Union and its subsidiaries, or to a specific subsidiary or group of subsidiaries, as the context indicates.

The principal products produced and services rendered by the Company are as follows:

Leasing Services

Rail Car Leasing, Services and Sales

The principal activity of the Company is the leasing of railway tank cars and other rail cars to shippers of bulk liquid, compressed gas, and powdered, pelletized or dry bulk products in the United States, Canada, Mexico and Great Britain. Through its subsidiaries, Union Tank Car Company, Procor Limited and Procor (U.K.) Limited, the Company owns the second largest fleet of privately owned railway tank cars in the world. The total fleet consists of approximately 63,000 cars, of which 51,000 are tank cars and 12,000 are other rail cars of the types used in the Company's leasing business. The Company supplies very few cars to railroads. Cars are leased directly to several hundred manufacturers and other shippers of petroleum products, compressed gas, chemicals, food products and fertilizers.

The standard term of the Company's leases for new cars is five or more years (the average new lease term was approximately nine years during 1979), and the leases generally contain provisions for renewal for additional terms of varying length beyond the initial term. Under most of the leases, the Company provides a full range of services including car repair and maintenance and payment of property taxes. Cars are maintained by the Company at repair shops and repair points located throughout the United States, Canada and the United Kingdom.

Most of the Company's cars were built by the Company in its plants or by others to the Company's specifications. In addition to building cars for its lease fleet, the Company from time to time builds cars for sale to others. In 1979, the Company manufactured 3,840 cars, of which 2,254 were added to the lease fleet and 1,586 were sold. During the first nine months of 1980, the Company manufactured 2,618 cars, of which 1,766 were added to the lease fleet and 852 were sold.

The Company's cars are subject to regulations governing construction, safety and maintenance promulgated by the Department of Transportation and various other government agencies and by the Association of American Railroads. These regulations have required and may in the future require the Company to make modifications to its cars from time to time.

In 1978, the Company began a modification program for pressure tank cars mandated by regulations of the Department of Transportation. These safety-oriented regulations required thermal shielding and/or head shielding on about 3,700 of such cars. As of November 20, 1980, the Company had completed modifications to substantially all of such cars.

The Company's subsidiary, WCTU Railway Company, has a fleet of approximately 2,020 box cars which are used primarily in per diem service on American railroads. Approximately 730 of these cars are leased from third parties. The Company's subsidiaries also provide rail car maintenance services, tank car coatings and linings, and rail grinding and ballast cleaning services to railroads and manufactures specialized rail cars for use in industrial plants and rail car movers.

General Leasing, Rental and Services

General leasing, rental and services activities of the Company's subsidiaries include net leasing of vehicles and equipment, chartering oceangoing vessels, rental of construction and electronic equipment, processing and handling of sulphur, and storing liquefied petroleum gas in underground caverns.

Water and Waste Treatment

Through Ecodyne Corporation and affiliates, the Company is engaged in designing, engineering, manufacturing and installing systems and equipment for water and wastewater treatment and water cooling and for monitoring industrial processes. Ecodyne's principal products are water treatment systems and equipment, evaporators, air-cooled heat exchangers, sewage transfer and treatment equipment, water softeners for home use, solidstate electronic instrumentation equipment and systems, and uninterruptible power supply systems. The Company is one of the principal suppliers of these products in the United States and Canada, and its markets are industry, electric utilities, municipalities, commercial establishments and residences.

In 1979, the Company decided not to accept any new cooling tower construction business and, when the current backlog is completed, the Company will withdraw from that activity. The cooling tower construction business has produced losses in recent years and the Company believes that the potential profits of the business are not commensurate with the risks involved. However, the Company expects to continue the tower repair and component business.

Distribution Activities

Overseas Marketing Services

The Getz Corporation and its subsidiaries act as an international marketing organization for the products of various U.S., European and Asian companies.

Fasteners and Forged Products

The Company has several subsidiaries engaged in the business of manufacturing and distributing various types of fasteners. The Company has for many years manufactured and sold various forged products, such as tank flanges, pipe flanges for pressure piping, and commercial forgings for use in agricultural, mining and other manufactured equipment.

Real Estate Development

Through Trans Union Land Development Company and related subsidiaries, the Company is engaged in the general development of real estate at various locations in the United States. This activity includes sale of improved land and, in one location, construction and sale of condominium units.

Because of the relative instability of the business, the Company has decided that when all current projects have been completed, the real estate segment of its operations will be phased out.

Information Services

The Company through Trans Union Systems Corporation and related subsidiaries furnishes credit services, audits truck and railway freight bills, designs, implements and operates electronic data systems for healthcare institutions, and sells and leases in-house computer systems for credit unions.

Discontinued Operations

In 1979, the Company distributed to its stockholders, by a dividend in kind, all the shares of International Shipholding Corporation ("ISC") common stock. The transaction has been accounted for as a spin-off and became effective for accounting purposes as of March 31, 1979. ISC was primarily engaged in the direct operation of ocean vessels and the chartering in of vessels for servicing of the bulk trades.

Competition

All the activities of the Company and its subsidiaries are in competition with similar activities carried on by other companies. In particular, there are several companies, one larger and several smaller than the Company, engaged in the business of leasing tank cars in the United States and

Canada. The largest such company is General American Transportation Corporation (including its Canadian affiliate, Canadian General Transit Company, Limited). The other principal competitors in the tank car business are ACF Industries, Incorporated, and North American Car Corporation. The principal methods of competition of these companies are price, service and product design.

Backlog

As of September 30, 1980, the Company and its subsidiaries had a backlog of firm orders for manufactured products, including rail cars for sale, of $214,810,000 as compared to a backlog of $244,801,000 at December 31, 1979, and $243,746,000 at December 31, 1978. Approximately $190,452,000 and $170,646,000 of the backlog as of December 31, 1979, and December 31, 1978, respectively, was, at such dates, expected to be completed within one year and the Company estimates that approximately $173,100,000 of the backlog as of September 30, 1980 will be completed within one year.

At September 30, 1980, the Company had approximately $1,150,735,000 of minimum future rentals under existing leases for rail cars, of which $196,534,000 was due within one year, and minimum future receipts under existing charter contracts for ocean vessels of $155,793,000 of which $18,856,000 was due within one year. As of the same date, the Company had a backlog of firm orders for lease of 2,247 new rail cars to be manufactured by it, as compared to firm orders for 2,883 and 2,062 new cars as of December 31, 1979, and December 31, 1978, respectively.

Legal Proceedings

A total of fifty-three lawsuits were filed against a subsidiary of the Company and several other defendants, including the Louisville & Nashville Railroad, Amoco Oil Company and Abex Corporation, seeking relief for alleged wrongful death, personal injuries and property damage arising out of an explosion on February 24, 1978, in Waverly, Tennessee, of a tank car owned by the Company's subsidiary, following a train derailment not caused by but involving such car. This explosion occurred two days after the derailment and while the tank car, which had been damaged in the derailment, was lying adjacent to the tracks and before railroad clean-up operations had been completed. It is believed that sixteen persons died as a result of this explosion, and a number of others suffered injuries.

Of the foregoing lawsuits, forty-six were pending in the U.S. District Court for the Middle District of Tennessee, one in the Circuit Court for Humphreys County, Tennessee, and six in the Circuit Court for Jefferson County, Kentucky. The total damages claimed included approximately $118,050,000 compensatory damages and substantial additional amounts in punitive damages.

On July 23, 1980, the forty-six lawsuits pending against the subsidiary in the U.S. District Court for the Middle District of Tennessee were compromised and settled. Less than $5,000,000 was paid on behalf of the Company's subsidiary in consideration for its portion of the settlement and dismissal of these lawsuits.

The six cases remaining in the Circuit Courts for Jefferson County, Kentucky, seek approximately $12,460,000 in compensatory damages. No punitive damages are sought. The one pending suit in the Circuit Court for Humphreys County, Tennessee, is in the nature of an indemnity suit. This litigation is still in the discovery stage.

On December 19, 1980, Alden Smith, a stockholder of Trans Union, filed suit in the Delaware Court of Chancery against Trans Union, GL, NTC, and The Marmon Group, Inc., an affiliate of GL, together with certain of their respective directors and officers, seeking among other things to enjoin the issuance of the 1,000,000 shares of Trans Union common stock to GL or its designee and the taking of any action to complete the Merger. For further information about this lawsuit, see "Litigation Relating to the Merger" on page 9 of this proxy statement.

The Company and its subsidiaries have also been named as defendants in a number of other lawsuits and certain claims are pending.

The Company has accrued what it reasonably expects to pay in final settlement of these matters, to the extent not covered by insurance, and, in the opinion of management, their ultimate resolution will not have a material effect on the Company's consolidated financial position or results of operations.

Environmental Legislation

The Company believes that its facilities are in substantial compliance with applicable laws and regulations with respect to environmental protection. The Company does not anticipate that environmental legislation currently in force will have any material adverse effect on its financial condition, earnings or business.

Employees

At October 31, 1980, the Company and its subsidiaries had approximately 13,700 employees.

Properties

Rail Cars

The Company, through its subsidiaries, owns or leases from others under long-term leases a total fleet of approximately 63,000 rail cars, of which 51,000 are tank cars and 12,000 are other types of rail cars. Of the total fleet, approximately 61,900 cars are owned and approximately 20,400 of these are free of liens.

Other Rail Equipment

The Company, through its subsidiaries, owns several rail grinding and ballast cleaning trains, together with other related rail equipment.

Ocean Vessels

The Company, through its subsidiaries, owns 9 ocean vessels aggregating approximately 660,980 deadweight tons.

Rail Car Manufacturing and Assembling Facilities

The Company's principal plants for the manufacturing and assembling of tank cars are located at East Chicago, Indiana, Oakville, Ontario, and Horbury, England, together occupying approximately 134 acres. Such plants are owned by Union Tank Car Company, Procor Limited and Procor (U.K.) Limited, respectively. Union Tank Car Company also recently commenced manufacturing hopper cars at its facility at Cleveland, Texas, which is located on a 107-acre tract.

Car Service and Repair Shops

The principal shops for servicing and repairing rail cars are located in the United States at Baton Rouge, Louisiana; El Dorado, Kansas; Laurel, Montana; Altoona, Pennsylvania; Ville Platte, Louisiana; Longview and Cleveland, Texas; Muscatine, Iowa; and Evanston, Wyoming; in Canada at Montreal, Quebec; Oakville, Ontario; and Edmonton, Alberta; and in Great Britain at Horbury Junction, Stoke-on-Trent, Gloucester, Storrs Hill, Swansea and Wellingborough, England, and Hamilton, Scotland. Several other repair shops and small repair points are strategically located throughout the United States, Canada and Great Britain. The Company also maintains a research facility at Conroe, Texas.

Land and Condominium Developments

In connection with their real estate development program, the Company's subsidiaries own approximately 2,586 acres of land, either undeveloped or in various stages of development. Included in the acres are 2,392 acres sold under long-term arrangements which will involve receipt of proceeds over a number of years in the future. Income from the sale of the 2,392 acres will be recorded when the buyer has a significant and continuing cash equity (at least 20%) in the property.

The Company has only one remaining condominium development, which is located near Chicago.

Other Property

Ecodyne Corporation and its affiliates own manufacturing facilities in Santa Rosa, California (producing cooling tower components), Massillon, Ohio (producing air-cooled heat exchangers) Lenexa, Kansas (producing sewage transportation and treatment equipment) and Columbus, Ohio (producing uninterruptible power supply systems). The Ecodyne group also leases facilities at Union, New Jersey (office and engineering); Newark, New Jersey (producing ion exchange resins and elements); Oakville, Ontario (office and engineering); St. Paul, Minnesota (producing water softeners); Tulsa, Oklahoma (producing cooling tower components); Oevel, Belgium (warehouse) and Mississauga and Hamilton, Ontario (offices and sheet metal fabrication and storage).

In connection with its other business activities, the Company owns or leases, through its subsidiaries, manufacturing facilities in Joliet, Illinois (rail car movers); Cleveland, Ohio (specialized rail cars and fasteners); Ashland, Ohio (fasteners); Catasauqua, Pennsylvania (forged steel products); Rochester, New York (electronic instrumentation and systems); Milton, Ontario; Montreal, Quebec (fasteners); Toronto, Ontario (electronic instrumentation and systems); Chesterfield, England (rail car springs); and Long Eaton, England (rail car brake shoes and axle boxes). In addition, the Company and its subsidiaries maintain numerous sales and business offices in premises which are for the most part leased throughout the United States, Canada, and other countries. The Company owns its principal executive offices located in Lincolnshire, Illinois.

The Company's Canadian subsidiary, Procor Limited, owns several underground liquefied petroleum gas storage caverns in Canada.

Subsidiaries of the Company engaged in net leasing activities own a variety of transportation equipment, including motor vehicles and various types of water transportation equipment and aircraft. These subsidiaries also own and lease many other types of equipment, including medical equipment, agricultural equipment, printing and broadcasting equipment, and industrial equipment. Other subsidiaries of the Company which are engaged in the rental of construction and electronic equipment own a variety of such equipment.

MANAGEMENT

Directors

The following table sets forth certain information with respect to the present directors of the Company:

Name	Principal Occupation	Age	Director Since	Shares of Common Stock Owned Beneficially as of January 12, 1981 (Note 1)
Sidney H. Bonser	Executive Vice President, Trans Union	56	1969	8,664
William B. Browder	Senior Vice President-Law, Trans Union	64	1954	19,207
Bruce S. Chelberg	President and Chief Operating Officer, Trans Union	46	1978	11,360
William B. Johnson	Chairman and Chief Executive Officer, IC Industries, Inc. (Diversified holding company whose principal businesses are commercial products, consumer products, real estate and transportation) (Notes 2 and 3)	61	1969	101

Name	Principal Occupation	Age	Director Since	Shares of Common Stock Owned Beneficially as of January 12, 1981 (Note 1)
Joseph B. Lanterman	Retired Chairman, Amsted Industries Incorporated (Manufacturer and supplier to railroads and heavy industry) (Note 4)	65	1978	200
Graham J. Morgan	Chairman and Chief Executive Officer, United States Gypsum Company (Manufacturer of building materials and industrial products) (Notes 3 and 4)	63	1979	200
Thomas P. O'Boyle	Senior Vice President-Administration, Trans Union	60	1968	12,550
Robert W. Reneker	Retired Chairman, Esmark, Inc. (Holding company with major interests in foods, chemicals, energy and personal products) (Notes 2 and 3)	68	1971	300
Jerome W. Van Gorkom	Chairman and Chief Executive Officer, Trans Union (Notes 2 and 5)	63	1957	60,701
W. Allen Wallis	Chancellor, University of Rochester, Rochester, New York (Note 4)	68	1962	466

(1) The information under this caption is based upon statements to the Company by the individual directors. It does not include shares subject to the options shown below under "Stock Options," which will be purchased by the Company upon consummation of the Merger, or shares to be added to the accounts of officers of the Company with respect to the year 1980 under the Company's profit sharing plans upon completion of the allocation for such plans for 1980.

(2) Messrs. Johnson, Reneker and Van Gorkom are members of the Executive Committee. The remaining Directors serve as alternate members of such Committee.

(3) Messrs. Johnson, Morgan and Reneker are members of the Compensation and Stock Option Committee.

(4) Messrs. Lanterman, Morgan and Wallis are members of the Audit Committee.

(5) Does not include 9,750 shares in respect of which Mr. Van Gorkom has voting power as trustee under four trusts but no beneficial interest nor 5,000 shares which Mr. Van Gorkom intends to purchase in January, 1981, as referred to below under "Stock Options."

As of January 12, 1981, directors and officers of the Company beneficially owned a total of 161,401 shares (excluding shares subject to option) or 1.29% of the Company's outstanding stock.

Stock Options

Under the Company's 1980 Stock Incentive Plan, options were granted in May, 1980, to certain persons, under the terms of which they are permitted to purchase shares of common stock of the

Company at a price equal to the market value of the stock on the date of grant, which was $33.00. The options granted included an option for 2,500 shares to Mr. Bonser, an option for 2,002 shares to Mr. Chelberg, an option for 500 shares to Mr. O'Boyle, an option for 5,300 shares to Mr. Van Gorkom, and options for 17,802 shares to all directors and officers as a group. In addition, Mr. Browder was awarded 534 shares of restricted stock and Mr. Chelberg was awarded 666 shares of restricted stock.

There have been no options exercised by directors or officers of the Company subsequent to December 31, 1980, through the date of this proxy statement, although Mr. Van Gorkom intends to exercise prior to January 22, 1981, when it would otherwise expire, an option to purchase 5,000 shares of common stock at an option exercise price of $31.75 per share. In July, 1980, an officer exercised Alternate Settlement Rights which resulted in his receipt of 256 shares of common stock upon surrender of options to purchase 2,600 shares of common stock having an aggregate option price of $78,650 for shares having an aggregate market value of $87,263 on the date of surrender.

As of the date of this proxy statement, unexercised options granted under the aforesaid 1980 Stock Incentive Plan or predecessor stock option plans of the Company, held by all directors and officers of the group totaled 104,002 shares at an average option price per share of $32.14, which includes options held by Mr. Bonser to purchase 11,600 shares at an average option price per share of $32.16, by Mr. Browder to purchase 3,950 shares at an average option price per share of $34.30, by Mr. Chelberg to purchase 12,702 shares at an average option price per share of $33.29, by Mr. O'Boyle to purchase 6,500 shares at an average option price per share of $24.72, and by Mr. Van Gorkom to purchase 15,300 shares at an average option price per share of $34.47.

Under the arrangements whereby outstanding options and restricted stock awards would be purchased by Trans Union immediately prior to the Merger, directors and officers of the Company would receive a total of $2,506,868 in consideration of the surrender for cancellation of their respective options or restricted stock awards, including $264,922 by Mr. Bonser, $116,268 by Mr. Browder, $318,847 by Mr. Chelberg, $196,798 by Mr. O'Boyle, and $197,850 by Mr. Van Gorkom.

DESCRIPTION OF COMMON STOCK

The Company's Certificate of Incorporation presently authorizes the Company to issue 25,000,000 shares of stock, consisting of 20,000,000 shares of common stock with a par value of $1.00 per share and 5,000,000 shares of preferred stock with a par value of $1.00 per share. As of November 20, 1980, the number of shares of common stock outstanding was 12,512,956 (exclusive of 18,002 shares held as treasury shares), and none of the Company's preferred stock had been issued.

The transfer agent and registrar of the Company's common stock is The First National Bank of Chicago, One First National Plaza, Chicago, Illinois 60670.

Holders of the Company's common stock are entitled to one vote for each share held of record, in person or by proxy, at any and all meetings of the stockholders of the Company and on all propositions before such meetings.

The Company's Certificate of Incorporation does not provide for any preemptive rights for stockholders and accordingly, under Delaware law, stockholders do not have preemptive rights.

The Board of Directors of the Company may declare and pay dividends on the common stock out of any funds of the Company legally available therefor. In connection with bank term loans due in installments through 1988, the Company has agreed, among other things, to maintain consolidated net worth, as defined, of not less than $275,000,000 through January 31, 1983, and not less than $250,000,000 through April 30, 1988. At September 30, 1980, at least $49,200,000 of the consolidated retained earnings were not restricted under these agreements.

The Company's Certificate of Incorporation provides that dividends which are unclaimed for six years shall revert to the Company.

The preferred stock may be issued from time to time in one or more series, with the number of shares and the rights, preferences and terms of each series, including dividend rates, conversion prices, and similar matters to be determined by resolution of the Board of Directors of the Company. The preferred stock may be issued without any further authorization by the stockholders.

In the event of liquidation of the Company, holders of the Company's common stock are entitled to receive, pro rata, the assets of the Company remaining after the payment of all liabilities and satisfaction of the rights of the holders, if any, of the preferred stock in liquidation.

RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

The financial statements included herein have been examined by Arthur Andersen & Co., independent public accountants, to the extent and for the periods indicated in their report with respect thereto appearing elsewhere herein, and are included in reliance upon the authority of said firm as experts in giving said reports.

Representatives of Arthur Andersen & Co., who have been the Company's auditors since 1958, are expected to be present at the meeting with the opportunity to make a statement if they desire to do so. In addition, such representatives are expected to be available to respond to appropriate questions.

A portion of the fees paid by the Company to Arthur Andersen & Co. (approximately 22% of audit fees in 1979) is attributable to the performance of certain non-audit services for the Company. In 1979, consultation and assistance on corporate tax planning matters amounted to approximately 7.6% of audit fees, assistance in the preparation or review of tax returns amounted to 3.2% of audit fees, and assistance relating to acquisitions amounted to 3.2% of such fees. Other non-audit services performed, none of which amounted to as much as 3% of audit fees, included a review of state tax matters and assistance regarding Internal Revenue Service examinations.

Most of the above non-audit services were of a normal, recurring nature, and all such services were subsequently approved by the Audit Committee of the Board of Directors of the Company, which considered that the performance of such services did not affect the auditors' independence.

LEGAL MATTERS

Certain legal matters in connection with the Merger will be passed upon by Sidley & Austin, One First National Plaza, Chicago, Illinois 60603, special counsel to the Company.

ADDITIONAL INFORMATION

Reports, proxy statements and other information filed by the Company with the Securities and Exchange Commission can be inspected and copied at the offices of the Commission at Room 6101, 1100 L Street, N.W., Washington, D.C.; Room 1228, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois; Room 1100, Federal Building, 26 Federal Plaza, New York, New York; and Suite 1710, Tishman Building, 10960 Wilshire Boulevard, Los Angeles, California; and copies of such material can be obtained from the principal office of the Commission at 500 North Capitol Street, Washington, D.C. 20549, at prescribed rates. In addition, such material can be inspected at the New York Stock Exchange, 11 Wall Street, New York, New York 10015.

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TRANS UNION CORPORATION AND SUBSIDIARIES

AUDITORS' REPORT

To the Stockholders of
Trans Union Corporation:

We have examined the consolidated balance sheet of Trans Union Corporation (a Delaware corporation) and subsidiaries as of December 31, 1979, and the consolidated statements of income, retained earnings, additional capital and source and use of funds for each of the five years in the period ended December 31, 1979. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Trans Union Corporation and subsidiaries as of December 31, 1979, and the results of their operations and the changes in their financial position for each of the five years in the period ended December 31, 1979, in conformity with generally accepted accounting principles applied on a consistent basis.

ARTHUR ANDERSEN & CO.

Chicago, Illinois,
January 31, 1980.

TRANS UNION CORPORATION AND SUBSIDIARIES

SUMMARY OF ACCOUNTING PRINCIPLES AND PRACTICES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all significant subsidiaries other than wholly-owned finance lease companies, 20-50% owned companies and discontinued operations. The equity of Trans Union in the net income of these unconsolidated companies has been included in the accompanying consolidated statement of income. All significant intercompany accounts and transactions have been eliminated.

Lessor Accounting

Operating Leases

Most of the Company's leases of rail cars, electronic equipment and construction equipment are classified as operating leases. Aggregate rentals from operating leases are reported as revenue ratably over the life of the lease, and expenses (including depreciation and maintenance) are charged against such revenue as incurred.

Direct Financing Leases

The leases entered into by the Company's finance lease subsidiaries as well as some of the Company's rail car leases and ocean vessel charters are classified as direct financing leases. Gross investment in leases (minimum lease payments plus estimated residual values) less the cost of the equipment is designated as unearned income. This income is recorded over the life of the lease based upon the "constant yield method" or similar methods which generally result in an approximate level rate of return on the investment.

Voyage and Charter Accounting

Vessels on long-term bareboat charters which are classified as direct financing leases are accounted for as such (see Lessor Accounting). Revenue from vessels time chartered to others is recorded on a pro rata basis over the period of the charter.

Land Held for Resale

Income from sale of land is recorded when the buyer has a significant and continuing cash equity (at least 20%) in the property. Sales with credit terms in excess of one year bear interest at appropriate rates for such transactions.

The cost of a large tract of land is allocated to the various parcels on the basis of discounted sales value as estimated for each parcel. Provision is made at the time of sale for future estimated development costs, if any. It has been the Company's policy to capitalize the carrying costs (interest and taxes) on the land held for resale. However, capitalization of such costs on individual tracts has been discontinued when continued capitalization would have resulted in accumulation of costs in excess of levels justified by the then current economic conditions. As of December 31, 1976, the capitalization of such costs was discontinued for all tracts, until January 1, 1980 when interest capitalization was reinstated on those tracts not under interest bearing contracts.

Accounting for Sales of Products, Long-Term Contracts and Warranties

Other than for long-term contracts, sales of products are generally recorded when the products are shipped to the customer. Long-term contracts are those which require performance—i.e., design, construction and/or installation—over a time span which generally overlaps two or more account-

ing periods. The percent of completion method of accounting is used for these long-term contracts except for cooling tower projects for which the Company has responsibility for on-site construction or installation. In the latter case, the completed contract method is used.

In the normal course of business, the Company makes certain warranties as to workmanship and performance of its various products, including those sold on long-term contracts. The estimated costs of these warranties are accrued at the time of sale. The estimates inherent in accounting for long-term contracts and warranties are reviewed and revisions to previous estimates are made as required to reflect the most up-to-date information.

Overseas Marketing Services

In reporting overseas marketing services, the gross margin on indent transactions (wherein the Company takes title to the goods but serves in effect as an agent between predetermined buyers and sellers) is classified as revenue from services in the accompanying consolidated statement of income.

Inventories

Inventories are stated at the lower of cost (principally first-in, first-out) or market. Inventory costs include material, labor and factory and/or construction overhead. General and administrative costs are charged to expense as incurred.

Inventory costs of long term contracts generally include costs of materials and job related equipment and construction or installation costs, reduced by amounts charged to cost of sales relative to sales revenue. Inventory costs of long-term contracts are also reduced by charging any amounts in excess of estimated realizable value to cost of sales.

Depreciation and Fixed Assets Accounting

Rail cars, vessels and fixed assets (excluding rail cars and vessels under leases and charters which are classified as direct financing leases) are depreciated to salvage value (which is for rail cars and vessels the estimated scrap value of their steel content) over their estimated useful lives on the straight-line method. The principal estimated useful lives are: rail cars, 20-35 years; vessels, 20-25 years; buildings, 20-50 years; electronic equipment, 8 years; cranes, 12-18 years; and other equipment, 4-25 years.

The cost of major conversions and betterments is capitalized by charges to the appropriate property account and depreciated over the remaining useful life. Interest incurred on borrowed funds invested in ocean vessels under construction is capitalized as part of the cost of the vessels.

Maintenance and repairs are charged to expense when incurred except for that portion applicable to tank car construction facilities which is capitalized as part of the cost of tank cars. The estimated cost of dry-docking ocean vessels is accrued over the estimated period in advance of dry-dockings.

The cost of property retired or otherwise disposed of is removed from the property account, the accumulated depreciation is removed from the related reserve, and the net gain or loss is included in income.

Accounting for Credit Files

The cost of credit files acquired in connection with the acquisition of credit bureaus is capitalized. In lieu of amortization of such investment, the costs of constantly updating, expanding and improving credit files are expensed as incurred.

Goodwill

Goodwill represents the excess of cost over the value of the net tangible and identifiable intangible assets of businesses purchased. Goodwill acquired prior to October 31, 1970, is for the most part not being amortized because, in the opinion of management, there has been no diminution in its value. Goodwill acquired subsequent to October 31, 1970, is being amortized over periods ranging from 10-40 years.

Sinking Fund Operations

The provisions of certain of the Company's debt instruments permit the Company to satisfy scheduled sinking fund payments by application of reacquired debt instruments at face value. The Company's policy is to reacquire debt instruments in the open market sufficient to cover sinking fund requirements when it can be done at a lower cost than calling at face value. Gains resulting from such acquisitions are credited to "Other Income."

Deferred Federal Income Taxes

Certain transactions or amounts recorded as revenue or costs and expenses in a particular year will enter into the determination of taxable income (for Federal income tax purposes) in different years ("timing differences"). The most significant of these timing differences results from additional depreciation allowable for Federal income tax purposes in the early years of a rail car's useful life. As required by Accounting Principles Board Opinion No. 11, the Company has provided deferred taxes on these timing differences as if such taxes were due and payable currently, even though experience conclusively demonstrates that such amounts are not "repaid" for 15 years or more on the average.

The earnings of certain foreign subsidiaries are taxed at rates lower than rates prevailing in the United States. Additional taxes will be levied on such earnings if they are paid to the Company as dividends or, in the case of vessel charter profits, if they are not reinvested in shipping assets. It is the intention of the Company to invest a portion of the earnings of these foreign subsidiaries for an indefinite period; thus to this extent these additional taxes may not be levied. The Company's policy is to provide deferred taxes on that portion of the undistributed earnings of these foreign subsidiaries which are expected to become taxable to the Company in future years. The remaining amount of undistributed earnings which has been or will be reinvested indefinitely, exclusive of those amounts which if remitted would result in little or no U.S. income tax under current tax rules, aggregated approximately $26,600,000 as of December 31, 1979 and $30,100,000 as of September 30, 1980.

Deferred Investment Tax Credits

Investment tax credits, to the extent not passed to lessees, result in a reduction of current or deferred Federal income taxes and are applicable primarily to investments in certain new rail cars. Investment tax credits retained are deferred and amortized over the estimated useful lives of the related assets.

Subject to certain limitations (60% of taxes otherwise payable in 1979 and 70% in 1980) investment tax credits retained are allowable as a reduction of current United States Federal income taxes payable. Investment tax credits retained in excess of the limitation are applied as a reduction of deferred taxes. These latter amounts are reinstated to deferred taxes as the related investment tax credits are carried forward and utilized as reductions of taxes on subsequent tax returns. As of December 31, 1979 and September 30, 1980, approximately $22,700,000 and $34,151,000 of investment tax credits were available respectively for carryforward to reduce future taxes.

Foreign Currency Translation

The accounts of certain foreign subsidiaries are maintained in foreign currencies. For purposes of consolidation with Trans Union, rail cars, vessels, other fixed assets and related depreciation expense are translated to U.S. dollars at historical exchange rates prevailing at the dates of acquisition except for rail cars and vessels on leases or charters classified as direct financing leases which are translated at current exchange rates. Inventories and cost of sales are translated at current exchange rates which approximate appropriate historical rates. Deferred taxes are translated at historical exchange rates prevailing during the periods provided. All other assets and liabilities are translated at current rates of exchange. Income and expenses (other than depreciation) are translated at average rates prevailing during the respective years. The exchange adjustments resulting from this policy, including gains and losses on forward exchange contracts entered into to hedge foreign currency positions, are included in income currently.

TRANS UNION CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Dollars in Thousands)

ASSETS

	December 31, 1979		September 30, 1980 (Unaudited)	
Cash		$ 21,636		$ 20,116
Accounts Receivable, including $214,727 and $218,445, respectively, due within one year		236,156		246,746
Inventories:				
Materials and Supplies	$ 55,303		$ 61,939	
Finished and in Process	115,446	170,749	115,462	177,401
Prepaid Expenses and Deferred Charges		20,820		22,459
Investments:				
Land Held for Resale, at cost	$ 25,696		$ 27,914	
Finance-Lease Subsidiaries	66,833		71,606	
ISC Notes Receivable	34,715		32,231	
Goodwill of Acquired Businesses	19,313		18,873	
Other	25,587	172,144	16,175	166,799
Rail Car Lease Fleet (includes net investment in direct financing leases of $31,100 at December 31, 1979 and $62,247 at September 30, 1980):				
Cost	$1,194,588		$1,398,706	
Accumulated Depreciation	(326,157)	868,431	(353,104)	1,045,602
Vessel Charter Fleet (includes net investment in direct financing leases of $44,016 at December 31, 1979 and $43,406 at September 30, 1980):				
Cost	$ 133,723		$ 128,660	
Accumulated Depreciation	(26,509)	107,214	(27,441)	101,219
Fixed Assets, at cost:				
Land	$ 6,702		$ 8,772	
Buildings and Leasehold Improvements	72,784		84,673	
Equipment Held for Rental to Others	84,645		104,182	
Other Equipment	131,895		165,316	
Accumulated Depreciation	(102,386)	193,640	(119,512)	243,431
		$1,790,790		$2,023,773

The accompanying notes to the consolidated financial statements and summary of accounting principles and practices are an integral part of this statement.

TRANS UNION CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Dollars in Thousands)

LIABILITIES, DEFERRED ITEMS AND STOCKHOLDERS' EQUITY

	December 31, 1979		September 30, 1980 (Unaudited)	
Accounts Payable		$ 73,883		$ 84,394
Accrued Expenses		125,486		137,892
Federal Income Taxes Payable		5,890		2,510
Borrowed Debt:				
Due Within One Year	$ 127,060		$ 176,675	
Due From One to Five Years	343,003		331,275	
Due After Five Years	437,799		471,773	
Interim Financing (Due within one year)	84,938	992,800	179,848	1,159,571
Total Liabilities		$1,198,059		$1,384,367
Deferred Items:				
Federal Income Taxes	$ 233,290		$ 244,050	
Investment Tax Credit	36,690	269,980	47,450	291,500
Contingent Liabilities (Note 6)		—		—
Stockholders' Equity:				
Preferred Stock, $1 par Authorized 5,000,000 shares and no shares issued in 1979 and 1980	$ —		$ —	
Common Stock, $1 par Authorized 20,000,000 shares as of December 31, 1979 and 1980 and issued 12,521,257 as of December 31, 1979 and 12,529,258 as of September 30, 1980	12,521		12,529	
Additional Capital	82,803		82,317	
Retained Earnings	231,567		253,903	
Less Reacquired Common Stock, at cost 114,105 shares as of December 31, 1979 and 23,155 shares as of September 30, 1980	(4,140)	322,751	(843)	347,906
		$1,790,790		$2,023,773

The accompanying notes to the consolidated financial statements and summary of accounting principles and practices are an integral part of this statement.

TRANS UNION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS AND ADDITIONAL CAPITAL

(Dollars in Thousands)

	For the Year Ended December 31					For the Nine Months Ended September 30 (Unaudited)	
	1975	1976	1977	1978	1979	1979	1980
Retained Earnings:							
Balance at Beginning of Period	$158,393	$158,810	$184,886	$217,522	$244,064	$244,064	$231,567
Net Income	17,897	44,657	51,445	50,544	58,248	38,236	46,756
Cash Dividends	(16,363)	(18,370)	(20,719)	(24,002)	(27,192)	(19,874)	(22,829)
Distribution of ISC Stock	—	—	—	—	(36,765)	(36,765)	—
Excess of cost over paid-in value ascribed to treasury stock retired in connection with recording poolings of interests	(1,362)	(1,150)	(988)	—	(9,024)	—	(1,697)
Retained earnings of pooled companies	245	701	2,898	—	2,236	—	106
Adjustment due to difference in fiscal year of pooled company	—	238	—	—	—	—	—
Balance at End of Period	$158,810	$184,886	$217,522	$244,064	$231,567	$225,661	$253,903
Cash Dividends per Share	$1.58	$1.68	$1.84	$2.02	$2.24	$1.65	$1.83
Additional Capital:							
Balance at Beginning of Period	$ 72,991	$ 86,947	$ 86,626	$ 95,647	$ 88,159	$ 88,159	$ 82,803
Excess of Fair Value over Par Value of Stock Issued in Purchase Acquisitions	14,159	—	—	—	—	—	—
Excess of Cost over Fair Value of Treasury Stock Reissued in Purchase Acquisitions	—	—	(527)	(8,049)	(3,067)	(3,002)	(238)
Increase Due to Reacquisition of Ecodyne Minority Interest	—	—	8,629	—	—	—	—
Excess of proceeds over par value of stock issued under Stock Incentive Plan	13	42	347	561	133	126	199
Excess of cost over proceeds of treasury stock reissued under Stock Incentive Plan	—	—	—	—	—	—	(403)
Excess of ascribed paid-in value over par value of treasury stock retired in connection with recording poolings of interests	(341)	(337)	(288)	—	(2,135)	—	(394)
Excess/(Deficiency) of paid-in capital of pooled companies over/(under) par value of stock issued	—	(26)	925	—	(287)	—	350
Other	125	—	(65)	—	—	—	—
Balance at End of Period	$ 86,947	$ 86,626	$ 95,647	$ 88,159	$ 82,803	$ 85,283	$ 82,317

The accompanying notes to consolidated financial statements and summary of accounting principles and practices are an integral part of these statements.

TRANS UNION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

(Dollars in Thousands)

	For the Year Ended December 31					For the Nine Months Ended September 30 (Unaudited)	
	1975	1976	1977	1978	1979	1979	1980
Source of Funds:							
From Continuing Operations—							
Income	$ 35,770	$ 37,233	$ 48,018	$ 53,794	$ 60,664	$ 40,652	$ 46,756
Depreciation	39,487	43,952	49,091	54,194	61,602	44,620	53,863
Deferred Income Taxes and Investment Tax Credit	14,823	16,922	19,980	15,410	21,550	14,910	21,750
Rail Car, Vessel and Other Fixed Asset Disposals (book value)	10,348	7,920	9,549	35,793	18,592	14,589	12,945
Total from Continuing Operations	$100,428	$106,027	$126,638	$159,191	$162,408	$114,771	$135,314
Income (Loss) from Discontinued Operations	(17,873)	7,424	3,427	(3,250)	(2,416)	(2,416)	—
New Borrowings to Finance Additions to Rail Car Lease Fleet and Vessel Charter Fleet	112,883	38,391	47,251	88,850	124,921	95,110	156,597
Net Increase (Decrease) in Other Borrowings	16,705	(66,055)	(13,563)	23,121	110,153	57,460	31,011
Reduction in Land Held for Resale	(4,707)	2,244	5,971	4,496	1,022	(710)	(2,218)
Stock Issued or Payable for Purchase Acquisitions	9,632	—	13,242	15,570	3,379	3,379	—
Increase in Accounts Payable and Accrued Expenses	33,220	16,803	15,763	12,319	31,141	11,099	16,051
Other Sources (Uses) of Funds	(3,431)	4,995	8,351	(135)	8,444	6,144	1,747
	$246,857	$109,829	$207,080	$300,162	$439,052	$284,837	$338,502
Use of Funds:							
Fixed Asset Additions—							
Rail Car Lease Fleet	$135,659	$ 38,134	$ 52,156	$103,014	$178,747	$129,133	$211,655
Charter Vessels and Rental Equipment	11,938	14,751	26,572	46,836	32,128	24,986	27,269
Other Fixed Assets	14,738	13,708	13,134	28,352	38,607	25,374	41,368
Investment In—							
Discontinued Operations	9,717	(1,352)	3,095	14,230	(10,285)	(10,285)	—
Nonconsolidated Subsidiaries	2,964	3,823	7,076	4,754	10,324	10,271	4,773
Purchase of Companies	9,632	—	13,242	17,005	15,051	5,464	—
Total Fixed Asset Additions and Investments	$184,648	$ 69,064	$115,275	$214,191	$264,572	$184,943	$285,065
Scheduled Repayments of Long-Term Rail Car and Charter Vessel Borrowings	22,540	17,283	18,728	27,437	33,426	21,847	22,219
Increase in Cash, Receivables and Inventories	23,037	4,999	35,044	9,975	76,211	20,522	8,389
Reacquisition of Common Stock	269	113	17,314	24,557	886	886	—
Distribution of ISC Stock	—	—	—	—	36,765	36,765	—
Cash Dividends	16,363	18,370	20,719	24,002	27,192	19,874	22,829
	$246,857	$109,829	$207,080	$300,162	$439,052	$284,837	$338,502

The accompanying notes to consolidated financial statements and summary of accounting principles and practices are an integral part of this statement.

TRANS UNION CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Data with respect to the nine months ended September 30, 1979 and September 30, 1980 have not been examined by independent public accountants.)

1. Acquisition and Divestiture of Businesses

a. *Discontinued Operations*

In 1979, the Company distributed to its shareholders, by a dividend in kind, 2,417,331 shares of International Shipholding Corporation (ISC) common stock. The distribution was on the basis of one share of ISC common stock for each five shares of Trans Union's common stock held. The transaction has been accounted for as a spin-off and is effective for accounting purposes as of March 31, 1979. The operations of ISC, primarily the direct operation of ocean vessels, and the chartering in of vessels for servicing the bulk trades, which was a former activity of this shipping operation, are included in the accompanying financial statements as "discontinued operations".

Data with regard to the net investment in discontinued operations at December 31, 1978 are as follows:

	(Dollars in thousands)
Vessels, less Accumulated Depreciation	$110,873
Other Assets	55,086
Borrowed Debt	(53,071)
Other Liabilities	(51,386)
Deferred Items	(16,501)
Net Investment in Discontinued Operations	$ 45,001

As of the date of the spin-off, Trans Union's investment in ISC included $35,315,000 of advances to certain subsidiaries of ISC which were converted to notes receivable. These ISC notes receivable, which bear interest at a variable rate geared to percentages in excess of bank prime rate (19.30% at December 31, 1979 and 16.6% at September 30, 1980), are repayable in quarterly installments over eight years commencing in 1980, and are secured by mortgages on certain vessels ($600,000 was repaid in advance during 1979 and $1,800,000 in 1980).

b. *Poolings of Interests*

During the period 1975 to September 30, 1980, the Company acquired the following businesses in poolings of interests transactions:

Year	Business	Principal Activity	Number of Trans Union Shares Issued
1980	White Machinery Corporation	Manufacture of heavy duty rail car movers	59,993
1979	World Computer Corporation	Sale and lease of in-house computer systems	313,565
1978	Medical Computer Systems, Inc.	Specialized computer services	408,278
1978	Rochester Instrument Systems, Inc.	Manufacture of electronic process equipment	423,444
1977	Medx, Inc.	Marketing of used medical equipment	38,852
1977	Metric Resources Corporation	Rental of electronic equipment	242,165
1976	Dell Fastener Corporation	Distribution of fasteners	45,304
1975	New Century Freight Traffic Association, Inc.	Freight invoice auditing	52,000

The accompanying financial statements have been restated to include the accounts of the 1978 pooled companies for the periods prior to their respective acquisitions.

The accompanying financial statements have not been restated to include the accounts of the remaining pooled companies (all except 1978 poolings) for the years prior to their respective acquisitions because the effect on such statements would be insignificant.

c. *Purchase Acquisitions*

During the period 1975 to September 30, 1980, significant purchase acquisitions were as follows:

Year	Business	Principal Activity	Number of Trans Union Shares Issued	Purchase Price
1979	Wagon Repairs Limited	Repair of rail cars in U.K.	—	$ 9,329,000
1979	Solidstate Controls, Inc.	Manufacture of uninterruptible power supply systems	138,727	3,669,000
1978	Atlas Bolt & Screw Company	Manufacture of rail cars for industrial plant use; produce and distribute specialized fasteners	649,962	14,788,000
1977	Republic Car Line, Inc.	Lease rail cars	148,191*	4,275,000
1975	Muller & Phipps International Corporation	International marketing services	341,165	7,590,065
1975	Frank Speno Railroad Ballast Cleaning Company, Inc.	Rail grinding and ballast cleaning services for railroads	317,230	7,227,157

* plus additional shares in quarterly installments through 1981 equivalent to approximately $755,000 in market value.

The values assigned to Trans Union shares issued were lower than the indicated market values at the respective transaction dates in recognition of the restrictions on transferability of the shares. The accounts of the aforementioned purchased companies are included in the accompanying financial statements from the respective dates of acquisition. Goodwill arising from the above transactions was $1,205,000 related to Atlas Bolt & Screw Company and $1,295,000 related to Solidstate Controls, Inc.

During 1977 the Company also acquired all the outstanding minority-held shares (approximately 15%) of Ecodyne Corporation in exchange for 332,870 shares of the Company's common stock. The excess of the book value of the previously outstanding minority-held shares of Ecodyne over the par value of the Trans Union exchange shares was credited to additional capital.

The Company has reacquired shares of its stock in the open market equivalent to certain of the shares issued in the aforementioned purchase transactions. Such reacquisitions aggregated 28,065 shares in 1979; 684,500 shares in 1978; 464,234 shares in 1977; and 179,800 shares in 1975.

2. Borrowed Debt Due Within One Year

Details of borrowed debt due within one year are as follows:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
Short term borrowings—		
Commercial paper (average rate 14.72% as of December 31, 1979 and 11.83% as of September 30, 1980)	$222,128	$214,163
Short-term notes, etc., including bank loans (average rate 16.87% as of December 31, 1979 and 14.38% as of September 30, 1980)	20,397	38,450
Short-term bank borrowings related to overseas marketing services	24,423	31,550
Less—Short-term borrowings included above which are classified as interim financing in the accompanying consolidated balance sheet	(84,938)	(179,848)
Less—Short-term borrowings refinanced with long-term borrowings subsequent to year-end	(100,000)	—
Add—Short-term portion of long-term borrowings	45,050	72,360
	$127,060	$176,675

Data with regard to the month-end amounts of the Company's principal short-term borrowings during 1979 and 1980 are as follows:

	Twelve Months Ended December 31, 1979			Nine Months Ended September 30, 1980		
	(Dollars in Thousands)					
	Commercial Paper	Bank Notes	Aggregate	Commercial Paper	Banks Notes	Aggregate
Maximum amount outstanding	$222,128	$52,978	$266,948	$215,442	$70,000	$284,163
Average amount outstanding	172,782	39,209	211,991	193,277	59,560	252,837
Weighted average annual interest rate	11.59%	13.33%	11.91%	13.01%	15.08%	13.50%

3. Long Term Borrowings

Details of long-term borrowings are as follows:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
Equipment Obligations, payable in periodic installments through 2000 at 5.85%-11.80% (average rate 8.98% as of December 31, 1979 and 9.35% as of September 30, 1980)	$500,133	$559,226
Vessel Financing Notes, payable in installments through 1994 at 6.75%-12.88% (average rate 12.07% as of December 31, 1979 and 11.25% as of September 30, 1980)	75,425	70,167
Sinking Fund Debentures, 5.00% payable in annual installments through 1986	13,466	11,778
Bank Term Loans, payable in installments through 1988 including short-term borrowings refinanced subsequent to year end (average rate 15.80% as of December 31, 1979 and 13.52% as of September 30, 1980)	139,000	138,430
Other Long-Term Borrowings (average rate 12.69% as of December 31, 1979 and 12.10% as of September 30, 1980)	97,828	95,807
Less—Short-term portion of above classified as due within one year	(45,050)	(72,360)
	$780,802	$803,048

Certain long-term borrowings are secured by rail cars, ocean vessels, and other property with an original cost of approximately $987,000,000 at December 31, 1979 and $1,105,000,000 at September 30, 1980, and assignment of future revenues under vessel charters of approximately $165,400,000 at December 31, 1979 and $153,100,000 at September 30, 1980.

The aggregate amounts of debt obligations due for each of the five years following December 31, 1979 and September 30, 1980, are as follows:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
First year—interim financing	$ 84,938	$179,848
—other	127,060	176,675
Second year	89,240	102,581
Third year	108,841	89,066
Fourth year	70,715	57,683
Fifth year	74,207	81,945

Equipment obligations have been reacquired for sinking fund purposes in the principal amount of $20,441,000 at December 31, 1979 and $21,671,000 September 30, 1980, and have been deducted from the appropriate debt captions in the accompanying consolidated balance sheet.

In connection with bank term loans, the Company has agreed, among other things, to maintain consolidated net worth, as defined, of not less than $275,000,000. At December, 1979, at least $23,900,000 and at September 30, 1980 at least $49,200,000 of the consolidated retained earnings were not restricted under these agreements.

Certain loan agreements of the Company and its subsidiaries will require amendments or will require the consent or waiver of certain provisions by the respective lenders if the pending merger of the Company described in note 14 is consummated. In the event a particular lender does not agree to a requested amendment, consent or waiver, the loan from such lender may have to be prepaid upon consummation of the merger.

4. Interim Financing

Interim financing generally represents that portion of the cost of completed rail cars and other fixed assets which will be borrowed under long-term obligations. The interim financing amount represents short-term borrowing relating to the following assets:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
Rail Cars	$74,945	$156,543
Other	9,993	23,305
	$84,938	$179,848

During 1979 and the nine months ended September 30, 1980, the Company converted $106,700,000 and $75,000,000 respectively, of interim financing to long-term financing at average rates of 9.72% and 11.66%, respectively. The Company's policy is to classify as interim financing only that portion of borrowings which it intends to convert to long-term financing.

5. Cash Balances and Banking Arrangements

The Company's cash balances are not subject to withdrawal restrictions, although substantially all such balances serve as compensating balances for lines of credit granted by the banks as well as non-credit services provided by the banks. Arrangements with the banks generally call for average annual compensating balances equivalent to 5% to 10% of the lines when not in use and 5% to 20% when in use. In lieu of compensating balances, the arrangements with certain banks call for the Company to pay an annual fee ranging from one quarter of 1% of the line to 8.5% of the prime rate times the line. It is the Company's policy to maintain unused lines at least equal to the balance of outstanding commercial paper when this source of short-term credit is used. At December 31, 1979 and at September 30, 1980, the Company had unused lines of prime rate short-term credit from the banks aggregating approximately $300,000,000 and $343,000,000, respectively. These lines are in the amounts requested by the Company and are not necessarily the maximum that could be obtained.

6. Commitments and Contingencies

Future commitments for rentals under long term leases for space and equipment as of December 31, 1979 aggregate $111,690,000 and are payable as follows:

	(Dollars in Thousands)
1980	$12,598
1981	11,465
1982	10,184
1983	9,150
1984	8,380
1985-1989	35,744
1990-1994	19,461
1995-1999	2,610
After 1999	2,098

Future commitments for rentals under long-term leases for space and equipment as of September 30, 1980 aggregate $111,736,000 and are payable as follows:

	(Dollars in Thousands)
1980 (3 months)	$ 3,958
1981	16,194
1982	13,342
1983	10,932
1984	9,184
1985	7,945
1986-1990	30,325
1991-1995	16,456
1996-2000	1,610
After 2000	1,790

A total of fifty-three lawsuits were filed against a subsidiary of the Company and several other defendants, including the Louisville & Nashville Railroad, Amoco Oil Company and Abex Corporation, seeking relief for alleged wrongful death, personal injuries and property damage arising out of an explosion on February 24, 1978, in Waverly, Tennessee, of a tank car owned by the Company's subsidiary, following a train derailment not caused by but involving such car. This explosion

occurred two days after the derailment and while the tank car, which had been damaged in the derailment, was lying adjacent to the tracks and before railroad clean-up operations had been completed. It is believed that sixteen persons died as a result of this explosion, and a number of others suffered injuries.

Of the foregoing lawsuits, forty-six were pending in the U.S. District Court for the Middle District of Tennessee, one in the Circuit Court for Humphreys County, Tennessee, and six in the Circuit Court for Jefferson County, Kentucky. The total damages claimed included approximately $118,050,000 compensatory damages and substantial additional amounts in punitive damages.

On July 23, 1980, the forty-six lawsuits pending against the subsidiary in the U.S. District Court for the Middle District of Tennessee were compromised and settled. Less than $5,000,000 was paid on behalf of the Company's subsidiary in consideration for its portion of the settlement and dismissal of these lawsuits.

The six cases remaining in the Circuit Courts for Jefferson County, Kentucky, seek approximately $12,460,000 in compensatory damages. No punitive damages are sought. The one pending suit in the Circuit Court for Humphreys County, Tennessee, is in the nature of an indemnity suit. This litigation is still in the discovery stage.

The Company and its subsidiaries have also been named as defendants in a number of other lawsuits and certain claims are pending.

The Company has accrued what it reasonably expects to pay in final settlement of these matters, to the extent not covered by insurance, and, in the opinion of management, their ultimate resolution will not have a material effect on the Company's consolidated financial position or results of operations.

7. Stock Incentive Plan

Under the Stock Incentive Plan approved by the shareholders on April 24, 1980 (the "Plan"), up to 600,000 common shares and 250,000 preferred shares (combined limit is 600,000 shares) have been reserved for issuance pursuant to the exercise of any stock option, warrant or alternate settlement right (ASR), or pursuant to any stock bonus, restricted stock, or other award granted under the Plan.

In May, 1980, the Stock Option Committee for the Plan granted nonqualified options to purchase 25,402 shares of the Company's common stock and restricted stock awards for 14,261 shares of the Company's common stock. As in the case of nonqualified options granted under predecessor stock option plans of the Company, the new options granted under the Plan were for a term of ten years at an option purchase price of 100% of the fair market value of the Company's common stock at date of grant. Each such restricted stock award entitles the recipient to receive the shares so granted to him, without payment of monetary consideration, over a period of five years in installments of 20% per year, provided the recipient remains in the employment of the Company on each anniversary date of grant, at which time that year's 20% installment becomes vested and nonforfeitable. Dividends or dividend equivalents are paid on shares of restricted stock from date of grant.

The Plan also permits the grant of Alternate Settlement Rights (ASR). Under the terms of an ASR an optionee is entitled to receive shares of Company stock, cash, or a combination thereof, in an amount equal to the excess of the fair market value of the option shares at the date exercised over the option price. Also, under certain circumstances, an optionee may require the Company to repurchase option shares at current market prices.

In connection with the acquisition of certain businesses, the Company has substituted options to purchase its common stock for outstanding options of the acquired companies. The substitute options are exercisable on substantially the same terms as the options they replaced, except that the number of shares and the option prices have been adjusted in accordance with the respective exchange ratios.

Data with respect to stock options are summarized below:

	Company Options	
	Year Ended December 31, 1979	Nine Months Ended September 30, 1980
Number of shares under option:		
Beginning of period	114,700	143,250
Options granted	40,400	25,402
Options exercised	—	(5,200)
ASR shares issued	—	(256)
Options cancelled or lapsed	(11,850)	(6,444)
End of period	143,250	156,752

	Substitute Options	
	Year Ended December 31, 1979	Nine Months Ended September 30, 1980
Number of shares under option:		
Beginning of period	35,972	33,855
Options granted	12,138	—
Options exercised	(14,255)	(14,683)
Options cancelled or lapsed	—	—
End of period	33,855	19,172

Data with regard to Company options outstanding under the plan at December 31, 1979, are as follows:

Year of Grant	Number of Shares	Option Price and Market Value at Date of Grant	
		Per Share	Total
1975	11,450	$30.25	$ 346,363
1976	28,300	31.75	898,525
1977	28,800	38.75	1,116,000
1978	34,800	34.88	1,213,650
1979	39,900	30.25	1,206,975
	143,250		$4,781,513

Data with regard to Company options outstanding under the plan at September 30, 1980, are as follows:

Year of Grant	Number of Shares	Option Price and Market Value at Date of Grant	
		Per Share	Total
1975	8,450	$30.25	$ 255,613
1976	26,100	31.75	828,675
1977	27,800	38.75	1,077,250
1978	33,300	34.88	1,161,338
1979	35,700	30.25	1,079,925
1980	25,402	33.00	838,266
	156,752		$5,241,067

Data with regard to substitute options outstanding at December 31, 1979, are as follows:

Year of Grant	Number of Shares	Option Price		Market Value at Date of Substitution	
		Per Share	Total	Per Share	Total
1977	16,607	$20.42	$339,115	$37.75	$ 626,914
1978	5,110	5.42-33.06	62,517	33.25-36.25	172,833
1979	12,138	3.14	38,113	30.50	370,209
	33,855		$439,745		$1,169,956

Data with regard to substitute options outstanding at September 30, 1980, are as follows:

Year of Grant	Number of Shares	Option Price		Market Value at Date of Substitution	
		Per Share	Total	Per Share	Total
1977	15,312	$20.42	$312,671	$37.75	$ 578,028
1978	3,860	5.42-33.06	48,796	33.25-36.25	130,596
	19,172		$361,467		$ 708,624

In addition, at September 30, 1980, restricted stock grants for 13,861 shares were outstanding.

Options became exercisable as follows:

	Year Ended December 31			Nine Months Ended September 30, 1980
	1977	1978	1979	
Company Options				
Number of shares	60,867	40,200	36,600	39,900
Option Price—				
Per Share	$31.75-34.87	$30.25-38.75	$34.88	$30.25
Total	$2,029,301	$1,508,500	$1,276,425	$1,206,975

	Year Ended December 31			Nine Months Ended September 30, 1980
	1977	1978	1979	
Substitute Options				
Number of shares	24,902	2,075	13,088	—
Option Price—				
Per Share	$13.21-20.42	$17.50-30.00	$ 3.14-30.00	—
Total	$478,940	$42,066	$57,864	—

Options were exercised as follows:

	Year Ended December 31			Nine Months Ended September 30, 1980
	1977	1978	1979	
Company Options				
Number of shares	1,000	9,300	—	5,200
Option Price—				
Per Share	$31.75	$31.75-34.87	—	$30.25-31.75
Total	$31,750	$321,838	—	$159,700
Market value at date exercised—				
Per Share	$36.44	$35.50-35.75	—	$33.50-37.25
Total	$36,438	$330,650	—	$185,344

	Year Ended December 31			Nine Months Ended September 30, 1980
	1977	1978	1979	
Substitute Options				
Number of shares	14,041	23,170	14,255	14,683
Option Price—				
Per Share	$13.21-20.42	$ 3.75-24.17	$ 5.42-20.42	$ 3.14-20.42
Total	$206,494	$236,508	$148,182	$78,278
Market value at date exercised—				
Per Share	$36.37-37.75	$29.63-37.75	$28.25-34.75	$33.25-50.13
Total	$517,772	$807,488	$437,800	$507,467

There were 104,002 option shares outstanding which were subject to Alternative Settlement Rights at September 30, 1980. There were no ASR's outstanding at December 31, 1979.

On options exercised, $1 per share has been credited to common stock and the balance of the option price has been credited to additional capital. On options exercised for treasury stock, the difference between the option price and cost of the treasury stock has been credited or charged to additional capital. No charges have been made to income for stock options.

On ASR's, compensation expense is measured by changes in the quoted market value of the option shares from the option price at date of grant. Compensation expense of $10,468 relative to ASR's was charged to income in 1978. Such expense totalled $1,811,846 in the nine months ended September 30, 1980.

For restricted stock grants, compensation expense is measured by the quoted market value of the shares awarded at date of grant and will be charged to expense ratably over the five-year vesting period. Payments equivalent to dividends on shares granted but not yet vested are charged to expense as incurred. Compensation expense of $42,112 relative to restricted stock grants was charged to income in the nine-months ended September 30, 1980.

At September 30, 1980, there were 560,737 shares of capital stock reserved for the future grant of options or other stock awards under the Plan. Upon stockholder approval of the Plan in April, 1980, a predecessor stock option plan was terminated, and the 354,450 additional shares reserved for the grant of options at December 31, 1979, can no longer be issued under the predecessor plan.

8. Changes in Capital Stock

Changes in capital stock during the years 1977, 1978, and 1979 and the nine months of 1980 were as follows:

	Number of Shares			
	Year Ended December 31			Nine Months Ended September 30,
	1977	1978	1979	1980
Preferred Stock, $1 par				
Authorized	5,000,000	5,000,000	5,000,000	5,000,000
Issued	—	—	—	—

	Number of Shares			
	Year Ended December 31			Nine Months Ended September 30,
	1977	1978	1979	1980
Common Stock, $1 par				
Authorized	20,000,000	20,000,000	20,000,000	20,000,000
Issued:				
At beginning of period	11,874,578	12,471,486	12,507,002	12,521,257
Issued in connection with acquisitions	575,035	—	—	—
Issued under stock incentive plans:				
Trans Union	15,041	32,761	14,255	8,001
Pooled companies	6,832	2,755	—	—
Balance at end of period	12,471,486	12,507,002	12,521,257	12,529,258

9. Reacquired Common Stock

Reacquired common stock during the years 1977, 1978, 1979 and the nine months of 1980 was as follows:

	Shares	Cost (Dollars in thousands)
Balance at January 1, 1977	266,457	$ 8,168
Reacquired equivalent to shares issued in purchase acquisitions	464,234	17,314
Reissued in connection with acquisitions of businesses	(125,016)	(4,247)
Balance at December 31, 1977	605,675	$21,235
Reacquired equivalent to shares issued in purchase acquisitions	684,500	24,557
Reissued in connection with acquisitions of businesses	(698,547)	(24,020)
Balance at December 31, 1978	591,628	$21,772
Reacquired equivalent to shares issued in purchase acquisitions	28,065	886
Reissued in connection with acquisitions of businesses	(505,597)	(18,518)
Other Reacquired	9	—
Balance at December 31, 1979	114,105	$ 4,140
Reissued in connection with acquisitions of businesses	(78,813)	(2,856)
Reissued in connection with exercise of stock options	(12,138)	(441)
Other reacquired	1	—
Balance at September 30, 1980	23,155	$ 843

10. Retirement Plans

The Company and its subsidiaries provide retirement benefits for most employees through pension and other retirement plans. The total retirement expense provisions for continuing operations were: $4,873,000 in 1977; $5,197,000 in 1978; $6,620,000 in 1979; $4,965,000 in the nine months ended September 30, 1979; and $5,479,000 in the nine months ended September 30, 1980 for all plans; this includes amortization of prior service pension cost over a twenty year period.

The Company's policy is to fund pension costs for its principal plans on a current basis. As of the most recent valuation date, January 1, 1980, the actuarial present value of accumulated plan benefits for the Company's principal plans was $38,208,000, of which $34,649,000 was vested, and the net assets available for benefits was $38,663,000. The weighted average assumed rate of return used in determining the aforementioned actuarial present value of accumulated plan benefits was 7.89%. Effective with the January 1, 1980, valuation date the assumed rate of return was increased from 7½% to 8% for certain plans and this change resulted in a decrease of $407,000 in the pension expense for the nine months ended September 30, 1980 and a reduction in the actuarial present value of accumulated benefits of $2,333,000.

11. Lease and Charter Data

The investment in rail cars and vessels out on leases or charters which are classified as direct financing leases is recoverable from future lease or charter payments and estimated residual values. Details of this investment which is classified on the accompanying consolidated balance sheet under charter vessels and rail car lease fleet as of December 31, 1979 and September 30, 1980 are as follows:

December 31, 1979

	Rail Car Lease Fleet	Vessel Lease Fleet	Total
	(Dollars in Thousands)		
Investment in Direct Financing Leases—			
Minimum future lease or charter rentals	$52,470	$107,417	$159,887
Estimated residual values	5,625	2,000	7,625
Gross investment	$58,095	$109,417	$167,512
Less—unearned income	(26,995)	(65,401)	(92,396)
Net investment	$31,100	$ 44,016	$ 75,116
Classified as follows—			
Cost	$42,523	$ 46,773	$ 89,296
Less—accumulated depreciation	(11,423)	(2,757)	(14,180)
Net investment	$31,100	$ 44,016	$ 75,116

September 30, 1980

	Rail Car Lease Fleet	Vessel Lease Fleet	Total
	(Dollars in Thousands)		
Investment in Direct Financing Leases—			
Minimum future lease or charter rentals	$133,273	$101,940	$235,213
Estimated residual values	17,979	2,000	19,979
Gross investment	$151,252	$103,940	$255,192
Less—unearned income	(89,005)	(60,534)	(149,539)
Net investment	$ 62,247	$ 43,406	$105,653
Classified as follows—			
Cost	$ 74,171	$ 46,773	$120,944
Less—accumulated depreciation	(11,924)	(3,367)	(15,291)
Net investment	$ 62,247	$ 43,406	$105,653

The investment in the rail car and vessel operating lease fleet as of December 31, 1979 is as follows:

	Rail Car Lease Fleet	Vessel Lease Fleet	Total
	(Dollars in Thousands)		
Investment in Operating Lease Fleet—			
Cost	$1,152,065	$86,950	$1,239,015
Less—accumulated depreciation	(314,734)	(23,752)	(338,486)
Net investment	$ 837,331	$63,198	$ 900,529

The investment in the rail car and vessel operating lease fleet as of September 30, 1980 is as follows:

	Rail Car Lease Fleet	Vessel Lease Fleet	Total
	(Dollars in Thousands)		
Investment in Operating Lease Fleet—			
Cost	$1,324,535	$81,887	$1,406,422
Less—accumulated depreciation	(341,180)	(24,074)	(365,254)
Net investment	$ 983,355	$57,813	$1,041,168

Minimum future rentals receivable on rail car leases and vessel charters at December 31, 1979 are due as follows:

	Direct Financing Leases	Operating Leases	Total
	(Dollars in Thousands)		
Years Ended December 31			
1980	$ 12,725	$179,219	$ 191,944
1981	12,613	153,276	165,889
1982	12,548	134,512	147,060
1983	12,154	117,095	129,249
1984	11,920	84,036	95,956
1985 and after	97,927	294,005	391,932
Total	$159,887	$962,143	$1,122,030

Minimum future rentals receivable on rail car leases and vessel charters at September 30, 1980 are due as follows:

	Direct Financing Leases	Operating Leases	Total
	(Dollars in Thousands)		
Years Ended September 30			
1981	$ 19,178	$ 196,212	$ 215,390
1982	19,111	170,581	189,692
1983	18,805	154,052	172,857
1984	17,294	123,830	141,124
1985	16,739	93,812	110,551
1986 and after	144,086	332,828	476,914
Total	$235,213	$1,071,315	$1,306,528

Rail cars are leased directly to several hundred manufacturers and other shippers under leases covering from one to several thousand cars, normally for periods ranging from one month to fifteen years. The standard term of the leases covering new cars is five or more years and the leases often contain provisions for renewal for additional terms, of varying length, beyond the initial period. Under the terms of most of the leases the Company agrees to provide a full range of services including car repair and maintenance and payment of property taxes.

The Company's vessel charter fleet involves the chartering of vessels to others under one of two basic types of charters. The bareboat charter requires the user to operate and maintain the ship while paying the Company a fixed monthly fee. The time charter is a similar arrangement, but it requires the Company to man and maintain the vessel for the period of the contract.

12. Segment Data

Data with regard to the Company's industry segments are as follows:

	1975	1976	1977	1978	1979
	(Dollars in Millions)				
Revenue From Net Sales and Services and Other Income					
Rail Car Leasing, Services & Sales	$144.4	$174.1	$216.9	$258.3	$295.3
General Leasing, Rental & Services	56.4	50.4	67.2	78.7	92.9
Total Leasing	$200.8	$224.5	$284.1	$337.0	$388.2
Overseas Marketing Services	$ 57.9	$113.1	$116.4	$137.7	$202.6
Fasteners and Forged Products	54.6	56.5	52.7	66.8	82.5
Total Distribution Activities	$112.5	$169.6	$169.1	$204.5	$285.1
Water & Waste Treatment	$184.1	$185.5	$191.7	$173.8	$200.9
Information Services	27.6	32.7	38.1	44.7	50.6
Real Estate Development	22.8	35.9	61.8	37.9	19.7
Unallocated	4.4	4.7	5.7	4.0	11.3
Total	$552.2	$652.9	$750.5	$801.9	$955.8
Income Before Income Taxes					
Rail Car Leasing, Services & Sales	$ 39.9	$ 40.8	$ 41.0	$ 46.2	$ 62.9
General Leasing, Rental & Services	14.6	7.7	8.8	11.4	15.6
Total Leasing	$ 54.5	$ 48.5	$ 49.8	$ 57.6	$ 78.5
Overseas Marketing Services	$ 1.3	$ 4.3	$ 4.9	$ 8.0	$ 8.0
Fasteners and Forged Products	6.0	3.4	1.7	3.2	4.6
Total Distribution Activities	$ 7.3	$ 7.7	$ 6.6	$ 11.2	$ 12.6
Water & Waste Treatment	$ 7.9	$ 12.6	$ 14.3	$ 11.0	$ .1
Information Services	4.2	6.4	8.4	9.4	10.7
Real Estate Development	(4.1)	(3.7)	10.1	12.4	8.9
Unallocated Interest	(4.6)	(3.1)	(1.7)	(1.7)	(3.7)
Unallocated Corporate Expenses	(4.2)	(4.3)	(5.0)	(6.0)	(8.6)
Total	$ 61.0	$ 64.1	$ 82.5	$ 93.9	$ 98.5

TRANS UNION CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	1975	1976	1977	1978	1979
	(Dollars in Millions)				
Operating Income					
Rail Car Leasing, Services & Sales	$ 73.2	$ 78.7	$ 78.6	$ 87.0	$114.7
General Leasing, Rental & Services	22.6	14.7	16.1	18.5	23.2
Total Leasing	$ 95.8	$ 93.4	$ 94.7	$105.5	$137.9
Overseas Marketing Services	$ 2.5	$ 5.4	$ 6.1	$ 9.9	$ 11.3
Fasteners and Forged Products	7.4	4.7	2.5	4.5	6.9
Total Distribution Activities	$ 9.9	$ 10.1	$ 8.6	$ 14.4	$ 18.2
Water & Waste Treatment	$ 10.4	$ 14.6	$ 15.8	$ 13.0	$ 3.6
Information Services	4.7	6.7	8.7	9.8	11.6
Real Estate Development	(1.9)	(.8)	12.4	14.9	12.5
Total Segments	$118.9	$124.0	$140.2	$157.6	$183.8
Nonconsolidated Subsidiaries & Investees	2.7	3.2	4.0	4.3	5.2
Interest Expense, etc.	(56.4)	(58.8)	(56.7)	(62.0)	(81.9)
Unallocated Corporate Expense	(4.2)	(4.3)	(5.0)	(6.0)	(8.6)
Total	$ 61.0	$ 64.1	$ 82.5	$ 93.9	$ 98.5

	Assets			Capital Expenditures			Depreciation		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
Other Industry Segment Data	(Dollars in Millions)								
Rail Car Leasing, Services and Sales	$ 780.7	$ 870.8	$1,056.1	$ 58.7	$120.7	$192.9	$33.1	$36.1	$ 38.5
General Leasing, Rental and Services	186.7	193.2	212.8	28.1	51.2	42.1	11.6	13.8	17.9
Total Leasing	$ 967.4	$1,064.0	$1,268.9	$ 86.8	$171.9	$235.0	$44.7	$49.9	$ 56.4
Overseas Marketing Services	$ 59.6	$ 84.0	$ 99.5	$ 1.0	$ .8	$ 3.4	$ .4	$ .6	$ .8
Fasteners and Forged Products	32.0	49.7	60.7	.7	3.0	5.5	.8	1.0	1.3
Total Distribution Activities	$ 91.6	$ 133.7	$ 160.2	$ 1.7	$ 3.8	$ 8.9	$ 1.2	$ 1.6	$ 2.1
Water and Waste Treatment	$ 121.9	$ 114.3	$ 147.3	$ 1.7	$ 1.8	$ 3.7	$ 1.8	$ 1.7	$ 1.8
Information Services	21.2	21.6	31.6	.6	.4	1.1	.6	.6	.8
Real Estate Development	79.8	59.7	65.0	.8	.2	.6	.5	.2	.1
Total Segments	$1,281.9	$1,393.3	$1,673.0	$ 91.6	$178.1	$249.3	$48.8	$54.0	$ 61.2
Nonconsolidated Subsidiaries and Investees	$ 58.3	$ 67.0	$ 73.2	$ —	$ —	$ —	$—	$—	$ —
Discontinued Operations	30.8	45.0	—	—	—	—	—	—	—
Corporate/Unallocated	15.1	17.4	44.6	.3	.1	.2	.3	.2	.4
Total	$1,386.1	$1,522.7	$1,790.8	$ 91.9	$178.2	$249.5	$49.1	$54.2	$ 61.6

	Assets			Revenues and Other Income			Income Before Income Taxes*		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
				(Dollars in Millions)					
Geographic Segment Data									
United States	$ 782.7	$ 859.3	$1,080.8	$459.8	$504.5	$558.1	$65.8	$76.0	$ 73.6
Canada	267.0	275.6	308.4	119.1	103.8	123.7	11.5	11.3	14.9
	$1,049.7	$1,134.9	$1,389.2	$578.9	$608.3	$681.8	$77.3	$87.3	$ 88.5
Ocean Vessel Chartering	127.2	120.6	111.0	34.5	35.0	26.6	1.0	(.5)	5.1
Overseas Marketing Services	59.6	84.0	99.5	116.4	137.6	209.3	4.7	8.0	8.0
Other Foreign	45.4	53.8	73.3	15.0	17.0	26.8	2.2	2.5	4.0
Total Segments	$1,281.9	$1,393.3	$1,673.0	$744.8	$797.8	$944.5	$85.2	$97.3	$105.6
Nonconsolidated Subsidiaries and Investees	58.3	67.0	73.2	—	—	—	4.0	4.3	5.2
Discontinued Operations	30.8	45.0	—	—	—	—	—	—	—
Unallocated Interest	—	—	—	—	—	—	(1.7)	(1.7)	(3.7)
Corporate/Unallocated	15.1	17.4	44.6	5.7	4.0	11.3	(5.0)	(6.0)	(8.6)
Total	$1,386.1	$1,522.7	$1,790.8	$750.5	$801.9	$955.8	$82.5	$93.9	$ 98.5

* Income Before Income Taxes for the years 1977 through 1979, inclusive, has been restated to reflect the proper allocation of interest expense between United States and Canadian operations. As a result, previously reported "Income Before Income Taxes" for United States operations has been decreased by $1,800,000, $2,100,000 and $3,400,000 for the years 1977, 1978 and 1979, respectively. "Income Before Income Taxes" from Canadian operations has been increased by corresponding amounts for the same periods. For detail on other reclassifications, see Note K to the Consolidated Statement of Income.

Segment revenues are comprised of sales and services provided to unaffiliated customers and applicable other income. Intersegment sales are immaterial. Segment operating income includes segment revenues less operating expenses directly traceable to the segment and an allocation of common expenses benefiting more than one segment. Income before income taxes represents segment operating income plus the segment's equity in the net income of nonconsolidated subsidiaries and 20-50% owned companies and less an allocation of interest expense.

The interest expense allocation is based upon leveraging factors for different types of asset investments. The amounts shown for Unallocated Interest represent the difference between actual interest costs incurred and interest expense so allocated.

The principal activities of the Company's primary industry segments are as follows:

Segments	Principal Activities
Rail Car Leasing, Services and Sales	Full service leasing of rail cars
General Leasing, Rental and Services	Equipment leasing, rentals and vessel chartering, etc.
Overseas Marketing Services	International marketing
Fasteners and Forged Products	Manufacture and distribution of fasteners and forged products
Water and Waste Treatment	Design, manufacture and installation of water, waste treatment and other process equipment
Information Services	Credit reporting, freight auditing, specialized computer services and in-house computer systems for credit unions
Real Estate Development	Sales of improved land and construction and sale of condominiums

The nonconsolidated subsidiaries are primarily finance-lease subsidiaries operating principally in the United States and Canada.

13. Supplemental Inflation Reporting (Unaudited)

A comparative summary of 1979 operations expressed in historical costs (as reported in the primary financial statements), on a constant dollar basis (adjusted for general inflation) and on a current cost basis (adjusted for specific price increases) is as follows:

	Historical Cost Basis (As Reported in the Primary Statements)	Constant Dollar Basis (Adjusted for General Inflation)	Current Cost Basis (Adjusted for Specific Price Changes)
		(Dollars in Millions)	
Net Revenues and Other Income	$955.8	$955.8	$955.8
Cost of Sales	$428.1	$445.5	$442.7
Depreciation	61.6	96.4	102.1
Other Operating Expenses	277.6	277.6	277.6
Interest Expense	89.9	89.9	89.9
Provision for Income Taxes	37.9	37.9	37.9
	$895.1	$947.3	$950.2
Income from Continuing Operations	$ 60.7	$ 8.5	$ 5.6
Gain from Decline in Purchasing Power of Net Amounts Owed ("Purchasing Power Gain")	—	$113.8	$113.8
Sum of Income from Continuing Operations and Purchasing Power Gain	$ 60.7	$122.3	$119.4
Net Assets at Year End	$322.8	$843.2	$999.4
Per Share Amounts—			
Income from Continuing Operations	$ 5.01	$ .70	$ .46
Gain from Decline in Purchasing Power of Net Amounts Owed	$ —	$ 9.39	$ 9.39
Sum of Income from Continuing Operations and Purchasing Power Gain	$ 5.01	$10.09	$ 9.85

The supplemental data in the column entitled "Constant Dollar Basis—Adjusted for General Inflation" is based on the historical financial statements but also reflects adjustment of certain historical costs (i.e., "cost of sales" and "depreciation") to units of common purchasing power. These adjustments are based on the Consumer Price Index and are expressed in average 1979 dollars. For example, an asset acquired in 1968 for $1,000 is restated to $2,100 in terms of 1979 dollars and depreciation on that asset is similarly restated.

The supplemental data in the column entitled "Current Cost Basis—Adjusted for Specific Price Changes" reflects adjustment of certain historical costs (i.e., "cost of sales" and "depreciation") to estimated current replacement or reproduction costs. For example, the Company's rail car fleet and related depreciation are adjusted using a reproduction cost index published by the Association of American Railroads. Cost of sales, the vessel lease fleet and other fixed assets are adjusted using other appropriate indices. The current cost amounts reflected in this summary are stated in constant dollars (i.e., average 1979 dollars).

The specific prices of inventories and of the rail car lease fleet, vessel lease fleet and fixed assets held at December 31, 1979 are estimated to be $171 million and $1,884 million, respectively. The esti-

mated specific prices of inventories, the rail car lease fleet, vessel lease fleet and fixed assets held during 1979 increased approximately $203 million. However, during the same period the general price level increased at an even faster rate. Therefore, in constant dollars, the specific prices of these assets held during the year decreased by approximately $6 million.

The constant dollar and current cost amounts reflected herein are based on the guidelines for inflation disclosures contained in the Statement of Financial Accounting Standards No. 33. In accordance with the Statement and current tax laws, no adjustments to income tax expense have been reflected in the constant dollar and current cost amounts reflected herein because the additional amounts of constant dollar and current cost depreciation and cost of sales are not deductible. All constant dollar and current cost amounts are approximations. The usefulness of such disclosures is limited to drawing general conclusions about the impact of inflation on the Company rather than providing precise measures of inflation adjusted net income or net assets.

The Company has a substantial hedge against inflation in the fact that it finances a large part of its assets with borrowed funds and these loans will be repaid in the future with "cheaper dollars". As the value of the dollar declines, the loss on the borrowed portion thereby is shifted to the lender and constitutes a corresponding gain to the Company. That economic gain in 1979 was $113.8 million.

In order to shift the loss in purchasing power, the Company has to pay higher interest rates than the Company would have paid if inflation had been lower. However, these higher interest rates are already fully reflected in the Company's earnings statement to shareholders by the $89.1 million of interest charges shown above. The Company's average interest rate was 10.2% in 1979. If, as many believe, interest rates absent any expectation of inflation would approximate 3%, then the inflationary increment in interest cost was 7.2%, or about $63 million. A more realistic presentation of the effects of inflation on Trans Union would have been to combine the inflation increment described above with the "purchasing power gain" in the above comparative summary, as they are directly related. Had this been done, "Income from Continuing Operations" (adjusted for general inflation) would obviously have been higher and the "gain from the decline in the purchasing power of net amounts owed" would have been lower. However, while logical, this is not presently an accepted approach under the FASB's experimental standard governing the reporting of the effects of changing prices.

The following table reflects a five year summary of certain key data adjusted to average 1979 purchasing power dollars:

	1975	1976	1977	1978	1979
Net Revenues and Other Income (in millions)	$744.9	$832.5	$899.1	$892.6	$955.8
Cash Dividends Declared	$ 2.13	$ 2.14	$ 2.20	$ 2.25	$ 2.24
Market Price per Common Share at Year End	$38.45	$46.86	$39.23	$33.39	$34.63
Average Consumer Price Index	161.2	170.5	181.5	195.4	217.4

14. Pending Merger

Pursuant to an Agreement and Plan of Merger dated September 20, 1980, the Company agreed to merge with an affiliate of The Marmon Group, Inc. (the "Purchaser"). Under the terms of the Agreement the Company's stockholders would receive $55 per share in cash for each Company share held. The merger is subject to approval by the stockholders of the Company. In a related transaction, the Company has agreed to sell to a designee of the Purchaser one million newly-issued shares of the Company's common stock at a cash price of $38 per share.

The Plan of Merger was subsequently amended to permit the Company to actively seek other offers for the Company. If a more favorable offer is not received by the Company before February 1, 1981, then it is planned that the Company's stockholders will meet on February 10, 1981 to vote on the existing proposal.

TRANS UNION CORPORATION

AUDITORS' REPORT
(Individual Company Financial Statements)

To Trans Union Corporation:

We have examined the balance sheet of Trans Union Corporation (a Delaware corporation) as of December 31, 1979, and the related statements of income, retained earnings, additional capital, and source and use of funds for each of the three years in the period ended December 31, 1979. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Trans Union Corporation as of December 31, 1979, and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1979, in conformity with generally accepted accounting principles applied on a consistent basis.

ARTHUR ANDERSEN & CO.

Chicago, Illinois,
January 31, 1980.

TRANS UNION CORPORATION

INDIVIDUAL COMPANY BALANCE SHEET

(Dollars in Thousands)

ASSETS

	December 31, 1979		September 30, 1980 (Unaudited)	
Cash		$ 5,976		$ 12,625
Accrued Interest Receivable		1,156		837
Receivable from subsidiaries		5,472		10,577
Federal income taxes		4,449		7,220
Prepaid expenses		2,114		1,993
Investment in and advances to consolidated subsidiaries—				
Investments	$472,144		$576,269	
Advances	90,408		97,361	
	$562,552		$673,630	
Investment in nonconsolidated subsidiaries	$ 61,833		$ 66,345	
International Shipholding Corporation (ISC) notes receivable	$ 34,715		$ 32,231	
Total investments		659,100		772,206
Property, at cost—				
Land	$ 566		$ 566	
Buildings and leasehold improvements	4,802		4,838	
Equipment	2,073		2,524	
	$ 7,441		$ 7,928	
Less—Accumulated depreciation	(2,638)	4,803	(2,932)	4,996
Other Assets		130		403
		$683,200		$810,857

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts Payable		$ 1,255		$ 751
Accrued Liabilities		5,249		5,783
Payable to subsidiaries		24,974		36,956
Borrowed Debt		270,146		357,402
Debt due subsidiaries, substantially at prime rate plus 1%		54,255		68,009
Deferred federal income taxes		4,570		(5,950)
Contingent liabilities (Note 4)		—		—
Stockholders' equity—				
Capital stock	$ 12,521		$ 12,529	
Additional capital	82,803		82,317	
Retained earnings	231,567		253,903	
Less—Reacquired common stock, at cost	(4,140)	322,751	(843)	347,906
		$683,200		$810,857

The accompanying notes to individual company financial statements are an integral part of this statement.

TRANS UNION CORPORATION

INDIVIDUAL COMPANY STATEMENT OF INCOME

(Dollars in Thousands)

	For the Year Ended December 31			For Nine Months Ended September 30 (Unaudited)	
	1977	1978	1979	1979	1980
Interest income affiliated companies	$ 4,227	$ 6,561	$ 11,081	$ 7,386	$ 19,538
Interest income non-affiliates	932	1,836	5,075	3,002	4,955
Net exchange gains (losses)	1,097	(1,497)	(436)	(189)	(660)
	$ 6,256	$ 6,900	$ 15,720	$ 10,199	$ 23,833
Costs and expenses—					
General and administrative expenses	$ 4,650	$ 5,863	$ 8,159	$ 6,560	$ 6,490
Interest expense affiliated companies	10,597	12,496	11,557	7,606	6,550
Interest expense non-affiliates	6,552	10,199	23,644	15,469	33,909
	$ 21,799	$ 28,558	$ 43,360	$ 29,635	$ 46,949
Income (loss) before taxes	$(15,543)	$(21,658)	$(27,640)	$(19,436)	$(23,116)
Provision (credit) for current income taxes	(8,030)	(10,995)	(12,760)	(8,998)	(12,016)
Income (loss) before equity in net income of subsidiaries	$ (7,513)	$(10,663)	$(14,880)	$(10,438)	$(11,100)
Equity in net income of subsidiaries including cash dividends of $33,886 in 1977, $55,812 in 1978 and $41,665 in 1979, and $30,600 and $35,150 in the nine months ended September 30, 1979 and 1980, respectively	55,531	64,457	75,544	51,090	57,856
Income from continuing operations	$ 48,018	$ 53,794	$ 60,664	$ 40,652	$ 46,756
Equity in net income (loss) of discontinued operations including cash dividends of $1,000,000 in 1977 and $50,000 in 1978	3,427	(3,250)	(2,416)	(2,416)	—
Net income	$ 51,445	$ 50,544	$ 58,248	$ 38,236	$ 46,756

The accompanying notes to individual company financial statements are an integral part of this statement.

TRANS UNION CORPORATION

INDIVIDUAL COMPANY STATEMENTS OF RETAINED EARNINGS AND ADDITIONAL CAPITAL

(Dollars in Thousands)

	For the Year Ended December 31			For Nine Months Ended September 30 (Unaudited)	
	1977	1978	1979	1979	1980
Retained Earnings:					
Balance at beginning of period	$184,886	$217,522	$244,064	$244,064	$231,567
Net income	51,445	50,544	58,248	38,236	46,756
Cash dividends	(20,719)	(24,002)	(27,192)	(19,874)	(22,829)
Distribution of ISC stock	—	—	(36,765)	(36,765)	—
Adjustment resulting from acquisitions	1,910	—	(6,788)	—	(1,591)
Balance at end of period	$217,522	$244,064	$231,567	$225,661	$253,903
Additional Capital:					
Balance at beginning of period	$ 86,626	$ 95,647	$ 88,159	$ 88,159	$ 82,803
Excess of cost over fair value of treasury stock reissued in purchase acquisitions	(527)	(8,049)	(3,067)	(3,002)	(238)
Increase due to reacquisition of Ecodyne minority interest	8,629	—	—	—	—
Other, resulting primarily from stock options and acquisitions	919	561	(2,289)	126	(248)
Balance at end of period	$ 95,647	$ 88,159	$ 82,803	$ 85,283	$ 82,317

The accompanying notes to individual company financial statements are an integral part of these statements.

TRANS UNION CORPORATION

INDIVIDUAL COMPANY STATEMENT OF SOURCE AND USE OF FUNDS

(Dollars in Thousands)

	For the Year Ended December 31			For Nine Months Ended September 30 (Unaudited)	
	1977	1978	1979	1979	1980
Source of Funds:					
Income from continuing operations	$48,018	$ 53,794	$ 60,664	$40,652	$46,756
Depreciation (straight line method)	323	302	357	251	282
Less—Net income of subsidiaries not distributed as cash dividends	(21,645)	(8,645)	(33,879)	(20,490)	(22,706)
From continuing operations	$26,696	$ 45,451	$ 27,142	$20,413	$24,332
Sale of companies to subsidiary	4,275	14,788	—	—	—
Increase (decrease) in borrowed debt	(15,697)	110,401	97,873	36,391	87,256
Increase (decrease) in accounts payable, accrued liabilities, etc.	(5,615)	2,201	13,880	12,940	12,012
Increase (decrease) in deferred income taxes	8,110	1,380	2,990	1,350	(10,520)
Stock issued or payable for purchase acquisitions	13,242	15,570	3,379	3,379	—
(Increase) decrease in cash, accounts receivable, other assets, etc.	188	3,176	(4,465)	(19,051)	(15,063)
Other, net	1,267	1,243	2,104	1,941	3,221
	$32,466	$194,210	$142,903	$57,363	$101,238
Use of Funds:					
Investment in securities of subsidiaries—					
Capital contributions	$ 5,084	$ 4,328	$ 4,926	$ 4,455	$ 8,774
Increase (decrease) in secured notes	(3,009)	10,040	51,391	14,822	76,436
Investment in and advances to discontinued operations	668	17,530	(7,869)	(7,869)	—
Increase (decrease) in advances to subsidiaries	(4,767)	74,975	(23,348)	(32,925)	6,953
Decrease (increase) in debt due subsidiaries	(16,785)	23,208	48,707	17,102	(13,754)
Cash dividends	20,719	24,002	27,192	19,874	22,829
Reacquisition of common stock	17,314	24,557	886	886	—
Purchase of businesses	13,242	15,570	4,253	4,253	—
Distribution of ISC stock	—	—	36,765	36,765	—
	$32,466	$194,210	$142,903	$57,363	$101,238

The accompanying notes to individual company financial statements are an integral part of this statement.

TRANS UNION CORPORATION

NOTES TO INDIVIDUAL COMPANY FINANCIAL STATEMENTS

(Data with respect to the nine months ended September 30, 1979 and September 30, 1980 have not been examined by independent public accountants.)

1. Accounting for Investments in Subsidiaries:

The Company accounts for investments in subsidiaries on the equity method and the retained earnings of the Company at December 31, 1979 and September 30, 1980, include approximately $215,000,000 and $238,000,000, respectively, of undistributed earnings of subsidiaries.

During 1979, the Company distributed to its shareholders, by a dividend in kind, 2,417,331 shares of International Shipholding Corporation (ISC) common stock. The distribution was on the basis of one share of ISC stock for each five shares of Trans Union's common stock held. The transaction has been accounted for as a spin-off and is effective for accounting purposes as of March 31, 1979. ISC is primarily engaged in the direct operation of ocean vessels and the chartering in of vessels for servicing of the bulk trades. These operations are included in the accompanying financial statements as "discontinued operations," and the statements for 1977 have been reclassified to reflect this classification.

2. Borrowed Debt:

Details of borrowed debt at December 31, 1979 and September 30, 1980, were as follows:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
Commercial paper, 14.72% average rate at December 31, 1979, and 11.83% at September 30, 1980	$222,128	$214,163
Commercial paper refinanced with long-term borrowings subsequent to December 31, 1979	(100,000)	—
Advances from ISC, 18.30% average rate at December 31, 1979 and 15.60% at September 30, 1980	5,630	1,445
Mortgage note, 9.75% payable in installments through 2005	3,388	3,364
Bank term loans (including short-term borrowings refinanced subsequent to year-end), 15.80% average rate at December 31, 1979, and 13.52% at September 30, 1980	139,000	138,430
	$270,146	$357,402

In connection with certain bank term loans, the Company has agreed among other things, to maintain consolidated net worth, as defined, of not less than $275,000,000. At December 31, 1979 and at September 30, 1980, at least $23,900,000 and $49,200,000 of the consolidated retained earnings were not restricted under this agreement.

The aggregate amounts due on obligations for each of the five years following December 31, 1979 and September 30, 1980 are as follows (dollars in thousands):

	December 31, 1979	September 30, 1980
First year	$128,930	$245,369
Second year	42,322	52,678
Third year	52,739	32,482
Fourth year	20,073	3,256
Fifth year	3,317	8,734
	$247,381	$342,519

Data with respect to the month-end amounts of short-term borrowings including commercial paper during 1979 and 1980 are as follows:

	Year Ended December 31, 1979	Nine Months Ended September 30, 1980
	(Dollars in thousands)	
Maximum amount outstanding	$227,758	$217,957
Average amount outstanding	$178,096	$198,383
Weighted average annual interest rate	11.76%	13.12%

3. Income Taxes:

The amounts reported as "Provision (credit) for current income taxes" for two of the periods reported (1978 and 1980) differed from the hypothetical amounts obtained by multiplying the loss before taxes by the U.S. ordinary income tax rate. The difference was primarily due to adjustments to taxes provided by subsidiaries.

The Company has an agreement with Trans Union Leasing Corporation (TULC) which provides, among other things, that TULC will pay to the Company an amount equal to the deferred taxes of TULC, whereupon TULC shall have no further obligations with respect thereto. The Company will, in turn, contribute a like amount to the capital of TULC.

The caption "Deferred federal income taxes" on the accompanying balance sheet reflects deferred tax transactions with subsidiaries included in the consolidated Federal income tax return. These deferred tax transactions for the years 1977, 1978, 1979 and the nine months ended September 30, 1979 and 1980 are summarized as follows:

	Year Ended December 31			Nine Months Ended September 30	
	1977	1978	1979	1979	1980
	(Dollars in thousands)				
Balance, beginning of period	$(7,910)	$ 200	$1,580	$1,580	$ 4,570
Transferred from TULC	4,083	2,207	1,925	1,458	1,763
Investment tax credits from subsidiaries	4,140	(864)	2,574	(180)	(12,292)
Other	(113)	37	(1,509)	72	9
Balance, end of period	$ 200	$1,580	$4,570	$2,930	$(5,950)

4. Contingent Liabilities:

At December 31, 1979 and September 30, 1980, respectively, the Company is contingently liable as guarantor for the repayment of $24,000,000 and $18,600,000 of borrowed debt of nonconsolidated subsidiaries and approximately $116,000,000 and $93,000,000 of borrowed debt of consolidated subsidiaries.

In conjunction with the refinancing of two vessels by a shipping subsidiary, the Company has guaranteed the charter payments by the charterer of these vessels. Total debt outstanding was $36,117,000 as of December 31, 1979 and $35,275,000 as of September 30, 1980.

The Company and its subsidiaries also have been named defendants in a number of lawsuits and certain claims are pending. The Company has accrued what it reasonably expects to pay in final

settlement of these matters, to the extent not covered by insurance and, in the opinion of management, their ultimate resolution will not have a material effect on the Company's financial position or results of operations. On July 23, 1980, several lawsuits previously pending against a subsidiary in connection with a railroad accident in 1978 involving a tank car owned by such subsidiary were settled.

5. Foreign Currency Transactions

The Company has agreements with its domestic subsidiaries which have Canadian operations, whereby the Company absorbs all gains and losses resulting from Canadian currency transactions. These agreements, which implement a Company-wide procedure for balancing Canadian currency positions, have no effect on the consolidated net income of the Company.

The Company enters into forward exchange contracts on the Canadian dollar in an effort to hedge its Canadian subsidiaries' net monetary positions. The exchange gains or losses from these contracts are included in income currently and are offset by the exchange gains or losses absorbed by the Company in accordance with the above agreements.

6. Other Matters

The consolidated financial statements of Trans Union Corporation and subsidiaries are included elsewhere in this proxy statement. The Summary of Accounting Principles and Practices and Notes to Consolidated Financial Statements included therein provide information as to other matters on a consolidated basis and should be read in conjunction with these statements.

For details of acquisition and divestiture of businesses, reference is made to Note B of the notes to the Trans Union Corporation consolidated statement of income and to Note 1 of the Trans Union Corporation consolidated financial statements.

For details as to stock options, reference is made to Note 7 to the Trans Union Corporation consolidated financial statements.

For details as to changes in capital stock, reference is made to Note 8 and Note 9 to the Trans Union Corporation consolidated financial statements.

For details as to cash balances and banking arrangements, reference is made to Note 5 to the Trans Union Corporation consolidated financial statements. All lines of credit are available directly or indirectly to the Company.

For details as to the pending merger, reference is made to Note 14 to the Trans Union Corporation consolidated financial statements.

TRANS UNION LEASING CORPORATION AND AFFILIATES

AUDITORS' REPORT

To Trans Union Leasing Corporation and Affiliates:

We have examined the combined balance sheet of TRANS UNION LEASING CORPORATION AND AFFILIATES as of December 31, 1979, and the related combined statements of income, capital and source and use of funds for each of the three years in the period ended December 31, 1979. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Trans Union Leasing Corporation and Affiliates as of December 31, 1979, and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1979, in conformity with generally accepted accounting principles applied on a consistent basis.

ARTHUR ANDERSEN & CO.

Chicago, Illinois,
January 21, 1980.

TRANS UNION LEASING CORPORATION AND AFFILIATES

COMBINED BALANCE SHEET

(Dollars in Thousands)

ASSETS

	December 31, 1979	September 30, 1980 (Unaudited)
Cash	$ 5,737	$ 4,518
Net Investment in Leases and Other Finance Contracts	263,608	305,721
Due from Parent	2,057	3,775
Other Assets	5,576	5,459
	$276,978	$319,473

LIABILITIES, DEFERRED ITEMS AND CAPITAL

Accounts Payable and Accrued Expenses	$ 8,775	$ 6,606
Advance Rentals and Deposits	$ 7,029	$ 8,283
Advances from Parent Company	$ 5,000	$ 4,286
Borrowed Debt:		
Commercial paper	$ 39,635	$ 60,338
Revolving credit	27,694	42,545
Other senior debt	116,393	105,697
Senior subordinated notes	5,000	20,000
	$188,722	$228,580
Deferred Items:		
Income taxes	$ 2,927	$ 3,188
Investment tax credit	2,692	2,185
	$ 5,619	$ 5,373
Capital:		
Common stock	$ 227	$ 227
Additional capital	46,419	48,182
Retained earnings	15,187	17,936
Total Capital	$ 61,833	$ 66,345
	$276,978	$319,473

The accompanying notes to combined financial statements are an integral part of this statement.

TRANS UNION LEASING CORPORATION AND AFFILIATES

COMBINED STATEMENT OF INCOME

(Dollars in Thousands)

	Year Ended December 31			Nine Months Ended September 30 (Unaudited)	
	1977	1978	1979	1979	1980
EARNED INCOME ON LEASES AND OTHER FINANCE CONTRACTS	$24,223	$24,317	$30,764	$21,672	$28,959
OTHER OPERATING INCOME:					
Gains on disposition of residuals and early terminations	893	787	1,149	645	1,052
Other	424	572	1,541	1,262	1,124
Gross operating income	$25,540	$25,676	$33,454	$23,579	$31,135
INTEREST AND OTHER LEASE EXPENSES:					
Interest expense	$13,369	$12,662	$17,629	$12,292	$19,468
Provision for possible losses	1,218	1,072	1,739	958	1,477
Commissions and other direct lease expenses	713	555	862	604	696
	$15,300	$14,289	$20,230	$13,854	$21,641
Operating income before marketing and administrative expenses	$10,240	$11,387	$13,224	$ 9,725	$ 9,494
MARKETING AND ADMINISTRATIVE EXPENSES	4,433	4,698	5,481	3,868	4,798
Income before provision for income taxes	$ 5,807	$ 6,689	$ 7,743	$ 5,857	$ 4,696
PROVISION FOR INCOME TAXES:					
Current	$(2,357)	$ (399)	$ (634)	$ (611)	$ (86)
Deferred	4,965	2,821	2,679	2,286	2,033
Investment tax credit (deferred)	—	376	1,137	707	—
	$ 2,608	$ 2,798	$ 3,182	$ 2,382	$ 1,947
NET INCOME	$ 3,199	$ 3,891	$ 4,561	$ 3,475	$ 2,749

The accompanying notes to combined financial statements are an integral part of this statement.

TRANS UNION LEASING CORPORATION AND AFFILIATES

COMBINED STATEMENT OF CAPITAL

(Dollars in Thousands)

	Common Stock	Additional Capital	Retained Earnings	Total Capital
Balance at December 31, 1976	$226	$38,104	$ 7,918	$46,248
Net Income	—	—	3,199	3,199
Capital Contribution by Parent Company	—	4,083	—	4,083
Dividend	—	—	(1,000)	(1,000)
Acquisition of Medx, Inc.	—	100	118	218
Balance at December 31, 1977	$226	$42,287	$10,235	$52,748
Net Income	—	—	3,891	3,891
Capital Contribution by Parent Company	—	2,207	—	2,207
Dividend	—	—	(2,000)	(2,000)
Balance at December 31, 1978	$226	$44,494	$12,126	$56,846
Net Income	—	—	4,561	4,561
Capital Contribution by Parent Company	1	1,925	—	1,926
Dividend	—	—	(1,500)	(1,500)
Balance at December 31, 1979	$227	$46,419	$15,187	$61,833
Net Income for Nine Months	—	—	2,749	2,749
Capital Contribution by Parent Company	—	1,763	—	1,763
Balance at September 30, 1980 (Unaudited)	$227	$48,182	$17,936	$66,345

The accompanying notes to combined financial statements are an integral part of this statement.

TRANS UNION LEASING CORPORATION AND AFFILIATES

COMBINED STATEMENT OF SOURCE AND USE OF FUNDS

(Dollars in Thousands)

	Year Ended December 31			Nine Months Ended September 30 (Unaudited)	
	1977	1978	1979	1979	1980
Source of Funds:					
From Operations—					
Net income	$ 3,199	$ 3,891	$ 4,561	$ 3,475	$ 2,749
Principal repayments on leased equipment and other finance contracts	36,160	35,798	45,324	36,458	36,850
Deferred income taxes and investment tax credit	4,312	2,387	3,173	2,089	1,517
Disposition of equipment at book value	19,420	18,307	14,413	13,404	7,761
From Operations	$63,091	$60,383	$ 67,471	$55,426	$48,877
Increase (Decrease) in advances from parent	—	—	5,000	5,000	(714)
Increase (Decrease) in borrowed debt, net	(10,498)	8,658	46,842	26,439	39,858
Capital contribution by parent company	4,083	2,207	1,926	1,459	1,763
Increase in advance rentals and deposits	202	1,339	1,723	(4,537)	1,254
Other, net	(338)	3,634	(1,039)	2,752	(2,928)
	$56,540	$76,221	$121,923	$86,539	$88,110
Use of Funds:					
Expenditures for leased equipment and other finance contracts	$53,021	$70,178	$106,054	$69,033	$85,965
Acquisition of Lepeska Leasing Corporation	—	—	10,084	10,084	—
Payment of deferred taxes to parent	4,083	2,207	1,925	1,458	1,763
Payment of dividend to parent	1,000	2,000	1,500	—	—
Increase (Decrease) in cash	(936)	1,825	(85)	1,501	(1,219)
Increase in other assets	(628)	11	2,445	4,463	1,601
	$56,540	$76,221	$121,923	$86,539	$88,110

The accompanying notes to combined financial statements are an integral part of this statement.

TRANS UNION LEASING CORPORATION AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS

(Data with respect to the nine months ended September 30, 1979 and September 30, 1980 have not been examined by independent public accountants)

(1) Accounting Practices:

Principles of Combination—

The accompanying combined financial statements of Trans Union Leasing Corporation and affiliates include the accounts of Trans Union Corporation's finance lease group of wholly-owned subsidiaries (the Group). All significant intercompany accounts and transactions have been eliminated.

Financial statements previously reported for 1978 and 1977 have been restated to exclude a company, Trans Union Financial Corporation, which is now included with Trans Union Corporation's consolidated group of companies. The restatement of previously reported information is summarized as follows:

	Total Capital at December 31, 1976	1977 Net Income	1978 Net Income
As previously reported	$47,930	$2,993	$3,547
Effect of excluding company from group	(1,682)	206	344
As reported herein	$46,248	$3,199	$3,891

In addition to operating in the United States, Canada and Puerto Rico through Trans Union Leasing Corporation (TULC) and its consolidated subsidiaries, the Group conducts activities in Europe, Latin America and Asia through various affiliated U.S. and foreign subsidiaries.

The significant companies included in the combined financial statements are as follows:

	Incorporated In
Trans Union Leasing Corporation	Delaware
TU Vessel Leasing Corporation	Delaware
Metrocan Leasing Limited	Quebec
Arrendamientos Trans-Union S. de R.L. de C.V. (ATU)	Mexico
Trans Union Leasing Europa S.A.	Belgium
Lepeska Leasing Corporation	Delaware

In April, 1979, TULC acquired all of the outstanding stock of Lepeska Leasing Corporation (LLC) for cash. The purchase price was $10,084,000. At the date of acquisition, LLC's net worth exceeded the purchase price by $297,000.

Trans Union Financial Corporation (TUFC) provides certain common services for its affiliates, including the Group. The amounts charged to the Group for these services were approximately $100,000 in 1977, $86,000 in 1978, and $510,000 in 1979. During the first nine months of 1979 and 1980, the amounts charged to the Group for these services were $400,000 and $450,000, respectively.

In 1979, TUFC obtained $5,000,000 from an outside lender and advanced that amount to ATU under the same terms and conditions. The loan matures in August, 1986 and bears interest at 10.5%. Interest and equal principal repayments are payable quarterly.

In certain instances, 1977, 1978 and 1979 balances have been reclassified to conform with the presentation for 1980.

Accounting for Leases and Other Finance Contracts—

The leases entered into by the Group are classified as direct financing leases. Gross investment in leases (minimum lease payments plus estimated residual values) less the cost of the equipment is

designated as unearned income. A portion of unearned income equivalent to the "provision for possible losses" and "initial direct costs" is recognized in income at the time the lease is effective. The remainder of unearned income is recognized in income over the life of the lease based upon the "constant-yield method" or similar methods which generally result in a level rate of return on the net investment. Installment contracts are similar to direct financing leases except that the Group does not retain the legal ownership of the equipment or its residual value.

Provision for Possible Losses on Finance Contracts—

The provision for possible losses generally represents an estimated loss percentage applied to the net receivables at the time the lease or other finance contract is effective. In addition, the Group may make provisions in excess of this formula, if deemed appropriate, based upon management's review of the portfolio. A portion of unearned income equivalent to the provision for possible losses is recognized in income at the same time, except for Metrocan Leasing Limited. Metrocan provides for possible losses on an individual basis as reserves are required.

Initial Direct Lease Costs—

Certain initial direct costs (commissions and marketing expenses, based on the successful efforts concept) incidental to consummating contracts are charged to expense as incurred while, simultaneously, an equivalent amount of unearned income is recognized as earned income.

Federal Income Taxes—

For income tax purposes, deductions are taken for depreciation on most leased equipment using accelerated methods. Deferred income taxes have been provided for the difference between tax depreciation and cost recovery recorded for financial accounting purposes.

All U.S. subsidiaries are included in the consolidated tax return of Trans Union Corporation and the agreement between the Group and Trans Union provides that the Group will be reimbursed for investment tax credits and tax deductions utilized in Trans Union's consolidated tax return. To the extent that the aggregate of investment tax credits and tax deductions available to Trans Union's affiliated group exceeds those allowable in the consolidated tax return of any year, the agreement provides that the allocation of such tax credits and deductions among the affiliated group shall be determined at the sole discretion of Trans Union. Income taxes that would otherwise be currently payable to the Federal government are payable to Trans Union Corporation. Current income tax benefits to be used by Trans Union are estimated each year for financial reporting. The amounts estimated are adjusted to the actual benefits in the consolidated income tax return in the following year.

Under the terms of a tax agreement between TULC and Trans Union Corporation, all deferred taxes provided by TULC will be paid to Trans Union on a quarterly basis, whereupon TULC shall have no further obligations with respect thereto. Trans Union will, in turn, contribute a like amount to the capital of TULC. The agreement, with respect to deferred taxes, applies only to the deferred taxes produced by TULC and does not include deferred taxes of Metrocan or other foreign entities of the Group.

Investment tax credits are deferred and amortized over the terms of the leases using the constant-yield method.

Goodwill—

Goodwill totaling $942,000 represents the excess of cost over the value of net tangible and identifiable intangible assets of Metrocan Leasing Limited at the date acquired (prior to October 31, 1970). The goodwill, which is included in other assets, is not being amortized because, in the opinion of management, there has been no diminution of its value.

(2) Foreign Currency Translation:

The accounts of certain foreign entities are maintained in foreign currencies. For purposes of financial reporting, substantially all of these accounts are translated to U.S. dollars at approximate current rates of exchange, except for income and expense which are translated at average rates prevailing during the respective years. The translation adjustments resulting from this policy are charged or credited to income currently, except for gains or losses from Canadian dollar adjustments, which are absorbed by Trans Union under a hedge agreement between the two parties. Losses totaling $427,000 in the nine month period of 1980, $2,503,000 in the year 1978, $2,770,000 in the year 1977, and gains totaling $651,000 in the year 1979 were absorbed by Trans Union Corporation under the hedge agreement. The portion of exchange adjustments not covered by this hedge agreement was immaterial for these periods.

(3) Receivables Under Lease and Other Finance Contracts:

Existing lease and other finance contracts receivable at December 31, 1979, are due in the following installments:

12 Months Ending December 31	Amount
	(Dollars in Thousands)
1980	$ 92,454
1981	56,070
1982	45,131
1983	34,897
1984	26,246
1985 and after	98,479
	$353,277

Existing lease and other finance contracts receivable at September 30, 1980 are due in the following installments:

12 Months Ending September 30	Amount
	(Dollars in Thousands)
1981	$ 83,531
1982	72,506
1983	59,406
1984	47,028
1985	35,809
1986 and after	121,822
	$420,102

(4) Income Taxes:

The total provision for income taxes for the period 1977 through 1980 is less than the expected amount obtained by multiplying income before taxes by the U.S. ordinary income tax rate primarily as a result of the amortization of deferred investment tax credits classified in earned income. Investment tax credit amortization was $466,000 in 1977, $587,000 in 1978, $673,000 in 1979 and $502,000 and $491,000 in the nine month periods ended September 30, 1979 and 1980, respectively.

The deferred tax provision includes foreign taxes of $2,143,000 in 1977, $443,000 in 1978, $749,000 in 1979, and $856,000 and $885,000 in the nine month periods ended September 30, 1979 and 1980, respectively.

The current tax provision includes foreign taxes or (tax credits) of ($1,323,000) in 1977, ($23,000) in 1978, $88,000 in 1979, and $83,000 and ($86,000) in the nine month periods ended September 30, 1979 and 1980, respectively.

(5) Borrowed Debt:

Outstanding commercial paper, aggregating $39,635,000 at December 31, 1979 and $60,338,000 at September 30, 1980, is supported by the unused commitment available under the revolving credit described below and by standby bank lines.

The Group has revolving credit agreements with eleven U.S. banks and three Canadian banks. The total amount available under the revolving credit at December 31, 1979, was $30,000,000 (U.S.) and $10,000,000 (Canadian). The total amount available under the revolving credit at September 30, 1980, was $50,000,000 (U.S.) and $10,000,000 (Canadian). On October 10, 1980, the Group entered into a credit agreement with a fourth Canadian bank for an additional line of revolving credit of $10,000,000 (Canadian). A total of $27,694,000 (including $4,694,000 Canadian) was borrowed at December 31, 1979, and a total of $42,545,000 (including $8,545,000 Canadian) was borrowed at September 30, 1980. At December 31, 1979, borrowings under the agreements bore interest at rates ranging from 101% to 109% of the prime rate. At September 30, 1980, borrowings under the agreements bore interest at rates ranging from the prime rate to 105% of the prime rate. Arrangements with the U.S. banks call for average annual compensating balances equivalent to 5% of the lines. The Canadian borrowings do not require compensating balances. In addition, the Group pays ½ of 1% commitment fee on the unused portion of both the U.S. and Canadian agreements. The borrowings under the agreements may be converted to five-year term loans at the option of the Group or the Banks. If converted, the borrowings bear interest at the prime rate plus ¾ of 1% (1¼% in Canada) and require level principal amortization over the term. The loans had not been converted at September 30, 1980.

Details of borrowed debt due within one year are as follows:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
Short term borrowings—		
Commercial paper (average rate 14.82% as of December 31, 1979 and 11.18% as of September 30, 1980)	$ 39,635	$ 60,338
Short-term notes, etc., including bank loans (average rate 13.08% as of December 31, 1979 and 15.23% as of September 30, 1980)	48,668	55,287
	$ 88,303	$115,625

Data with regard to the month-end amounts of the Group's principal short-term borrowings during 1979 and 1980 are as follows:

	Twelve Months Ended December 31, 1979			Nine Months Ended September 30, 1980		
	Commercial Paper	Bank Notes	Aggregate	Commercial Paper	Bank Notes	Aggregate
Maximum amount outstanding	$39,635	$48,668	$88,303	$60,338	$55,287	$115,625
Average amount outstanding	31,640	30,723	62,363	49,937	46,999	96,936
Weighted average annual interest rate	11.45%	13.69%	12.50%	13.01%	19.24%	16.08%

Details of other senior debt are as follows:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
Payable to banks and other lenders, average rate of 12.00% as of December 31, 1979, and 10.96% as of September 30, 1980	$ 41,255	$ 34,869
Senior notes, payable in periodic installments through 1993 at 8.75% to 11% (average 9.76% as of December 31, 1979 and September 30, 1980)	75,138	70,828
Total	$116,393	$105,697

The aggregate amounts of other senior debt due for each of the twelve month periods following December 31, 1979, are as follows:

12 Months Ending December 31	Aggregate Amounts (Dollars in Thousands)
1980	$ 27,721
1981	7,746
1982	11,792
1983	8,338
1984	9,804
1985 and after	50,992
	$116,393

Trans Union Corporation had guaranteed $24,000,000 of the above borrowed debt at December 31, 1979.

The aggregate amounts of other senior debt due for each of the twelve month periods following September 30, 1980, are as follows:

12 Months Ending September 30	Aggregate Amounts (Dollars in Thousands)
1981	$ 24,644
1982	8,614
1983	10,359
1984	10,230
1985	9,793
1986 and after	42,057
	$105,697

Trans Union Corporation had guaranteed $23,000,000 of the above borrowed debt at September 30, 1980.

The loan agreements between certain subsidiaries and institutional lenders for the senior notes contain provisions which, among other things, (a) prohibit pledging of certain leased assets, (b) restrict the amount of borrowed debt, as defined, other than subordinated debt, to no more than 350% of the combined balance of subordinated debt and stockholder's equity until the sum of subordinated debt and stockholder's equity exceeds $40,000,000, at which time the limit is 400% (at December 31, 1979 and September 30, 1980, the 400% limit was applicable) and (c) limit under certain circumstances, as defined, the payment of dividends and other restricted payments. At December 31, 1979 and September 30, 1980, $10,964,000 and $11,690,000, respectively, of combined retained earnings was not restricted as to dividends.

Details of senior subordinated debt are as follows:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
Senior subordinated notes, payable in periodic installments through 1995 at 9.25% to 10.875% (Average rate 9.25% as of December 31, 1979 and 10.47% as of September 30, 1980)	$5,000	$20,000

The aggregate amounts of senior subordinated debt due for each of the twelve month periods following December 31, 1979 are as follows:

12 Months Ending December 31	Aggregate Amounts (Dollars in Thousands)
1980	$ —
1981	—
1982	—
1983	500
1984	500
1985 and after	4,000
	$5,000

The aggregate amounts of senior subordinated debt due for each of the twelve month periods following September 30, 1980 are as follows:

12 Months Ending September 30	Aggregate Amounts (Dollars in Thousands)
1981	$ —
1982	—
1983	500
1984	500
1985	500
1986 and after	18,500
	$20,000

The note agreements contain restrictions similar to those discussed above. In addition, the subordination provision specifies that this debt is junior in right of repayment to all senior debt.

(6) Cash Balances and Banking Arrangements:

The Group's cash balances are not subject to withdrawal restrictions, although substantially all such balances serve as compensating balances for lines of credit granted by the banks as well as other services provided by the banks. To the extent that the Group does not provide compensating balances, it may count excess balances carried by Trans Union Corporation. Trans Union charges the Group a fee for these balances based on its cost of funds. The amount charged by Trans Union in 1978 was $285,000. There were no fees in 1977, 1979 or 1980. At December 31, 1979 and September 30, 1980, the Group had unused lines of short-term credit available directly or indirectly to it from banks (exclusive of the unused portion of the revolving credit agreement) aggregating $27,000,000 and $77,000,000, respectively. These lines are in the amounts requested by the Group and are not necessarily the maximum that could be obtained.

(7) Retirement Plans:

Retirement benefits are provided to most employees through pension and other retirement plans. Retirement expense provisions were $73,000 in 1977, $85,000 in 1978, $82,000 in 1979 and $61,500 and $95,900 in the nine month periods ended September 30, 1979 and 1980, respectively. Retirement expense provisions include amortization of prior-service pension costs over a twenty-year period. The Group's policy is to fund pension costs accrued on a current basis; the pension plans are funded

through a common trust with Trans Union Corporation. As of the most recent valuation date, January 1, 1980 the actuarial present value of accumulated plan benefits for the Company's principal plans was $229,000 of which $184,000 was vested, and the allocated net assets available for benefits was $548,000. The assumed weighted average rate of return used in determining the aforementioned actuarial present value of accumulated plan benefits was 7.84%.

(8) Commitments:

The Group has various contractual commitments totaling approximately $42,900,000 and $27,500,000 at December 31, 1979 and September 30, 1980, respectively, entered into during the normal course of business for purchase of equipment for lease and other finance contracts.

(9) Net Investment in Leases and Other Finance Contracts:

The following lists the components of the net investment in leases and other finance contracts:

	December 31, 1979	September 30, 1980
	(Dollars in Thousands)	
Total Minimum Payments to be Received From:		
Direct financing leases	$236,496	$258,895
Installment contracts	118,398	162,647
	$354,894	$421,542
Less: Reserve for possible losses	(5,002)	(5,299)
Net minimum payments receivable	$349,892	$416,243
Estimated residual value	16,890	19,298
Less: Unearned income	(103,174)	(129,820)
	$263,608	$305,721

(10) Initial Direct Costs:

Income recognized equivalent to initial direct costs is as follows:

	(Dollars in Thousands)
Years ended December 31,	
1977	$718
1978	657
1979	939
Nine months ended September 30,	
1979	$653
1980	889

[COMPOSITE CONFORMED COPY]

APPENDIX I

GL CORPORATION
39 South La Salle Street
Chicago, Illinois 60603

September 20, 1980
(as amended as of
October 10, 1980)

Board of Directors
Trans Union Corporation
111 West Jackson Blvd.
Chicago, IL 60604

Re: Proposed Merger

Gentlemen:

The undersigned hereby proposes a merger (the "Merger") between Trans Union Corporation, a Delaware corporation (the "Company"), and a newly formed, wholly-owned, indirect subsidiary company of the undersigned, wherein the Company would be the surviving corporation and wherein each stockholder of the Company would be entitled to receive $55.00 in cash per share of the common stock of the Company held at the effective time of the Merger, all as more fully set forth in the proposed definitive agreements attached hereto.

Consummation of the Merger is subject to the conditions set forth in the attached proposed definitive agreements (unless waived) and this proposal—as it relates to the Merger—is subject, at the undersigned's election, to (i) the finalization of financing arrangements (which will be a condition only until 5:00 p.m. (Chicago time) on October 10, 1980, after which time, if such financing has not been finalized to the satisfaction of the undersigned, this proposal—as it relates to the Merger—and the definitive agreements and other documents relating to the Merger will be of no further force or effect) and (ii) the prompt consummation of the purchase and sale of the Company's common stock referred to below. The undersigned will use its best efforts to finalize such financing and will notify the Company on or before such date as to whether the foregoing condition (i) has been satisfied or is to be waived.

The undersigned hereby agrees to purchase from the Company and the Company hereby agrees to sell to the undersigned or a designee one million shares of the Company's newly issued, fully paid and non-assessable common stock at a price of $38.00 per share in cash. The agreement of the undersigned to purchase shares of the Company's common stock shall not be conditional upon the consummation of the Merger. The Company's obligation to consummate the foregoing purchase and sale shall be subject to (i) the listing of such additional shares on the New York Stock Exchange, and (ii) receipt by the Company of written notice that the condition relating to financing arrangements referred to in (i) in the preceding paragraph has been satisfied or waived (regardless of whether there is at that time outstanding an offer of the nature referred to in clause (b) of the next sentence). In connection with the foregoing purchase and sale, the undersigned agrees that the shares so purchased will not be sold until the earlier of (a) the consummation of the Merger herein proposed or (b) the making by an unrelated third party of an offer to acquire all or a substantial portion of the Company (either in a stock or an asset transaction or otherwise) at a price in excess of (or which causes the Company's common stock to trade at a price in excess of) $55.00 per share; or an offer of the nature described in Section 2.03 of the Supplemental Agreement, as amended, is made to the Company, and is in the opinion of the Board of Directors of the Company, confirmed in writing to the undersigned, more favorable to the Stockholders of the Company than the Merger; provided, however, that the undersigned will be free to sell such shares, and the Company will assist in registering the same under the Securities Act of 1933 and applicable states' securities laws on or after April 1, 1981.

Acceptance of this proposal by the Company shall constitute a binding agreement enforceable against the Company and the undersigned in accordance with the terms hereof.

Very truly yours,

GL CORPORATION

By: JAY A. PRITZKER
Chairman

Agreed and Accepted:

TRANS UNION CORPORATION

By: J. W. VAN GORKOM
Chairman

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of September 20, 1980 (as amended by the Amendment to Agreement and Plan of Merger dated as of October 10, 1980), by and among Trans Union Corporation ("TU"), a corporation organized and existing under the laws of the State of Delaware and having its principal offices located at 90 Half Day Road, Lincolnshire, Illinois and New T Co. ("NTC"), a corporation organized and existing under the laws of the State of Delaware and having its principal offices located at 39 South La Salle Street, Chicago, Illinois. TU and NTC are hereinafter referred to collectively as the "Constituent Corporations" and individually as a "Constituent Corporation."

The authorized capital stock of TU consists of 20,000,000 shares of Common Stock, par value $1.00 per share ("TU Common Stock"), of which 12,497,055 shares were issued and outstanding on June 30, 1980.

The authorized capital stock of NTC consists of 1,000 shares of Common Stock, without par value ("NTC Common Stock"), all of which are issued and outstanding and are owned indirectly by GL Corporation ("GL"), a Delaware corporation.

Concurrently with the execution of this Agreement and Plan of Merger, the Constituent Corporations and GL are entering into a Supplemental Agreement of even date herewith (the "Supplemental Agreement") for the purpose of setting forth certain representations, warranties, covenants and agreements as an inducement to the execution and delivery of this Agreement and Plan of Merger and to the consummation of the merger of NTC into TU (the "Merger") provided for herein.

In consideration of the premises and of the mutual covenants and agreements herein contained, and for the purpose of prescribing the terms and conditions for the Merger, the mode of carrying the Merger into effect, the manner and basis of converting each issued and outstanding share of TU Common Stock (other than those owned by NTC) into a right to receive $55.00 in cash and converting each issued and outstanding share of NTC Common Stock into a share of the Surviving Corporation (as hereinafter defined) and such other details as are deemed necessary or desirable, all in accordance with the General Corporation Law of the State of Delaware (the "Corporate Law"), the parties hereto have agreed and do hereby agree as follows:

ARTICLE I

(a) In accordance with the provisions of this Agreement and Plan of Merger and the Corporate Law, at the Effective Time (as hereinafter defined) NTC shall be merged into TU and TU shall be the surviving corporation of the Merger (herein sometimes called the "Surviving Corporation").

(b) This Agreement and Plan of Merger shall not become effective until, and shall become effective at, the time at which the taking of the following actions shall have been completed: (i) this Agreement and Plan of Merger shall have been approved and adopted by the stockholders of each of the Constituent Corporations in accordance with the requirements of the Corporate Law and as provided in this Agreement and Plan of Merger, and that fact shall have been certified hereon by the Secretary or an Assistant Secretary of each of the Constituent Corporations under its corporate seal; (ii) the conditions which would permit this Agreement and Plan of Merger to be terminated as set forth in Article V hereof shall have been satisfied or, as therein provided, waived; and (iii) this Agreement and Plan of Merger, approved, adopted and certified as aforesaid (or a certificate of merger) shall have been executed, acknowledged and filed with the Secretary of State of the State of Delaware in accordance with the Corporate Law. The time when this Agreement and Plan of Merger shall be filed and the Merger shall become effective as aforesaid is herein called the "Effective Time" and the day on which the Effective Time occurs is herein called the "Effective Date."

ARTICLE II

(a) The manner and basis of exchanging or converting shares of each of the Constituent Corporations shall be as follows:

(1) Each share of TU Common Stock which shall be issued and outstanding immediately prior to the Effective Time (other than shares held by NTC) shall, by virtue of the Merger and without any action on the part of the holder thereof, be changed into and exchanged for $55.00 in cash (the "Per Share Price").

(2) Each share of TU Common Stock held by NTC or in the treasury of TU immediately prior to the Effective Time shall, by virtue of the Merger and without any action the part of the holder thereof, be cancelled, and no cash, securities or other property shall be issued in the Merger in respect thereof.

(3) Each share of NTC Common Stock which shall be issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be changed into and exchanged for one share of TU Common Stock and shall constitute the only issued and outstanding equity securities of the Surviving Corporation.

(b) From and after the Effective Time, each holder of TU Common Stock, upon presentation and surrender of a certificate or certificates therefor to The First National Bank of Chicago (the "Exchange Agent"), shall be entitled to receive in exchange therefor the Per Share Price for each share of TU Common Stock. Until surrendered, each such certificate which immediately prior to the Effective Time represented shares of TU Common Stock shall be deemed for all purposes to evidence the right to receive the Per Share Price.

(c) If the Per Share Price (or any portion thereof) is to be delivered to a person other than that in which the certificate or certificates surrendered in exchange therefor are registered, it shall be a condition to the payment of the Per Share Price that the certificates so surrendered shall be properly endorsed and otherwise in proper form for transfer, that such transfer otherwise be proper and that the person requesting such transfer pay to the Exchange Agent any transfer or other taxes payable by reason of the foregoing or establish to the satisfaction of the Exchange Agent that all such taxes have been paid or are not payable.

(d) No interest will be paid on any portion of the Per Share Price. Any sums remaining with the Exchange Agent on the date which is six calendar months after the Effective Time will be released and repaid by the Exchange Agent to the Surviving Corporation, after which time persons entitled thereto may look, subject to the applicable escheat and other similar laws, only thereto as general creditors for payment thereof.

(e) Approval and adoption of this Agreement and Plan of Merger by the stockholders of TU shall be deemed to constitute the appointment of the Exchange Agent to make the foregoing exchange. The Board of Directors of NTC or the Surviving Corporation, as the case may be, is empowered to adopt further rules and regulations with respect to the matters referred to in this Article II which are consistent with the provisions of this Agreement and Plan of Merger.

ARTICLE III

At the Effective Time, all and singular rights, privileges, powers and franchises, whether public or private, all the property, real, personal and mixed, of each of the Constituent Corporations, all debts due to either of them on whatever account, including subscriptions for shares, and all other things in action belonging to either of them shall be vested in the Surviving Corporation without further act or deed; and all property, rights, privileges, powers and franchises and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the Constituent Corporations; and the title to any real estate, whether vested by deed or otherwise, in either of the Constituent Corporations shall not revert or be in any way impaired by reason of the

Merger; but the Surviving Corporation shall thenceforth be liable for all debts, liabilities and duties of each of the Constituent Corporations, and all said debts, liabilities and duties shall thenceforth attach to and become the debts, liabilities and duties of the Surviving Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it. No liability or obligation due or to become due at the Effective Time, and no claim or demand for any cause then existing against either of the Constituent Corporations shall be released or impaired by the Merger, and all rights of creditors and all liens upon property of either of the Constituent Corporations shall be preserved unimpaired.

ARTICLE IV

If at any time the Surviving Corporation shall deem or be advised that any further grants, assignments, confirmations or assurances are necessary or desirable to vest or to perfect or confirm of record or otherwise in the Surviving Corporation the title to any property of either Constituent Corporation, the officers and directors of such Constituent Corporation or any of them may, and shall as and when so requested by the Surviving Corporation or by its successors or assigns, execute and deliver any and all such grants, assignments, confirmations and assurances and do all things necessary or proper so as to best prove, confirm and ratify title to such property in the Surviving Corporation or to otherwise carry out the purposes of the Merger and the terms of this Agreement and Plan of Merger or the Supplemental Agreement. The Surviving Corporation shall have the same power and authority to act in respect to any debts, liabilities and duties of the Constituent Corporations as the Constituent Corporations would have had, had they continued in existence. If the Surviving Corporation shall at any time after the Effective Time deem that any further grants, assignments, confirmations or assurances or any other acts are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation the title to any property or to enforce any claims of NTC acquired by the Surviving Corporation pursuant to the Merger, the officers and directors of the Surviving Corporation at that time are hereby specifically authorized as attorneys-in-fact of NTC (this appointment being irrevocable as one coupled with an interest) to execute and deliver any and all such proper grants, assignments, confirmations and assurances and to do all such other acts in the name and on behalf of NTC or otherwise as they shall deem necessary or appropriate.

ARTICLE V

(a) Notwithstanding the approval of the stockholders of either or both of the Constituent Corporations as provided in Paragraph (b) of Article I of this Agreement and Plan of Merger, this Agreement and Plan of Merger may be terminated and the Merger may be abandoned as hereinafter provided in this Article V. In the event of such termination and abandonment, this Agreement and Plan of Merger shall become void and of no effect, without any liability on the part of either Constituent Corporation or its directors, officers or stockholders in respect of this Agreement and Plan of Merger or the Supplemental Agreement except for any liability in respect of (i) any willful breach of this Agreement and Plan of Merger or the Supplemental Agreement theretofore committed by either party to either such Agreement and (ii) any unpaid expenses incurred by either party to either such Agreement in connection with either such Agreement.

(b) This Agreement and Plan of Merger may be terminated and the Merger may be abandoned by mutual consent of the Boards of Directors of the Constituent Corporations at any time prior to the Effective Time.

(c) This Agreement and Plan of Merger may be terminated and the Merger may be abandoned at any time prior to the Effective Time by action of the Board of Directors of NTC if:

(i) NTC shall have discovered any material error, misstatement or omission in any of the representations or warranties of TU contained in the Supplemental Agreement, or TU shall have otherwise breached in any material respect any such representation or warranty, any such repre-

sentation or warranty shall not be correct or accurate in all material respects at and as of the Effective Time with the same effect as if made at such time (other than with respect to changes in the facts or circumstances stated therein which result from TU's compliance with the Supplemental Agreement) or TU shall have failed to comply in any material respect with any of the terms, covenants, conditions or agreements contained in this Agreement and Plan of Merger or in the Supplemental Agreement to be complied with or performed by TU at or prior to the Effective Time;

(ii) there shall have been any change (other than changes specifically permitted or contemplated by the Supplemental Agreement) after June 30, 1980 in the assets, liabilities, properties, business or financial condition of TU or any of the Subsidiaries (as defined in the Supplemental Agreement) which has or would be expected to have a materially adverse effect on the assets, liabilities, properties, business or financial condition of TU and the Subsidiaries taken as a whole;

(iii) NTC shall not have received on or before the Effective Date any of the documents required to be furnished to NTC pursuant to Section 2.07 of the Supplemental Agreement;

(iv) there shall be outstanding on the Effective Date written objections to the Merger, pursuant to Section 262 of the Corporate Law, of stockholders entitled to vote individually or in the aggregate 5% or more of the issued and outstanding shares of TU Common Stock with respect to the approval and adoption of this Agreement and Plan of Merger;

(v) any corporate or other proceeding to be taken by TU in connection with the transactions contemplated by this Agreement and Plan of Merger or the Supplemental Agreement, or any documents incident hereto or thereto, shall not be reasonably satisfactory in form and substance to NTC or its counsel;

(vi) there shall be pending or threatened on the Effective Date any action or proceeding by or before any court or other governmental body which shall seek to restrain, enjoin, prohibit or invalidate the transactions contemplated by this Agreement and Plan of Merger or the Supplemental Agreement or seeking money damages in connection therewith, or which might adversely affect the right of the Surviving Corporation after the Merger to own and operate in their entirety the businesses of TU and the Subsidiaries as presently operated;

(vii) all of the consents and approvals required (a) as conditions precedent to the consummation of the transactions contemplated by this Agreement and Plan of Merger and/or the Supplemental Agreement and (b) for NTC to own and operate in their entirety the businesses of TU and the Subsidiaries as presently conducted after the Merger shall not have been received upon terms reasonably satisfactory to NTC, provided that if on or prior to the Effective Date the Government of Canada under the Foreign Investment Review Act of Canada shall not have disapproved the transactions contemplated hereby insofar as they affect the Canadian Subsidiaries of TU, this subparagraph (vii) shall be deemed to be satisfied with respect to the Foreign Investment Review Act of Canada;

(viii) this Agreement and Plan of Merger shall not have been adopted by the stockholders of TU on or before March 31, 1981, or the Merger shall not have been consummated by March 31, 1981; or

(ix) the Board of Directors of TU shall have received an offer of the nature referred to in Section 2.03 of the Supplemental Agreement, which offer is in the opinion of the Board of Directors of TU, confirmed in writing to NTC and GL, more favorable to the stockholders of TU than the Agreement and Plan of Merger.

(d) This Agreement and Plan of Merger may be terminated and the Merger may be abandoned at any time prior to the Effective Time by action of the Board of Directors of TU if:

(i) TU shall have discovered any material error, misstatement or omission in any of the representations or warranties of NTC or GL contained in the Supplemental Agreement, or NTC or GL shall have otherwise breached in any material respect any such representation or warranty, any such representation or warranty shall not be correct or accurate in all material respects at and as of the Effective Time with the same effect as if made at such time, or NTC or GL shall have failed to comply in any material respect with any of the terms, covenants, conditions or agreements contained in the Supplemental Agreement to be complied with or performed by NTC or GL at or prior to the Effective Time;

(ii) TU shall not have received on the Effective Date any of the documents required to be furnished to TU pursuant to Section 4.04 of the Supplemental Agreement;

(iii) any corporate or other proceeding to be taken by NTC or GL in connection with the transactions contemplated by this Agreement and Plan of Merger or the Supplemental Agreement, or any document incident hereto and thereto, shall not be reasonably satisfactory in form and substance to TU or its counsel; or

(iv) there shall be in effect on the Effective Date any order by any court or governmental body restraining or enjoining the consummation of the Merger.

(e) This Agreement and Plan of Merger may be terminated and the Merger may be abandoned by the action of the Boards of Directors of either TU or NTC prior to February 10, 1981 if prior to such date (1) TU has consummated a merger with or into or a consolidation with any third party, or TU has sold its assets substantially as an entirety to any third party, or any third party has acquired by purchase or exchange with the approval of the Board of Directors of TU more than 45% of the then outstanding Common Stock of TU (with a commitment by the offeror to acquire promptly the balance of such Common Stock by merger or otherwise) or (2) there is in existence a definitive agreement for such merger, consolidation, sale of assets, or purchase or exchange of TU Common Stock subject only to (x) stockholder approval by the stockholders of TU and any third party (or its subsidiaries) and (y) any order by any court or governmental body restraining or enjoining consummation of such merger, consolidation, sale of assets or purchase or exchange of stock and which definitive agreement is, (A) in the opinion of the Board of Directors of TU, more favorable to the stockholders of TU than the Agreement and Plan of Merger and (B) wherein the stockholders of TU are entitled to receive consideration with a value in excess of $55 per share of TU Common Stock, as determined in the good faith judgment of the Board of Directors of TU. Such termination and abandonment shall be effective immediately prior to the earlier of (i) consummation of any thereof and (ii) the written advice of TU to the effect that there is in existence a definitive agreement of the nature described in (2) above.

ARTICLE VI

This Agreement shall not be altered or otherwise amended except pursuant to an instrument in writing executed and delivered on behalf of each of the Constituent Corporations which instrument, when so executed and delivered, shall thereupon become a part of this Agreement and Plan of Merger and the provisions thereof shall be given effect as if contained herein as of the date hereof; provided, however, that at any time prior to the Effective Time either of the Constituent Corporations may, by written agreement, (i) extend the time for the performance of any of the obligations or other acts of the other hereunder, (ii) waive any inaccuracies in the representations or warranties of the other (or, in case of TU, GL) contained in the Supplemental Agreement or in any document delivered pursuant thereto, (iii) waive compliance with any of the covenants or agreements of the other (or, in case of TU, GL) contained in the Supplemental Agreement, and/or (iv) make any other modification of this Agreement and Plan of Merger or the Supplemental Agreement approved by their respective Boards of Directors (other than the nature of the consideration to be received by the holders of shares of TU Common Stock pursuant to this Agreement and Plan of Merger or in the amount of the Per Share Price). No waiver of any right or remedy hereunder shall be deemed

a waiver of any other right or remedy, including another right or remedy with respect to the subject of the waiver.

ARTICLE VII

This Agreement and Plan of Merger may be executed in any number of counterparts and all such counterparts shall be deemed to be an original instrument and together shall constitute the same agreement. This Agreement and Plan of Merger shall be governed by and construed in accordance with the laws of the State of Illinois except as to matters governed by the Corporate Law.

ARTICLE VIII

Any notice, report, demand, waiver or consent required or permitted hereunder shall be in writing and shall be given personally by or prepaid telegram or prepaid registered or certified mail, return receipt requested, or by facsimile transmission, addressed as follows:

If to TU:
Trans Union Corporation
90 Half Day Road
Lincolnshire, Illinois
Attn: J. W. Van Gorkom

If to NTC:
c/o The Marmon Group, Inc.
39 South La Salle Street
Chicago, Illinois
Attn: J. A. Pritzker

A notice shall be deemed received on the date of actual receipt thereof. Either Constituent Corporation may change its address for the purpose of notice by giving notice of such change in accordance with the provisions of this Article VIII.

In Witness Whereof, this Agreement and Plan of Merger has been executed by the duly authorized officers of each of the parties hereto, and their respective corporate seals have hereunto been affixed and attested, as of the day and year first above written.

TRANS UNION CORPORATION

By: J. W. VAN GORKOM
Chairman

Attest:

W. B. MOORE
Secretary

NEW T CO.

By: JAY A. PRITZKER
President

Attest:

CATHERINE STOJANOVICH
Asst. Secretary

SECRETARIES' CERTIFICATES

The undersigned, , Secretary of Trans Union Corporation, a Delaware corporation, one of the merging corporations mentioned in the within Agreement, on behalf of said corporation certifies as follows:

The within Agreement has been submitted to the stockholders of said corporation at a meeting thereof duly called and held in accordance with the provisions of the General Corporation Law of the State of Delaware on the day of 1980, and at said meeting said Agreement was considered and a vote, in person or by proxy, was taken for the adoption or rejection of said Agreement, and the votes of the stockholders of said corporation representing shares of its common stock, being not less than a majority of the number of said shares issued and outstanding and entitled to vote thereon, were voted for the adoption of said Agreement.

Dated:

TRANS UNION CORPORATION,
a Delaware corporation

_____
Secretary

(CORPORATE SEAL)

The undersigned, , Secretary of New T Co., a Delaware corporation, one of the merging corporations mentioned in the within Agreement, on behalf of said corporation certifies as follows:

The within Agreement has been consented to in writing by HCL Corp., the sole stockholder of the corporation.

Dated:

NEW T CO.,
a Delaware corporation

_____
Secretary

(CORPORATE SEAL)

The foregoing Agreement and Plan of Merger having been duly entered into and signed by Trans Union Corporation, a Delaware corporation, and New T Co., a Delaware corporation, and having been duly adopted by the stockholders of each of such corporations, all in accordance with the provisions of the General Corporation Law of the State of Delaware, the President of Trans Union Corporation, a Delaware corporation, and the President of New T Co., a Delaware corporation, do now hereby execute said Agreement and Plan of Merger under the corporate seals of their respective corporations by authority of the directors and stockholders of each, as the respective act, deed and agreement of each of said corporations, on this day of , 1980.

TRANS UNION CORPORATION,
a Delaware corporation

Attest:

By: _____
President

_____
Secretary

NEW T CO.,
a Delaware corporation

Attest:

By: _____
President

_____
Secretary

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT, dated as of September 20, 1980 (as amended by the Amendment to Supplemental Agreement dated as of October 10, 1980), by and among Trans Union Corporation, a corporation organized and existing under the laws of the State of Delaware and having its principal offices located at 90 Half Day Road, Lincolnshire, Illinois ("TU"), New T Co., a corporation organized and existing under the laws of the State of Delaware and having its principal offices located at 39 South LaSalle Street, Chicago, Illinois ("NTC"), and GL Corporation, a corporation organized and existing under the laws of the State of Delaware and having its principal offices located at 39 South LaSalle Street, Chicago, Illinois ("GL").

Concurrently with the execution and delivery of this Agreement, TU and NTC are entering into an Agreement and Plan of Merger (the "Merger Agreement") which provides for the merger (the "Merger") of NTC into TU on the date (the "Effective Date") and at the time (the "Effective Time") provided for therein.

The parties hereto desire to make this Agreement for the purpose of setting forth certain representations, warranties, covenants and agreements as an inducement to the execution and delivery of the Merger Agreement and to the consummation of the Merger.

In consideration of the premises and the mutual representations, warranties, covenants and agreements herein contained, the parties hereto have agreed and do hereby agree as follows:

ARTICLE I

Representations and Warranties of TU

TU hereby represents and warrants to NTC and agrees with NTC as follows:

Section 1.01 *Corporate Organization; Subsidiaries.*

(a) TU is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has full power and authority (corporate and other) to own or lease and to operate its properties and to conduct its business as such properties are presently owned, leased and operated and as such business is presently conducted by it. TU is duly qualified, licensed and authorized to transact business and is in good standing as a foreign corporation in each jurisdiction in which it owns or leases significant property or conducts significant amounts of business and in which it is required to be so qualified, licensed or authorized.

(b) Each of the subsidiaries of TU (the "Subsidiaries") is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has full power and authority (corporate and other) to own or lease and to operate its properties and to conduct its business as such properties are presently owned or leased and operated and as such business is presently conducted by it. Each of the Subsidiaries is qualified, licensed or authorized to transact business and is in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified, licensed or authorized could have a materially adverse effect on TU and the Subsidiaries taken as a whole.

Section 1.02 *Articles; By-Laws.*

TU has heretofore delivered to NTC copies of its certificates of incorporation and by-laws. Said certificate and by-laws have been validly adopted and are in full force and effect on the date hereof and there has been no change in either of them since the delivery of copies thereof.

Section 1.03 *Capitalization.*

The authorized capital stock of TU consists of 20,000,000 shares of common stock, par value $1.00 per share ("Stock") of which 12,497,055 shares of Stock were issued and outstanding on June 30, 1980, and 5,000,000 shares of preferred stock, par value $1.00 per share, none of which has been issued.

The issued and outstanding shares of Stock of TU and the issued and outstanding capital stock of all of the Subsidiaries have been duly authorized and are validly issued, fully paid and non-assessable. Except for non-transferable stock options, restricted stock agreements and a deferred stock payout provision related to an acquisition, which entitle the holders to acquire no more than 220,000 shares of Stock, there is outstanding no option, warrant or call, conversion or other right or commitment on the part of TU or any Subsidiary relating to unissued or treasury shares of capital stock, or securities, or agreements or authorizations to issue securities, exchangeable for or convertible into shares of capital stock of TU or any Subsidiary.

SECTION 1.04 *Authority.*

TU has full power and authority (corporate and other) to execute, deliver and perform this Agreement and the Merger Agreement and to consummate the transactions contemplated hereby and thereby. Subject to the obtaining of the Stockholders' Approval (as defined in Section 2.03 hereof), all necessary action (corporate and other) required by law or by the certificate of incorporation or the by-laws of TU has been taken to authorize the execution, delivery and performance by TU of this Agreement and the Merger Agreement and of all transactions contemplated hereby and thereby and of the execution and delivery of all documents to be delivered by TU pursuant to this Agreement and the Merger Agreement. This Agreement and the Merger Agreement constitute valid and binding obligations of TU enforceable in accordance with their respective terms.

SECTION 1.05 *Financial Statements.*

TU has heretofore delivered to NTC copies of the following documents (the "Reports"): (i) each of the reports of TU on Form 10-K as filed by TU pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") for each of the years ended December 31, 1978 and 1979 and (ii) the reports on Form 10-Q as filed by TU pursuant to the Exchange Act for the three months ended March 31, 1980 and the six months ended June 30, 1980. The financial statements of TU or of TU and its consolidated Subsidiaries contained in the Reports (the "GAAP Financial Statements") have all been prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied throughout the periods indicated, and each of them as at its date, together with any notes thereto, fairly presents the financial condition and the assets and liabilities of TU and its Subsidiaries on a consolidated basis or of TU or the results of operations or changes in stockholders' equity, retained earnings or source and use of funds of TU and its Subsidiaries on a consolidated basis or of TU for the periods covered thereby, as the case may be (except, in the case of the unaudited GAAP Financial Statements as at and for the interim periods for normal recurring year-end audit adjustments made in accordance with GAAP consistently applied). The GAAP Financial Statements as at and for the years ended December 31, 1978 and 1979 have been examined by Arthur Andersen & Co., independent public accountants, whose reports thereon accompanied such statements in the Reports.

SECTION 1.06 *Absence of Undisclosed Liabilities.*

Except as reflected or reserved against in the consolidated balance sheet as at June 30, 1980, included within the GAAP Financial Statements, neither TU nor any of the Subsidiaries had any liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, as of that date which should have been properly reflected or reserved against in a consolidated balance sheet or the notes thereto prepared as of that date in accordance with GAAP consistently applied.

SECTION 1.07 *Business and Financial Condition.*

Since June 30, 1980, there has been no material change in the business, financial or other condition of TU and the Subsidiaries taken as a whole or in their respective assets, properties or liabilities, other than changes in the ordinary course of business, none of which has been or is expected to be in any case or in the aggregate, materially adverse to TU and the Subsidiaries taken as a whole, and neither TU nor any Subsidiary has incurred any obligation or liability or made any disbursement or disposition of any assets or properties, material to TU and the Subsidiaries taken as a whole, otherwise than in the ordinary course of business.

SECTION 1.08 *Properties.*

All of the tangible properties owned and leased by TU and the Subsidiaries are substantially in satisfactory operating condition and in good repair and conform in all material respects with all applicable building, zoning and other laws, ordinances, orders, requirements and regulations; the use or proposed use of such property is in substantial conformity with such laws, ordinances, orders, requirements and regulations, and all necessary occupancy and other certificates and permits for the lawful use and occupancy thereof have been issued; and all material notes or notices of violation of law, ordinances, orders or regulations noted in or issued by any state, county, municipal or local department having jurisdiction against or affecting any of such property have been complied with, except in each case for defects or violations which in the aggregate are not material to the business and properties of TU and the Subsidiaries taken as a whole.

SECTION 1.09 *Insurance.*

All of the material properties and assets of TU and each of the Subsidiaries which are of an insurable character are insured against loss or damage by fire and other risks to the extent and in the manner (including self insurance and deductible provisions) customary for companies engaged in similar businesses or owning similar assets.

SECTION 1.10 *Casualties.*

Since June 30, 1980, neither the business or financial condition of TU and the Subsidiaries taken as a whole nor the properties or assets thereof taken as a whole have been materially adversely affected in any way in any case or in the aggregate as a result of fire, explosion, earthquake, accident, strike or other labor trouble, requisition or taking of property by any governmental agency, flood, rainstorm, drought, riot, act of God or the public enemy or any other casualty, whether or not covered by insurance.

SECTION 1.11 *Income Taxes; Other Taxes; ERISA.*

(a) TU and each of the Subsidiaries have filed all Federal, state, county and local and foreign income, franchise, and ad valorem tax returns, reports and declarations which are required to be filed by it and have paid, or made provision for the payment of, all such taxes which were due pursuant to said returns or pursuant to any assessment received by it. TU files a consolidated Federal income tax return with all of the United States Subsidiaries. The reserve for income taxes reflected in the consolidated balance sheet as at June 30, 1980, included within the GAAP Financial Statements, is adequate to cover those tax liabilities and deficiencies (including those based on operations for the current year through that date) which if not provided for would have a materially adverse effect on the financial condition of TU and the Subsidiaries taken as a whole.

(b) All employee benefit plans established or maintained by TU or any of the U.S. Subsidiaries comply in all material respects with the applicable requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and no such plan which is subject to Part 3 of Subtitle B of Title 1 of ERISA has incurred any "accumulated funding deficiency" within the meaning of Section 302 or Section 412 of the Internal Revenue Code of 1954, as amended (the "Code"). No material liability to the Pension Benefit Guaranty Corporation established under ERISA has been incurred with respect to any plan subject to ERISA. No liability has been asserted against TU or any Subsidiary for any tax imposed on any "prohibited transaction" respecting any such plan within the meaning of Section 4975 of the Code.

SECTION 1.12 *Litigation.*

Except as set forth in the Reports and except for defenses of actions based on claims against TU or any Subsidiary arising in the ordinary course of its business which if adversely determined would not have a materially adverse effect on the business or financial condition of TU and the Subsidiaries taken as a whole, there are no actions, suits or proceedings pending against or affecting TU or any of the Subsidiaries or their respective properties or businesses, at law or in equity or admiralty or be-

fore or by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign. To the best of TU's knowledge, no actions, suits or proceedings, at law or in equity or admiralty by or before any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, are threatened against TU or any of the Subsidiaries or their respective properties or businesses which might have a materially adverse effect on the business or financial condition of TU and the Subsidiaries taken as a whole. Neither TU nor any Subsidiary is in default with respect to any material order, writ, injunction or decree applicable to it of any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

SECTION 1.13 *Labor Relations.*

There are no controversies pending or, to the knowledge of TU, threatened between TU or any Subsidiary and any of its employees, or any labor union or other collective bargaining unit representing any of its employees which might be expected to result in a work stoppage or wage increase that would have a materially adverse effect on the business of TU and the Subsidiaries taken as a whole.

SECTION 1.14 *Interim Operations.*

Since June 30, 1980, neither TU nor any Subsidiary has (a) incurred or become subject to, or agreed to incur or become subject to, any obligation or liability (absolute or contingent) material to TU and the Subsidiaries taken as a whole except current liabilities incurred, and obligations under contracts entered into and instruments executed, in the ordinary course of business; (b) issued or sold shares of its capital stock or securities convertible into or exchangeable for shares of its capital stock except shares of Stock issued or issuable under the arrangements referred to in Section 1.03 and the agreement to sell 1,000,000 shares of Stock to GL Corporation or its designee; (c) discharged or satisfied any lien or encumbrance or paid any obligation or liability (absolute or contingent) material to TU and the Subsidiaries taken as a whole other than current liabilities shown on the consolidated balance sheet as of June 30, 1980, included within the GAAP Financial Statements, and current liabilities incurred since that date in the ordinary course of business; (d) declared, paid or set apart in respect of its capital stock any dividends or other distributions or payments except cash dividends paid to TU by the Subsidiaries or by TU on shares of Stock at the rate of $.65 per share per quarter; (e) mortgaged, pledged or subjected to any material lien, charge or any other encumbrance, or agreed so to do, any of its assets, tangible or intangible, except in the ordinary course of business; (f) sold or transferred or agreed to sell or transfer any of its assets, or forgiven or cancelled or agreed to forgive or cancel any debts or claims, or waived or agreed to waive any of its rights which in any case or in the aggregate are material to the financial condition of TU and the Subsidiaries taken as a whole, except in the ordinary course of business; (g) suffered any extraordinary losses which in any case or in the aggregate are material to the financial condition of TU and the Subsidiaries taken as a whole; (h) entered into any transaction other than in the ordinary course of business which in any case or in the aggregate is material to the financial condition of TU and the Subsidiaries taken as a whole; (i) terminated any contract, agreement, license or other instrument to which it is a party which in any case or in the aggregate is material to the financial condition of TU and the Subsidiaries taken as a whole; or (j) reclassified capital stock issued by it or otherwise made any change in its capital stock. Between the date hereof and the Effective Time, neither TU nor any of the Subsidiaries shall, without the prior written consent of NTC, do any of the things or take any action which if done or taken between June 30, 1980 and the date hereof would have made a representation contained in (a) through (j) of this Section incorrect.

SECTION 1.15 *No Default; No Burdensome Instruments.*

Neither TU nor any of the Subsidiaries is in default or violation of any term, condition or provision of (i) its certificate or articles of incorporation or (ii) any material mortgage, indenture, contract, agreement, lease or other instrument to which TU or any of the Subsidiaries is now a party or

by which it or any of its respective properties or assets may be bound, or (iii) any judgment, decree or order applicable to TU or any of the Subsidiaries which, if violated, might result in a material lien or charge or expose TU or any Subsidiary to any material liability. Neither the execution and delivery of this Agreement or the Merger Agreement nor the fulfillment of or compliance with the terms hereof or thereof or of any document to be issued pursuant hereto or thereto will conflict with or result in any such violation or constitute any such default or result in the creation of any material mortgage, lien, pledge, charge, security interest or encumbrance upon any of the properties or assets of TU or any of the Subsidiaries. All consents of parties to all leases, contracts or other agreements to which TU or any of the Subsidiaries is a party, which are material to TU and the Subsidiaries taken as a whole and which are required in connection with the execution, delivery and performance of this Agreement and the Merger Agreement by TU or otherwise in connection with the consummation of the Merger will have been received on or before the Effective Date upon terms reasonably satisfactory to NTC.

SECTION 1.16 *Compliance with Statutes.*

TU has filed all reports required to be filed by it pursuant to, and all such reports complied in all material respects with the provisions of, the Exchange Act and the rules and regulations thereunder. TU and each of the Subsidiaries has complied in all material respects with all applicable statutes, laws, ordinances, rules and regulations of the United States of America, all states and municipalities and foreign countries and all agencies of any thereof which if not complied with could have or have had a materially adverse effect on the conduct of their businesses taken as a whole and the maintenance and operation of their properties taken as a whole.

SECTION 1.17 *Disclosure.*

Neither the GAAP Financial Statements, the Reports nor any certificate, statement or other document furnished or to be furnished to NTC by or on behalf of TU in connection with the transactions contemplated hereby or by the Merger Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact which materially adversely effects or in the future may materially adversely effect the business, prospects, condition (financial or otherwise) or operations of TU and the Subsidiaries taken as a whole or of their respective properties or assets which has not been set forth herein or in any certificate, written statement or other document furnished to NTC by TU.

SECTION 1.18 *Governmental Consent.*

No consent, approval or authorization of, or designation, declaration or filing with, any governmental or regulatory authority, federal, state, local, foreign or other, is required in connection with the execution, delivery, or performance by TU or any of the Subsidiaries of this Agreement or the Merger Agreement or of any transactions contemplated hereby or thereby except for (i) pre-merger notification and related filings, (ii) filings under the Foreign Investment Review Act of Canada, (iii) filings which may be required with the Interstate Commerce Commission, the Civil Aeronautics Board, and the Bureau of Alcohol, Tobacco and Firearms relating to certain licenses and permits held by certain subsidiaries of TU and (iv) the filing of the Merger Agreement with the Secretary of State of the State of Delaware and except for applicable Federal and state securities laws.

SECTION 1.19 *Brokers.*

All negotiations with NTC relating to this Agreement and the Merger Agreement and the transactions contemplated hereby and thereby have been carried on by or on behalf of TU directly with NTC without the intervention of any person in such manner as to give rise to any valid claim against TU, or any Subsidiary for a finder's fee, brokerage commission or other similar payment for services rendered to TU.

ARTICLE II

Covenants of TU

Section 2.01 *Obligations of TU Prior to the Effective Time.*

During the period from the date of this Agreement to the Effective Time, TU shall, and shall cause each of the Subsidiaries to:

(a) afford representatives of NTC free access during normal business hours to its offices, equipment, records, files, books of account and tax returns and furnish NTC with all such information concerning its personnel, business and properties as NTC may reasonably request, including financial statements;

(b) conduct its business and operations substantially in the same manner in which the same have heretofore been conducted and maintain its books of account in a manner that fairly and accurately reflects its income, expenses, assets and liabilities;

(c) use its best efforts to prevent any material adverse change in its business, financial condition, properties or assets and to maintain and preserve its business organization intact and to preserve its relationships with employees, customers, creditors, insureds, regulatory authorities and other having business relations with it so that its business shall be unimpaired at the Effective Time;

(d) maintain all its material structures, equipment and other tangible personal property in good repair, order and condition, except for ordinary depletion, depreciation and wear and tear and damage by unavoidable casualty;

(e) perform in all material respects all of its obligations under agreements, contracts and instruments relating to or affecting its properties, assets or business;

(f) comply in all material respects with all applicable statutes, laws, ordinances, rules and regulations applicable to the conduct of its business and the maintenance and operation of the properties owned and/or leased by it;

(g) not amend its certificate of incorporation;

(h) give prompt notice to NTC of: (i) any problems, unusual developments or materially adverse changes with respect to its business, financial condition or assets; (ii) any notice of, or other communication relating to, a default, or event which with notice or lapse of time or both would become a default, received by TU or any Subsidiary subsequent to the date of this Agreement and prior to the Effective Time under its certificate of incorporation or its by-laws or any material mortgage, indenture, contract, agreement, lease or other instrument to which it is a party or by which it or any of its properties or assets may be bound; and (iii) any notice or other communication from any third party alleging that the consent of such third party is or may be required in connection with the transactions contemplated hereby or by the Merger Agreement;

(i) use its best efforts duly to obtain any consents and approvals required hereunder; and

(j) promptly advise NTC and its counsel of any written objection to the Merger received by TU from any stockholder of TU at or prior to the Stockholders' Meeting (as defined in Section 2.03 hereof).

Section 2.02 *Representations and Warranties.*

TU shall not and shall not permit any Subsidiary to, take any action or omit to take any action which would cause the representations and warranties of TU contained herein to be materially untrue as of the Effective Time, except as may be required or permitted by the provisions of this Agreement.

Section 2.03 *Stockholders' Meeting; Proxy Statement.*

(a) Prior to February 1, 1981, the Board of Directors of TU intends to solicit and shall have the right to obtain other offers that it might accept in lieu of the Merger Agreement. In order to

obtain such offers, the Board of Directors of TU expects to engage in discussions and negotiations with third parties, and expects to engage the assistance of investment banking advisors to assist it in soliciting third parties interested in making such offers and conducting discussions and negotiations with such third parties. If as a result of such discussions and negotiations, the Board of Directors of TU receives an offer from any third party providing for a merger with or into or a consolidation with any third party, or a sale of the assets of TU substantially as an entirety to a third party, or there is a proposal made that a third party should acquire by purchase or exchange more than 45% of the then outstanding stock of TU (with a commitment by the offeror to acquire promptly the balance of such Common Stock by merger or otherwise), the Board of Directors of TU shall as promptly as practicable meet to consider such offer or proposal. If in the opinion of the Board of Directors such offer or proposal is more favorable to the stockholders of TU than the Merger Agreement it shall promptly advise NTC and GL in writing of the nature of the proposal and of its opinion that such offer or proposal is more favorable to the stockholders of TU than the Merger Agreement. Such obligation to advise NTC and GL in writing shall be independent of, and without prejudice to, whether or not the Board of Directors of TU has or may thereafter acquire or desires to exercise the right to terminate the Merger Agreement pursuant to Article V(e) thereof.

The solicitation of such offers or proposals by TU and determinations with respect thereto by the Board of Directors shall not be deemed to constitute a breach of this Supplemental Agreement or the Merger Agreement provided that unless and until the Board of Directors of TU is entitled to and does exercise its right to terminate the Merger Agreement pursuant to Article V(e) thereof, it shall not (1) delay promptly seeking all consents and approvals required hereunder or under the Merger Agreement except that it shall be deemed to have complied with Section 2.03(b) hereof if it files its Preliminary Proxy Statement by December 5, 1980, uses its best efforts to mail its Proxy Statement by January 5, 1981 and holds a special meeting of its stockholders (the "Stockholders' Meeting") on or prior to February 10, 1981, or (2) pay or become obligated for more than $500,000 in respect to the solicitation or disposition of other offers or proposals (including investment banker's fees and expenses) except for amounts that would not be payable if the Merger Agreement were consummated.

The Board of Directors may (1) accept such offer or proposal provided that such acceptance does not preclude submitting the Merger Agreement to the stockholders of TU for their approval unless it has been previously terminated and (2) submit such offer or proposal to the stockholders of TU for their approval with or without a recommendation of approval provided that not later than such submission it also submits the Merger Agreement to the stockholders of TU for their approval. It is the present intention of the Board of Directors of TU to recommend the approval of the Merger Agreement to the stockholders (the "Stockholders' Approval"), unless another offer or proposal is made which in their opinion is more favorable to the stockholders than the Merger Agreement.

(b) Within 20 days after the execution of this Agreement, TU shall commence to take all action which may be necessary to obtain the Stockholders' Approval, including, without limitation, the preparation and filing with the Securities and Exchange Commission (the "SEC") of the necessary proxy statement (the "Preliminary Proxy Statement") for the Stockholders' Meeting. TU shall use its best efforts to have the Preliminary Proxy Statement processed promptly by the SEC. TU shall also prepare and file with the SEC, as promptly as possible after receiving comments from the SEC with respect to the Preliminary Proxy Statement or receiving notification from the SEC that it has no comments with respect thereto, an amended Preliminary Proxy Statement and/or a definitive version of a proxy statement for the Stockholders' Meeting (the "Proxy Statement"), as the case may be. Concurrently with filing the Proxy Statement with the SEC, TU shall mail copies thereof to its stockholders. The Proxy Statement shall comply in all material respects with all applicable requirements of law. The Proxy Statement and all amendments, supplements or revisions thereto shall not contain any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact or omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in

any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become materially false or misleading; provided, however, that TU makes no representation or warranty as to any statement or omission therein made in reliance upon and in conformity with written information relating to NTC or GL or otherwise furnished to TU by NTC or GL for inclusion therein. TU shall amend, supplement or revise the Proxy Statement as may from time to time be necessary in order to make its representations in the immediately preceding sentence true and correct at and as of all times from the mailing of the Proxy Statement to the stockholders of TU to and including the date of the Stockholders' Meeting. Prior to submitting the Preliminary Proxy Statement(s), the Proxy Statement or any amendment or supplement to or revision of either of them to the SEC or mailing any of the same to the stockholders of TU, such document shall be submitted to NTC and its counsel for their review, comment and approval. If at any time after the Stockholders' Approval has been given and before the Effective Time, any event shall have occurred as a result of which, in the opinion of counsel for NTC, makes a resolicitation of proxies from the stockholders of TU necessary or advisable, TU shall promptly prepare and file with the SEC and, after receiving the comments of the SEC or notification from the SEC that it has no comments, distribute to its stockholders an appropriate amendment or supplement to the Proxy Statement.

SECTION 2.04 *Statutory Requirements.*

Promptly after the execution of this Agreement, TU shall prepare and file all such documents and take all such action as may be required in order to consummate the Merger and to enable each of TU and the Subsidiaries to conduct its business and operations after the Effective Time in the same manner as theretofore under all applicable Federal, state, county and foreign statutes and rules and regulations promulgated thereunder and shall use its best efforts to obtain all approvals and consents that may be necessary under any such statutes, rules or regulations in order to consummate the Merger and to enable each of TU and the Subsidiaries after the Effective Time to conduct its business and operations in the same manner as theretofore conducted.

SECTION 2.05 *Stock Options.*

Prior to the Effective Time, TU shall purchase for an aggregate cost of not more than the difference between the option price and $55.00 per share of Stock from the holders thereof all outstanding options and shall make arrangements satisfactory to NTC to extinguish all other rights to acquire Stock and TU shall terminate all plans permitting the granting of such options and similar rights.

SECTION 2.6 *Confidentiality.*

TU shall, and shall cause each of the Subsidiaries to, keep confidential any information (unless readily ascertainable from public information or sources or otherwise required by law to be disclosed) obtained from NTC or GL pursuant to or in connection with this Agreement, and in the event the Merger Agreement is terminated for any reason, TU shall return to NTC all documents, work papers and other written material obtained from NTC or GL.

SECTION 2.07 *Closing Documentation.*

On or before the Effective Date TU shall deliver to NTC:

(a) a certificate of TU, dated the Effective Date, to the effect that as of the Effective Date the representations and warranties of TU contained in this Agreement are true and correct in all material respects and that between the date hereof and the Effective Date TU has complied in all material respects with its obligations under this Agreement;

(b) certified copies of resolutions adopted by TU's Board of Directors authorizing the execution and delivery of this Agreement and the Merger Agreement and the consummation of the transactions contemplated hereby and thereby and resolutions adopted by the stockholders of TU approving and adopting the Merger Agreement; and

(c) an opinion, dated the Effective Date, of counsel to TU, reasonably satisfactory to NTC.

ARTICLE III

Representations and Warranties of NTC and GL

NTC and GL hereby represent and warrant to TU as follows:

Section 3.01 *Corporate Organization; Subsidiaries.*

Each is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. NTC has been newly formed and does not conduct and has not conducted any business except in connection herewith and with the Merger Agreement.

Section 3.02 *Authority.*

Each has full power and authority (corporate and other) to execute, deliver and perform this Agreement and (in the case of NTC) the Merger Agreement and to consummate the transactions contemplated hereby and (in the case of NTC) thereby. All necessary action (corporate and other) required by law or by the certificate of incorporation or by-laws of NTC and GL has been taken to authorize the execution, delivery and performance by NTC and GL of this Agreement and (in the case of NTC) the Merger Agreement and of all transactions contemplated hereby and (in the case of NTC) thereby and of the execution and delivery of all documents to be delivered by NTC and GL pursuant to this Agreement or (in the case of NTC) the Merger Agreement. This Agreement and the Merger Agreement constitute valid and binding obligations of NTC and GL enforceable in accordance with their respective terms.

Section 3.03 *Capitalization.*

The authorized capital stock of NTC consists of 1,000 shares of common stock, without par value, all of which are issued and outstanding, are fully paid and non-assessable and are owned by wholly-owned subsidiary of GL, free and clear of all liens, claims, encumbrances and agreements of any kind or character.

Section 3.04 *Brokers.*

All negotiations with TU relating to this Agreement and the Merger Agreement and the transactions contemplated hereby and thereby have been carried on by or on behalf of NTC and GL directly with TU without the intervention of any person in such manner as to give rise to any valid claim against TU or any Subsidiary for a finder's fee, brokerage commission or similar payment for services rendered to NTC and GL.

Section 3.05 *No Legal Obstacle.*

Neither the execution and delivery of this Agreement by NTC and GL or the Merger Agreement by NTC, nor the consummation of any transaction contemplated hereby or thereby, nor the fulfillment of the terms hereof or thereof, has constituted or resulted in, or will constitute or result in, a breach of or default under the provisions of any contract to which NTC or GL is a party or by which either is bound or of the charter documents or by-laws of either, or a violation of any presently existing judicial judgment, order, award or decree or federal, state or governmental order, rule or regulation applicable to either.

Section 3.06 *Governmental Consent.*

No consent, approval or authorization of, or designation, declaration or filing with, any governmental or regulatory authority, federal, state, local, foreign or other, is required in connection with the execution, delivery, or performance by NTC and GL of this Agreement or by NTC of the Merger Agreement or of any transactions contemplated hereby or thereby except for pre-merger notification and related filings and the filing of the Merger Agreement with the Secretary of State of the State of Delaware.

ARTICLE IV

Covenants of NTC and GL

Section 4.01 *Deposit with Exchange Agent.*

On or before the Effective Date, GL shall cause NTC to deposit with The First National Bank of Chicago, which shall act as exchange agent in the Merger, currently available cash funds in an amount sufficient to pay the Per Share Price (as defined in the Merger Agreement) in respect of each share of Stock issued and outstanding at the Effective Time. The Marmon Group, Inc. is the principal subsidiary of GL, which owns all of its common stock, and has a net worth in excess of $300,000,000. GL has no material liabilities except for contingent liabilities to banks relating to Hyatt Corporation.

Section 4.02 *Cooperation.*

NTC and GL shall cooperate with TU in the preparation of the applications, registrations and filings which TU is required to make or cause to be made hereunder and shall furnish to TU all such information about NTC and GL and affiliates of NTC and GL as TU shall reasonably request for the purposes thereof, and GL will cause approval and adoption of the Merger Agreement by the stockholder of NTC to be obtained. The information so provided to TU by NTC or GL for such purposes shall not contain any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact or omits to state any material fact necessary in order to make any statements therein not false or misleading or necessary to correct any information previously furnished by NTC or GL to TU which has become materially false or misleading. NTC and GL agree not to take any action which would hinder the consummation of a transaction of the nature referred to in Section 2.03(a) of this Supplemental Agreement.

Section 4.03 *Confidentiality.*

NTC and GL shall keep confidential any information (unless readily ascertainable from public information or sources or otherwise required by law to be disclosed) obtained from TU or any Subsidiary pursuant to or in connection with this Agreement and, in the event the Merger Agreement is terminated for any reason, shall return to TU all documents, work papers and other written material obtained from TU or any Subsidiary.

Section 4.04 *Closing Documentation.*

On the Effective Date, NTC and GL shall deliver to TU:

(a) certificates of NTC and GL, dated the Effective Date, to the effect that as of the Effective Date their representations and warranties contained in this Agreement are true and correct in all material respects and that between the date hereof and the Effective Date each has complied in all material respects with its obligations under this Agreement;

(b) certified copies of resolutions adopted by NTC's and GL's Board of Directors authorizing the execution of this Agreement and (in the case of NTC) the Merger Agreement and the consummation of the transactions contemplated hereby and thereby and resolutions adopted by the stockholder of NTC approving and adopting the Merger Agreement; and

(c) an opinion, dated the Effective Date, of counsel for NTC and GL, reasonably satisfactory to TU.

ARTICLE V

Survival of Representations, Warranties and Covenants

Section 5.01 *Survival of Representations, Warranties and Covenants.*

The several representations, warranties, covenants and agreements of the parties herein contained shall be deemed to be conditions of the Merger and shall not survive the Merger. Such representations, warranties, covenants and agreements shall be effective regardless of any investigation that may have been or may be made at any time by or on behalf of the party to whom such representations, warranties and covenants, and with whom such agreements, are made.

ARTICLE VI

Amendments and Waivers

Section 6.01 *Amendments and Waivers.*

This Agreement shall not be altered or otherwise amended except pursuant to an instrument in writing executed and delivered on behalf of the parties hereto, which instrument, when so executed and delivered, shall thereupon become a part of this Agreement and the provisions thereof shall be given effect as if contained herein as of the date hereof; provided, however that at any time prior to the Effective Time NTC and/or TU may, by written agreement (i) extend the time for the performance of any of the obligations or other acts of the other or (in the case of TU) GL hereunder, (ii) waive any inaccuracies in the representations or warranties of the other or (in the case of TU) GL contained herein or in any document delivered pursuant hereto, (iii) waive compliance with any of the covenants or agreements of the other contained herein or (in the case of TU) GL, and/or (iv) make any other modification of this Agreement or of the Merger Agreement approved by their respective Boards of Directors (other than the nature of the consideration to be received by the holders of shares of Stock pursuant to the Merger Agreement or the amount of the Per Share Price). No waiver of any right or remedy hereunder shall be deemed a waiver of any other right or remedy, including another right or remedy with respect to the subject of the waiver.

ARTICLE VII

Agreement

Section 7.01 *Effect of this Agreement.*

This Agreement and the Merger Agreement set forth the entire understanding of the parties and supersede any and all prior agreements, arrangements and understandings relating to the subject matter hereof except as otherwise provided in a letter from GL of even date herewith. No representation, promise, inducement or statement or intention has been made by any party which is not embodied in this Agreement, the Schedules hereto or the Merger Agreement, and no party shall be bound by, or be liable for, any alleged representation, promise, inducement, or statement of intention not embodied herein or therein. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, but this Agreement may not be assigned. The Article or Section headings of this Agreement are for convenience of reference only and do not form a part hereof nor in any way modify, interpret or construe the intentions of the parties. This Agreement may be executed in any number of counterparts and all such counterparts shall be deemed to be an original instrument and together shall constitute the same agreement. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois except as to matters governed by the Corporate Law.

ARTICLE VIII

Notices

Section 8.01 *Notices.*

Any notice, report, demand, waiver or consent required or permitted hereunder shall be in writing and shall be given personally or by prepaid telegram or prepaid registered or certified mail, return receipt requested, or by facsimile transmission, addressed as follows:

If to TU:
Trans Union Corporation
90 Half Day Road
Lincolnshire, Illinois
Attn: J. W. Van Gorkom

If to NTC:
c/o The Marmon Group, Inc.
30 South LaSalle Street
Chicago, Illinois
Attn: Jay A. Pritzker

A notice shall be deemed received on the date of actual receipt thereof. Any party may change its address for the purpose of notice by giving notice of such change in accordance with the provisions of this Section 8.01.

ARTICLE IX

EXPENSES

SECTION 9.01 *Expenses of the Parties.*

All expenses incurred by or on behalf of the parties hereto in connection with the authorization, preparation, execution and consummation of this Agreement and the Merger Agreement, including, without limitation, all fees and expenses of agents, representatives, counsel and accountants employed by the parties hereto in connection with such authorization, preparation, execution and consummation, shall be borne solely by the party who shall have incurred such expenses except to the extent that such expenses may be recoverable in any litigation arising out of the breach of this Agreement or the Merger Agreement.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date first above written.

TRANS UNION CORPORATION

By: J. W. VAN GORKOM
Chairman

NEW T CO.

By: JAY A. PRITZKER
President

GL CORPORATION

By: JAY A. PRITZKER
Chairman

RIGHTS OF DISSENTING SHAREHOLDERS UNDER SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW

§ 262. Payment for stock or membership of person objecting to merger or consolidation

(a) Appraisal rights under this Section shall be available only for the shares of any stockholder who has complied with the provisions of subsection (b) of this Section and has neither voted in favor of the merger nor consented thereto in writing pursuant to § 228. When used in this Section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a non-stock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a non-stock corporation.

(b) Appraisal rights under this Section shall be determined as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this Section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders entitled to such appraisal rights that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this Section. Each stockholder electing to demand the appraisal of his shares under this Section shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of his shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of his shares; provided, however, that such demand must be in addition to and separate from any proxy or vote against the merger. Within 10 days after the effective date of such merger or consolidation, the surviving corporation shall notify each stockholder of each constituent corporation who has complied with the provisions of this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to § 228 or § 253 of this Chapter, the surviving corporation, either before the effective date of the merger or within 10 days thereafter, shall notify each of the stockholders entitled to appraisal rights of the effective date of the merger or consolidation and that appraisal rights are available for any or all of the shares of the constituent corporations. A copy of this Section shall be included in the notice. The notice shall be sent by certified or registered mail, return receipt requested, addressed to the stockholder at his address as it appears on the records of the corporation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of the notice, demand in writing from the surviving corporation the appraisal of his shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of his shares.

(c) Within 120 days after the effective date of the merger or consolidation, the corporation or any stockholder who has complied with the provisions of subsections (a) and (b) hereof and who is otherwise entitled to appraisal rights under this Section, may file a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder shall have the right to withdraw his demand for appraisal and to accept the terms offered upon the merger or consolidation.

(d) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the corporation, which shall within ten days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of

all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the corporation. If the petition shall be filed by the corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the corporation and to the stockholders shown upon the list at the addresses therein stated, and notice shall also be given by publishing a notice at least once at least one week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware. The Court may direct such additional publication of notice as it deems advisable. The forms of the notices by mail and by publication shall be approved by the Court.

(e) After the hearing on such petition, the Court shall determine the stockholders who have complied with the provisions of this Section and who have become entiled to appraisal rights under this Section. The Court may require the stockholders who demanded payment for their shares to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(f) After the determination of the stockholders entitled to an appraisal, the Court shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger. Upon application by any stockholder entitled to participate in the appraisal proceeding or by the corporation, the Court may, in its discretion, permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of those other stockholders who have complied with this Section. Any stockholder whose name appears on the list filed by the corporation pursuant to subsection (d) of this Section and who has submitted his certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until the Court shall determine that he is not entitled to appraisal rights under this Section.

(g) The Court shall direct the payment of the appraised value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any other State.

(h) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon the application of any party in interest, the Court shall determine the amount of interest, if any, to be paid upon the value of the stock of the stockholders entitled thereto. In making its determination with respect to interest, the Court may consider all relevant factors, including the rate of interest which the corporation has paid for money it has borrowed, if any, during the pendency of the proceeding. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all of the shares entitled to an appraisal.

(i) Any stockholder who has demanded his appraisal rights as provided in subsection (b) of this Section shall thereafter neither be entitled to vote such stock for any purpose nor be entitled to the payment of dividends or other distribution on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (c) of this Section, or if such stockholder shall deliver to the corporation a written withdrawal of his demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (c) of this Section or thereafter with the written approval of the corporation, then the right of such stockholder to appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just.

(j) The shares of the surviving or resulting corporation into which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

(k) Unless otherwise provided in the certificate of incorporation of the corporation issuing such shares, no appraisal rights under this Section shall be available for the shares of any class or series of stock which, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of stockholders to act upon the agreement of merger or consolidation, were either (1) listed on a national securities exchange or (2) held of record by more than 2,000 stockholders. No appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in subsection (f) of § 251 of this Title.

(l) Notwithstanding the provisions of subsection (k) of this Section, appraisal rights under this Section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to § 251 or § 252 of this Title to accept for such stock anything except (1) shares of stock of the corporation surviving or resulting from such merger or consolidation; (2) shares of stock of any other corporation which at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 stockholders; (3) cash in lieu of fractional shares of the corporations described in clauses (1) and (2) of this subsection; or (4) any combination of the shares of stock and cash in lieu of fractional shares described in clauses (1), (2) and (3) of this subsection.