CONFIDENTIAL

$1,730,000,000

Solera, LLC
Solera Finance, Inc.
10.500% Senior Notes due 2024

Solera, LLC (the "Issuer") and Solera Finance, Inc. (the "Co-Issuer" and, together with the Issuer, the "Issuers") are offering $1,730,000,000 aggregate principal amount of 10.500% senior notes due 2024 (the "notes").

This offering is part of the financing for, and is conditioned upon, the proposed acquisition of Solera Holdings, Inc. by Summertime Holding Corp. ("Parent"), an affiliate of Vista Equity Partners ("Vista") and the indirect parent of Summertime Acquisition Corp. ("Merger Sub"). At the time of the acquisition, Merger Sub will merge with and into Solera Holdings, Inc., with Solera Holdings, Inc. continuing as the surviving corporation and a wholly-owned subsidiary of the Issuers. We intend to use the net proceeds from this offering, together with certain equity investments and the proceeds from initial borrowings under our New Term Loan Facility (as defined herein), to finance the Merger (as defined herein) and pay related fees and expenses in connection with the Transactions (as defined herein).

The notes will mature on March 1, 2024. We will pay interest on the notes semi-annually in arrears on March 1 and September 1 of each year, commencing on September 1, 2016. We may redeem some or all of the notes at any time prior to March 1, 2019 at a price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the redemption date, plus a "make-whole" premium, as described in this offering circular. On or after March 1, 2019, we may redeem some or all of the notes at the applicable redemption prices set forth in this offering circular, plus accrued and unpaid interest, if any, to, but not including, the redemption date. We may also redeem up to 40% of the aggregate principal amount of the notes at any time prior to March 1, 2019 using the net cash proceeds from certain equity offerings at the redemption price set forth in this offering circular, plus accrued and unpaid interest, if any, to, but not including, the redemption date. See "Description of Notes—Optional Redemption." Upon the occurrence of certain events constituting a change of control, we may be required to make an offer to repurchase all of the notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date.

The notes will rank equal in right of payment with all of our existing and future senior indebtedness and senior in right of payment to all of our future subordinated indebtedness. Following the consummation of the Merger, each of Solera's existing and future restricted subsidiaries will guarantee the notes on a senior unsecured basis to the extent such subsidiary guarantees our New Senior Secured Credit Facilities (as defined herein) or certain syndicated bank debt and capital markets debt securities. Such note guarantees will rank equal in right of payment with all existing and future senior indebtedness and senior in right of payment to all future subordinated indebtedness of such guarantors. The notes and the note guarantees will be effectively subordinated to all of our existing and future secured indebtedness, including indebtedness under our New Senior Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness, and structurally subordinated to all of the existing and future indebtedness and other liabilities of any of our existing and future subsidiaries that do not guarantee the notes. To the extent lenders under our New Senior Secured Credit Facilities release any guarantor from its obligations, such guarantor will also be released from its obligations under its note guarantees. See "Description of Notes—Guarantees."

Currently there is no public market for the notes. The notes will not be listed on any securities exchange or automated quotation system.

Investing in the notes involves risks. See "Risk Factors" beginning on page 34.

Offering Price of Notes: 95.000%, plus accrued and unpaid interest, if any, from March 3, 2016

The notes and the note guarantees have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities law of any other jurisdiction. The notes may not be offered or sold within the United States or to U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that sellers of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The notes are not transferable except in accordance with the restrictions described under "Transfer Restrictions." The notes and the note guarantees will not be entitled to any registration rights and the Issuers will not be required to complete a registered exchange offer or shelf registration or prospectus with respect to the notes or the note guarantees.

The initial purchasers expect to deliver to investors the notes only in book-entry form through the facilities of The Depository Trust Company on or about March 3, 2016.

Joint Book-Running Managers

Goldman, Sachs & Co. **Citigroup** **Jefferies**
Macquarie Capital **Nomura** **UBS Investment Bank**

Co-Managers

MCS Capital Markets **KKR**

Offering Circular dated February 29, 2016

TABLE OF CONTENTS

We and the initial purchasers have not authorized anyone to provide you with any information other than that contained in this offering circular. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

We and the initial purchasers are offering to sell the notes only in places where offers and sales are permitted.

You should not assume that the information contained in this offering circular is accurate as of any date other than the date on the front cover of this offering circular. Neither the delivery of this offering circular nor any sale made hereunder shall under any circumstances imply that the information in this offering circular is correct as of any date after the date on the cover of this offering circular.

We are furnishing this offering circular on a confidential basis in connection with an offering that is exempt from registration under, or not subject to, the Securities Act solely to allow prospective investors to consider the purchase of the notes. Delivery of this offering circular to any other person or any reproduction of this offering circular, in whole or in part, without our or the initial purchasers' prior consent is prohibited. The information contained in this offering circular has been provided by us and other sources identified in this offering circular. We accept responsibility for the information contained in this offering circular. We, and not the initial purchasers, have ultimate authority over such information, including its content and whether and how to communicate such information. No representation or warranty, express or implied, is made by the initial purchasers or the trustee under the indenture that will govern the notes as to the accuracy or completeness of the information contained in this offering circular, and nothing contained in this offering circular is, or should be relied upon as, a promise or representation by the initial purchasers or the trustee.

THE NOTES AND RELATED GUARANTEES DESCRIBED IN THIS OFFERING CIRCULAR HAVE NOT BEEN REGISTERED WITH, RECOMMENDED BY OR APPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER FEDERAL, STATE OR PROVINCIAL SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAS THE SEC OR ANY SUCH FEDERAL, STATE OR PROVINCIAL SECURITIES COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

You must comply with all applicable laws and regulations in connection with the distribution of this offering circular and the offer or sale of the notes. See "Transfer Restrictions." You are not to construe the contents of this offering circular as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the notes.

We are not, and the initial purchasers are not, making any representation to you regarding the legality of an investment in the notes by you under appropriate legal investment or similar laws.

This offering circular is being provided on a confidential basis (1) to "qualified institutional buyers" as defined in Rule 144A under the Securities Act for informational use solely in connection with their consideration of the purchase of the notes and (2) in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act. Its use for any other purpose is not authorized. This offering circular may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided.

In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements as indicated in this offering circular under the caption "Transfer Restrictions." The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. You should be aware that you may be required to bear the financial risks of investing in the notes for an indefinite period of time. See "Transfer Restrictions."

This offering circular contains summaries, believed to be accurate, of some of the terms of certain documents, but reference is made to the actual documents, copies of which will be made available upon request. For the complete information contained in those documents, see "Where You Can Find More Information."

No person is authorized in connection with any offering made by this offering circular to give any information or to make any representation not contained in this offering circular and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the initial purchasers. The information contained in this offering circular is as of the date hereof and subject to change, completion or amendment without notice. Neither the delivery of this offering circular at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering circular or in our affairs since the date of this offering circular.

In making an investment decision regarding the notes offered by this offering circular, you must rely on your own examination of our company and the terms of the offering, including the merits and risks involved. The offering is being made on the basis of this offering circular. Any decision to purchase notes in the offering must be based on the information contained in this offering circular.

We reserve the right to withdraw the offering of the notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the notes, in whole or in part, and to allot to you less than the full amount of the notes subscribed for by you. We are making this offering subject to the terms described in this offering circular and the indenture related to the notes.

The notes will be available in book-entry form only. We expect that the notes sold pursuant to this offering circular will be issued in the form of one or more global certificates, all of which will be deposited with, or on behalf of, The Depository Trust Company ("DTC"), and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates relating to the notes will be shown on, and transfers of such global certificates will be effected only through, records maintained by DTC and its direct and indirect participants. After the initial issuance of the global certificates, notes in certificated form will be issued in exchange for the global certificates only as set forth in the indenture that will govern the notes. See "Book Entry, Delivery and Form."

This offering circular does not constitute an offer to sell or a solicitation of an offer to buy the notes to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. For a further description of certain restrictions on the offer and sale of the notes, see "Plan of Distribution" and "Transfer Restrictions."

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SEC UNDER THE SECURITIES ACT OR UNDER THE SECURITIES LAWS OF ANY STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH STATE LAWS. THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO RETAIN OWNERSHIP OF THE SECURITIES AND TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B ("RSA 421-B") OF THE NEW HAMPSHIRE REVISED STATUTES, ANNOTATED, 1955, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

CERTAIN TERMS USED IN THIS OFFERING CIRCULAR

Unless otherwise indicated or the context otherwise requires, references in this offering circular to the terms below will have the following meanings:

- "Audatex" refers to Audatex North America, Inc., an indirect wholly-owned subsidiary of Solera (as defined below);
- "BSPI" refers to Broad Street Principal Investments, L.L.C.;
- the "Co-Issuer" refers to Solera Finance, Inc.;
- the "Company," "we," "us" and "our" refer to (i) Solera and all of its subsidiaries prior to the consummation of the Merger (as defined below) and (ii) the Issuers (as defined below) and all of its consolidated subsidiaries after the consummation of the Merger, including Solera Holdings, Inc.;
- the "Existing Notes" has the meaning set forth in "Summary—The Transactions" in this offering circular;
- the "Financing Transactions" has the meaning set forth in "Summary—The Transactions" in this offering circular;
- "guarantors" refer to all of the existing and future restricted subsidiaries of the Issuer (other than the Co-Issuer) that will guarantee the notes on a senior unsecured basis to the extent such subsidiaries guarantee our New Senior Secured Credit Facilities or certain syndicated bank debt and capital markets debt securities;
- the "Issuer" refers to Solera, LLC;
- the "Issuers" refer to the Issuer together with the Co-Issuer;
- "KSISH" refers to KSISH Investments, LLC, an indirect subsidiary of Koch Industries, Inc.;
- the "Merger" has the meaning set forth in "Summary—The Transactions" in this offering circular;
- "Merger Sub" refers to Summertime Acquisition Corp., an indirect wholly-owned subsidiary of Parent, and not any of its subsidiaries;
- the "New Revolving Facility" has the meaning set forth in "Summary—The Transactions" in this offering circular;
- the "New Senior Secured Credit Facilities" has the meaning set forth in "Summary—The Transactions" in this offering circular;
- the "New Term Loan Facility" has the meaning set forth in "Summary—The Transactions" in this offering circular;
- the "notes" refer to the $1,730,000,000 aggregate principal amount of 10.500% senior notes due 2024 offered hereby;
- "Solera" refers to Solera Holdings, Inc. and not any of its subsidiaries;
- "Parent" refers to Summertime Holding Corp., an indirect parent of the Issuers and Merger Sub, and not any of its subsidiaries;
- "pro forma" refers to information after giving pro forma effect to the Transactions, unless otherwise specified;

- “Recent Acquisitions” refer to our acquisitions of DMEautomotive, LLC and other acquisitions completed since December 31, 2014;
- the “Refinancing” has the meaning set forth in “Summary—The Transactions” in this offering circular;
- the “Transactions” has the meaning set forth in “Summary—The Transactions” in this offering circular;
- “VEPFV” refers to Vista Equity Partners Fund V, L.P.; and
- “Vista” refers to Vista Equity Partners and certain funds and other entities managed, advised or controlled by or affiliated with Vista Equity Partners.

Our fiscal year ends on June 30 of each year. Fiscal years are identified in this offering circular according to the calendar year in which they end. For example, the fiscal year ended June 30, 2015 is referred to as “fiscal year 2015.” Unless otherwise specified, all references in this offering circular to years are to fiscal years.

The Issuers of the notes offered hereby will be Solera, LLC and Solera Finance, Inc., entities that were formed in connection with the Transactions. Neither Solera, LLC nor Solera Finance, Inc. has any assets or operations other than their indirect ownership of 100% of the capital stock of Merger Sub. Because the assets and operations of the Issuers following the Merger will consist of their ownership of Solera and its subsidiaries, the consolidated financial information included in this offering circular is financial information of Solera and its consolidated subsidiaries. There are no audited financial statements of the Issuers for any periods in this offering circular.

Unless otherwise stated herein, pro forma financial information gives effect to the Transactions, as described under “Unaudited Condensed Consolidated Pro Forma Financial Information.” Numerical figures included in this offering circular have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

We have not included in this offering circular any separate financial statements for the guarantors or a footnote to Solera’s consolidated financial statements showing condensed consolidating financial information for Solera, the guarantors and our non-guarantor subsidiaries as would be required if we were registering the notes with the SEC. For the twelve months ended December 31, 2015, our non-guarantor subsidiaries accounted for approximately $622.5 million, or 51.9%, of our revenues, and approximately $293.5 million, or 63.9%, of our Adjusted EBITDA. Excluding the effect of intercompany balances as well as intercompany transactions, our non-guarantor subsidiaries accounted for approximately $1,231.1 million, or 33.2%, of our total assets, and approximately $251.5 million, or 6.9%, of our total liabilities, in each case as of December 31, 2015. We have calculated the foregoing amounts on an historic basis without giving pro forma effect to the Transactions, including the application of purchase accounting, because we have not completed the required allocation of the estimated purchase price to our net tangible and intangible assets held by each subsidiary. We do not expect that this allocation will be completed until after the completion of the Transactions.

Unless the context otherwise requires, this offering circular assumes the Merger has been consummated.

NON-GAAP FINANCIAL MEASURES

We believe that the financial statements included in this offering circular have been prepared in a manner that complies, in all material respects, with generally accepted accounting principles in the United States ("GAAP"), and the regulations published by the SEC, and are consistent with current practice with the exception of the presentation of certain non-GAAP financial measures, including Adjusted EBITDA, Free Cash Flow and net debt, the inclusion of financial data for the twelve months ended December 31, 2015, including pro forma financial data, and the omission of certain financial information regarding the guarantor and non-guarantor subsidiaries.

Adjusted EBITDA, Free Cash Flow and net debt as presented in this offering circular are supplemental measures that are not required by, or presented in accordance with, GAAP. These are not measurements of our financial performance under GAAP and should not be considered as an alternative to revenues, net income, income before income tax provision, or any other performance measures derived in accordance with GAAP or as an alternative to total debt or cash flow from operations or any other measure of our liquidity. These measures are not intended to be measures of free cash flow available for management's discretionary use, as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In addition, our method of calculating Adjusted EBITDA and Free Cash Flow may vary from the method used by other companies.

Our management considers Adjusted EBITDA to be a key indicator of our financial performance. Additionally, we believe Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that investors, analysts and rating agencies consider Adjusted EBITDA a useful means of measuring our ability to meet our debt service obligations and evaluating our financial performance, and management uses this measurement for one or more of these purposes. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. Adjusted EBITDA has important limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. The use of Adjusted EBITDA instead of net income has limitations as an analytical tool, including the following:

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Adjusted EBITDA does not reflect our tax expense or the cash requirements to pay our taxes;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; and
- Adjusted EBITDA includes adjustments that represented a cash expense or that represented a non-cash charge that may relate to a future cash expense, and some of these expenses are of a type that we expect to incur in the future, although we cannot predict the amount of any such future charge.

Because of these limitations, Adjusted EBITDA should not be considered as a replacement for net income or as a measure of discretionary cash available to us to service our indebtedness or invest in our business. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only for supplemental purposes.

In this offering circular, we also present pro forma Adjusted EBITDA for the twelve months ended December 31, 2015, which further adjusts Adjusted EBITDA to also include adjustments for ongoing waste elimination, compensation adjustments, annualized EBITDA of Recent Acquisitions, pro forma margin impact from Recent Acquisitions and planned restructuring initiatives and public company cost savings. See note (6) to "Summary—Summary Condensed Consolidated Historical and Pro Forma Financial Data."

Our management considers Free Cash Flow and net debt to be key indicators of our liquidity. Additionally, we believe Free Cash Flow and net debt are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that investors, analysts and rating agencies consider Free Cash Flow and net debt a useful means of measuring our ability to meet our debt service obligations and evaluating our liquidity, and management uses these measurements for one or more of these purposes. Our presentation of Free Cash Flow and net debt should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. Free Cash Flow and net debt have important limitations as analytical tools and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Because of these limitations, Free Cash Flow and net debt should not be considered as a replacement for cash flow from operations or total debt or as a measure of our liquidity. We compensate for these limitations by relying primarily on our GAAP results and using Free Cash Flow and net debt only for supplemental purposes.

For the definition of and additional information about our Adjusted EBITDA, Free Cash Flow and net debt, a description of how Adjusted EBITDA and Free Cash Flow are calculated and a reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP measures, including the presentation of such data on a pro forma basis, see "Summary—Summary Condensed Consolidated Historical and Pro Forma Financial Data" and "Unaudited Condensed Consolidated Pro Forma Financial Information."

TRADEMARKS AND COPYRIGHTS

We own or have rights to trademarks or trade names that we use in conjunction with the operation of our business and that appear in this offering circular. This offering circular also contains trademarks, service marks, trade names and copyrights of other companies that are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this offering circular may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

MARKET SHARE, RANKING AND SIMILAR INFORMATION

The market share, ranking and other information contained in this offering circular is based on our own estimates, independent industry publications, reports by market research firms, including confidential third-party commissioned studies, or other published and unpublished independent sources. In each case, we believe that they are reasonable estimates, although we have not independently verified market and industry data provided by third parties. Market share information is subject to changes, however, and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey of market share. In addition, customer preferences can and do change and the definition of the relevant market is a matter of judgment and analysis. As a result, you should be aware that market share, ranking and other similar information set forth in this offering circular, and estimates and beliefs based on such data, may not be reliable.

NO REVIEW BY THE SEC; NO REGISTRATION RIGHTS

This offering circular, as well as any other documents in connection with this offering, will not be reviewed by the SEC. There are no registration rights associated with the notes or the note guarantees and we have no present intention to offer to exchange the notes and the note guarantees for notes and note guarantees registered under the Securities Act or to file a registration statement with respect to the notes. The indenture that will govern the notes will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this offering circular that are not reported financial results or other historical information are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by the use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project" and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies and include, but are not limited to, statements about: the expected completion of the Merger and Vista's ability to consummate the Merger; increase in customer demand for our software and services; growth rates for the automobile insurance claims industry; growth rates for vehicle purchases and car parcs; customer adoption rates for digitized claims processing software and services; increases in customer spending on digitized claims processing software and services; efficiencies resulting from digitized claims processing; performance and benefits of our products and services; development or acquisition of claims processing and other products and services in areas other than automobile insurance, including our "digital garage" and risk and asset management platform; our relationship with insurance company customers as they continue global expansion; revenue growth resulting from the launch of new software and services, including our "digital garage" and risk and asset management platform; improvements in operating margins resulting from operational efficiency initiatives; increased utilization of our software and services resulting from increased severity; our expectations regarding the growth rates for vehicle insurance; changes in the amount of our existing unrecognized tax benefits; our revenue mix; our income taxes, including the periods during which tax benefits may be recognized; restructuring plans, potential restructuring charges and their impact on our revenues; our operating expense growth and operating expenses as a percentage of our revenues; stability of our development and programming costs; growth of our selling, general and administrative expenses; increase in total depreciation and amortization expense; increase in interest expense and possible impact of future foreign currency fluctuations; growth of our acquisition and related costs; our ability to realize the anticipated benefits of our acquisitions; our ability to realize our U.S. deferred tax assets during the respective carryforward and reversal periods; our use of cash and liquidity position going forward; cash needs to service our debt; and our ability to grow in all types of markets and the benefits of products and services of companies or assets we have acquired.

Actual results could differ materially from those projected, implied or anticipated by our forward-looking statements. Some of the factors that could cause actual results to differ include: those set forth in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere as described in this offering circular. Although we believe that expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. All forward-looking statements included in this offering circular are based on information available to us as of the date of this offering circular. All forward-looking statements are qualified in their entirety by this cautionary statement, and we undertake no obligation to revise or update this offering circular to reflect events or circumstances after the date hereof.

SUMMARY

This summary highlights selected information about this offering and our business contained elsewhere in this offering circular. This summary is not complete and does not contain all of the information that may be important to you in making a decision to purchase the notes. This summary is qualified in its entirety by the more detailed information and consolidated financial statements and notes thereto appearing elsewhere in this offering circular. You should read carefully this entire offering circular and should consider, among other things, the matters set forth in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto.

Overview

Our Company

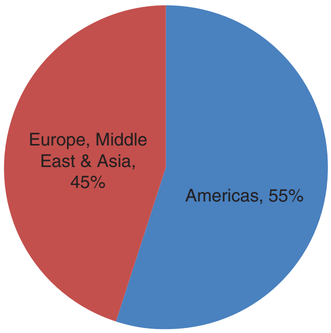
We are a leading provider of risk and asset management software and services to the automotive and property marketplace, including the global property and casualty insurance industry. We are expanding beyond our global-leading position in collision repair and U.S.-based mechanical repair presence to bring data driven productivity and decision support solutions to other aspects of vehicle ownership such as parts procurement, vehicle re-insurance underwriting, driver violation monitoring, electronic titling, vehicle validation, Customer Retention Management—Service, Maintenance & Repair ("CRM-SMR") solutions, vehicle valuation and digital content applications. We are also taking our core competencies of data, software and connectivity from the auto to the home.

Our Customers

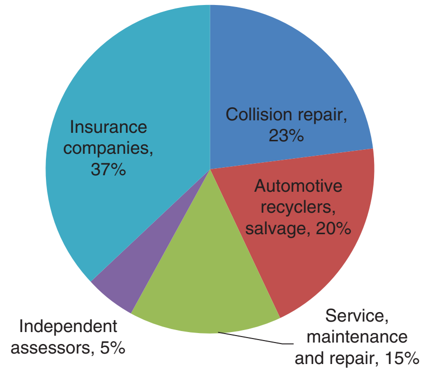
We serve approximately 195,000 customers and are active in over 75 countries across six continents with approximately 5,400 employees. Our customers include more than 4,000 automobile insurance companies, 60,500 collision repair facilities, 12,600 independent assessors, 49,000 service, maintenance and repair facilities and 68,400 automotive recyclers, auto dealers and others. We derive revenues from many of the world's largest automobile insurance companies, including the ten largest automobile insurance companies in Europe and eight of the ten largest automobile insurance companies in North America. No single customer accounted for more than 3.0% and 2.9% of our revenue for the fiscal year ended June 30, 2015 and for the six months ended December 31, 2015, respectively, and our ten largest customers accounted for only 15% of total revenues for the fiscal year ended June 30, 2015.

The charts below depict our revenue split by geography and customer type for the twelve months ended December 31, 2015.

Revenues by Geography



Revenues by Customer



Our Vision

In the future, we believe the digital lifestyles of our customer's customers (we work with the end customer in mind but always offer our services through our business customers, hence the term, "customer's customers") will require all aspects of auto and home ownership to be digitally enabled and connected. We believe that Solera, with its diverse data based platforms, will be uniquely positioned to serve this need. We intend to serve the complete auto lifecycle needs and leverage our core competencies of data, software and networking to digitize property claims management.

Platforms

We currently operate three platforms—Risk Management Solutions ("RMS"), Service, Maintenance & Repair ("SMR") and Customer Retention Management ("CRM"). At the core of our software and services are our proprietary databases. Each of our databases has been adapted for use in our local markets. Over the last five years, we have invested over $100 million annually (including $135 million in fiscal year 2015) to maintain and expand our proprietary databases and related software applications. Our primary databases include our repair estimating database, our total loss database, our claims database, our vehicle validation database, our motor vehicle record database, our salvage parts database, our service maintenance and repair databases, our customer retention solution databases and our property database.

The descriptions of the risk and asset management solutions provided by our platforms are summarized in the following chart.

	Risk & Asset Management Solutions						
	Risk Management Solutions (RMS)		Service, Maintenance & Repair (SMR)		Customer Retention Management (CRM)		
Total FY15 Revenues	$658 million (58%)		$160 million (14%)		$323 million (28%)		
Product Lines	Claims	Property	Diagnostics	Parts	Owner	CRM-SMR	Valuation
FY15 Revenue Distribution	98%	2%	61%	39%	78%	13%	9%
Customers	Insurance Companies, Assessors, Collision Repair Facilities, Salvage		SMR Facilities, Recyclers		Auto Dealers, Insurance Companies, Auto Finance, Individual Vehicle Owners		
Total Addressable Market ($29B)	$11 billion		$8 billion		$10 billion		
	$7 billion	$4 billion	$3 billion	$5 billion	$4 billion	$4 billion	$2 billion
Description	Digitize and streamline the claims process with must-have software and data solutions embedded in customers workflow	Deliver efficiency, standardization and transparency to property repair process	Digital applications that empower automotive repair professionals to diagnose and repair vehicles efficiently, accurately and profitably	Global procurement solutions for all part types including OEM, aftermarket and recycled parts for collision and mechanical repair	Driver monitoring, e-tltling and vehicle validation solutions for insurers, dealers, commercial fleets and state governments	Digital platform and tools to manage customer relationships improving revenue, retention and customer satisfaction	Real-time vehicle valuation and technical data to manage risk and improve profitability for automotive businesses
Market Position	Number one global provider of automobile claims processing	Emerging player in automated claims handling	Number one U.S. provider of experience-based repair solutions	One of the leading North American provider of electronic parts exchanges	One of the leading U.S. providers of driver event monitoring One of the leading U.K. providers of vehicle validation	Largest integrated CRM retention system in North America	U.K. industry standard for valuation data A leading provider of valuations to the insurance industry
Pricing Type	Subscription/ Transaction	Subscription/ Transaction	Subscription/ Incremental pay-per-call	Subscription/ Incremental per transaction	Transaction	Subscription/ Transaction	Subscription/ Transaction
Use-Cases	Estimating and workflow software to manage overall claims process, estimate cost to repair, enable ecommerce for all part types, calculate pre-collision fair market value BPO services for first notice of loss for vehicle, glass and property damage Electronic auction network connecting buyers and sellers for total loss vehicles to maximize proceeds for insurers	Fast and accurate invoice checking resulting in overall claims cost reduction	Cognitive confirmed-fix cloud solutions for automotive technicians, and on-demand connectivity to certified master technicians for diagnostics, service and repair guidance Synthesize and categorize authentic OEM and factory manual content for 360-degree solutions for any vehicle problems	Parts inventory database to locate locally available automobile parts Automated sourcing, pricing and purchasing alternative parts Electronic parts catalog development Salvage yard management solutions	Driver violation monitoring for insurance underwriting and federal motor carrier compliance Electronic title and registration for new and used vehicle sales Registered vehicle information to verify ownership, finance-related lien, mileage discrepancies, reported stolen or total loss	Customer specific recommendations for maintenance and repair Individualized communication tools for automotive sales, service, repair providers to partner with customers	Valuations and specifications for new and used vehicles providing pricing transparency for accurate pricing decisions

RMS: Risk Management Solutions Platform

Through our RMS platform, we optimize the entire claims management process for our customers in the automotive and property marketplace. Our automotive-related solutions include partial loss and total loss claims processing, body shop management and workflow products and services, automotive glass claims and replacement solutions, subrogation solutions and salvage vehicle disposition platforms and solutions. Our property-related solutions include business process outsourcing and first notice of loss products and services, as well as repair invoice auditing services. On an annual basis, we process approximately 32 million insurance claims, including approximately 60% of digitally processed claims globally.

Our RMS platform represented 58% of our total revenue for the fiscal year ended June 30, 2015. RMS revenue was $658 million, $619 million and $585 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing a compound annual growth rate ("CAGR") of approximately 6%. We estimate that the total addressable market for RMS is approximately $11 billion, consisting of approximately $7 billion in claims processing and approximately $4 billion in property-related solutions.

For the fiscal year ended June 30, 2015, RMS generated 63% and 37% of its revenues from EMEA and Americas, respectively, and 98% and 2% of its revenues from claims processing and property related solutions, respectively.

Our Automotive Claims Solutions and Databases

Our automotive software and services include the following general categories: estimating and workflow software and databases, salvage disposition software, subrogation solutions, automotive glass solutions, business intelligence and consulting services. The majority of our customers access our software and services through a standard Web browser utilizing a "software on demand" model. By subscribing to our services, our customers can reduce upfront investments in software, hardware, implementation services and information technology staff that they would typically make with traditional software solutions.

Our Property Claims Solutions and Databases

In addition to automobile insurance, many of our insurance customers also provide property insurance. Through the use of our products and services, we can now deliver efficiency, standardization and transparency to the property repair process. Our software and services simplify and streamline the claims process, allowing our customers to process claims faster and reduce their costs, and provide repair cost estimates that rely on common data sources which in turn reduce these costs and delays. Our databases provide insurance companies access to detailed information about property damage, repair times and replacement costs, allowing insurance companies to more accurately estimate fair settlement values and reduce overpayment on claims. In addition, having access to our databases helps insurance companies generate more accurate repair estimates and identify top-performing collision repair facilities.

SMR: Service, Maintenance & Repair Platform

Our SMR platform empowers automotive repair professionals to diagnose and repair vehicles efficiently, accurately and profitably by leveraging proprietary data and processes. Additionally, our SMR platform includes a premier parts procurement platform sourcing all part types including original equipment manufacturer ("OEM"), aftermarket and recycled parts, serving both collision and mechanical repair facilities. These applications help automotive repair facilities increase their efficiency, profitability and customer loyalty.

Our SMR platform represented 14% of our total revenues for the fiscal year ended June 30, 2015. SMR revenue was $160 million, $112 million and $53 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing a CAGR of approximately 74%. We estimate that the total addressable market for SMR is approximately $8 billion, consisting of approximately $3 billion in diagnostic solutions and approximately $5 billion in parts solutions.

For the fiscal year ended June 30, 2015, SMR generated 5% and 95% of its revenues from EMEA and Americas, respectively, and 61% and 39% of its revenues from diagnostic solutions and parts solutions, respectively.

Our Service, Maintenance & Repair Solutions and Databases

Vehicle SMR generates the overwhelming majority of operating profits for both aftermarket shops and dealerships, reinforcing their imperative to meet growing market demand effectively. In this context, the ability to increase the quality and efficiency of automotive service and repair, and improve vehicle owner satisfaction and retention, represents a significant value proposition. Our Identifix services play a unique, vital and growing role in the automotive ecosystem by helping to meet this high-value need with proprietary data, technology and workflow optimization solutions.

With proprietary data covering more than 760,000 real world vehicle issues and growing every day, we believe that our online subscription solutions deliver the most comprehensive, authoritative, accurate and reliable information for vehicle service and repair in the world.

The primary source of the original fix data is our Identifix Repair Hotline, a pay-per-call technical assistance service that connects professional automotive technicians across North America live with ASE certified master mechanics who provide diagnostic services and repair guidance to service and repair professionals. The information from Identifix Repair Hotline calls, including more than four million inbound technical assistance calls over the last 26 years, is continually added to the database, providing an ongoing source of new proprietary data regarding vehicle problems and the best way to fix them, and further acting as a critical source of proprietary real-world fix data that keeps our solution current, highly relevant and uniquely valuable to our customers.

Identifix is the number one U.S. database of experiential diagnostic test and fix data for aftermarket repairs, serving over 50,000 rooftops and a network of over 270,000 automotive technicians. Identifix processes over 20 million SMR events annually using a proprietary database search functionality that covers approximately one million fixes.

Our Parts Solutions and Databases

Our InPart parts solution is the integration of parts procurement solutions from APU Solutions (“APU”) and Distributed Service Technologies (“DST”). Given its ability to integrate with the industry’s leading estimatics systems, body shop management systems, mechanical shop management systems, and part suppliers’ inventory management systems, InPart automates the entire parts procurement process, eliminating redundant or manual tasks for all stakeholders, including insurers, shops, and parts suppliers. InPart combines vehicle repair information with real-time part information (e.g., pricing, availability), enabling users in over 53,000 repair shops to make intelligent purchasing decisions at the time of need.

Through our Hollander brand, we provide solutions that enable automotive recyclers to sell more parts to more customers. The Hollander Interchange™ is a part identification index of millions of auto parts and their interchangeable equivalents that spans over 80 years. The Hollander Interchange is the language used by parts buyers and sellers to inventory, locate and sell a significant percentage of recycled parts. EDEN® is a dynamic parts database that contains approximately 196 million unique automobile parts that are held in inventory at any given point by a network of approximately 3,000 automotive recyclers. EDEN is used by our customers to quickly find locally available automobile parts.

Powerlink is a software application used to manage salvage yard operations in North America, and Pinnacle Professional is a software application used to manage salvage yard operations outside of North America. These applications are used by more than 2,700 salvage yards to operate more efficiently, make better decisions, open new markets and sell more parts.

CRM: Customer Retention Management Platform

Our CRM platform digitally powers highly-targeted customer acquisition and retention solutions for insurers, auto manufacturers and franchised car dealerships. This enables an enhanced digital auto and property ownership experience as we seek to empower the customer's customer with our current data and software tools. In the future, we envision our data and software powering the total ownership experience for auto and property owners. Our customer's customer platform consists of our vehicle insurance re-underwriting and driver monitoring, electronic titling, vehicle validation, CRM-SMR, vehicle valuation and digital content applications businesses.

Our CRM platform represented 28% of our total revenues for the fiscal year ended June 30, 2015. CRM revenue was $323 million, $256 million and $200 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing a CAGR of approximately 27%. We estimate that the total addressable market for CRM is approximately $10 billion, consisting of approximately $4 billion in owner solutions, approximately $4 billion in CRM-SMR solutions and approximately $2 billion in valuation solutions.

For the fiscal year ended June 30, 2015, CRM generated 37% and 63% of its revenues from EMEA and Americas, respectively, and 78%, 13% and 9% of its revenues from owner solutions, CRM-SMR solutions and valuation solutions, respectively.

Our Customer Retention Management Solutions and Databases

Our Owner Solutions and Databases

Vehicle Insurance Re-Underwriting and Driver Monitoring. Explore Information Services LLC ("Explore") and License Monitor, Inc. ("LMI") provide property and casualty insurers with driver violation reporting services for a substantial number of their insured drivers in the United States. This cost-effective service allows insurance companies to re-assess their risk and, where appropriate, impose a premium surcharge on insured drivers to reflect such risk.

Electronic Titling. Through Title Technologies, Inc. ("TitleTec"), we provide a driver information services platform that allows automotive dealerships in the United States to streamline operations and improve the customer purchasing experience by assembling and processing the data necessary to electronically register a vehicle, produce a title, and issue a permanent or temporary tag real-time at the point of sale.

Vehicle Validation. Through HPI, Ltd. ("HPI") and CarweB Limited ("CarweB"), we provide private car buyers, car dealers, finance houses and the insurance industry with access to information on all registered vehicles in the United Kingdom. Using our vehicle validation database, private car buyers, car dealers, finance companies and the insurance industry customers can verify who the owner is, whether there is a finance-related lien, whether the vehicle has been recorded as stolen or if it has been declared a total loss by an insurance company.

CRM-SMR

We enhance the service ecosystem by offering comprehensive vehicle inspection workflow software with powerful data-driven tools and analytics, service center management and sales solutions, and a suite of customer relationship management products for service centers to manage and improve their relationships with vehicle owners.

Auto Point, LLC and Mobile Productivity, LLC (together, "AutoPoint") is a leading provider of SMR performance software, data and business services to automotive dealership service centers, serving (along with DMEa (defined below)) nearly 4,000 installed dealers in 40 million SMR events annually.

Our DMEautomotive, LLC ("DMEa") business is a leader in data-driven customer retention and marketing solutions for the retail automotive industry. DMEa's content-driven software and individualized communication tools enable automotive sales, service and repair providers to partner with their customers in vehicle management.

Vehicle Valuation

Through CAP Automotive ("CAP"), we are a leading provider of real-time, high-accuracy valuations and specifications for new and used vehicles in the United Kingdom, processing over 18 million valuations annually. CAP's solutions provide pricing transparency for vehicle transactions and enable buyers and sellers of vehicles to make accurate pricing decisions.

Digital Content Applications

We believe we are driving the digital transformation of assistive, contact driven apps to cognitive, content rich experiences that will provide users with an all-inclusive means for both risk and asset management of their most expensive assets, their automobiles and homes. This drive for delivering global content will fuel synergistic value and usage into the contact driven platform solutions that Solera is delivering today. One such content platform being developed and deployed globally is The Digital Garage. The Digital Garage provides our customer's customers with a single solution to cognitively manage all aspects of their vehicle including valuation, personal cost of ownership, health, service, maintenance, registration, inspection, insurance policy, repairs and claims, among others. It digitally connects our customers (insurers, OEMs, repair facilities, service centers, and banks, among others) with their customers to deliver unrivaled value, brand differentiation and real-life relevance.

Business Strategy

Our Leverage, Diversify and Disrupt ("LDD") growth strategy is a framework for innovation and sustained, scalable growth.

Leverage refers to expanding our geographic footprint to increase the number of claims we process and to increase the number of services we provide in each claim to drive incremental return on investment for our insurance customers. Once a new market begins to adopt our electronic claims processing solutions and as our revenue-per-claim increases as we provide higher returns on investment to our customers, we enjoy scale benefits associated with our business model.

As our penetration of electronic claims processing increases in a geography, we begin to diversify to add more services to our auto platform as well as our customer's customer and property platforms. These diversifications add to our growth opportunities while diversifying from a reliance on collision-related claims.

Our current focus is to disrupt the market by connecting our platforms and enabling the digital lifestyles of our customer's customer. Thus, we envision the auto as another smart appliance within the home and with the owners looking to use digital tools to manage their auto and home ownership experiences including purchase, maintenance and accident repair. Recent horizontal and vertical expansion of our platforms also provides us with an opportunity to increase portfolio bundling of our offerings and opportunities to cross-sell additional solutions to our existing and new customers to derive more revenue per customer and leverage core strengths of our platform.

We plan to execute our strategy while continuously improving productivity and eliminating waste. We have historically demonstrated a consistent track record of profitable growth and waste reduction. Between fiscal year 2007 and 2014, we achieved approximately $95 million in waste reduction. Midway through fiscal year 2015, we announced that we raised our target to $30 to $40 million in annualized synergies and waste reduction, of which half was realized during the remainder of fiscal year 2015. Additionally, we have improved margins in existing and acquired business via standard continuous productivity improvement and waste elimination practices. For example, for 38 out of 40 fiscal quarters prior to our purchase of AutoPoint, AutoPoint generated a negative EBITDA margin. AutoPoint's EBITDA margin has remained positive and significantly improved during our ownership.

Going forward, we plan to increase our focus on high margin products and services, while focusing on our cost savings plan, including the elimination of public company costs and ongoing waste elimination practices.

Our Markets

We categorize each of the over 75 countries in which we are active into one of the three following market types (from most digitized to least): (i) Advanced; (ii) Evolving; and (iii) Emerging.

Market Type	Market Characteristics
Advanced Market	• Advanced Markets include the United States, Canada, Western Europe and Japan. • Digitized claims processing is widespread among industry participants. • Vehicle insurance is generally government-mandated and a condition to obtaining vehicle financing.

Market Type	Market Characteristics
	• Number of cars on the road (“car parc”) growing at a lower rate relative to other market types.
Evolving Market	• Evolving Markets include Latin America and Central and Eastern Europe. • Increasing adoption from manual claims processing to digitized claims processing; limited use of automated claims processing by industry participants. • Higher accident frequencies than advanced markets. • Growing adoption of government-mandated vehicle insurance and insurance as a condition to vehicle financing. • Size of car parc increasing.
Emerging Market	• Emerging Markets include China, India and Morocco • Insurance companies focused on underwriting policies and establishing market share. • Substantial majority of claims are manually processed; significant opportunity for industry participants to increase operational efficiency through the adoption of automated claims processing. • Early stage adoption of government-mandated vehicle insurance and insurance as a condition to vehicle financing. • The highest accident frequencies among the three market types. • Size of car parc increasing at the fastest rate among the three market types.

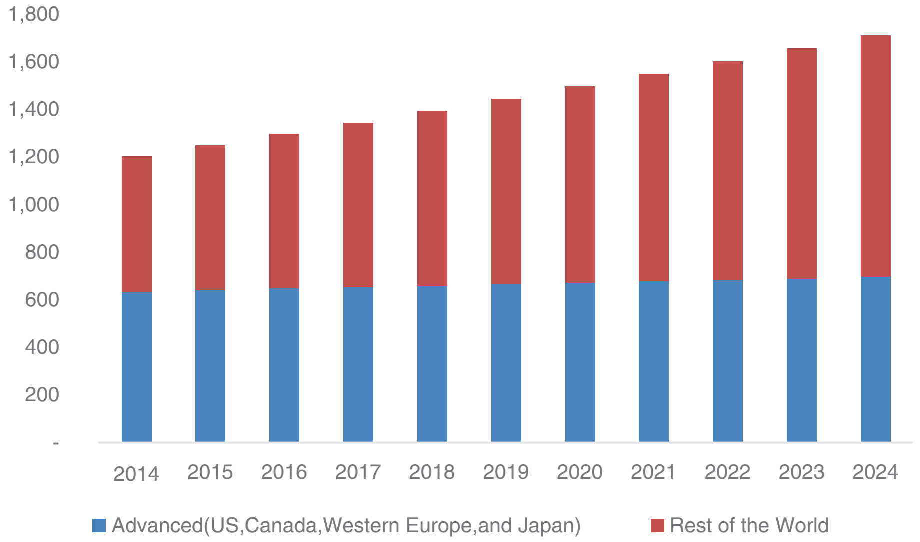
Growth in Our Markets

The primary growth drivers for our industry are the number insurance claims made, as well as the size, growth and age of the car parc. The increase in overall size and age of the car parc drives need for vehicle service, maintenance and repair along with customer retention tools for our customers, in addition, the frequency of collisions drives the number of insurance claims made.

Management estimates the global number of automotive claims will reach approximately 165 million for 2020, growing at a CAGR of 6.3% from the 2015 estimate of approximately 122 million claims.

The chart below depicts the global annual historical and projected vehicle unit sales in millions for Advanced Markets and the rest of the world.

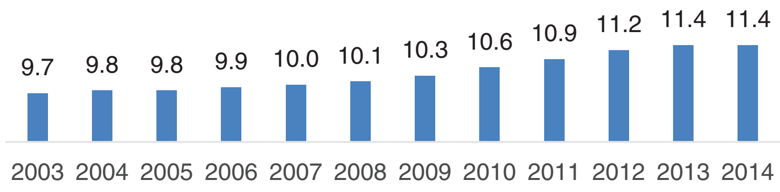
Global car parc (all light vehicles)



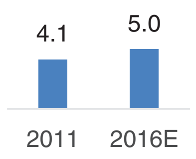
According to industry sources, global new light vehicle sales grew by 4.0% in 2014 to 90.0 million units and sales are forecasted to reach 92.2 million units, up by 2.5%, in 2015. In Advanced Markets, sales are projected to grow at a 1.0% CAGR from 2014 through 2024. In other markets, sales are projected to grow at a 6.0% CAGR from 2014 through 2024. Fewer new light vehicle sales can result in fewer insured vehicles on the road and fewer automobile accidents, which can reduce the transaction-based fees that we generate.

The industry sources also estimate that the average age of vehicles is increasing across the globe. In the United States, the average age of vehicles is 11.4 years, an increase of 1.5% CAGR since 2003. In Emerging Markets, the average age of vehicles is increasing at a faster pace. For example, in China the average age of vehicles is expected to be 5 years in 2016, growing at a CAGR of 4.0% from 2011 to 2016.

Average age of vehicles in U.S. (years)



Average age of vehicles in China (years)



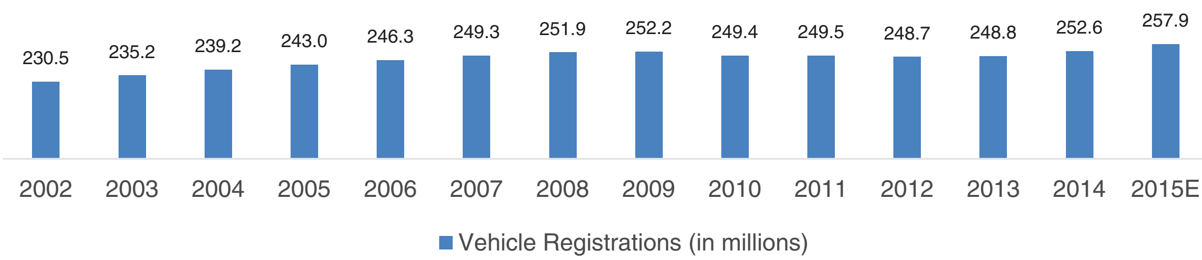
Another growth driver is the insurance industry focus on increasing claims processing efficiency and reducing claims cost severity. Digitalizing claims processing can result in significant cost savings, improved cycle time, customer experience and agility for insurers. Based on a study from a leading consulting firm commissioned by Solera, currently 30% of claims processes at insurers account for 80% of the time of their full time employees, with significant potential to increase digitalization.

The cost of digitized claims processing software and services generally represents a relatively small portion of automobile insurance companies' claims costs. We believe automobile insurance companies will increase their spending on digitized claims processing software and services that improve their customers experience because such incremental investments can result in significant cost reductions and customer satisfaction improvements.

Each of these factors influences industry growth differently in our three market types, as detailed below.

Advanced Markets. In our Advanced Markets, automobile insurance is generally government-mandated and claims processing is generally automated. Automobile insurance companies achieve growth in these highly competitive markets by gaining additional market share and generally compete on price, quality and range of policyholder service. To remain competitive, insurance companies increasingly seek additional automated claims processing products and services to minimize costs and improve policyholder service. In these markets, the car parc is stable. For example, in the United States, the number of registered vehicles declined in 2012 and increased in 2013 and 2014, while the average vehicle age has been increasing.

The chart below depicts the number of light vehicle registrations in the United States (2002-2015E).



Source: Autocare Association Factbook (2016)

As vehicles become more complex, it results in an increase in claim severity and a higher revenue per claim ("RpC"), which we define as the total revenue derived from vehicle collision claims in advanced markets divided by the number of such claims. For example, in our Advanced Markets (Western Europe for RpC), RpC grew from $25.64 for the three months ended December 31, 2013 to $28.24 for the three months ended December 31, 2015.

Evolving Markets. In our Evolving Markets, the car parc is generally growing. Automobile insurance companies achieve growth in these markets by focusing on writing new vehicle insurance policies and increasing market share. A significant number of claims are processed manually in these markets, presenting opportunities for insurance companies to increase their operational efficiencies by automating claims processing.

Emerging Markets. In our Emerging Markets, the car parc is growing at the fastest rate among the three market types. Automobile insurance companies achieve growth in these markets by focusing on writing new vehicle insurance policies and increasing market share. The vast majority of claims are processed manually or using homegrown solutions in these markets, presenting opportunities for insurance companies to increase their operational efficiencies by digitizing claims processing and leveraging global OEM data and repair methods.

Competitive Strengths

Leading Global Market Position. We are a leading provider of risk and asset management software and services to the automotive and property marketplace, including the global property and casualty insurance industry. We have a presence in more than 75 countries across six continents and a leading global business portfolio as detailed below:

Automobile Claims Processing	• Number one global provider of automobile claims processing • A global leader in glass claims
Property Claims	• Emerging player in automated claims handling
Service, Maintenance and Repair	• Number one U.S. provider of experienced-based repair solutions
Automobile Parts	• A leading North American provider of electronic parts exchanges
Owner	• U.S. leading provider of driver event monitoring • U.K. leading provider of vehicle validation
CRM-SMR	• Largest integrated CRM retention system in North America
Vehicle Valuation	• U.K. industry standard for valuation data • One of the leading providers of valuations to the U.S. insurance industry

We believe that the large number of geographic regions in which we operate provides a strategic advantage when expanding into new markets by enabling us to utilize our databases and vehicle coverage already present in adjacent or nearby markets.

Proprietary Databases that are Difficult to Replicate. We believe that our proprietary databases pose barriers to entry due to the significant capital investment and time that would be required to develop a similar set of integrated databases and customize them for use in local markets. Our proprietary databases have been built over 45 years of developing, collecting, organizing and managing automobile-related information and data. Over the last five years, we have invested over $100 million annually, including $135 million in fiscal year 2015, to maintain and expand our proprietary databases and related software applications, including customizing our databases for use in local markets. Our databases cover more than 98% of the vehicles on the road today in our core markets dating back to 1970. Our databases empower our clients to achieve measurably better outcomes, through increased efficiency in the claims management and collision repair processes.

Strongly positioned to capitalize on market opportunities. We are a global market leader in the automotive insurance claim industry. We believe that our leadership in data, software and networking across platforms and our loyal customer base will enable us to take advantage of our digital content platform enhanced by favorable trends in our industry. The global automotive insurance industry has focused on claims processing efficiency and reducing claims cost severity through digitalization, as the number of claims processed each year is expected to increase to 165 million by 2020, from over 100 million currently. Additionally, more cars and an aging car parc will increase demand for our SMR and CRM platforms as the global car parc is expected to increase to 1.5 billion cars by year 2020 (from 1.2 billion currently) and as the average vehicle stays longer on the road (average age of a vehicle in the United States has increased to 11.4 years in 2014, from 9.7 years in 2003). Our next generation Digital Content Applications will connect all of our platforms to disrupt and proliferate the digital lifecycle experience of our customer's customer as we take our core competency from the auto to the home.

Long-term Relationships with a Large and Diverse Customer Base. We serve over 195,000 customers in more than 75 countries across six continents. We derive revenues from many of the world's largest automobile insurance companies, including the ten largest automobile insurance companies in Europe and eight of the ten largest automobile insurance companies in North America. No single customer accounted for more than 3.0% and 2.9% of our revenue for the fiscal year ended June 30, 2015 and for the six months ended December 31, 2015, respectively.

High Visibility from Recurring Revenue Base. A substantial portion of our revenues are derived from customers who have used our software and services for many years. Our customer retention is very high because of long-standing customer relationships and the integration of our claims processing software and services into our customers' systems. In addition, we have subscription-based or transaction-based contracts with many of our customers. As a result, 97% of our revenues in the fiscal year ended June 30, 2015 were recurring.

Strong and Steady Financial Performance. We have grown our revenues and Adjusted EBITDA consistently every year, at a revenue CAGR of 11.4% and an Adjusted EBITDA CAGR of 15.6% since fiscal 2006. We have attractive operating margins and moderate working capital requirements that we believe drive strong free cash flow generation relative to other enterprise software companies. We have expanded our Adjusted EBITDA margins from 28.9% in 2006 to 38.3% for the twelve months ended December 31, 2015, reflecting, among other things, increased operating leverage and cost saving initiatives while continuing our expansion in both Evolving Markets and Emerging Markets. Moreover, for the twelve months ended December 31, 2015, our Free Cash Flow conversion (defined as Free Cash Flow as a percentage of Adjusted EBITDA) was 83.8%. See note (9) to "—Summary Consolidated Historical and Pro Forma Financial Data" for the definition of Free Cash Flow.

For the twelve months ended December 31, 2015, our RMS, SMR and CRM platform revenues were 53%, 14% and 33%, respectively, of our total revenue. For the three months ended December 31, 2015, the three months ended September 30, 2015 and the fiscal years ended June 30, 2015, 2014, 2013, 2012 and 2011, our organic growth rate on a constant currency basis was 6.3%, 7.3%, 6.4%, 4.4%, 3.8%, 4.9% and 5.6%, respectively, while our total growth rate (including acquisitions) on a constant currency basis was 16.3%, 21.9%, 22.6%, 16.8%, 8.5%, 17.4% and 8.1% for those periods, respectively. For the three months ended December 31, 2015, the three months ended September 30, 2015 and the fiscal years ended June 30, 2015, 2014, 2013, 2012 and 2011, our Americas organic growth rate on a constant currency basis was 7.0%, 10.3%, 6.9%, 4.4%, 4.9%, 5.2% and 5.2%, respectively, and our EMEA organic growth rate on a constant currency basis was 5.5%, 4.1%, 6.0%, 4.4%, 3.0%, 4.7% and 5.9% for those periods, respectively. For the three months ended December 31, 2015, the three months ended September 30, 2015 and the fiscal years ended June 30, 2015, 2014, 2013, 2012 and 2011, our non-RMS organic growth rate on a constant currency basis was 8.6%, 10.8%, 11.0%, 4.8%, 3.6%, 5.5% and 10.5%, respectively, while our RMS organic growth rate on a constant currency basis was 4.6%, 5.5%, 3.8%, 4.3%, 3.8%, 4.7% and 4.4% for those periods, respectively. Our organic growth rate, EMEA organic growth rate and non-RMS organic growth rate for the three months ended December 31, 2015 have been normalized to account for the one-time impact of our acquisition of CAP Automotive, which closed in mid-November 2014. Our organic growth rate, Americas organic growth rate and RMS organic growth rate for the three months ended September 30, 2015 have been normalized to account for the one-time impact of our acquisition of the Insurance and Services Division of Pittsburgh Glass Works, LLC ("I&S"), which closed on July 29, 2014.

Strong and Experienced Management Team. We have a deep and experienced senior management team. This team is led by our founder, chairman and Chief Executive Officer, Tony Aquila, who has over 25 years of experience in the industry. Mr. Aquila's vision has driven us to consistently grow and achieve increased profitability during his tenure. Our ability to continuously improve profitability and strong financial management is led by our Chief Financial Officer, Renato Giger. Mr. Giger has been with our Company and the Audatex business for more than 20 years.

The Transactions

Merger

On September 13, 2015, Solera entered into an Agreement and Plan of Merger (the "Merger Agreement") with Parent and Merger Sub. Pursuant to the Merger Agreement, Merger Sub will merge with and into Solera, with Solera surviving the merger as an indirect wholly-owned subsidiary of Parent (the "Merger"). Parent and Merger Sub are beneficially owned by VEPFV, and Parent, Merger Sub and VEPFV are affiliated with Vista. At the effective time of the Merger (the "Effective Time"), each share of Solera common stock issued and outstanding immediately prior to the Effective Time (other than any such shares (x) that are owned by Parent, Merger Sub or any other direct or indirect wholly-owned subsidiary of Parent or owned by Solera or any direct or indirect wholly-owned subsidiary of Solera, in each case not held on behalf of third parties, and (y) that are held by stockholders who have properly exercised and perfected appraisal rights with respect to such shares) will be converted into the right to receive an amount equal to $55.85 in cash (the "Acquisition Consideration"), without interest and less any applicable withholding taxes. See "Risk Factors—Risks Related to the Merger—Holders of a substantial number of shares of Solera common stock have purported to have delivered written demands for the appraisal of their shares under Delaware law. If these appraisal demands are not withdrawn or determined to be invalid, or do not otherwise cease under Delaware law, the claims represented by such appraisal demands will constitute a substantial contingent liability of ours and will also result in our incurring substantial interest charges until they are resolved."

We expect to finance the Merger, the Refinancing (as defined below) and pay the fees and expenses incurred in connection with the Transactions with proceeds from the Financing Transactions described below. For a more complete description of the Transactions, see "The Transactions," "Use of Proceeds," "Description of Other Indebtedness" and "Description of Notes."

The Merger is subject to customary closing conditions, including approval by Solera's stockholders and receipt of certain approvals by antitrust and competition authorities of various jurisdictions. On October 9, 2015, the U.S. Federal Trade Commission granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and on December 3, 2015, the European Commission approved the Merger under the EU Merger Regulation. On December 8, 2015, Solera's stockholders voted to adopt the Merger Agreement. The closing of the Merger remains subject to certain other customary closing conditions.

Solera has made customary representations and warranties in the Merger Agreement and has agreed to customary covenants regarding the operation of the business of Solera and its subsidiaries prior to the consummation of the Merger. The Merger Agreement contains certain termination rights for Parent and Solera, including the right of each party to terminate the Merger Agreement if, other than in certain circumstances described therein, the Merger is not consummated by March 15, 2016. The completion of the Merger is currently expected to occur concurrently with the consummation of this offering.

The Financing Transactions

In connection with the consummation of the Merger, we anticipate entering into the following financing transactions (the "Financing Transactions"):

- the contribution of common equity financing in an aggregate amount of up to $1.2 billion to be provided to Parent by VEPFV, or other parties to whom it assigns a portion of its commitment;

- the contribution of common and preferred equity financing in an aggregate amount of up to $1.3 billion to be provided to Parent by KSISH Investments, LLC (“KSISH”), an indirect subsidiary of Koch Industries, Inc., or other parties to whom KSISH assigns a portion of its commitment or with whom Vista arranges for alternative equity financing to replace all or a portion of KSISH’s commitment (all of the preferred equity financing provided to Parent will be contributed to the Issuer as common equity);
- the contribution of preferred equity financing in an aggregate amount of up to $800.0 million to be provided to Parent by Broad Street Principal Investments, L.L.C. (“BSPI”) and KSISH, or other parties to whom they assign a portion of their respective commitments (all of the preferred equity financing provided to Parent will be contributed to the Issuer as common equity);
- the borrowing of approximately $2,200.0 million in the form of a senior secured term facility (the “New Term Loan Facility”) to be provided by certain debt commitment parties, including a U.S. dollar tranche and the U.S. dollar equivalent of the aggregate principal amount of a euro tranche;
- the entry into a $300.0 million senior secured revolving credit facility (the “New Revolving Facility” and, together with the New Term Loan Facility, the “New Senior Secured Credit Facilities”), under which we do not anticipate having any outstanding borrowings upon the consummation of the Merger; and
- the issuance of $1,730.0 million in aggregate principal amount of the notes offered hereby.

See “Certain Relationships and Related Party Transactions—Series A Preferred Stock” and “—Series B Preferred Stock” for a description of the terms of the preferred equity financing and see “Description of Other Indebtedness—New Senior Secured Credit Facilities” for a description of the terms of the New Senior Secured Credit Facilities.

As of February 26, 2016, Solera has received purported demands for appraisal with respect to approximately 7,149,364 shares of Solera common stock (representing approximately $399.3 million if appraisal has been properly demanded with respect to all of the approximately 7,149,364 shares for which appraisal demands have purported to have been delivered as of February 26, 2016). Based on this number of shares, the amount of financing necessary to consummate the Merger at the closing is expected to be reduced by approximately $278.0 million (the “Appraisal Demand Amount”). The remainder, or approximately $121.3 million related to demands for appraisal, will be funded at the closing of the Merger. Parent expects to permit VEPFV, KSISH and certain other co-investors in Parent’s common stock (collectively, the “Common Equity Investors”), at their option, and on a pro rata basis, to reduce the amount of the common equity contribution to be funded by each of them in cash in connection with the closing in an aggregate amount up to the Appraisal Demand Amount, and the common equity contribution and total stockholders’ equity will be reduced by the aggregate amount that is not funded. To the extent cash is needed in the future to pay for the shares of Solera common stock with respect to which appraisal rights have been exercised, the Common Equity Investors will remain committed to fund up to the Appraisal Demand Amount (or such lesser amount not funded in connection with the closing of the Merger) pursuant to contractual arrangements with Parent.

The Tender Offers, Consent Solicitations and the Change of Control Offers

On November 6, 2015, Audatex North America, Inc., an indirect wholly-owned subsidiary of Solera (“Audatex”), commenced cash tender offers (the “Tender Offers”) for any and all of its 6.000% senior notes due 2021 (the “2021 Senior Notes”) and its 6.125% senior notes due 2023 (the “2023 Senior Notes” and, together with the 2021 Senior Notes, the “Existing Notes”). In conjunction with the

Tender Offers, Audatex solicited consents (the "Consent Solicitations") to amend certain provisions of the indentures relating to the Existing Notes, including, but not limited to, amendments to eliminate or modify substantially all of the restrictive covenants (including provisions relating to change of control offers and limitations on secured indebtedness), certain requirements that must be satisfied in order for Audatex to legally defease and discharge the Existing Notes, certain conditions governing the revocation and effect of consents, certain reporting obligations, certain events of default and related provisions (the "Proposed Amendments"). In order to adopt the Proposed Amendments, Audatex had to receive validly tendered consents from holders of each series of the Existing Notes representing at least a majority of the aggregate principal amount of such series of the Existing Notes then outstanding, excluding consents from Audatex or any of its affiliates (the "Requisite Consents"). In order for the Proposed Amendments to become operative, Audatex must pay for validly tendered Existing Notes. Concurrently on November 6, 2015, Audatex commenced change of control offers (the "Change of Control Offers") for the Existing Notes.

As of 5:00 p.m., New York City time, on November 20, 2015, the initial early tender date for the Tender Offers and the Consent Solicitations, $1,673,156,000 aggregate principal amount of the 2021 Senior Notes, representing 99.3% of the outstanding aggregate principal amount of the 2021 Senior Notes, were validly tendered and not validly withdrawn, and $1,386,433,000 aggregate principal amount of the 2023 Senior Notes, representing 98.0% of the outstanding aggregate principal amount of the 2023 Senior Notes, were validly tendered and not validly withdrawn. On November 23, 2015, Audatex extended the early tender date to 5:00 p.m., New York City time, on January 6, 2016 and extended the expiration date to 5:00 p.m., New York City time, on January 13, 2016, unless further extended or earlier terminated. As a result of receiving the Requisite Consents and adopting the Proposed Amendments, the Change of Control Offers were terminated on November 23, 2015. The Tender Offers and the Consent Solicitations are contingent upon, among other things, the simultaneous closing of the Merger.

On December 7, 2015, Audatex reopened withdrawal rights on a limited basis with respect to the Existing Notes that had been validly tendered pursuant to the Tender Offers until 5:00 p.m., New York City time, on December 18, 2015 (the "Withdrawal Deadline"). The withdrawal rights were limited to only permit the withdrawal of previously tendered notes if and to the extent that at least a majority in principal amount of each series of the outstanding Existing Notes remain tendered pursuant to the Tender Offers as of the Withdrawal Deadline. Holders were not permitted to withdraw their consents tendered in connection with the Consent Solicitations. The deadline for tendering the Existing Notes to be eligible for the early participation premium was 5:00 p.m., New York City time, on February 24, 2016. On February 29, 2016, Audatex further extended the expiration date to 8:00 a.m., New York City time, on March 3, 2016, unless further extended or earlier terminated. As of 8:00 a.m., New York City time, on February 29, 2016, $1,684,373,000 aggregate principal amount of the 2021 Senior Notes, representing 99.96% of the outstanding aggregate principal amount of the 2021 Senior Notes, were validly tendered and not validly withdrawn, and $1,414,500,000 aggregate principal amount of the 2023 Senior Notes, representing 99.96% of the outstanding aggregate principal amount of the 2023 Senior Notes, were validly tendered and not validly withdrawn.

This offering circular is not an offer to purchase, or the solicitation of an offer to sell, the Existing Notes. The Tender Offers and Consent Solicitations are made only by and pursuant to the terms of the Offer to Purchase and Consent Solicitation Statement dated November 6, 2015 and the related letter of transmittal and consent, in each case as amended or supplemented.

The Tender Offers and the Consent Solicitations are collectively referred to herein as the "Refinancing," and the Merger, the Financing Transactions and the Refinancing are collectively referred to herein as the "Transactions."

Sources and Uses

The following table summarizes the estimated sources and uses of funds in connection with the Transactions, assuming the Transactions occurred on December 31, 2015. The actual amounts set forth in the table and in the accompanying footnotes are subject to adjustment and may differ at the time of the consummation of the Transactions depending on several factors, including, without limitation, differences at closing in the amount of outstanding shares, the amount of outstanding debt and accrued interest, the amount of debt incurred by us and the amount of common and preferred equity provided to us in connection with funding the Merger and any changes made to the sources of the contemplated debt and equity financings, changes in our working capital, cash and cash equivalents and differences from our estimation of fees and expenses.

You should read the following together with "The Transactions," "Use of Proceeds," "Capitalization" and "Unaudited Condensed Consolidated Pro Forma Financial Information."

Sources	Amount	Uses	Amount
	($ in millions)		($ in millions)
New Senior Secured Credit Facilities:		Cash purchase of equity (6)	$3,492
New Revolving Facility (1)	$ —	Refinancing of Existing Notes (7)	3,100
New Term Loan Facility (2)	2,200	Estimated fees & expenses (8)	462
Notes offered hereby (3)	1,730		
Preferred equity contribution (4)	1,050		
Common equity contribution (5)	2,074		
Total Sources	$7,054	**Total Uses**	$7,054

(1) In connection with the Transactions, we will enter into the New Revolving Facility, which we expect will provide for a five-year senior secured revolving credit facility of up to $300.0 million. As of December 31, 2015, on a pro forma basis after giving effect to the Transactions, our unused availability under our New Revolving Facility would have been approximately $300.0 million. We do not expect to borrow under the New Revolving Facility in connection with the Transactions. See "Description of Other Indebtedness—New Senior Secured Credit Facilities."

(2) In connection with the Transactions, we will enter into the New Term Loan Facility, which we expect will provide for a seven-year senior secured term loan of $2,200.0 million, including a U.S. dollar tranche and the U.S. dollar equivalent of the aggregate principal amount of a euro tranche. The amount shown excludes any original issue discount. Any original issue discount will be amortized and included as interest expense in our statement of income and comprehensive income over the life of the term loans. See "Description of Other Indebtedness—New Senior Secured Credit Facilities."

(3) Represents the aggregate principal amount of the notes offered hereby.

(4) Represents the approximate cash preferred equity contribution to be made to Parent by BSPI and KSISH (all of the preferred equity financing provided to Parent will be contributed to the Issuer as common equity).

(5) Represents the approximate cash common equity contribution to be made by VEPFV and certain other investors arranged and/or designated by Vista. The cash common equity contribution is expected to be reduced by approximately $278.0 million, the Appraisal Demand Amount, which is not expected to be funded by Common Equity Investors at the closing of the Merger. The cash common equity contribution will be reduced by the aggregate amount the Common Equity Investors elect not to fund. Approximately $121.3 million related to demands for appraisal will be funded at the closing of the Merger.

(6) Reflects our estimate of the total consideration to be paid to holders of all of the issued and outstanding shares of Solera common stock that are entitled to receive the Acquisition Consideration and the settlement of vested and unvested stock options, restricted stock, restricted stock units and performance stock units in the Merger, net of $358.2 million of cash from the balance sheet. This amount assumes that all of the outstanding shares will receive the Acquisition Consideration, and we have not made any adjustments for any potential liabilities resulting from any appraisal rights proceedings. Amounts not paid at the closing of the Transactions as a result of appraisal rights may be used by us for other general purposes.

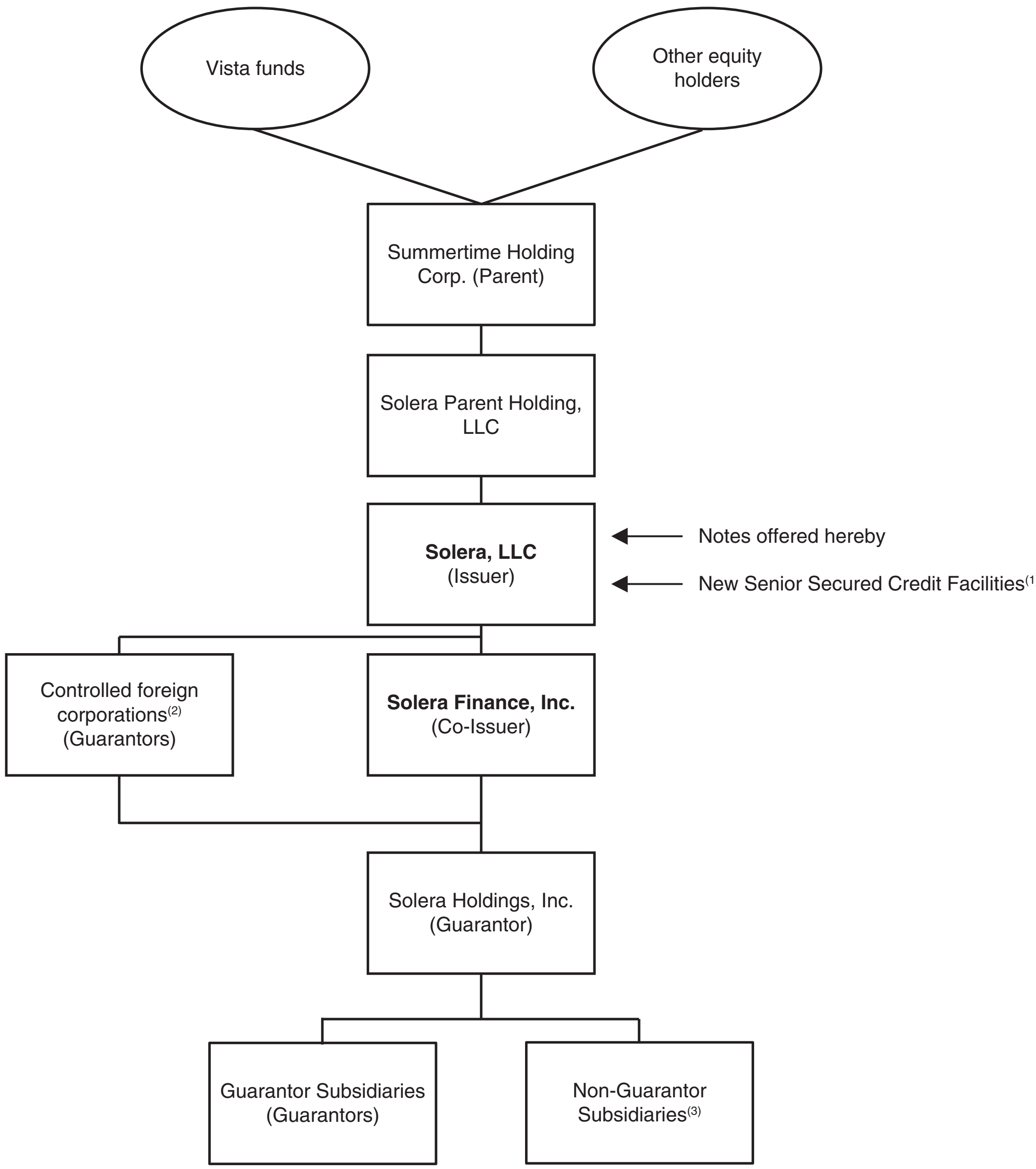
As of December 31, 2015, we had an aggregate of $470.5 million in cash and cash equivalents without giving effect to the Transactions. We expect that at the time of the closing of the Transactions (prior to giving effect to the Transactions), our cash and cash equivalents will be approximately $480.0 million and that approximately $391.0 million of the cash and cash equivalents balance at closing will be used to fund the Transactions, with $210.3 million (includes $121.3 million relating to demands for appraisal that will be funded at closing) of the remainder available as cash for working capital to fund operations. To the extent that our cash and cash equivalents balance at the time of the closing of the Transactions is greater than $480.0 million, such additional cash and cash equivalents will be used to fund the Transactions, and the cash equity contribution described in footnote (5) above will be reduced by the difference between the cash balance at closing used to fund the Transactions and $480.0 million. To the extent that our cash and cash equivalents balance at the time of the closing of the Transactions is less than $480.0 million, the cash equity contribution described in footnote (5) above will be increased by the difference between the cash balance at closing used to fund the Transactions and $480.0 million. The statements in this footnote regarding our expected cash and cash equivalents balance at the closing of the Transactions do not include any impact due to our outstanding foreign currency exchange derivative financial instruments, including any impact attributable to any termination thereof, which amounts could be material.

(7) As of December 31, 2015, we had $1.7 billion aggregate principal amount outstanding under the 2021 Senior Notes and $1.4 billion aggregate principal amount outstanding under the 2023 Senior Notes. This amount assumes all of the Existing Notes are tendered in connection with the Tender Offers and excludes any accrued and unpaid interest thereon and any unamortized net premium. As of February 29, 2016, 99.96% of the 2021 Senior Notes and 99.96% of the 2023 Senior Notes have been tendered. The 2021 Senior Notes bear interest at 6.000% per annum and are scheduled to mature on June 15, 2021, and the 2023 Senior Notes bear interest at 6.125% per annum and are scheduled to mature on November 1, 2023. See “The Transactions” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Pre-Transactions.”

(8) Reflects our estimate of fees and expenses associated with the Transactions, including early tender participation premiums and accrued and unpaid interest on the Existing Notes, original issue discount, placement fees, initial purchaser discounts, underwriting and other financing fees, advisory fees and other transaction costs and professional fees. The amount included on account of accrued and unpaid interest on the Existing Notes is through December 31, 2015. We estimate the additional accrued interest on the Existing Notes through the expected closing date will be approximately $32.8 million. To the extent any financing fees, accrued and unpaid interest on the Existing Notes, original issue discount and other fees and expenses exceed the estimated amounts, we expect to fund such amounts with cash on our balance sheet at the closing of the Transactions.

Ownership and Corporate Structure

The following chart summarizes our organizational structure and our principal indebtedness after giving pro forma effect to the consummation of the Transactions. This chart is provided for illustrative purposes only and does not represent all legal entities affiliated with, or all obligations of, the Issuers.



(1) In connection with the Transactions, we will enter into (i) the New Term Loan Facility, which we expect will provide for a seven-year senior secured term loan of $2,200.0 million, including a U.S. dollar tranche and the U.S. dollar equivalent of the aggregate principal amount of a euro tranche and (ii) the New Revolving Facility, which we expect will provide for a five-year senior secured

revolving credit facility of up to $300.0 million. We do not expect to borrow under the New Revolving Facility in connection with the Transactions. See "Description of Other Indebtedness."

(2) Represents controlled foreign corporations formed in connection with the Transactions. These entities have no assets or operations other than their indirect ownership of the capital stock of Merger Sub together with the Issuers, and may be dissolved or cease to be guarantors upon consummation of a potential post-closing restructuring in connection with the Transactions.

(3) Our non-guarantor subsidiaries accounted for approximately $622.5 million, or 51.9%, of our revenues, and approximately $293.5 million, or 63.9%, of our Adjusted EBITDA, in each case for the twelve months ended December 31, 2015. Excluding the effect of intercompany balances as well as intercompany transactions, our non-guarantor subsidiaries accounted for approximately $1,231.1 million, or 33.2%, of our total assets, and approximately $251.5 million, or 6.9%, of our total liabilities, in each case as of December 31, 2015.

Vista Equity Partners

Vista Equity Partners is a U.S.-based private equity firm with over $14 billion in cumulative capital commitments, focused on investments in software, data and technology-enabled companies. Vista Equity Partners has an extensive track record of successfully completing take-private transactions, including taking five other public companies private in the past three years. Vista Equity Partners currently invests in dynamic, successful software, data and technology-enabled organizations led by world-class management teams with long-term perspective. Vista Equity Partners is a value-added investor, contributing professional expertise and multi-level support towards companies realizing their full potential. The firm helps its companies achieve operational, product and customer service excellence by contributing professional expertise, proven best practices and management techniques. Vista Equity Partners' investment approach is anchored by a sizable long-term capital base, experience in structuring technology oriented transactions, and proven management techniques that yield flexibility and opportunity in private equity investing. Vista Equity Partners has offices in Austin, Chicago and San Francisco.

Corporate Information

Solera was incorporated in the State of Delaware in 2007. Our principal executive office is located at 1301 Solana Blvd., Building 2, Suite 2100, Westlake, Texas 76262 and our telephone number is (817) 961-2100. Our corporate website address is www.solera.com. We do not incorporate the information contained on, or accessible through, our corporate website into this offering circular, and you should not consider it part of this offering circular.

The Offering

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See "Description of Notes" for a more detailed description of the terms and conditions of the notes.

Issuers	Solera, LLC, as the Issuer Solera Finance, Inc., as the Co-Issuer
Notes Offered	$1,730,000,000 aggregate principal amount of 10.500% senior notes due 2024.
Maturity	The notes will mature on March 1, 2024.
Interest	Interest on the notes will accrue at a rate of 10.500% per annum, payable semi-annually in cash in arrears on March 1 and September 1 of each year, commencing September 1, 2016. Interest will accrue from March 3, 2016.
Note Guarantees	From and after the consummation of the Merger, the notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of the Issuer's existing and future restricted subsidiaries to the extent such subsidiary guarantees the New Senior Secured Credit Facilities or certain syndicated bank debt and capital markets debt securities. The note guarantees of any guarantor will be released in the event such guarantor's guarantee under the New Senior Secured Credit Facilities is released. See "Description of Notes—Guarantees."
Ranking	The notes and the note guarantees will be the Issuer's and the guarantors' senior unsecured obligations and will: • rank senior in right of payment to any future subordinated indebtedness of the Issuers and the guarantors; • rank *pari passu* in right of payment with all existing and future senior indebtedness of the Issuers and the guarantors, including obligations under any remaining Existing Notes outstanding following consummation of the Tender Offers; • be effectively subordinated to all existing and future secured indebtedness of the Issuers and the guarantors, including indebtedness under the New Senior Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness; and • be structurally subordinated in right of payment to all existing and future indebtedness and other claims and liabilities (including trade payables) of any non-guarantor subsidiaries of the Issuers.

	As of December 31, 2015, on a pro forma basis after giving effect to the Transactions and the use of proceeds therefrom as described under "Use of Proceeds," (1) the notes and the note guarantees would have ranked effectively junior to approximately $2,200.0 million of secured indebtedness consisting of borrowings under our New Term Loan Facility and (2) we would have had additional unused availability under our New Revolving Facility of $300.0 million. We also can incur additional secured indebtedness if certain specified conditions are met under the credit agreements that will govern the New Senior Secured Credit Facilities and the indenture that will govern the notes offered hereby.
	As of December 31, 2015, our non-guarantor subsidiaries would not have had any indebtedness (excluding intercompany liabilities).
	Our non-guarantor subsidiaries accounted for approximately $622.5 million, or 51.9%, of our revenues, and approximately $293.5 million, or 63.9%, of our Adjusted EBITDA, in each case for the twelve months ended December 31, 2015. Excluding the effect of intercompany balances as well as intercompany transactions, our non-guarantor subsidiaries accounted for approximately $1,231.1 million, or 33.2%, of our total assets, and approximately $251.5 million, or 6.9%, of our total liabilities, in each case as of December 31, 2015.
Optional Redemption.	We may redeem some or all of the notes at any time prior to March 1, 2019 at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date, plus a "make-whole premium," as described under "Description of Notes—Optional Redemption." At any time on or after March 1, 2019, we may redeem some or all of the notes at the applicable redemption prices described under "Description of Notes—Optional Redemption," plus accrued and unpaid interest, if any, to, but not including, the redemption date.
	Additionally, from time to time prior to March 1, 2019, we may redeem up to 40% of the aggregate principal amount of the notes at a redemption price equal to 110.500% of the principal amount thereof, plus (i) an amount equal to or less than the net cash proceeds that we raise in one or more equity offerings, plus (ii) accrued and unpaid interest, if any, to, but not including, the redemption date.
	For more information, see "Description of Notes—Optional Redemption."

Tax Redemption	We may redeem the notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date in certain circumstances in which the Issuers or guarantors would become obligated to pay additional amounts. See "Description of Notes—Redemption of Notes for Tax Reasons."
Payment of Additional Amounts	In the event that withholding taxes are required to be withheld or deducted from payments on the notes or a guarantee thereof after the occurrence of a European Domicile Transaction (as defined in "Description of Notes—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets"), the Issuers or the guarantors will, subject to certain exceptions, pay such additional amounts as will result, after deduction or withholding of such taxes, in the payment of the amounts which would have been payable in respect of such notes or the guarantees thereof had no such withholding or deduction been required. See "Description of Notes—Payment of Additional Amounts on the Notes."
Original Issue Discount	The notes will be treated as issued with original issue discount ("OID") for United States federal income tax purposes in an amount equal to the difference between their stated principal amount and their issue price. As a result, a holder subject to United States federal income taxation will be required to include the OID in gross income (as ordinary income) as it accrues (on a constant yield to maturity basis), in advance of the receipt of the corresponding cash payments, regardless of such holder's regular method of accounting for United States federal income tax purposes. See "Certain United States Federal Tax Considerations."
Change of Control Offer	Upon the occurrence of certain kinds of changes of control, you will have the right, as holders of the notes, to require us to repurchase some or all of your notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the repurchase date. See "Description of Notes—Repurchase at the Option of Holders—Change of Control." We may not be able to pay you the required price for notes you present to us at the time of a change of control, because: • we may not have enough funds at that time; or • the terms of our indebtedness under our New Senior Secured Credit Facilities may prevent us from making such payment.

	See "Risk Factors—Risks Related to our Indebtedness and the Notes—We may not be able to purchase the notes upon a change of control, which would result in a default under the indenture that will govern the notes and would materially adversely affect our business and financial condition."
Certain Covenants	The indenture that will govern the notes will contain covenants that, among other things, will limit the Issuers' ability and the ability of the Issuers' restricted subsidiaries to: • incur additional debt or issue certain preferred shares; • incur liens or use assets as security in other transactions; • make certain distributions, investments and other restricted payments; • engage in certain transactions with affiliates; and • merge or consolidate or sell, transfer, lease or otherwise dispose of all or substantially all of our assets. These covenants are subject to important exceptions and qualifications as described under "Description of Notes—Certain Covenants." Many of these covenants will cease to apply to each series of notes during any time that the notes of each series have investment grade ratings from both Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Financial Services LLC ("S&P") and no default has occurred and is continuing under the indenture that will govern the notes. See "Description of Notes—Certain Covenants."
Transfer Restrictions; No Registration Rights	The notes and the note guarantees have not been registered under the Securities Act or any state or other securities laws, and we are under no obligation to so register the notes. The notes are subject to restrictions on transfer and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, except that holders will not be permitted to transfer the notes in reliance on Rule 144 even after the applicable holding period has been satisfied. See "Transfer Restrictions." We do not intend to issue registered notes and note guarantees in exchange for the notes and the note guarantees to be placed in this offering, and the absence of registration rights may adversely impact the transferability of the notes. See "Risk Factors—Risks Related to our Indebtedness and the Notes—Holders of the notes will not be entitled to registration rights, and we do not currently intend to register the notes under applicable securities laws. There are restrictions on your ability to transfer and resell the notes without registration under applicable securities laws."

No Prior Market; Listing	The notes will be new securities for which there is currently no market. Although the initial purchasers have informed us that they intend to make a market in the notes, they are not obligated to do so, and they may discontinue market making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or, if such a market develops, that it will be maintained. The notes will not be listed on any securities exchange or automated quotation system.
Use of Proceeds.	We intend to use the net proceeds from the notes offered hereby, together with the certain equity investments and the proceeds from initial borrowings under the New Term Loan Facility, to finance the Merger and pay related fees and expenses in connection with the Transactions. See "Use of Proceeds."
Risk Factors.	Investing in the notes involves risks. You should consider carefully the information set forth in "Risk Factors" and all other information contained in this offering circular before deciding to invest in the notes.

Summary Condensed Consolidated Historical and Pro Forma Financial Data

The following table sets forth our summary condensed consolidated historical and pro forma financial data as of and for the periods indicated. We have derived the summary condensed consolidated historical financial data as of June 30, 2013, 2014 and 2015 and for the fiscal years then ended from our audited consolidated financial statements for such years. We have derived the summary condensed consolidated historical financial data as of December 31, 2014 and 2015 and for the six-month periods then ended from our unaudited condensed consolidated financial statements for such periods, which contain all adjustments, consisting of normal recurring adjustments, that management considers necessary for a fair presentation of our financial position and results of operations for the periods presented. Operating results for the six-month periods are not necessarily indicative of results for a full fiscal year, or any other periods. Our audited consolidated financial statements as of June 30, 2014 and 2015 and for the fiscal years ended June 30, 2013, 2014 and 2015 and our unaudited condensed consolidated financial statements as of December 31, 2015 and for the six-month periods ended December 31, 2014 and 2015 are included elsewhere in this offering circular and do not reflect the impact of the Transactions.

The unaudited condensed consolidated pro forma statement of income (loss) data for the twelve months ended December 31, 2015 have been derived by adding the unaudited condensed consolidated pro forma statement of income (loss) data for the fiscal year ended June 30, 2015 and the unaudited condensed consolidated pro forma statement of income (loss) data for the six months ended December 31, 2015 and subtracting the unaudited condensed consolidated pro forma statement of income (loss) data for the six months ended December 31, 2014. The unaudited condensed consolidated pro forma statement of income (loss) data give pro forma effect to the consummation of the Transactions as if they had occurred on July 1, 2014 and the unaudited condensed consolidated pro forma balance sheet data give effect to the Transactions as if they had occurred on December 31, 2015. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The unaudited condensed consolidated pro forma financial data is presented for informational purposes only and does not purport to represent our financial condition or our results of operations had the Transactions occurred on or as of the dates noted above or to project the results for any future date or period.

The Merger will be accounted for using the acquisition method of accounting. The pro forma adjustments reflect adjustments required under GAAP for business combinations and are based upon, among other things, preliminary estimates of fair market values of assets acquired and liabilities assumed and certain assumptions that we believe are reasonable. Revisions to the preliminary estimates of fair market value may have a significant impact on the pro forma amounts of total assets, total liabilities and stockholders' equity, depreciation and amortization expense, interest expense and income tax expense.

The summary condensed consolidated historical and pro forma financial data set forth below should be read in conjunction with the information included under the headings "The Transactions," "Unaudited Condensed Consolidated Pro Forma Financial Information," "Selected Consolidated Historical Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited and unaudited consolidated financial statements and related notes thereto appearing elsewhere in this offering circular.

	Historical					Pro Forma
	Fiscal Years Ended June 30,			Six Months Ended December 31,		Twelve Months Ended December 31,
(dollars in thousands)	2013 (1)	2014 (2)	2015 (3)	2014 (3)	2015 (4)	2015
Statement of Income Data:						
Revenues	$ 838,103	$ 987,259	$1,140,846	$ 562,780	$621,367	$1,199,433
Cost of revenues:						
Operating expenses	181,448	222,262	285,643	140,969	175,026	319,700
Systems development and programming costs	79,083	90,735	105,476	51,382	56,635	110,729
Total cost of revenues (excluding depreciation and amortization)	260,531	312,997	391,119	192,351	231,661	430,429
Selling, general and administrative expenses (5)	234,742	297,301	336,709	157,467	171,934	351,176
Depreciation and amortization	103,239	122,283	162,160	77,366	88,998	351,582
Restructuring charges, asset impairments and other costs associated with exit and disposal activities	5,435	6,527	6,280	2,890	4,571	7,961
Acquisition and related costs	26,945	41,512	35,162	22,810	42,978	30,644
Interest expense	69,511	107,422	124,748	56,593	90,607	336,840
Other (income) expense, net	1,860	63,991	(34,525)	18,281	20,897	(32,964)
	702,263	952,033	1,021,653	527,758	651,646	1,475,668
Income (loss) before provision for income taxes	135,840	35,226	119,193	35,022	(30,279)	(276,235)
Income tax provision (benefit)	30,797	30,058	200,320	9,252	(21,867)	112,059
Net income (loss)	105,043	5,168	(81,127)	25,770	(8,412)	(388,294)
Less: net income attributable to noncontrolling interests	11,159	13,878	19,706	8,959	5,447	16,194
Net income (loss) attributable to Solera Holdings, Inc.	$ 93,884	$ (8,710)	$ (100,833)	$ 16,811	$(13,859)	$ (404,488)
Statement of Cash Flows Data:						
Net cash provided by (used in):						
Operating activities	$ 226,708	$ 248,526	$ 215,920	$ 79,869	$ (1,970)	N/A
Investing activities	(181,485)	(417,578)	(987,204)	(803,255)	(46,737)	N/A
Financing activities	(88,517)	542,147	430,914	292,968	25,984	N/A
Other Financial Data:						
Adjusted EBITDA (6)	$ 370,611	$ 415,365	$ 458,015	$ 229,563	$230,855	$ 459,328
Adjusted EBITDA margin (7)	44.2%	42.1%	40.1%	40.8%	37.2%	38.3%
Period-to-period Adjusted EBITDA growth (decline):						
Actual (8)	3.8%	12.1%	10.3%	17.7%	0.6%	2.1%
Constant currency (8)	6.6%	11.3%	19.4%	21.2%	12.0%	14.8%

	Pro Forma Twelve Months Ended December 31, 2015
Other Pro Forma Data:	
Pro forma Adjusted EBITDA (6)	$551,680
Pro forma Free Cash Flow (9)	477,202
Pro forma cash interest expense (10) (11)	310,178
Pro forma net cash interest expense (10) (11)	290,423
Ratio of pro forma net debt to pro forma Adjusted EBITDA (12)	6.9x
Ratio of pro forma Adjusted EBITDA to pro forma cash interest expense	1.8x
Ratio of pro forma Adjusted EBITDA to pro forma net cash interest expense	1.9x

	Historical					Pro Forma
	As of June 30,			As of December 31,		As of December 31,
(dollars in thousands)	2013	2014	2015	2014	2015	2015
Balance Sheet Data (at end of period):						
Cash and cash equivalents (13)	$ 464,239	$ 837,751	$ 479,592	$ 393,037	$ 470,522	$ 112,303
Working capital (14)	441,426	774,929	387,816	360,114	430,627	68,926
Total assets	2,257,541	3,400,086	3,752,630	3,680,967	3,712,622	7,775,209
Total debt	1,147,386	1,867,808	2,481,828	2,284,238	3,125,384	3,777,500
Total stockholders' equity (deficit)	748,239	697,500	238,695	490,871	(34,361)	2,903,909

(1) The results of operations of LMI TitleTec, PS Holdings, L.L.C. ("APU"), Mensaelect S.A. ("Mensaelect"), CarweB Limited ("CarweB"), HyperQuest, Inc. ("HyperQuest") and Eziworks Pty. Ltd. ("Eziworks"), acquired in fiscal year 2013, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2013.

(2) The results of operations of Pusula Otomotiv Dan.Exp.Hiz.A.S. ("Pusula"), Servicios Informaticos Serinfo S.A. ("Serinfo"), SRS, Distribution Services Technologies, Inc. ("DST"), AutoPoint, Autosoft S.r.l. ("Autosoft"), and Sachcontrol AG ("Sachcontrol"), acquired in fiscal year 2014, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2014.

(3) The results of operations of DMEa, CIMA Systems, Inc. ("CIMA"), Service Dynamics, Inc. ("Service Dynamics"), IBS Automotive s.r.o. ("IBS"), CAP, I&S and the claims related business of the Sherwood Group of companies ("Sherwood"), acquired in fiscal year 2015, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2015.

(4) The results of operations of Autodata B.V. ("Autodata"), acquired in fiscal year 2016, is included from the date of the acquisition, which is not the first day of fiscal year 2016.

(5) Includes share-based compensation expense of $25,753, $37,515, $36,875, $14,312 and $14,186 for fiscal years 2013, 2014 and 2015 and for the six months ended December 31, 2014 and 2015, respectively.

(6) We present Adjusted EBITDA, a non-GAAP financial measure, in this offering circular. Adjusted EBITDA is not intended to be used in lieu of GAAP presentations, but is provided because management believes that it provides additional information with respect to the performance of our fundamental business activities and is also frequently used by securities analysts, investors and other interested parties to facilitate the evaluation of our business on a comparable basis to other companies. We believe that Adjusted EBITDA is useful to investors in providing information regarding our operating results. We rely on Adjusted EBITDA as a primary measure to review and assess our operating performance and our management team in connection with our executive compensation and bonus plans. Adjusted EBITDA also allows us to compare our current operating results with corresponding prior periods as well as to the operating results of other companies in our industry.

Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation or as a substitute for net income and other consolidated income statement data as reported under GAAP. The use of Adjusted EBITDA instead of net income has limitations as an analytical tool, including the following:

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Adjusted EBITDA does not reflect our tax expense or the cash requirements to pay our taxes;

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; and
- Adjusted EBITDA includes adjustments that represented a cash expense or that represented a non-cash charge that may relate to a future cash expense, and some of these expenses are of a type that we expect to incur in the future, although we cannot predict the amount of any such future charge.

Because of these limitations, Adjusted EBITDA should not be considered as a replacement for net income or as a measure of discretionary cash available to us to service our indebtedness or invest in our business. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA as supplemental information.

Adjusted EBITDA is a non-GAAP financial measure that represents GAAP net income excluding (i) income tax provision (benefit), (ii) depreciation and amortization, (iii) restructuring charges, asset impairments and other costs associated with exit and disposal activities, (iv) acquisition and related costs, (v) litigation related expenses, (vi) interest expense, (vii) other (income) expense, net and (viii) share-based compensation expense.

Adjusted EBITDA for the twelve months ended December 31, 2015 gives pro forma effect to the consummation of the Transactions as if they had occurred on July 1, 2014.

Pro forma Adjusted EBITDA for the twelve months ended December 31, 2015 also includes adjustments for ongoing waste elimination, compensation adjustments, annualized EBITDA of Recent Acquisitions and planned restructuring initiatives, pro forma margin impact from Recent Acquisitions and public company cost savings provided in the table below. See notes (d) through (h).

A reconciliation of our Adjusted EBITDA and pro forma Adjusted EBITDA to GAAP net income, the most directly comparable GAAP measure, is provided in the table below.

	Historical					Pro Forma
	Fiscal Years Ended June 30,			Six Months Ended December 31,		Twelve Months Ended December 31,
	2013	2014	2015	2014	2015	2015
(dollars in thousands)						
Net income (loss)	$105,043	$ 5,168	$ (81,127)	$ 25,770	$ (8,412)	$(388,294)
Add: Income tax provision (benefit)	30,797	30,058	200,320	9,252	(21,867)	112,059
Net income (loss) before income tax provision (benefit)	135,840	35,226	119,193	35,022	(30,279)	(276,235)
Add: Depreciation and amortization	103,239	122,283	162,160	77,366	88,998	351,582
Add: Restructuring charges, asset impairments and other costs associated with exit and disposal activities (a)	5,435	6,527	6,280	2,890	4,571	7,961
Add: Acquisition and related costs (b)	26,945	41,512	35,162	22,810	42,978	30,644
Add: Litigation related expenses (recoveries)	2,028	889	8,122	2,289	(1,103)	4,730
Add: Interest expense	69,511	107,422	124,748	56,593	90,607	336,840
Add: Other (income) expense, net (c)	1,860	63,991	(34,525)	18,281	20,897	(32,964)
Add: Share-based compensation expense	25,753	37,515	36,875	14,312	14,186	36,770
Adjusted EBITDA	$370,611	$415,365	$458,015	$229,563	$230,855	459,328
Add: Ongoing waste elimination (d)						10,000
Add: Compensation adjustments (e)						13,830
Add: Annualized EBITDA of Recent Acquisitions (f)						7,282
Add: Pro forma margin impact from Recent Acquisitions and planned restructuring initiatives (g)						21,413
Add: Public company cost savings (h)						39,827
Pro forma Adjusted EBITDA						$ 551,680

(a) Restructuring charges, asset impairments and other costs associated with exit and disposal activities primarily represent costs incurred in relation to our restructuring initiatives. Restructuring charges primarily include employee termination benefits charges and charges related to the lease and vendor contract liabilities that we do not expect to provide future economic benefits due to the implementation of our restructuring initiatives.

(b) Acquisition and related costs include costs incurred in connection with the Transactions, including professional fees and personnel retention incentives; legal and other professional fees and other transaction costs associated with completed and contemplated business combinations and asset acquisitions, costs associated with integrating acquired businesses, including costs incurred to eliminate workforce redundancies and for product rebranding, and other charges incurred as a direct result of our acquisition efforts. These other charges include changes to the fair value of contingent purchase consideration, acquired assets and assumed liabilities subsequent to the completion of the purchase price allocation, purchase consideration that is deemed to be compensatory in nature, and incentive compensation arrangements with continuing employees of acquired companies.

(c) Other (income) expense, net consists of foreign exchange gains and losses on notes receivable and notes payable to affiliates, realized and unrealized gains and losses on derivative financial instruments, investment income and other miscellaneous income and expense.

(d) Reflects routine integration, restructuring and operating efforts on waste reduction and productivity increases distributed across global operations.

(e) Reflects: (i) a special, one-time executive cash bonus to the Chief Executive Officer in lieu of other non-cash incentives in the amount of $10.0 million and payments totaling $1.5 million to the Chief Executive Officer and General Counsel in connection with their stock option exercises in December 2015; (ii) allocation of defined benefit plan service costs of $1.7 million; (iii) the reverse adjustment of accrued incentive bonus typically used towards an event that was discontinued in fiscal year 2015 of $(1.4) million; and (iv) a one-time consulting fee for a finance-related special project of $2.0 million during the six months ended December 31, 2015.

(f) Reflects the annualization of the contribution of the Recent Acquisitions to our Adjusted EBITDA for the twelve months ended December 31, 2015. We calculated this amount by annualizing the contribution of the Recent Acquisitions to our Adjusted EBITDA for the period from the respective acquisition dates through December 31, 2015 and subtracting therefrom the aggregate amount of the actual contribution of the Recent Acquisitions to our Adjusted EBITDA for the period from the respective acquisition dates through December 31, 2015 of $8.9 million, of which $8.0 million relates to DMEa and $0.9 million relates to other Recent Acquisitions. Such amounts have not been prepared in accordance with the requirements of Regulation S-X or any other securities laws relating to the presentation of pro forma financial information, does not reflect any adjustments for seasonality, is presented for illustrative purposes only, does not purport to be indicative of the contribution the Recent Acquisitions would have made to our Adjusted EBITDA had it been included in our operations for the twelve months ended December 31, 2015 and does not purport to project our future operating results. Set forth below is a summary of the annualized Adjusted EBITDA contribution of the Recent Acquisitions to our pro forma Adjusted EBITDA for the period from the respective acquisition dates through December 31, 2015 and a reconciliation of the Recent Acquisitions' annualized Adjusted EBITDA to GAAP net income (loss), the most directly comparable GAAP measure, for the same period.

(dollars in thousands)	**DMEa**	**Other Recent Acquisitions**	**Aggregate Recent Acquisitions**
Net income (loss)	$ 992	$(1,409)	$ (417)
Add: Income tax provision (benefit)	—	(58)	(58)
Net income (loss) before income tax provision (benefit)	992	(1,467)	(475)
Add: Depreciation and amortization	4,469	752	5,221
Add: Restructuring charges	242	3	245
Add: Acquisition and related costs	—	1,456	1,456
Add: Litigation and related expenses	—	—	—
Add: Interest expense	—	(4)	(4)
Add: Other (income) expense, net	—	—	—
Add: Stock-based compensation expense	—	—	—
Add: Transactions with other Solera Holdings group members eliminated in consolidation	—	—	—
Add: Deferred revenue written down in purchase accounting	—	837	837
Annualized Adjusted EBITDA	$5,703	$ 1,578	$7,282

(g) Reflects additional expected margin enhancement through detailed cost savings associated with the Recent Acquisitions and planned restructuring initiatives.

(h) Reflects anticipated cost savings related to: (i) an adjustment related to the elimination of certain public company governance costs of $13.8 million associated with Sarbanes-Oxley testing, investor relations, SEC legal and advisory fees, tax consulting and board expenses; (ii) cost reductions from organizational changes of $14.8 million, including scaling back of external reporting and compliance functions, streamlining shared services related to system implementation and integration of acquired companies and restructuring and centralizing regional management functions; and (iii) identified operational efficiencies including bank and legal consolidation and operating and investment savings.

(7) The primary contributors to the decline in our Adjusted EBITDA margin (calculated as Adjusted EBITDA divided by revenues) from fiscal year ended June 30, 2013 through the twelve months ended December 31, 2015 are: (i) changes in the foreign currency exchange rates of many of the currencies in which we transact business (221 basis points); (ii) infrastructure investments, including employee, third-party data and research and development investments (144 basis points); (iii) the transition of an RMS customer in the United States to a different vendor beginning in fiscal year 2012, investments in geographic and product expansion and other items (113 basis points); and (iv) a special executive compensation award to recognize extraordinary fiscal year 2015 performance and one time consulting fees (114 basis points).

(8) Rates for the applicable periods have been calculated using (i) actual currency exchange rates and (ii) constant currency exchange rates. We measure constant currency exchange rates, or the effects on our results that are attributed to changes in foreign currency exchange rates, by measuring the incremental differences between translating the current and prior period results at the monthly average rates for the same period from the prior year.

(9) Free Cash Flow, a non-GAAP financial measure, is calculated as Adjusted EBITDA less capital expenditures and acquisitions and capitalization of intangible assets. A reconciliation of Free Cash Flow to Adjusted EBITDA is provided in the table below for each of the periods presented.

	Historical						Pro Forma
	Fiscal Years Ended June 30,			Six Months Ended December 31,		Twelve Months Ended December 31,	Twelve Months Ended December 31,
	2013	2014	2015	2014	2015	2015	2015
(dollars in thousands)							
Adjusted EBITDA	$370,611	$415,365	$458,015	$229,563	$230,855	$459,328	$551,680
Less: Capital expenditures	(33,174)	(34,374)	(53,811)	(30,572)	(20,122)	(43,361)	(43,361)
Less: Acquisitions and capitalization of intangible assets	(7,670)	(21,423)	(26,311)	(14,918)	(19,724)	(31,117)	(31,117)
Free Cash Flow	$329,767	$359,568	$377,893	$184,073	$191,009	$384,850	$477,202

(10) Pro forma cash interest expense and pro forma net cash interest expense for the twelve months ended December 31, 2015 is calculated using assumed interest rates on the notes offered hereby and on the $2,200.0 million in borrowings expected to be made under the New Term Loan Facility as of the closing of the Transactions. Estimated interest rates are based on assumptions of the rates to be effective upon the closing of the Transactions. Pro forma net cash interest expense gives effect to the annual impact of the derivative financial instruments described in note (11) below. Pro forma cash interest expense and pro forma net cash interest expense give effect to the Transactions as if they were completed on July 1, 2014. For purposes of the condensed consolidated pro forma statements of income, we have not shown the charge associated with expensing of professional fees related to the Merger as this impact is non-recurring. See "Unaudited Condensed Consolidated Pro Forma Financial Information."

(11) We use derivatives to mitigate risks that we are exposed in the ordinary course of our business with respect to the variability in interest rates and foreign currency exchange rates. As of December 31, 2015, we had the following outstanding derivative financial instruments: (i) two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps in the aggregate notional amount of €109.0 million that mature on June 15, 2018 pursuant to which we pay Euro fixed coupon payments at 6.990% and receive U.S. dollar fixed coupon payments at 6.750% on the notional amount; (ii) a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €401.6 million with a maturity date of June 15, 2021 pursuant to which we pay Euro fixed coupon payments at 4.993% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount; (iii) a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €174.8 million with a maturity date of June 15, 2021 pursuant to which we pay Euro fixed coupon payments at 4.725% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount; (iv) a foreign exchange forward contract with a notional amount of €235.8 million; (v) two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps in the aggregate notional amount of €137.0 million that mature on November 1, 2018 pursuant to which we pay Euro fixed coupon payments at 5.135% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount; (vi) pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €274.0 million that mature on November 1, 2023 pursuant to which we pay Euro fixed coupon payments at 5.585% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount; and (vii) a pay floating / receive fixed interest rate swap with a notional amount of $400.0 million that

matures on June 15, 2021 pursuant to which we pay quarterly floating coupon payments at 3-month LIBOR plus 3.924% and receive semi-annual fixed coupon payments at 6.000%. During the twelve months ended December 31, 2015, we recognized unrealized gains on derivatives not designated as hedging instruments of $40.5 million, which is included in other (income) expense, net in our consolidated statements of income (loss). For additional information regarding our outstanding derivative financial instruments as of December 31, 2015, see Note 10, *Derivative Financial Instruments*, to our unaudited condensed consolidated financial statements for the six months ended December 31, 2015, included elsewhere in this offering circular.

(12) The ratio of pro forma net debt to pro forma Adjusted EBITDA is determined by dividing the total debt as of December 31, 2015 on a pro forma basis after giving effect to the Transactions (but without reduction for the expected original issue discount for the New Term Loan Facility, the original issue discount for the Notes offered hereby, or debt issuance costs to be paid to creditors in connection with the Transactions), net of cash and cash equivalents, by pro forma Adjusted EBITDA for the twelve months ended December 31, 2015. We define net debt, a non-GAAP financial measure, as total debt less cash and cash equivalents as of a particular date. Unaudited as adjusted net debt on a pro forma basis as of December 31, 2015 of $3,818 million gives effect to the Transactions as if such transactions were completed on that date (assuming $112.3 million of cash on the balance sheet on a pro forma basis). See "Capitalization."

(13) The pro forma cash and cash equivalents as of December 31, 2015 does not include $121.3 million relating to demands for approval that will be funded at closing, the additional $9.5 million of cash and cash equivalents that we expect to have on hand at the time of the closing of the Transactions or the additional $32.8 million that will need to be paid for accrued interest on the Existing Notes.

(14) We define working capital as current assets less current liabilities.

RISK FACTORS

Investing in the notes involves risks. You should carefully consider the risk factors set forth below, as well as the other information included in this offering circular, before deciding to purchase any notes. The risks described below are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also impair our business operations. Any of these risks may have a material adverse effect on our business, financial condition, results of operations and cash flows. In such a case, you may lose all or part of your investment in the notes.

Risks Related to Our Business

We depend on a limited number of customers for a substantial portion of our revenues, and the loss of, or a significant reduction in volume from, any of these customers would harm our financial results.

We derive a substantial portion of our revenues from sales to large insurance companies and collision repair facilities that have relationships with these insurance companies. During fiscal year 2015 and the six months ended December 31, 2015, we derived 15.3% and 14.7% of our revenues, respectively, from our ten largest insurance company customers. The largest three of these customers accounted for 3.0%, 2.3% and 1.9%, respectively, of our revenues during fiscal year 2015 and 2.9%, 2.6% and 2.3%, respectively, of our revenues for the six months ended December 31, 2015. A loss of one or more of these customers would result in a significant decrease in our revenues, including the business generated by collision repair facilities associated with those customers. Furthermore, many of our arrangements with European customers are terminable by them on short notice or at any time. In addition, disputes with customers may lead to delays in payments to us, terminations of agreements or litigation. Additional terminations or non-renewals of customer contracts or reductions in business from our large customers would harm our business, financial condition and results of operations.

Our industry is highly competitive, and our failure to compete effectively could result in a loss of customers and market share, which could harm our revenues and operating results.

The markets for our automobile insurance claims processing software and services are highly competitive. In the United States, our principal competitors are CCC Information Services Group Inc. and Mitchell International Inc. In Europe, our principal competitors are EurotaxGlass's Group, DAT GmbH and GT Motive Einsa Group. Mitchell International recently consummated a strategic relationship with GT Motive Einsa Group, including an equity investment. We also encounter regional or country-specific competition in the markets for automobile insurance claims processing software and services and our other products and services. For example Experian® is our principal competitor in the United Kingdom in the vehicle validation market, car.tv is our principal competitor in Germany in the online salvage vehicle disposition market and ChoicePoint is our principal competitor in the United States in the automobile reunderwriting solutions market. The principal competitors of SRS in the U.S. service, repair and maintenance software and solutions market are ALLDATA and the Mitchell repair manuals. The principal competitor of our I&S business is Safelite Solutions and the principal competitors to CAP are Kee Resources and Glass's Guide. If one or more of our competitors develop software or services that are superior to ours or are more effective in marketing their software or services, our market share could decrease, thereby reducing our revenues. In addition, if one or more of our competitors retain existing or attract new customers for which we have developed new software or services, we may not realize expected revenues from these new offerings, thereby reducing our profitability.

Some of our current or future competitors may have or develop closer customer relationships, develop stronger brands, have greater access to capital, lower cost structures and/or more attractive system design and operational capabilities than we have. Consolidation within our industry could result in the formation of competitors with substantially greater financial, management or marketing resources than we have, and such competitors could utilize their substantially greater resources and economies of scale in a manner that affects our ability to compete in the relevant market or markets. As a result of consolidation, our competitors may be able to adapt more quickly to new technologies and customer needs, devote greater resources to promoting or selling their products and services, initiate and withstand substantial price competition, expand into new markets, hire away our key employees, change or limit access to key information and systems, take advantage of acquisition or other strategic opportunities more readily and develop and expand their product and service offerings (including those products and services that may compete with our risk and asset management platform and our "digital garage" product) more quickly than we can. In addition, our competitors may form strategic or exclusive relationships with each other, such as the equity interest in GT Motive Einsa Group purchased by Mitchell International, and with other companies in attempts to compete more successfully against us. These relationships may increase our competitors' ability, relative to ours, to address customer needs with their software and service offerings, which may enable them to rapidly increase their market share.

Moreover, many insurance companies have historically entered into agreements with automobile insurance claims processing service providers like us and our competitors whereby the insurance company agrees to use that provider on an exclusive or preferred basis for particular products and services and agrees to require collision repair facilities, independent assessors and other vendors to use that provider. If our competitors are more successful than we are at negotiating these exclusive or preferential arrangements, we may lose market share even in markets where we retain other competitive advantages.

In addition, our insurance company customers have varying degrees of in-house development capabilities, and one or more of them have expanded and may seek to further expand their capabilities in the areas in which we operate. Many of our customers are larger and have greater financial and other resources than we do and could commit significant resources to product development. Our software and services have been, and may in the future be, replicated by our insurance company customers in-house, which could result in our loss of those customers and their associated repair facilities, independent assessors and other vendors, resulting in decreased revenues and net income.

The time and expense associated with switching from our competitors' software and services to ours may limit our growth.

The costs for an insurance company to switch providers of claims processing software and services can be significant and the process can sometimes take 12 to 18 months to complete. As a result, potential customers may decide that it is not worth the time and expense to begin using our software and services, even if we offer competitive and economic advantages. If we are unable to convince these customers to switch to our software and services, our ability to increase market share will be limited and could harm our revenues and operating results.

Our operating results may be subject to volatility as a result of exposure to foreign currency exchange risks.

We derive most of our revenues, and incur most of our costs, in currencies other than the U.S. dollar, mainly the Euro. In our historical financial statements, we translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period for our consolidated statement of income and certain components of stockholders' equity or the exchange rate at the end of that period for the consolidated balance sheet. These translations resulted in a net foreign currency translation adjustment of $(167.7) million and $39.1 million for fiscal years 2015 and 2014, respectively, and $24.1 million and $99.1 million for the six months ended December 31, 2015 and 2014, respectively, which are recorded as a component of accumulated other comprehensive income (loss) in the stockholders' equity. Ongoing global economic conditions have impacted currency exchange rates.

Exchange rates between most of the major foreign currencies we use to transact our business and the U.S. dollar have fluctuated significantly over the last few years and we expect that they will continue to fluctuate. The majority of our revenues and costs are denominated in Euros, Pound Sterling, Swiss francs, Canadian dollars and other foreign currencies. The following table provides the average quarterly exchange rates for the Euro and Pound Sterling since the beginning of fiscal year 2015:

Period	Average Euro-to-U.S. Dollar Exchange Rate	Average Pound Sterling-to-U.S. Dollar Exchange Rate
Quarter Ended September 30, 2014	$1.33	$1.67
Quarter Ended December 31, 2014	$1.25	$1.58
Quarter Ended March 31, 2015	$1.13	$1.52
Quarter Ended June 30, 2015	$1.11	$1.53
Quarter Ended September 30, 2015	$1.11	$1.55
Quarter Ended December 31, 2015	$1.10	$1.52

During fiscal year 2015, as compared to fiscal year 2014, the U.S. dollar strengthened against most major foreign currencies we use to transact our business. Relative to the Euro and the Pound Sterling, the average U.S. dollar strengthened versus the Euro by 11.4% and the Pound Sterling by 3.2%, which decreased our revenues and expenses during fiscal year 2015. A hypothetical 5% increase or decrease in the U.S. dollar versus other currencies in which we transact our business would have resulted in an increase or decrease, as the case may be, to our revenues of $31.7 million during fiscal year 2015.

During the six months ended December 31, 2015, as compared to the six months ended December 31, 2014, the U.S. dollar strengthened against most major foreign currencies we use to transact our business. The average U.S. dollar strengthened versus the Euro by 14.3% and the Pound Sterling by 5.7%, which decreased our revenues and expenses for the six months ended December 31, 2015. A hypothetical 5% increase or decrease in the U.S. dollar versus other currencies in which we transact our business would have resulted in an increase or decrease, as the case may be, to our revenues of $15.5 million during the six months ended December 31, 2015.

In the normal course of business, we are exposed to variability in foreign currency exchange rates. We use derivatives to mitigate risks associated with this variability. The following is a summary of outstanding derivative financial instruments as of December 31, 2015 that are relevant to our exposure to foreign currency risk:

- In April 2012, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps in the aggregate notional amount of €109.0 million. We pay Euro fixed coupon payments at 6.990% and receive U.S. dollar fixed coupon payments at 6.750% on the notional amount. The maturity date of the swaps is June 15, 2018. These cross-currency swaps were designated, at inception, as cash flow hedges and we evaluate the swaps for effectiveness quarterly. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. To date, there has been no hedge ineffectiveness.

- In November 2014, we entered into a pay floating / received fixed interest rate swap with a notional amount of $400.0 million. Under the terms of the interest rate swap, we pay quarterly floating coupon payments at 3-month LIBOR plus 3.924% and receive semi-annual fixed coupon payments at 6.000%. The maturity date of the interest rate swap is June 15, 2021, although the swap may be terminated at any time effective June 15, 2017 by the counterparty subject to the payment of a cancellation fee. The interest rate swap was not designated as a hedge at inception. We recognize changes in the fair value of the interest rate swap in other (income) expense, net in our consolidated statements of income (loss).
- In November 2014, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €401.6 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.993% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).
- In March 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €174.8 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.725% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was designated as a net investment hedge at inception. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. On October 1, 2015, we de-designated this cross-currency swap as a net investment hedge. Upon de-designation, we recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).
- In March 2015, we entered into a foreign exchange forward contract with a notional amount of €472.9 million. Under the terms of the forward contract, we pay predetermined forward rate on the settlement date. The foreign exchange forward contract was not designated as a hedge at inception. We recognize changes in the fair value in other (income) expense, net in our consolidated statements of income (loss). In July 2015, we partially settled the foreign exchange forward contract for a cash payment of $8.9 million which is reported in other (income) expense, net in our consolidated statements of income (loss). Settlement of the remaining foreign exchange forward contract with a notional amount of €235.8 million was extended to July 2016.
- In July 2015, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps, each with a notional amount of €137.0 million. Under the terms of the cross-currency swaps, we pay Euro fixed coupon payments at 5.135% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swaps is November 1, 2018. One of the cross-currency swaps was designated as a net investment hedge at inception and one was not designated as a hedge at inception. We report the effective portion of the gain or loss on the cross-currency swap designated as a net investment hedge as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. On October 1, 2015, we de-designated this cross currency swap as a net investment hedge. Upon de-designation, we recognize changes in the fair value of the cross-currency swaps in other (income) expense, net in our consolidated statements of income (loss).
- In July 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €274.0 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 5.585% and receive U.S. dollar fixed coupon payments at

6.125% on the notional amount. The maturity date of the cross-currency swap is November 1, 2023. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).

Further fluctuations in exchange rates against the U.S. dollar could decrease our revenues and associated profits and, therefore, harm our future operating results.

Current uncertainty in global economic conditions makes it particularly difficult to predict product demand, utilization and other related matters and makes it more likely that our actual results could differ materially from expectations.

Our operations and performance depend on worldwide economic conditions, which have deteriorated significantly in many countries where our products and services are sold, and may remain depressed for the foreseeable future. These conditions make it difficult for our customers and potential customers to accurately forecast and plan future business activities, and could cause our customers and potential customers to slow, reduce or refrain from spending on our products. In addition, external factors that affect our business have been and may continue to be impacted by the global economic slowdown. Examples include:

- ***Number of Insurance Claims Made***: In fiscal year 2015, the number of insurance claims made increased slightly versus fiscal year 2014. However, in several of our large western European markets, the number of insurance claims for vehicle damage submitted by owners to their insurance carriers declined slightly. The number of insurance claims made can be influenced by factors such as unemployment levels, the number of miles driven, rising gasoline prices, the number of uninsured drivers, rising insurance premiums and insured drivers opting for lower coverage or higher deductible levels, among other things. Fewer claims made can reduce the transaction-based fees that we generate.
- ***Sales of New and Used Vehicles***: According to industry sources, global new vehicle sales grew by 3.6% in 2014 to 86.3 million units and sales are forecasted to reach 88.4 million units, up by 2.4%, in 2015. In Advanced Markets, sales are projected to grow at a 0.7% CAGR from 2014 through 2024. In other markets, sales are projected to grow at a 6.6% CAGR from 2014 through 2024. Fewer new light vehicle sales can result in fewer insured vehicles on the road and fewer automobile accidents, which can reduce the transaction-based fees that we generate.
- ***Used Vehicle Retail and Wholesale Values***: Declines in retail and wholesale used vehicle values can impact vehicle owner and insurance carrier decisions about which damaged vehicles should be repaired and which should be declared a total loss. The lower the retail and wholesale used vehicle values, the more likely it is that a greater percentage of automobiles are declared a total loss versus a partial loss. The fewer number of vehicles that owners and insurance carriers decide to repair can reduce the transaction-based fees that we generate for partial-loss estimates, but may have a beneficial impact on the transaction-based fees that we generate for total-loss estimates.
- ***Automobile Usage-Number of Miles Driven***: Several factors can influence miles driven, including gasoline prices and economic conditions. According to industry sources, for calendar year 2014, cumulative miles driven in the United States increased by 2.6% compared to the same period in the prior year. For calendar year 2013, cumulative miles driven in the United States remained flat compared to the same period in the prior year. Fewer miles driven can result in fewer automobile accidents, which can reduce the transaction-based fees that we generate.

Many of our markets around the world continue to experience or have recently experienced volatility. Accordingly, we cannot predict the timing, strength or duration of any economic slowdown or subsequent economic recovery, worldwide or in particular economic markets. These and other economic factors could have a material adverse effect on demand for or utilization of our products and on our financial condition and operating results.

We may engage in acquisitions, joint ventures, dispositions or similar transactions that could disrupt our operations, cause us to incur substantial expenses, result in dilution to our stockholders and harm our business or results of operations.

Our growth is dependent upon market growth and our ability to enhance our existing products and introduce new products on a timely basis. We have addressed and will continue to address the need to introduce new products both through internal development and through acquisitions of other companies and technologies that would complement or extend our business or enhance our technological capability. In fiscal year 2015, we acquired six businesses, including I&S and CAP, and substantially all of the assets of another business. In fiscal year 2016 to date, we acquired one business, and substantially all of the assets of another business and the remaining 50% equity ownership interest in SRS.

Our ability to realize the anticipated benefits of our acquisitions will depend, to a varying extent, on our ability to continue to expand the acquired business' products and services and integrate them with our products and services. Our management will be required to devote significant attention and resources to these efforts, which may disrupt our core business, the acquired business or both and, if executed ineffectively, could preclude realization of the full benefits we expect. Failure to realize the anticipated benefits of our acquisitions could cause an interruption of, or a loss of momentum in, the operations of the acquired business. In addition, the efforts required to realize the benefits of our acquisitions may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and the diversion of management's attention, and may cause our stock price to decline. The risks associated with our acquisitions and future acquisitions include:

- adverse effects on existing customer or supplier relationships, such as cancellation of orders or the loss of key customers or suppliers;
- difficulties in integrating or retaining key employees of the acquired company;
- difficulties in integrating the operations of the acquired company, such as information technology resources, and financial and operational data;
- entering geographic or product markets in which we have no or limited prior experience;
- difficulties in assimilating product lines or integrating technologies of the acquired company into our products;
- disruptions to our operations;
- diversion of our management's attention;
- potential incompatibility of business cultures;
- potential dilution to existing stockholders if we issue shares of common stock or other securities as consideration in an acquisition or if we issue any such securities to finance acquisitions;
- prohibitions against completing acquisitions as a result of regulatory restrictions or disruptions in connection with regulatory investigations of completed acquisitions;
- limitations on the use of net operating losses or tax benefits;
- negative market perception, which could negatively affect our stock price;
- the assumption of debt and other liabilities, both known and unknown; and
- additional expenses associated with the amortization of intangible assets or impairment charges related to purchased intangibles and goodwill, or write-offs, if any, recorded as a result of the acquisition.

Many of these factors will be outside of our control, and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy.

Our merger and acquisition activities are subject to antitrust and competition laws, which laws could impact our ability to pursue strategic transactions. If we were found to violate antitrust and competition laws, we would be subject to various remedies, including divestiture of the acquired businesses.

We participate in joint ventures in some countries and may participate in future joint ventures. Our partners in these ventures may have interests and goals that are inconsistent with or different from ours, which could result in the joint venture taking actions that negatively impact our growth in the local market and consequently harm our business or financial condition. If we are unable to find suitable partners or if suitable partners are unwilling to enter into joint ventures with us, our growth into new geographic markets may slow, which would harm our results of operations.

Additionally, we may finance future acquisitions, and/or additional joint ventures with cash from operations, additional indebtedness and/or the issuance of additional securities, any of which may impair the operation of our business or present additional risks, such as reduced liquidity, or increased interest expense. We may also seek to restructure our business in the future by disposing of certain of our assets, which may harm our future operating results, divert significant managerial attention from our operations and/or require us to accept non-cash consideration, the market value of which may fluctuate.

Failure to implement our acquisition strategy, including successfully integrating acquired businesses, could have an adverse effect on our business, financial condition and results of operations.

Our operating results may vary widely from period to period due to the sales cycle, seasonal fluctuations and other factors.

Our contracts with insurance companies generally require time-consuming authorization procedures by the customer, which can result in additional delays between when we incur development costs and when we begin generating revenues from those software or service offerings. In addition, we incur significant operating expenses while we are researching and designing new software and related services, and we typically do not receive corresponding payments in those same periods. As a result, the number of new software and service offerings that we are able to implement, successfully or otherwise, can cause significant variations in our cash flow from operations, and we may experience a decrease in our net income as we incur the expenses necessary to develop and design new software and services. Accordingly, our quarterly and annual revenues and operating results may fluctuate significantly from period to period.

Our business is subject to seasonal and other fluctuations. In particular, we have historically experienced higher revenues during the second quarter and third quarter versus the first quarter and fourth quarter during each fiscal year. This seasonality is caused primarily by more days of inclement weather during the second quarter and third quarter in most of our markets, which contributes to a greater number of vehicle accidents and damage during these periods. In addition, our business is subject to fluctuations caused by other factors, including the occurrence of extraordinary weather events and the timing of certain public holidays. For example, the Easter holiday occurs during the third quarter in certain fiscal years and occurs during the fourth quarter in other fiscal years, resulting in a change in the number of business days during the quarter in which the holiday occurs.

We anticipate that our revenues will continue to be subject to seasonality and therefore our financial results will vary from period to period. However, actual results from operations may or may not follow these normal seasonal patterns in a given year leading to performance that is not in alignment with expectations.

We also may experience variations in our earnings due to other factors beyond our control, such as:

- the introduction of new software or services by our competitors;
- customer acceptance of new software or services;
- the volume of usage of our offerings by existing customers;
- variations of vehicle accident rates due to factors such as changes in fuel prices, number of miles driven or new vehicle purchases and their impact on vehicle usage;
- competitive conditions, or changes in competitive conditions, in our industry generally;
- prolonged system failures during which time customers cannot submit or process transactions; or
- prolonged interruptions in our access to third-party data incorporated in our software and services.

We may also incur significant or unanticipated expenses when contracts expire, are terminated or are not renewed. Any of these events could harm our business, financial condition and results of operations and cause our stock price to decline.

Our industry is subject to rapid technological changes, and if we fail to keep pace with these changes or our present or future product offerings are diminished or made obsolete in the marketplace, our market share and revenues will decline.

Our industry is characterized by rapidly changing technology, evolving industry standards and frequent introductions of, and enhancements to, existing software and services, all with an underlying pressure to reduce cost. Industry changes could render our present or future product offerings (including but not limited to our risk and asset management platform and our “digital garage” product) less attractive or obsolete, and we may be unable to make the necessary adjustments to our present or future product offerings at a competitive cost, or at all. We also incur substantial expenses in researching, developing, designing, purchasing, licensing and marketing new software and services, including but not limited to our risk and asset management platform and our “digital garage” product. The development or adaptation of these new technologies and products may result in unanticipated expenditures and capital costs that would not be recovered in the event that such new technologies or products are unsuccessful. The research, development, production and marketing of new software and services are also subject to changing market requirements, access to and rights to use third-party data, the satisfaction of applicable regulatory requirements and customers’ approval procedures and other factors, each of which could prevent us from successfully marketing any new software and services or responding to competing technologies. The success of new software in our industry also often depends on the ability to be first to market, and our failure to be first to market with any particular product offering could limit our ability to recover the development expenses associated with such product. If we cannot develop or acquire new technologies, software and services or any of our existing or anticipated future product offerings (including but not limited to our risk and asset management platform and our “digital garage” product) are diminished in value, made less attractive or rendered obsolete by technological changes or present or future competitive products and services in the marketplace, our revenues and income could decline and we may lose market share to our established or new competitors, which would impact our future operations and financial results.

We are currently making, and anticipate making additional, strategic decisions and investments to leverage and expand our product and service offerings, including offerings in addition to the automotive sector.

We have invested, and expect to continue to invest, significant management attention and financial resources to develop, integrate and implement new business strategies, products, services, features, applications, and functionality (including but not limited to our risk and asset management platform and our “digital garage” product). Such endeavors may involve significant risks and uncertainties, including distraction of management from current core operations, insufficient revenues to offset liabilities assumed and expenses associated with these new investments, inadequate return of capital on our investments, and unanticipated issues or problems that arise during our implementation of such strategies and offerings. Because these new endeavors are inherently risky, our business strategies and product and service offerings may not be successful and may adversely affect our business, financial condition and results of operations.

Some of our strategies and offerings may be outside the insurance claims industry (such as our SMR business, CAP and our “digital garage” product), may be outside of the automotive sector (such as our property claims business and our “digital garage” product), or may be consumer-based (such as our “digital garage” product). We have limited historical experience directly serving consumers or customers outside of the automotive sector and our products and services may not be accepted or widely utilized by such consumers or customers. These offerings may also subject us to new or additional laws and regulations (including those relating to consumer protection) and may lead to increased legal and regulatory compliance, risk and liability.

Changes in or violations by us or our customers of applicable government regulations could reduce demand for or limit our ability to provide our software and services in those jurisdictions.

Our insurance company customers are subject to extensive government regulations, mainly at the state level in the United States and at the country level in our non-U.S. markets. Some of these regulations relate directly to our software and services, including regulations governing the use of total loss and estimating software. If our insurance company customers fail to comply with new or existing insurance regulations, including those applicable to our software and services, they could lose their certifications to provide insurance and/or reduce their usage of our software and services, either of which would reduce our revenues. Also, we are subject to direct regulation in some markets, and our failure to comply with these regulations could significantly reduce our revenues or subject us to government sanctions. In addition, future regulations could force us to implement costly changes to our software and/or databases or have the effect of prohibiting or rendering less valuable one or more of our offerings. Moreover, some states in the United States have changed and are contemplating changes to their regulations to permit insurance companies to use book valuations or public source valuations for total loss calculations, making our total loss software potentially less valuable to insurance companies in those states. Some states have adopted total loss regulations that, among other things, require insurers to use a methodology deemed acceptable to the respective government agency.

We submit our methodology to such agencies, and if they do not approve our methodology, we will not be able to perform total loss valuations in their respective states. Other states are considering legislation that would limit the data that our software can provide to our insurance company customers. In the event that demand for or our ability to provide our software and services decreases in particular jurisdictions due to regulatory changes, our revenues and margins may decrease.

There is momentum to create a U.S. federal government oversight mechanism for the insurance industry. There is also legislation under consideration by the U.S. legislature relating to the vehicle repair industry. Federal regulatory oversight of or legislation relating to the insurance industry in the United States could result in a broader impact on our business versus similar oversight or legislation at the U.S. state level.

Regulatory developments could negatively impact our business.

We acquire and distribute personal, public and non-public information, store it in our some of our databases and provide it in various forms to certain of our customers in accordance with applicable law and contracts. We are subject to government regulation and, from time to time, companies in similar lines of business to us are subject to adverse publicity concerning the use of such data. We provide many types of data and services that are subject to regulation under the Fair Credit Reporting Act, Gramm-Leach-Bliley Act, Driver's Privacy Protection Act, Health Insurance Portability and Accountability Act, the European Union's Data Protection Directive, the United Kingdom's Financial Services and Markets Act 2000 Order 2001, and, to a lesser extent, various other international, federal, state and local laws and regulations. These laws and regulations are designed to protect the privacy of the public and to prevent the misuse of personal information. Our suppliers that provide us with protected and regulated data face similar regulatory requirements and, consequently, they may cease to be able to provide data to us or may substantially increase the fees they charge us for this data which may make it financially burdensome or impossible for us to acquire data that is necessary to offer our certain of our products and services. Additionally, many consumer advocates, privacy advocates, and government regulators believe that the existing laws and regulations do not adequately protect privacy of personal information. They have become increasingly concerned with the use of personal information, particularly social security numbers, department of motor vehicle data and dates of birth. As a result, they are lobbying for further restrictions on the dissemination or commercial use of personal information to the public and private sectors. The following legal and regulatory developments also could have a material adverse effect on our business, financial position, results of operations or cash flows:

- amendment, enactment, or interpretation of laws and regulations which restrict the access, use and distribution of personal information and limit the supply of data available to customers;
- changes in cultural and consumer attitudes to favor further restrictions on information collection and sharing, which may lead to regulations that prevent full utilization of our services;
- failure of our services to comply with current or amended laws and regulations; and
- failure of our services to adapt to changes in the regulatory environment in an operational effective, efficient, cost-effective manner.

We are active in over 75 countries, where we are subject to country-specific risks that could adversely impact our business and results of operations.

During fiscal year 2015 and the six months ended December 31, 2015, we generated approximately 56% and 50% of our revenues, respectively, outside the United States and we expect revenues from non-U.S. markets to continue to represent a majority of our total revenues. Business and operations in individual countries are subject to changes in local government regulations and policies, including those related to tariffs and trade barriers, investments, taxation, currency exchange controls and repatriation of earnings. Our results are also subject to the difficulties of coordinating our activities across over 75 different countries. Furthermore, our business strategy includes expansion of our operations into new and developing markets, which will require even greater international coordination, expose us to additional local government regulations and involve markets in which we do not have experience or established operations. In addition, our operations in each country are vulnerable to changes in socio-economic conditions and monetary and fiscal policies, intellectual property protection disputes, the settlement of legal disputes through foreign legal systems, the collection of receivables through foreign legal systems, exposure to possible expropriation or other governmental actions, unsettled political conditions, possible terrorist attacks and pandemic disease. These and other factors may harm our operations in those countries and therefore our business, financial condition and results of operations.

We have a large amount of goodwill and other intangible assets as a result of acquisitions. Our earnings will be harmed if we suffer an impairment of our goodwill or other intangible assets.

We have a large amount of goodwill and other intangible assets and are required to perform an annual, or in certain situations a more frequent, assessment for possible impairment for accounting purposes. At December 31, 2015, we had goodwill and other intangible assets of $2.8 billion, or approximately 75% of our total assets. If we do not achieve our planned operating results or other factors impair these assets, we may be required to incur a non-cash impairment charge. Any impairment charges in the future will adversely affect our results of operations.

We may incur significant restructuring and severance charges in future periods, which would harm our operating results and cash position or increase debt.

We incurred restructuring charges of $6.3 million and $4.6 million during fiscal year 2015 and the six months ended December 31, 2015, respectively. These charges consist primarily of relocation and termination benefits paid or to be paid to employees, lease obligations associated with vacated facilities and other costs incurred related to our restructuring initiatives. As of December 31, 2015, our remaining restructuring and severance obligations associated with these restructuring initiatives were $0.2 million.

We regularly evaluate our existing operations and capacity, and we expect to incur additional restructuring charges as a result of future personnel reductions, related restructuring, and productivity and technology enhancements, which could exceed the levels of our historical charges. In addition, we may incur certain unforeseen costs as existing or future restructuring activities are implemented. Any of these potential charges could harm our operating results and significantly reduce our cash position.

Our software and services rely on information generated by third parties and any interruption of our access to such information could materially harm our operating results.

We believe that our success depends significantly on our ability to provide our customers access to data from many different sources. For example, a substantial portion of the data used in our repair estimating software is derived from parts and repair data provided by, among others, OEMs, aftermarket parts suppliers, data aggregators, automobile dealerships, government organizations and vehicle repair facilities. We obtain much of our data about vehicle parts and components and collision repair labor and costs through license agreements with OEMs, automobile dealers, and other providers; and we obtain much of our data in our vehicle validation database and motor violation database from government organizations. EurotaxGlass's Group, one of our primary competitors in Europe, provides us with valuation and paint data for use in our European markets pursuant to a similar arrangement. In some cases, the data included in our products and services is licensed from sole-source suppliers. Mitchell International, one of our primary competitors in the United States, has historically provided us with vehicle glass data for use in our U.S. markets pursuant to a vehicle data license agreement. Many of the license agreements through which we obtain data are for terms of one year and may be terminated without cost to the provider on short notice.

If one or more of our licenses are terminated or if we are unable to renew one or more of these licenses on favorable terms or at all, we may be unable to access the information (in the case of information licensed from sole-service suppliers) or unable to access alternative data sources that would provide comparable information without incurring substantial additional costs. Some data sources have indicated to us that they intend to materially increase the licensing costs for their data. While we do not believe that our access to many of the individual sources of data is material to our operations, prolonged industry-wide price increases or reductions in data availability could make receiving certain data more difficult and could result in significant cost increases, which would materially harm our operating results.

System failures, delays and other problems could harm our reputation and business, cause us to lose customers and expose us to customer liability.

Our success depends on our ability to provide accurate, consistent and reliable services and information to our customers on a timely basis. Our operations could be interrupted by any damage to or failure of:

- our computer software or hardware or our customers' or third-party service providers' computer software or hardware;
- our networks, our customers' networks or our third-party service providers' networks; and
- our connections to and outsourced service arrangements with third parties, such as Acxiom, which hosts data and applications for us and our customers.

Our systems and operations are also vulnerable to damage or interruption from:

- power loss or other telecommunications failures;
- earthquakes, fires, floods, hurricanes and other natural disasters;
- computer viruses or software defects;
- physical or electronic break-ins, sabotage, intentional acts of vandalism and similar events; and
- errors by our employees or third-party service providers.

As part of our ongoing process improvements efforts, we have and will continue to migrate product and system platforms to next generation platforms and we may increase data and applications that we host ourselves, and the risks noted above will be exacerbated by these efforts. Because many of our services play a mission-critical role for our customers, any damage to or failure of the infrastructure we rely on (even if temporary), including those of our customers and vendors, could disrupt our ability to deliver information to and provide services for our customers in a timely manner, which could harm our reputation and result in the loss of current and/or potential customers or reduced business from current customers. In addition, we generally indemnify our customers to a limited extent for damages they sustain related to the unavailability of, or errors in, the software and services we provide; therefore, a significant interruption of, or errors in, our software and services could expose us to significant customer liability.

Fraudulent data access and other security breaches may negatively impact our business and harm our reputation.

Security breaches in our facilities, computer networks, and databases may cause harm to our business and reputation and result in a loss of customers and data suppliers. Our systems may be vulnerable to physical break-ins, computer viruses, attacks by hackers and similar disruptive problems. If users gain improper access to our databases, they may be able to steal, publish, delete or modify confidential third-party information that is stored or transmitted on our networks.

In addition, customers' misuse of our information services could cause harm to our business and reputation and result in loss of customers. Any such misappropriation and/or misuse of our information could result in us, among other things, being in breach of certain data protection and related legislation.

A security or privacy breach may affect us in the following ways:

- deterring customers from using our solutions;
- deterring data suppliers from supplying data to us;
- harming our reputation;

- exposing us to liability;
- increasing operating expenses to correct problems caused by the breach;
- affecting our ability to meet customers' expectations; or
- causing inquiry from governmental authorities.

We may detect incidents in which consumer data has been fraudulently or improperly acquired. The number of potentially affected consumers identified by any future incidents is obviously unknown. Any such incident could materially and adversely affect our business, reputation, financial condition, operating results and cash flows.

Privacy concerns could require us to exclude data from our software and services, which may reduce the value of our offerings to our customers, damage our reputation and deter current and potential users from using our software and services.

In the United States, European Union and other jurisdictions, there are significant restrictions on the use of personal and consumer data. Our violations of these laws could harm our business. In addition, these restrictions may place limits on the information that we can collect from and provide to our customers. Furthermore, concerns about our collection, use or sharing of automobile insurance claims information, moving violation information or other privacy-related matters, even if unfounded, could damage our reputation and operating results.

We depend on a limited number of key personnel who would be difficult to replace. If we lose the services of these individuals, or are unable to attract and retain sufficient numbers of qualified employees to support our present and future operations and business strategy, our business will be adversely affected.

We depend upon the ability and experience of our key personnel, who have substantial experience with our operations, the rapidly changing automobile insurance claims processing industry and the markets in which we offer our software and services. The loss of the services of one or more of our senior executives or key employees, particularly our Chairman of the Board, Chief Executive Officer and President, Tony Aquila, could harm our business and operations.

Our success also depends on our ability to continue to attract, manage and retain qualified management, sales and technical personnel as we grow and implement our present and future business strategy. Particularly, we have a present and anticipated future need to attract, manage and retain sufficient numbers of appropriately qualified personnel to develop and commercialize our risk and asset management platform and our "digital garage" product offering. Competition for such qualified personnel is intense and we may not be able to continue to attract or retain such qualified personnel in the future.

Our business depends on our brands, and if we are not able to maintain and enhance our brands, our business and operating results could be harmed.

We believe that the brand identity we have developed and acquired has significantly contributed to the success of our business. We also believe that maintaining and enhancing our brands, such as Solera, Solera Holdings, Audatex, ABZ, Hollander, Informex, Sidexa, HPI, AUTOonline, Market Scan, IMS, Identifix, AutoPoint, LYNX Services, CAP and Explore, are critical to the expansion of our software and services to new customers in both existing and new markets. Maintaining and enhancing our brands may require us to make substantial investments and these investments may not be successful. If we fail to promote and maintain our brands or if we incur excessive expenses in this effort, our business, operating results and financial condition will be harmed. We anticipate that, as our markets become increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Maintaining and enhancing our brands will depend largely on our ability to be a technology innovator, to continue to provide high quality software and services and protect and defend our brand names and trademarks, which we may not do successfully. To date, we have not engaged in extensive direct brand promotion activities, and we may not successfully implement brand enhancement efforts in the future.

Third parties may claim that we are infringing upon their intellectual property rights, and we could be prevented from selling our software or suffer significant litigation expense even if these claims have no merit.

Our competitive position is driven in part by our intellectual property and other proprietary rights. Third parties, however, may claim that our software, products or technology, including claims data or other data, which we obtain from other parties, are infringing or otherwise violating their intellectual property rights. We may also develop software, products or technology, unaware of pending patent applications of others, which software products or technology may infringe a third party patent once that patent is issued. Any claims of intellectual property infringement or other violation, even claims without merit, could be costly and time-consuming to defend and could divert our management and key personnel from operating our business. In addition, if any third party has a meritorious or successful claim that we are infringing or violating its intellectual property rights, we may be forced to change our software or enter into licensing arrangements with third parties, which may be costly or impractical. These claims may also require us to stop selling our software and/or services as currently designed, which could harm our competitive position. We also may be subject to significant damages or injunctions that prevent the further development and sale of certain of our software or services and may result in a material loss in revenue. Currently, one of our trademarks is subject to a nullification proceeding in front of the Brazil trademark authority.

We may be unable to protect our intellectual property and property rights, either without incurring significant costs or at all, which would harm our business.

We rely on a combination of trade secrets, copyrights, know-how, trademarks, patents, license agreements and contractual provisions, as well as internal procedures, to establish and protect our intellectual property rights. The steps we have taken and will take to protect our intellectual property rights may not deter infringement, duplication, misappropriation or violation of our intellectual property by third parties. In addition, any of the intellectual property we own or license from third parties may be challenged, invalidated, circumvented or rendered unenforceable, or may not be of sufficient scope or strength to provide us with any meaningful information. Furthermore, because of the differences in foreign patent, trademark and other laws concerning proprietary rights, our software and other intellectual property rights may not receive the same degree of protection in foreign countries as they would in the United States, if at all. We may be unable to protect our rights in trade secrets and unpatented proprietary technology in these countries. We may also be unable to prevent the unauthorized disclosure or use of our technical knowledge, trade secrets or other proprietary information by consultants, vendors, former employees or current employees, despite the existence of nondisclosure and confidentiality agreements, intellectual property assignments and other contractual restrictions. It is also possible that others will independently develop the technology that is the same or similar to ours. If our trade secrets and other proprietary information become known or we are unable to maintain the proprietary nature of our intellectual property, we may not receive any return on the resources expended to create the intellectual property or generate any competitive advantage based on it.

We rely on our brands to distinguish our products and services from the products and services of our competitors, and have registered or applied to register trademarks covering many of these brands. We cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products and services, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands.

Third parties, including competitors, may infringe our intellectual property rights and we may not have adequate resources to enforce our intellectual property rights. Pursuing infringers of our intellectual property could result in significant monetary costs and diversion of management resources, and any failure to pursue or successfully litigate claims against infringers or otherwise enforce our intellectual property rights could result in competitors using our technology and offering similar products and services, potentially resulting in loss of our competitive advantage and decreased revenues.

Currently, we believe that one or more of our customers in our EMEA segment may be infringing our intellectual property by making and distributing unauthorized copies of our software. Enforcement of our intellectual property rights may be difficult and may require considerable resources.

Our lawsuit against Mitchell International, Inc. for patent infringement has been adversely decided against us and we cannot predict the duration, outcome or cost of any appeal of the decision.

On February 6, 2012, we filed a lawsuit against Mitchell International, Inc. in the United States District Court for the District of Delaware for infringement of one of our U.S. patents and we subsequently added an additional two continuation patents to the lawsuit. On February 24, 2015, at Mitchell International's request, the U.S. Patent and Trademark Office ("USPTO") instituted a Covered Business Method Patent Review ("CBM") of the patents at issue in the lawsuit. In so doing, the USPTO preliminarily determined that it is more likely than not that the claims of such patents are not eligible for patent protection. On March 24, 2015, the United States District Court for the Southern District of California, where the lawsuit now resides, issued an order to stay the lawsuit pending the ruling of the USPTO in the CBM proceeding. Oral argument of the CBM proceeding was held before the USPTO on October 19, 2015. On February 19, 2016, the Patent Trial and Appeal Board ("PTAB") of the USPTO published three separate decisions in the CBM proceeding. The PTAB decisions invalidated the three patents at issue, citing the U.S. Supreme Court's prior decision in Alice Corp. v. CLS Bank International.

We are currently evaluating our response to the PTAB decisions, including whether to appeal the PTAB decisions to the U.S. Court of Appeals for the Federal Circuit. We expect that any such appeal could require a substantial period of time to litigate and, at this stage, we cannot predict the duration, outcome or cost of such appeal.

Current or future litigation could have a material adverse impact on us.

We have been and continue to be involved in legal proceedings, claims and other litigation that arise in the ordinary course of business. For example, we have been involved in disputes with collision repair facilities, acting individually and as a group in some situations that claim that we have colluded with our insurance company customers to depress the repair time estimates generated by our repair estimating software. We have also been involved in litigation alleging that we have colluded with our insurance company customers to cause the estimates of vehicle fair market value generated by our total loss estimation software to be unfairly low. On February 28, 2014, Solera, Explore, and Audatex

North America, Inc. were each served with a civil complaint filed against them and another defendant by an insurance company third party claimant in Minnesota state court. The complaint seeks state-wide class action status for similarly situated claimants, claiming that the defendant's methodology for determining the value of total loss vehicles violates Minnesota law. We filed a motion to dismiss on April 18, 2014. The complaint was subsequently removed to the U.S. District Court for the District of Minnesota and an amended complaint was filed on July 16, 2014. We and our co-defendant moved to dismiss the amended complaint and on October 31, 2014, the Court issued an order dismissing two of the three counts with prejudice and, of the remaining count, dismissing one claim with prejudice and one claim without prejudice.

On September 21, 2015, an alleged stockholder of the Company filed an action in the Court of Chancery of the State of Delaware on behalf of a putative class of the Company's stockholders against us and our directors, Vista, Parent and Merger Sub. The complaint alleges, among other things, that our directors breached their fiduciary duties by approving the Merger Agreement at an inadequate price and following an inadequate sale process, and that we, Vista, Parent and Merger Sub aided and abetted these alleged breaches of duty. The complainant seeks, among other things, either to enjoin the proposed transaction or to rescind it should it be consummated, as well as an award of plaintiff's attorneys' fees and costs in the action. On October 13, 2015, the defendants moved to dismiss the complaint for failure to state a claim. On October 21, 2015, the plaintiff filed an amended complaint that added allegations contending that the disclosure contained in the preliminary version of our proxy statement related to the Merger misstated or failed to disclose certain allegedly material information to our stockholders. On October 22, 2015, the plaintiff filed a motion for a preliminary injunction seeking to enjoin the holding of our shareholder meeting based upon his claim that our public disclosures were inadequate. On November 5, 2015, the Court denied the motion for expedited proceedings, and declined to consider plaintiff's motion seeking to enjoin the special meeting. The defendants deny any wrongdoing in connection with the merger and plan to defend vigorously against the claims set forth in the amended complaint and any injunction motion.

On November 17, 2015, a duplicative action was filed in the Court of Chancery of the State of Delaware against our directors on behalf of the same putative class of the Company's stockholders, alleging similar claims for breach of fiduciary duty and challenging the Merger and the disclosures relating to the Merger. On December 23, 2015, the defendants filed a motion to dismiss this action.

On January 29, 2016, the Court entered an order consolidating the two related cases for all purposes, appointing a lead plaintiff and lead counsel, and granting lead plaintiff until 20 days following the closing of the Merger to file any consolidated amended complaint. The defendants deny any wrongdoing in connection with the Merger and plan to defend vigorously against the claims set forth in these actions.

Furthermore, we are also subject to assertions by our customers and strategic partners that we have not complied with the terms of our agreements with them or that the agreements are not enforceable against them, some of which are the subject of pending litigation and any of which could in the future lead to arbitration or litigation. While we do not expect the outcome of any such pending or threatened litigation to have a material adverse effect on our financial position, litigation is unpredictable and excessive verdicts, both in the form of monetary damages and injunction, could occur. In the future, we could incur judgments or enter into settlements of claims that could harm our financial position and results of operations.

We are subject to periodic changes in the amount of our income tax provision (benefit) and these changes could adversely affect our operating results; we may not be able to utilize all of our tax benefits before they expire.

Our effective tax rate could be adversely affected by our mix of earnings in countries with high versus low tax rates; by changes in the valuation of our deferred tax assets and liabilities; by a change in our assertion that our foreign earnings are indefinitely reinvested; by the outcomes of examinations, audits or disputes by or with relevant tax authorities; or by changes in tax laws and regulations.

Significant judgment is required to determine the recognition and measurement attributes prescribed in ASC Topic No. 740-10, *Income Taxes*. In addition, ASC Topic No. 740-10 applies to all income tax positions, including the potential recovery of previously paid taxes, which if settled unfavorably could adversely impact our provision for income taxes or additional paid-in capital.

We are subject to adverse changes in our liquidity if we initiate action to repatriate unremitted earnings and precipitate payments of U.S. income taxes.

Our foreign subsidiaries generate earnings that are not subject to U.S. income taxes so long as they are permanently reinvested in our operations outside of the United States. Pursuant to ASC Topic No. 740-30 (formerly APB 23), undistributed earnings of foreign subsidiaries that are no longer permanently reinvested would become subject to deferred income taxes under U.S. tax law. In determining if the undistributed earnings of our foreign subsidiaries are permanently reinvested, we consider the following: (i) the forecasts, budgets and cash requirements of our U.S. business and our foreign subsidiaries, both for the short and long term; (ii) the tax consequences of any decision to reinvest foreign earnings, including any changes in U.S. income tax law relating to the treatment of these undistributed foreign earnings; and (iii) any U.S. and foreign government programs or regulations relating to the repatriation of these unremitted earnings. In fiscal year 2015, we have concluded that $350.0 million of our foreign earnings are no longer permanently reinvested, and we have recognized deferred income taxes on these earnings. If we initiate actions to repatriate these unremitted earnings and precipitate payments of U.S. income taxes, such payments could materially adversely affect our liquidity. We continue to assert that the remaining $840.7 million of undistributed earnings generated through December 31, 2015 is permanently reinvested in our foreign operations and have no current plans to repatriate those earnings.

Affiliates of Vista will control us and their interests may conflict with our interests or the interests of the holders of the notes in the future.

Following the consummation of the Transactions, Solera will be an indirect wholly-owned subsidiary of Parent and Parent will be an indirect wholly-owned subsidiary of a parent company of which all or substantially all of the issued and outstanding capital stock will be beneficially owned by certain funds affiliated with Vista. In addition, Vista will have the right to designate all of the members of our board of directors and the boards of directors and managers of our parent companies. As a result, Vista has control over our decisions to enter into any corporate transaction and has the ability to prevent any transaction that requires the approval of our board of directors or stockholders, regardless of whether the holders of notes believe that any such transactions are in their own best interests. For example, Vista could cause us to make acquisitions that increase the amount of our indebtedness, including secured indebtedness, or to sell assets, which may impair our ability to make payments under the notes.

In addition, Vista is in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. While we do not currently compete with these investments, Vista may vote in a manner so as to restrict us from expanding our business or entering into additional lines of business which may be related to the current or future operations of these investments. Vista may also pursue acquisitions that may be complementary with our business and, as a result, those acquisition opportunities may not be available to us. So long as Vista continues to indirectly own a significant amount of the outstanding shares of Solera common stock, even if such amount is less than 50%, Vista will continue to be able to strongly influence or effectively control our decisions.

We will not be subject to the Sarbanes-Oxley Act of 2002.

Since we will not register the notes under the Securities Act after this offering, we will not be subject to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), which requires public companies to have and maintain effective disclosure controls and procedures to ensure timely disclosure of material information, and have management review the effectiveness of those controls on a quarterly basis. The Sarbanes-Oxley Act also requires public companies to have and maintain effective internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements, and have management review the effectiveness of those controls on an annual basis (and have the independent auditor attest to the effectiveness of such internal controls). We will not be required to comply with these requirements and therefore we may not have comparable procedures in place as compared to other public companies.

Risks Related to the Merger

Our business relationships, including customer relationships, may be subject to disruption due to uncertainty associated with the Merger.

Parties with which we currently do business or may do business in the future, including customers, may experience uncertainty associated with the Merger, including with respect to current or future business relationships. As a result, our business relationships may be subject to disruptions if customers, suppliers and others attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than us. These disruptions could have a material and adverse effect on our businesses, financial condition, results of operations or prospects following the closing of this offering. The effect of such disruptions could be exacerbated by a delay in the consummation of the Merger or the termination of the Merger Agreement.

Holders of a substantial number of shares of Solera common stock have purported to have delivered written demands for the appraisal of their shares under Delaware law. If these appraisal demands are not withdrawn or determined to be invalid, or do not otherwise cease under Delaware law, the claims represented by such appraisal demands will constitute a substantial contingent liability of ours and will also result in our incurring substantial interest charges until they are resolved.

Holders of shares of Solera common stock who did not vote in favor of the proposal to approve the Merger and who properly demanded appraisal of their shares and who otherwise comply with the requirements of Section 262 of the General Corporation Law of the State of Delaware (the "DGCL") will be entitled to seek appraisal for, and obtain payment in cash for the judicially determined "fair value" (as defined pursuant to Section 262 of the DGCL) of, their shares in lieu of receiving the Acquisition Consideration if the Merger is completed, but only if they comply with all applicable requirements of Delaware law. This appraised value could be more than, the same as, or less than the Acquisition Consideration of $55.85 per share. As of February 26, 2016, we have received purported demands for appraisal with respect to approximately 7,149,364 shares.

Upon completion of the Merger, we expect to record a liability of $55.85 for each share with respect to which appraisal has been properly demanded (representing approximately $399.3 million if appraisal has been properly demanded with respect to all of the approximately 7,149,364 shares for which appraisal demands have purported to have been delivered as of February 26, 2016). In addition, we anticipate incurring interest charges equal to a per annum rate (compounded quarterly) of 5% over the Federal Reserve discount rate (including any surcharge) in respect of such liability.

At any time during the 60-day period after the Effective Time, any stockholder who has not actually commenced an appraisal proceeding or joined an appraisal proceeding as a named party may withdraw his, her or its demand for appraisal, in which event we will be obligated to promptly pay to such stockholder the Acquisition Consideration of $55.85 per share in cash, without interest. After such 60-day period, any demand for appraisal can be withdrawn only with our approval and, if an appraisal proceeding has been commenced, with the approval of the Delaware Court of Chancery. Within 120 days after the Effective Time, we or any holder of our shares who properly has exercised its appraisal rights may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares held by all stockholders exercising appraisal rights. If no such petition is filed within that 120-day period, all appraisal rights will cease, and we will be required to promptly pay the Acquisition Consideration of $55.85 per share in cash, without interest, to all stockholders who exercised appraisal rights.

If an appraisal proceeding is commenced within 120 days after the Effective Time, the appraisal proceeding will be conducted in accordance with the rules of the Delaware Chancery Court. Through such proceeding, the court shall determine the fair value of the shares, exclusive of any element of value arising from the accomplishment or expectation of the merger. Unless the Court of Chancery in its discretion determines otherwise for good cause shown, interest on such fair value from the Effective Time through the date of payment of the judgment will be compounded quarterly and will accrue at a per annum rate of 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time. It has not been unusual for appraisal proceedings in the Court of Chancery to take several years from the merger effective date to be concluded by a judgment, although there is no assurance as to the actual timing of any such proceeding. At the conclusion of an appraisal proceeding, the Court of Chancery directs the corporation surviving the merger to pay the fair value, plus any interest. Upon a stockholder filing a petition for appraisal, we can settle with the stockholder following approval of the Delaware Chancery Court.

In determining fair value, the Delaware Court of Chancery will take into account all relevant factors and the fair value so determined could be more than, the same as or less than the Acquisition Consideration. There is no assurance that the Delaware Court of Chancery will not determine that the fair value of the shares is materially greater than the Acquisition Consideration.

Any payment in respect of the shares subject to appraisal rights will be required to be paid in cash. As we are not able to determine the timing or amount of such payments, our liquidity position may be adversely affected. At the time such payments are required to be made, we may decide to sell our assets or otherwise raise money (including through the issuance of additional equity from the Common Equity Investors or other financing sources or the incurrence of additional debt) in order to have sufficient cash to satisfy our obligations in respect of appraisal rights. We may not have sufficient cash to satisfy our obligations in respect of appraisal rights.

Risks Related to our Indebtedness and the Notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.

After giving effect to the Transactions, we will have a substantial amount of indebtedness, which will require significant interest and principal payments. As of December 31, 2015, after giving pro forma effect to the Transactions, we would have had approximately $3,930.0 million in aggregate principal amount of indebtedness, and for the twelve months ended December 31, 2015, our estimated aggregate interest expense and cash paid for interest would have been approximately $336.8 million and $310.2 million, respectively. We would also have had unused availability under the New Revolving Facility of $300.0 million.

Our and our subsidiaries' substantial amount of indebtedness could have important consequences to holders of the notes, including:

- continuing to require us and certain of our subsidiaries to dedicate a substantial portion of our cash flow from operations to the payment of our indebtedness, thereby reducing the funds available for operations and any future business opportunities;
- limiting flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- placing us at a competitive disadvantage compared to our competitors that have less indebtedness;
- increasing our vulnerability to adverse general economic or industry conditions;
- making us and our subsidiaries more vulnerable to increases in interest rates, as borrowings under our New Senior Secured Credit Facilities are at variable rates; and
- limiting our ability to obtain additional financing to fund working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing.

Pursuant to agreements entered into prior to the CSG Acquisition (as defined below), the noncontrolling stockholders of certain of our majority-owned subsidiaries have the right to require us to redeem their shares at the then fair market value. For financial statement reporting purposes, the estimated fair market value of these redeemable noncontrolling interests was $80.8 million at December 31, 2015.

Our ability to service all of our indebtedness, including the notes, depends on many factors beyond our control, and if we cannot generate enough cash to service our indebtedness, we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our obligations with respect to our debt, including the notes, will depend on our financial and operating performance, which, in turn, is subject to prevailing economic, financial, competitive, legislative, legal and regulatory factors and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to fund our day-to-day operations or to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

Cash flows from operations are the principal source of funding for us. Our business may not generate cash flow from operations in an amount sufficient to fund our liquidity needs. If our cash flows are insufficient to service our indebtedness, including the notes, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. Our ability to restructure or refinance our debt will depend on the condition of the capital and credit markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations and limit our financial flexibility. In addition, the terms of existing or future debt agreements, including the credit agreements that will govern the New Senior Secured Credit Facilities and the indenture that will govern the notes, may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. These alternative measures may not be successful or may be insufficient and, as a result, our liquidity and financial condition could be adversely affected and we may not be able to meet our scheduled debt service obligations.

In addition, we operate in a multi-tiered holding company structure and do not directly conduct any business operations or hold any material asset other than the capital stock of our subsidiaries. Because substantially all of our operating assets are held by our subsidiaries, we will rely principally on cash generated from the operations of certain of our subsidiaries to pay the principal and interest on the notes. Unless they are guarantors of the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries are separate and distinct legal entities, and may be restricted from making distributions by, among other things, applicable corporate laws, other laws and regulations and the terms of agreements to which they are or may become a party. While the indenture that will govern the notes and the credit agreements that will govern the New Senior Secured Credit Facilities will limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

If we cannot make scheduled payments on our debt, we will be in default and holders of the notes could declare all outstanding principal and interest to be due and payable, the lenders under the New Senior Secured Credit Facilities could foreclose against the assets securing their borrowings, and we could be forced into bankruptcy or liquidation. All of these events could result in your losing your investment in the notes.

Despite our substantial level of indebtedness, the indenture that will govern the notes will permit us and our subsidiaries to incur substantial additional indebtedness. This could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the credit agreement that will govern the New Senior Secured Credit Facilities and the indenture that will govern the notes contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and the indebtedness incurred in compliance with these restrictions could be substantial. Also, these restrictions do not prevent us or our subsidiaries from incurring obligations that do not constitute indebtedness. If we incur any additional indebtedness that ranks equally with the notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company, subject to any collateral arrangements. This may have the effect of reducing the amount of proceeds paid to you. In addition, as of December 31, 2015, on a pro forma basis after giving effect to the Transactions, our New Revolving Facility would have provided for unused availability of $300.0 million. Any such borrowings and the borrowings under our New Term Loan Facility would be secured indebtedness and therefore would be effectively senior to the notes and the note guarantees by the guarantors to the extent of the value of the assets securing such debt. To the extent we and our subsidiaries incur further indebtedness, the substantial risks related to our level of indebtedness would increase. See “Description of Other Indebtedness” and “Description of Notes.”

The notes and the guarantees are unsecured and are effectively subordinated to our and our guarantors' indebtedness under the New Senior Secured Credit Facilities and any of our other secured indebtedness to the extent of the value of the property securing that indebtedness.

The notes and the note guarantees are not secured by any of our or our subsidiaries' assets and therefore are effectively subordinated to the claims of our secured debt holders to the extent of the value of the assets securing such debt. As of December 31, 2015, on a pro forma basis after giving effect to the Transactions, we would have had $2,200.0 million in secured debt under the New Term Loan Facility and our New Revolving Facility would have provided for unused availability of $300.0 million, all of which would have been effectively senior to the notes to the extent of the value of the assets securing such indebtedness. If we become insolvent or are liquidated, or if payment under the New Senior Secured Credit Facilities is accelerated, the lenders under the New Senior Secured Credit Facilities will be entitled to exercise the remedies available to a secured lender under applicable law (in addition to any remedies that may be available under documents pertaining to the New Senior Secured Credit Facilities). In addition, we and/or the guarantors may incur additional senior secured indebtedness, the holders of which will also be entitled to the remedies available to a secured lender. See "Description of Other Indebtedness" and "Description of Notes."

Our debt agreements contain restrictions that could limit our flexibility in operating our business.

The operating and financial covenants and restrictions in the credit agreements that will govern the New Senior Secured Credit Facilities, the indenture that will govern the notes offered hereby and other debt that we incur in the future may adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. The agreements governing our indebtedness will restrict, subject to certain important exceptions and qualifications, our and our subsidiaries' ability to, among other things:

- incur additional indebtedness or guarantee indebtedness;
- pay dividends or make distributions or make certain other restricted payments;
- make certain investments;
- create liens on our or our guarantors' assets;
- sell assets;
- enter into transactions with affiliates;
- enter into agreements restricting our subsidiaries' ability to pay dividends;
- designate our subsidiaries as unrestricted subsidiaries; and
- enter into mergers or consolidations or sell all or substantially all of our assets.

A breach of the covenants or restrictions under the indenture that will govern the notes or under the credit agreements that will govern our New Senior Secured Credit Facilities could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the credit agreements that will govern our New Senior Secured Credit Facilities would permit the lenders under our New Senior Secured Credit Facilities to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our New Senior Secured Credit Facilities, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of our financing.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our New Senior Secured Credit Facilities are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. As of December 31, 2015, after giving effect to the Transactions, approximately $2,200.0 million of our debt would have been variable rate debt, and holding other variables constant, an increase or decrease in interest rates by 0.25% (25 basis points) on our variable rate debt would increase or decrease our annual interest expense by approximately $5.5 million. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

The notes and the note guarantees are structurally subordinated to all liabilities of our non-guarantor subsidiaries.

The notes are structurally subordinated to all indebtedness and other liabilities of our non-guarantor subsidiaries, which will include, among others, all our subsidiaries formed outside of the United States. The indenture that will govern the notes will allow any non-guarantor subsidiaries to incur certain additional indebtedness in the future and will not limit the incurrence of liabilities that do not constitute indebtedness. Furthermore, we may, under certain circumstances described in the indenture that will govern the notes, designate subsidiaries to be unrestricted subsidiaries, and any subsidiary that is designated as unrestricted will not guarantee the notes. Any right that the Issuers or the guarantors have to receive any assets of any non-guarantor subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of the notes to realize proceeds from the sale of any of those subsidiaries' assets, will be effectively subordinated to the claims of those non-guarantor subsidiaries' creditors, including trade creditors and holders of preferred equity interests of those subsidiaries. In the event of a bankruptcy, liquidation or dissolution of any non-guarantor subsidiaries, holders of their debt, including their trade creditors, secured creditors and creditors holding indebtedness or guarantees issued by those subsidiaries, are generally entitled to payment on their claims from assets of those subsidiaries before any assets are made available for distribution to us.

As of December 31, 2015, our non-guarantor subsidiaries would not have had any indebtedness (excluding intercompany liabilities). Our non-guarantor subsidiaries accounted for approximately $622.5 million, or 51.9%, of our revenues, and approximately $293.5 million, or 63.9%, of our Adjusted EBITDA, in each case for the twelve months ended December 31, 2015. Excluding the effect of intercompany balances as well as intercompany transactions, our non-guarantor subsidiaries, accounted for approximately $1,231.1 million, or 33.2%, of our total assets, and approximately $251.5 million, or 6.9%, of our total liabilities, in each case as of December 31, 2015.

The financial information included elsewhere in this offering circular, including the audited and unaudited consolidated financial statements and pro forma financial information, reflect the financial position of the guarantors and our non-guarantor subsidiaries on a consolidated basis and may be of limited use in assessing the financial position of the guarantors on a separate basis.

The lenders under our New Term Loan Facility will have the discretion to release guarantors under such facility in a variety of circumstances, which will cause those guarantors to be released from their guarantees of the notes.

So long as any obligations under our New Term Loan Facility remain outstanding, any guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indenture that will govern the notes if, at the discretion of lenders under our New Term Loan Facility, the related guarantor is no longer a guarantor of obligations under our New Term Loan Facility. The lenders under our New Term Loan Facility will have the discretion to release the guarantees under our New Term Loan Facility in a variety of circumstances. Any of our subsidiaries that are released as guarantors of our New Term Loan Facility will automatically be released as guarantors of the notes. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to your claims as a holder of the notes.

We may not be able to purchase the notes upon a change of control, which would result in a default under the indenture that will govern the notes and would materially adversely affect our business and financial condition.

Upon a change of control as described under “Description of Notes,” we are required to make an offer to purchase all of the notes then outstanding at 101% of their principal amount, plus accrued and unpaid interest to the date of purchase. Additionally, under the New Senior Secured Credit Facilities, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the respective agreements and terminate their commitments to lend. The source of funds for any purchase of the notes and repayment of borrowings under our New Senior Secured Credit Facilities would be our available cash or cash generated from other sources, including borrowings, sales of assets, sales of equity or funds provided by our existing or new stockholders. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. If we fail to repurchase the notes in that circumstance, we will be in default under the indenture that will govern the notes. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the notes may be limited by law. In addition, certain corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a “change of control” under the indenture even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See “Description of Notes—Repurchase at the Option of Holders—Change of Control.”

Holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of substantially all of our assets.

One of the circumstances under which a change of control may occur is upon the sale or disposition of all or substantially all of our assets. There is no precise established definition of the phrase "substantially all" under applicable law, and the interpretation of that phrase will likely depend upon particular facts and circumstances. Accordingly, the ability of a holder of the notes to require us to repurchase its notes as a result of a sale of less than all our assets to another person may be uncertain.

Federal and state fraudulent transfer laws may permit a court to void the notes and/or the note guarantees and, if that occurs, you may not receive any payments on the notes.

Our creditors and the creditors of the guarantors of the notes could challenge the issuance of the notes or the guarantors' issuance of their note guarantees, respectively, as fraudulent conveyances or on other grounds. Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, which may vary from state to state, a court could void the issuance of the notes and/or a note guarantee or claims related to the notes or subordinate a note guarantee to all of our other debts or to all other debts of a guarantor if, among other things, we or a guarantor, at the time we or such guarantor incurred the indebtedness:

- intended to hinder, delay or defraud any present or future creditor; or
- received less than reasonably equivalent value or fair consideration for the delivery of the notes or the guarantee, as the case may be, and if the Issuers or guarantor:
    - was insolvent or rendered insolvent by reason of such incurrence;
    - was engaged in a business or transaction for which the Issuers' or the guarantor's remaining assets constituted unreasonably small capital; or
    - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, a court could void any payment by a guarantor pursuant to the notes or a note guarantee and require that payment be returned to such guarantor or to a fund for the benefit of the creditors of the guarantor. If the notes or note guarantees were avoided or limited under fraudulent transfer or other laws, any claim you may make against the Issuers or the guarantors for amounts payable on the notes would be unenforceable to the extent of such avoidance or limitation. Moreover, the court could order you to return any payments previously made by the Issuers or the guarantors.

The measures of insolvency for purposes of fraudulent transfer laws will vary depending upon the governing law in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a party would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of all of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be certain what standard a court would apply in making these determinations or, regardless of the standard, that a court would not avoid the notes or note guarantees.

The indenture that will govern the notes will contain a "savings clause" intended to limit each guarantor's liability under its guarantee to the maximum amount that it could incur without causing the guarantee to be a fraudulent transfer under applicable law. There can be no assurance that this provision will be upheld as intended. In a Florida bankruptcy case (which was reinstated by the United States Court of Appeals for the Eleventh Circuit in 2012 on other grounds), this type of provision was found to be ineffective to protect guarantors.

Holders of the notes will not be entitled to registration rights, and we do not currently intend to register the notes under applicable securities laws. There are restrictions on your ability to transfer and resell the notes without registration under applicable securities laws.

The notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws, and we do not currently intend to register the notes. The holders of the notes will not be entitled to require us to register the notes for resale or otherwise. Therefore, you may transfer or resell the notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, except that holders will not be permitted to transfer the notes in reliance on Rule 144 even after the applicable holding period has been satisfied. You may be required to bear the risk of your investment for an indefinite period of time. See "Transfer Restrictions."

Many of the covenants in the indenture that will govern the notes will not apply to us if the notes are rated investment grade by both Moody's and S&P.

Many of the covenants in the indenture that will govern the notes will cease to apply to a series of notes during such time, if any, as the notes of such series are rated investment grade by both Moody's and S&P, provided that at such time no default has occurred and is continuing. Although there can be no assurance that the notes of a series will ever be rated investment grade, or if they are rated investment grade, that the notes of such series will maintain these ratings, any suspension of the covenants under the indenture would allow us to engage in certain transactions that would not be permitted while these covenants were in effect. To the extent any suspended covenants are subsequently reinstated, any actions taken by us while the covenants were suspended would not result in an event of default under the indenture on the basis that such actions would have been prohibited by the covenants. See "Description of Notes—Certain Covenants."

Your ability to transfer the notes may be limited by the absence of an active trading market, and an active trading market may not develop for the notes.

The notes will be a new issue of securities for which there is no established trading market. We expect the notes to be eligible for trading by "qualified institutional buyers," as defined under Rule 144A, but we do not intend to list the notes on any national securities exchange or to arrange for quotation on any automated dealer quotation system. The initial purchasers have advised us that they intend to make a market in the notes, as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to make a market in the notes and, if commenced, they may discontinue their market-making activities at any time without notice. Therefore, an active market for the notes may not develop or be maintained, which would adversely affect the market price and liquidity of the notes. In such case, the holders of the notes may not be able to sell their notes at a particular time or at a favorable price. If a trading market were to develop, future trading prices of the notes may be volatile and will depend on many factors, including:

- the number of holders of notes;
- our operating performance and financial condition;
- the market for similar securities;

- the interest of securities dealers in making a market for the notes; and
- prevailing interest rates.

Even if an active trading market for the notes does develop, there is no guarantee that it will continue.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may experience similar disruptions and any such disruptions may adversely affect the liquidity in that market or the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to the notes, if any, could cause the liquidity or market value of the notes to decline.

The notes have been rated by rating agencies. A rating is not a recommendation to purchase, sell or hold the notes. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any lowering or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the notes.

The notes will be treated as issued with OID for United States federal income tax purposes.

The notes will be treated as issued with OID for United States federal income tax purposes in an amount equal to the difference between their stated principal amount and their issue price. As a result, a holder subject to United States federal income taxation will be required to include the OID in gross income (as ordinary income) as it accrues (on a constant yield to maturity basis), in advance of the receipt of the corresponding cash payments, regardless of such holder's regular method of accounting for United States federal income tax purposes. See "Certain United States Federal Tax Considerations."

If a bankruptcy petition were filed by or against us, holders of the notes may receive a lesser amount for their claim than they would have been entitled to receive under the indenture governing such notes.

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the issuance of the notes, the claim by any holder of the notes for the principal amount of such notes may be limited to an amount equal to the sum of:

- the original issue price for such notes; and
- that portion of the OID that does not constitute "unmatured interest" for purposes of the U.S. Bankruptcy Code.

Any OID that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest. Accordingly, holders of the notes under these circumstances may receive a lesser amount than they would be entitled to under the terms of the indenture governing such notes, even if sufficient funds are available.

USE OF PROCEEDS

The following table summarizes the estimated sources and uses of funds in connection with the Transactions, assuming the Transactions occurred on December 31, 2015. The actual amounts set forth in the table and in the accompanying footnotes are subject to adjustment and may differ at the time of the consummation of the Transactions depending on several factors, including, without limitation, differences at closing in the amount of outstanding shares, the amount of outstanding debt and accrued interest, the amount of debt incurred by us and the amount of common and preferred equity provided to us in connection with funding the Merger and any changes made to the sources of the contemplated debt and equity financings, changes in our working capital, cash and cash equivalents and differences from our estimation of fees and expenses. Upon consummation of the offering of the notes, the net proceeds of the notes will be used to fund a portion of the Transactions as set forth below.

You should read the following together with "The Transactions," "Capitalization" and "Unaudited Condensed Consolidated Pro Forma Financial Information."

Sources	Amount	Uses	Amount
	($ in millions)		($ in millions)
New Senior Secured Credit Facilities:		Cash purchase of equity (6)	$3,492
New Revolving Facility (1)	—	Refinancing of Existing Notes (7)	3,100
New Term Loan Facility (2)	2,200	Estimated fees & expenses (8)	462
Notes offered hereby (3)	1,730		
Preferred equity contribution (4)	1,050		
Common equity contribution (5)	2,074		
Total Sources	$7,054	**Total Uses**	$7,054

(1) In connection with the Transactions, we will enter into the New Revolving Facility, which we expect will provide for a five-year senior secured revolving credit facility of up to $300.0 million. As of December 31, 2015, on a pro forma basis after giving effect to the Transactions, our unused availability under our New Revolving Facility would have been approximately $300.0 million. We do not expect to borrow under the New Revolving Facility in connection with the Transactions. See "Description of Other Indebtedness—New Senior Secured Credit Facilities."

(2) In connection with the Transactions, we will enter into the New Term Loan Facility, which we expect will provide for a seven-year senior secured term loan of $2,200.0 million, including a U.S. dollar tranche and the U.S. dollar equivalent of the aggregate principal amount of a euro tranche. The amount shown excludes any original issue discount. Any original issue discount will be amortized and included as interest expense in our statement of income and comprehensive income over the life of the term loans. See "Description of Other Indebtedness—New Senior Secured Credit Facilities."

(3) Represents the aggregate principal amount of the notes offered hereby.

(4) Represents the approximate cash preferred equity contribution to be made to Parent by BSPI and KSISH (all of the preferred equity financing provided to Parent will be contributed to the Issuer as common equity).

(5) Represents the approximate cash common equity contribution to be made by VEPFV and certain other investors arranged by and/or designated by Vista. The cash common equity contribution is expected to be reduced by approximately $278 million, the Appraisal Demand Amount, which is not expected to be funded by Common Equity Investors at the closing of the Merger. The cash common equity contribution will be reduced by the aggregate amount the Common Equity Investors elect not to fund. Approximately $121 million related to demands for appraisal will be funded at the closing of the Merger.

(6) Reflects our estimate of the total consideration to be paid to holders of all of the issued and outstanding shares of Solera common stock that are entitled to receive the Acquisition Consideration and the settlement of vested and unvested stock options, restricted stock, restricted stock units and performance stock units in the Merger, net of $358.2 million of cash from the balance sheet. This amount assumes that all of the outstanding shares will receive the Acquisition Consideration, and we have not made any adjustments for any potential liabilities resulting from any appraisal rights proceedings. Amounts not paid at the closing of the Transactions as a result of appraisal rights may be used by us for other general purposes.

As of December 31, 2015, we had an aggregate of $470.5 million in cash and cash equivalents without giving effect to the Transactions. We expect that at the time of the closing of the Transactions (prior to giving effect to the Transactions), our cash and cash equivalents will be approximately $480.0 million and that approximately $391.0 million of the cash and cash equivalents balance at closing will be used to fund the Transactions, with $210.3 million (includes $121.3 million relating to demands for appraisal that will be funded at closing) of the remainder available as cash for working capital to fund operations. To the extent that our cash and cash equivalents balance at the time of the closing of the Transactions is greater than $480.0 million, such additional cash and cash equivalents will be used to fund the Transactions, and the cash equity contribution described in footnote (5) above will be reduced by the difference between the cash balance at closing used to fund the Transactions and $480.0 million. To the extent that our cash and cash equivalents balance at the time of the closing of the Transactions is less than $480.0 million, the cash equity contribution described in footnote (5) above will be increased by the difference between the cash balance at closing used to fund the Transactions and $480.0 million. The statements in this footnote regarding our expected cash and cash equivalents balance at the closing of the Transactions do not include any impact due to our outstanding foreign currency exchange derivative financial instruments, including any impact attributable to any termination thereof, which amounts could be material.

(7) As of December 31, 2015, we had $1.7 billion aggregate principal amount outstanding under the 2021 Senior Notes and $1.4 billion aggregate principal amount outstanding under the 2023 Senior Notes. This amount assumes all of the Existing Notes are tendered in connection with the Tender Offers and excludes any accrued and unpaid interest thereon and any unamortized net premium. As of February 29, 2016, 99.96% of the 2021 Senior Notes and 99.96% of the 2023 Senior Notes have been tendered. The 2021 Senior Notes bear interest at 6.000% per annum and are scheduled to mature on June 15, 2021, and the 2023 Senior Notes bear interest at 6.125% per annum and are scheduled to mature on November 1, 2023. See “The Transactions” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Pre-Transactions.”

(8) Reflects our estimate of fees and expenses associated with the Transactions, including early tender participation premiums and accrued and unpaid interest on the Existing Notes, original issue discount, placement fees, initial purchaser discounts, underwriting and other financing fees, advisory fees and other transaction costs and professional fees. The amount included on account of accrued and unpaid interest on the Existing Notes is through December 31, 2015. We estimate the additional accrued interest on the Existing Notes through the expected closing date will be approximately $32.8 million. To the extent any financing fees, accrued and unpaid interest on the Existing Notes, original issue discount and other fees and expenses exceed the estimated amounts, we expect to fund such amounts with cash on our balance sheet at the closing of the Transactions.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of December 31, 2015 on:

- an actual basis; and
- an as adjusted basis to give effect to the Transactions.

You should read this table in conjunction with "The Transactions," "Use of Proceeds," "Unaudited Condensed Consolidated Pro Forma Financial Information," "Selected Consolidated Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Other Indebtedness" and our historical financial statements and the related notes to those financial statements included elsewhere in this offering circular.

	As of December 31, 2015	
	Actual	**As Adjusted**
(in millions)	**(unaudited)**	
Cash and cash equivalents (1)	$ 471	$ 112
Debt:		
Existing Notes (2)	$3,100	$ —
New Revolving Facility (3)	—	—
New Term Loan Facility (4)	—	2,200
Notes offered hereby (5)	—	1,730
Total debt	3,100	3,930
Total equity (1)(6)	(34)	3,124
Total capitalization (7)	$3,066	$7,054

(1) As of December 31, 2015, we had an aggregate of $470.5 million in cash and cash equivalents without giving effect to the Transactions. We expect that at the time of the closing of the Transactions (prior to giving effect to the Transactions), our cash and cash equivalents will be approximately $480.0 million and that approximately $391.0 million of the cash and cash equivalents balance at closing will be used to fund the Transactions, with $210.3 million (includes $121.3 million relating to demands for appraisal that will be funded at closing) of the remainder available as cash for working capital to fund operations. To the extent that our cash and cash equivalents balance at the time of the closing of the Transactions is greater than $480.0 million, such additional cash and cash equivalents will be used to fund the Transactions, and the cash equity contribution described in footnote (6) below will be reduced by the difference between the cash balance at closing used to fund the Transactions and $480.0 million. To the extent that our cash and cash equivalents balance at the time of the closing of the Transactions is less than $480.0 million, the cash equity contribution described in footnote (6) below will be increased by the difference between the cash balance at closing used to fund the Transactions and $480.0 million. The statements in this footnote regarding our expected cash and cash equivalents balance at the closing of the Transactions (i) do not include any impact due to our outstanding foreign currency exchange derivative financial instruments, including any impact attributable to any termination thereof, which amounts could be material, (ii) assume that all of the outstanding shares will receive the Acquisition Consideration and (iii) do not adjust for any potential liabilities resulting from any appraisal rights proceedings.

(2) As of December 31, 2015, we had $1.7 billion aggregate principal amount outstanding under 2021 Senior Notes and $1.4 billion aggregate principal amount outstanding under the 2023 Senior Notes. The amounts shown exclude any accrued and unpaid interest thereon and any unamortized net premiums, and the "As Adjusted" amount shown assumes all of the Existing

Notes are tendered in connection with the Tender Offers. As of February 29, 2016, 99.96% of the 2021 Senior Notes and 99.96% of the 2023 Senior Notes have been tendered. The 2021 Senior Notes bear interest at 6.000% per annum and are scheduled to mature on June 15, 2021, and the 2023 Senior Notes bear interest at 6.125% per annum and are scheduled to mature on November 1, 2023. See "The Transactions" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Pre-Transactions."

(3) In connection with the Transactions, we will enter into the New Revolving Facility, which we expect will provide for a five-year senior secured revolving credit facility of up to $300.0 million. As of December 31, 2015, on a pro forma basis after giving effect to the Transactions, our unused availability under our New Revolving Facility would have been approximately $300.0 million. We do not expect to borrow under the New Revolving Facility in connection with the Transactions. See "Description of Other Indebtedness—New Senior Secured Credit Facilities."

(4) In connection with the Transactions, we will enter into the New Term Loan Facility, which we expect will provide for a seven-year senior secured term loan of $2,200.0 million, including a U.S. dollar tranche and the U.S. dollar equivalent of the aggregate principal amount of a euro tranche. The amount shown excludes any original issue discount. Any original issue discount will be amortized and included as interest expense in our statement of income and comprehensive income over the life of the term loans. See "Description of Other Indebtedness—New Senior Secured Credit Facilities."

(5) Represents the aggregate principal amount of the notes offered hereby.

(6) Represents the approximate cash preferred equity contribution to be made to Parent by BSPI and KSISH (all of the preferred equity financing provided to Parent will be contributed to the Issuer as common equity) and the approximate cash common equity contribution to be made by VEPFV and certain other investors arranged and/or designated by Vista. The cash common equity contribution is expected to be reduced by approximately $278.0 million, the Appraisal Demand Amount, which is not expected to be funded by Common Equity Investors at the closing of the Merger. The total equity and total capitalization will be reduced by the aggregate amount the Common Equity Investors elect not to fund. Approximately $121.3 million related to demands for appraisal will be funded at the closing of the Merger.

(7) Excludes redeemable noncontrolling interests of $80.8 million as of December 31, 2015, which represents certain ownership interests in two of our majority-owned consolidated subsidiaries held by noncontrolling owners that are considered redeemable outside of our control, and noncontrolling interests of $11.6 million as of December 31, 2015, which represents the noncontrolling interests in several other majority-owned consolidated subsidiaries. See "Management's Discussion and Analysis of Financial Condition—Critical Accounting Policies and Estimates."

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

The following unaudited condensed consolidated pro forma financial statements have been developed by applying pro forma adjustments to our historical audited consolidated financial statements and our historical unaudited condensed consolidated financial statements, each included elsewhere in this offering circular. The unaudited condensed consolidated pro forma statements of income (loss) give pro forma effect to the consummation of the Transactions as if they had occurred on July 1, 2014 and the unaudited condensed consolidated pro forma balance sheet gives pro forma effect to the consummation of the Transactions as if they had occurred on December 31, 2015. The unaudited condensed consolidated pro forma statement of income for the twelve months ended December 31, 2015 has been derived by adding the financial data from our condensed consolidated pro forma statement of income (loss) for the fiscal year ended June 30, 2015 to the financial data from our unaudited condensed consolidated pro forma statement of income (loss) for the six months ended December 31, 2015 and subtracting the financial data from our unaudited condensed consolidated pro forma statement of income (loss) for the six months ended December 31, 2014. The unaudited condensed consolidated pro forma financial information for the twelve months ended December 31, 2015 has been included in this offering circular in order to provide investors with historical and pro forma information for the latest practicable twelve-month period. The adjustments are limited to amounts that are directly attributable to the Transactions, factually supportable, and with respect to the condensed consolidated pro forma statements of income, expected to have a continuing impact.

The unaudited pro forma adjustments reflected herein are preliminary and based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited condensed consolidated pro forma financial data is presented for informational purposes only. The unaudited condensed consolidated pro forma financial data does not purport to represent what our results of operations or financial condition would have been had the Transactions actually occurred on the dates indicated, nor do they purport to project our results of operations or financial condition for any future period or as of any future date. The unaudited condensed consolidated pro forma financial data should be read in conjunction with the information included under “The Transactions,” “Use of Proceeds,” “Selected Consolidated Historical Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited and unaudited financial statements and related notes included elsewhere in this offering circular. All pro forma adjustments and their underlying assumptions are described more fully in the notes to our unaudited condensed consolidated pro forma financial statements.

The Merger will be accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification (“ASC”) Topic No. 805, *Business Combinations*, under GAAP. Under the acquisition method of accounting, the total estimated purchase price of an acquisition is allocated to the net tangible and intangible assets based on their estimated fair values. Such valuations are based on available information and certain assumptions that we believe are reasonable. Management, with the assistance of an independent third party, has made a preliminary allocation of the estimated purchase price to the tangible and intangible assets acquired and liabilities assumed based on various preliminary estimates. The actual adjustments to our consolidated financial statements upon the closing of the Merger will depend on a number of factors, including additional information available and our net assets on the closing date of the Merger. In addition, this pro forma presentation does not contemplate changes in tax structure, accounting policies or synergy benefits. We have also assumed for purposes of this presentation that all outstanding shares will receive the Acquisition Consideration and have not made any adjustments in connection with liabilities (including any interest expense related thereto) that may result from any appraisal rights proceedings. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material. For example, as of February 26, 2016, Solera has received purported demands for appraisal with respect to approximately 7,149,364 shares of Solera common stock. Based on this number of shares, the amount of financing necessary to consummate the Merger at the closing is expected to be reduced by approximately \$278.0 million. Approximately \$121.3 million related to demands for appraisal will be funded at the closing of the Merger. Parent expects to permit the Common Equity Investors, at their option, and on a pro rata basis, to reduce the amount of the common equity contribution to be funded by each of them in cash in connection with the closing in an aggregate amount up to the Appraisal Demand Amount, and the common equity contribution and total stockholders' equity will be reduced by the aggregate amount that is not funded.

The final purchase price allocation is dependent on, among other things, the finalization of asset and liability valuations. As of the date of this offering circular, we have not completed the valuation studies necessary to finalize the estimates of the fair values of the assets we have acquired and liabilities we have assumed and the related allocation of purchase price. We have allocated the total estimated purchase price, calculated as described in note 1 to the unaudited condensed consolidated pro forma financial statements, to the assets acquired and liabilities assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect our consideration of a final valuation prepared by third-party appraisers. This final valuation will be based on the actual net tangible and identifiable intangible assets that existed as of the closing date of the Merger. Any final adjustment will change the allocations of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited condensed consolidated pro forma financial statements, including a change to goodwill and a change to the amortization of tangible and identifiable intangible assets. Any such changes could differ materially from the valuations and purchase price allocations presented in the accompanying unaudited condensed consolidated pro forma financial statements.

Unaudited Condensed Consolidated Pro Forma Balance Sheet
As of December 31, 2015
(in thousands)

	Historical	Adjustments		Pro Forma
ASSETS				
Current assets:				
Cash and cash equivalents	$ 470,522	$ (358,219)	(A)	$ 112,303
Accounts receivable, net of allowance for doubtful accounts	162,454	—		162,454
Other receivables	22,194	—		22,194
Other current assets	58,412	—		58,412
Deferred income tax assets	5,186	—		5,186
Total current assets	718,768	(358,219)		360,549
Property and equipment, net	91,122	—		91,122
Goodwill	1,938,236	2,688,633	(B)	4,626,869
Intangible assets, net	834,782	1,698,028	(C)	2,532,810
Other noncurrent assets	88,330	34,145	(D)	122,475
Noncurrent deferred income tax assets	41,384	—		41,384
Total assets	$3,712,622	$4,062,587		$7,775,209
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 39,451	$ —		$ 39,451
Accrued expenses and other current liabilities	230,251	(18,518)	(E)	211,733
Income taxes payable	12,759	—		12,759
Deferred income tax liabilities	5,680	—		5,680
Current portion of long-term debt	—	22,000	(F)	22,000
Total current liabilities	288,141	3,482		291,623
Long-term debt	3,125,384	630,616	(F)	3,755,500
Other noncurrent liabilities	97,871	—		97,871
Noncurrent deferred income tax liabilities	154,792	490,719	(G)	645,511
Total liabilities	3,666,188	1,124,317		4,790,505
Redeemable noncontrolling interests	80,795	—		80,795
Stockholders' equity:				
Solera Holdings, Inc. stockholders' equity:				
Common and preferred shares	374,350	2,668,650	(H)	3,043,000
Accumulated deficit	(217,673)	67,001	(I)	(150,672)
Accumulated other comprehensive income (loss)	(202,619)	202,619	(H)	—
Total Solera Holdings, Inc. stockholders' equity (deficit)	(45,942)	2,938,270		2,907,328
Noncontrolling interests	11,581	—		11,581
Total stockholders' equity (deficit)	(34,361)	2,938,270		2,903,909
Total liabilities and stockholders' equity (deficit)	$3,712,622	$4,062,587		$7,775,209

See accompanying notes to unaudited condensed consolidated pro forma financial statements

Unaudited Condensed Consolidated Pro Forma Statement of Income (Loss)
For the Twelve Months Ended December 31, 2015
(in thousands)

	Historical	Adjustments to Reflect the Transactions		Pro Forma
Revenues	$1,199,433	$ —		$1,199,433
Cost of revenues:				
Operating expenses	319,700	—		319,700
Systems development and programming costs	110,729	—		110,729
Total cost of revenues (excluding depreciation and amortization)	430,429	—		430,429
Selling, general and administrative expenses	351,176	—		351,176
Depreciation and amortization	173,792	177,790	(J)	351,582
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	7,961	—		7,961
Acquisition and related costs	55,330	(24,686)	(K)	30,644
Interest expense	158,762	178,078	(L)	336,840
Other (income) expense, net	(31,909)	(1,055)	(M)	(32,964)
	1,145,541	330,127		1,475,668
Income (loss) before provision for income taxes	53,892	(330,127)		(276,235)
Income tax provision	169,201	(57,142)	(N)	112,059
Net income (loss)	(115,309)	(272,985)		(388,294)
Less: Net income attributable to noncontrolling interests	16,194	—		16,194
Net income (loss) attributable to Solera Holdings, Inc.	$ (131,503)	$(272,985)		$ (404,488)

See accompanying notes to unaudited condensed consolidated pro forma financial statements.

Unaudited Condensed Consolidated Pro Forma Statement of Income (Loss)
For the Six Months Ended December 31, 2015
(in thousands)

	Historical	Adjustments to Reflect the Transactions		Pro Forma
Revenues	$621,367	$ —		$ 621,367
Cost of revenues:				
Operating expenses	175,026	—		175,026
Systems development and programming costs	56,635	—		56,635
Total cost of revenues (excluding depreciation and amortization)	231,661	—		231,661
Selling, general and administrative expenses	171,934	—		171,934
Depreciation and amortization	88,998	88,380	(J)	177,378
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	4,571	—		4,571
Acquisition and related costs	42,978	(24,686)	(K)	18,292
Interest expense	90,607	76,503	(L)	167,110
Other (income) expense, net	20,897	(1,055)	(M)	19,842
	651,646	139,142		790,788
Income (loss) before provision for income taxes	(30,279)	(139,142)		(169,421)
Income tax provision (benefit)	(21,867)	(19,041)	(N)	(40,908)
Net income (loss)	(8,412)	(120,101)		(128,513)
Less: Net income attributable to noncontrolling interests	5,447	—		5,447
Net income (loss) attributable to Solera Holdings, Inc.	$ (13,859)	$(120,101)		$(133,960)

See accompanying notes to unaudited condensed consolidated pro forma financial statements.

Unaudited Condensed Consolidated Pro Forma Statement of Income (Loss)
For the Six Months Ended December 31, 2014
(in thousands)

	Historical	Adjustments to Reflect the Transactions		Pro Forma
Revenues	$562,780	$ —		$ 562,780
Cost of revenues:				
Operating expenses	140,969	—		140,969
Systems development and programming costs	51,382	—		51,382
Total cost of revenues (excluding depreciation and amortization)	192,351	—		192,351
Selling, general and administrative expenses	157,467	—		157,467
Depreciation and amortization	77,366	117,171	(J)	194,537
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	2,890	—		2,890
Acquisition and related costs	22,810	—		22,810
Interest expense	56,593	109,570	(L)	166,163
Other (income) expense, net	18,281	—		18,281
	527,758	226,741		754,499
Income (loss) before provision for income taxes	35,022	(226,741)		(191,719)
Income tax provision (benefit)	9,252	(41,100)	(N)	(31,848)
Net income (loss)	25,770	(185,641)		(159,871)
Less: Net income attributable to noncontrolling interests	8,959	—		8,959
Net income (loss) attributable to Solera Holdings, Inc.	$ 16,811	$(185,641)		$(168,830)

See accompanying notes to unaudited condensed consolidated pro forma financial statements.

Unaudited Condensed Consolidated Pro Forma Statement of Income (Loss)
For the Fiscal Year Ended June 30, 2015
(in thousands)

	Historical	Adjustments to Reflect the Transactions		Pro Forma
Revenues	$1,140,846	$ —		$1,140,846
Cost of revenues:				
Operating expenses	285,643	—		285,643
Systems development and programming costs	105,476	—		105,476
Total cost of revenues (excluding depreciation and amortization)	391,119	—		391,119
Selling, general and administrative expenses	336,709	—		336,709
Depreciation and amortization	162,160	206,581	(J)	368,741
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	6,280	—		6,280
Acquisition and related costs	35,162	—		35,162
Interest expense	124,748	211,145	(L)	335,893
Other (income) expense, net	(34,525)	—		(34,525)
	1,021,653	417,726		1,439,379
Income (loss) before provision for income taxes	119,193	(417,726)		(298,533)
Income tax provision	200,320	(79,201)	(N)	121,119
Net income (loss)	(81,127)	(338,525)		(419,652)
Less: Net income attributable to noncontrolling interests	19,706	—		19,706
Net income (loss) attributable to Solera Holdings, Inc.	$ (100,833)	$(338,525)		$ (439,358)

See accompanying notes to unaudited condensed consolidated pro forma financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS

1. Basis of Presentation

The unaudited condensed consolidated pro forma financial statements have been developed by applying pro forma adjustments to our historical audited and unaudited consolidated financial statements included elsewhere in this offering circular. The unaudited condensed consolidated pro forma statements of income (loss) give pro forma effect to the consummation of the Transactions as if they had occurred on July 1, 2014 and the unaudited condensed consolidated pro forma balance sheet gives pro forma effect to the consummation of the Transactions as if they had occurred on December 31, 2015. The unaudited condensed consolidated pro forma statement of income for the twelve months ended December 31, 2015 has been derived by adding the financial data from our condensed consolidated pro forma statement of income (loss) for the fiscal year ended June 30, 2015 to the financial data from our unaudited condensed consolidated pro forma statement of income (loss) for the six months ended December 31, 2015 and subtracting the financial data from our unaudited condensed consolidated pro forma statement of income (loss) for the six months ended December 31, 2014. The unaudited condensed consolidated pro forma financial information for the twelve months ended December 31, 2015 has been included in this offering circular in order to provide investors with historical and pro forma information for the latest practicable twelve-month period. The adjustments are limited to amounts that are directly attributable to the Transactions, factually supportable, and with respect to the condensed consolidated pro forma statements of income, expected to have a continuing impact.

At the Effective Time, each share of Solera common stock issued and outstanding immediately prior to the Effective Time (other than any such shares (x) that are owned by Parent, Merger Sub or any other direct or indirect wholly-owned subsidiary of Parent or owned by Solera or any direct or indirect wholly-owned subsidiary of Solera, in each case not held on behalf of third parties, and (y) that are held by stockholders who have properly exercised and perfected appraisal rights with respect to such shares) will be converted into the right to receive an amount equal to $55.85 in cash, without interest and less any applicable withholding taxes. All outstanding vested and unvested stock options, all unvested restricted stock units, and vested, unvested and earned performance share units will be settled for an aggregate amount of approximately $36.0 million in accordance with the Merger Agreement. For purposes of the unaudited condensed consolidated pro forma financial statements, we have assumed that all of the outstanding shares will receive an amount equal to $55.85 in cash (the "Acquisition Consideration") and have not made any adjustments with any possible appraisal right. The total purchase consideration paid in connection with the Merger is estimated to be $3.85 billion.

The Merger will be accounted for as a business combination using the acquisition method of accounting under the provisions of ASC Topic No. 805, *Business Combinations*, under GAAP. Under the acquisition method of accounting, the total estimated purchase price of an acquisition is allocated to the net tangible and intangible assets based on their estimated fair values. Such valuations are based on available information and certain assumptions that we believe are reasonable. Management, with the assistance of an independent third party, has made a preliminary allocation of the estimated purchase price to the tangible and intangible assets acquired and liabilities assumed based on various preliminary estimates. The actual adjustments to our consolidated financial statements upon the closing of the Merger will depend on a number of factors, including additional information available and our net assets on the closing date of the Merger. In addition, this pro forma presentation does not contemplate changes in tax structure, accounting policies or synergy benefits. We have also assumed for purposes of this presentation that all outstanding shares will receive the Acquisition Consideration and have not made any adjustments in connection with liabilities (including any interest expense related thereto) that may result from any appraisal rights proceedings. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material.

The final purchase price allocation is dependent on, among other things, the finalization of asset and liability valuations. As of the date of this offering circular, we have not completed the valuation studies necessary to finalize the estimates of the fair values of the assets we have acquired and liabilities we have assumed and the related allocation of purchase price. We have allocated the total estimated purchase price, calculated as described in this note 1 to the unaudited condensed consolidated pro forma financial statements, to the assets acquired and liabilities assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect our consideration of a final valuation prepared by third-party appraisers. This final valuation will be based on the actual net tangible and identifiable intangible assets that existed as of the closing date of the Merger. Any final adjustment will change the allocations of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited condensed consolidated pro forma financial statements, including a change to goodwill and a change to the amortization of tangible and identifiable intangible assets. Any such changes could differ materially from the valuations and purchase price allocations presented in the accompanying unaudited condensed consolidated pro forma financial statements.

The following table sets forth the preliminary allocation of the purchase price as reflected in the unaudited condensed consolidated pro forma balance sheet as of December 31, 2015:

(in thousands)	
Goodwill	$ 4,626,869
Intangible assets	2,532,810
Cash and cash equivalents	470,522
Accounts receivable	162,454
Property and equipment	91,122
Other assets	168,936
Accounts payable, accrued expenses and other liabilities	(380,332)
Long-term debt	(3,125,384)
Net deferred income tax liabilities	(604,621)
Noncontrolling interests	(92,376)
Total purchase consideration	$ 3,850,000

2. Sources and Uses of Funds

The following table summarizes the estimated sources and uses of proceeds in connection with the Transactions, assuming the Transactions occurred on December 31, 2015. The actual amounts set forth in the table and in the accompanying footnotes are subject to adjustment and may differ at the time of the consummation of the Transactions depending on several factors, including differences from our estimation of fees and expenses. Amounts are presented in thousands.

Sources of Funds:	
New Senior Secured Credit Facilities:	
Net proceeds from the New Revolving Facility (i)	$ —
Net proceeds from the New Term Loan Facility (ii)	2,200,000
Notes offered hereby (iii)	1,730,000
Preferred equity contribution (iv)	1,050,000
Common equity contribution (v)	2,074,000
Total Sources of Funds:	$7,054,000
Uses of Funds:	
Cash purchase of equity (vi)	$3,491,781
Refinancing of Existing Notes (vii)	3,100,000
Estimated fees and expenses (viii)	462,219
Total Uses of Funds:	$7,054,000

(i) In connection with the Transactions, we will enter into the New Revolving Facility, which we expect will provide for a five-year senior secured revolving credit facility of up to $300.0 million. As of December 31, 2015, on a pro forma basis after giving effect to the Transactions, our unused availability under our New Revolving Facility would have been approximately $300.0 million. We do not expect to borrow under the New Revolving Facility in connection with the Transactions.

(ii) In connection with the Transactions, we will enter into the New Term Loan Facility, which we expect will provide for a seven-year senior secured term loan of $2,200.0 million, including a U.S. dollar tranche and the U.S. dollar equivalent of the aggregate principal amount of a euro tranche. The amount shown excludes any original issue discount. Any original issue discount will be amortized and included as interest expense in our statement of income and comprehensive income over the life of the term loans.

(iii) Represents the aggregate principal amount of the notes offered hereby.

(iv) Represents the approximate cash preferred equity contribution to be made to Parent by BSPI and KSISH (all of the preferred equity financing provided to Parent will be contributed to the Issuer as common equity).

(v) Represents the approximate cash common equity contribution to be made by VEPFV and certain other investors arranged and/or designated by Vista. The cash common equity contribution is expected to be reduced by approximately $278.0 million, the Appraisal Demand Amount, which is not expected to be funded by Common Equity Investors at the closing of the Merger. The cash common equity contribution will be reduced by the aggregate amount the Common Equity Investors elect not to fund. Approximately $121.3 million related to demands for appraisal will be funded at the closing of the Merger.

(vi) Reflects our estimate of the total consideration to be paid to holders of all of the issued and outstanding shares of Solera common stock that are entitled to receive the Acquisition Consideration and the settlement of vested and unvested stock options, restricted stock, restricted stock units and performance stock units in the Merger, net of $358.2 million of cash from the balance sheet. This amount assumes that all of the outstanding shares will receive the Acquisition Consideration, and we have not made any adjustments for any potential liabilities resulting from any appraisal rights proceedings. Amounts not paid at the closing of the Transactions as a result of appraisal rights may be used by us for other general purposes. See note 1 above.

As of December 31, 2015, we had an aggregate of $470.5 million in cash and cash equivalents without giving effect to the Transactions. We expect that at the time of the closing of the Transactions (prior to giving effect to the Transactions), our cash and cash equivalents will be approximately $480.0 million and that approximately $391.0 million of the cash and cash equivalents balance at closing will be used to fund the Transactions, with $210.3 million (includes $121.3 million relating to demands for appraisal that will be funded at closing) of the remainder available as cash for working capital to fund operations. To the extent that our cash and cash equivalents balance at the time of the closing of the Transactions is greater than $480.0 million, such additional cash and cash equivalents will be used to fund the Transactions, and the cash equity contribution described in footnote (v) above will be reduced by the difference between the cash balance at closing used to fund the Transactions and $480.0 million. To the extent that our cash and cash equivalents balance at the time of the closing of the Transactions is less than $480.0 million, the cash equity contribution described in footnote (v) above will be increased by the difference between the cash balance at closing used to fund the Transactions and $480.0 million. The statements in this footnote regarding our expected cash and cash equivalents balance at the closing of the Transactions do not include any impact due to our outstanding foreign currency exchange derivative financial instruments, including any impact attributable to any termination thereof, which amounts could be material.

(vii) As of December 31, 2015, we had $1.7 billion aggregate principal amount outstanding under the 2021 Senior Notes and $1.4 billion aggregate principal amount outstanding under the 2023 Senior Notes. This amount assumes all of the Existing Notes are tendered in connection with the Tender Offers and excludes any accrued and unpaid interest thereon and any unamortized net premium. As of February 29, 2016, 99.96% of the 2021 Senior Notes and 99.96% of the 2023 Senior Notes have been tendered. The 2021 Senior Notes bear interest at 6.000% per annum and are scheduled to mature on June 15, 2021, and the 2023 Senior Notes bear interest at 6.125% per annum and are scheduled to mature on November 1, 2023.

(viii) Reflects our estimate of fees and expenses associated with the Transactions, including early tender participation premiums and accrued and unpaid interest on the Existing Notes, original issue discount, placement fees, initial purchaser discounts, underwriting and other financing fees, advisory fees and other transaction costs and professional fees. The amount included on account of accrued and unpaid interest on the Existing Notes is through December 31, 2015. We estimate the additional accrued interest on the Existing Notes through the expected closing date will be approximately $32.8 million. To the extent any financing fees, accrued and unpaid interest on the Existing Notes, original issue discount and other fees and expenses exceed the estimated amounts, we expect to fund such amounts with cash on our balance sheet at the closing of the Transactions.

3. Pro Forma Adjustments

(A) Represents the net cash on hand used to fund the Transactions discussed in note 2 above.

(B) Represents the elimination of historical goodwill and the recognition of the excess purchase price over tangible and intangible net assets acquired as the new basis in goodwill as determined in the preliminary purchase price allocation discussed in note 1 above.

(C) Represents the elimination of the historical net book value of identifiable intangible assets and the recognition of the estimated fair value of the acquired identified intangible assets. The following table summarizes the estimated fair value of the acquired identified intangible assets and their respective amortizable lives:

	Amount (in thousands)	Amortizable Lives (in years)
Trademarks	$ 485,390	Indefinite
Technology	771,860	10
In-process research and development	10,000	Indefinite
Customer relationships	1,265,560	15 - 20
Acquired identified intangible assets	$2,532,810	

(D) Reflects the elimination of $12.9 million of unamortized deferred issuance costs related to the Existing Notes that will be repurchased in connection with the Transactions, offset by $120.6 million of estimated costs resulting from the issuance of the notes offered hereby and the New Senior Secured Credit Facilities.

(E) Reflects the payment of accrued interest on the Existing Notes that will be repurchased in connection with the Transactions.

(F) Represent adjustments to give effect to changes in total debt in connection with the Transactions:

(in thousands)	
Repurchase of the 2021 Notes	$(1,705,539)
Repurchase of the 2023 Notes	(1,419,845)
Borrowings under the New Term Loan Facility	2,134,000
Issuance of the notes offered hereby	1,643,500
Total pro forma adjustments to total debt	$ 652,116
Less: Pro forma current portion of long-term debt	(22,000)
Total pro forma adjustments related to long-term debt	$ 630,116

(G) Represents the estimated deferred income tax liability resulting from the fair value adjustment for identifiable acquired intangible assets. We calculated the deferred income tax liability based on the excess book basis over the tax basis of the identifiable intangible assets and applying a blended income tax rate that considers the expected jurisdiction to which the identifiable intangible assets acquired relate. The estimated deferred income tax liability is preliminary and is subject to change based upon management's final determination of the fair value of the identifiable intangible assets acquired by jurisdiction.

(H) Represents adjustments to eliminate historical common shares and accumulated other comprehensive income (loss) and to record the purchase consideration paid by the new investors.

(I) Adjustments to accumulated deficit include the following:

(in thousands)	
Elimination of historical accumulated deficit	$ 217,673
Estimated transaction costs and expenses	(124,450)
Write-off of unamortized deferred issuance costs associated with the Existing Notes	(12,856)
Write-off of unamortized net premium associated with the Existing Notes	25,384
Early participation premium due on repurchase of the Existing Notes	(38,750)
Total adjustments to accumulated deficit	$ 67,001

(J) A summary of pro forma adjustments related to intangibles amortization expense are as follows:

(in thousands)	Six Months Ended December 31, 2014	Twelve Months Ended June 30, 2015	Six Months Ended December 31, 2015	Twelve Months Ended December 31, 2015
Estimated amortization expense of acquired intangibles	$173,411	$ 324,856	$151,444	$ 302,889
Elimination of historical acquired intangibles amortization expense	(56,240)	(118,275)	(63,064)	(125,099)
Net pro forma adjustments	$117,171	$ 206,581	$ 88,380	$ 177,790

(K) Reflects the elimination of nonrecurring costs incurred in relation to the Merger, including legal, investment banking and other professional fees.

(L) A summary of pro forma adjustments related to interest expense are as follows:

(in thousands)	Six Months Ended December 31, 2014	Twelve Months Ended June 30, 2015	Six Months Ended December 31, 2015	Twelve Months Ended December 31, 2015
Estimated cash interest expense related to the notes offered hereby and the New Term Loan Facility at an assumed weighted average interest rate (i)	$154,345	$ 309,771	$154,753	$ 310,179
Amortization of estimated deferred loan issuance costs related to the notes offered hereby and the New Term Loan Facility	10,122	20,245	10,122	20,245
Amortization of estimated discount related to the New Term Loan Facility	2,939	5,877	2,939	5,877
Elimination of historical cash interest expense	(57,836)	(124,748)	(91,311)	(158,223)
Net pro forma adjustments	$109,570	$ 211,145	$ 76,503	$ 178,078

(i) For purposes of the condensed consolidated pro forma statements of income, we have not shown the charge associated with expensing of professional fees related to the Merger as this impact is non-recurring.

(M) Reflects the elimination of historical debt extinguishment costs.

(N) Reflects the estimated income tax expense and deferred taxes related to the adjustments reflected in the unaudited condensed consolidated pro forma financial statements. Tax expense for the pro forma debt adjustments was calculated under the assumption that all new debt will be issued in the United States and subjected to U.S. federal and state income taxes. As such, a federal plus blended state tax rate was utilized.

We computed a deferred tax liability of $491 million based on the preliminary step up value that was allocated to identifiable intangibles. This deferred tax liability was computed utilizing a blended tax rate because we operate in multiple jurisdictions.

We continue to evaluate and quantify our valuation allowance position and our permanent reinvestment assertion on both historical earnings and the additional outside basis difference created as a result of the fair value adjustments.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA

The following table sets forth our selected consolidated historical financial data as of and for the periods indicated. Our audited consolidated financial statements as of June 30, 2014 and 2015 and for the fiscal years ended June 30, 2013, 2014 and 2015 and our unaudited condensed consolidated financial statements as of December 31, 2015 and for the six-month periods ended December 31, 2014 and 2015 are included elsewhere in this offering circular. We have derived the selected consolidated historical financial data as of June 30, 2011, 2012 and 2013 and the fiscal years ended June 30, 2011 and 2012 from our audited consolidated financial statements for such years, which are not included in this offering circular.

We have derived the selected consolidated historical financial data as of and for the six months ended December 31, 2014 and 2015 from our unaudited condensed consolidated financial statements for such periods, which contain all adjustments, consisting of normal recurring adjustments, that management considers necessary for a fair presentation of our financial position and results of operations for the periods presented. Operating results for the six-month periods are not necessarily indicative of results for a full fiscal year, or any other periods.

The selected consolidated historical financial data presented below are not necessarily indicative of the results to be expected for any future period. The selected consolidated historical financial data do not reflect the completion of the Transactions or our capital structure following the completion of the Transactions and are not indicative of results that would have been reported had the Transactions occurred as of the dates indicated. The selected consolidated historical financial data should be read in conjunction with the information included under the headings "Summary—Summary Condensed Consolidated Historical and Pro Forma Financial Data," "Use of Proceeds," "Capitalization," "Unaudited Condensed Consolidated Pro Forma Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes thereto included elsewhere in this offering circular.

(dollars in thousands)	Fiscal Years Ended June 30, 2011 (1)	2012 (2)	2013 (3)	2014 (4)	2015 (5)	Six Months Ended December 31, 2014 (5)	2015 (6)
Statement of Income Data:							
Revenues	$ 684,697	$790,207	$ 838,103	$ 987,259	$1,140,846	$562,780	$621,367
Cost of revenues:							
Operating expenses	134,649	171,763	181,448	222,262	285,643	140,969	175,026
Systems development and programming costs	68,932	73,914	79,083	90,735	105,476	51,382	56,635
Total cost of revenues (excluding depreciation and amortization)	203,581	245,677	260,531	312,997	391,119	192,351	231,661
Selling, general and administrative expenses (7)	187,701	206,639	234,742	297,301	336,709	157,467	171,934
Depreciation and amortization	83,088	103,510	103,239	122,283	162,160	77,366	88,998
Restructuring charges, asset impairments and other costs associated with exit and disposal activities	7,093	7,057	5,435	6,527	6,280	2,890	4,571
Acquisition and related costs	9,687	7,962	26,945	41,512	35,162	22,810	42,978
Interest expense	31,102	53,593	69,511	107,422	124,748	56,593	90,607
Other (income) expense, net	7,815	1,665	1,860	63,991	(34,525)	18,281	20,897
	530,067	626,103	702,263	952,033	1,021,653	527,758	651,646
Income before income tax provision (benefit)	154,630	164,104	135,840	35,226	119,193	35,022	(30,279)
Income tax (benefit) provision	(14,427)	45,718	30,797	30,058	200,320	9,252	(21,867)
Net income (loss)	169,057	118,386	105,043	5,168	(81,127)	25,770	(8,412)
Less: net income attributable to noncontrolling interests	11,680	11,398	11,159	13,878	19,706	8,959	5,447
Net income (loss) attributable to Solera Holdings, Inc.	$ 157,377	$106,988	$ 93,884	$ (8,710)	$ (100,833)	$ 16,811	$ (13,859)
Statement of Cash Flows Data:							
Net cash provided by (used in):							
Operating activities	$ 211,531	$222,992	$ 226,708	$ 248,526	$ 215,920	$ 79,869	$ (1,970)
Investing activities	(543,558)	(47,819)	(181,485)	(417,578)	(987,204)	(803,255)	(46,737)
Financing activities	410,901	(17,966)	(88,517)	542,147	430,914	292,968	25,984
Other Financial Data:							
Capital expenditures (8)	$ 18,095	$ 28,562	$ 33,174	$ 34,374	$ 53,811	$ 30,572	$ 20,122
Adjusted EBITDA (9)	306,994	356,885	370,611	415,365	458,015	229,563	230,855
Ratio of earnings to fixed charges (10)	5.4x	3.9x	2.9x	1.3x	1.9x	1.6x	0.7x

(dollars in thousands)	As of June 30, 2011 (1)	2012 (2)	2013 (3)	2014 (4)	2015 (5)	As of December 31, 2014 (5)	2015 (6)
Balance Sheet Data:							
Cash and cash equivalents	$ 371,101	$ 508,246	$ 464,239	$ 837,751	$479,592	$393,037	$470,522
Working capital (11)	346,809	510,615	441,426	774,929	387,816	360,114	430,627
Total assets	2,169,135	2,151,816	2,257,541	3,400,086	3,752,630	3,680,967	3,712,622
Total debt	1,044,425	1,145,873	1,147,386	1,867,808	2,481,828	2,284,238	3,125,384
Total stockholders' equity (deficit)	785,109	687,381	748,239	697,500	238,695	490,871	(34,361)

(1) The results of operations of Explore and New Era Software LLC, each of which were acquired in fiscal year 2011, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2011.

(2) The results of operations of See Progress, Inc., K&S Beheer B.V., Sinexia Corporacion Tecnologica ("Sinexia"), Actual Systems of America, Inc. and Actual Systems UK Ltd., each of which we acquired (or, in the case of Sinexia, acquired majority ownership of) in fiscal year 2012, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2012.

(3) The results of operations of LMI, TitleTec, APU, Mensaelect, CarweB, HyperQuest and Eziworks, acquired in fiscal year 2013, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2013.
(4) The results of operations of Pusula, Serinfo, SRS, DST, AutoPoint, Autosoft, and Sachcontrol, acquired in fiscal year 2014, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2014.
(5) The results of operations of DMEa, CIMA, Service Dynamics, IBS, CAP, I&S and Sherwood, acquired in fiscal year 2015, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2015.
(6) The results of operations of Autodata, acquired in fiscal year 2016, is included from the date of the acquisition, which is not the first day of fiscal year 2016.
(7) Includes share-based compensation expense of $13,579, $18,394, $25,753, $37,515, $36,875, $14,312 and $14,186 for fiscal years 2011, 2012, 2013, 2014 and 2015 and for the six months ended December 31, 2014 and 2015, respectively.
(8) Capital expenditures is net of proceeds from sales of property and equipment.
(9) Adjusted EBITDA is a non-GAAP financial measure that represents GAAP net income excluding (i) income tax provision (benefit), (ii) depreciation and amortization, (iii) restructuring charges, asset impairments and other costs associated with exit and disposal activities, (iv) acquisition and related costs, (v) litigation related expenses, (vi) interest expense, (vii) other (income) expense, net and (viii) share-based compensation expense. See note (6) to "—Summary Consolidated Historical and Pro Forma Financial Data."

A reconciliation of our Adjusted EBITDA to GAAP net income, the most directly comparable GAAP measure, is provided in the table below.

	Fiscal Years Ended June 30,					Six Months Ended December 31,	
(dollars in thousands)	**2011**	**2012**	**2013**	**2014**	**2015**	**2014**	**2015**
Net income (loss)	$169,057	$118,386	$105,043	$ 5,168	$ (81,127)	$ 25,770	$ (8,412)
Add: Income tax provision (benefit)	(14,427)	45,718	30,797	30,058	200,320	9,252	(21,867)
Net income (loss) before income tax provision (benefit)	154,630	164,104	135,840	35,226	119,193	35,022	(30,279)
Add: Depreciation and amortization	83,088	103,510	103,239	122,283	162,160	77,366	88,998
Add: Restructuring charges, asset impairments and other costs associated with exit and disposal activities (a)	7,093	7,057	5,435	6,527	6,280	2,890	4,571
Add: Acquisition and related costs (b)	9,687	7,962	26,945	41,512	35,162	22,810	42,978
Add: Litigation related expenses (recoveries)	—	600	2,028	889	8,122	2,289	(1,103)
Add: Interest expense	31,102	53,593	69,511	107,422	124,748	56,593	90,607
Add: Other (income) expense, net (c)	7,815	1,665	1,860	63,991	(34,525)	18,281	20,897
Add: Share-based compensation expense	13,579	18,394	25,753	37,515	36,875	14,312	14,186
Adjusted EBITDA	$306,994	$356,885	$370,611	$415,365	$458,015	$229,563	$230,855

(a) Restructuring charges, asset impairments and other costs associated with exit and disposal activities primarily represent costs incurred in relation to our restructuring initiatives. Restructuring charges primarily include employee termination benefits charges and charges related to the lease and vendor contract liabilities that we do not expect to provide future economic benefits due to the implementation of our restructuring initiatives.
(b) Acquisition and related costs include costs incurred in connection with the Transactions, including professional fees and personnel retention incentives; legal and other professional fees and other transaction costs associated with completed and contemplated business combinations and asset acquisitions, costs associated with integrating acquired businesses, including costs incurred to

eliminate workforce redundancies and for product rebranding, and other charges incurred as a direct result of our acquisition efforts. These other charges include changes to the fair value of contingent purchase consideration, acquired assets and assumed liabilities subsequent to the completion of the purchase price allocation, purchase consideration that is deemed to be compensatory in nature, and incentive compensation arrangements with continuing employees of acquired companies.

(c) Other (income) expense, net consists of foreign exchange gains and losses on notes receivable and notes payable to affiliates, realized and unrealized gains and losses on derivative financial instruments, investment income and other miscellaneous income and expense.

(10) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of earnings before provision for income taxes plus fixed charges. Fixed charges consist of interest expensed and capitalized, amortized premiums, discounts and capitalized expenses related to indebtedness and an estimate of the interest within rental expense. Changes in the ratio of earnings to fixed charges are primarily due to an increase in interest expense associated with the issuance of additional Existing Notes.

(11) We define working capital as current assets less current liabilities.

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

The following discussion and analysis of our financial condition and results of operations covers periods prior to the consummation of the Transactions. Accordingly, the discussion and analysis of historical periods does not reflect the significant impact that the Transactions will have on our financial position, results of operations and cash flows, including, without limitation, increased leverage and related interest expense, the impact of acquisition accounting (including changes in amortization expenses) and debt service requirements. You should read the following discussion and analysis in conjunction with "Unaudited Condensed Consolidated Pro Forma Financial Information," "Selected Consolidated Historical Financial Data," and the historical financial statements and related notes included elsewhere in this offering circular. This discussion and analysis contains forward-looking statements regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements that are based on management's current expectations, estimates and projections about our business and operations. Our actual results may differ materially from those contained in or implied by any forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" sections of this offering circular.

All percentage amounts and ratios were calculated using the underlying data in whole dollars and may reflect rounding adjustments. Operating results for fiscal years 2015, 2014 and 2013 and the six months ended December 31, 2015 and 2014 are not necessarily indicative of the results that may be expected for any future period. We describe the effects on our results that are attributed to changes in foreign currency exchange rates as constant currency which we measure by converting the current period results into U.S. dollars at the average rates in effect for the same period from the prior year.

Our fiscal year ends on June 30 of each year. Fiscal years are identified in this offering circular according to the calendar year in which they end. For example, the fiscal year ended June 30, 2015 is referred to as "fiscal year 2015." Unless otherwise specified, all references in this offering circular to years are to fiscal years.

Overview

We are a leading provider of risk and asset management software and services to the automotive and property marketplace, including the global property and casualty insurance industry. We are expanding beyond our global-leading position in collision repair and U.S.-based mechanical repair presence to bring data driven productivity and decision support solutions to other aspects of vehicle ownership such as parts procurement, vehicle re-insurance underwriting, driver violation monitoring, electronic titling, vehicle validation, CRM-SMR solutions, vehicle valuation and digital content applications. We are also taking our core competencies of data, software and connectivity from the auto to the home.

We help our customers:

- estimate the costs to repair damaged vehicles and determine pre-collision fair market values for damaged vehicles for which the repair costs exceed the vehicles' value;
- automate and outsource steps of the claims process that insurance companies have historically performed internally;
- diagnose and repair vehicle mechanical problems; and
- improve their ability to monitor and manage their businesses through data reporting and analysis.

We serve approximately 195,000 customers and are active in over 75 countries across six continents with approximately 5,400 employees. Our customers include more than 4,000 automobile insurance companies, 60,500 collision repair facilities, 12,600 independent assessors, 49,000 service, maintenance and repair facilities and 68,400 automotive recyclers, auto dealers and others. We derive revenues from many of the world's largest automobile insurance companies, including the ten largest automobile insurance companies in Europe and eight of the ten largest automobile insurance companies in North America.

At the core of our software and services are our proprietary databases, which are localized to each geographical market we serve. Our insurance claims processing software and services are typically integrated into our customers' systems, operations and processes, making it costly and time consuming to switch to another provider. This customer integration, along with our products and long-standing customer relationships, has contributed to our very high customer retention rate.

Segments

We have aggregated our operating segments into two reportable segments: EMEA and Americas. Our EMEA reportable segment encompasses our operations in Europe, the Middle East, Africa, Asia and Australia, while our Americas reportable segment encompasses our operations in North, Central and South America.

Our chief operating decision maker is our Chief Executive Officer. We evaluate the performance of our reportable segments based on revenues, income before provision for income taxes and adjusted EBITDA, a non-U.S. GAAP financial measure that represents U.S. GAAP net income (loss) excluding interest expense, provision for income taxes, depreciation and amortization, share-based compensation expense, restructuring charges, asset impairments and other costs associated with exit and disposal activities, acquisition and related costs, litigation related expenses and other (income) expense, net. We do not allocate certain costs to reportable segments, including costs related to our financing activities, business development and oversight, and tax, audit and other professional fees, to our reportable segments. Instead, we manage these costs at the Corporate level.

The table below sets forth our revenues by reportable segment and as a percentage of our total revenues for the periods indicated:

	Six Months Ended December 31,			
(dollars in millions)	2015		2014	
EMEA	$267.1	43.0%	$270.5	48.1%
Americas	354.3	57.0	292.3	51.9
Total	$621.4	100.0%	$562.8	100.0%

	Fiscal Years Ended June 30,					
(dollars in millions)	2015		2014		2013	
EMEA	$ 538.1	47.2%	$517.8	52.4%	$471.2	56.2%
Americas	602.7	52.8	469.5	47.6	366.9	43.8
Total	$1,140.8	100.0%	$987.3	100.0%	$838.1	100.0%

For fiscal years 2015, 2014 and 2013 and the six months ended December 31, 2015 and 2014, the United States and the United Kingdom were the only countries that individually represented more than 10% of total revenues.

The Transactions

Merger

On September 13, 2015, Solera entered into the Merger Agreement with Parent and Merger Sub. Pursuant to the Merger Agreement, Merger Sub will merge with and into Solera, with Solera surviving the Merger as an indirect wholly-owned subsidiary of Parent. Parent and Merger Sub are beneficially owned by VEPFV, and Parent, Merger Sub and VEPFV are affiliated with Vista. At the Effective Time, each share of Solera common stock issued and outstanding immediately prior to the Effective Time (other than any such shares (x) that are owned by Parent, Merger Sub or any other direct or indirect wholly-owned subsidiary of Parent or owned by Solera or any direct or indirect wholly-owned subsidiary of Solera, in each case not held on behalf of third parties, and (y) that are held by stockholders who have properly exercised and perfected appraisal rights with respect to such shares) will be converted into the right to receive an amount equal to $55.85 in cash, without interest and less any applicable withholding taxes.

We expect to finance the Merger, the Refinancing and pay the fees and expenses incurred in connection with the Transactions with proceeds from the Financing Transactions described below. For a more complete description of the Transactions, see "The Transactions," "Use of Proceeds," "Description of Other Indebtedness" and "Description of Notes."

The Merger is subject to customary closing conditions, including approval by Solera's stockholders and receipt of certain approvals by antitrust and competition authorities of various jurisdictions. On October 9, 2015, the U.S. Federal Trade Commission granted early termination of the waiting period under the HSR Act, and on December 3, 2015, the European Commission approved the Merger under the EU Merger Regulation. On December 8, 2015, Solera's stockholders voted to adopt the Merger Agreement. The closing of the Merger remains subject to certain other customary closing conditions.

Solera has made customary representations and warranties in the Merger Agreement and has agreed to customary covenants regarding the operation of the business of Solera and its subsidiaries prior to the consummation of the Merger. The Merger Agreement contains certain termination rights for Parent and Solera, including the right of each party to terminate the Merger Agreement if, other than in certain circumstances described therein, the Merger is not consummated by March 15, 2016. The completion of the Merger is currently expected to occur concurrently with the consummation of this offering.

The Financing Transactions

In connection with the consummation of the Merger, we anticipate entering into the following Financing Transactions:

- the contribution of common equity financing in an aggregate amount of up to $1.2 billion to be provided to Parent by VEPFV, or other parties to whom it assigns a portion of its commitment;
- the contribution of common and preferred equity financing in an aggregate amount of up to $1.3 billion to be provided to Parent by KSISH, or other parties to whom KSISH assigns a portion of its commitment or with whom Vista arranges for alternative equity financing to replace all or a portion of KSISH's commitment (all of the preferred equity financing provided to Parent will be contributed to the Issuer as common equity);
- the contribution of preferred equity financing in an aggregate amount of up to $800.0 million to be provided to Parent by BSPI and KSISH, or other parties to whom they assign a portion of their respective commitments (all of the preferred equity financing provided to Parent will be contributed to the Issuer as common equity);

- the borrowing of approximately $2,200.0 million under the New Term Loan Facility, including a U.S. dollar tranche and the U.S. dollar equivalent of the aggregate principal amount of a euro tranche;
- the entry into a $300.0 million New Revolving Facility, under which we do not anticipate having any outstanding borrowings upon the consummation of the Merger; and
- the issuance of $1,730.0 million in aggregate principal amount of the notes offered hereby.

See "Certain Relationships and Related Party Transactions—Series A Preferred Stock" and "—Series B Preferred Stock" for a description of the terms of the preferred equity financing and see "Description of Other Indebtedness—New Senior Secured Credit Facilities" for a description of the terms of the New Senior Secured Credit Facilities.

As of February 26, 2016, Solera has received purported demands for appraisal with respect to approximately 7,149,364 shares of Solera common stock (representing approximately $399.3 million if appraisal has been properly demanded with respect to all of the approximately 7,149,364 shares for which appraisal demands have purported to have been delivered as of February 26, 2016). Based on this number of shares, the amount of financing necessary to consummate the Merger at the closing is expected to be reduced by approximately $278.0 million. Approximately $121.3 million related to demands for appraisal, will be funded at the closing of the Merger. Parent expects to permit the Common Equity Investors, at their option, and on a pro rata basis, to reduce the amount of the common equity contribution to be funded by each of them in cash in connection with the closing in an aggregate amount up to the Appraisal Demand Amount, and the common equity contribution and total stockholders' equity will be reduced by the aggregate amount that is not funded. To the extent cash is needed in the future to pay for the shares of Solera common stock with respect to which appraisal rights have been exercised, the Common Equity Investors will remain committed to fund up to the Appraisal Demand Amount (or such lesser amount not funded in connection with the closing of the Merger) pursuant to contractual arrangements with Parent.

The Tender Offers, Consent Solicitations and the Change of Control Offers

On November 6, 2015, Audatex commenced the Tender Offers for any and all of its Existing Notes. In conjunction with the Tender Offers, Audatex solicited consents to amend certain provisions of the indentures relating to the Existing Notes, including, but not limited to, amendments to eliminate or modify substantially all of the restrictive covenants (including provisions relating to change of control offers and limitations on secured indebtedness), certain requirements that must be satisfied in order for Audatex to legally defease and discharge the Existing Notes, certain conditions governing the revocation and effect of consents, certain reporting obligations, certain events of default and related provisions. In order to adopt the Proposed Amendments, Audatex had to receive the Requisite Consents. In order for the Proposed Amendments to become operative, Audatex must pay for validly tendered Existing Notes. Concurrently on November 6, 2015, Audatex commenced the Change of Control Offers for the Existing Notes.

As of 5:00 p.m., New York City time, on November 20, 2015, the initial early tender date for the Tender Offers and the Consent Solicitations, $1,673,156,000 aggregate principal amount of the 2021 Senior Notes, representing 99.3% of the outstanding aggregate principal amount of the 2021 Senior Notes, were validly tendered and not validly withdrawn, and $1,386,433,000 aggregate principal amount of the 2023 Senior Notes, representing 98.0% of the outstanding aggregate principal amount of the 2023 Senior Notes, were validly tendered and not validly withdrawn. On November 23, 2015, Audatex extended the early tender date to 5:00 p.m., New York City time, on January 6, 2016 and extended the expiration date to 5:00 p.m., New York City time, on January 13, 2016, unless further extended or earlier terminated. As a result of receiving the Requisite Consents and adopting the Proposed Amendments, the Change of Control Offers were terminated on November 23, 2015. The Tender Offers and the Consent Solicitations are contingent upon, among other things, the simultaneous closing of the Merger.

On December 7, 2015, Audatex reopened withdrawal rights on a limited basis with respect to the Existing Notes that had been validly tendered pursuant to the Tender Offers until the Withdrawal Deadline. The withdrawal rights were limited to only permit the withdrawal of previously tendered notes if and to the extent that at least a majority in principal amount of each series of the outstanding Existing Notes remain tendered pursuant to the Tender Offers as of the Withdrawal Deadline. Holders were not permitted to withdraw their consents tendered in connection with the Consent Solicitations. The deadline for tendering the Existing Notes to be eligible for the early participation premium was 5:00 p.m., New York City time, on February 24, 2016. On February 29, 2016, Audatex further extended the expiration date to 8:00 a.m., New York City time, on March 3, 2016, unless further extended or earlier terminated. As of 8:00 a.m., New York City time, on February 29, 2016, $1,684,373,000 aggregate principal amount of the 2021 Senior Notes, representing 99.96% of the outstanding aggregate principal amount of the 2021 Senior Notes, were validly tendered and not validly withdrawn, and $1,414,500,000 aggregate principal amount of the 2023 Senior Notes, representing 99.96% of the outstanding aggregate principal amount of the 2023 Senior Notes, were validly tendered and not validly withdrawn.

This offering circular is not an offer to purchase, or the solicitation of an offer to sell, the Existing Notes. The Tender Offers and Consent Solicitations are made only by and pursuant to the terms of the Offer to Purchase and Consent Solicitation Statement dated November 6, 2015 and the related letter of transmittal and consent, in each case as amended or supplemented.

Acquisition Accounting

Our financial statements in the future will vary from the historical financial statements included elsewhere in this offering circular. The Merger will be accounted for as a business combination in accordance with ASC Topic 805 and, accordingly, will result in the recognition of assets acquired and liabilities assumed at estimated fair values with the excess of the purchase price of the Merger allocated to goodwill. As of the date of this offering circular, we have not completed the valuation studies necessary to estimate the fair values of the assets we will acquire and the liabilities we will assume necessary to reflect the allocation of the purchase price to the fair value of such amounts. See "Unaudited Condensed Consolidated Pro Forma Financial Information" for further discussion on the assumptions and methods applied in arriving at the unaudited condensed consolidated pro forma financial statements presented herein.

As a consequence of the application of acquisition accounting, we may experience a higher level of depreciation expense relating to our property and equipment, which will also impact our total cost of sales, and we expect to incur a higher amortization expense relating to the expected increase in fair values of our intangible assets with definite lives. Since the book value of certain inventories on the closing of the Merger will also be increased to fair values, our gross profit will be lower for several months following the closing of the Merger than it would be in the absence of acquisition accounting.

Components of Revenues and Expenses

Revenues

We generate revenues from the sale of software and services to our customers pursuant to negotiated contracts or pricing agreements. Pricing for our software and services is set forth in these agreements and negotiated with each customer. We generally bill our customers monthly under one or more of the following bases:

- price per transaction;
- fixed monthly amount for a prescribed number of transactions;
- fixed monthly subscription rate;
- price per set of services rendered; and
- price per system delivered.

Our software and services are often sold as packages, without individual pricing for each component. Our revenues are reflected net of customer sales allowances, which we estimate based on both our examination of a subset of customer accounts and historical experience.

Our core offering is our estimating and workflow software, which is used by our insurance company, collision repair facility and independent assessor customers, representing the majority of our revenues. We also derive revenues from our salvage and recycling software, business intelligence and consulting services, vehicle data validation, salvage disposition, driver violation reporting services, service, maintenance and repair solutions and other offerings.

Cost of revenues (excluding depreciation and amortization)

Our costs and expenses applicable to revenues represent the total of operating expenses and systems development and programming costs, which are discussed below.

Operating expenses

Our operating expenses primarily include: compensation and benefit costs for our operations, database development and customer service personnel; other costs related to operations, database development and customer support functions; third-party data and royalty costs; costs related to computer software and hardware used in the delivery of our software and services; and the costs of purchased data from state departments of motor vehicles.

Systems development and programming costs

Systems development and programming costs primarily include: compensation and benefit costs for our product development and product management personnel; other costs related to our product development and product management functions; and costs related to external software consultants involved in systems development and programming activities.

Selling, general and administrative expenses

Our selling, general and administrative expenses primarily include: compensation and benefit costs for our sales, marketing, administration and corporate personnel; costs related to our facilities; and professional and legal fees.

We also include share-based compensation expense in our selling, general and administrative expenses, which represents the recognition of the grant-date fair value of stock awards granted to employees, officers, members of our board of directors and others pursuant to our equity compensation plans. We recognize the grant date fair value as share-based compensation expense over the requisite service period.

Depreciation and amortization

Depreciation includes depreciation attributable to buildings, leasehold improvements, data processing and computer equipment, purchased software, and furniture and fixtures. Amortization includes amortization attributable to software developed or obtained for internal use and intangible assets acquired in business combinations, particularly our acquisitions of Explore, SRS, I&S and CAP.

Restructuring charges, asset impairments and other costs associated with exit and disposal activities

Restructuring charges, asset impairments and other costs associated with exit and disposal activities primarily represent costs incurred in relation to our restructuring initiatives. Restructuring charges primarily include employee termination benefits charges and charges related to the lease and vendor contract liabilities that we do not expect to provide future economic benefits due to the implementation of our restructuring initiatives.

Acquisition and related costs

Acquisition and related costs include costs incurred in relation to the proposed acquisition of Solera by Vista, including professional fees and personnel retention incentives; legal and professional fees and other transaction costs associated with completed and contemplated business combinations and asset acquisitions; costs associated with integrating acquired businesses, including costs incurred to eliminate workforce redundancies and for product rebranding; and other charges incurred as a direct result of our acquisition efforts. These other charges include changes to the fair value of contingent purchase consideration, acquired assets and assumed liabilities subsequent to the completion of the purchase price allocation, purchase price that is deemed to be compensatory in nature and incentive compensation arrangements with continuing employees of acquired companies.

Interest expense

Interest expense consists primarily of interest on our debt and amortization of related debt issuance costs, net of premium and discount amortization.

Other (income) expense, net

Other (income) expense, net consists of foreign exchange gains and losses on notes receivable and notes payable to affiliates, realized and unrealized gains and losses on derivative instruments, investment income and other miscellaneous income and expense.

Income tax provision

Income taxes have been provided for all items included in the statements of income included herein, regardless of when such items were reported for tax purposes or when the taxes were actually paid or refunded.

Net income attributable to noncontrolling interests

Several of our customers and other entities own noncontrolling interests in certain of our operating subsidiaries. Net income attributable to noncontrolling interests reflect such owners' proportionate interest in the earnings of such operating subsidiaries.

Factors Affecting Our Operating Results

Below is a summary description of several external factors that have or may have an effect on our operating results.

Foreign currency. During fiscal years 2015, 2014 and 2013 and the six months ended December 31, 2015 and 2014, we generated approximately 56%, 63%, 68%, 50% and 57% of our revenues, respectively, and incurred a majority of our costs, in currencies other than the U.S. dollar, primarily the Euro. We translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period for our consolidated statement of income and certain components of stockholders' equity and the exchange rate at the end of that period for the consolidated balance sheet. These translations resulted in foreign currency translation adjustments of $(167.7) million, $39.1 million, $8.4 million, $24.1 million and $99.1 million for fiscal years 2015, 2014 and 2013 and the six months ended December 31, 2015 and 2014, respectively, which are recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity. Foreign currency transaction gains (losses) recognized in our consolidated statements of income (loss) were $(50.5) million, $11.0 million, $(5.5) million, $(9.3) million and $(8.7) million during fiscal years 2015, 2014, and 2013 and the six months ended December 31, 2015 and 2014, respectively.

Exchange rates between most of the major foreign currencies we use to transact our business and the U.S. dollar have fluctuated significantly over the last few years and we expect that they will continue to fluctuate during fiscal year 2016. The majority of our revenues and costs are denominated in Euros, Pound Sterling, Swiss francs, Canadian dollars and other foreign currencies. The following table provides the average quarterly exchange rates for the Euro and Pound Sterling since the beginning of fiscal year 2015:

Period	Average Euro-to-U.S. Dollar Exchange Rate	Average Pound Sterling-to-U.S. Dollar Exchange Rate
Quarter Ended September 30, 2014	$1.33	$1.67
Quarter Ended December 31, 2014	$1.25	$1.58
Quarter Ended March 31, 2015	$1.13	$1.52
Quarter Ended June 30, 2015	$1.11	$1.53
Quarter Ended September 30, 2015	$1.11	$1.55
Quarter Ended December 31, 2015	$1.10	$1.52

During fiscal year 2015, as compared to fiscal year 2014, the U.S. dollar strengthened against most major foreign currencies we use to transact our business. The average U.S. dollar strengthened versus the Euro by 11.4% and the Pound Sterling by 3.2%, which decreased our revenues and expenses during fiscal year 2015. A hypothetical 5% increase or decrease in the U.S. dollar versus other currencies in which we transact our business would have resulted in an increase or decrease, as the case may be, to our revenues of $31.7 million during fiscal year 2015.

During the six months ended December 31, 2015, as compared to the six months ended December 31, 2014, the U.S. dollar strengthened against most major foreign currencies we use to transact our business. The average U.S. dollar strengthened versus the Euro by 14.3% and the Pound Sterling by 5.7%, which decreased our revenues and expenses for the six months ended December 31, 2015. A hypothetical 5% increase or decrease in the U.S. dollar versus other currencies in which we transact our business would have resulted in an increase or decrease, as the case may be, to our revenues of $15.5 million during the six months ended December 31, 2015.

Factors that affect business volume. The following external factors have or may have an effect on the number of claims that are submitted and/or our volume of transactions, any of which can affect our revenues:

- ***Number of insurance claims made.*** In fiscal year 2015, the number of insurance claims made increased slightly versus fiscal year 2014. In several of our large western European markets, the number of insurance claims for vehicle damage submitted by owners to their insurance carriers declined slightly. The number of insurance claims made can be influenced by factors such as unemployment levels, the number of miles driven, rising gasoline prices, the number of uninsured drivers, rising insurance premiums and insured opting for lower coverage or higher deductible levels, among other things. Fewer claims made can reduce the transaction-based fees that we generate.
- ***Sales of new and used vehicles.*** According to industry sources, global new light vehicle sales grew by 3.6% in 2014 to 86.3 million units and sales are forecasted to reach 88.4 million

units, up by 2.4%, in 2015. In Advanced Markets, sales are projected to grow at a 0.7% CAGR from 2014 through 2024. In other markets, sales are projected to grow at a 6.6% CAGR from 2014 through 2024. Fewer new light vehicle sales can result in fewer insured vehicles on the road and fewer automobile accidents, which can reduce the transaction-based fees that we generate.

- ***Damaged vehicle repair costs.*** The cost to repair damaged vehicles, also known as severity, includes labor, parts and other related costs. Severity has steadily risen for a number of years. According to industry sources, from 2001 through 2010, the price index for body work has increased by 30.5% compared with a 23.2% increase in the general cost of living index. Insurance companies purchase our products and services to help standardize the cost of repair. Should the cost of labor, parts and other related items continue to increase over time, insurance companies may seek to purchase and utilize an increasing number of our products and services to help improve the standardization of the cost of repair.
- ***Penetration Rate of Vehicle Insurance.*** An increasing rate of procuring vehicle insurance will result in an increase in the number of insurance claims made for damaged vehicles. An increasing number of insurance claims submitted can increase the transaction-based fees that we generate for partial-loss and total-loss estimates. This is due in part to both increased regulation and increased use of financing in the purchase of new and used vehicles. We expect that the rate of vehicle insurance in our less mature international markets will continue to increase during the next eighteen months.
- ***Automobile Usage-Number of Miles Driven.*** Several factors can influence miles driven, including gasoline prices and economic conditions. According to industry sources, for calendar year 2014, cumulative miles driven in the United States increased by 2.6% compared to the same period in the prior year. For calendar year 2013, cumulative miles driven in the United States remained flat compared to the same period in the prior year. Fewer miles driven can result in fewer automobile accidents, which can reduce the transaction-based fees that we generate.
- ***Seasonality.*** Our business is subject to seasonal and other fluctuations. In particular, we have historically experienced higher revenues during the second quarter and third quarter versus the first quarter and fourth quarter during each fiscal year. This seasonality is caused primarily by more days of inclement weather during the second quarter and third quarter in most of our markets, which contributes to a greater number of vehicle accidents and damage during these periods. In addition, our business is subject to fluctuations caused by other factors, including the occurrence of extraordinary weather events and the timing of certain public holidays. For example, the Easter holiday occurs during the third quarter in certain fiscal years and occurs during the fourth quarter in other fiscal years, resulting in a change in the number of business days during the quarter in which the holiday occurs.

Share-based compensation expense. We incurred pre-tax, non-cash share-based compensation charges of $36.9 million, $37.5 million, $25.8 million, $14.2 million and $14.3 million during fiscal years 2015, 2014 and 2013 and for the six months ended December 31, 2015 and 2014, respectively. We expect to recognize additional pre-tax, non-cash share-based compensation charges related to share-based awards outstanding at December 31, 2015. The estimated total remaining unamortized share-based compensation expense, net of forfeitures, was $29.2 million at December 31, 2015, which we expect to recognize over a weighted-average period of 1.8 years.

Restructuring charges. We have incurred restructuring charges in each period presented and also expect to incur additional restructuring charges, primarily relating to severance costs, over the next several quarters as we work to improve efficiencies in our business. We do not expect reduced revenues or an increase in other expenses as a result of continued implementation of our restructuring initiatives.

Other factors. Other factors that have or may have an effect on our operating results include:

- gain and loss of customers;
- pricing pressures;
- acquisitions, joint ventures or similar transactions;
- expenses to develop new software or services; and
- expenses and restrictions related to indebtedness.

We do not believe inflation has had a material effect on our financial condition or results of operations in recent years.

Results of Operations

Our results of operations include the results of operations of acquired companies from the date of the respective acquisitions.

Six Months Ended December 31, 2015 and 2014

The table below sets forth statement of income data, including the amount and percentage changes for the periods indicated (dollars in thousands):

	Six Months Ended December 31,			
(dollars in thousands)	**2015**	**2014**	**Change**	
Revenues	$621,367	$562,780	$ 58,587	10.4%
Cost of revenues:				
Operating expenses	175,026	140,969	34,057	24.2
Systems development and programming costs	56,635	51,382	5,253	10.2
Total cost of revenues (excluding depreciation and amortization)	231,661	192,351	39,310	20.4
Selling, general & administrative expenses	171,934	157,467	14,467	9.2
Depreciation and amortization	88,998	77,366	11,632	15.0
Restructuring charges, asset impairments and other costs associated with exit and disposal activities	4,571	2,890	1,681	58.2
Acquisition and related costs	42,978	22,810	20,168	88.4
Interest expense	90,607	56,593	34,014	60.1
Other expense, net	20,897	18,281	2,616	14.3
	651,646	527,758	123,888	23.5
Income (loss) before provision for income taxes	(30,279)	35,022	(65,301)	(186.5)
Income tax provision (benefit)	(21,867)	9,252	(31,119)	(336.3)
Net income (loss)	(8,412)	25,770	(34,182)	(132.6)
Less: Net income attributable to noncontrolling interests	5,447	8,959	(3,512)	(39.2)
Net income (loss) attributable to Solera Holdings, Inc.	$ (13,859)	$ 16,811	$ (30,670)	(182.4)%

The table below sets forth our statement of income data expressed as a percentage of revenues for the periods indicated:

	Six Months Ended December 31,	
	2015	2014
Revenues	100.0%	100.0%
Cost of revenues:		
Operating expenses	28.2	25.0
Systems development and programming costs	9.1	9.1
Total cost of revenues (excluding depreciation and amortization)	37.3	34.1
Selling, general & administrative expenses	27.7	28.0
Depreciation and amortization	14.3	13.7
Restructuring charges, asset impairments and other costs associated with exit and disposal activities	0.7	0.5
Acquisition and related costs	6.9	4.1
Interest expense	14.6	10.1
Other expense, net	3.4	3.2
	104.9	93.8
Income (loss) before provision for income taxes	(4.9)	6.2
Income tax provision (benefit)	(3.5)	1.6
Net income (loss)	(1.4)	4.6
Less: Net income attributable to noncontrolling interests	0.9	1.6
Net income (loss) attributable to Solera Holdings, Inc.	(2.2)%	3.0%

Revenues

During the six months ended December 31, 2015, revenues increased $58.6 million, or 10.4%, to $621.4 million and include incremental revenue contributions from I&S, CAP and other acquisitions of $5.7 million, $18.2 million, and $45.1 million, respectively. On a constant currency basis and excluding incremental revenue contributions from I&S, CAP and other acquisitions, revenues increased $36.6 million, or 6.9%, during the six months ended December 31, 2015 due to revenue growth in our EMEA and America segments.

Our EMEA revenues decreased $3.4 million, or 1.3%, to $267.1 million and include incremental revenue contributions from CAP and other acquisitions of $18.2 million and $2.2 million, respectively. On a constant currency basis and excluding the incremental revenue contributions from CAP and other acquisitions, EMEA revenues increased $11.3 million, or 4.3%, during the six months ended December 31, 2015 resulting from growth in transaction revenues in several countries.

Our Americas revenues increased $62.0 million, or 21.2%, to $354.3 million and include incremental revenue contributions from I&S and other acquisitions of $5.7 million and $42.9 million, respectively. On a constant currency basis and excluding incremental revenue contributions from I&S and other acquisitions, Americas revenues increased $25.2 million, or 9.4%, during the six months ended December 31, 2015 resulting from growth in transaction and subscription revenues from sales to new and existing customers.

Set forth below are revenues from each of our principal customer categories and as a percentage of revenues for the periods indicated:

(dollars in millions)	Six Months Ended December 31, 2015		2014	
Insurance companies	$221.8	35.7%	$221.4	39.3%
Collision and glass repair facilities	137.3	22.1	147.9	26.3
Independent assessors	31.9	5.1	37.6	6.7
Service, maintenance and repair facilities	111.9	18.0	63.1	11.2
Automotive recyclers, salvage, dealerships and others	118.5	19.1	92.7	16.6
Total	$621.4	100.0%	$562.7	100.0%

Revenue growth for each of our customer categories was as follows:

(dollars in millions)	Six Months Ended December 31, 2015 Revenue Growth	Percentage Change
Insurance companies	$ 0.4	0.2%
Collision and glass repair facilities	(10.6)	(7.1)
Independent assessors	(5.7)	(15.3)
Service, maintenance and repair facilities	48.8	77.2
Automotive recyclers, salvage, dealerships and others	25.8	27.7
Total	$ 58.7	10.4%

On a constant currency basis, revenue growth for each of our customer categories was as follows:

(dollars in millions)	Six Months Ended December 31, 2015 Revenue Growth	Percentage Change
Insurance companies	$ 19.8	9.0%
Collision and glass repair facilities	7.3	4.9
Independent assessors	0.3	0.8
Service, maintenance and repair facilities	48.8	77.2
Automotive recyclers, salvage, dealerships and others	31.2	33.6
Total	$107.4	19.1%

Operating expenses

During the six months ended December 31, 2015, operating expenses increased $34.1 million, or 24.2%, to $175.0 million and include incremental operating expense contributions from I&S, CAP, and other acquisitions of $3.2 million, $2.6 million, and $27.0 million, respectively. On a constant currency basis and excluding incremental operating expense contributions from I&S, CAP, and other acquisitions, operating expenses increased $9.1 million, or 7.3%, during the six months ended December 31, 2015 primarily due to an increase in operating expenses in our Americas segment.

Our EMEA operating expenses decreased $2.2 million, or 4.5%, to $46.7 million and include incremental operating expense contributions from CAP and other acquisitions of $2.6 million and $0.6

million, respectively. On a constant currency basis and excluding the incremental operating expense contributions from CAP and other acquisitions, EMEA operating expenses increased $0.3 million, or 0.6%, during the six months ended December 31, 2015 resulting from the revenue growth during the period.

Our Americas operating expenses increased $36.3 million or 39.4%, to $128.3 million and include incremental operating expense contributions from I&S and other acquisitions of $3.2 million and $26.4 million, respectively. On a constant currency basis and excluding incremental operating expense contributions from I&S and other acquisitions, Americas operating expenses increased $8.8 million, or 11.5%, during the six months ended December 31, 2015 resulting from the revenue growth during the period.

Systems development and programming costs

During the six months ended December 31, 2015, SD&P increased $5.3 million, or 10.2%, to $56.6 million and include incremental contributions from CAP and other acquisitions of $0.8 million and $3.5 million, respectively. On a constant currency basis and excluding incremental SD&P contributions from CAP and other acquisitions, SD&P increased $4.8 million, or 9.4%, during the six months ended December 31, 2015 primarily due to an increase in SD&P expenses in both our Americas and EMEA segments.

Our EMEA SD&P increased $3.7 million, or 13.6%, to $30.7 million and include incremental SD&P contributions from CAP of $0.8 million. On a constant currency basis, and excluding the incremental SD&P contributions from CAP, EMEA SD&P increased $5.8 million, or 21.5%, during the six months ended December 31, 2015 primarily due to increased investment in product development.

Our Americas SD&P increased $3.1 million, or 12.6%, to $27.4 million and include incremental SD&P contributions from other acquisitions of $3.5 million. On a constant currency basis, and excluding incremental SD&P contributions from other acquisitions, Americas SD&P increased by $0.4 million or 1.8% for the six months ended December 31, 2015 primarily due to an increase in personnel expenses.

Selling, general and administrative expenses

During the six months ended December 31, 2015, selling, general and administrative expenses ("SG&A") increased $14.5 million, or 9.2%, to $171.9 million and include incremental SG&A contributions from I&S, CAP, and other acquisitions of $0.3 million, $4.8 million, and $6.7 million, respectively. On a constant currency basis and excluding incremental SG&A contributions from I&S, CAP, and other acquisitions, SG&A increased $12.8 million, or 8.3%, primarily due to a one-time special cash award of $10.0 million paid to our chief executive officer, Tony Aquila, in August 2015, an increase in legal and other professional fees of $3.0 million, an increase in facilities and equipment expenses of $1.8 million, and an increase in other administrative expenses of $0.8 million, partially offset by a decrease in legal fees associated with the Mitchell patent infringement litigation of $3.4 million.

Depreciation and amortization

During the six months ended December 31, 2015, depreciation and amortization increased by $11.6 million, or 15.0%, to $89.0 million and includes incremental depreciation and amortization contributions from I&S, CAP, and other acquisitions of $0.3 million, $7.8 million, and $6.2 million, respectively. On a constant currency basis and excluding incremental depreciation and amortization contributions from I&S, CAP, and other acquisitions, depreciation and amortization for the six months ended December 31, 2015 increased $0.9 million, or 1.3%, due to an increase in depreciation expense resulting increased investment in data processing equipment to support ongoing growth.

We generally amortize intangible assets on an accelerated basis to reflect the pattern in which the economic benefits of the intangible assets are realized.

Restructuring charges, asset impairments and other costs associated with exit and disposal activities

During the six months ended December 31, 2015 and 2014, we incurred restructuring charges, asset impairments and other costs associated with exit and disposal activities of $4.6 million and $2.9 million, respectively.

The restructuring charges, asset impairments and other costs associated with exit and disposal activities incurred during the six months ended December 31, 2015 and 2014, respectively, consist primarily of employee termination benefits related to ongoing restructuring initiatives.

Acquisition and related costs

We incurred acquisition and related costs of $43.0 million and $22.8 million, during the six months ended December 31, 2015 and 2014, respectively.

Acquisition and related costs incurred during the six months ended December 31, 2015 and 2014 consist primarily of contingent purchase consideration that is deemed compensatory in nature and other costs associated with completed acquisitions of $17.3 million and $14.5 million, respectively, and legal and professional fees, incurred in relation to completed and contemplated business combinations and asset acquisitions of $1.0 million and $8.3 million, respectively. Acquisition and related costs for the six months ended December 31, 2015, also include $24.7 million of professional fees and other costs incurred in relation to the pending acquisition of Solera by entities affiliated with Vista Equity Partners.

Interest expense

During the six months ended December 31, 2015, interest expense increased $34.0 million due to the interest expense resulting from the issuance of additional senior unsecured notes in November 2014 and July 2015.

We expect that our annual interest expense will increase in fiscal year 2016, as compared to fiscal year 2015, as a result of the issuance of additional unsecured notes in November 2014 and July 2015.

Other expense, net

During the six months ended December 31, 2015, other expense, net increased $2.6 million due primarily to a $2.3 million increase in net realized and unrealized losses on derivative financial instruments during the six months ended December 31, 2015.

Income tax provision (benefit)

During the six months ended December 31, 2015 and 2014, we recorded an income tax provision (benefit) of $(21.9) million and $9.3 million, respectively. The decrease in the income tax provision is primarily due to the U.S. tax benefit related to the increase in certain expenses during fiscal year 2015.

For the six months ended December 31, 2015, the expected tax provision derived from applying the U.S. federal statutory rate to our pre-tax income differed from our recorded income tax provision primarily due to the amount of our pre-tax loss, relative to our income tax expense, nondeductible expenses, and changes in tax law.

Our income tax provision for the six months ended December 31, 2015 is not necessarily indicative of the effective tax rate that may be expected for fiscal year 2016.

Our tax provision or benefit from income taxes for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Our interim tax provision is subject to significant variation due to several factors, including variability in accurately predicting our pre-tax income or loss and the mix of jurisdictions to which they relate, changes in how we do business, acquisitions, foreign currency gains (losses), changes in law, and relative changes of expenses or losses for which tax benefits are not recognized. Additionally, our effective tax rate can be more or less volatile based on the amount of pre-tax income or loss.

Factors that impact our income tax provision include, but are not limited to, the mix of jurisdictional earnings and varying jurisdictional income tax rates, establishment and release of valuation allowances in certain jurisdictions, permanent differences resulting from the book and tax treatment of certain items, and discrete items. Future changes in tax laws or tax rulings may have a significant adverse impact on our effective tax rate.

As of each reporting date, management considers all evidence, both positive and negative, that could impact our view with regards to future realization of deferred tax assets. As of December 31, 2015 and June 30, 2015, we continue to maintain a valuation allowance on our U.S. deferred tax assets $26.9 million due to the limitation in our ability to utilize foreign tax credit carryforwards prior to the expiration of the carryforward periods.

We are subject to periodic changes in the amount of our income tax provision and these changes could adversely affect our operating results; we may not be able to utilize all of our tax benefits before they expire.

Our effective tax rate could be adversely affected by our mix of earnings in countries with high versus low tax rates; by changes in the valuation of our deferred tax assets and liabilities; by a change in our assertion that our foreign earnings are indefinitely reinvested; by the outcomes of examinations, audits or disputes by or with relevant tax authorities; or by changes in tax laws and regulations. There have been several U.S. domestic and international laws which recently expired or were enacted that could continue to have a material adverse impact on our tax expense.

Our ability to utilize certain U.S. tax deferred tax assets is dependent upon generating sufficient taxable income before the expiration of the carryforward period. The decrease in our U.S. taxable income, including recent increases in interest expense resulted in a decrease in the amount of U.S. deferred tax assets considered realizable. Our projections of future taxable income required to fully realize the recorded amount of the net deferred tax asset reflect numerous assumptions about our operating business and investments, and are subject to change as conditions change specific to our operating business, investments or general economic conditions. Adverse changes in certain jurisdictions could result in the need to increase the deferred tax asset valuation allowance resulting in a charge against earnings.

Significant judgment is required to apply the recognition and measurement criteria prescribed in ASC Topic No. 740-10, *Income Taxes*. In addition, ASC Topic No. 740-10 applies to all income tax positions, including the potential recovery of previously paid taxes which, if settled unfavorably, could adversely impact our provision for income taxes or additional paid-in capital. We record unrecognized tax benefits as liabilities in accordance with ASC Topic No. 740 and adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available.

Primarily due to the increase in our U.S. debt service obligations resulting from the issuance of additional unsecured senior notes in the aggregate principal amount of $400.0 million during fiscal year 2015 and the issuance of additional unsecured senior notes in the aggregate principal amount of $850.0 million in July 2015, management concluded that the ability to access certain amounts of foreign earnings would provide greater flexibility to meet domestic cash flow needs without constraining foreign objectives. Accordingly, in fiscal year 2015 we withdrew the permanent reinvestment assertion on $350.0 million of earnings generated by certain of our foreign subsidiaries through fiscal year 2015. We provided for U.S. income taxes on the $350.0 million of undistributed foreign earnings, resulting in the recognition of a deferred tax liability of approximately $123.7 million. During the six months ended December 31, 2015, we recognized a deferred income tax expense of $2.9 million related to the impact of fluctuations in foreign currency exchanges rates on the portion of the $350.0 million of unremitted earnings generated prior to fiscal year 2015.

We have not provided for U.S. federal or foreign income taxes, including withholding taxes, on the remaining $840.7 million of undistributed earnings of our foreign subsidiaries as of December 31, 2015. We continue to assert that the $840.7 million of undistributed earnings is permanently reinvested in our foreign operations and have no current plans to repatriate those earnings. If we were to distribute those earnings in the form of dividends or otherwise, we could be subject to both U.S. income and foreign taxes and withholding taxes payable to various foreign countries. It is currently not practicable to compute the residual taxes due on such earnings as we do not know the time or manner in which we would distribute these earnings.

Fiscal Years 2015, 2014 and 2013

The table below sets forth our results of operations data, including the amount and percentage changes for the periods indicated:

(dollars in thousands)	Fiscal Years Ended June 30, 2015	2014	2013	Fiscal Year 2015 to Fiscal Year 2014 Change $	%	Fiscal Year 2014 to Fiscal Year 2013 Change $	%
Revenues	$1,140,846	$987,259	$838,103	$153,587	15.6%	$ 149,156	17.8%
Cost of revenues:							
Operating expenses	285,643	222,262	181,448	63,381	28.5	40,814	22.5
Systems development and programming costs	105,476	90,735	79,083	14,741	16.2	11,652	14.7
Total cost of revenues (excluding depreciation and amortization)	391,119	312,997	260,531	78,122	25.0	52,466	20.1
Selling, general and administrative expenses	336,709	297,301	234,742	39,408	13.3	62,559	26.7
Depreciation and amortization	162,160	122,283	103,239	39,877	32.6	19,044	18.4
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	6,280	6,527	5,435	(247)	(3.8)	1,092	20.1
Acquisition and related costs	35,162	41,512	26,945	(6,350)	(15.3)	14,567	54.1
Interest expense	124,748	107,422	69,511	17,326	16.1	37,911	54.5
Other (income) expense, net	(34,525)	63,991	1,860	(98,516)	(154.0)	62,131	3,340.4
	1,021,653	952,033	702,263	69,620	7.3	249,770	35.6
Income before provision for income taxes	119,193	35,226	135,840	83,967	238.4	(100,614)	(74.1)
Income tax provision	200,320	30,058	30,797	170,262	566.4	(739)	(2.4)
Net income (loss)	(81,127)	5,168	105,043	(86,295)	(1,669.8)	(99,875)	(95.1)
Less: Net income attributable to noncontrolling interests	19,706	13,878	11,159	5,828	42.0	2,719	24.4
Net income (loss) attributable to Solera Holdings, Inc.	$ (100,833)	$ (8,710)	$ 93,884	$ (92,123)	1,057.7%	$(102,594)	(109.3)%

The table below sets forth our results of operations data expressed as a percentage of revenues for the periods indicated:

	Fiscal Years Ended June 30,		
	2015	2014	2013
Revenues	100.0%	100.0%	100.0%
Cost of revenues:			
Operating expenses	25.1	22.5	21.6
Systems development and programming costs	9.2	9.2	9.4
Total cost of revenues (excluding depreciation and amortization)	34.3	31.7	31.0
Selling, general and administrative expenses	29.5	30.1	28.0
Depreciation and amortization	14.2	12.4	12.3
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	0.6	0.7	0.6
Acquisition and related costs	3.1	4.2	3.2
Interest expense	10.9	10.9	8.3
Other (income) expense, net	(3.0)	6.5	0.2
	89.6	96.4	83.8
Income before provision for income taxes	10.4	3.6	16.2
Income tax provision	17.6	3.0	3.7
Net income (loss)	(7.1)	0.6	12.5
Less: Net income attributable to noncontrolling interests	1.7	1.4	1.3
Net income (loss) attributable to Solera Holdings, Inc.	(8.8)%	(0.8)%	11.2%

Revenues

Fiscal Year 2015 vs. Fiscal Year 2014. During fiscal year 2015, revenues increased \$153.6 million, or 15.6%, to \$1,140.8 million and include incremental revenue contributions from SRS, I&S and CAP of \$55.1 million, \$57.2 million, and \$27.2 million, respectively. On a constant currency basis and excluding incremental revenue contributions from SRS, I&S and CAP, revenues increased \$82.0 million, or 9.0%, during fiscal year 2015 due to revenue growth in both our EMEA and Americas segments.

Our EMEA revenues increased \$20.4 million, or 3.9%, to \$538.1 million and includes the incremental revenue contribution from CAP of \$27.2 million. On a constant currency basis and excluding the incremental revenue contribution from CAP, EMEA revenues increased \$49.9 million, or 9.6%, during fiscal year 2015 as a result of incremental revenue contributions from recently-acquired businesses other than CAP, growth in transaction revenues in several countries from sales to new customers, and increased transaction volume from sales of new software and services to new and existing customers.

Our Americas revenues increased \$133.2 million, or 28.4%, to \$602.7 million and include incremental revenue contributions from SRS and I&S of \$55.1 million and \$57.2 million, respectively. On a constant currency basis and excluding incremental revenue contributions from SRS and I&S, Americas revenues increased \$31.8 million, or 8.1%, during fiscal year 2015 as a result of incremental revenue contributions from recently-acquired businesses other than I&S, growth in transaction and subscription revenues from sales to new customers, and increased transaction volume from sales of new software and services to new and existing customers.

Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal year *2014*, revenues increased $149.2 million, or 17.8%, to $987.3 million, and include incremental revenue contributions from SRS of $74.0 million. On a constant currency basis and excluding incremental revenue contributions from SRS, revenues increased $66.5 million, or 7.9%, during fiscal year 2014 due to revenue growth in both our EMEA and Americas segments.

Our EMEA revenues increased $46.6 million, or 9.9%, to $517.8 million. On a constant currency basis, EMEA revenues increased $30.2 million, or 6.4%, during fiscal year 2014 resulting from incremental revenue contributions from recently-acquired businesses, growth in transaction revenues in several countries from sales to new customers, and increased transaction volume from sales of new software and services to existing customers.

Our Americas revenues increased $102.6 million, or 28.0%, to $469.5 million and include incremental revenue contributions from SRS of $74.0 million. On a constant currency basis, and excluding incremental revenue contributions from SRS, Americas revenues increased $36.4 million, or 9.9%, during fiscal year 2014 as a result of incremental revenue contributions from recently-acquired businesses other than SRS, growth in transaction and subscription revenues from sales to new customers, and increased transaction volume from and sales of new software and services to new and existing customers.

Set forth below is our revenues from each of our principal customer categories and as a percentage of revenues for the periods indicated:

(dollars in millions)	Fiscal Years Ended June 30,					
	2015		2014		2013	
Insurance companies	$ 441.2	38.6%	$385.5	39.0%	$374.0	44.6%
Collision and glass repair facilities	286.7	25.1	292.7	29.6	266.3	31.8
Independent assessors	69.5	6.1	78.5	8.0	72.9	8.7
Service, maintenance and repair facilities	135.2	11.9	74.0	7.5	—	—
Automotive recyclers, salvage, dealerships and others	208.2	18.3	156.6	15.9	124.9	14.9
Total	$1,140.8	100.0%	$987.3	100.0%	$838.1	100.0%

Revenue growth for each of our customer categories was as follows:

(dollars in millions)	Fiscal Year 2015 vs Fiscal Year 2014		Fiscal Year 2014 vs Fiscal Year 2013	
Customer category	Revenue Growth	Percentage Change	Revenue Growth	Percentage Change
Insurance companies	$ 55.7	14.4%	$ 11.5	3.1%
Collision and glass repair facilities	(6.0)	(2.0)	26.4	9.9
Independent assessors	(9.0)	(11.4)	5.6	7.7
Service, maintenance and repair facilities	61.2	82.7	74.0	100.0
Automotive recyclers, salvage, dealerships and others	51.6	33.0	31.7	25.4
Total	$153.5	15.6%	$149.2	17.8%

Revenue growth for each of our customer categories after adjusting for changes in foreign currency exchange rates was as follows:

(dollars in millions)	Fiscal Year 2015 vs Fiscal Year 2014		Fiscal Year 2014 vs Fiscal Year 2013	
Customer category	**Revenue Growth**	**Percentage Change**	**Revenue Growth**	**Percentage Change**
Insurance companies	$ 82.2	21.3%	$ 11.1	3.0%
Collision and glass repair facilities	19.5	6.7	22.6	8.5
Independent assessors	0.5	0.6	3.4	4.6
Service, maintenance and repair facilities	61.2	82.7	74.0	100.0
Automotive recyclers, salvage, dealerships and others	60.1	38.3	29.5	23.6
Total	$223.5	22.6%	$140.6	16.8%

Operating expenses

Fiscal Year 2015 vs. Fiscal Year 2014. During fiscal year 2015, operating expenses increased $63.4 million, or 28.5%, to $285.6 million, and include incremental operating expense contributions from SRS, I&S and CAP of $14.4 million, $33.1 million and $3.6 million, respectively. On a constant currency basis and excluding incremental operating expense contributions from SRS, I&S and CAP, operating expenses increased $23.0 million, or 11.2%, during fiscal year 2015 primarily due to an increase in operating expenses in our Americas segment.

Our EMEA operating expenses decreased $1.7 million, or 1.8%, to $95.2 million, and includes the incremental operating expense contribution from CAP of $3.6 million. On a constant currency basis and excluding the incremental operating expense contribution from CAP, EMEA operating expenses increased $3.6 million, or 3.7%, during fiscal year 2015 primarily due to incremental operating expense contributions from recently-acquired businesses other than CAP, mainly personnel related expenses.

Our Americas operating expenses increased $65.1 million, or 52.0%, to $190.5 million, and include incremental operating expense contributions from SRS and I&S of $14.4 million and $33.1 million, respectively. On a constant currency basis and excluding incremental operating expense contributions from SRS and I&S, Americas operating expenses increased $19.4 million, or 17.8%, during fiscal year 2015 primarily due to an increase in the costs of data purchased from state departments of motor vehicles consistent with the revenue growth in our AudaExplore re-underwriting business, increased personnel related expenses and incremental operating expense contributions from recently-acquired businesses other than I&S, mainly personnel related expenses.

Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal year 2014, operating expenses increased $40.8 million, or 22.5%, to $222.3 million, and include incremental operating expense contributions from SRS of $16.5 million. On a constant currency basis and excluding incremental operating expense contributions of SRS, operating expenses increased $22.3 million, or 12.3% during fiscal year 2014 primarily due to an increase in operating expenses in our Americas segment.

Our EMEA operating expenses increased $12.2 million, or 14.3%, to $96.9 million. On a constant currency basis EMEA operating expenses increased $8.9 million, or 10.5%, during fiscal year 2014 primarily due to incremental operating expense contributions from recently-acquired businesses, mainly personnel related expenses.

Our Americas operating expenses increased $29.1 million or 30.3%, to $125.4 million, and include incremental operating expense contributions from SRS of $16.5 million. On a constant currency basis and excluding incremental operating expense contributions from SRS, Americas operating expenses increased $13.8 million, or 14.3%, during fiscal year 2014 primarily due to an increase in the costs of data purchased from state departments of motor vehicles consistent with the revenue growth in our AudaExplore re-underwriting business, increased personnel related expenses and incremental operating expense contributions from recently-acquired businesses other than SRS, mainly personnel related expenses.

Systems development and programming costs

Fiscal Year 2015 vs. Fiscal Year 2014. During fiscal year 2015, SD&P increased $14.7 million, or 16.2%, to $105.5 million and include incremental SD&P contributions from SRS, I&S, and CAP, of $5.1 million, $0.8 million and $1.0 million, respectively. On a constant currency basis and excluding incremental SD&P contributions from SRS, I&S, and CAP, SD&P increased $13.3 million, or 15.9%, during fiscal year 2015 primarily due to an increase in SD&P expenses in our EMEA segment.

Our EMEA SD&P increased $8.1 million, or 16.6%, to $56.6 million and includes the incremental SD&P contribution from CAP of $1.0 million. On a constant currency basis and excluding the incremental SD&P contribution from CAP, EMEA SD&P increased $11.8 million, or 24.2%, during fiscal year 2015 primarily due to increased personnel expenses and incremental SD&P expense contributions from recently-acquired businesses other than CAP, mainly personnel related expenses.

Our Americas SD&P increased $6.7 million, or 15.8%, to $48.8 million, and includes incremental SD&P contributions from SRS and I&S of $5.1 million and $0.8 million, respectively. On a constant currency basis and excluding incremental SD&P contributions from SRS and I&S, Americas SD&P increased $1.5 million, or 4.4%, during fiscal year 2015 primarily due to a decrease in internal software development cost capitalizations.

Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal year 2014, SD&P increased $11.7 million, or 14.7%, to $90.7 million, and includes incremental SD&P contributions from SRS of $7.1 million. On a constant currency basis and excluding incremental SD&P contributions from SRS, SD&P increased $2.9 million, or 3.7%, during fiscal year 2014 primarily due to an increase in SD&P expenses in both our Americas and EMEA segments.

Our EMEA SD&P increased $1.1 million, or 2.2%, to $48.5 million. On a constant currency basis EMEA SD&P decreased $0.9 million, or 1.9%, during the fiscal year 2014 primarily due to increased personnel expenses and external software development costs as we continue to invest in product development and personnel related expenses.

Our Americas SD&P increased $10.6 million, or 33.6%, to $42.1 million and includes incremental SD&P contributions from SRS of $7.1 million. On a constant currency basis and excluding incremental SD&P contributions from SRS, Americas SD&P increased $3.8 million, or 12.1%, during fiscal year 2014 primarily due to increased personnel expenses and incremental SD&P contributions from recently-acquired business other than SRS and I&S, mainly personnel related expenses.

Selling, general and administrative expenses

Fiscal Year 2015 vs. Fiscal Year 2014. During fiscal year 2015, SG&A increased $39.4 million or 13.3% to 336.7 million and includes incremental SG&A contributions from SRS, I&S, and CAP of $7.7 million, $4.7 million and $7.8 million, respectively. On a constant currency basis and excluding incremental SG&A contributions from SRS, I&S, and CAP, SG&A increased $33.5 million, or 12.1%, primarily due to a $15.0 million increase in personnel related expenses due to continued growth in our business; incremental SG&A contributions from recently-acquired businesses other than SRS, I&S, and CAP of $7.1 million; an increase in legal fees associated with the Mitchell patent infringement litigation of $7.2 million; and a $4.0 million increase in professional fees.

Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal year 2014, SG&A increased $62.6 million, or 26.7%, to $297.3 million and includes incremental SG&A contributions from SRS of $20.6 million. On a constant currency basis and excluding incremental SG&A contributions from SRS, SG&A increased $39.8 million, or 16.9%, primarily due to incremental SG&A contributions from recently-acquired businesses other than SRS of $4.5 million; a $15.6 million increase in personnel related expenses in our EMEA and Americas segments due to continued growth in our business; an $11.8 million increase in stock compensation expense primarily due to share-based compensation expense associated with the long-term incentive awards granted to our executive officers in March 2013 and more extensive use of equity-based incentive compensation in our compensation plans to incent personnel for continued contributions to increasing our profitability and value during the first phase of our previously-announced strategic mission; a $1.8 million increase in facilities expenses; a $1.0 million increase in bad debt expense; a $2.9 million increase in personnel, travel and recruiting expenses; a $0.8 million increase in advertising and marketing expenses; and a $0.5 million increase in professional fees.

Depreciation and amortization

Fiscal Year 2015 vs. Fiscal Year 2014. During fiscal year 2015, depreciation and amortization increased by $39.9 million, or 32.6%, to $162.2 million and includes incremental depreciation and amortization contributions from SRS, I&S, and CAP of $13.4 million, $13.5 million and $10.5 million, respectively. On a constant currency basis and excluding incremental depreciation and amortization contributions from SRS, I&S, and CAP, depreciation and amortization increased $7.6 million, or 7.2%, for fiscal year 2015 primarily due to increase in depreciation expense associated with the increase in capital investment and software development cost capitalization, offset by the continued decrease in amortization expense related to the intangible assets acquired in the acquisition of Explore and other historical acquisitions.

Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal year 2014, depreciation and amortization increased by $19.0 million, or 18.4%, to $122.3 million and includes incremental depreciation and amortization contributions from SRS of $17.9 million. On a constant currency basis and excluding incremental depreciation and amortization contributions from SRS, depreciation and amortization decreased $0.1 million, or 0.1%, for fiscal year 2014 primarily due to incremental contributions from recently acquired businesses other than SRS, increase in depreciation expense associated with the increase in capital investment and software development cost capitalization offset by the continued decrease in amortization expense related to the intangible assets acquired in the acquisition of Explore and other historical acquisitions.

We generally amortize intangible assets on an accelerated basis to reflect the pattern in which the economic benefits of the intangible assets are realized.

Restructuring charges, asset impairments and other costs associated with exit or disposal activities

Fiscal Year 2015 vs. Fiscal Year 2014 and Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal years 2015, 2014 and 2013, we incurred restructuring charges, asset impairments and other costs associated with exit or disposal activities of $6.3 million, $6.5 million and $5.4 million, respectively.

The restructuring charges, asset impairments and other costs associated with exit and disposal activities incurred in fiscal years 2015, 2014 and 2013 consist primarily of employee termination benefits and other costs incurred in relation to ongoing restructuring initiatives.

Acquisition and related costs

Fiscal Year 2015 vs. Fiscal Year 2014 and Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal years 2015, 2014 and 2013 we incurred acquisition and related costs of $35.2 million, $41.5 million and $26.9 million, respectively.

Acquisition and related costs incurred during fiscal year 2015 consist primarily of contingent purchase consideration that is deemed compensatory in nature of $13.0 million, legal and professional fees incurred in connection with completed and contemplated business combinations of $16.0 million, and other cost associated with completed acquisitions, including redundancy and integration costs of $6.2 million.

Acquisition and related costs incurred in fiscal year 2014 primarily consists of contingent purchase consideration that is deemed compensatory in nature of $25.4 million, legal and professional fees incurred in connection with completed and contemplated business combinations of $7.1 million, and other cost associated with completed acquisitions, including redundancy and integration cost of $9.0 million.

Acquisition and related costs incurred in fiscal year 2013 primarily consists of contingent purchase consideration that is deemed compensatory in nature of $15.7 million, $5.8 million of legal and professional fees incurred in connection with completed and contemplated business combinations and associated with the Federal Trade Commission's investigation of our acquisition of Actual Systems and the subsequent divestiture of Actual Systems' businesses in the U.S. and Canada in August 2013, and other costs associated with completed acquisitions of $5.4 million.

Interest expense

Fiscal Year 2015 vs. Fiscal Year 2014. During fiscal year 2015, interest expense increased $17.3 million, or 16.1%, due primarily to the increase in our total outstanding debt to approximately $2.5 billion resulting from the issuance of additional senior unsecured notes in November 2014 and July 2015.

Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal year 2014, interest expense increased $37.9 million, or 54.5%, due primarily to the increase in our total outstanding debt to approximately $1.9 billion resulting from the issuance of additional senior unsecured notes in fiscal year 2014.

Other (income) expense, net

Fiscal Year 2015 vs. Fiscal Year 2014. During fiscal year 2015, we recognized other (income) expense, net of $(34.5) million, as compared to $64.0 million recognized during 2014. The increase in other (income) expense, net is due primarily to unrealized and realized gains on derivative financial instruments recognized in fiscal year 2015 of $57.9 million, resulting from the strengthening of the U.S. dollar during the period, and the $63.3 million loss on debt extinguishment associated with the redemption of our senior unsecured notes due 2018 incurred during 2014, offset by the impact of fluctuations in foreign currency exchange rates on intercompany loans denominated in a currency other than the functional currency of the local company which resulted in an increase in foreign exchange losses of $26.8 million during fiscal year 2015.

Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal year 2014, other expense, net increased by $62.1 million primarily due to a $63.3 million loss on debt extinguishment associated with the redemption of our senior unsecured notes due 2018 in November 2013 and the repayment of the outstanding term loans under our senior secured credit facility in July 2013 offset by an $18.0 million increase in gains on derivative instruments, a $16.5 million increase in net foreign currency transaction gains on transactions denominated in a currency other than the functional currency of the local company and a $3.0 million increase in gains on asset sales.

Income tax provision

Fiscal Year 2015 vs. Fiscal Year 2014 and Fiscal Year 2014 vs. Fiscal Year 2013. During fiscal years 2015, 2014 and 2013, we recorded income tax provisions of $200.3 million, $30.1 million and $30.8 million, respectively, which resulted in effective tax rates of 168.1%, 85.3% and 22.7%, respectively. The increase in the effective tax rate in fiscal year 2015 was primarily attributable to the recognition of deferred tax expense of approximately $149.5 million related to undistributed foreign earnings of certain of our foreign subsidiaries generated in fiscal year 2015 and prior years, partially offset by earnings in jurisdictions with lower income tax rates which are indefinitely reinvested. The increase in the effective tax rate in fiscal year 2014 was primarily attributable to the recognition of a $24.8 million valuation allowance on our U.S. deferred tax assets, partially offset by earnings in jurisdictions with lower income tax rates which are indefinitely reinvested.

Factors that impact our income tax provision include, but are not limited to, the mix of jurisdictional earnings and varying jurisdictional income tax rates, establishment and release of valuation allowances in certain jurisdictions, permanent differences resulting from the book and tax treatment of certain items, and discrete items. Future changes in tax laws or tax rulings may have a significant adverse impact on our effective tax rate.

We are subject to periodic changes in the amount of our income tax provision and these changes could adversely affect our operating results; we may not be able to utilize all of our tax benefits before they expire.

Primarily due to the increase in our U.S. debt service obligations resulting from the issuance of additional unsecured senior notes in the aggregate principal amount of $400.0 million in November 2014 and the issuance of additional unsecured senior notes in the aggregate principal amount of $850.0 million in July 2015, management concluded that the ability to access certain amounts of foreign earnings would provide greater flexibility to meet domestic cash flow needs without constraining foreign objectives. Accordingly, in the fourth quarter of fiscal year 2015 we withdrew the permanent reinvestment assertion on $350.0 million of earnings generated by certain of our foreign subsidiaries through fiscal year 2015. We provided for U.S. income taxes on the $350.0 million of undistributed foreign earnings, resulting in the recognition of a deferred tax liability of approximately $123.7 million. We recognized additional deferred income tax expense of $25.8 million related to the impact of fluctuations in foreign currency exchange rates during fiscal year 2015 on the portion of the $350.0 million of unremitted earnings generated prior to fiscal year 2015.

We have not provided for U.S. federal or foreign income taxes, including withholding taxes, on the remaining $840.7 million of undistributed earnings of our foreign subsidiaries as of December 31, 2015. We continue to assert that the $840.7 million of undistributed earnings is permanently reinvested in our foreign operations and have no current plans to repatriate those earnings. If we were to distribute those earnings in the form of dividends or otherwise, we could be subject to both U.S. income and foreign taxes and withholding taxes payable to various foreign countries. It is currently not practicable to compute the residual taxes due on such earnings as we do not know the time or manner in which we would distribute these earnings.

Significant judgment is required to apply the recognition and measurement criteria prescribed in ASC Topic No. 740-10, *Income Taxes*. In addition, ASC Topic No. 740-10 applies to all income tax positions, including the potential recovery of previously paid taxes which, if settled unfavorably, could adversely impact our provision for income taxes or additional paid-in capital. We record unrecognized tax benefits as liabilities in accordance with ASC Topic No. 740 and adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available.

Liquidity and Capital Resources

Pre-Transactions

Our principal sources of cash include cash generated from operations and the proceeds from the issuance of the Existing Notes. Our principal uses of cash have been, and we expect them to continue to be, for business combinations, debt service, dividends, stock repurchases, capital expenditures and working capital.

As of December 31, 2015, we had cash and cash equivalents of $470.5 million. At December 31, 2015, our total current and long-term debt obligations were $3.1 billion, consisting of $1.7 billion related to our 2021 Senior Notes and $1.4 billion related to our 2023 Senior Notes.

On July 16, 2015, we issued additional 2023 Senior Notes in the aggregate principal amount of $850.0 million. The additional 2023 Senior Notes were issued at an original issue price of 99.500% plus accrued interest from May 1, 2015. The net proceeds from the issuance of the additional 2023 Senior Notes of $842.5 million were used to finance the SRS Equity Buyout and repay the $200.0 million unsecured term loan due May 2016.

In connection with the Merger, we commenced the Change of Control Offers for the Existing Notes concurrently with the Tender Offers. As a result of receiving the Requisite Consents and adopting the Proposed Amendments, the Change of Control Offers were terminated on November 23, 2015. See "The Transactions—The Tender Offers, Consent Solicitations and the Change of Control Offers." The Tender Offers are contingent upon, among other things, the simultaneous closing of the Merger.

The indentures governing the 2021 Senior Notes and the 2023 Senior Notes contain limited covenants, including those restricting our and our subsidiaries' ability to incur certain liens, engage in sale and leaseback transactions and consolidate, merge with, or convey, transfer or lease substantially all of our or their assets to, another person, and, in the case of any of our subsidiaries that did not issue or guarantee such notes, incur indebtedness. We are in compliance with the specified covenants of the 2021 Senior Notes and the 2023 Senior Notes at December 31, 2015.

In November 2014, our Board of Directors approved a new share repurchase program, replacing the share repurchase program authorized in October 2013, for up to a total of $375 million of Solera common stock through December 31, 2016. Share repurchases are made from time to time, through an accelerated stock purchase agreement, in open market transactions at prevailing market prices or in privately negotiated transactions. The repurchase program does not require us to purchase any specific number or amount of shares, and the timing and amount of such purchases will be determined by management based upon market conditions and other factors. In addition, the program may be amended or terminated at the discretion of our Board of Directors. Through December 31, 2015, we have repurchased approximately 1.6 million shares for $78.8 million under the share repurchase program approved by our Board of Directors in November 2014.

On December 3, 2015, we paid a quarterly cash dividend with a value of $0.225 per outstanding share of common stock and per outstanding restricted stock unit to our stockholders and restricted stock unit holders of record on November 19, 2015. The aggregate dividend payments for the six months ended December 31, 2015 was $30.5 million.

We believe that our existing cash on hand and cash flow from operations will be sufficient to fund currently anticipated working capital and debt service requirements, as well as investment of capital in acquisition and other strategic and investment opportunities for at least the next twelve months.

Our management believes that our cash is best utilized by investing in the future growth of our business to support improving our results of operations, either through acquisitions or penetration of new geographic markets and other strategic opportunities, and maximizing stockholder return through the payment of cash dividends and stock repurchases. We regularly review acquisition and other strategic opportunities, which may require additional debt or equity financing. If we raise additional funds by issuing equity securities, further dilution to our then-existing stockholders may result. Additional debt financing may include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any equity or debt financing may contain terms, such as liquidation and other preferences, that are not favorable to us or our stockholders.

Our foreign subsidiaries generate earnings that are not subject to U.S. income taxes so long as they are permanently reinvested in our operations outside of the United States. Pursuant to ASC Topic No. 740-30 (formerly APB 23), undistributed earnings of foreign subsidiaries that are no longer permanently reinvested would become subject to deferred income taxes under U.S. tax law. Prior to fiscal year 2015, we asserted that the undistributed earnings of our foreign subsidiaries were permanently reinvested.

Primarily due to the increase in our U.S. debt service obligations resulting from the issuance of additional unsecured senior notes in the aggregate principal amount of $400.0 million in November 2014 and the issuance of additional unsecured senior notes in the aggregate principal amount of $850.0 million in July 2015, management concluded that the ability to access certain amounts of foreign earnings would provide greater flexibility to meet domestic cash flow needs without constraining foreign objectives. Accordingly, in the fourth quarter of fiscal year 2015 we withdrew the permanent reinvestment assertion on $350.0 million of earnings generated by certain of our foreign subsidiaries through fiscal year 2015.

There is no certainty as to the timing of when such foreign earnings will be distributed to the U.S. in whole or in part. Further, when the foreign earnings are distributed to the U.S., we anticipate that a substantial portion of the resulting U.S. income taxes due would be reduced by existing deferred tax assets.

We have not provided for U.S. federal or foreign income taxes, including withholding taxes, on the remaining $840.7 million of undistributed earnings of our foreign subsidiaries as of December 31, 2015. We continue to assert that the $840.7 million of undistributed earnings is permanently reinvested in our foreign operations and have no current plans to repatriate those earnings. If we were to distribute those earnings in the form of dividends or otherwise, we could be subject to both U.S. income and foreign taxes and withholding taxes payable to various foreign countries. It is currently not practicable to compute the residual taxes due on such earnings as we do not know the time or manner in which we would distribute these earnings.

Six Months Ended December 31, 2015 and 2014

The following summarizes our primary sources and uses of cash in the periods presented (in millions):

	Six Months Ended December 31,		
	2015	2014	Change
Operating activities	$ (2.0)	$ 79.9	$ (81.9)
Investing activities	(46.7)	(803.3)	756.6
Financing activities	26.0	293.0	(267.0)

Operating activities. The $81.9 million decrease in cash provided by operating activities was primarily attributable to increases in payments of contingent purchase consideration that is considered compensatory in nature and interest payments on our senior unsecured notes.

Investing activities. The $756.6 million decrease in cash used in investing activities was primarily attributable to a decrease in cash used to acquire businesses of $752.9 million and a decrease in capital expenditures of $10.5 million, partially offset by an increase in acquisitions and capitalization of intangible assets of $4.8 million.

Financing activities. The $267.0 million decrease in cash provided by financing activities is primarily attributable to the use of the net proceeds from the issuance of the 2023 Senior Notes in July 2015 of $842.0 million to acquire the remaining equity ownership interest in SRS of $619.8 million and the repayment of the unsecured term loan of $200.0 million, whereas cash provided by financing activities for the six months ended December 31, 2014 includes the net proceeds from the issuance of additional senior unsecured notes of $416.3 million, partially offset by repurchase of approximately 1.5 million shares for $82.8 million under our share repurchase programs.

Fiscal Years 2015, 2014 and 2013

The following summarizes our primary sources and uses of cash in the periods presented:

	Fiscal Years Ended June 30,			Amount Changed from	
(in millions)	2015	2014	2013	2014 to 2015	2013 to 2014
Operating activities	$ 215.9	$ 248.5	$ 226.7	$ (32.6)	$ 21.8
Investing activities	$(987.2)	$(417.6)	$(181.5)	$(569.6)	$(236.1)
Financing activities	$ 430.9	$ 542.1	$ (88.5)	$(111.2)	$ 630.6

Operating activities. The $32.6 million decrease in cash provided by operating activities during fiscal year 2015 was primarily attributable to an increase in cash paid for interest due to the increase in our outstanding debt obligations, an increase in cash paid for income taxes and an increase in cash payments for contingent purchase consideration that is deemed compensatory in nature, offset by operating cash flows generated by businesses acquired during fiscal year 2015, including CAP and I&S.

The $21.8 million increase in cash provided by operating activities during fiscal year 2014 was primarily attributable to operating cash flows generated by businesses acquired during fiscal year 2014, including SRS, offset by an increase in cash paid for interest due to the increase in our outstanding debt.

Investing activities. The $569.6 million increase in cash used in investing activities in fiscal year 2015 was primarily attributable to an increase in cash used in business combinations, net of cash acquired, of $541.8 million, due to the acquisition of six businesses during fiscal year 2015, an increase in acquisitions and capitalization of intangible assets of $4.9 million and an increase in capital expenditures of $19.4 million.

The $236.1 million increase in cash used in investing activities in fiscal year 2014 was primarily attributable to an increase in cash used in business combinations, net of cash acquired, of $220.0 million, due to the acquisition of six businesses during fiscal year 2014, including SRS, an increase in acquisitions and capitalization of intangible assets of $13.8 million and an increase in capital expenditures of $1.2 million.

Financing activities. The $(111.2) million decrease in cash provided by financing activities is primarily attributable to a decrease in net proceeds from the issuance of debt, net of repayments of long-term debt, of $47.4 million. Also contributing to the decrease is a $51.2 million increase in stock repurchases due to the adoption of a new share repurchase program in November 2014 and a $13.3 million increase in payments of contingent purchase consideration.

The $630.6 million increase in cash provided by financing activities in fiscal year 2014 was primarily attributable to the proceeds from the issuance of the 2021 Senior Notes and the 2023 Senior Notes, net of the repayment of the outstanding term loans under the Amended Credit Facility and the redemption of the 2018 Senior Notes, including the payment of the redemption premium, of $661.9 million. The increase in cash provided by financing activities is offset by a $30.0 million increase in stock repurchases due to the adoption of a new share repurchase program in October 2013 and a $12.4 million increase in dividend payments due to the increase in our annual dividend to $0.68 per share in fiscal year 2014.

Post-Transactions

Following the consummation of the Transactions, our liquidity requirements will be significantly changed, primarily due to the addition of debt service requirements to our existing cash needs discussed above. Our principal sources of liquidity after the Transactions will be our existing cash and cash equivalents, cash flows from operations and borrowings under our New Revolving Facility. Our principal uses of cash after the consummation of the Transactions will be to fund capital expenditures, provide working capital and meet debt service requirements. We believe that internally generated funds and current cash on hand, together with borrowings under our New Revolving Facility, will provide sufficient liquidity for the foreseeable future. Our business may not generate sufficient cash flows from operations or future borrowings may not be available to us under our New Revolving Facility in an amount sufficient to enable us to pay our indebtedness, including the notes offered hereby, or to fund our other liquidity needs. Our ability to do so depends on, among other factors, prevailing economic conditions, many of which are beyond our control. In addition, upon the occurrence of certain events, such as a change in control, we could be required to repay or refinance our indebtedness. We may not be able to refinance any of our indebtedness, including our New Senior Secured Credit Facilities and the notes offered hereby, on commercially reasonable terms or at all. Any future acquisitions, joint ventures or other similar transactions may require additional capital and any such capital may not be available to us on acceptable terms or at all.

After the consummation of the Transactions, we will be substantially leveraged. On a pro forma basis after giving effect to the Transactions, as of December 31, 2015, we would have had outstanding $3,930.0 million in aggregate principal amount of indebtedness, with an additional $300.0 million unused availability available under the New Revolving Facility. We also can incur additional indebtedness if certain specified conditions are met under the credit agreement that will govern the New Senior Secured Credit Facilities and the indenture that will govern the notes offered hereby. On a pro forma basis, our estimated interest expense for the twelve months ended December 31, 2015 would have been $336.8 million. See "Risk Factors—Risks Related to our Indebtedness and the Notes—Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes" and "Risk Factors—Risks Related to our Indebtedness and the Notes—Despite our substantial level of indebtedness, the indenture that will govern the notes will permit us and our subsidiaries to incur substantial additional indebtedness. This could further exacerbate the risks associated with our substantial indebtedness."

New Senior Secured Credit Facilities

In connection with the Merger, we will enter into a $2,200.0 million New Term Loan Facility and a $300.0 million New Revolving Facility. Our obligations under the New Senior Secured Credit Facilities will be guaranteed by each of our direct and indirect, existing and future, wholly-owned domestic restricted subsidiaries (subject to customary exceptions). We do not expect to borrow under the New Revolving Facility in connection with the Transactions, and as such, we expect that we will have $300.0 million of unused availability under the New Revolving Facility following the consummation of the Transactions.

We will be subject to certain customary covenants. The credit agreements that will govern the New Senior Secured Credit Facilities will contain covenants that impose restrictions on, among other things, additional indebtedness, liens, investments, advances, guarantees and mergers and acquisitions. These covenants will also place restrictions on asset sales, dividends and certain transactions with affiliates. As of the date of this offering circular, the terms are not final and are subject to change. See "Description of Other Indebtedness."

Notes Offered Hereby

The notes offered hereby will be guaranteed by each of our existing and future restricted subsidiaries to the extent such subsidiary guarantees the New Senior Secured Credit Facilities or certain syndicated bank debt and capital markets debt securities. The notes will rank equally in right of payment with all of our existing and future senior debt, will be senior in right of payment to all of our future subordinated debt and will be effectively subordinated to all of our existing and future secured indebtedness, including the indebtedness under the New Senior Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. We will issue the notes under an indenture that will contain customary covenants and events of default for an issuance of non-investment grade debt securities. See "Description of Notes."

Potential Payments Relating to Appraisal Rights

Holders of shares of Solera common stock who did not vote in favor of the proposal to adopt the Merger Agreement and who properly demanded appraisal rights of their shares and who otherwise comply with the requirements of Section 262 of the DGCL will be entitled to seek appraisal for, and obtain payment in cash for the judicially determined "fair value" (as defined pursuant to Section 262 of the DGCL) of, their shares in lieu of receiving the merger consideration if the Merger is completed, but only if they comply with all applicable requirements of Delaware law. This appraised value could be more than, the same as, or less than the $55.85 per share merger consideration. As of February 26, 2016, Solera has received purported demands for appraisal with respect to approximately 7,149,364 shares of Solera common stock.

Upon completion of the Merger, we expect to record a liability of $55.85 for each share of Solera common stock with respect to which appraisal has been properly demanded (representing approximately $399.3 million if appraisal has been properly demanded with respect to all of the approximately 7,149,364 shares for which appraisal demands have purported to have been delivered as of February 26, 2016). In addition, we anticipate incurring interest charges equal to a per annum rate (compounded quarterly) of 5% over the Federal Reserve discount rate (including any surcharge) in respect of such liability.

Any payment in respect of the shares subject to appraisal rights will be required to be paid in cash. As we are not able to determine the timing or amount of such payments, our liquidity position may be adversely affected at the time any such payments are required to be made. See “Risk Factors—Risks Related to the Merger—Holders of a substantial number of shares of Solera common stock have purported to have delivered written demands for the appraisal of their shares under Delaware law. If these appraisal demands are not withdrawn, or determined to be invalid, or do not otherwise cease under Delaware law, the claims represented by such appraisal demands will constitute a substantial contingent liability of ours and will also result in our incurring substantial interest charges until they are resolved.”

Contractual Obligations

The following table reflects our cash contractual obligations as of June 30, 2015, after giving pro forma effect to the Transactions, and the effect that such obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

	Payments Due by Period				
(in thousands)	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt obligations	$3,930,000	$22,000	$ 44,000	$44,000	$3,820,000
Contingent purchase consideration obligations	109,997	57,958	46,884	5,155	—
Purchase obligations	19,888	6,558	9,028	4,200	102
Lease obligations	44,145	11,971	16,630	8,354	7,190
Total	$4,104,030	$98,487	$116,542	$61,709	$3,827,292

Off-Balance Sheet Arrangements

As of December 31, 2015, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

Our consolidated financial statements included in this offering circular have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts reported in our consolidated financial statements. On an ongoing basis, we evaluate estimates. We base our estimates and judgments on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results could differ from our estimates under different assumptions or conditions. Our significant accounting policies, which may be affected by our estimates and assumptions, are more fully described in Note 2 to the audited consolidated financial statements and in Note 1 to the unaudited condensed consolidated financial statements, each included elsewhere in this offering circular. We believe that the following significant accounting policies and assumptions may involve a higher degree of judgment and complexity than others.

Goodwill and Indefinite-Lived Intangible Assets. Goodwill and intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment annually or more frequently if impairment indicators arise. Impairment indicators arise when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable, such as a significant downturn in industry or economic trends with a direct impact on the business, an expectation that a reporting unit will be sold or otherwise disposed of for less than the carrying value, loss of key personnel, or a significant decline in the market price of an asset or asset group.

We test goodwill for impairment annually at a reporting unit level using a two-step process. The first step of the impairment test involves comparing the fair values of the applicable reporting units with their aggregate carrying values, including goodwill. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, we then perform the second step of the goodwill impairment test to determine the amount of the potential impairment loss. The second step of the goodwill impairment test involves comparing the implied fair value of the affected reporting unit's goodwill with the carrying value of that goodwill. If the carrying amount of goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

We determine the fair value of our reporting units through a combination of an income approach, utilizing a discounted cash flow model, and a market approach, which considers comparable companies and transactions. Under the income approach, the discounted cash flow model determines the fair value of each reporting unit based on the present value of projected reporting unit cash flows over a specific projection period and a residual value related to future cash flows beyond the projection period. Both values are discounted to reflect the degree of risk inherent in an investment in the reporting unit and achieving the projected cash flows. A weighted average cost of capital of a market participant is used as the discount rate. The residual value is generally determined by applying a constant terminal growth rate to the estimated reporting unit net cash flows at the end of the projection period. Alternatively, the present value of the residual value may be determined by applying a market multiple at the end of the projection period. In addition to the projected reporting unit cash flows, the key assumptions in the discounted cash flow model include a discount rate and a long-term growth rate. The discount rate used in the determination of the estimated fair value of the reporting units as of June 30, 2015 using the income approach ranged between 9.5% and 15.7%, with an average discount rate of 11.9%. The long-term growth rate used in the determination of the estimated fair value of the reporting units as of June 30, 2015 using the income approach ranged between 3.0% and 6.0%, with an average long-term growth rate of 4.1%.

Under the market approach, the fair value of each reporting unit is determined based on multiples of revenues and earnings before interest, taxes, depreciation and amortization for each reporting unit. The multiples were determined based on a selection of comparable companies and acquisition transactions, discounted for each reporting unit to reflect the relative size, diversification and risk of the reporting unit in comparison to the indexed companies and transactions.

In our annual goodwill impairment assessment for fiscal year 2015, we concluded that the fair values of the reporting units to which goodwill was assigned exceeded their respective carrying values by at least 51% and by over 124% on average. Accordingly, we did not identify any goodwill impairment.

Our estimates of the fair value of our reporting units can be affected by many assumptions that require significant judgment. For example, the projected reporting unit cash flows used in the discounted cash flow model under the income approach reflect assumptions related to existing customer penetration, new customer acquisition, product innovation and development, total addressable market, pricing, market share, competition and technology obsolescence. Our estimates of fair value may differ materially from that determined by others who use different assumptions. New information may arise in the future that affects our fair value estimates and could result in adjustments to our estimates in the future, which could have an adverse impact on our results of operations.

We test indefinite-lived intangible assets at the unit of accounting level by making a determination of the fair value of the intangible asset. If the fair value of the intangible asset is less than its carrying value, an impairment loss is recognized in an amount equal to the difference. We also evaluate the remaining useful life of our intangible assets that are not subject to amortization on an annual basis to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, that asset is tested for impairment. After recognition of the impairment, if any, the asset is amortized prospectively over its estimated remaining useful life and accounted for in the same manner as other intangible assets that are subject to amortization.

We determine the fair value of our indefinite-lived intangible assets under an income approach using the relief from royalty method, which assumes value to the extent that the acquired company is relieved of the obligation to pay royalties for the benefits received from the assets. In our annual indefinite-lived intangible asset impairment assessment for fiscal year 2015, we concluded that the fair value of our indefinite-lived intangible assets exceeded their respective carrying value and, accordingly, we did not identify any impairment of indefinite-lived intangible assets.

Long-Lived Assets. We review long-lived assets, including intangible assets with finite lives and property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the market price of an asset or asset group, a significant adverse change in the extent or manner in which an asset or asset group is being used, the loss of legal ownership or title to the asset, significant negative industry or economic trends or the presence of other factors that would indicate that the carrying amount of an asset or asset group is not recoverable. We consider a long-lived asset to be impaired if the estimated undiscounted future cash flows resulting from the use of the asset and its eventual disposition are not sufficient to recover the carrying value of the asset. If we deem an asset to be impaired, the amount of the impairment loss represents the excess of the asset's carrying value compared to its estimated fair value.

Revenue Recognition. Revenues are recognized only after services are provided, when persuasive evidence of an arrangement exists, the fee is fixed and determinable, and when collectability is probable. Our multiple element arrangements primarily include a combination of software licenses, hosted database and other services, installation and set-up services, hardware, maintenance services and transaction-based deliverables.

We generate a significant majority of our revenue from subscription-based contracts (where a monthly fee is charged), transaction-based contracts (where a fee per transaction is charged) and subscription-based contracts with additional transaction-based fees (where a monthly fee and a fee per transaction are charged).

Subscription-based and transaction-based contracts generally include the delivery of software, access to our database through a hosted service, upfront fees for the implementation and set-up activities necessary for the client to use/access the software and maintenance. Under a subscription arrangement, we consider delivery of software, access to the hosted database and maintenance to be a combined unit of accounting and recognize related revenues at the end of each month upon the completion of the monthly service. A transaction-based fee represents a payment for the right to use the software, access to the hosted database and maintenance. We consider the fee to be fixed and determinable only at the time actual usage occurs, and, accordingly, we recognize revenue at the time of actual usage.

Implementation services and set-up activities are necessary for the client to receive services/ software. We defer up-front fees billed during the implementation/set-up phase and recognize such revenues on a straight-line basis over the estimated customer life. Recognition of this deferred revenue will commence upon the start of the monthly service. Implementation and set-up costs that are direct and incremental to the contract are capitalized and amortized on a straight-line basis over the estimated customer life.

Revenues are reflected net of customer sales allowances, which are based on both specific identification of certain accounts and a predetermined percentage of revenue based on historical experience.

Share-Based Compensation. We expense share-based payment awards made to employees and directors, including stock options, restricted stock units and performance share units. We estimate the value of stock options with vesting contingent upon the achievement of service conditions as of the date the award was granted using the Black-Scholes option pricing model. The Black-Scholes option-pricing model requires the use of certain input variables, as follows:

- ***Expected Volatility.*** Volatility is a measure of the amount the stock price will fluctuate during the expected life of an award. We determine the expected volatility based on the historical volatility of our stock price.
- ***Risk-Free Interest Rate*****.** We based the risk-free interest rates on the implied yield available on U.S. Treasury constant maturities in effect at the time of the grant with remaining terms equivalent to the respective expected terms of the stock options.
- ***Expected Dividend Yield.*** Our assumption of the dividend yield is based on our history and expectation of future dividend payouts and may be subject to substantial change in the future.
- ***Expected Award Life.*** We determine the expected life of an award by considering various relevant factors, including the vesting period and contractual term of the award, our employees' historical exercise patterns and length of service, the expected future volatility of our stock price and employee characteristics.

In addition to the variables above, we are also required to estimate at the grant date the likelihood that the award will ultimately vest (the "pre-vesting forfeiture rate"), and revise the estimate, if necessary, in future periods if the actual forfeiture rate differs. We determine the pre-vesting forfeiture rate of an award based on industry and employee turnover data as well as historical pre-vesting forfeitures occurring over the previous year. We recognize additional share-based compensation expense if the actual forfeiture rate is lower than estimated and a recovery of previously recognized share-based compensation expense if the actual forfeiture rate is higher than estimated.

The fair value of restricted stock units with vesting contingent upon the achievement of service conditions and performance share units with vesting contingent upon the achievement of performance conditions equals the intrinsic value on the date the award was granted.

To estimate the grant date fair value of performance share units and stock options with vesting contingent upon the achievement of market conditions, we utilize a Monte-Carlo simulation model which simulates a range of possible future stock prices for us and the identified peer companies.

Income Taxes. Income tax expenses or benefits are recognized for the amount of taxes payable or refundable for the current year and for deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. The measurement of current and deferred tax assets and liabilities is based on provisions of currently enacted tax laws. The effects of future enactments of changes in tax laws or rates are not contemplated.

In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues in the United States and other tax jurisdictions based on our estimate of whether, and the extent to which, additional tax liabilities are more likely than not to be assessed. If we ultimately determine that the obligation is unwarranted, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. This may occur for a variety of reasons, such as the expiration of the statute of limitations with respect to a particular tax return or the signing of a final settlement agreement with the respective tax authority. We record an additional charge in our provision for taxes in the period in which we determine that the recorded tax liability is less than we expect the ultimate assessment to be.

As part of the process of preparing consolidated financial statements, we are required to estimate our income taxes and tax contingencies in each of the jurisdictions in which we operate prior to the completion and filing of tax returns for such periods. This process involves estimating actual current tax expense together with assessing temporary differences, or reversing book-tax differences, resulting from differing treatment of items, such as amortization of intangibles, for tax and accounting purposes. These differences result in net deferred tax assets and liabilities.

We regularly assess the likelihood that our deferred tax assets will be realizable using the more-likely-than-not standard. In our assessment, we consider all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies. If we determine that our deferred tax assets do not meet the more-likely-than-not standard, we establish a valuation allowance. We exercise significant judgment relating to the projection of future taxable income. If judgments regarding recoverability of deferred tax assets change in future periods, we may need to adjust our valuation allowances, which could impact our results of operations in the period in which such determination is made.

As of December 31, 2015, we continue to maintain a valuation allowance on our U.S. deferred tax assets of $26.9 million due to the limitation in our ability to utilize foreign tax credit carryforwards prior to the expiration of the carryforward periods.

In assessing the future realization of our U.S. deferred tax assets, all available evidence was considered, including our U.S. cumulative income or loss position over the 12 quarters ended June 30, 2015 which included recent increases to interest expense. The U.S. cumulative loss position reduced the weight given to subjective evidence such as projections for future growth. As of each reporting date, our management considers new evidence, both positive and negative, that could impact management's view with regards to future realization of deferred tax assets. The Company relies heavily on Subpart F income as a future source of taxable income to support the conclusion that the domestic deferred tax assets were more-likely-than-not realizable. We believe that our estimate of future taxable income is reasonable but inherently uncertain, and if our current or future operations and investments generate taxable income different than the anticipated amounts or U.S. tax law changes reduce future Subpart F income, adjustments to the valuation allowance are possible.

Our foreign subsidiaries generate earnings that are not subject to U.S. income taxes so long as they are permanently reinvested in our operations outside of the U.S. Pursuant to ASC Topic No. 740-30 (formerly APB 23), undistributed earnings of foreign subsidiaries that are no longer permanently reinvested would become subject to deferred income taxes under U.S. tax law. In determining if the undistributed earnings of our foreign subsidiaries are permanently reinvested, we consider the following: (i) the forecasts, budgets and cash requirements of our U.S business and our foreign subsidiaries, both for the short and long term; (ii) the tax consequences of any decision to reinvest foreign earnings, including any changes in U.S. income tax law relating to the treatment of these undistributed foreign earnings; and (iii) any U.S. and foreign government programs or regulations relating to the repatriation of these unremitted earnings. If we were to conclude that our foreign earnings are no longer permanently reinvested, we would be required to provide deferred income taxes on these earnings, which would materially adversely affect our results of operations. Further, if we initiate actions to repatriate these unremitted earnings and precipitate payments of U.S. income taxes, such payments could materially adversely affect our liquidity.

Prior to fiscal year 2015, we asserted that the undistributed earnings of our foreign subsidiaries were permanently reinvested.

Primarily due to the increase in our U.S. debt service obligations resulting from the issuance of additional unsecured senior notes in the aggregate principal amount of $400.0 million during fiscal year 2015 and the issuance of additional unsecured senior notes in the aggregate principal amount of $850.0 million in July 2015, management concluded that the ability to access certain amounts of foreign earnings would provide greater flexibility to meet domestic cash flow needs without constraining foreign objectives. Accordingly, in the fourth quarter of fiscal year 2015 we withdrew the permanent reinvestment assertion on $350.0 million of earnings generated by certain of our foreign subsidiaries through fiscal year 2015. We provided for U.S. income taxes on the $350.0 million of undistributed foreign earnings, resulting in the recognition of a deferred tax liability of approximately $123.7 million. We recognized additional deferred income tax expense of $25.8 million related to the impact of fluctuations in foreign currency exchange rates during fiscal year 2015 on the portion of the $350.0 million of unremitted earnings generated prior to fiscal year 2015.

There is no certainty as to the timing of when such foreign earnings will be distributed to the U.S. in whole or in part. Further, when the foreign earnings are distributed to the U.S., we anticipate that a substantial portion of the resulting U.S. income taxes due would be reduced by existing deferred tax assets.

We have not provided for U.S. federal or foreign income taxes, including withholding taxes, on the remaining $840.7 million of undistributed earnings of our foreign subsidiaries as of December 31, 2015. We continue to assert that the $840.7 million of undistributed earnings is permanently reinvested in our foreign operations and have no current plans to repatriate those earnings. If we were to distribute those earnings in the form of dividends or otherwise, we could be subject to both U.S. income and foreign taxes and withholding taxes payable to various foreign countries. It is currently not practicable to compute the residual taxes due on such earnings as we do not know the time or manner in which we would distribute these earnings.

Derivative Financial Instruments. We utilize derivative financial instruments to manage interest rate and foreign currency exposures. Derivative financial instruments are recorded in the consolidated balance sheets at fair value. If the derivative is designated as a cash flow hedge or net investment hedge, the effective portions of the changes in the fair value of the derivative are initially recorded in accumulated other comprehensive income (loss) and are subsequently reclassified into earnings when the hedged transactions occur and affect earnings. Ineffective portions of changes in the fair value of cash flow and net investment hedges are recognized as a charge or credit to earnings. Derivative instruments not designated as hedges are marked-to-market at the end of each period with changes in fair value recognized in earnings.

The following is a summary of outstanding derivative financial instruments as of December 31, 2015:

- In April 2012, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps in the aggregate notional amount of €109.0 million. We pay Euro fixed coupon payments at 6.990% and receive U.S. dollar fixed coupon payments at 6.750% on the notional amount. The maturity date of the swaps is June 15, 2018. These cross-currency swaps were designated, at inception, as cash flow hedges and we evaluate the swaps for effectiveness quarterly. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. To date, there has been no hedge ineffectiveness.

- In November 2014, we entered into a pay floating / received fixed interest rate swap with a notional amount of $400.0 million. Under the terms of the interest rate swap, we pay quarterly floating coupon payments at 3-month LIBOR plus 3.924% and receive semi-annual fixed coupon payments at 6.000%. The maturity date of the interest rate swap is June 15, 2021, although the swap may be terminated at any time effective June 15, 2017 by the counterparty subject to the payment of a cancellation fee. The interest rate swap was not designated as a hedge at inception. We recognize changes in the fair value of the interest rate swap in other (income) expense, net in our consolidated statements of income (loss).
- In November 2014, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €401.6 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.993% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).
- In March 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €174.8 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.725% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was designated as a net investment hedge at inception. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. On October 1, 2015, we de-designated this cross-currency swap as a net investment hedge. Upon de-designation, we recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).
- In March 2015, we entered into a foreign exchange forward contract with a notional amount of €472.9 million. Under the terms of the forward contract, we pay predetermined forward rate on the settlement date. The foreign exchange forward contract was not designated as a hedge at inception. We recognize changes in the fair value in other (income) expense, net in our consolidated statements of income (loss). In July 2015, we partially settled the foreign exchange forward contract for a cash payment of $8.9 million which is reported in other (income) expense, net in our consolidated statements of income (loss). Settlement of the remaining foreign exchange forward contract with a notional amount of €235.8 million was extended to July 2016.
- In July 2015, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps, each with a notional amount of €137.0 million. Under the terms of the cross-currency swaps, we pay Euro fixed coupon payments at 5.135% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swaps is November 1, 2018. One of the cross-currency swaps was designated as a net investment hedge at inception and one was not designated as a hedge at inception. We report the effective portion of the gain or loss on the cross-currency swap designated as a net investment hedge

as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. On October 1, 2015, we de-designated this cross currency swap as a net investment hedge. Upon de-designation, we recognize changes in the fair value of the cross-currency swaps in other (income) expense, net in our consolidated statements of income (loss).

- In July 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €274.0 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 5.585% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swap is November 1, 2023. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).

We determined the estimated fair value of our derivatives using an income approach and standard valuation techniques that utilize market-based observable inputs including spot and forward interest and foreign currency exchange rates, volatilities and interest rate curves at observable intervals. Our estimate of fair value also considers the risk that the swap contracts will not be fulfilled.

Redeemable Noncontrolling Interests. Certain of the ownership interests in our consolidated subsidiaries held by noncontrolling owners are considered redeemable outside of our control. Accordingly, we have presented these redeemable noncontrolling interests as a mezzanine item in our consolidated balance sheet.

If redeemable at fair value, the redeemable noncontrolling interests are reported at their fair value with any adjustment of the carrying value to fair value recorded to common shares in stockholders' equity. We estimate the fair value of our noncontrolling interests through an income approach, utilizing a discounted cash flow model, and a market approach, which considers comparable companies and transactions.

Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specific projection period and a residual value related to future cash flows beyond the projection period. Both values are discounted to reflect the degree of risk inherent in an investment in the reporting unit and achieving the projected cash flows. A weighted average cost of capital of a market participant is used as the discount rate. The residual value is generally determined by applying a constant terminal growth rate to the estimated net cash flows at the end of the projection period. Alternatively, the present value of the residual value may be determined by applying a market multiple at the end of the projection period.

Under the market approach, fair value is determined based on multiples of revenues and earnings before interest, taxes, depreciation and amortization for each reporting unit. The multiples were determined based on a selection of comparable companies and acquisition transactions, discounted for each reporting unit to reflect the relative size, diversification and risk of the reporting unit in comparison to the indexed companies and transactions.

Although we considered the fair value under both the income and market approaches, we ultimately determined the fair value of our redeemable noncontrolling interests based solely upon the income approach, which utilizes a discounted cash flow as we believe this is the best indicator of fair value. The key assumptions in the discounted cash flow model include a discount rate and a long-term growth rate. The discount rate used in the determination of the estimated fair value of the redeemable noncontrolling interests as of December 31, 2015 using the income approach ranged between 12.8% and 16.4%, with a weighted average discount rate of 13.2%, reflecting a market participant's perspective as a noncontrolling shareholder in a privately-held subsidiary. The long-term growth rate used in the determination of the estimated fair value of the redeemable noncontrolling interests as of December 31, 2015 using the income approach was 4.0%.

Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU Topic No. 2014-09, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in ASC Topic No. 605, *Revenue Recognition*, and most industry-specific guidance. This guidance primarily requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU Topic No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the effective date, which deferred the effective date of ASU Topic No. 2014-09 for one year. As a result, ASU Topic No. 2014-09 will be effective for our fiscal year 2019. ASU Topic No. 2014-09 permits the use of either the retrospective or cumulative effect transition method. We have not yet selected a transition method and are currently evaluating the effect that ASU Topic No. 2014-09 will have on our financial condition, results of operations and financial statement disclosures.

In August 2014, the FASB issued ASU Topic No. 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern*, which requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements. ASU Topic No. 2014-15 is effective for our fiscal year 2017. We do not expect the adoption of this standard to have a material impact on our financial statements.

In April 2015, the FASB issued ASU Topic No. 2015-3, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs,* which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU Topic No. 2015-3 is effective for our fiscal year 2017. Given the absence of authoritative guidance within ASU Topic No. 2015-03 for debt issuance costs related to line-of-credit arrangements, in August 2015, the FASB issued ASU Topic No. 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements—Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting*, which clarified the presentation and measurement requirements of debt issuance costs incurred in connection with line-of-credit arrangements. ASU Topic No. 2015-15 allows an entity to either defer and present debt issuance costs as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement, or present them as a direct deduction from the carrying amount of the debt as provided by ASU Topic No. 2015-3. ASU Topic No. 2015-15 is effective for our fiscal year 2017. The adoption of these standards will result in reclassification of debt issuance costs from assets to liabilities.

In April 2015, the FASB issued ASU Topic No. 2015-5, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement,* which provides guidance to help entities determine whether a cloud computing arrangement includes a software license and evaluate fees paid by a customer in a cloud computing arrangement. ASU Topic No. 2015-5 is effective for our fiscal year 2017. We do not expect the adoption of this standard to have a material impact on our financial statements.

In September 2015, the FASB issued ASU Topic No. 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*, which allows an entity to recognize adjustments to provisional amounts that in a business combination in the reporting period in which the adjustment amounts are determined. ASU Topic No. 2015-16 is effective for our fiscal year 2017. We do not expect the adoption of this standard to have a material impact on our financial statements.

In November 2015, the FASB issued ASU Topic No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*, which requires deferred tax assets and liabilities to be classified as noncurrent assets or noncurrent liabilities. ASU Topic No. 2015-16 is effective for our fiscal year 2018. We do not expect the adoption of this standard to have a material impact on our financial statements.

In January 2016, the FASB issued ASU Topic No. 2016-1, *Financial Statements - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which requires equity investments to be measured at fair value with changes in fair value recognized in income; use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or the accompanying notes to the financial statements; present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk; and eliminates the requirement disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet. ASU Topic No. 2016-1 is effective for our fiscal year 2019. We do not expect the adoption of this standard to have a material impact on our financial statements.

Quantitative and Qualitative Disclosures About Market Risk

Pre-Transactions

Foreign Currency Risk

We conduct operations in many countries around the world. As a result, our results of operations are subject to both currency transaction risk and currency translation risk. We incur currency transaction risk when we enter into either a purchase or sale transaction using a currency other than the local functional currency. With respect to currency translation risk, our financial condition and results of operations are measured and recorded in the relevant local functional currency and then translated into U.S. dollars for inclusion in our consolidated financial statements.

Exchange rates between most of the major foreign currencies we use to transact our business and the U.S. dollar have fluctuated significantly over the last few years and we expect that they will continue to fluctuate. The majority of our revenues and costs are denominated in Euros, Pound Sterling, Swiss francs, Canadian dollars and other foreign currencies. The following table provides the average quarterly exchange rates for the Euro and Pound Sterling since the beginning of fiscal year 2015:

Period	Average Euro-to-U.S. Dollar Exchange Rate	Average Pound Sterling-to-U.S. Dollar Exchange Rate
Quarter ended September 30, 2014	$1.33	$1.67
Quarter ended December 31, 2014	$1.25	$1.58
Quarter ended March 31, 2015	$1.13	$1.52
Quarter ended June 30, 2015	$1.11	$1.53
Quarter ended September 30, 2015	$1.11	$1.55
Quarter ended December 31, 2015	$1.10	$1.52

During fiscal year 2015, as compared to fiscal year 2014, the U.S. dollar strengthened against most major foreign currencies we use to transact our business. The average U.S. dollar strengthened versus the Euro by 11.4% and the Pound Sterling by 3.2%, which decreased our revenues and expenses during fiscal year 2015. A hypothetical 5% increase or decrease in the U.S. dollar versus other currencies in which we transact our business would have resulted in an increase or decrease, as the case may be, to our revenues of $31.7 million during fiscal year 2015.

During the six months ended December 31, 2015 as compared to the six months ended December 31, 2014 the U.S. dollar strengthened against most major foreign currencies we use to transact our business. The average U.S. dollar strengthened versus the Euro by 14.3% and the Pound Sterling by 5.7%, which decreased our revenues and expenses for the six months ended December 31, 2015. A hypothetical 5% increase or decrease in the U.S. dollar versus other currencies in which we transact our business would have resulted in an increase or decrease, as the case may be, to our revenues of $15.5 million during the six months ended December 31, 2015.

The following is a summary of outstanding derivative financial instruments as of December 31, 2015 that are relevant to our exposure to foreign currency risk:

- In April 2012, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps in the aggregate notional amount of €109.0 million. We pay Euro fixed coupon payments at 6.990% and receive U.S. dollar fixed coupon payments at 6.750% on the notional amount. The maturity date of the swaps is June 15, 2018. These cross-currency swaps were designated, at inception, as cash flow hedges and we evaluate the swaps for effectiveness quarterly. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. To date, there has been no hedge ineffectiveness.
- In November 2014, we entered into a pay floating / received fixed interest rate swap with a notional amount of $400.0 million. Under the terms of the interest rate swap, we pay quarterly floating coupon payments at 3-month LIBOR plus 3.924% and receive semi-annual fixed coupon payments at 6.000%. The maturity date of the interest rate swap is June 15, 2021, although the swap may be terminated at any time effective June 15, 2017 by the counterparty subject to the payment of a cancellation fee. The interest rate swap was not designated as a hedge at inception. We recognize changes in the fair value of the interest rate swap in other (income) expense, net in our consolidated statements of income (loss).
- In November 2014, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €401.6 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.993% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).
- In March 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €174.8 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.725% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was designated as a net investment hedge at inception. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. On October 1, 2015, we de-designated this cross currency swap as a net investment hedge. Upon de-designation, we recognize changes in the fair value of the cross-currency swap in other (income) expenses, net in our consolidated statements of income (loss).

- In March 2015, we entered into a foreign exchange forward contract with a notional amount of €472.9 million. Under the terms of the forward contract, we pay predetermined forward rate on the settlement date. The foreign exchange forward contract was not designated as a hedge at inception. We recognize changes in the fair value in other (income) expense, net in our consolidated statements of income (loss). In July 2015, we partially settled the foreign exchange forward contract for a cash payment of $8.9 million which is reported in other (income) expense, net in our consolidated statements of income (loss). Settlement of the remaining foreign exchange forward contract with a notional amount of €235.8 million was extended to July 2016.
- In July 2015, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps, each with a notional amount of €137.0 million. Under the terms of the cross-currency swaps, we pay Euro fixed coupon payments at 5.135% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swaps is November 1, 2018. One of the cross-currency swaps was designated as a net investment hedge at inception and one was not designated as a hedge at inception. We report the effective portion of the gain or loss on the cross-currency swap designated as a net investment hedge as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. On October 1, 2015, we de-designated this cross currency swap as a net investment hedge. Upon de-designation, we recognize changes in the fair value of the cross-currency swaps in other (income) expense, net in our consolidated statements of income (loss).
- In July 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €274.0 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 5.585% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swap is November 1, 2023. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).

Interest Rate Risk

Our outstanding long-term debt as of December 31, 2015 consists entirely of senior unsecured notes that bear interest at a fixed interest rate. Accordingly, we are not subject to interest rate risk on our indebtedness. However, in November 2014, we entered into a pay floating / received fixed interest rate swap with a notional amount of $400.0 million. Under the terms of the interest rate swap, we pay quarterly floating coupon payments at 3-month LIBOR plus 3.924% and receive semi-annual fixed coupon payments at 6.000%. The maturity date of the interest rate swap is June 15, 2021, although the swap may be terminated at any time effective June 15, 2017 by the counterparty subject to the payment of a cancellation fee. The interest rate swap was not designated as a hedge at inception. We recognize changes in the fair value of the interest rate swap in other (income) expense, net in our consolidated statements of income.

Post-Transactions

We will be exposed to changes in interest rate following the Transactions. Borrowings under the New Term Loan Facility and the New Revolving Facility will be variable rate debt. Interest rate changes generally impact the amount of our interest payments and, therefore, our future net income and cash flows, assuming other factors are held constant.

Assuming we had completed the Transactions and applied the proceeds as set forth in the section "Use of Proceeds" as of December 31, 2015, we would have had $2,200.0 million aggregate principal amount of variable rate debt. Holding other variables constant, an increase in interest rates by 0.25% (25 basis points) on our variable debt would increase our annual interest expense by approximately $5.5 million.

BUSINESS

Our Company

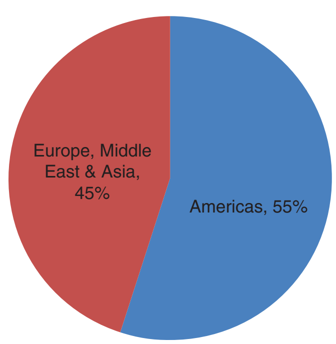
We are a leading provider of risk and asset management software and services to the automotive and property marketplace, including the global property and casualty insurance industry. We are expanding beyond our global-leading position in collision repair and U.S.-based mechanical repair presence to bring data driven productivity and decision support solutions to other aspects of vehicle ownership such as parts procurement, vehicle re-insurance underwriting, driver violation monitoring, electronic titling, vehicle validation, CRM-SMR solutions, vehicle valuation and digital content applications. We are also taking our core competencies of data, software and connectivity from the auto to the home.

Our Customers

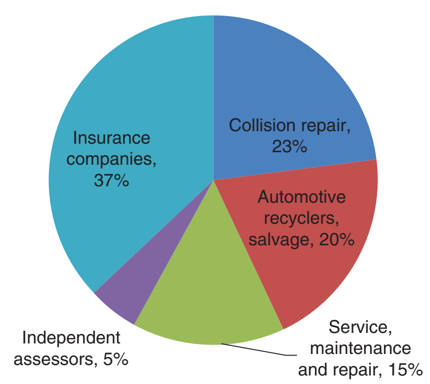
We serve approximately 195,000 customers and are active in over 75 countries across six continents with approximately 5,400 employees. Our customers include more than 4,000 automobile insurance companies, 60,500 collision repair facilities, 12,600 independent assessors, 49,000 service, maintenance and repair facilities and 68,400 automotive recyclers, auto dealers and others. We derive revenues from many of the world's largest automobile insurance companies, including the ten largest automobile insurance companies in Europe and eight of the ten largest automobile insurance companies in North America. No single customer accounted for more than 3.0% and 2.9% of our revenue for the fiscal year ended June 30, 2015 and for the six months ended December 31, 2015, respectively, and our ten largest customers accounted for only 15% of total revenues for the fiscal year ended June 30, 2015.

The charts below depict our revenue split by geography and customer type for the twelve months ended December 31, 2015.

Revenues by Geography



Revenues by Customer



Our Vision

In the future, we believe the digital lifestyles of our customer's customers (we work with the end customer in mind but always offer our services through our business customers, hence the term, "customer's customers") will require all aspects of auto and home ownership to be digitally enabled and connected. We believe that Solera, with its diverse data based platforms, will be uniquely positioned to serve this need. We intend to serve the complete auto lifecycle needs and leverage our core competencies of data, software and networking to digitize property claims management.

Our History

Solera Holdings, LLC was founded in March 2005 by Tony Aquila, our Chairman of the Board, Chief Executive Officer and President, and affiliates of GTCR Golder Rauner II, L.L.C., a private equity firm. In April 2006, subsidiaries of Solera Holdings, LLC acquired Claim Services Group, which was originally founded in 1966 by Swiss Re Corporation, from Automatic Data Processing, Inc. for approximately $1.0 billion (the “CSG Acquisition”). Prior to the CSG Acquisition, Solera Holdings, LLC’s operations consisted primarily of developing our business plan, recruiting personnel, providing consulting services, raising capital and identifying and evaluating operating assets for acquisition.

In connection with our initial public offering in May 2007, we converted from Solera Holdings, LLC, a Delaware limited liability company, into Solera Holdings, Inc., a Delaware corporation, and all of the Class A Common Units and Class B Preferred Units of Solera Holdings, LLC were converted into shares of Solera common stock.

We have deployed approximately $4 billion in capital in 40 transactions since 2006 to expand our platform from collision repair to all aspects of vehicle lifecycle ownership.

Platforms

We currently operate three platforms—RMS, SMR and CRM. At the core of our software and services are our proprietary databases. Each of our databases has been adapted for use in our local markets. Over the last five years, we have invested over $100 million annually (including $135 million in fiscal year 2015) to maintain and expand our proprietary databases and related software applications. Our primary databases include our repair estimating database, our total loss database, our claims database, our vehicle validation database, our motor vehicle record database, our salvage parts database, our service maintenance and repair databases, our customer retention solution databases and our property database.

The descriptions of the risk and asset management solutions provided by our platforms are summarized in the following chart.

	Risk & Asset Management Solutions						
	Risk Management Solutions (RMS)		Service, Maintenance & Repair (SMR)		Customer Retention Management (CRM)		
Total FY15 Revenues	$658 million (58%)		$160 million (14%)		$323 million (28%)		
Product Lines	Claims	Property	Diagnostics	Parts	Owner	CRM-SMR	Valuation
FY15 Revenue Distribution	98%	2%	61%	39%	78%	13%	9%
Customers	Insurance Companies, Assessors, Collision Repair Facilities, Salvage		SMR Facilities, Recyclers		Auto Dealers, Insurance Companies, Auto Finance, Individual Vehicle Owners		
Total Addressable Market ($29B)	$11 billion		$8 billion		$10 billion		
	$7 billion	$4 billion	$3 billion	$5 billion	$4 billion	$4 billion	$2 billion
Description	Digitize and streamline the claims process with must-have software and data solutions embedded in customers workflow	Deliver efficiency, standardization and transparency to property repair process	Digital applications that empower automotive repair professionals to diagnose and repair vehicles efficiently, accurately and profitably	Global procurement solutions for all part types including OEM, aftermarket and recycled parts for collision and mechanical repair	Driver monitoring, e-tltling and vehicle validation solutions for insurers, dealers, commercial fleets and state governments	Digital platform and tools to manage customer relationships improving revenue, retention and customer satisfaction	Real-time vehicle valuation and technical data to manage risk and improve profitability for automotive businesses
Market Position	Number one global provider of automobile claims processing	Emerging player in automated claims handling	Number one U.S. provider of experience-based repair solutions	One of the leading North American provider of electronic parts exchanges	One of the leading U.S. providers of driver event monitoring One of the leading U.K. providers of vehicle validation	Largest integrated CRM retention system in North America	U.K. industry standard for valuation data A leading provider of valuations to the insurance industry
Pricing Type	Subscription/ Transaction	Subscription/ Transaction	Subscription/ Incremental pay-per-call	Subscription/ Incremental per transaction	Transaction	Subscription/ Transaction	Subscription/ Transaction
Use-Cases	Estimating and workflow software to manage overall claims process, estimate cost to repair, enable ecommerce for all part types, calculate pre-collision fair market value BPO services for first notice of loss for vehicle, glass and property damage Electronic auction network connecting buyers and sellers for total loss vehicles to maximize proceeds for insurers	Fast and accurate invoice checking resulting in overall claims cost reduction	Cognitive confirmed-fix cloud solutions for automotive technicians, and on-demand connectivity to certified master technicians for diagnostics, service and repair guidance Synthesize and categorize authentic OEM and factory manual content for 360-degree solutions for any vehicle problems	Parts inventory database to locate locally available automobile parts Automated sourcing, pricing and purchasing alternative parts Electronic parts catalog development Salvage yard management solutions	Driver violation monitoring for insurance underwriting and federal motor carrier compliance Electronic title and registration for new and used vehicle sales Registered vehicle information to verify ownership, finance-related lien, mileage discrepancies, reported stolen or total loss	Customer specific recommendations for maintenance and repair Individualized communication tools for automotive sales, service, repair providers to partner with customers	Valuations and specifications for new and used vehicles providing pricing transparency for accurate pricing decisions

RMS: Risk Management Solutions Platform

Through our RMS platform, we optimize the entire claims management process for our customers in the automotive and property marketplace. Our automotive-related solutions include partial loss and total loss claims processing, body shop management and workflow products and services, automotive glass claims and replacement solutions, subrogation solutions and salvage vehicle disposition platforms and solutions. Our property-related solutions include business process outsourcing and first notice of loss products and services, as well as repair invoice auditing services. On an annual basis, we process approximately 32 million insurance claims, including approximately 60% of digitally processed claims globally.

Our RMS platform represented 58% of our total revenue for the fiscal year ended June 30, 2015. RMS revenue was $658 million, $619 million and $585 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing a CAGR of approximately 6%. We estimate that the total addressable market for RMS is approximately $11 billion, consisting of approximately $7 billion in claims processing and approximately $4 billion in property-related solutions.

For the fiscal year ended June 30, 2015, RMS generated 63% and 37% of its revenues from EMEA and Americas, respectively, and 98% and 2% of its revenues from claims processing and property related solutions, respectively.

The Automobile Insurance Claims Process

An overview of the automobile insurance claims process and its complexities provides a framework for understanding how our customers can derive value from our software and services. The automobile insurance claims process generally begins following an automobile collision and consists of the following steps:

First Notice of Loss

- The policyholder initiates the claim process with the insurance company.
- The insurance company assigns the claim to an assessor and/or a collision repair facility.

Investigation

- The assessor conducts interviews, examines photos and reviews police reports.
- The insurance company, assessor or collision repair facility estimates the cost to repair the vehicle.
- In the case of a heavily damaged vehicle, the assessor or collision repair facility may request a pre-accident vehicle valuation.

Evaluation

- The insurance company reviews the estimate and/or pre-accident valuation and confirms the results of the investigation.
- The insurance company may request additional information and/or require follow-up investigation.

Decision

- The insurance company determines whether the vehicle should be repaired or declared a total loss.
- Based on its evaluation, the insurance company determines who is liable for the claim and the repair or total loss amount it intends to pay.

Settlement

- The insurance company notifies the policyholder or the collision repair facility of the amount it intends to pay.

	• The policyholder or collision repair facility may negotiate the final payment amount with the insurance company.
	• In some cases, two or more insurance companies may settle claims amongst themselves depending on fault or payment liability.
Vehicle Repair	• The collision repair facility repairs the vehicle if it is not a total loss.
	• The collision repair facility or the insurance company may periodically communicate the repair status to the insured policyholder.
	• The collision repair facility purchases replacement parts from original equipment manufacturers, or OEMs, aftermarket parts makers or automotive recyclers.
	• Further revisions to the claim payment amount may occur if additional damage or cost savings are identified.
Payment	• The insurance company pays the policyholder or the collision repair facility in the case of a repairable vehicle.
	• The insurance company pays the policyholder the pre-accident value (less the amount of the insurance deductible) of the vehicle in the case of a total loss.
	• The insurance company is paid the actual cash value of the total loss vehicle by the buyer of the salvage vehicle.

Each of these steps consists of multiple actions requiring significant and complex interaction among several parties. For example, the investigation step generally involves insurance companies, assessors, collision repair facilities and automotive recyclers and includes conducting interviews, taking and examining photographs, obtaining and reviewing police reports and estimating repair costs and salvage values. When performed manually, many of these tasks, such as the mailing of vehicle photographs or the estimating of vehicle repair costs, can be time-consuming. In addition, without an efficient means of communication that facilitates real-time access to data, claim-related negotiations can result in increased cycle times and unnecessary costs.

Key Drivers of Automobile Insurance Claims Processing Demand

The primary participants in the automobile insurance claims processing industry with whom we do business are automobile insurance companies, collision repair facilities, independent assessors and automobile dealers, service, maintenance and repair facilities, and automotive recyclers, salvage, and dealerships. We believe that the principal drivers of demand for our software and services are:

Claims process fragmentation

The automobile insurance claims process involves many parties and consists of many steps, which are often managed through paper, fax and other labor intensive processes. Our software and services simplify and streamline the claims process, allowing our customers to process claims faster and reduce their costs.

Asymmetrical information

Collision repair facilities typically have more information about vehicles in their shops than do insurance companies who often must make their damage estimates remotely or with limited information. Our databases provide insurance companies access to detailed information about vehicle damage, repair times and replacement costs, allowing them to more accurately estimate fair settlement values and reduce overpayment on claims.

Disparate claims data

Claims-related data generated by automobile insurance companies often is not stored, shared with other parties or captured in a format that is easily transferable to other applications. This, combined with the inability to transfer and manipulate data easily across multiple applications, hinders comparisons of repairs and claims. Our databases are constantly updated for actual claims data from industry participants. Having access to our databases helps insurance companies generate more accurate repair estimates and identify top-performing collision repair facilities.

Conflicting interests of industry participants

Collision repair facilities benefit from high repair costs, which increase their revenues. Conversely, insurance companies benefit from low repair costs, which reduce their expenses. This conflict can result in high settlement costs and delays. Our software and services provide repair cost estimates that rely on common data sources which in turn reduce these costs and delays.

Inefficient collision repair facility workflow

Many collision repair facilities manage their complex workflows manually or without specialized software. Manual workflow management leads to increased processing time, higher costs and more errors, problems that generally intensify as vehicles become more technologically complex, the number of vehicle models proliferate and as repair facilities grow. Our claims processing software and services assist collision repair facilities in effectively managing their workflows and obtaining detailed part availability and pricing information.

Importance of communications between insurance and repair companies and their customers

Insurance policyholders and collision repair customers increasingly rank communications and access to information as critical factors in their satisfaction. These factors directly impact their decision-making process as well as their willingness to recommend body shops to their insureds. Our software and services enable our insurance and collision repair customers to provide transparent communications, increasing both customer retention and new customer acquisition.

Our Automotive Claims Solutions and Databases

Our automotive software and services include the following general categories: estimating and workflow software and databases, salvage disposition software, subrogation solutions, automotive glass solutions, business intelligence and consulting services. The majority of our customers access our software and services through a standard Web browser utilizing a “software on demand” model. By subscribing to our services, our customers can reduce upfront investments in software, hardware, implementation services and information technology staff that they would typically make with traditional software solutions.

Estimating and Workflow Software

Our core offering is our estimating and workflow software. Our estimating and workflow software helps our customers manage the overall claims process, estimate the cost to repair a damaged vehicle, and calculate the pre-collision fair market value of a vehicle. Key functions of our estimating and workflow software include: capturing first notice of loss information; assigning, managing and monitoring claims and claim-related events; accessing and exchanging claims-related information; calculating, submitting, tracking and storing repair and total loss estimates; reviewing, assessing and reporting estimate variations based upon pre-set rules; routing shop estimates for manual review; and scheduling repairs and automating parts ordering.

Salvage Disposition Software

Generally, if the estimated cost to repair a vehicle reaches a threshold or percentage of the actual cash value of the vehicle, it is declared a total loss. Our salvage disposition software and networks help insurers maximize the proceeds of disposing of the totaled vehicle by connecting buyers and sellers via an electronic auction network. Key functions of our salvage disposition software include: determining the value of a vehicle in real-time as the repair estimate is being written to determine the actual cash value as an aid in determining if a vehicle is a total loss; determining the actual cash value of a vehicle allowing the insurance company to maximize its yield; and connecting sellers with qualified buyers.

Subrogation

We provide web-based subrogation solutions that lower processing costs, automate processes for efficiency, provide objectivity, and increase accuracy for both subrogation claims and out-of-network claims in the United States. This drives consumer satisfaction by allowing insurance companies, assessors, and collision repair shops to seamlessly process out-of-network claims, regardless of the estimating platform being used.

Claims Database

Our claims database enables our customers to evaluate their internal claims process performance, as well as measure the performance of their business partners. Our employees also use this database to provide consulting services to our customers and develop new software and services. Customers use this database to benchmark their performance against their local peer group through detailed analyses of comprehensive industry data. Compiled over the past 15 years, this database contains approximately two billion data records representing over 340 million automobile repair claims and over $200 billion in claims payments. We update this database by incorporating more than 650,000 additional repair estimates every week.

Repair Estimating Database

We have developed our repair estimating database over 48 years through the development, collection, organization and management of automobile-related information. The data in this database enables our customers to estimate the cost to repair a damaged vehicle. This database:

- contains detailed cost data for each part and the required labor operations needed to complete repairs on over 5,500 vehicle types;
- covers over 99.2% of the vehicle models in our core markets;
- includes vehicles data dating back to 1967;
- includes over 8.0 million parts for vehicles with multiple model years, editions, option packages and country-specific variations;
- includes over 6.5 million aftermarket parts; and
- includes over 5.9 million graphics.

We update this database with data provided to us by third parties, including original equipment manufacturers, or OEMs, and aftermarket part suppliers, and automotive recyclers, along with data we develop through our proprietary analyses of local labor repair times and damage repair techniques. The quality and accuracy of the database, which are very important to each of our customers, are continuously monitored and maintained using rigorous quality control processes, which include updating over 2.4 million data records every month.

Salvage Vehicle Database

Our salvage vehicle database helps our customers buy, sell and estimate the value of salvage vehicles. Through our eSalvage exchange each year, our customers list approximately 1.2 million salvage vehicles for sale and more than 10,600 qualified bidders enter approximately 8.0 million bids for the purchase of salvage vehicles.

Automotive Glass Repair

Claims involving the breakage of vehicle glass, are characterized as high-frequency, low-severity and have long been considered a burden in claim operations for many major insurance carriers. Since auto glass-only claims represent a small fraction of total auto severity, carriers often outsource these claims in order to focus on the higher dollar cases, such as total loss and auto/medical claims. There are about 14 million glass repair or replacements performed annually in the United States. Approximately one-half of these are insured claims.

Operating under the brand names of LYNX Services, GTS Services and GLAXIS, we provide software and business management tools, third-party claims administration, first notice of loss and network management services to the U.S. auto insurers, glass repair facilities and suppliers specializing in glass claims. Our services allow insurance companies to cost-effectively handle glass claims while providing high levels of customer service to their customers. In addition, through our software services, we allow glass repair facilities to operate more efficiently through enhanced workflow and scheduling. We also create efficiency within the supply chain by connecting glass repair facilities and suppliers.

Our Property Claims Solutions and Databases

In addition to automobile insurance, many of our insurance customers also provide property insurance. Through the use of our products and services, we can now deliver efficiency, standardization and transparency to the property repair process. Insurers face many of the same challenges in property insurance claims as in auto collision repair:

Claims process fragmentation

The property insurance claims process involves many parties and consists of many steps, which are often managed through paper, fax and other labor intensive processes. Our software and services simplify and streamline the claims process, allowing our customers to process claims faster and reduce their costs.

Asymmetrical information

Property repair contractors typically have more information about the repair process than do insurance companies who often must make their damage estimates remotely or with limited information. Our databases provide insurance companies access to detailed information about property damage, repair times and replacement costs, allowing them to more accurately estimate fair settlement values and reduce overpayment on claims.

Disparate claims data

Claims-related data generated by property insurance companies often is not stored, shared with other parties or captured in a format that is easily transferable to other applications. This, combined with the inability to transfer and manipulate data easily across multiple applications, hinders comparisons of repairs and claims. Our databases are constantly updated for actual claims data from industry participants. Having access to our databases helps insurance companies generate more accurate repair estimates and identify top-performing collision repair facilities.

Conflicting interests of industry participants

Property repair contractors benefit from high repair costs, which increase their revenues. Conversely, insurance companies benefit from low repair costs, which reduce their expenses. This conflict can result in high settlement costs and delays. Our software and services provide repair cost estimates that rely on common data sources which in turn reduce these costs and delays.

Through Sachcontrol, we now have a proprietary property database of approximately 160 million data points which delivers significant value to insurers by providing fast and accurate property claims invoice checking resulting in claims cost reduction. Sachcontrol's data set, the most comprehensive of its kind in Germany and Austria, is localized across 3,700 zip codes and covers 19,000 repair steps and over 20 construction trades.

SMR: Service, Maintenance & Repair Platform

Our SMR platform empowers automotive repair professionals to diagnose and repair vehicles efficiently, accurately and profitably by leveraging proprietary data and processes. Additionally, our SMR platform includes a premier parts procurement platform sourcing all part types including OEM, aftermarket and recycled parts, serving both collision and mechanical repair facilities. These applications help automotive repair facilities increase their efficiency, profitability and customer loyalty.

Our SMR platform represented 14% of our total revenues for the fiscal year ended June 30, 2015. SMR revenue was $160 million, $112 million and $53 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing a CAGR of approximately 74%. We estimate that the total addressable market for SMR is approximately $8 billion, consisting of approximately $3 billion in diagnostic solutions and approximately $5 billion in parts solutions.

For the fiscal year ended June 30, 2015, SMR generated 5% and 95% of its revenues from EMEA and Americas, respectively, and 61% and 39% of its revenues from diagnostic solutions and parts solutions, respectively.

Vehicle Maintenance, Diagnostics and Mechanical Repair Process

An overview of the automobile maintenance, diagnostics and repair process and its complexities provides a framework for understanding how our customers can derive value from our software and services.

OEMs typically provide a warranty on new vehicles for a period of years or miles covered. These warranties cover specified repairs and sometimes maintenance during the warranty period and these services are typically performed at the automobile dealer. Motor vehicle service is a series of maintenance procedures carried out at a set time interval or after the vehicle has travelled a certain distance. The vehicle manufacturer specifies service intervals and some modern cars display the due date for the next service electronically on the instrument panel.

There are 16,400 automobile dealers in the United States. According to the NADA, in 2014, warranty work performed by franchised dealers was valued at $17.1 billion in service and parts—all at no cost to the vehicle owner. Additionally, NADA estimated Americans spent a total of $91.7 billion at franchised dealerships in 2014 for repairs, maintenance, tires, batteries, oil and accessories for automobiles and light trucks used in personal transportation.

After the OEM warranty expires, vehicle owners typically have their vehicles serviced and maintained at either an automobile dealer or at chain or independent repair facility.

There are approximately 275,000 chain and independent repair facilities in the United States. An NHTSA analysis led to a primary estimate that approximately 40% of the costs associated with auto repair were unnecessary. The NHTSA reports that the consumer losses associated with improper repair and maintenance are attributable to (among other factors):

- Unneeded repairs due to inadequate diagnosis;
- Unneeded repairs sold with possible fraudulent intent;
- Wasteful over-frequent preventive maintenance;
- Accidents due to under maintenance or faulty repairs; and
- Cars prematurely retired due to under maintenance or faulty repairs.

Key Drivers of Vehicle Maintenance, Diagnostics and Mechanical Repair Process Demand

The automotive SMR market is driven by a structural and growing imbalance between supply and demand. Supply is constrained by a diminishing number of highly qualified auto technicians (due to aging/retirement of the technician population and fewer technicians becoming certified) capable of efficiently diagnosing and servicing today's increasingly complex vehicles. Demand, on the other hand, is increasing due to a confluence of several factors, including:

- Near-record high of 253 million vehicles in operation in the United States, and growing, with new-vehicle sales expected to reach pre-2008 recession levels of over 16.4 million units by 2014, according to NADA;
- The average age of vehicles on the road in the United States is at a record high of almost 11.4 years according to the Automotive Aftermarket Industry Association; and
- Increasing vehicle complexity.

Our Vehicle Maintenance, Diagnostics and Mechanical Repair Solutions and Databases

One of the most efficient ways to bridge the growing gap between fewer and less experienced technicians servicing a greater number of more technologically complex vehicles, is to empower those technicians through the implementation and application of technology.

Vehicle SMR generates the overwhelming majority of operating profits for both aftermarket shops and dealerships, reinforcing their imperative to meet growing market demand effectively. In this context, the ability to increase the quality and efficiency of automotive service and repair, and improve vehicle owner satisfaction and retention, represents a significant value proposition. Our Identifix services play a unique, vital and growing role in the automotive ecosystem by helping to meet this high-value need with proprietary data, technology and workflow optimization solutions.

With proprietary data covering more than 760,000 real world vehicle issues and growing every day, we believe that our online subscription solutions deliver the most comprehensive, authoritative, accurate and reliable information for vehicle service and repair in the world.

The primary source of the original fix data is our Identifix Repair Hotline, a pay-per-call technical assistance service that connects professional automotive technicians across North America live with ASE certified master mechanics who provide diagnostic services and repair guidance to service and repair professionals. The information from Identifix Repair Hotline calls, including more than four million inbound technical assistance calls over the last 26 years, is continually added to the database, providing an ongoing source of new proprietary data regarding vehicle problems and the best way to fix them, and further acting as a critical source of proprietary real-world fix data that keeps our solution current, highly relevant and uniquely valuable to our customers.

Supplementing the Identifix Repair Hotline data is content from a number of third party sources, including most notably OEMs. Our solution synthesizes and categorizes authentic OEM-authored information and factory manual content, and integrates this data to provide full 360-degree solutions for vehicle problems of any type. With over 24 million documents from most major OEMs this authentic OEM information supplements the real-world diagnostic data with factory-accurate protocols, guidelines and diagrams governing how to repair diagnosed vehicle problems.

Identifix is the number one U.S. database of experiential diagnostic test and fix data for aftermarket repairs, serving over 50,000 rooftops and a network of over 270,000 automotive technicians. Identifix processes over 20 million SMR events annually using a proprietary database search functionality that covers approximately one million fixes.

Automotive Recycling Industry

The automotive recycling industry is highly fragmented. For example, there are $22 billion in estimated annual sales in the U.S. market by more than 8,200 independent salvage and recycling facilities. These facilities play an important role in the ecological and economical disposal and recycling of inoperable motor vehicles. The automotive recycling industry is a valuable source of cost-effective and often hard-to-find used vehicle replacement parts. Solera serves the automotive recycling industry through Hollander and APU Solutions in North America and through Hollander International in Australia and selected European countries.

Our data, software and services help customers to keep pace with more stringent buyer requirements, increased government regulations and complexity of new vehicles. Additionally, some insurance companies in some countries are mandating the use of aftermarket and recycled parts to lower the costs to repair damaged vehicles. For example, in the United States, aftermarket and recycled parts make up approximately 37% of parts usage in collision repair. We believe these factors will result in increased demand for automotive recycling software and services, as recyclers seek to manage their workflows, maximize the value of their inventories and increase efficiency. In many other countries, use of recycled parts is still in the early development stages. Foreign buyers now account for 32% of vehicles purchased at salvage auctions.

Our Parts Solutions and Databases

Our InPart parts solution is the integration of parts procurement solutions from APU and DST. Given its ability to integrate with the industry's leading estimatics systems, body shop management systems, mechanical shop management systems, and part suppliers' inventory management systems, InPart automates the entire parts procurement process, eliminating redundant or manual tasks for all stakeholders, including insurers, shops, and parts suppliers.

For the collision repair market, InPart includes APU's PartsNetwork, our web-based solution that provides insurance adjusters and collision repair centers an automated process for sourcing, pricing and purchasing alternative parts (second life, aftermarket or OEM surplus parts). Using PartsNetwork, our customers process more than 103 million parts quotes, representing approximately $20.5 billion in parts, annually. PartsNetwork provides real-time results for parts availability, description, quality, and pricing thereby lowering costs for insurers, simplifying workflow for repairers, and driving sales for part suppliers.

For the mechanical repair market, InPart incorporates DST's eCommerce Gateway and Identifix's award-winning DirectHit mechanical repair support website. Together, they combine vehicle repair information with real-time part information (e.g., pricing, availability), enabling users in over 53,000 repair shops to make intelligent purchasing decisions at the time of need.

Powerlink is a software application used to manage salvage yard operations in North America, and Pinnacle Professional is a software application used to manage salvage yard operations outside of North America. These applications are used by more than 2,700 salvage yards to operate more efficiently, make better decisions, open new markets and sell more parts.

Recycled Parts Databases

Through our Hollander brand, we provide solutions that enable automotive recyclers to sell more parts to more customers. The Hollander Interchange™ is a part identification index of millions of auto parts and their interchangeable equivalents that spans over 80 years. The Hollander Interchange is the language used by parts buyers and sellers to inventory, locate and sell a significant percentage of recycled parts. EDEN® is a dynamic parts database that contains approximately 196 million unique automobile parts that are held in inventory at any given point by a network of approximately 3,000 automotive recyclers. EDEN is used by our customers to quickly find locally available automobile parts.

eCommerce

Hollander and eBay have an exclusive North American business partnership through 2020. This partnership bolsters the continued growth and expansion of the fastest growing sales channel for recycled auto parts and expands the reach of the recycling industry to consumers worldwide. eBay is the leading e-Commerce platform for recycled auto parts and is consistently ranked a number one automotive site on the web with three parts or accessories sold every second. Hollander's eLink solution is a tailor made listing program specifically for recyclers and integrated with its yard management system, Powerlink. In addition, Hollander's ecommerce platform, HollanderParts.com, provides recycling yards solutions to sell parts to prospective buyers electronically, opening up new markets and profitable new channels of demand.

CRM: Customer Retention Management Platform

Our CRM platform digitally powers highly-targeted customer acquisition and retention solutions for insurers, auto manufacturers and franchised car dealerships. This enables an enhanced digital auto and property ownership experience as we seek to empower the customer's customer with our current data and software tools. In the future, we envision our data and software powering the total ownership experience for auto and property owners. Our customer's customer platform consists of our vehicle insurance re-underwriting and driver monitoring, electronic titling, vehicle validation, CRM-SMR, vehicle valuation and digital content applications businesses.

Our CRM platform represented 28% of our total revenues for the fiscal year ended June 30, 2015. CRM revenue was $323 million, $256 million and $200 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing a CAGR of approximately 27%. We estimate that the total addressable market for CRM is approximately $10 billion, consisting of approximately $4 billion in owner solutions, approximately $4 billion in CRM-SMR solutions and approximately $2 billion in valuation solutions.

For the fiscal year ended June 30, 2015, CRM generated 37% and 63% of its revenues from EMEA and Americas, respectively, and 78%, 13% and 9% of its revenues from owner solutions, CRM-SMR solutions and valuation solutions, respectively.

Our Customer Retention Management Solutions and Databases

Our Owner Solutions and Databases

Vehicle Insurance Re-Underwriting and Driver Monitoring. Explore and LMI provide property and casualty insurers with driver violation reporting services for a substantial number of their insured drivers in the United States. This cost-effective service allows insurance companies to re-assess their risk and, where appropriate, impose a premium surcharge on insured drivers to reflect such risk. Through Explore, in the United States, we collect driver violation data from 129 sources in 47 states, allowing for driver violation reporting on over 60 million insured drivers. This database collects over 34 million moving violation records annually.

Electronic Titling. Through TitleTec, we provide a driver information services platform that allows automotive dealerships in the United States to streamline operations and improve the customer purchasing experience by assembling and processing the data necessary to electronically register a vehicle, produce a title, and issue a permanent or temporary tag real-time at the point of sale.

Vehicle Validation. Through HPI and CarweB, we provide private car buyers, car dealers, finance houses and the insurance industry with access to information on all registered vehicles in the United Kingdom. Using our vehicle validation database, private car buyers, car dealers, finance companies and the insurance industry customers can verify who the owner is, whether there is a finance-related lien, whether the vehicle has been recorded as stolen or if it has been declared a total loss by an insurance company. We acquire data from a number of public and private data sources including the Great Britain Driver and Vehicle Licensing Agency, motor dealers and manufacturers and finance and insurance companies. The database contains information on approximately 108 million vehicles (including 42 million vehicles currently licensed for use in the United Kingdom) and approximately 179 million mileage readings. Through our access to the National Mileage Register, the United Kingdom's largest database of mileages, we can alert car buyers and dealers to potential mileage discrepancies.

CRM-SMR

We enhance the service ecosystem by offering comprehensive vehicle inspection workflow software with powerful data-driven tools and analytics, service center management and sales solutions, and a suite of customer relationship management products for service centers to manage and improve their relationships with vehicle owners. A core mission is to improve service center efficiency and vehicle owner loyalty to generate significant and measurable increases in revenue and profitability.

AutoPoint is a leading provider of SMR performance software, data and business services to automotive dealership service centers, serving (along with DMEa) nearly 4,000 installed dealers in 40 million SMR events annually. Our AutoPoint service center workflow software provides:

- Proprietary data-driven solutions that leverage the power of over 120 million repair orders and completed inspections to deliver customer specific recommendations for maintenance and repair;
- Proven and measurable customer return on investment for users of the data and software; and
- Dramatic and lasting impact on service center business processes.

For 38 of the 40 fiscal quarters prior to our purchase of AutoPoint, AutoPoint generated a negative EBITDA margin. Beginning the two fiscal quarters prior to our ownership, AutoPoint's EBITDA margin turned positive. AutoPoint's EBITDA margin has remained positive and improved further during our ownership.

Our DMEa business is a leader in data-driven customer retention and marketing solutions for the retail automotive industry. DMEa's content-driven software and individualized communication tools enable automotive sales, service and repair providers to partner with their customers in vehicle management.

We drive behavioral change throughout a service center, from owners to managers to technicians to the parts department to consumer-facing service advisers, by institutionalizing transparency and standardization, both internally and externally. Service center employees communicate with each other more efficiently and effectively utilizing automated workflow tools and communicate with vehicle owners more professionally and with more helpful context and personalized information, and service center managers gain enhanced and more actionable clarity into the performance of their business unit. The net result is rapid and long-lasting gains to vehicle service quality, vehicle owner's satisfaction and loyalty, and service center top- and bottom-line performance.

Vehicle Valuation

Through CAP, we are a leading provider of real-time, high-accuracy valuations and specifications for new and used vehicles in the United Kingdom, processing over 18 million valuations annually. CAP's solutions provide pricing transparency for vehicle transactions and enable buyers and sellers of vehicles to make accurate pricing decisions. Through its industry-standard valuation benchmark, CAPclean, and proprietary solutions, CAP has established integrated, long-term relationships with the leading dealers, finance companies, auction houses, fleets and OEMs in the United Kingdom. CAP's customers include over 400 out of the 535 largest dealer groups, 100% of the major banks that finance vehicle purchases and 100% of the largest fleet, credit hire and leasing firms.

Digital Content Applications

We believe we are driving the digital transformation of assistive, contact driven apps to cognitive, content rich experiences that will provide users with an all-inclusive means for both risk and asset management of their most expensive assets, their automobiles and homes. This drive for delivering global content will fuel synergistic value and usage into the contact driven platform solutions that Solera is delivering today. One such content platform being developed and deployed globally is The Digital Garage. The Digital Garage provides our customer's customers with a single solution to cognitively manage all aspects of their vehicle including valuation, personal cost of ownership, health, service, maintenance, registration, inspection, insurance policy, repairs and claims, among others. It digitally connects our customers (insurers, OEMs, repair facilities, service centers and banks, among others) with their customers to deliver unrivaled value, brand differentiation and real-life relevance.

Our Customers

The primary participants in the automobile insurance claims processing industry with whom we do business are automobile insurance companies, collision repair facilities, independent assessors and automobile dealers, service, maintenance and repair facilities, and automotive recyclers, salvage, and dealerships.

Automobile Insurance Companies

We estimate that the global automobile insurance industry processes more than 100 million claims each year, representing more than $155 billion in repair, loss adjustment expense and other related costs. We believe the industry is relatively concentrated with a number of large automobile insurance companies accounting for the majority of global automobile insurance premiums. Over the past decade, the largest insurers in the U.S., as a group, have been steadily growing and increasing their market share (measured by the premiums written) so that today over half of all private passenger auto insurance in the United States is issued by just five companies, and in 2011, the top 15 companies issued more than 75 percent.

In 2014, global, non-life insurance premiums, which includes premiums for lines of business in addition to automobile insurance, grew by 5.4% compared to 2013. In 2014, approximately 80.0% of these premiums were generated in industrialized countries (of which North America grew by 2.7% and Western Europe grew by 6.8% compared to 2013) and 20.0% of the premium volumes were generated in emerging markets (of which Latin America grew by 6.0% and Emerging Asia grew by 11.1% compared to 2013).

Collision Repair Facilities

The collision repair industry is highly fragmented. We estimate there are approximately 60,500 collision repair facilities in our markets. The operating costs of these facilities have increased substantially over the past decade due to continued increases in sophisticated technologies and advanced materials used in vehicle manufacture, inflation in collision repair labor rates and changes in environmental regulations. In addition, collision repair facilities have increasingly established preferred relationships with insurance companies. These arrangements, known in the United States as direct repair programs, allow collision repair facilities to generate increased repair volumes through insurance company referrals. Insurance companies benefit by establishing a trusted network of collision repair facilities across which they can negotiate labor rates and implement standard procedures and best practices. Insurance companies often require collision repair facilities to use specified automated claims processing software and related services to participate in their programs. We believe the combination of these factors will increase demand for software and services that help collision repair facilities manage their workflow and increase their efficiency.

Independent Assessors

Independent assessors are often used to estimate vehicle repair costs, particularly where automobile insurance companies have chosen not to employ their own assessors or do not have a sufficient number of employee assessors and where governments mandate the use of independent assessors.

In some markets, we believe changing government regulations and improved claims technology will result in a decrease in the number of independent assessors. However, in other markets, insurance companies are reducing their employee assessor staff to contain costs, which we believe will lead to a growth in the number of independent assessors. We believe the combination of these offsetting factors will result in a modest overall increase in the number of independent assessors and, therefore, the demand for automobile insurance claims processing software and services.

Automobile Dealers

According to NADA, at the end of 2014, there were 16,396 new car dealerships in the United States, down from 17,635 at the end of 2013, and down from 17,540 at the end of 2012.

Service, Maintenance and Repair Facilities

According to the North American Industry Classification system, there are approximately 275,000 chain and independent automobile repair facilities in the United States. These include service stations and independent garages, car and light truck dealers, specialty repair shops (i.e., muffler, brakes, and quick-lube shops), auto parts stores with bays, and discount stores/mass merchandisers.

Automotive Recyclers, Salvage, Dealerships and Others

The automotive recycling industry is highly fragmented with, based on a 2014 industry study, over $22 billion in estimated U.S. annual sales by over 8,200 independent salvage and recycling facilities. Participants in the automotive recycling industry are a valuable source of economical and often hard-to-find used vehicle replacement parts. Further this industry has become more sophisticated and technology-driven in order to keep pace with more stringent fulfillment requirements. Additionally, insurance companies are increasingly mandating the use of aftermarket and recycled parts to lower the costs to repair damaged vehicles. Recycled parts in particular represent an economic and environmental opportunity. In our company we call these recycled parts “second life” parts and we are working with insurers, recyclers and governments to ensure a win-win outcome for all. We believe these factors will result in increased demand for salvage yard management software and services, as automotive recyclers seek to manage their workflows, maximize the value of their inventories and increase efficiency.

Our Acquisitions

We have a disciplined acquisition strategy with an initial focus on Management, Margin and Core (“MMC”) of the acquisition target followed by a Return on Invested Capital (“ROIC”) analysis—targets must generally meet both criteria. We seek acquisition targets with strong, entrepreneurial management teams that can be incented to drive achievement of targets, often in conjunction with performance based earn-outs. We seek acquisition targets that can achieve acceptable margin levels within a reasonable amount of time. Finally, acquisition targets must have a strategic fit with our core operations. Acquisition targets that meet our MMC hurdles are then subject to achievement of certain ROIC thresholds.

We have completed 40 transactions since 2006, and the acquired targets had an average adjusted EBITDA margin at the closing of each transaction of 35.5%, which improved to an average of 43.5% for the fiscal year ended June 30, 2015. Purchase multiple performance, defined as the weighted average multiple paid at the closing of the transactions compared to the weighted average invested capital multiple of EBITDA for the twelve months ended on the one-year anniversary of the completion of the respective acquisition, was 12.7x at closing versus 11.0x for the last twelve months ended December 31, 2015.

In general, our acquisition targets fall into the leverage, diversification or disruption categories of our “LDD” growth strategy. Acquisition targets that fall into the leverage category generally either provide us a claims footprint in a new geography or bring new claims related products that we can distribute across our global claims platform. Acquisition targets that fall into the diversification category generally provide us entry into non-claims related businesses that build on our auto, customer’s customer or property platforms. Acquisition targets that fall into the disruption category provide us with abilities that disrupt the market by connecting our platforms and enabling the digital lifestyles of our customer’s customer.

We have completed numerous transactions, both domestically and abroad, which are detailed below:

Fiscal Year	Transaction or Acquired Company	Company Description
2009	HPI, Ltd.	Leading provider of used vehicle validation services in the United Kingdom
2009	UC Universal Consulting Software GmbH	Leading provider of software and services to collision repair facilities in Germany
2009	Inpart Servicos Ltda.	Leading electronic exchange for the purchase and sale of vehicle replacement parts in Brazil and other markets in Latin America and Europe
2010	AUTOonline GmbH Informationssysteme ("AUTOonline") (1)	Provider of an eSalvage vehicle exchange platform in several European countries and Latin American countries as well as India
2010	Softwaresysteme GTLDATA GmbH	Leading assessor management system provider in Austria
2010	Market Scan Holding B.V. ("Market Scan")	Leading data analytics and software company serving the Dutch insurance industry
2011	Explore Information Services, LLC	Leading U.S. provider of innovative data and analytic tools used by automotive property and casualty insurers
2011	New Era Software LLC	U.S.-based provider of body shop management systems
2011	Digidentity B.V (2)	Dutch provider of next-generation E-identification certificates for authentication of online identities
2012	See Progress, Inc.	Market-leading U.S.-based provider of vehicle repair status software applications
2012	Inventory Technology Systems, Inc. (3)	U.S.-based provider of innovative solutions that enhance salvage yard profitability by managing recycled parts logistics and increasing inventory turnover
2012	K&S Beheer B.V.	Leading Netherlands-based collision repair shop management system provider
2012	Sinexia Corporacion Tecnologica (4)	Developer of a leading software application for processing property and casualty insurance claims in Spain
2012	Actual Systems companies (5)	Global provider of premier parts recycling yard management systems that are sold under the "Pinnacle" brand name
2013	License Monitor	Provider of sophisticated driver violation monitoring solutions that enable operators of government and commercial vehicle fleets to quickly ascertain driver violation activity and license status change
2013	Title Technologies	Provider of a proprietary web-based platform that allows automotive dealerships to streamline operations by assembling and processing the data necessary to electronically register a vehicle, produce a title, and issue a permanent or temporary tag real-time at the point of sale
2013	Mensaelect S.A.	Provider of a proprietary, web-based solution that streamlines the invoicing process between Spanish body shops and insurers

Fiscal Year	Transaction or Acquired Company	Company Description
2013	CarweB Limited	Provider of vehicle history and vehicle-specific technical data products and services in the United Kingdom
2013	HyperQuest, Inc.	Provider of proprietary, web-based subrogation solutions and software tools that lower processing costs and provide objectivity to both subrogation claims and out-of-network claims
2013	Eziworks Pty Ltd	Australian company that operates as Car Quote, a leading body shop management system, which forms a communication link between insurers and body shops that allows them to exchange collision data
2013	PS Holdings, L.L.C. (3)	A cloud-based locator of recycled, aftermarket, reconditioned and surplus original equipment parts for the U.S. vehicle repair industry
2014	Autosoft S.r.l.	A leading platform that provides workflow, damage assessment and claims management for insurance companies, vehicle repairers and assessors in Italy
2014	Distribution Services Technologies, Inc.	A leading provider of B2B e-Commerce, ERP support and analytics solutions for automotive mechanical part distributors in North America
2014	Pusula Otomotiv Danýþmanlik Ekspertiz Hizmetleri Anonim Þirketi	A leading provider of vehicle disposition and titling services in Turkey
2014	Collision Industry Management System (6)	Body shop management system focused on multi-location operators
2014	Servicios Informaticos Serinfo S.A.	The leading provider of dealership and bodyshop management systems software in Chile
2014	Sachcontrol AG	A leading property claims management provider in Germany
2014	Service Repair Solutions, Inc. (7)	A leading provider in the U.S. service, maintenance and repair market with proprietary databases and workflow solutions, marketed as Identifix
2014	Auto Point, LLC and Mobile Productivity, LLC	A software and services platform that leverages a proprietary database of more than 120 million repair orders and 55 million completed inspections to enhance drivers' service, maintenance and repair experiences at over 1,000 North American auto dealers
2015	Claims related business of the Sherwood Group	A leading provider of innovative exchanges, settlement platforms, and data analytics focused on the insurance industry in the United Kingdom, including car rental billing services and pet insurance claims
2015	Insurance & Services Division of Pittsburgh Glass Works, LLC	A leading provider of software and business management tools, third-party claims administration, first notice of loss and network management services to the U.S. auto and property repair industries, specializing in glass claims
2015	CAP Automotive	A leading provider of real-time, high-accuracy valuations and specifications for new and used vehicles in the United Kingdom
2015	IBS Automotive, s.r.o	A leading provider of vehicle valuation data in the Czech Republic and Slovakia

Fiscal Year	Transaction or Acquired Company	Company Description
2015	Service Dynamics, Inc	A U.S. provider of service appointment scheduling, service work flow automation, service operations and internal and external communication solutions for franchised automotive dealerships
2015	CIMA Systems, Inc. (8)	A U.S. provider of customer marketing solutions for franchised automotive dealerships
2015	DMEa automotive, LLC	A leading provider of data driven customer retention and marketing solutions for the U.S. retail automotive and aftermarket repair industry

(1) Acquisition of 85% controlling ownership interest in fiscal year 2010. We subsequently acquired the remaining 15% noncontrolling ownership in fiscal years 2012 and 2013.
(2) Acquisition of noncontrolling ownership interest.
(3) Acquisition of substantially all operating assets.
(4) Acquisition of controlling ownership interest. We subsequently acquired the remaining interests in fiscal year 2015.
(5) Acquisition effected through a series of three interrelated transactions. In August 2013, we divested the United States and Canada business of Actual Systems.
(6) Acquisition of software and related assets.
(7) Acquisition of 50% of the outstanding equity interests in a parent entity of SRS. At that time, we then had control of SRS as defined by accounting principles generally accepted in the United States and therefore consolidated its assets, liabilities, and financial results from the acquisition closing date.
(8) Acquisition of substantially all operating assets.

Acquisitions Subsequent to Fiscal Year 2015

Fiscal Year	Transaction or Acquired Company	Company Description
2016	SRS (1)	A leading provider in the U.S. service, maintenance and repair market with proprietary databases and workflow solutions, marketed as Identifix
2016	AIC Companies (2)	Australian provider of parts interchange databases
2016	Tire@Asistencia (3)	Software platform for real time road support solutions and communications
2016	Autodata B.V.	A leading provider of vehicle valuation, inventory management and workflow software for automotive dealers and leasing companies in the Netherlands

(1) Acquisition of the remaining 50% outstanding equity interests in SRS.
(2) Acquisition effected through two interrelated transactions.
(3) Investment in commercialization of technology.

Our Global Operations

We are active in over 75 countries on six continents. We manage our business operations through two reportable segments: EMEA and Americas. Our EMEA reportable segment accounted for approximately 47% of our revenues during fiscal year 2015. EMEA comprises our activities in 57 countries in Europe, the Middle East, Africa, Asia and Australia. Our Americas reportable segment accounted for approximately 53% of our revenues during fiscal year 2015. Americas comprises our activities in 18 countries in North, Central and South America.

The table below sets forth the revenues we derived from the following geographic areas, based on the location of the customer, during each of the previous three fiscal years:

	Fiscal Years Ended June 30,		
(in thousands)	2015	2014	2013
United States	$507,658	$368,151	$269,165
United Kingdom	155,972	116,334	101,815
Rest of Europe (excluding United Kingdom)	363,532	385,589	353,721
Other	113,684	117,185	113,402

The increase in the revenues derived from the United States market is primarily due to revenue contributions from acquisitions, including SRS and I&S acquired in November 2013 and July 2014, respectively. The increase in the revenues derived from the United Kingdom market is primarily due to revenue contributions from acquisitions, including CAP.

Sales and Marketing

As of June 30, 2015, our sales and marketing staff included 665 professionals. Our sales and marketing personnel identify and target specific sales opportunities and manage customer relationships. They also design, plan, and launch strategies for new software and services, and plan and facilitate customer conferences and trade shows. Our country managers are also involved in the sales and marketing process, though they are not counted as full-time sales professionals.

Customer Support and Training

We believe that providing high quality customer support and training services is critical to our success. As of June 30, 2015, we had 568 customer support and training personnel, who provide telephone support, as well as on- and off-site implementation and training. Our customer support and training staff generally consists of individuals with expertise in both our software and services and in the automobile insurance and/or collision repair industries.

Software and Database Development

We devote significant resources to the continued development of our software and databases. We have created sophisticated processes and tools to achieve high-quality software development and data accuracy. Our ability to maintain and grow our leading position in the automobile insurance claims processing industry is dependent upon our ability to enhance and broaden the scope of our software and services, as well as continuing to expand and improve our repair estimating, total loss, claims, vehicle validation, motor vehicle record and parts salvage databases. We often collaborate with our customers in the development process to focus on addressing their specific needs. We then incorporate what we have learned from our customers' workflow experiences and needs to deliver quality, workflow-oriented software and services to the marketplace quickly. We believe these efforts provide a significant competitive advantage in the development of new software and services.

As of June 30, 2015, our software development staff consisted of 958 professionals across three international software development centers and our database staff consisted of 366 professionals across eight international database development centers.

Competition

We compete primarily on the value and functionality of our software and services, the integrity and breadth of our data, customer service and price. The competitive dynamics of the global automobile insurance claims processing industry vary by region, and our competitors are present in a subset of markets in which we operate. In Europe, our largest competitors include DAT GmbH, EurotaxGlass's Group and GT Motive Einsa Group, with whom we compete in multiple countries. In North America, our largest competitors include CCC Information Services Inc. in the U.S. and Mitchell International Inc. in the U.S. and Canada. We also encounter regional or country-specific competition in the markets for automobile insurance claims processing software and services and our complementary products and services. For example, Experian is our principal competitor in the United Kingdom in the vehicle validation market, and car.tv is our principal competitor in Germany in the online salvage vehicle disposition market and, as a result of our acquisition of Explore, ChoicePoint is our principal competitor in the U.S. in the automobile re-underwriting solutions market. The principal competitors of Identifix in the U.S. service, repair and maintenance software and solutions market are ALLDATA and the Mitchell1 repair manuals. The principal competitor of I&S in the U.S specializing in glass claims is Safelite. CAP's competitors in the valuation and specifications of new and used cars are Kee Resources and Glass's Guide.

Intellectual Property and Licenses

We enter into license agreements with our customers, granting each customer a license to use our software and services while ensuring the protection of our ownership and the confidentiality of the embedded information and technology contained in our software. As a general practice, employees, contractors and other parties with access to our confidential information sign agreements that prohibit the unauthorized use or disclosure of our proprietary rights, information and technology.

We own registered trademarks and service marks that we use in connection with our software and services, including their advertising and marketing. For example, our trademark Audatex is registered in over 50 countries.

We license much of the data used in our software and services through short-term contracts with third parties, including contracts with OEMs, aftermarket parts suppliers, data aggregators, automobile dealerships and vehicle repair facilities, to whom we pay royalties.

Employees

As of June 30, 2015, we had 5,442 associates, including 2,025 employees in our EMEA reportable segment, 3,312 employees in our Americas reportable segment, and 105 employees in corporate roles. Certain of our employees outside of the United States are subject to a collective bargaining agreement or works council arrangement.

Business Strategy

Our LDD growth strategy is a framework for innovation and sustained, scalable growth.

Leverage refers to expanding our geographic footprint to increase the number of claims we process and to increase the number of services we provide in each claim to drive incremental return on investment for our insurance customers. Once a new market begins to adopt our electronic claims processing solutions and as our revenue-per-claim increases as we provide higher returns on investment to our customers, we enjoy scale benefits associated with our business model.

As our penetration of electronic claims processing increases in a geography, we begin to diversify to add more services to our auto platform as well as our customer's customer and property platforms. These diversifications add to our growth opportunities while diversifying from a reliance on collision-related claims.

Our current focus is to disrupt the market by connecting our platforms and enabling the digital lifestyles of our customer's customer. Thus, we envision the auto as another smart appliance within the home and with the owners looking to use digital tools to manage their auto and home ownership experiences including purchase, maintenance and accident repair. Recent horizontal and vertical expansion of our platforms also provides us with an opportunity to increase portfolio bundling of our offerings and opportunities to cross-sell additional solutions to our existing and new customers to derive more revenue per customer and leverage core strengths of our platform.

We plan to execute our strategy while continuously improving productivity and eliminating waste. We have historically demonstrated a consistent track record of profitable growth and waste reduction. Between fiscal year 2007 and 2014, we achieved approximately $95 million in waste reduction. Midway through fiscal year 2015, we announced that we raised our target to $30 to $40 million in annualized synergies and waste reduction, of which half was realized during the remainder of fiscal year 2015. Additionally, we have improved margins in existing and acquired business via standard continuous productivity improvement and waste elimination practices. For example, for 38 out of 40 fiscal quarters prior to our purchase of AutoPoint, AutoPoint generated a negative EBITDA margin. AutoPoint's EBITDA margin has remained positive and significantly improved during our ownership.

Going forward, we plan to increase our focus on high margin products and services, while focusing on our cost savings plan, including the elimination of public company costs and ongoing waste elimination practices.

Our Markets

We categorize each of the over 75 countries in which we are active into one of the three following market types (from most digitized to least): (i) Advanced; (ii) Evolving; and (iii) Emerging.

Market Type	Market Characteristics
Advanced Market	• Advanced Markets include the United States, Canada, Western Europe and Japan. • Digitized claims processing is widespread among industry participants. • Vehicle insurance is generally government-mandated and a condition to obtaining vehicle financing. • Number of cars on the road ("car parc") growing at a lower rate relative to other market types.
Evolving Market	• Evolving Markets include Latin America and Central and Eastern Europe. • Increasing adoption from manual claims processing to digitized claims processing; limited use of automated claims processing by industry participants. • Higher accident frequencies than advanced markets. • Growing adoption of government-mandated vehicle insurance and insurance as a condition to vehicle financing. • Size of car parc increasing.
Emerging Market	• Emerging Markets include China, India and Morocco • Insurance companies focused on underwriting policies and establishing market share.

Market Type	Market Characteristics
	• Substantial majority of claims are manually processed; significant opportunity for industry participants to increase operational efficiency through the adoption of automated claims processing. • Early stage adoption of government-mandated vehicle insurance and insurance as a condition to vehicle financing. • The highest accident frequencies among the three market types. • Size of car parc increasing at the fastest rate among the three market types.

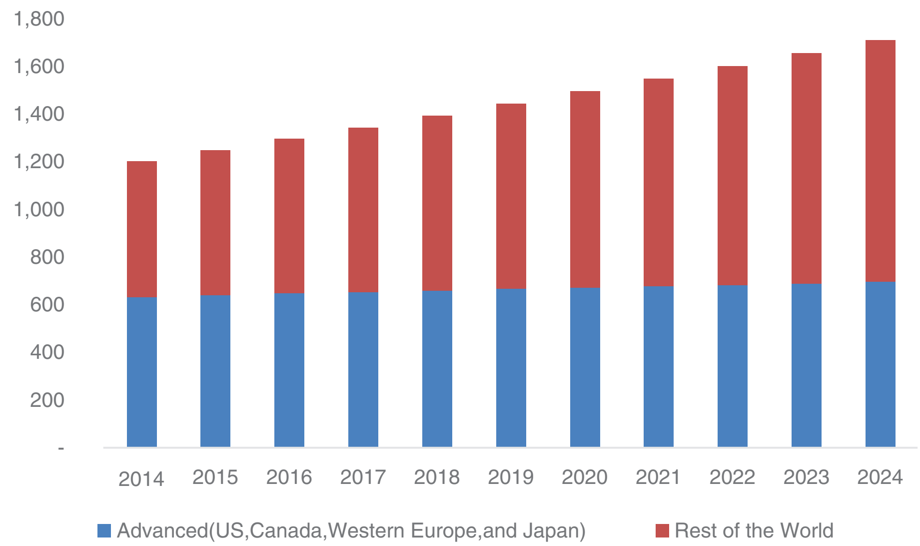
Growth in our Markets

The primary growth drivers for our industry are the number insurance claims made, as well as the size, growth and age of the car parc. The increase in overall size and age of the car parc drives need for vehicle service, maintenance and repair along with customer retention tools for our customers, in addition, the frequency of collisions drives the number of insurance claims made.

Management estimates the global number of automotive claims will reach approximately 165 million for 2020, growing at a CAGR of 6.3% from the 2015 estimate of approximately 122 million claims.

The chart below depicts the global annual historical and projected vehicle unit sales in millions for Advanced Markets and the rest of the world.

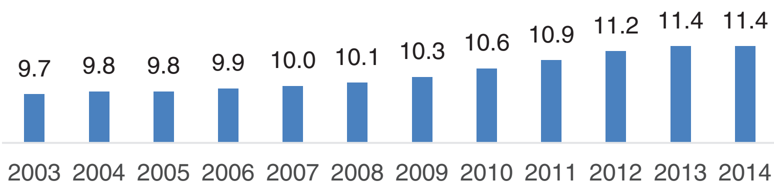
Global car parc (all light vehicles)



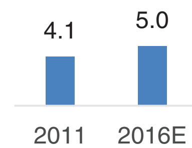
According to industry sources, global new light vehicle sales grew by 4.0% in 2014 to 90.0 million units and sales are forecasted to reach 92.2 million units, up by 2.5%, in 2015. In Advanced Markets, sales are projected to grow at a 1.0% CAGR from 2014 through 2024. In other markets, sales are projected to grow at a 6.0% CAGR from 2014 through 2024. Fewer new light vehicle sales can result in fewer insured vehicles on the road and fewer automobile accidents, which can reduce the transaction-based fees that we generate.

The industry sources also estimate that the average age of vehicles is increasing across the globe. In the United States, the average age of vehicles is 11.4 years, an increase of 1.5% CAGR since 2003. In Emerging Markets, the average age of vehicles is increasing at a faster pace. For example, in China the average age of vehicles is expected to be 5 years in 2016, growing at a CAGR of 4.0% from 2011 to 2016.

Average age of vehicles in U.S. (years)



Average age of vehicles in China (years)



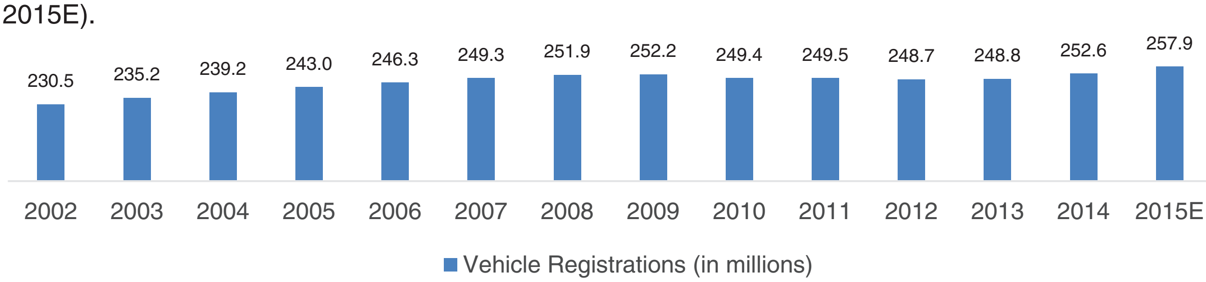
Another growth driver is the insurance industry focus on increasing claims processing efficiency and reducing claims cost severity. Digitalizing claims processing can result in significant cost savings, improved cycle time, customer experience and agility for insurers. Based on a study from a leading consulting firm commissioned by Solera, currently 30% of claims processes at insurers account for 80% of the time of their full time employees, with significant potential to increase digitalization.

The cost of digitized claims processing software and services generally represents a relatively small portion of automobile insurance companies' claims costs. We believe automobile insurance companies will increase their spending on digitized claims processing software and services that improve their customers experience because such incremental investments can result in significant cost reductions and customer satisfaction improvements.

Each of these factors influences industry growth differently in our three market types, as detailed below.

Advanced Markets. In our Advanced Markets, automobile insurance is generally government-mandated and claims processing is generally automated. Automobile insurance companies achieve growth in these highly competitive markets by gaining additional market share and generally compete on price, quality and range of policyholder service. To remain competitive, insurance companies increasingly seek additional automated claims processing products and services to minimize costs and improve policyholder service. In these markets, the car parc is stable. For example, in the United States, the number of registered vehicles declined in 2012 and increased in 2013 and 2014, while the average vehicle age has been increasing.

The chart below depicts the number of light vehicle registrations in the United States (2002-2015E).



Source: Autocare Association Factbook (2016)

As vehicles become more complex, it results in an increase in claim severity and a higher RpC, which we define as the total revenue derived from vehicle collision claims in advanced markets divided by the number of such claims. For example, in our Advanced Markets (Western Europe for RpC), RpC grew from $25.64 for the three months ended December 31, 2013 to $28.24 for the three months ended December 31, 2015.

Evolving Markets. In our Evolving Markets, the car parc is generally growing. Automobile insurance companies achieve growth in these markets by focusing on writing new vehicle insurance policies and increasing market share. A significant number of claims are processed manually in these markets, presenting opportunities for insurance companies to increase their operational efficiencies by automating claims processing.

Emerging Markets. In our Emerging Markets, the car parc is growing at the fastest rate among the three market types. Automobile insurance companies achieve growth in these markets by focusing on writing new vehicle insurance policies and increasing market share. The vast majority of claims are processed manually or using homegrown solutions in these markets, presenting opportunities for insurance companies to increase their operational efficiencies by digitizing claims processing and leveraging global OEM data and repair methods.

Competitive Strengths

Leading Global Market Position. We are a leading provider of risk and asset management software and services to the automotive and property marketplace, including the global property and casualty insurance industry. We have a presence in more than 75 countries across six continents and a leading global business portfolio as detailed below:

Automobile Claims Processing	• Number one global provider of automobile claims processing
	• A global leader in glass claims
Property Claims	• Emerging player in automated claims handling
Service, Maintenance and Repair	• Number one U.S. provider of experienced-based repair solutions
Automobile Parts	• A leading North American provider of electronic parts exchanges
Owner	• U.S. leading provider of driver event monitoring
	• U.K. leading provider of vehicle validation
CRM-SMR	• Largest integrated CRM retention system in North America
Vehicle Valuation	• U.K. industry standard for valuation data
	• One of the leading providers of valuations to the U.S. insurance industry

We believe that the large number of geographic regions in which we operate provides a strategic advantage when expanding into new markets by enabling us to utilize our databases and vehicle coverage already present in adjacent or nearby markets.

Proprietary Databases that are Difficult to Replicate. We believe that our proprietary databases pose barriers to entry due to the significant capital investment and time that would be required to develop a similar set of integrated databases and customize them for use in local markets. Our proprietary databases have been built over 45 years of developing, collecting, organizing and managing automobile-related information and data. Over the last five years, we have invested over $100 million annually, including $135 million in fiscal year 2015, to maintain and expand our proprietary databases and related software applications, including customizing our databases for use in local markets. Our databases cover more than 98% of the vehicles on the road today in our core markets dating back to 1970. Our databases empower our clients to achieve measurably better outcomes, through increased efficiency in the claims management and collision repair processes.

Strongly positioned to capitalize on market opportunities. We are a global market leader in the automotive insurance claim industry. We believe that our leadership in data, software and networking across platforms and our loyal customer base will enable us to take advantage of our digital content platform enhanced by favorable trends in our industry. The global automotive insurance industry has focused on claims processing efficiency and reducing claims cost severity through digitalization, as the number of claims processed each year is expected to increase to 165 million by 2020, from over 100 million currently. Additionally, more cars and an aging car parc will increase demand for our SMR and CRM platforms, as the global car parc is expected to increase to 1.5 billion cars by year 2020 (from 1.2 billion currently) and as the average vehicle stays longer on the road (average age of a vehicle in the United States has increased to 11.4 years in 2014, from 9.7 years in 2003). Our next generation Digital Content Applications will connect all of our platforms to disrupt and proliferate the digital lifecycle experience of our customer's customer as we take our core competency from the auto to the home.

Long-term Relationships with a Large and Diverse Customer Base. We serve over 195,000 customers in more than 75 countries across six continents. We derive revenues from many of the world's largest automobile insurance companies, including the ten largest automobile insurance companies in Europe and eight of the ten largest automobile insurance companies in North America. No single customer accounted for more than 3.0% and 2.9% of our revenue for the fiscal year ended June 30, 2015 and for the six months ended December 31, 2015, respectively.

High Visibility from Recurring Revenue Base. A substantial portion of our revenues are derived from customers who have used our software and services for many years. Our customer retention is very high because of long-standing customer relationships and the integration of our claims processing software and services into our customers' systems. In addition, we have subscription-based or transaction-based contracts with many of our customers. As a result, 97% of our revenues in the fiscal year ended June 30, 2015 were recurring.

Strong and Steady Financial Performance. We have grown our revenues and Adjusted EBITDA consistently every year, at a revenue CAGR of 11.4% and an Adjusted EBITDA CAGR of 15.6% since fiscal 2006. We have attractive operating margins and moderate working capital requirements that we believe drive strong free cash flow generation relative to other enterprise software companies. We have expanded our Adjusted EBITDA margins from 28.9% in 2006 to 38.3% for the twelve months ended December 31, 2015, reflecting, among other things, increased operating leverage and cost saving initiatives while continuing our expansion in both Evolving Markets and Emerging Markets. Moreover, for the twelve months ended December 31, 2015, our Free Cash Flow conversion (defined as Free Cash Flow as a percentage of Adjusted EBITDA) was 83.8%. See note (9) to "—Summary Consolidated Historical and Pro Forma Financial Data" for the definition of Free Cash Flow.

For the twelve months ended December 31, 2015, our RMS, SMR and CRM platform revenues were 53%, 14% and 33%, respectively, of our total revenue. For the three months ended December 31, 2015, the three months ended September 30, 2015 and the fiscal years ended June 30, 2015, 2014, 2013, 2012 and 2011, our organic growth rate on a constant currency basis was 6.3%, 7.3%, 6.4%, 4.4%, 3.8%, 4.9% and 5.6%, respectively, while our total growth rate (including acquisitions) on a constant currency basis was 16.3%, 21.9%, 22.6%, 16.8%, 8.5%, 17.4% and 8.1% for those periods, respectively. For the three months ended December 31, 2015, the three months ended September 30, 2015 and the fiscal years ended June 30, 2015, 2014, 2013, 2012 and 2011, our

Americas organic growth rate on a constant currency basis was 7.0%, 10.3%, 6.9%, 4.4%, 4.9%, 5.2% and 5.2%, respectively, and our EMEA organic growth rate on a constant currency basis was 5.5%, 4.1%, 6.0%, 4.4%, 3.0%, 4.7% and 5.9% for those periods, respectively. For the three months ended December 31, 2015, the three months ended September 30, 2015 and the fiscal years ended June 30, 2015, 2014, 2013, 2012 and 2011, our non-RMS organic growth rate on a constant currency basis was 8.6%, 10.8%, 11.0%, 4.8%, 3.6%, 5.5% and 10.5%, respectively, while our RMS organic growth rate on a constant currency basis was 4.6%, 5.5%, 3.8%, 4.3%, 3.8%, 4.7% and 4.4% for those periods, respectively. Our organic growth rate, EMEA organic growth rate and non-RMS organic growth rate for the three months ended December 31, 2015 have been normalized to account for the one-time impact of our acquisition of CAP Automotive, which closed in mid-November 2014. Our organic growth rate, Americas organic growth rate and RMS organic growth rate for the three months ended September 30, 2015 have been normalized to account for the one-time impact of our acquisition of I&S, which closed on July 29, 2014.

Strong and Experienced Management Team. We have a deep and experienced senior management team. This team is led by our founder, chairman and Chief Executive Officer, Tony Aquila, who has over 25 years of experience in the industry. Mr. Aquila's vision has driven us to consistently grow and achieve increased profitability during his tenure. Our ability to continuously improve profitability and strong financial management is led by our Chief Financial Officer, Renato Giger. Mr. Giger has been with our Company and the Audatex business for more than 20 years.

MANAGEMENT

Directors and Executive Officers

We expect our directors and executive officers, upon consummation of the Transactions, to include those set forth in the table below and others designated by equityholders and management as well as independent strategic advisors, with the director designees of Vista holding a majority of the voting power of our Board of Directors.

Name	Age	Position
Tony Aquila	51	President, Chief Executive Officer and Director
Robert F. Smith	53	Chairman
Martin Taylor	46	Director
Christian Sowul	42	Director

Tony Aquila has served as our President and Chief Executive Officer since our formation in April 2005, served as a member of our board of managers between April 2005 and May 2007 and has been the Chairman of the Board since the completion of our corporate reorganization on May 10, 2007. From September 2001 until December 2004, Mr. Aquila held various positions, including President and Chief Operating Officer, at Mitchell International Inc., a provider of software and services to the automobile insurance, collision repair, medical claim and glass replacement industries. Mr. Aquila joined Mitchell when it acquired Ensera, Inc., an automotive claims workflow and software processing company Mr. Aquila founded in 1999. Prior to Ensera, Mr. Aquila was the Chief Executive Officer and founder of MaxMeyer America, Inc., an importer and distributor of European automotive refinishing products formed in partnership with MaxMeyer-Duco S.p.A.

Robert F. Smith will serve as the Chairman of our Board of Directors upon consummation of the Transactions. Mr. Smith is the Founder, Chairman and CEO of Vista Equity Partners. As Vista Equity Partners' Chairman and CEO, Mr. Smith directs Vista Equity Partners' investment strategy and decisions, firm governance and investor relations. Mr. Smith currently serves on or participates on all the boards of Vista Equity Partners' portfolio companies, including Misys, The Active Network, and Omnitracs. Prior to founding Vista Equity Partners, Mr. Smith worked for Goldman, Sachs & Co., M&A, from 1994 to 2000, in New York and Silicon Valley. Mr. Smith earned his B.S. in Chemical Engineering from Cornell University and his MBA from Columbia Business School. Mr. Smith is the Chairman of the Robert F. Kennedy Center for Justice and Human Rights, Member of the Cornell Engineering College Council, and a Trustee of the Boys and Girls Clubs of San Francisco. Mr. Smith is a Board Member of Carnegie Hall.

Martin Taylor will serve as a member of our Board of Directors upon consummation of the Transactions. Mr. Taylor joined Vista Equity Partners in 2006 and is an Operating Principal and a member of the investment committee. Martin currently sits on or participates in the boards of all Vista Equity Partners' portfolio companies. Prior to joining Vista Equity Partners, Martin spent over 13 years at Microsoft. His most recent role was Corporate Vice President of Windows Live and MSN. Mr. Taylor provided business leadership as well as product and marketing management for Windows Live services, MSN, and the Microsoft Live platform. During his tenure at Microsoft, he managed corporate strategy, sales, product marketing, and various segment focused teams in North America and Latin America. Mr. Taylor served as general manager of Platform Strategy at Microsoft, responsible for Windows Server System business strategy and competitive strategy efforts across the company. Mr. Taylor also served as Chief of Staff and Director of Business Strategy, working directly for Microsoft CEO Steve Ballmer, whom he assisted with strategic projects and long-term planning for the corporation. Mr. Taylor graduated from George Mason University in Fairfax, Virginia.

Christian Sowul will serve as a member of our Board of Directors upon consummation of the Transactions. Mr. Sowul joined Vista Equity Partners in 2001. Mr. Sowul sits on the investment committee and continues to lead transaction teams in all sectors. He currently sits on the boards of Advicent, Omnitracs, Sovos Compliance and STATS. He was actively involved in Vista's investments in Applied Systems, BigMachines, Brainware, MRI Software, SER, SirsiDynix and Zywave. Prior to joining Vista, Mr. Sowul worked in the High Technology Group at Goldman, Sachs & Co. where he advised clients in a variety of verticals including software, Internet and media, direct broadcast satellite, IT services, and telecom equipment, among others. These projects included buy-side and sell-side transactions, public market financings and other strategic advisory initiatives. Mr. Sowul also worked at Deutsche Morgan Grenfell, where he focused on high technology M&A investment banking, and at Generation Partners, a venture capital firm focused on technology investments. He received a B.S. in Economics from Wharton School of the University of Pennsylvania and a B.S. in Engineering from School of Engineering of the University of Pennsylvania.

Board Structure and Committee Composition

After consummation of the Transactions, our Board of Directors may establish from time to time committees that it deems necessary and advisable. We intend to determine the composition of any such committees of the Board following consummation of the Transactions.

Agreements with Executive Officers

After the Merger, we expect to continue to compensate our senior management on a basis substantially similar to immediately prior to the Merger, except that, in light of our status as a private company, our equity-based incentive programs will be different and may be less broad-based than those utilized by us prior to the Merger. As a result, our cash compensation cost likely will be higher.

Employment Agreements

We are party to employment agreements with certain management employees, which in some cases provide for severance in the event of certain terminations of employment. In connection with the Merger, we or one of our affiliates anticipate entering into new employment agreements with certain of our executive officers on terms to be agreed between us or one of our affiliates and the executives.

Equity-Based Arrangements

In connection with the closing of the Transactions, we expect to adopt an equity incentive plan designed to provide incentives to such present and future employees, directors, officers, consultants or advisors of Parent or its subsidiaries, as may be selected in the sole discretion of Parent's Board of Directors. This plan will allow for the grant of stock options. We anticipate that the awards will generally vest based on a combination of continued service and the achievement of performance objectives. The total percentage of equity to be reserved for issuance under the equity incentive plans has not yet been determined. The final equity arrangements may contain terms that allow us to purchase equity from plan participants following a termination of their employment for cash.

Cash-Based Incentive Arrangements

From time to time, we anticipate adopting cash-based incentive-based arrangements to compensate our management and other employees.

Retention Bonuses

We established a cash-based retention program that provides for awards up to an aggregate amount of $33 million to promote retention and incentivize efforts to consummate the Transactions.

Under the retention program, each participant will be eligible to receive 100% of the award on closing of the Merger (or, in the case of Mr. Aquila, 50% of the award will be payable on August 22, 2016 if the Merger has not closed by such date) or upon the participant's qualifying termination prior to the closing of the Merger.

Pension Plans

Our foreign subsidiaries sponsor various defined benefit pension plans and individual defined benefit arrangements covering certain eligible employees. The benefits under these pension plans are based on years of service and compensation levels. Funding is limited to statutory requirements. We have a qualifying 401(k) defined contribution plan that covers most of our domestic employees and provides matching contributions under various formulas. Our foreign subsidiaries have defined contribution plans that cover certain international employees and provide matching contributions under various formulas.

Sarbanes-Oxley Act Considerations

As a privately held company following the consummation of the Transactions, we will not be subject to the requirements of the Sarbanes-Oxley Act. Thus, we may not have comparable internal control and corporate governance procedures in place as compared to public companies.

SECURITY OWNERSHIP

Following the consummation of the Transactions, Solera will be a wholly-owned subsidiary of the Issuers and all or substantially all of the issued and outstanding capital stock of Issuers will be beneficially owned by certain funds affiliated with Vista and other investors. All members of our Board of Directors affiliated with Vista may be deemed to beneficially own shares owned by such entities. Each such individual disclaims beneficial ownership of any such shares in which such individual does not have a pecuniary interest.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Arrangements with Vista and its Affiliates

Merger Sub and certain subsidiaries or parent companies, including Parent, have entered or expect to enter into various related party agreements in the ordinary course of business and in contemplation of the Transactions, to which Solera will succeed by operation of law as a result of the Transactions.

Stockholders Agreement and Registration Rights Agreement

In connection with the Transactions, we expect that affiliates of Vista and certain other co-investors will enter into a stockholders agreement with Parent, which we expect to provide for, among other things, the election of the board of directors of Parent, restrictions on the transferability of equity of Parent, preemptive rights, bring-along rights, tag-along rights, preemptive rights and information rights for the benefit of Vista and certain other co-investors.

In addition, in connection with the Transactions, we expect that affiliates of Vista and certain other co-investors will enter into a registration rights agreement with Parent, pursuant to which we expect to provide certain holders of registrable securities, at any time after a qualified public offering, with certain "demand" registration rights, as well as customary "piggyback" registration rights that will be available to all holders of registrable securities. We also expect this registration rights agreement to provide that Parent will pay certain expenses relating to such registrations, excluding underwriting discounts and commissions, and indemnify such holders and their affiliates against certain liabilities which may arise under the Securities Act with any offering made pursuant to such registration rights.

Sponsor Management Agreement

In connection with the Transactions, we expect that Parent will enter into a management agreement with Vista Consulting Group ("VCG") relating to certain management and consulting services VCG will provide to Parent. Under the management agreement, VCG is entitled to reimbursement for its reasonable, out-of-pocket costs and expenses incurred in connection with its services provided. The management agreement will provide that Parent must indemnify VCG and its affiliates against all losses, claims, damages and liabilities arising out of or related to the performance by VCG or its affiliates of services thereunder, and will remain in effect until terminated in writing by the parties thereto.

Series A Preferred Stock

Concurrently with the consummation of the Transactions, Parent will issue shares of Series A Preferred Stock having an aggregate stated value of $800.0 million. The shares of Series A Preferred Stock will be equity instruments with no voting rights except in limited circumstances. The shares will accumulate cumulative dividends on a daily basis in arrears during each dividend period on the then-current stated value of each share of Series A Preferred Stock. Dividends will be payable quarterly in kind, and unpaid dividends will be added to the stated value of each share of Series A Preferred Stock. Parent will make customary representations and warranties in connection with the issuance of the Series A Preferred Stock, and Parent and its subsidiaries, including the Issuers and their restricted subsidiaries, will be subject to affirmative and negative covenants under agreements associated with the Series A Preferred Stock that will not be more restrictive than the indenture that will govern the notes offered hereby or the credit agreement that will govern the Senior Secured Credit Facilities. The shares of Series A Preferred Stock will be perpetual, subject, after 11 years, to certain forced sale and public offering rights. Parent will be required to make an offer to repurchase the Series A Preferred Stock upon the occurrence of (i) the liquidation, bankruptcy or insolvency of Parent or a material subsidiary of Parent, including Solera, (ii) a change of control of Parent or (iii) an acceleration of the New Senior Secured Credit Facilities or any other material indebtedness of Parent or any of its subsidiaries, including Solera, coupled with the request of the applicable holders of the Series A Preferred Stock.

Series B Preferred Stock

Concurrently with the consummation of the Transactions, Parent will issue shares of Series B Preferred Stock having an aggregate stated value of $250.0 million. The shares of Series B Preferred Stock will be equity instruments with no voting rights, except in limited circumstances. The shares will accumulate cumulative dividends on a daily basis in arrears during each dividend period on the then-current stated value of each share of Series B Preferred Stock. Dividends will be payable semi-annually in kind, and unpaid dividends will be added to the stated value of each share of Series B Preferred Stock. Parent will make customary representations and warranties in connection with the issuance of the Series B Preferred Stock, and Parent and its subsidiaries, including the Issuers and their Restricted Subsidiaries, will be subject to affirmative and negative covenants under agreements associated with the Series B Preferred Stock that will not be more restrictive than the indenture that will govern the notes offered hereby or the credit agreement that will govern the Senior Secured Credit Facilities. The shares of Series B Preferred Stock will be perpetual, subject, after ten years, to certain, forced sale and public offering rights. Parent will be required to make an offer to repurchase the Series B Preferred Stock upon the occurrence of (i) the liquidation, bankruptcy or insolvency of Parent or a material subsidiary of Parent, including Solera, (ii) upon a change of control of Parent or (iii) an acceleration of the New Senior Secured Credit Facilities or any other material indebtedness of Parent or any of its subsidiaries, including Solera, coupled with the request of the applicable holders of the Series B Preferred Stock.

Related Party Transactions Policy and Procedure

Our legal and finance departments are primarily responsible for developing and implementing processes and controls to obtain information from our directors, executive officers and significant stockholders regarding related party transactions and then determining, based on the facts and circumstances, whether we or a related party has a direct or indirect material interest in our transactions. In accordance with our Conflict of Interest and Code of Conduct Policy, our Nominating and Corporate Governance Committee is responsible for the review, approval or ratification of “related-person transactions” between us or our subsidiaries and related parties. In accordance with our Audit Committee Charter, our Audit Committee is responsible for monitoring “related-person transactions” approved or ratified by our Nominating and Corporate Governance Committee. “Related party” refers to a person or entity that is, or at any point since the beginning of the previous fiscal year was, a director, officer, nominee for director, or 5% stockholder of us, or the immediate family members of such a person or entity. We do not have a written policy regarding the approval of related party transactions but the Nominating and Corporate Governance Committee will apply its review procedures to potential related-person transactions as a part of its standard operating procedures. In the course of their duties in reviewing, approving, ratifying and monitoring a related-party transaction, our Nominating and Corporate Governance Committee and Audit Committee, as appropriate, will consider:

- the nature of the related party’s interest in the transaction;
- the material terms of the transaction, including, the amount involved and type of transaction;
- the importance of the transaction to the related party and to us;
- whether the transaction would impair the judgment of a director or executive officer to act in our best interest and the best interest of our stockholders; and
- any other matters our Nominating and Corporate Governance Committee or Audit Committee deems appropriate.

Any member of our Nominating and Corporate Governance Committee or Audit Committee who is a related party with respect to a transaction under review may not participate in the deliberations or vote on the approval or ratification of the transaction. However, such a director may be counted in determining the presence of a quorum at a meeting of our Nominating and Corporate Governance Committee or Audit Committee at which the transaction is considered. Except as set forth below, since

July 1, 2011, we have not been a party to, and we have no plans to be a party to, any transaction or series of similar transactions in which the amount involved exceeded or will exceed $120,000 and in which any current director, executive officer, holder of more than 5% of our capital stock, or any member of the immediate family of any of the foregoing, had or will have a direct or indirect material interest, other than in connection with the transactions described below.

Aquila Guest Ranch

Aquila Guest Ranch, LLC ("AGR"), an entity owned by the family of Mr. Aquila, owns a working guest ranch in Wyoming. Mr. Aquila and AGR have supported our development by hosting numerous events at the ranch and, at AGR's expense, renovating several facilities on the premises. The ranch has been used for various company-related purposes, including: functions intended to foster client, partner and vendor relations as well as business and corporate development; global employee training and team building; management retreats; and employee excellence awards.

Prior to February 11, 2013, we used the ranch without charge. The Nominating and Corporate Governance Committee has determined that our use of the ranch in the past and going forward has been and is beneficial to our business. On February 11, 2013, the Nominating and Corporate Governance Committee approved entering into a Facilities Use Agreement and an Indemnification Agreement between us and AGR, which agreements govern our use of the ranch.

Under the Facilities Use Agreement, we paid AGR a fixed annual fee of $140,000 (the "Fee") for use of the facilities during calendar year 2013. The fee was determined by multiplying the estimated daily operating costs of the ranch by an assumed number of days that we will use the ranch, which use is based on our historical and expected future use. In approving the amount of the fee, the Nominating and Corporate Governance Committee and the independent members of the Board considered the rates charged by comparable third-party facilities in the vicinity of the ranch and determined that the Fee is lower than the amounts we would pay for the use of such comparable facilities.

The Facilities Use Agreement automatically renews on an annual basis unless either party provides the other party 30 days written notice of termination. Under the Facilities Use Agreement, we are also obligated to pay out-of-pocket costs incurred in connection with, and replenish expendable goods used as a result of, our use of the ranch. The Indemnification Agreement provides that we will indemnify AGR and certain other indemnitees for any claims, demands, causes of action and damages that may arise out of our use of the ranch.

In accordance with the Audit Committee's charter, the Audit Committee will periodically, and at least annually, review our use of the ranch, the Fee, the Facilities Use Agreement and the Indemnification Agreement.

On December 26, 2013, we entered into an amendment to the Facilities Use Agreement with AGR and Chaparral Lane Investment, LLC ("CLI"), an entity owned by our Mr. Aquila and his family, to (i) add an additional facility in Roanoke, Texas to the Facilities Use Agreement and (ii) increase the fixed annual fee to $170,000 in exchange for our use during calendar year 2014 of the Wyoming Facility. This fee increase is due to increased operating expenses of the Wyoming Facility and an increase in the number of days during which we use the Wyoming Facility. On December 31, 2014, we executed another amendment to the Facilities Use Agreement to: (i) increase the fixed annual fee paid by us to AFV for our use of the Wyoming Facility to $272,250, and (ii) provide for a true-up payment by us to AFV to the extent that our actual use of the Wyoming Facility during a calendar year exceeds the assumed use for that calendar year, which assumed use was a basis for the fixed annual fee. The true-up payments paid by us to AFV for calendar years 2014 and 2015 were $63,270 and $101,640, respectively. On April 7, 2015, we entered into a third amendment to the Facilities Use Agreement whereby the Roanoke Facility and CLI were removed from the Facilities Use Agreement in connection with our entry into a lease agreement (the "Lease Agreement") covering the Roanoke Facility (also known as the "Innovation Center" (as defined below)).

Innovation Center

On April 7, 2015, we and CLI entered into the Lease Agreement whereby we lease from CLI a property owned by CLI in Roanoke, Texas (the "Innovation Center"). The Nominating and Corporate Governance Committee approved the lease on April 1, 2015.

We use the Innovation Center for various purposes, including: research and development; global employee meetings, training and team building; and functions intended to foster client, partner and vendor relations as well as business and corporate development. We have been using the Innovation Center prior to April 7, 2015 pursuant to the terms of the Facilities Use Agreement and on after April 7, 2015 pursuant to the Lease Agreement. Pursuant to the terms of the Facilities Use Agreement, we were the primary user of the Innovation Center, and we did not pay any fees for such use.

We have collaborated with CLI on the development of the Innovation Center, creating a unique property that is custom-tailored to our use of the Innovation Center, including product and technology innovation efforts. We believe that the outputs generated from our use of the Innovation Center have contributed and will continue to contribute to the improvement of our results of operations. Mr. Aquila has invested approximately $1.5 million in the Innovation Center, including payment of the purchase price for the property, and we have invested approximately $6.2 million in the Innovation Center, as of December 31, 2015, primarily for property improvements. All of our investments prior to April 7, 2015 in the Innovation Center have been made in accordance with the Facilities Use Agreement and all our investments on or after April 7, 2015 in the Innovation Center have been made in accordance with the Lease Agreement.

To provide us with continued, exclusive, long-term rights to use the Innovation Center and to protect our investment in the improvements to the Innovation Center, the Nominating and Corporate Governance Committee approved the Lease Agreement. The material terms of the Lease Agreement are described below.

- *Term*: The term of the Lease Agreement is 20 years. We have an option (the "Option") to extend the lease for an additional 5-year term immediately following expiration of the initial 20-year term (the "Option Term").
- *Payment Obligations*: The monthly lease payment is $10,000. The monthly lease payment is determined by multiplying Mr. Aquila's invested capital in the Innovation Center ($1.5 million) by 0.08 and dividing this product by twelve. Based on the unique nature of the Innovation Center and our discussions with commercial real estate professionals in the Dallas-Fort Worth metroplex regarding commercial lease rates in the vicinity of the Innovation Center, the Nominating and Corporate Governance Committee believes that our monthly lease payment to CLI is not above current market rates. The monthly lease payment is subject to adjustment in accordance with a consumer price index after year 5, year 10, year 15 and, if we exercise the Option, year 20. We are also responsible for property taxes, maintenance and insurance for the Innovation Center.
- *Termination of the Lease by Us*: We can terminate the Lease Agreement during the initial 10 years of the lease term, following two years' prior notice; during years 11—15 of the lease term, following one year's prior notice; and after year 15 of the lease term, following 90 day's prior notice. During the Option Term (if we exercise the Option), we can terminate the Lease Agreement following one year's prior notice.
- *Termination of the Lease by CLI*: CLI can terminate the Lease Agreement following an uncured breach of the Lease Agreement by us.

- *Termination of the Lease by Either Party*: Either party may terminate the Lease Agreement following certain catastrophic events, such as fire at or condemnation of the Innovation Center.
- *Assignment of the Lease Agreement by Us*: We may assign the Lease Agreement or sublet the Innovation Center with CLI's prior written consent, which will not be unreasonably withheld.
- *CLI's Right to Transfer*: CLI has the right to transfer its interests in the Innovation Center.
- *Our Option to Purchase the Innovation Center*: In the event CLI decides to sell the Innovation Center during the initial Lease term or the Option Term, we have the right to purchase the Innovation Center from CLI at the Offer Price (as defined below). The "Offer Price" during the initial Lease term is (i) $1,500,000 plus (ii) an amount that delivers to CLI interest on $1,500,000 at an annual rate equal to 10% compounded monthly from and after April 7, 2015 to the time of settlement for the purchase (the "Settlement Date") less (iii) the aggregate monthly lease payments received by CLI through the Settlement Date (the "Received Rent") adjusted to the present value of the Received Rent at an annual interest rate equal to 10% compounded monthly from and after the applicable payment date to the Settlement Date (the "Offer Price Formula"). The "Offer Price" during the Option Term shall be an amount equal to the greater of the price derived from the Offer Price Formula and the price set forth in a written offer to purchase the Innovation Center delivered by a bona fide third party to CLI.

Concurrent with the execution of the Lease Agreement, the parties to the Facilities Use Agreement executed an amendment to the Facilities Use Agreement removing all of the parties' going forward rights and obligations relating to the Innovation Center.

Software and Services Arrangements

Certain minority stockholders of our international subsidiaries are also commercial purchasers and users of our software and services. Revenue transactions with all of the minority stockholders in the aggregate were less than 10% of our consolidated revenue for fiscal years 2013, 2014 and 2015 and for the six months ended December 31, 2015, respectively, and aggregate accounts receivable from the noncontrolling stockholders represent less than 10% of consolidated accounts receivable at June 30, 2014 and 2015, and for the six months ended December 31, 2015, respectively.

Indemnification Agreements

Following the Effective Time, Solera will indemnify and Parent will cause Solera to indemnify, each of the current and former directors, officers and employees of Solera or our subsidiaries to the fullest extent permitted by applicable law against costs or expenses (including reasonable attorneys' fees) incurred in connection with claims, whether asserted before or after the Effective Time, arising out of or related to such person's service as one of our directors, officers or employees or as a director, officer or employee of one of our subsidiaries. For a period of six years following the Effective Time, we will maintain in effect the director, officer and employee exculpation, indemnification and advancement of expenses provisions in our and our subsidiaries' organizational documents.

DESCRIPTION OF OTHER INDEBTEDNESS

Below is a description of certain terms of our New Term Loan Facility and our New Revolving Facility.

New Senior Secured Credit Facilities

In connection with the Transactions, we expect to enter into the New Senior Secured Credit Facilities with a syndicate of financial institutions led by Goldman Sachs Bank USA, as administrative agent and collateral agent, having the terms described below.

The New Senior Secured Credit Facilities consist of a $1,500.0 million Dollar term loan facility (the "Dollar Term Loan Facility") maturing in 2023, a $700.0 million equivalent Euro term loan facility (the "Euro Term Loan Facility") maturing in 2023 and a $300.0 million New Revolving Facility maturing in 2021. The New Revolving Facility will include a subfacility for letters of credit and a swingline subfacility. The New Senior Secured Credit Facilities will also include an uncommitted incremental facility, subject to certain conditions. Amounts borrowed under the New Term Loan Facility will amortize in equal quarterly installments in aggregate annual amounts equal to 1.00% of the original principal amount of the New Term Loan Facility, with the balance payable on the maturity date for the New Term Loan Facility.

Interest Rates and Fees

The Dollar Term Loan Facility and the Revolving Credit Facility will each bear interest on the outstanding unpaid principal amount at a rate equal to an applicable margin (discussed below) plus, at our option, either:

a) a base rate determined by reference to the highest of (i) the rate quoted in the *The Wall Street Journal* as the prime lending rate at such time, (ii) 0.50% in excess of the overnight federal funds rate at such time and (iii) the LIBOR rate that would then be in effect for a LIBOR loan with an interest period of one month plus 1%;

b) a LIBOR rate; or

c) solely with respect to loans under the New Revolving Facility denominated in an alternate currency, an alternate currency rate.

The Euro Term Loan Facility will bear interest on the outstanding unpaid principal amount at a rate equal to an applicable margin plus a Euro LIBOR rate. The LIBOR rate and Euro LIBOR rate for the New Term Loan Facility will be subject to a floor of 1.00% per annum. The base rate for the Dollar Term Loan Facility will be subject to a floor of 2.00% per annum.

The applicable margin for the New Term Loan Facility will be 4.75% per annum (for LIBOR and Euro LIBOR rate loans) and 3.75% per annum (for base rate loans). The applicable margin for the New Revolving Facility will be 4.50% per annum (for LIBOR loans) and 3.50% per annum (for base rate loans). In addition to paying interest on outstanding principal under our New Senior Secured Credit Facilities, we will initially be required to pay a commitment fee, in respect of the unutilized commitments under the New Revolving Facility, of 0.50% per annum. We will also be required to pay customary letter of credit fees, including, without limitation, a letter of credit fee equal to the applicable margin on revolving credit LIBOR rate loans and facing fees.

Mandatory Prepayments

Subject to certain exceptions, loans under the New Senior Secured Credit Facilities are required to be prepaid with:

(a) 100% of net cash proceeds from any issuance of indebtedness (other than indebtedness permitted to be incurred under the Senior Secured Credit Facilities and other specified exceptions) by us or our restricted subsidiaries;

(b) 50% (reduced to 25% and 0% based upon the achievement of certain first lien net leverage ratios) of excess cash flow less certain deductions; and

(c) 100% of net cash proceeds from certain asset sales and other recovery events in excess of \$20 million per annum by us or our restricted subsidiaries not reinvested in useful assets within one year (or, if later, 6 months after the entry into a binding commitment to reinvest the net cash proceeds within such one-year period).

Security and Guarantees

Our obligations under the New Senior Secured Credit Facilities will be guaranteed by Solera Parent Holding, LLC, the direct parent company of the Issuer ("Parent Holding"), and certain of its direct and indirect wholly-owned material subsidiaries, subject to certain exceptions. All obligations under the New Senior Secured Credit Facilities and the related guarantees will be secured by a perfected first priority lien or security interest in substantially all of our and the guarantors' tangible and intangible assets, subject to certain exceptions.

Covenants

The New Senior Secured Credit Facilities will contain customary affirmative and negative covenants, including limitations on indebtedness; limitations on liens; limitations on certain fundamental changes (including, without limitation, mergers, consolidations, liquidations and dissolutions); limitations on dispositions; limitations on dividends, other payments in respect of capital stock and other restricted payments; limitations on investments, loans, advances and acquisitions; limitations on transactions with affiliates; limitations on changes in fiscal periods; limitations on agreements restricting liens and/or dividends; and limitations on changes in lines of business. In addition, our Revolving Credit Facility will contain a maximum first lien net leverage ratio, which will be tested quarterly if outstanding revolving loans, swingline loans and letters of credit (in excess of \$30 million) exceed 35% of the total commitments under our Revolving Credit Facility on the last day of any quarter.

Events of Default

Events of default under the New Senior Secured Credit Facilities include, among others, nonpayment of principal when due; nonpayment of interest, fees or other amounts; cross-defaults; covenant defaults; material inaccuracy of representations and warranties; bankruptcy events with respect to us, Parent Holding or any of our material restricted subsidiaries; material unsatisfied or unstayed judgments; certain ERISA events; a change of control; or actual or asserted invalidity of any material guarantee or security document.

Terms Subject to Change

The terms described above with respect to the New Term Loan Facility and the New Revolving Facility are subject to change and a number of conditions, including the consummation of the Transactions and this offering. To the extent that any of the conditions with respect to such indebtedness are not satisfied, such indebtedness may not be available on the terms described herein or at all.

DESCRIPTION OF NOTES

General

Certain terms used in this description are defined under the subheading "Certain Definitions." In this description, (i) the term "*Issuers*" refers to Solera, LLC (the "*Company*") and Solera Finance, Inc. (the "*Co-Issuer*") and not to any of their respective Subsidiaries and (ii) the terms "*we*," "*our*" and "*us*" each refer to (a) prior to the consummation of the Acquisition, Solera Holdings, Inc. ("*Solera*") and its consolidated Subsidiaries and (b) from and after the consummation of the Acquisition, the Company and its consolidated Subsidiaries, including Solera. The Co-Issuer will not have any assets or revenues. Accordingly, you should not expect the Co-Issuer to participate in servicing the principal and interest obligations on the Notes.

The Issuers will issue $1,730,000,000 aggregate principal amount of 10.500% Senior Notes due 2024 (the *"Notes*") under an indenture to be dated as of the Issue Date (the "*Initial Indenture*") among the Issuers, Summertime Acquisition Corp. ("*Merger Sub*"), the other guarantors party thereto and U.S. Bank National Association, as trustee (the "*Trustee*"). The Notes will be issued concurrently with the merger of Merger Sub with and into Solera, with Solera as the surviving corporation (the "*Acquisition*") pursuant to the Merger Agreement. Upon consummation of the Acquisition, Solera (as survivor of the merger with Merger Sub) will enter into a supplemental indenture (the "*Supplemental Indenture*") with the other Guarantors and the Trustee pursuant to which Solera will assume all of the rights and obligations of Merger Sub under the Initial Indenture and Solera and the other Guarantors will guarantee the obligations of the Issuers effective as of and from the effective time of the Acquisition. For purposes of this description, the term "*Indenture"* shall mean the Initial Indenture, as supplemented by the Supplemental Indenture. The Indenture will not be subject to, or contain provisions corresponding or similar to certain of, the provisions of the Trust Indenture Act of 1939, as amended. The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. Holders of the Notes will not be entitled to any registration rights. See "Transfer Restrictions."

The following description is only a summary of certain provisions of the Indenture, the Notes and the Guarantees, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Indenture and the Notes, including the definitions of certain terms used therein. We urge you to read each of these documents because they, and not this description, will define your rights as Holders. You may request copies of the Indenture and the Notes at our address set forth under the heading "Summary."

Brief Description of Notes

The Notes will:

- be unsecured senior debt obligations of the Issuers;
- contemporaneously with the consummation of the Acquisition, be guaranteed on a senior unsecured basis by each Guarantor;
- rank senior in right of payment to any existing and future Subordinated Indebtedness of the Issuers and the Guarantors;
- rank equal in right of payment to all existing and future unsecured senior Indebtedness of the Issuers and the Guarantors, including the obligations of the Issuers and the Guarantors under any remaining Existing Notes outstanding following consummation of the Tender Offer;
- be effectively subordinated to all existing and future Secured Indebtedness and other obligations of the Issuers and the Guarantors, including the obligations of the Issuers and the Guarantors under the Senior Secured Credit Facilities, to the extent of the value of the collateral securing such Secured Indebtedness and other obligations; and

• be structurally subordinated to all Indebtedness and other claims and liabilities of the Company's non-Guarantor Subsidiaries (other than the Co-Issuer).

Guarantees

The Guarantors, as primary obligors and not merely as sureties, will jointly and severally, fully and unconditionally Guarantee, on an unsecured senior basis, the performance and full and punctual payment when due, whether at maturity, by acceleration or otherwise, of all Obligations of the Issuers under the Indenture and the Notes, whether for payment of principal of, premium, if any, or interest in respect of the Notes, expenses, indemnification or otherwise including all fees and expenses due and owing to the Trustee, on the terms set forth in the Indenture by executing the Indenture.

On the Issue Date, the Notes will be unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each Domestic Subsidiary (other than the Co-Issuer and any Excluded Subsidiaries) that is a Wholly-Owned Subsidiary of the Company that incurs or guarantees any Obligations under the Senior Secured Credit Facilities or certain future Indebtedness of the Issuers or any Guarantor (and any Foreign Subsidiary or Domestic Subsidiary that is a non-Wholly-Owned Subsidiary (in each case, other than any Excluded Subsidiary) if such Foreign Subsidiary or non-Wholly-Owned Subsidiary guarantees the Senior Secured Credit Facilities, certain syndicated bank indebtedness or certain capital markets debt securities of the Issuers or any Guarantor). Each of the Guarantees of the Notes will be a general unsecured obligation of each Guarantor and will rank equally in right of payment with all existing and future unsecured Indebtedness and other obligations of each such entity that are not, by their terms, expressly subordinated in right of payment to the Notes, will be effectively subordinated to all existing and future Secured Indebtedness and other obligations of each such entity (including obligations of such entity under the Senior Secured Credit Facilities) to the extent of the value of the collateral securing such Indebtedness and other obligations, and will be senior in right of payment to all existing and future Subordinated Indebtedness of each such entity.

The Notes will be structurally subordinated to the Indebtedness and other obligations of Subsidiaries of the Company (other than the Co-Issuer) that do not Guarantee the Notes. Not all of the Company's Subsidiaries in existence on the date of the Acquisition will Guarantee the Notes, and Restricted Subsidiaries will be required to Guarantee the Notes only to the extent provided for under "Certain Covenants—Guarantors." In the event of a bankruptcy, liquidation or reorganization of any of these non-Guarantor Subsidiaries, the non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuers. For the twelve months ended December 31, 2015, the Subsidiaries of the Company that are not expected to guarantee the Notes generated 51.9% of the Company's consolidated revenues and 63.9% of the Company's consolidated Adjusted EBITDA. In addition, at December 31, 2015, excluding the effect of intercompany balances as well as intercompany transactions, these non-Guarantor Subsidiaries held approximately 33.2% of the Company's total consolidated assets and had approximately $251.5 million of the Company's consolidated total liabilities. See "Risk Factors—Risks Related our Indebtedness and the Notes—The notes and the note guarantees are structurally subordinated to all liabilities of our non-guarantor subsidiaries."

We expect that all of the Company's Subsidiaries (other than the Co-Issuer) existing as of the Issue Date will be "Restricted Subsidiaries." However, under certain circumstances, we will be permitted to designate certain of our future subsidiaries as "Unrestricted Subsidiaries." Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

Any Guarantor that makes a payment under its Guarantee will be entitled upon payment in full of all guaranteed Obligations under the Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent such Guarantee from constituting a fraudulent conveyance under applicable law and, therefore, are limited to the amount that such Guarantor could guarantee without such Guarantee constituting a fraudulent conveyance; this limitation, however, may not be effective to prevent such Guarantee from constituting a fraudulent conveyance. If a Guarantee is rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of such Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Guarantee could be reduced to zero. See "Risk Factors—Risks Related to our Indebtedness and the Notes—Federal and state fraudulent transfer laws may permit a court to void the notes and/or the note guarantees and, if that occurs, you may not receive any payments on the notes."

A Guarantee by a Guarantor will provide by its terms that its Obligations under the Indenture and its Guarantee will be automatically and unconditionally released and discharged upon:

(1) (a) any sale, exchange, transfer or other disposition (by merger, consolidation, amalgamation, dividend, distribution or otherwise) of (i) the Capital Stock of such Guarantor, after which the applicable Guarantor is no longer a Restricted Subsidiary, or (ii) all or substantially all of the assets of such Guarantor; *provided* that such sale, exchange, transfer or disposition of Capital Stock or assets is made in compliance with the applicable provisions of the Indenture (including any amendments thereof);

(b) the release or discharge of (or, substantially concurrently with the release of the Guarantee of such Guarantor, the Guarantor will be released and discharged from) the guarantee by, or direct obligation of, such Guarantor with respect to the Senior Secured Credit Facilities or the release or discharge of (or, substantially concurrently with the release of the Guarantee of such Guarantor, the Guarantor will be released and discharged from) such other guarantee or direct obligation that resulted in the creation of such Guarantee, except a discharge or release by or as a result of payment under such guarantee or direct obligation (it being understood that a release subject to a contingent release is still a release);

(c) the proper designation of any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary, an Excluded Subsidiary or an Immaterial Subsidiary in compliance with the applicable provisions of the Indenture;

(d) the Issuers exercising their legal defeasance option or covenant defeasance option as described under "Legal Defeasance and Covenant Defeasance" or the Issuers' obligations under the Indenture being satisfied and discharged in accordance with the terms of the Indenture;

(e) (i) the merger, amalgamation or consolidation of any Guarantor with and into the Company, the Co-Issuer or another Guarantor that is the surviving Person in such merger, amalgamation or consolidation, or (ii) the liquidation or dissolution of such Guarantor following the transfer of all or substantially all of its assets to the Company, the Co-Issuer or another Guarantor;

(f) subject to customary contingent reinstatement obligations, upon payment in full of the aggregate principal amount of all Notes then outstanding and other Obligations then due and owing; or

(g) as described under "Amendment, Supplement and Waiver"; and

(2) the Company delivering to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction have been complied with. Upon request, the Trustee shall execute an instrument evidencing the release of such Guarantor.

Notwithstanding the foregoing, each of Intermediate Holdings CFC One, Intermediate Holdings CFC Two, Intermediate Holdings CFC Three and Intermediate Holdings CFC Four will be released from its Obligations under the Indenture and its Guarantee will be automatically and unconditionally released and discharged upon consummation of the Post-Closing Restructuring Transactions.

Ranking

The payment of the principal of, premium, if any, and interest on the Notes and the payment of any Guarantee will rank equal in right of payment to all existing and future Indebtedness and other obligations of the Issuers or the relevant Guarantor, as the case may be, that are not, by their terms, expressly subordinated in right of payment to the Notes or the Guarantee of such Guarantor.

The Notes will be effectively subordinated to all of the Issuers' and the Guarantors' existing and future Secured Indebtedness and other secured obligations (including the Issuers' and the Guarantors' obligations under the Senior Secured Credit Facilities) to the extent of the value of the collateral securing such Indebtedness and other secured obligations and will be structurally subordinated to all Indebtedness and other claims and liabilities of the Company's non-guarantor Subsidiaries (other than the Co-Issuer). As of December 31, 2015, on a *pro forma* basis after giving effect to the Transactions,

(1) the Issuers and the Guarantors would have had in the aggregate $2,200.0 million of Secured Indebtedness and $300.0 million of unused availability under the revolving portion of the Senior Secured Credit Facilities; and

(2) the Company's non-guarantor Subsidiaries would not have had any Indebtedness (excluding intercompany liabilities).

Although the Indenture will contain limitations on the amount of additional Secured Indebtedness that the Issuers and its Restricted Subsidiaries may incur, under certain circumstances the amount of such Secured Indebtedness could be substantial. See "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "Certain Covenants—Liens." In addition, although the Indenture will limit the incurrence of Indebtedness by and the issuance of Disqualified Stock and Preferred Stock of the Issuers' Restricted Subsidiaries, such limitation is subject to a number of significant exceptions and qualifications and the Indebtedness incurred and Disqualified Stock and Preferred Stock issued in compliance with the covenants could be substantial. See "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock." Moreover, the Indenture does not impose any limitation on the incurrence or issuance by such Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture.

Paying Agent and Registrar for the Notes

The Issuers will maintain one or more paying agents for the Notes. The initial paying agent for the Notes will be the Trustee. The applicable paying agent will make payments on the Notes on behalf of the Issuers.

The Issuers will also maintain a registrar with respect to the Notes. The initial registrar for the Notes will be the Trustee. The applicable registrar will maintain a register reflecting ownership of the applicable Notes outstanding from time to time and facilitate transfers of Notes on behalf of the Issuers.

The Issuers may change the paying agents, registrars or transfer agent without prior notice to the Holders. The Issuers or any of their respective Subsidiaries may act as paying agent, registrar or transfer agent.

If any Notes are listed on an exchange and the rules of such exchange so require, the Issuers will satisfy any requirement of such exchange as to paying agents, transfer agents and registrars and will comply with any notice requirements required under such exchange in connection with any change of paying agent, transfer agent or registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture and the restrictions set forth in the section of this Offering Circular entitled “Transfer Restrictions.” The registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all Taxes and fees required by law and due on transfer. The Issuers will not be required to transfer or exchange any Note selected for redemption or tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, an Asset Sale Offer or other tender offer. Also, the Issuers will not be required to transfer or exchange any Note for a period of 10 days before delivering a notice of redemption of Notes to be redeemed. The registered Holder will be treated as the owner of the Notes for all purposes.

Principal, Maturity and Interest

The Issuers will issue $1,730,000,000 aggregate principal amount of Notes in this offering. The Notes will mature on March 1, 2024. Subject to compliance with the covenant described under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock,” the Issuers may issue additional Notes (“*Additional Notes*”) from time to time after this offering under the Indenture. The Notes offered hereby and any Additional Notes subsequently issued under the Indenture will be treated as a single class (except as otherwise provided) for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase; *provided*; *however,* that a separate CUSIP or ISIN will be issued for the Additional Notes, unless the Notes and the Additional Notes are treated as fungible for U.S. federal income tax purposes. The Indenture will permit the Issuers to designate the maturity date, interest rate and optional redemption provisions applicable to each series of Additional Notes, which may differ from the maturity date, interest rate and optional redemption provisions applicable to the initial Notes issued on the Issue Date. Additional Notes that differ with respect to maturity date, interest rate or optional redemption provisions from the initial Notes issued on the Issue Date will constitute a different series of Notes from such initial Notes. Additional Notes that have the same maturity date, interest rate and optional redemption provisions as the initial Notes issued on the Issue Date will be treated as the same series as such initial Notes unless otherwise designated by the Issuers. The Issuers similarly will be entitled to vary the application of certain other provisions to any series of Additional Notes. Subject to the foregoing, unless the context requires otherwise, references to “Notes” for all purposes of the Indenture and this “Description of Notes” include any Additional Notes that are actually issued. The Notes will be issued in minimum denominations of $2,000 and in integral multiples of $1,000 in excess of $2,000.

Interest on the Notes will accrue at the rate of 10.500% per annum and will be payable in cash semi-annually in arrears on March 1 and September 1, commencing on September 1, 2016, to the Holders of record on the immediately preceding February 15 and August 15. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, premium, if any, and interest on the Notes will be payable at the office or agency of the paying agent maintained for such purpose, as described under “Paying Agent and Registrar for the Notes,” or, at the option of the Issuers, payment of interest may be made by check mailed to the Holders at their respective addresses set forth in the register of Holders; *provided* that all cash payments of principal, premium, if any, and interest with respect to the Notes represented by one or more global Notes registered in the name of or held by The Depository Trust Company ("*DTC*") or its nominee will be made in accordance with DTC's applicable procedures. Until otherwise designated by the Issuers, the Issuers' office or agency will be the office of the Trustee maintained for such purpose. If any interest payment date, the maturity date or any earlier repurchase or redemption date falls on a day that is a Legal Holiday, the required payment will be made on the next succeeding Business Day and no interest on such payment will accrue in respect of the delay.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuers will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Notes as described under the caption "Repurchase at the Option of Holders." The Issuers, the Investors and their respective Affiliates may, at their discretion, at any time and from time to time, acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture, upon such terms and at such prices as the Issuers, the Investors or their respective Affiliates may determine, which may be more or less than the consideration for which the Notes offered hereby are being sold and could be for cash or other consideration.

Redemption of Notes for Tax Reasons

The Issuers may redeem the Notes in whole, but not in part, at any time upon giving not less than 30 days' prior notice to the Holders of such Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but not including the date fixed for redemption (a "*Tax Redemption Date*") (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "—Payment of Additional Amounts on the Notes"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuers determine in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below); or

(2) any amendment to, or change in an official written application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice or revenue guidance) (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

a Payor (as defined below) is, or on the next interest payment date in respect of such Notes would be, required to pay Additional Amounts with respect to such Notes, and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new paying agent where this would be reasonable, but not including assignment of the obligation to make payment with respect to such Notes). Such Change in Tax Law must (i) not have been publicly announced before the Issue Date and (ii) become effective on or after the Issue Date (or if the applicable Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on such Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a change or amendments occurring after the time such successor Person becomes a party to the Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and Notice." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of any Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officer's Certificate stating that they are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to their right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing qualified under the laws of the Relevant Taxing Jurisdiction to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Payment of Additional Amounts on the Notes

All payments made by or on behalf of the Issuers or any Guarantor (including, in each case, any successor entity) (each, a "*Payor*") in respect of the Notes or with respect to any Guarantee thereof, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If, after the occurrence of a European Domicile Transaction (as defined in "—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets"), any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any Note or Guarantee thereof is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction in which a Payor is organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"),

will at any time be required by law to be made from any payments made by or on behalf of the Payor or the paying agent with respect to any Note or Guarantee thereof, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such withholding or deduction from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Guarantee thereof in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner of the Note (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note, the Indenture or a Guarantee of such Note;

(2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to provide an applicable Internal Revenue Service Form W-8 (with any required attachments) or W-9 or to comply with a written request of the Payor addressed to the Holder, after reasonable notice (at least 60 days before any such withholding or deduction would be made), to provide other certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax but, only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;

(3) any Taxes, to the extent that such Taxes were imposed as a result of the presentation of the Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder;

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment on or with respect to the Notes or any Guarantee thereof;

(5) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes;

(6) any Taxes imposed in connection with a Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union;

(7) any Taxes imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor version that is substantively comparable), any current or future regulations or agreements thereunder, official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code (or any amended or successor version that is substantively comparable), or any law, legislation, rules or practices implementing an intergovernmental agreement relating thereto;

(8) any Taxes imposed as a result of the Holder or beneficial owner being or having been (i) a "10-percent shareholder" of an Issuer as defined in Section 871(h)(3) of the Code or any successor provision or (ii) a controlled foreign corporation that is related to an Issuer within the meaning of Section 864(d)(4) of the Code or any successor provision;

(9) any Taxes imposed as a result of the Holder or beneficial owner being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Section 881(c)(3)(A) of the Code or any successor provision;

(10) any Taxes imposed by reason of the Holder's or beneficial owner's past or present status as a passive foreign investment company, a controlled foreign corporation, a foreign tax-exempt organization or a personal holding company with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax; or

(11) any combination of the items (1) through (10) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or limited liability company or any person other than the beneficial owner of the Notes, to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or limited liability company or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly.

The applicable withholding agent will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant taxing authority in the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies, or if, notwithstanding the Payor's reasonable efforts to obtain such tax receipts, such tax receipts are not available, other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies or other evidence shall be made available to the Holders upon reasonable request and will be made available at the offices of the paying agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Note or Guarantee of a Note, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee shall be entitled to rely solely, without further inquiry, on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this "Description of the Notes" there is mentioned, in any context:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any Guarantee of a Note,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

After the occurrence of a European Domicile Transaction, the Payor will pay and indemnify the Holders and beneficial owners of the Notes for any present or future stamp, transfer, issue, registration, court or documentary taxes, or any other excise, property or similar taxes or similar charges or levies (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, delivery, enforcement or registration of, or receipt of payments with respect to, any Note or any Guarantee of a Note, the Indenture, or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Notes after this offering and limited, solely to the extent of such taxes or similar charges or levies that arise from the receipt of any payments of principal or interest on the Notes, to any such taxes or similar charges or levies that are not excluded under clauses (1) through (3) and (5) through (10)).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Notes or Guarantees thereof is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

Optional Redemption

Except as set forth above under the caption "Redemption of Notes for Tax Reasons," below in this section or in the circumstances set forth in the thirteenth paragraph under "Repurchase at the Option of Holders—Change of Control," the Issuers will not be entitled to redeem the Notes at their option prior to March 1, 2019.

At any time prior to March 1, 2019, the Issuers may on one or more occasions redeem all or a part of the Notes, upon notice as described under the heading "—Selection and Notice," at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the date of redemption (any applicable date of redemption hereunder, the "*Redemption Date*"), subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date.

On and after March 1, 2019, the Issuers may on one or more occasions redeem the Notes, in whole or in part, upon notice as described under the heading "—Selection and Notice," at the redemption prices (expressed as percentages of the principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date, if redeemed during the twelve-month period beginning on March 1 of each of the years indicated below:

Year	Redemption Price
2019	107.875%
2020	105.250%
2021	102.625%
2022 and thereafter	100.000%

In addition, at any time prior to March 1, 2019, the Issuers may, at their option, on one or more occasions, upon notice as described under the heading "—Selection and Notice," redeem up to 40% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) at a redemption price (as calculated by the Issuers) equal to (a) 110.500% of the aggregate principal amount thereof with an amount equal to or less than the net cash proceeds from one or more Equity Offerings to the extent such net cash proceeds are received by or contributed to the Company plus (b) accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date; *provided* that (a) at least 50% of the original aggregate principal amount of the Notes being redeemed remains outstanding immediately after the occurrence of each such redemption (unless all Notes outstanding on the Redemption Date are redeemed) and (b) that each such redemption occurs within 180 days of the date of closing of each such Equity Offering.

If the Redemption Date is on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest to, but excluding, the Redemption Date in respect of Notes subject to redemption will be paid on the Redemption Date to the Person in whose name the Note is registered at the close of business, on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuers.

Notice of any redemption of Notes (including upon an Equity Offering or in connection with another transaction (or series of related transactions) or an event that constitutes a Change of Control) may, at the Issuers' discretion, be given prior to the completion or the occurrence thereof and any such redemption or notice may, at the Issuers' discretion, be subject to one or more conditions precedent, including, but not limited to, completion or occurrence of the related Equity Offering or other transaction or event, as the case may be. In addition, if such redemption or purchase is subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuers' discretion, the Redemption Date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied (or waived by the Issuers in their sole discretion), or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the

Issuers in their sole discretion) by the Redemption Date, or by the Redemption Date as so delayed, or such notice may be rescinded at any time in the Issuers' discretion if in the good faith judgment of the Issuers any or all of such conditions will not be satisfied. In addition, the Issuers may provide in such notice that payment of the redemption price and performance of the Issuers' obligations with respect to such redemption may be performed by another Person. In no event shall the Trustee be responsible for monitoring, or charged with knowledge of, the maximum aggregate amount of any series of Notes eligible under the Indenture to be redeemed.

Selection and Notice

If the Issuers are redeeming less than all of the Notes issued by it at any time, the Trustee will select the Notes to be redeemed (a) on a pro rata basis to the extent practicable (or, in the case of Notes in global form, the Trustee will select Notes for redemption based on the method of DTC that most nearly approximates a pro rata selection or by such other method that the Trustee shall deem fair and appropriate) or (b) by lot or such other similar method in accordance with the procedures of DTC; *provided* that no Notes of $2,000 or less shall be redeemed or repurchased in part.

Notices of purchase or redemption shall be sent electronically (in PDF or similar format) or mailed by first-class mail, postage prepaid, at least 10, but except as set forth in the sixth paragraph under "—Optional Redemption," not more than 60 days before the purchase or Redemption Date to each Holder at such Holder's registered address and upon at least 30 days prior written notice to the Trustee (unless a shorter time shall be agreed to by the Trustee), except that redemption notices may be sent more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. If any Note is to be purchased or redeemed in part only, any notice of purchase or redemption that relates to such Note shall state the portion of the principal amount thereof that has been or is to be purchased or redeemed.

For Notes that are represented by global certificates held on behalf of DTC, notices may be given by delivery of the relevant notices to DTC for communication to entitled account holders in substitution of the aforementioned delivery.

Notes called for redemption become due on the date fixed for redemption, unless such redemption or purchase is conditioned on the happening of a future event. On and after the Redemption Date, unless the Issuers default in payment of the redemption price, interest ceases to accrue on Notes or portions of them called for redemption, unless such redemption remains conditioned on the happening of a future event. Redemption amounts shall only be paid upon presentation and surrender of any such Notes to be redeemed. Payment of the redemption price and performance of the Issuers' obligations in connection with any redemption may be performed by another Person.

Repurchase at the Option of Holders

Change of Control

The Indenture will provide that if a Change of Control occurs after the Issue Date, unless, prior to, or concurrently with, the time the Issuers are required to make a Change of Control Offer (as defined below) the Issuers have previously or concurrently mailed or transmitted electronically (in PDF or similar format) a redemption notice with respect to all the outstanding Notes as described under "Optional Redemption" or "Satisfaction and Discharge," the Issuers will make an offer to purchase all of the Notes pursuant to the offer described below (the "*Change of Control Offer*") at a price in cash (the "*Change of Control Payment*") equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the Change of Control Payment Date, subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date. Except as set forth above, within 30 days following any Change of Control, the Issuers will send notice of such Change of Control Offer by first class mail or electronically (in PDF or similar format), with a copy to the Trustee, to each Holder to the address of such Holder appearing in the security register or otherwise in accordance with the procedures of DTC with the following information:

(1) that a Change of Control Offer is being made pursuant to the covenant entitled "Repurchase at the Option of Holders—Change of Control," and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuers;

(2) the purchase price and the purchase date (the "*Change of Control Payment Date*"), which will be no earlier than 10 days nor later than 60 days from the date such notice is sent, except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below;

(3) that any Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that, unless the Issuers default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed or otherwise in accordance with the procedures of DTC, to the paying agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day (or such other Business Day as may be specified in the notice) preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their tendered Notes and their election to require the Issuers to purchase such Notes; *provided* that the paying agent receives, not later than the expiration time of the Change of Control Offer, an electronic transmission (in PDF or similar format), facsimile transmission or letter setting forth the name of the Holder or otherwise in accordance with the procedures of DTC, the principal amount of Notes tendered for purchase and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that if the Issuers are purchasing less than all of the Notes, the Holders of the remaining Notes will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered. The unpurchased portion of the Notes must be equal to $2,000 or an integral multiple of $1,000 in excess thereof;

(8) if such notice is sent prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control and describing each such condition, and, if applicable, stating that, in the Issuers' discretion, the Change of Control Payment Date may be delayed until such time (including more than 60 days after the notice is mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied (or waived by the Issuers in their sole discretion), or that such purchase may not occur and such notice may be rescinded in the event that the Issuers shall determine that the Change of Control will not occur by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed; and

(9) the other instructions, as determined by the Issuers, consistent with the covenant described hereunder, that a Holder must follow in order to have its Notes repurchased.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control or conditioned upon such Change of Control, with a purchase date to occur upon, or within a specified period of time after, the consummation of such Change of Control.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, then any accrued and unpaid interest to the Change of Control Payment Date will be paid on the Change of Control Payment Date to the Person in whose name a Note is registered at the close of business on such record date.

While the Notes are in global form and if the Issuers make an offer to purchase all of the Notes pursuant to the Change of Control Offer, a Holder may exercise its option to elect for the purchase of the Notes through the facilities of DTC, subject to its rules and regulations.

The Issuers will comply with the applicable requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the applicable provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

On the Change of Control Payment Date, the Issuers will, to the extent permitted by law,

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer,

(2) deposit with the paying agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered, and

(3) deliver, or cause to be delivered, to the Trustee for cancellation the Notes so accepted together with an Officer's Certificate to the Trustee stating that such Notes or portions thereof have been tendered to and purchased by the Issuers.

The Senior Secured Credit Facilities and future credit agreements or other agreements relating to Indebtedness to which the Company or the Co-Issuer become a party may prohibit or limit the Issuers from purchasing any Notes as a result of a Change of Control. In the event a Change of Control occurs at a time when the Issuers are prohibited from purchasing the Notes, the Issuers could seek the consent of its lenders to permit the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuers do not obtain such consent or repay such borrowings, the Issuers will remain prohibited from purchasing the Notes. In such case, the Issuers' failure to purchase tendered Notes would constitute an Event of Default under the Indenture after any required giving of notice and lapse of time as described under, "Events of Default and Remedies."

The Senior Secured Credit Facilities will, and future credit agreements or other debt agreements to which the Company or the Co-Issuer becomes a party may, provide that certain change of control events with respect to the Company would constitute a default thereunder (including a Change of Control under the Indenture). If we experience a change of control that triggers a default under our Senior Secured Credit Facilities or such other Indebtedness, we could seek a waiver of such default or seek to refinance our Senior Secured Credit Facilities or any other Indebtedness. In the event we do not obtain such a waiver or refinance the Senior Secured Credit Facilities and such other Indebtedness, such default could result in amounts outstanding under the Senior Secured Credit Facilities and such other Indebtedness being declared due and payable.

Our ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases of the Notes. See "Risk Factors—Risks Related to Our Indebtedness and the Notes—We may not be able to purchase the notes upon a change of control, which would result in a default under the indenture that will govern the notes and would materially adversely affect our business and financial condition."

In the event that the Issuers make a Change of Control Payment, the paying agent will promptly mail or wire transfer to each Holder the Change of Control Payment for such Notes, and the Trustee will promptly authenticate a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

The Change of Control Offer feature of the Notes may in certain circumstances make it more difficult or discourage a sale or takeover of the Company (or any Parent Entity) and, thus, the removal of incumbent management. The Change of Control Offer feature is a result of negotiations between the Initial Purchasers of the Notes and us. We have no present intention to engage in a transaction involving a Change of Control following the Issue Date, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the covenants described under "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "Certain Covenants—Liens." Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

We will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

If Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuers, or any third party making a Change of Control Offer in lieu of the Issuers as described above, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuers or such third party will have the right, upon not less than 15 days nor more than 60 days' prior notice as described under the heading "Optional Redemption—Selection and Notice" (*provided* that such notice is given not more than 30 days following such purchase pursuant to the Change of Control Offer described above), to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the aggregate principal amount of such Notes, plus accrued and unpaid interest on the Notes that remain outstanding to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date).

The definition of "Change of Control" includes a disposition of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person, other than a Permitted Holder. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Company. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuers to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Issuers' obligation to make an offer to repurchase the Notes as a result of a Change of Control, including the definition of "Change of Control," may be waived, amended or modified at any time with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding.

Asset Sales

The Indenture will provide that the Company will not, and will not permit any of its Restricted Subsidiaries to, consummate, directly or indirectly, an Asset Sale, unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the fair market value (as determined at the time of contractually agreeing to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) except in the case of a Permitted Asset Swap, at least 75% of the consideration for such Asset Sale received by the Company or such Restricted Subsidiary, as the case may be, is in the form of (a) cash or Cash Equivalents, (b) Replacement Assets or (c) any combination of the consideration specified in clauses (a) through (e); *provided* that the amount of:

(a) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet or in the footnotes thereto or if incurred, accrued or increased subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Company's consolidated balance sheet or in the footnotes thereto if such incurrence, accrual or increase had taken place on or prior to the date of such balance sheet, as determined in good faith by the Company) of the Company or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Notes, that are assumed by the transferee (or a third party on behalf of the transferee) of any such assets or are otherwise extinguished in connection with the transactions relating to such Asset Sale;

(b) any securities, notes or other obligations or assets received by the Company or such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale;

(c) any Designated Non-cash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received since the date of this Indenture pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of (x) $125.0 million and (y) 22.0% of EBITDA for the Applicable Measurement Period at the time of the receipt of such Designated Non-cash Consideration (with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(d) any securities publicly-traded on a national securities exchange; and

(e) consideration consisting of Indebtedness of the Issuers or any Guarantor received from Persons who are not an Issuer or a Restricted Subsidiary;

shall be deemed to be cash or Cash Equivalents for purposes of this provision and for no other purpose.

Within 450 days after the Company's or any Restricted Subsidiary's receipt of the Net Proceeds of any Asset Sale (the "*Asset Sale Proceeds Application Period*"), the Company or such Restricted Subsidiary, at its option, may apply an amount equal to the Net Proceeds from such Asset Sale,

(1) to repurchase, prepay or redeem:

(a) any Indebtedness secured by a Permitted Lien (and, if such Indebtedness is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto);

(b) Obligations under the Notes or any Pari Passu Indebtedness; *provided* that if the Company or any Restricted Subsidiary shall so repay any Pari Passu Indebtedness other than the Notes, the Company will either (A) reduce Obligations under the Notes on a pro rata basis by, at its option, (i) redeeming Notes as described under "—Optional Redemption" or any equivalent provision with respect to any Additional Notes or (ii) purchasing Notes through open-market purchases, or (B) make an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Notes on a ratable basis with such other Pari Passu Indebtedness, in the case of clauses (i) and (ii), for no less than 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, thereon; or

(c) Indebtedness of a Restricted Subsidiary that is not the Co-Issuer or a Guarantor (and, if such Indebtedness is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto), other than Indebtedness owed to the Company or another Restricted Subsidiary; or

(2) to make (a) an Investment in any one or more businesses operating or engaged in a Similar Business (*provided* that if such Investment in any business is in the form of the acquisition of Capital Stock, such acquisition results in the Company or another of its Restricted Subsidiaries, as the case may be, owning an amount of the Capital Stock of such business such that it constitutes or continues to constitute a Restricted Subsidiary); (b) capital expenditures; or (c) acquisitions of other properties or assets, in each of the foregoing subclauses (b) and (c), used or useful in a Similar Business or that replace the businesses, properties and/or assets that are the subject of such Asset Sale; or

(3) any combination of the foregoing;

provided, that a binding commitment entered into not later than such 450th day shall be treated as a permitted application of the Net Proceeds from the date of such commitment so long as the Company or such Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days of the Asset Sale Proceeds Application Period (an "*Acceptable Commitment*") and such Net Proceeds are actually applied in such manner within the later of 450 days from the consummation of the Asset Sale and 180 days from the date of the Acceptable Commitment, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Proceeds are applied in connection therewith, then such Net Proceeds shall constitute Excess Proceeds unless the Company or such Restricted Subsidiary enters into another Acceptable Commitment (a "*Second Commitment*") within 180 days of such cancellation or termination and such Net Proceeds are actually applied in such manner within 180 days from the date of the Second Commitment; *provided*, *further*, that if any Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds shall constitute Excess Proceeds to the extent the Asset Sale Proceeds Application Period has expired.

Any Net Proceeds from an Asset Sale that are not invested or applied as provided within the time period set forth in the preceding paragraph (it being understood that any portion of such Net Proceeds used to make an offer to purchase Notes, as described in clause (1) above, shall be deemed to have been invested whether or not such offer is accepted) will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $50.0 million, the Issuers shall make an offer to all Holders and, if required by the terms of any Pari Passu Indebtedness, to the holders of such Pari Passu Indebtedness (an "*Asset Sale Offer*"), to purchase (or redeem or repay, as applicable) the maximum aggregate principal amount (or accreted value, as applicable) of the Notes and such Pari Passu Indebtedness that is, with respect to the Notes only, in an amount equal to at least $2,000, or an integral multiple of $1,000 thereafter, that may be purchased out of the Excess Proceeds at an offer price, with respect to the Notes only, in cash in an amount equal to 100% of the principal amount thereof (or accreted value thereof, as applicable), plus accrued and unpaid interest, if any, to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in the

Indenture and, if applicable, the agreements governing such Pari Passu Indebtedness. The Issuers will commence an Asset Sale Offer with respect to Excess Proceeds within 10 Business Days after the date that Excess Proceeds exceed $50.0 million (the "*Asset Sale Purchase Date*") by mailing or electronically sending (in PDF or similar format) the notice required pursuant to the terms of the Indenture, with a copy to the Trustee. The Issuers may satisfy the foregoing obligations with respect to any Net Proceeds from an Asset Sale by making an Asset Sale Offer with respect to such Net Proceeds prior to the expiration of the Asset Sale Proceeds Application Period (the "*Advance Offer*") with respect to all or a part of the available Net Proceeds (the "*Advance Portion*") in advance of being required to do so by the Indenture.

If the Asset Sale Purchase Date is on or after an applicable interest record date and on or before the related interest payment date, then any accrued and unpaid interest to the Asset Sale Purchase Date will be paid on the Asset Sale Purchase Date to the Person in whose name a Note is registered at the close of business on such record date.

To the extent that the aggregate principal amount (or accreted value, as applicable) of Notes and, if applicable, such Pari Passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion), the Issuers may use any remaining Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion) in any manner not prohibited by the Indenture, and they will no longer constitute Excess Proceeds. If the aggregate principal amount (or accreted value, as applicable) of Notes or the Pari Passu Indebtedness surrendered in an Asset Sale Offer exceeds the amount of Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion), the Trustee shall select the Notes and the Issuers shall select such Pari Passu Indebtedness to be purchased or repaid on a pro rata basis (or, in the case of Notes in global form, the Trustee will select Notes for redemption based on the method of DTC that most nearly approximates a pro rata selection or by such other method that the Trustee shall deem fair and appropriate) based on the accreted value or principal amount of the Notes or such Pari Passu Indebtedness tendered with adjustments as necessary so that no Notes or Pari Passu Indebtedness, as the case may be, will be repurchased in part in an unauthorized denomination. For the purposes of calculating the principal amount of any such Pari Passu Indebtedness not denominated in U.S. dollars, such Indebtedness shall be calculated by converting any such principal amounts into the U.S. dollar equivalent determined as of the Business Day immediately prior to the date on which the Asset Sale Offer is announced. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero (regardless of whether there are any remaining Excess Proceeds upon such completion), and in the case of an Advance Offer, the amount of Net Proceeds the Issuers are offering to apply in such Advance Offer shall be excluded in subsequent calculations of Excess Proceeds. Additionally, upon consummation or expiration of any Advance Offer, any remaining Net Proceeds shall not be deemed Excess Proceeds and the Issuers may use such Net Proceeds for any purpose not otherwise prohibited under the Indenture.

Notwithstanding any other provisions of this covenant, (i) to the extent that any of or all the Net Proceeds of any Asset Sale by a Foreign Subsidiary (a "*Foreign Disposition*") is prohibited or delayed by applicable local law from being repatriated to the United States, the portion of such Net Proceeds so affected will not be required to be applied in compliance with this covenant, and such amounts may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the United States (the Company hereby agreeing to cause the applicable Foreign Subsidiary to promptly take all commercially reasonable actions available under the applicable local law to permit such repatriation), and once such repatriation of any such affected Net Proceeds is permitted under the applicable local law, such amount (net of additional Taxes payable or reserved against as a result thereof) at such time shall be considered the Net Proceeds in respect of an Asset Sale and (ii) to the extent that the Company has determined in good faith that repatriation of any of or all the Net Proceeds of any Foreign Disposition would have a material adverse Tax consequence (which for the avoidance of doubt, includes, but is not limited to, any repatriation whereby doing so the Company, any Restricted Subsidiary, or any of their respective affiliates and/or equity owners would incur a material tax liability, including as a result of a dividend or deemed dividend, or a material withholding tax, but taking into account any foreign tax credit or benefit received in connection with such repatriation) with respect to such Net Proceeds, the Net Proceeds so affected may be retained by the applicable Foreign Subsidiary.

Pending the final application of an amount equal to the Net Proceeds pursuant to this covenant, the Company or the applicable Restricted Subsidiary may apply such Net Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility (including the Senior Secured Credit Facilities) or otherwise invest such Net Proceeds in any manner not prohibited by the Indenture.

The Issuers will comply with the applicable requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the applicable provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the Asset Sale provisions described in the Indenture by virtue of such compliance.

The Senior Secured Credit Facilities will limit, and future credit agreements or other agreements relating to Indebtedness to which the Company (or one of its Affiliates) becomes a party may prohibit or limit, the Issuers from purchasing any Notes pursuant to this Asset Sales covenant. In the event the Issuers are contractually prohibited from purchasing the Notes, the Company or one of its Affiliates, as the case may be, could seek the consent of its respective lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company or one of its Affiliates, as the case may be, does not obtain such consent or repay such borrowings, the Issuers will remain contractually prohibited from purchasing the Notes. In such case, the Issuers' failure to purchase tendered Notes would constitute an Event of Default under the Indenture after any required giving of notice and lapse of time as described under "Events of Default and Remedies."

The provisions under the Indenture relating to the Issuers' obligation to make an Asset Sale Offer, including the definition of "Asset Sale," may be waived, amended or modified at any time with the written consent of the Holders of a majority in aggregate principal amount of the Notes of the applicable series then outstanding.

Certain Covenants

Effectiveness of Covenants

Set forth below are summaries of certain covenants to be contained in the Indenture that will apply from and after the Issue Date. If on any date following the Issue Date (i) the Notes have an Investment Grade Rating from both Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), then beginning on such date and continuing until the Reversion Date (as defined below), the Company and the Restricted Subsidiaries will not be subject to the following covenants (collectively, the "*Suspended Covenants*"):

(1) "Repurchase at the Option of Holders—Asset Sales;"

(2) "—Certain Covenants—Limitation on Restricted Payments;"

(3) "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;"

(4) clause (4) of the first paragraph of "—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets;"

(5) "—Certain Covenants—Transactions with Affiliates;"

(6) "—Certain Covenants—Guarantees;" and

(7) "—Certain Covenants—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries."

Upon the occurrence of a Covenant Suspension Event (the date of such occurrence, the "*Suspension Date*"), the amount of Excess Proceeds from any Asset Sale shall be reset at zero. In the event that the Company and the Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating, then the Company and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events.

The period of time between (and including) the Suspension Date and the Reversion Date (but excluding the Reversion Date) is referred to in this description as the "*Suspension Period*."

In the event of any such reinstatement, no action taken or omitted to be taken by the Company or any of its Restricted Subsidiaries prior to such reinstatement will give rise to a Default or Event of Default under the Indenture with respect to the Notes; *provided* that (1) with respect to Restricted Payments made on or after the Reversion Date, the amount of Restricted Payments made will be calculated as though the covenant described under the caption "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period, (2) all Indebtedness incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (3) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," (3) no Subsidiaries shall be designated as Unrestricted Subsidiaries during any Suspension Period, (4) any Affiliate Transaction entered into on or after the Reversion Date pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the covenant described under "—Transactions with Affiliates," (5) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (a) of the covenant described under "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" and (6) no Subsidiary of the Company shall be required to comply with the covenant described under "—Guarantees" on or after the Reversion Date with respect to any guarantee entered into by such Subsidiary during the Suspension Period.

During the Suspension Period, the Company and its Restricted Subsidiaries will be entitled to incur Liens to the extent provided for under "—Liens" (including, without limitation, Permitted Liens). To the extent such covenant and any Permitted Liens refer to one or more Suspended Covenants, such covenant or definition shall be interpreted as though such applicable Suspended Covenant(s) continued to be applicable during the Suspension Period (but solely for purposes of the "—Liens" covenant and the "Permitted Liens" definition and for no other covenant).

Notwithstanding that the Suspended Covenants may be reinstated after the Reversion Date, (1) no Default, Event of Default or breach of any kind will be deemed to exist under the Indenture, the Notes or the Guarantees with respect to the Suspended Covenants, and none of the Company or any of its Restricted Subsidiaries shall bear any liability for any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during any Suspension Period, in each case as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or, upon termination of the Suspension Period or after that time based solely on any action taken or event that occurred during the Suspension Period), and

(2) following a Reversion Date, the Company and each Restricted Subsidiary will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period and to consummate the transactions contemplated thereby.

On and after each Reversion Date, the Company and its Subsidiaries will be permitted to consummate the transactions contemplated by any contract entered into during the Suspension Period, so long as such contract and such consummation would have been permitted during the Suspension Period.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Ratings. The Trustee has no duty to monitor the ratings of the Notes or to notify Holders of the occurrence of any Suspension Date or Reversion Date.

Limitation on Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests, including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(A) dividends, payments or distributions by the Company payable solely in Equity Interests (other than Disqualified Stock) of the Company or in options, warrants or other rights to purchase such Equity Interests; or

(B) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary that is not a Wholly-Owned Subsidiary of the Company, the Company or a Restricted Subsidiary receives at least its pro rata share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities;

(ii) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Company or any Parent Entity, including in connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Company or a Restricted Subsidiary;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment, mandatory payment or maturity, any Subordinated Indebtedness, other than:

(A) Indebtedness permitted under clauses (7), (8) or (9) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(B) the purchase, repurchase or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition; or

(iv) make any Restricted Investment

(all such payments and other actions set forth in clauses (i) through (iv) above (other than any exceptions thereto) being collectively referred to as "*Restricted Payments*"), unless, at the time of such Restricted Payment:

(A) no Default shall have occurred and be continuing or would occur as a consequence thereof;

(B) immediately after giving effect to such transaction on a *pro forma* basis, the Company could incur \$1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the Issue Date (including Restricted Payments permitted by clauses (1), (10) and (19)(c) of the next succeeding paragraph and all other Restricted Payments to make or pay a dividend or distribution on any Preferred Stock of the Company or any of its Restricted Subsidiaries, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the sum of (without duplication):

(1) 50% of the Consolidated Net Income of the Company and its Restricted Subsidiaries for the period (taken as one accounting period) beginning January 1, 2016 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit; *plus*

(2) 100% of the aggregate net cash proceeds and the fair market value of marketable securities or other property received by the Company and its Restricted Subsidiaries since immediately after the Issue Date from the issue or sale of:

(i) Equity Interests of the Company, including Treasury Capital Stock (as defined below), but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of Equity Interests (a) to any future, present or former employees, directors, managers or consultants of the Company, its Subsidiaries or any Parent Entity after the Issue Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph or (b) to the extent such amounts have been applied to any payments made pursuant to clause (9) of the next succeeding paragraph;

(ii) to the extent actually contributed to the Company, Equity Interests of Parent Entities, but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of Equity Interests (a) to any future, present or former employees, directors, managers or consultants of the Company, its Subsidiaries or any Parent Entity after the Issue Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph or (b) to the extent such amounts have been applied to any payments made pursuant to clause (9) of the next succeeding paragraph; or

(iii) Indebtedness or Disqualified Stock of the Company or a Restricted Subsidiary that has been converted into or exchanged for such Equity Interests of the Company or any Parent Entity;

provided, *however*, that this clause (2) shall not include the proceeds (W) from Equity Interests or convertible debt securities of the Company sold to a Restricted Subsidiary, as the case may be, (X) from Disqualified Stock or Indebtedness that has been converted into Disqualified Stock, (Y) from Excluded Contributions or (Z) to the extent used to incur Indebtedness pursuant to clause (12)(a) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *plus*

(3) 100% of the aggregate amount of cash and the fair market value of marketable securities or other property or assets contributed to the capital of the Company following the Issue Date (other than (i) by a Restricted Subsidiary, (ii) any Excluded Contribution, (iii) to the extent used to incur Indebtedness pursuant to clause (12)(a) and (iv) to the extent such amounts are applied to make any payments pursuant to clause (9) of the next succeeding paragraph of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"); *plus*

(4) 100% of the aggregate amount received in cash and the fair market value of marketable securities or other property received by the Company or a Restricted Subsidiary by means of:

(i) the sale or other disposition (other than to the Company or a Restricted Subsidiary) of, or other returns on Investments from, Restricted Investments made by the Company or its Restricted Subsidiaries and repurchases and redemptions of, or cash distributions or cash interest received in respect of, such Restricted Investments from the Company or its Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Company or its Restricted Subsidiaries, in each case after the Issue Date; or

(ii) the sale (other than to the Company or a Restricted Subsidiary) of the Equity Interests of an Unrestricted Subsidiary (other than in each case to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment) or a dividend or distribution from an Unrestricted Subsidiary after the Issue Date; *plus*

(5) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary after the Issue Date or a merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Company or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary with or into the Company or one of its Restricted Subsidiaries after the Issue Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred) at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets, other than to the extent such Investment constituted a Permitted Investment; *plus*

(6) $50.0 million.

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable redemption notice, as applicable, if at the date of declaration or the giving of such notice, such payment would have complied with the provisions of the Indenture;

(2) (a) the redemption, repurchase, defeasance, discharge, retirement or other acquisition of any Equity Interests of the Company or any Equity Interests of any Parent Entity ("*Treasury Capital Stock*") or Subordinated Indebtedness of the Company, the Co-Issuer or any Guarantor or any Equity Interests of any Parent Entity in exchange for, or out of the proceeds of a sale or issuance (other than to a Restricted Subsidiary) within 60 days thereof of, Equity Interests of the Company or any Parent Entity to the extent contributed to the Company (in each case, other than any Disqualified Stock) ("*Refunding Capital Stock*"); *provided* that the amount of any proceeds that are utilized for any such redemption, repurchase, defeasance, discharge, retirement or other acquisition shall be excluded

from clauses (C)(2) and (C)(3) of the preceding paragraph, and (b) if, immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clauses (19)(a) or (b) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3) the redemption, defeasance, repurchase, exchange or other acquisition or retirement of (a) Subordinated Indebtedness of the Company, the Co-Issuer or a Guarantor made in exchange for, or out of the proceeds of a sale within 60 days thereof of, new Indebtedness or Disqualified Stock of the Company, the Co-Issuer or a Guarantor, as the case may be, or (b) Disqualified Stock of the Company, the Co-Issuer or a Guarantor made in exchange for, or out of the proceeds of a sale within 60 days thereof of, Disqualified Stock of the Issuers or a Guarantor, in each case, which is incurred in compliance with "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" so long as:

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on, the Subordinated Indebtedness or the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so redeemed, defeased, repurchased, exchanged, acquired or retired, plus the amount of any premium paid (including reasonable tender premiums), defeasance costs, underwriting discounts and any reasonable fees, costs and expenses incurred in connection with the issuance of such new Indebtedness or Disqualified Stock and such redemption, defeasance, repurchase, exchange, acquisition or retirement;

(b) such new Indebtedness is subordinated to the Notes or the applicable Guarantee at least substantially to the same extent as such Subordinated Indebtedness so redeemed, defeased, repurchased, exchanged, acquired or retired;

(c) such new Indebtedness or Disqualified Stock has a final scheduled maturity date or mandatory redemption date, as applicable, equal to or later than the earlier of (i) the final scheduled maturity date or mandatory redemption date of the Subordinated Indebtedness or Disqualified Stock being so redeemed, defeased, repurchased, exchanged, acquired or retired or (ii) the maturity date of the Notes; and

(d) such new Indebtedness or Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of (i) the Subordinated Indebtedness or Disqualified Stock being so redeemed, defeased, repurchased, exchanged, acquired or retired or (ii) the Notes;

(4) a Restricted Payment to pay for the repurchase, retirement or other acquisition of Equity Interests of the Company or any Parent Entity held by any future, present or former employee, officer, director, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any Parent Entity pursuant to any management equity plan or equity option plan or any other management or employee benefit plan or agreement or any equity subscription or equityholder agreement or partnership agreement (including, for the avoidance of doubt, any principal and interest payable on any Indebtedness issued by the Company or any Parent Entity in connection with such repurchase, redemption, retirement or other acquisition), including any Equity Interests rolled over or otherwise purchased by management, directors or employees of the Company, any of its Subsidiaries or any Parent Entity in connection with the Acquisition; *provided, however*, that the aggregate Restricted Payments made under this clause (4) do not exceed in any fiscal year $35.0 million (with unused amounts in any fiscal year being carried over to succeeding fiscal years

subject to a maximum (without giving effect to the following proviso) of $50.0 million in any fiscal year); *provided further* that such amount in any fiscal year may be increased by an amount not to exceed the sum of the following items:

(a) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Company and, to the extent contributed to the Company, the cash proceeds from the sale of Equity Interests of any Parent Entity, in each case to any future, present or former employees, officers, directors, managers or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any Parent Entity that occurs after the Issue Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (C) of the preceding paragraph; *plus*

(b) the cash proceeds of key man life insurance policies received by the Company, its Restricted Subsidiaries or any Parent Entity after the Issue Date; *less*

(c) the amount of any Restricted Payments made in any prior fiscal year pursuant to clauses (a) and (b) of this clause (4);

provided that the Issuers may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) above in any fiscal year; *provided further* that cancellation of Indebtedness owing to the Company or any Restricted Subsidiary from any future, present or former employees, officers, directors, managers or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee thereof) of the Company or any Parent Entity or any Restricted Subsidiary, in connection with a repurchase of Equity Interests of the Company or any Parent Entity from such Persons will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(5) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Company or any of its Restricted Subsidiaries or any class or series of Preferred Stock of any Restricted Subsidiary, in each case, issued in accordance with the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" to the extent such dividends are included in the definition of "Fixed Charges";

(6) any repurchase of Equity Interests deemed to occur upon exercise or vesting of stock options, warrants or similar rights, settlement of restricted stock units or vesting of restricted Capital stock if such Equity Interests (i) represent all or a portion of the exercise price of such options or warrants or (ii) are surrendered in connection with satisfying any federal, state or local income tax obligation (including any withholding in respect thereof) incurred in connection with such exercise, vesting or settlement;

(7) the repurchase, redemption or other acquisition for value of Equity Interests of the Company or any Parent Entity or any Restricted Subsidiary in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a stock dividend, distribution, stock split, reverse share split, or combination or any merger, consolidation, amalgamation or other business combination involving the Company or any Parent Entity or Restricted Subsidiary;

(8) the redemption, repurchase, retirement or other acquisition, in each case for nominal value per right, of any rights granted to all holders of Equity Interests of the Company pursuant to any stockholders' rights plan adopted for the purpose of protecting stockholders from unfair takeover tactics; *provided* that any such redemption, repurchase, retirement or other acquisition of such rights shall not be for the purpose of evading the limitations described under this covenant;

(9) Restricted Payments made to consummate the Transactions and pay fees and expenses related thereto (including (a) Restricted Payments to holders of Equity Interests of Solera Holdings, Inc. (immediately prior to giving effect to the Acquisition) in connection with, or

as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, in each case, with respect to the Transactions and (b) other dividends by the Company that have a record date before the Issue Date, but a payment date on or after the Issue Date, to the extent contemplated by the Merger Agreement);

(10) the declaration and payment of dividends on the Company's common equity (or the payment of dividends to any Parent Entity to fund a payment of dividends on such entity's common equity) following consummation of the first public offering of the Company's common equity or the common equity of any Parent Entity after the Issue Date, of up to 6% per annum of the net proceeds received by or contributed to the Company in or from that or any subsequent public offering, other than public offerings with respect to the Company's common equity registered on Form S-8 and other than any public sale constituting an Excluded Contribution;

(11) the declaration and payment of dividends or distributions by the Company to, or the making of loans to, any Parent Entity, in amounts sufficient for any Parent Entity to pay or cause to be paid:

(A) without duplication of clause (B) below, any franchise, excise and similar taxes and other fees, taxes and expenses required to maintain their corporate or other legal existence;

(B) (I) U.S. federal, state, local and/or foreign income or similar taxes imposed on such Parent Entity to the extent such income or similar taxes are attributable to the income of the Company and/or its Subsidiaries with respect to any taxable period for which the Company and/or its Subsidiaries are members of a group filing a consolidated, unitary, combined or similar tax return with such Parent Entity; or (II) without duplication of clause (I) above, with respect to any taxable period for which any Issuer is a partnership or disregarded entity for U.S. federal income tax purposes, any taxes that such Parent Entity is liable for that are attributable to the income of the Company and/or its Subsidiaries as a result of such Parent Entity's direct or indirect ownership of the Company and/or its Subsidiaries with respect to such taxable period; *provided* that (i) the amount paid or distributed pursuant to this clause (B) in any taxable year shall not exceed the income or other taxes that would have been payable by the Company and its Subsidiaries, as applicable, on a stand-alone basis and (ii) dividends or other distributions in respect of an Unrestricted Subsidiary shall be permitted only to the extent payments were made by such Unrestricted Subsidiary to the Company or any Restricted Subsidiaries for such purpose;

(C) customary salary, bonus, severance and other benefits payable to employees, officers, directors, managers or consultants of any Parent Entity to the extent such salaries, bonuses, severances and other benefits are attributable to the direct or indirect ownership or operation of the Company and the Restricted Subsidiaries;

(D) general corporate operating overhead, legal, accounting and other professional fees and expenses of any Parent Entity (including indemnification claims made by directors or officers of any Parent Entity) and, following the first public offering of the common stock of any Parent Entity, listing fees and other costs and expenses attributable to being a publicly traded company, to the extent such expenses are attributable to the direct or indirect ownership or operation of the Company and the Restricted Subsidiaries;

(E) reasonable fees and expenses incurred by such Parent Entity in connection with any unsuccessful debt or equity offering by such Parent Entity, the Company or a Restricted Subsidiary or any unsuccessful acquisition, disposition or other non-ordinary course transaction by the Company or a Restricted Subsidiary;

(F) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Company or any Parent Entity;

(G) interest and/or principal on Indebtedness the proceeds of which have been contributed to the Company or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Company or any of its Restricted Subsidiaries incurred in accordance with the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(H) amounts which are applied to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Company; *provided* that (a) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (b) such Parent Entity shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to the capital of the Company or one of its Restricted Subsidiaries or (2) the merger or amalgamation of the Person formed or acquired into the Company or one of its Restricted Subsidiaries (to the extent not prohibited by the covenant described under the caption "—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets" below) in order to consummate such Investment, (c) such Parent Entity and its Affiliates (other than the Company or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Company or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture, (d) any property received by the Company shall not increase amounts available for Restricted Payments pursuant to clause (C) of the preceding paragraph and (e) such Investment shall be deemed to be made by the Company or such Restricted Subsidiary pursuant to another provision of this covenant (other than pursuant to Section (12) hereof) or pursuant to the definition of "Permitted Investments" (other than clause (9) thereof); and

(I) any Restricted Payments to Parent in order to make payments required under Section 1.1 of the Parent Series A Investors Rights Agreement, Section 1.1 of the Parent Series B Investors Rights Agreement or Section 1.1 of the Parent Series Z Investors Rights Agreement (in each case as in effect as of the Issue Date, taking into account any changes thereto made after the Issue Date that are not adverse to the Holders); *provided* that such payments, in the aggregate, do not exceed $50.0 million;

(12) Restricted Payments that are made (a) in an amount not to exceed the amount of Excluded Contributions received since the Issue Date or (b) without duplication with clause (a), in an amount not to exceed the aggregate amount of Net Proceeds received from Asset Sales in respect of property or assets acquired after the Issue Date, if the acquisition of such property or assets were financed with Excluded Contributions;

(13) the payment of fees and expenses to the Sponsor (a) pursuant to the Sponsor Management Agreement in effect on the Issue Date or as such agreement may be amended in accordance with the covenant described below under the caption "—Transactions with Affiliates" (so long as any such amendment is not materially disadvantageous to the Holders when taken as a whole as compared to the Sponsor Management Agreement as in effect on the Issue Date) and (b) for any other financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures, in each case to the extent permitted under clause (8) of the covenant described below under the caption "—Transactions with Affiliates";

(14) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (14) not to exceed $50.0 million; *provided* that if this clause (14) is utilized to make a Restricted Investment, the amount deemed to be utilized under this clause (14) shall be the amount of such Restricted Investment at any time outstanding (with the fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value);

(15) the repurchase, redemption, retirement, defeasance or other acquisition of any Subordinated Indebtedness required (a) in accordance with provisions similar to those described under the captions “Repurchase at the Option of Holders—Change of Control” and “Repurchase at the Option of Holders—Asset Sales” or (b) from Excess Proceeds to the extent permitted under “Repurchase at the Option of Holders—Asset Sales” (assuming such Excess Proceeds were not reset at zero upon completion of an Asset Sale Offer); *provided* that (x) at or prior to such repurchase, redemption, retirement, defeasance or other acquisition, the Company (or a third Person permitted by the Indenture) has made a Change of Control Offer or Asset Sale Offer, as the case may be, with respect to the Notes as a result of such Change of Control or Asset Sale, as the case may be, and (y) all Notes tendered by Holders in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, retired, defeased or acquired for value;

(16) other Restricted Payments; *provided* that immediately after giving pro forma effect to any such Restricted Payment and the incurrence of any Indebtedness, the net proceeds of which are used to make such Restricted Payment, the Total Net Leverage Ratio on a *pro forma* basis would be less than 4.75 to 1.00;

(17) cash payments made from time to time in satisfaction of stock options, restricted stock units and performance based restricted stock units held by employees of the Company and its Subsidiaries that are outstanding immediately prior to the Issue Date in accordance with the terms of, and subject to the price specified in, the Merger Agreement (such payments, the “*RSU Payments*”);

(18) the redemption, repurchase, defeasance, exchange, retirement or other acquisition of any Subordinated Indebtedness, taken together with all other redemptions, repurchases, defeasances, retirements or other acquisitions of any Subordinated Indebtedness pursuant to this clause (18), in an amount not to exceed the greater of (a) $75.0 million and 13.0% of EBITDA for the Applicable Measurement Period at the time such Restricted Payment is made minus (b) the amount of Investments made pursuant to clause (13) of the definition of “Permitted Investments”;

(19) [reserved];

(20) any Restricted Payment made in connection with the Transactions and the fees, payments and expenses related thereto or used to fund amounts owed to Investors (including dividends to any Parent Entity to permit payment by such parent of such amount), in each case to the extent permitted by the covenant described below under the caption “—Transactions with Affiliates”;

(21) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Company or a Restricted Subsidiary by Unrestricted Subsidiaries (other than Unrestricted Subsidiaries the primary assets of which are cash and/or Cash Equivalents); and

(22) distributions or payments of Receivables Fees;

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clause (14), (16) or (18) no Default shall have occurred and be continuing or would occur as a consequence thereof.

Notwithstanding anything in the Indenture to the contrary, except with respect to amounts paid in excess of the Per Share Merger Consideration (as defined in the Merger Agreement), the Company shall not make any payments to former stockholders or any assignee thereof in connection with, or as the result of, the exercise of appraisal rights and settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, in each case, with respect to the Transactions unless an amount equal to the Per Share Merger Consideration in respect of each underlying share has been contributed to the Company in cash on or following the Issue Date (net of such amounts used on the Issue Date for any other purpose) as common equity pursuant to the equity commitment letters as in effect on the Issue Date.

As of the Issue Date, all of the Company's Subsidiaries will be Restricted Subsidiaries. The Company will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments or Permitted Investments in an amount determined as set forth in the last sentence of the definition of "Investment." Such designation will be permitted only if a Restricted Payment or Permitted Investment in such amount would be permitted at such time pursuant to this covenant or the definition of "Permitted Investments," and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in the Indenture.

For the purposes of determining compliance with this covenant, in the event that a Restricted Payment or Investment (or portion thereof) meets the criteria of more than one of the types of Restricted Payments described in the above clauses (including, without limitation, the first paragraph of this "Limitation on Restricted Payments" covenant) or Permitted Investment described in the definition thereof, the Company and its Restricted Subsidiaries, in their sole discretion, may divide, classify or reclassify (or later divide, classify or reclassify) all or any portion of such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant and such Restricted Payment or Investment shall be treated as having been made pursuant to only the clause or clauses of this covenant or of the definition of "Permitted Investment" to which such Restricted Payment or Investment has been classified or reclassified.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Company or any Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "*incur*" and collectively, an "*incurrence*") with respect to any Indebtedness (including Acquired Indebtedness) and the Company will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; *provided, however*, that the Company may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, if the Fixed Charge Coverage Ratio on a consolidated basis for the Company and its Restricted Subsidiaries' most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided* that the amount of Indebtedness, Disqualified Stock and Preferred Stock that may be incurred or issued, as applicable, pursuant to the foregoing by Restricted Subsidiaries that are not Guarantors (other than the Co-Issuer) shall not exceed at any time outstanding the greater of (x) $125.0 million and (y) 22.0% of EBITDA for the Applicable Measurement Period (the "*Non-Guarantor Debt Cap*").

The foregoing limitations will not apply to:

(1) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof) under the Senior Secured Credit Facilities or any other Debt Facility in an aggregate principal amount not to exceed the sum of (x) $2,800.0 million at any one time outstanding and (y) an additional aggregate principal amount after all amounts have been incurred under clause (x), so long as immediately after giving effect to any such incurrence and the application of net proceeds therefrom the Total Net Secured Leverage Ratio does not exceed 3.25 to 1.00; *provided*, *however*, that such amount shall be decreased by: (A) the aggregate amount of all mandatory amortization payments and commitment reductions with respect to Indebtedness, in each case under the Senior Secured Credit Facilities or any other Debt Facility that have been made by the Company or any of its Restricted Subsidiaries (other than repayments that are concurrently refunded or refinanced) since the Issue Date and (B) the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any of its Restricted Subsidiaries after the Issue Date to repay any Indebtedness under the Senior Secured Credit Facilities or any other Debt Facility (and if such Indebtedness is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) pursuant to the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales"; *provided* that (i) any Indebtedness incurred pursuant to this clause (1) shall be deemed to be Secured Indebtedness, whether or not so secured, solely for purposes of calculating the Total Net Secured Leverage Ratio for this clause (1);

(2) the incurrence by the Issuers and any Guarantor of Indebtedness represented by the Notes (including any Guarantee thereof but excluding any Additional Notes, if any, or guarantee with respect thereto);

(3) Indebtedness of the Company and its Restricted Subsidiaries in existence on the Issue Date (other than Indebtedness described in clauses (1) and (2));

(4) Indebtedness (including Financing Lease Obligations and Purchase Money Obligations) incurred or Disqualified Stock and Preferred Stock issued by the Company or any of its Restricted Subsidiaries to finance or refinance the acquisition, purchase, lease, rental, construction, installation, development, design, repair, replacement or improvement of property (real or personal), plant or equipment (including software) or other assets that are used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, in an aggregate principal amount (including any refinancing thereof), not to exceed at any time outstanding the greater of (x) $150.0 million and (y) 27.0% of EBITDA of the Company for the Applicable Measurement Period at the time of any incurrence;

(5) Indebtedness incurred by the Company or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit or similar instruments issued or created in the ordinary course of business, including letters of credit in respect of workers' compensation claims, unemployment insurance and other types of social security, or property, casualty or liability insurance or self-insurance, or other Indebtedness with respect to reimbursement type obligations; *provided*, that upon the drawing of such letters of credit, such obligations are reimbursed within 30 days following such drawing;

(6) Indebtedness arising from agreements of the Company or its Restricted Subsidiaries providing for indemnification, adjustment of purchase price, earn-out or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(7) Indebtedness of the Company to a Restricted Subsidiary; *provided* that any such Indebtedness owing to a Restricted Subsidiary that is not a Guarantor (other than the Co-Issuer), excluding any Indebtedness in respect of accounts payable incurred in connection with goods and services rendered in the ordinary course of business (and not in connection with the borrowing of money), is expressly subordinated in right of payment to the Notes; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such other Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Company or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this clause (7);

(8) Indebtedness of a Restricted Subsidiary to the Company or another Restricted Subsidiary; *provided* that if a Guarantor incurs such Indebtedness to a Restricted Subsidiary that is not a Guarantor, excluding any Indebtedness in respect of accounts payable incurred in connection with goods and services rendered in the ordinary course of business (and not in connection with the borrowing of money), such Indebtedness is expressly subordinated in right of payment to the Guarantee of the Notes of such Guarantor; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such other Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to the Company or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this clause (8);

(9) shares of Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued to the Company or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such other Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock or Disqualified Stock (except to the Company or another of its Restricted Subsidiaries) shall be deemed in each case to be an issuance of such shares of Preferred Stock or Disqualified Stock, as applicable, not permitted by this clause (9);

(10) Indebtedness in respect of Swap Agreements (excluding Swap Agreements entered into for speculative purposes);

(11) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds, performance and completion guarantees, import and export custom and duty guaranties and similar obligations, or obligations in respect of letters of credit, bank guarantees, bank acceptances, warehouse receipts or similar instruments and reinvestment obligations related thereto, in each case provided in the ordinary course of business;

(12) (a) Indebtedness, Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 100.0% of the net cash proceeds received by the Company since immediately after the Issue Date from the issue or sale of Equity Interests of the Company or cash contributed to the capital of the Company (in each case, other than Excluded Contributions or proceeds of Disqualified Stock or sales of Equity Interests to the Company or any of its Subsidiaries) as determined in accordance with clauses (C)(2) and (C)(3) of the first paragraph of "—Limitation on Restricted Payments" to the extent that such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the second paragraph of "—Limitation on Restricted Payments" or to make Permitted Investments (other than Permitted Investments specified in clauses (1), (2) and (3) of the definition thereof) and (b) Indebtedness, Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference which, when aggregated with the principal amount and liquidation

preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred or issued pursuant to this clause (12)(b) (including any refinancing thereof), does not at any one time outstanding exceed $150.0 million;

(13) the incurrence by the Company or any Restricted Subsidiary of Indebtedness, Disqualified Stock or Preferred Stock which serves to refund, replace, refinance, renew, extend or defease (collectively, "refinance" with "refinances," "refinanced" and "refinancing" having a correlative meaning) any Indebtedness, Disqualified Stock or Preferred Stock incurred as permitted under the first paragraph of this covenant and clauses (2), (3), (4), (12), this clause (13), clauses (14), (18), (19) and (22) below or any Indebtedness, Disqualified Stock or Preferred Stock issued to so refinance such Indebtedness, Disqualified Stock or Preferred Stock including additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued and unpaid interest and dividends and premiums (including reasonable tender premiums), defeasance costs and fees and expenses in connection with such refinancing (the "*Refinancing Indebtedness*") on or prior to its respective maturity or redemption date (whether involving the same or any other lender or creditor or group of lenders or creditors); *provided, however*, that such Refinancing Indebtedness:

(a) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refinanced,

(b) to the extent such Refinancing Indebtedness refinances (i) Indebtedness subordinated or *pari passu* in right of payment to the Notes or any Guarantee thereof, such Refinancing Indebtedness is subordinated or pari passu in right of payment to the Notes or the Guarantee at least to the same extent as the Indebtedness being refinanced, or (ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively, and

(c) shall not include:

(i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Company that is not a Guarantor (other than the Co-Issuer) that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Company;

(ii) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Company that is not a Guarantor (other than the Co-Issuer) that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Guarantor; or

(iii) Indebtedness, Disqualified Stock or Preferred Stock of the Company or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

provided, that subclause (a) of this clause (13) will not apply to any refinancing of any Secured Indebtedness;

(14) Indebtedness, Disqualified Stock or Preferred Stock, and any related earn-out obligations (whether constituting Indebtedness at the time of such acquisition or thereafter) of (x) the Company or a Restricted Subsidiary incurred or issued to finance, in whole or in part, an acquisition or Investment or (y) Persons that are acquired by the Company or any Restricted Subsidiary or merged into, amalgamated with or consolidated with the Company or a Restricted Subsidiary in accordance with the terms of the Indenture (including designating an Unrestricted Subsidiary a Restricted Subsidiary); *provided* that after giving *pro forma* effect to such Investment, acquisition, merger, amalgamation or consolidation either:

(a) the Company would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant on a consolidated basis, or

(b) the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries is equal to or greater than immediately prior to such Investment, acquisition, merger, amalgamation or consolidation;

provided, *further*, that any Indebtedness that may be incurred by Restricted Subsidiaries that are not Guarantors (other than the Co-Issuer) pursuant to this clause (14), together with any Indebtedness incurred by non-Guarantors pursuant to the first paragraph of this covenant and clause (18) below, shall not exceed the Non-Guarantor Debt Cap;

(15) cash management obligations and guarantee obligations in respect thereof, and other Indebtedness in respect of employee credit card programs, netting services, automatic clearinghouse arrangements, overdraft protections and similar arrangements in each case in connection with deposit accounts;

(16) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(17) (a) any guarantee by the Company or a Restricted Subsidiary of Indebtedness or other obligations of the Company or any Restricted Subsidiary so long as the incurrence of such Indebtedness incurred by the Company or such Restricted Subsidiary is permitted under the terms of the Indenture; or

(b) any co-issuance by the Company or any Restricted Subsidiary of Indebtedness of the Company, the Co-Issuer or any Guarantor permitted under the terms of the Indenture;

(18) Indebtedness incurred in connection with a joint venture in an aggregate principal amount, including any refinancing thereof, not to exceed at any time outstanding the greater or (x) $20.0 million and (y) 4.0% of EBITDA of the Company for the Applicable Measurement Period, including any refinancing thereof; *provided* that any Indebtedness that may be incurred by Restricted Subsidiaries that are not Guarantors (other than the Co-Issuer) pursuant to this clause (18), together with any Indebtedness incurred by non-Guarantors under the first paragraph of this covenant and clause (14) above, shall not exceed the Non-Guarantor Debt Cap;

(19) Indebtedness of Restricted Subsidiaries that are not Guarantors not to exceed at any one time outstanding and together with any other Indebtedness incurred under this clause (19) the greater of (x) $100.0 million and (y) 18.0% of EBITDA of the Company for the Applicable Measurement Period, including any refinancing thereof;

(20) Indebtedness of the Company or any of its Restricted Subsidiaries consisting of (i) the financing of insurance premiums, (ii) take-or-pay obligations contained in supply arrangements, in each case, incurred in the ordinary course of business, (iii) customer deposits and advance payments received in the ordinary course of business from customers for goods and services, in each case incurred in the ordinary course of business or (iv) obligations to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services so long as such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms (which require that all such payments be made within 60 days after the incurrence of the related obligations) in the ordinary course of business;

(21) Indebtedness incurred in connection with a Permitted Receivables Financing;

(22) Indebtedness, Disqualified Stock or Preferred Stock, and any related earn-out obligations (whether constituting Indebtedness at the time of such acquisition or thereafter) of the Company or a Restricted Subsidiary incurred or issued to finance or assumed in connection with, in whole or in part, an acquisition or Investment in a principal amount not to exceed the greater of (x) $100.0 million and (y) 18.0% of EBITDA of the Company for the Applicable Measurement Period in the aggregate at any one time outstanding together with all other outstanding

Indebtedness, Disqualified Stock or Preferred Stock issued under this clause (22) and any outstanding Indebtedness under clause (13) incurred to refinance Indebtedness initially incurred in reliance on this clause (22);

(23) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(24) Indebtedness consisting of obligations under deferred compensation, purchase price, earn outs or other similar arrangements incurred by such Person in connection with the Transactions and Permitted Investments;

(25) Indebtedness issued by the Company or any of its Restricted Subsidiaries to any future, present or former employees, officers, directors, managers or consultants thereof (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any Restricted Subsidiary or any Parent Entity, in each case, to finance the purchase or redemption of Equity Interests of the Company or any Parent Entity to the extent described in clause (4) of the second paragraph of the covenant described above under the caption "—Limitation on Restricted Payments";

(26) guarantees (a) incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors and licensees that, in each case, are non-Affiliates or (b) otherwise constituting Investments permitted under the Indenture;

(27) Indebtedness incurred by the Company or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes;

(28) (a) Indebtedness in respect of overdraft facilities, employee credit card programs and other cash management arrangements in the ordinary course of business and (b) Indebtedness representing deferred compensation to employees of the Company (or any direct or indirect parent of the Company) and its Restricted Subsidiaries incurred in the ordinary course of business;

(29) Indebtedness of the Company or any of its Restricted Subsidiaries supported by a letter of credit or bank guarantee in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;

(30) Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, in each case with respect to the Transactions or any other acquisition (by merger, consolidation or amalgamation or otherwise) in accordance with the terms of the Indenture; and

(31) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries.

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (2) through (31) of the preceding paragraph or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company, in its sole discretion, as applicable, may divide, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or portion thereof) in one or more of the above clauses or paragraphs; *provided* that all Indebtedness outstanding under the Senior Secured Credit Facilities on the Issue Date will be

deemed to have been incurred on such date in reliance on clause (x) of clause (1) of the preceding paragraph and shall not be reclassified; and

(2) with respect to clauses (4), (12), (18), (19) and (22) of the second paragraph of this covenant, if at any time that the Company would be entitled to have incurred any then outstanding item of Indebtedness under the first paragraph of this covenant, such item of Indebtedness shall be automatically reclassified into an item of Indebtedness incurred pursuant to the first paragraph of this covenant.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount, and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as applicable, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. Any Refinancing Indebtedness and any Indebtedness permitted to be incurred under the Indenture to refinance Indebtedness incurred pursuant to this covenant shall be deemed to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued and unpaid interest and dividends, premiums (including tender premiums), defeasance costs, fees and expenses in connection with such refinancing and may be in the form of accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that are otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; *provided* that the incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced plus the amount of any reasonable premium (including tender premiums), defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Indebtedness.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Liens

The Company will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Liens) that secures Obligations under any Indebtedness or any related guarantee, on any asset or property of the Company or any Restricted Subsidiary, or any income or profits therefrom, or assign or convey any right to receive income therefrom, unless:

(1) in the case of Liens securing Subordinated Indebtedness, the Notes and related Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens; or

(2) in all other cases, the Notes or the Guarantees are equally and ratably secured.

The foregoing shall not apply to (a) Liens securing the Notes and the related Guarantees, (b) Liens securing Indebtedness permitted to be incurred under Debt Facilities, including any letter of credit facility relating thereto, that was permitted by the terms of the Indenture to be incurred pursuant to clause (1) of the second paragraph of the covenant described above under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," and (c) Liens incurred to secure Obligations in respect of any Indebtedness permitted to be incurred pursuant to the covenant described above under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that, in the case of this clause (c), at the time of the incurrence of such Indebtedness and after giving *pro forma* effect thereto, including the use of proceeds therefrom, the Total Net Secured Leverage Ratio would not exceed 3.25 to 1.00.

Notwithstanding the foregoing, any Lien securing the Notes granted pursuant to this covenant shall be automatically and unconditionally released and discharged upon the release and discharge of the Lien that gave rise to the obligation to secure the Notes.

For purposes of determining compliance with this covenant, (x) a Lien need not be incurred solely by reference to clauses (a) through (c) of the second preceding paragraph or one or more clauses in the definition of "Permitted Liens" but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that any Lien restricted by this covenant meets the criteria of clause (b) or (c) of the second preceding paragraph or one or more clauses in the definition of Permitted Liens, the Issuers, in their sole discretion, may divide, classify or reclassify, or later divide, classify or reclassify such Lien (or any portion thereof) among one or more such clauses or one or more clauses in the definition of Permitted Liens pursuant to which such Lien would have been permitted at the time so divided, classified or reclassified, as the case may be.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "*Increased Amount*" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Financial Calculations for Limited Condition Transactions. When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Transaction and any related transactions (including any incurrence of Indebtedness and the use of proceeds thereof), the date of determination of such basket or ratio and/or absence of any Default or Event of Default shall, at the option of the Company, be the date the definitive agreements for such Limited Condition Transaction are entered into, and such baskets or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio after giving effect to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the most recent Applicable Measurement Period ending prior to such date and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in EBITDA of the Company or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction is permitted under the Indenture and

(y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Transaction or related transactions; *provided,* that if the Company elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Transaction unless and until such Limited Condition Transaction has been abandoned, as determined by the Company, prior to the consummation thereof; *provided*, *further*, that in connection with the making of Restricted Payments prior to the consummation of such Limited Condition Transaction, the calculation of Consolidated Net Income and EBITDA (and any defined term a component of which is Consolidated Net Income or EBITDA) shall not, in any case, assume such Limited Condition Transaction has been consummated.

Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets

The Company will not consolidate, merge or amalgamate with or into or wind up into (whether or not it is the surviving entity), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to any Person unless:

(1) the Company is the surviving Person or the Person formed by or surviving any such consolidation, merger or amalgamation (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a European Company (*Societas Europaea*) or a corporation, partnership, limited partnership, limited liability company, trust or other similar entity organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof, or any member state of the European Union (such Person, as the case may be, being herein called the "*Successor Company*" and any such transaction resulting in a European Company or entity organized or existing under the laws of any member state of the European Union becoming a Successor Company, a "*European Domicile Transaction*") and, if such Successor Company is not a corporation, the Co-Issuer remains (or in lieu of the Co-Issuer another corporation becomes) a co-obligor of the Notes;

(2) the Successor Company, if other than the Company expressly assumes all the obligations of the Company under the Indenture and the Notes pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(3) immediately after such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default exists;

(4) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the Applicable Measurement Period, either (x) the Successor Company or the Company would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (y) the Fixed Charge Coverage Ratio for the Company (or the Successor Company, as applicable) would not be lower than the Fixed Charge Coverage Ratio of the Company immediately prior to such transaction;

(5) each Guarantor, unless it is the other party to the transactions described above, in which case clause (1)(b) of the fourth succeeding paragraph shall apply, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under the Indenture and the Notes; and

(6) the Company or, if applicable, the Successor Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation, sale, assignment, transfer, lease, conveyance or disposition and such supplemental indentures or other documents or instruments, if any, comply with the Indenture; *provided* that (x) in giving such opinion such counsel may rely on an Officer's Certificate as to compliance with the foregoing clauses (3) and (4) and as to any matters of fact and (y) no Opinion of Counsel will be required for any merger, consolidation, amalgamation, sale, assignment, transfer, lease, conveyance or disposition described in the immediately succeeding paragraph of this covenant.

The Successor Company will succeed to, and be substituted for the Company or the Co-Issuer, as the case may be, under the Indenture and the Notes, as applicable and in such event the Company or the Co-Issuer, as the case may be, will automatically be released and discharged from its obligations under the Indenture and the Notes. Notwithstanding the foregoing clauses (3) and (4),

(1) any Restricted Subsidiary may consolidate, merge or amalgamate with or into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Company, the Co-Issuer or any Restricted Subsidiary, and

(2) the Company or the Co-Issuer may merge, consolidate or amalgamate with or into an Affiliate thereof solely for the purpose of reincorporating or reorganizing such Person as a European Company (*Societas Europaea*) or in another jurisdiction (*provided* that such other jurisdiction is the United States, any state thereof, the District of Columbia, or any territory thereof, or any member state of the European Union) so long as the amount of Indebtedness of the Company and its Restricted Subsidiaries is not increased thereby.

Notwithstanding the foregoing two paragraphs, the consummation of the Acquisition and the Post-Closing Restructuring Transactions will be permitted under the Indenture with the only requirement under this covenant with respect to the consummation of the Acquisition and the Post-Closing Restructuring Transactions being that, after consummation of the Acquisition and the Post-Closing Restructuring Transactions, Solera Holdings, Inc. expressly assumes all the obligations of Summertime Acquisition Corp. under the Indenture and the Notes.

The Co-Issuer will not, and the Company will not permit the Co-Issuer to, merge, consolidate or amalgamate with or into or wind up into (whether or not the Co-Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless concurrently therewith, a Subsidiary of the Company that is a corporation organized under the laws of the United States of America or any state thereof or the District of Columbia (which may be the Co-Issuer or the continuing person as a result of such transaction) expressly assumes all of the obligations of the Co-Issuer under the Notes and the Indenture. Upon the consummation of any transaction effected in accordance with this paragraph, the resulting, surviving or transferee co-issuer will succeed to, and be substituted for, and may exercise every right and power of, the Co-Issuer under the Indenture and the Notes with the same effect as if such successor Person had been named as the Co-Issuer in the Indenture. Upon such substitution, the Co-Issuer will be released from its obligations under the Indenture and the Notes.

Subject to certain limitations described in the Indenture governing release of a Guarantee upon the sale, disposition or transfer of the Capital Stock of a Guarantor, no Guarantor will, and the Company will not permit any such Guarantor to, consolidate, merge, amalgamate with or into or wind up into (whether or not the Company or such Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (determined on a consolidated basis), in one or more related transactions, to any Person unless:

(1) (a) such Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, merger or amalgamation (if other than such Guarantor) or to which such sale,

assignment, transfer, lease, conveyance or other disposition will have been made is a European Company (*Societas Europaea*) or a corporation, partnership, limited partnership, limited liability company or trust or similar entity organized or existing under the laws of the jurisdiction of organization of such Guarantor, as the case may be, or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof, or any member state of the European Union (such Guarantor or such Person, as the case may be, being herein called the "*Successor Person*");

(b) the Successor Person (including a Successor Person that is a Foreign Subsidiary notwithstanding anything to the contrary in the Indenture), if other than such Guarantor, expressly assumes all the obligations of such Guarantor under the Indenture and such Guarantor's related Guarantee pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(c) immediately after such transaction, no Default exists (and treating any Indebtedness that becomes an obligation of the Successor Person or any of its Subsidiaries as a result of such transaction as having been incurred by the Successor Person or such Subsidiary at the time of such transaction); and

(d) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation, sale, assignment, transfer, lease, conveyance or other disposition and such supplemental indentures or other documents or instruments, if any, comply with the Indenture; or

(2) the transaction is made in compliance with the covenant described above under the caption "Repurchase at the Option of Holders—Asset Sales."

In the case of clause (1) above, the Successor Person will succeed to, and be substituted for, such Guarantor under the Indenture and such Guarantor's Guarantee, and in the case of clause (1) or (2) above, such Guarantor will automatically be released and discharged from its obligations under the Indenture and such Guarantor's Guarantee. Notwithstanding the foregoing, any Guarantor may (i) merge, consolidate or amalgamate with or , wind up into with or transfer all or part of its properties and assets to another Guarantor or the Issuers, (ii) merge into, consolidate with, wind up into or transfer all or part of its properties and assets to any Restricted Subsidiary that is not an Issuer or a Guarantor; *provided* that the surviving entity (x) is a European Company (*Societas Europaea*) or a corporation, partnership, limited partnership, limited liability company or trust or similar entity organized or existing under the laws of the jurisdiction of organization of such Guarantor or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof, or any member state of the European Union and (y) is or becomes a Guarantor upon the consummation of such transaction, (iii) merge with an Affiliate of an Issuer solely for the purpose of reincorporating or reorganizing the Guarantor as a European Company (*Societas Europaea*) or in another jurisdiction (provided that such jurisdiction is the United States, any state thereof, the District of Columbia, or any territory thereof, or any member state of the European Union), so long as the amount of Indebtedness of the Company and its Restricted Subsidiaries is not increased thereby, (iv) convert into a Person organized or existing under the laws of the jurisdiction of such Guarantor or any of the jurisdictions set forth in clause (ii) of this sentence or (v) liquidate or dissolve or change its legal form if the Company or any Parent Entity on behalf of the Company determines in good faith that such liquidation or dissolution is in the best interests of the Company and is not materially disadvantageous to the Holders, in each case, without regard to the requirements set forth in the preceding paragraph.

Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each of the foregoing, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of $25.0 million unless:

(1) such Affiliate Transaction is on terms, taken as a whole, that are not materially less favorable to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's-length basis; and

(2) the Company delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of $50.0 million, a resolution adopted by the majority of the board of directors of the Company or a Parent Entity approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (1) above.

The foregoing provisions will not apply to the following:

(1) (a) transactions between or among the Company or any of its Restricted Subsidiaries or between or among Restricted Subsidiaries (or, in any case, an entity that becomes a Restricted Subsidiary as a result of such transaction) and (b) any merger, amalgamation or consolidation of the Company and any Parent Entity;

(2) Restricted Payments permitted by the provisions of the Indenture described above under the caption "—Limitation on Restricted Payments" and the definition of "Permitted Investments";

(3) the payment of reasonable and customary fees, compensation, benefits and incentive arrangements paid or provided to, and indemnities and reimbursements and employment and severance arrangements provided to or on behalf of, or for the benefit of, future, present or former employees, officers, directors, managers or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Restricted Subsidiaries or any Parent Entity;

(4) the sale or issuance of Equity Interests (other than Disqualified Stock) of the Company or any contribution to the capital of the Company or any Restricted Subsidiary and the granting and performing of reasonable and customary registration rights to any Parent Entity or to any Permitted Holder or to any former, present or future director, manager, officer, employee or consultant (or any Affiliate of any of the foregoing) of the Company or any of its Subsidiaries or any Parent Entity;

(5) the Transactions, the Post-Closing Restructuring Transactions and the payment of all fees and expenses related to the Transactions and the Post-Closing Restructuring Transactions;

(6) any agreement, instrument or arrangement as in effect as of the Issue Date or any transaction contemplated thereby, or any amendment or replacement agreement, instrument or arrangement thereto (so long as any such amendment is, in the good faith judgment of the Company, not materially disadvantageous to the Holders when taken as a whole as compared to the applicable agreement as in effect on the Issue Date);

(7) transactions between the Company or any Restricted Subsidiary and any Person that is an Affiliate of the Company or any Restricted Subsidiary solely because a director of such other Person is also a director of the Company or any Parent Entity; *provided* that such director abstains from voting as a director of the Company or any Parent Entity, as the case may be, on any matter involving such other Person;

(8) payments by the Company or any of its Restricted Subsidiaries to, and agreements with, the Investors or any of their Affiliates (i) for any financial advisory, management, monitoring services, financing, mergers and acquisitions advisory, insurance brokerage, hedging arrangements, underwriting or placement services or in respect of other investment banking

activities, including, without limitation, in connection with acquisitions, divestitures or joint ventures, and customary indemnities related thereto, pursuant to agreements in effect on the Issue Date or which are approved by a majority of the Board of the Company or any Parent Entity in good faith and (ii) any termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an initial public equity offering) plus expenses and termination fees pursuant to agreements in effect on the Issue Date or approved by a majority of the board of directors (or similar governing body) of the entity making such payment; *provided* that the payment of management, monitoring and advisory fees shall not exceed the greater of (x) $5.0 million and (y) 1.0% of EBITDA of the Company for the Applicable Measurement Period per fiscal year;

(9) a transaction with a Person who was not an Affiliate of the Company before the transaction but becomes an Affiliate solely as a result of such transaction;

(10) payments by the Company or any of its Restricted Subsidiaries to, and agreements with, Vista Equity Partners or any of its Affiliates for customary consulting services and indemnities related thereto pursuant to agreements in effect on the Issue Date or which are approved by a majority of the Board of Directors of the Company or any Parent Entity in good faith.

(11) sales of accounts receivables and any other transaction effected in connection with a Permitted Receivables Financing;

(12) the entering into of any tax sharing agreement or arrangement and any payments permitted by clause (11)(B) of the second paragraph of the covenant described above under the caption "—Limitation on Restricted Payments";

(13) transactions in which the Company or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the preceding paragraph;

(14) the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under the terms of, (x) the Merger Agreement and (y) any stockholders or similar agreement (including any registration rights agreement or purchase agreement related thereto) to which it (or any Parent Entity) is a party as of the Issue Date and any amendment thereto or similar agreements, transactions or arrangements which it may enter into thereafter; *provided, however*, that the existence of, or the performance by the Company or any of its Restricted Subsidiaries of obligations under any future amendment or replacement agreement to any such existing agreement or under any similar agreement, transaction or arrangement entered into after the Issue Date shall only be permitted by this clause (14) to the extent that the terms of any such amendment or new agreement, transaction or arrangement are not otherwise materially disadvantageous to the Holders when taken as a whole as compared to the applicable agreement as in effect on the Issue Date;

(15) any non-recourse pledge of Equity Interests of an Unrestricted Subsidiary to support the Indebtedness of such Unrestricted Subsidiary;

(16) (a) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services that are Affiliates, in each case in the ordinary course of business or that are consistent with past practice and otherwise in compliance with the terms of the Indenture, which are fair to the Company and its Restricted Subsidiaries, in the reasonable determination of the Board of the Company or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (b) payments to and from, and transactions with, existing joint venture partners or existing joint ventures (including pursuant to joint venture agreements) entered into in the ordinary course of business or consistent with past practice (including, without limitation, any cash management activities related thereto);

(17) payments, loans, advances or guarantees (or cancellation of payments, loans, advances or guarantees) to any future, present or former employees, officers, directors, managers or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Restricted Subsidiaries or any Parent Entity, and any employment agreements, stock option, benefit, incentive or retirement plans and other similar arrangements with such employees, officers, directors, managers or consultants which, in each case, are approved by the Company in good faith;

(18) transactions with Affiliates solely in their capacity as holders of, or interests in, Indebtedness or Equity Interests of the Company or any of its Subsidiaries, so long as such transaction is with all holders of such class (and there are such non-Affiliate holders) and such Affiliates are treated no more favorably than all other holders of such class generally;

(19) any guarantee by any Parent Entity of Indebtedness of the Company or any Restricted Subsidiary;

(20) (x) investments by any Permitted Holder in securities of the Company or any Restricted Subsidiary (and payment of reasonable out-of-pocket expenses incurred by such Permitted Holder in connection therewith) so long as the investment is being generally offered to other investors on the same or more favorable terms, and (y) payments to, and transactions with, Permitted Holders in respect of securities of the Company or any Restricted Subsidiary contemplated in the foregoing clause (x) or securities of the Company or any Restricted Subsidiary that were acquired from Persons other than the Company or its Restricted Subsidiaries, in each case, in compliance with the terms of such securities;

(21) transactions with a Person that is an Affiliate of the Company arising solely because the Company, any of its Subsidiaries or any Parent Entity owns any Equity Interest in, or otherwise controls, such Person;

(22) any lease entered into between the Company or any Restricted Subsidiary, on the one hand, and any Affiliate of the Company, on the other hand;

(23) intellectual property licenses entered into in the ordinary course of business;

(24) the issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by the board of directors of the Company in good faith; and

(25) transactions permitted by, and complying with, the provisions of, the covenant described under "—Merger, Consolidation or Sale of All or Substantially All Assets."

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries that is not the Co-Issuer or a Guarantor to, directly or indirectly, create or otherwise cause to become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary that is not the Co-Issuer or a Guarantor to:

(1) (a) pay dividends or make any other distributions to the Company or any of its Restricted Subsidiaries on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or

(b) pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries,

except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Senior Secured Credit Facilities, Swap Agreements, the Preferred Stock of Parent and their related documentation;

(b) the Indenture, the Notes and the Guarantees;

(c) Purchase Money Obligations for property acquired in the ordinary course of business and Financing Lease Obligations or operating leases that impose restrictions of the nature discussed in clause (3) above on the property so acquired;

(d) applicable law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged, consolidated or amalgamated with or into the Company or any of its Restricted Subsidiaries, or of an Unrestricted Subsidiary that is designated as a Restricted Subsidiary, or any other transaction entered into in connection with an acquisition of assets from such Person, in each case, that is in existence at the time of such acquisition or at the time it merges, consolidates or amalgamates with or into the Company or any Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated;

(f) contracts, including sale leaseback agreements, for the sale or disposition of assets, including customary restrictions with respect to a Subsidiary of the Company pursuant to an agreement that has been entered into for the sale or disposition of some or all of the Capital Stock or assets of such Subsidiary, such as restrictions on distributions by that Subsidiary pending its sale or other disposition;

(g) Secured Indebtedness otherwise permitted to be incurred pursuant to the covenants described under the captions "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Liens" that limit the right of the debtor to dispose of the assets securing such Indebtedness or place any restriction on the Company's or its Restricted Subsidiaries' use of the assets securing such Secured Indebtedness;

(h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or arising in connection with any Permitted Lien;

(i) other Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary that is not the Co-Issuer or a Guarantor permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" that impose restrictions solely on such Restricted Subsidiaries party thereto;

(j) existing under, by reason of or with respect to customary provisions in joint venture agreements or arrangements, limited liability company agreements, partnership agreements, shareholder agreements, operating agreements, asset sale agreements, stock sale agreements, Sale Leaseback Transactions and other similar agreements or arrangements;

(k) customary provisions contained in leases, sub-leases, licenses, grants, sub-licenses or similar agreements, including with respect to intellectual property, or provisions that restrict the assignment of such agreements or any rights thereunder, in each case, entered into in the ordinary course of business;

(l) restrictions that arise in connection with a Permitted Receivables Financing; *provided* that such restrictions apply only to the receivables that are subject to the Permitted Receivables Financing;

(m) protective Liens filed in connection with a Sale Leaseback Transaction permitted under the Indenture;

(n) any other agreement governing Indebtedness, Disqualified Stock or Preferred Stock entered into after the Issue Date that either (i) contains encumbrances and restrictions that are, in the good faith judgment of the Company, not materially more restrictive taken as a whole with respect to the Company or any Restricted Subsidiary than those in effect on the Issue Date pursuant to agreements in effect on the Issue Date or (ii) will not materially affect the Company's ability to make anticipated principal or interest payments on the Notes, as determined in good faith by the Company;

(o) any Restricted Payment not prohibited by the covenant described above under the caption "—Limitation on Restricted Payments";

(p) arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary thereof in any manner material to the Company or any Restricted Subsidiary thereof;

(q) existing under, by reason of or with respect to refinancing Indebtedness; *provided* that the encumbrances and restrictions contained in the agreements governing that refinancing Indebtedness are, in the good faith judgment of the Company, not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(r) in the case of the provision described in clause (3) of the first paragraph of this covenant that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset;

(s) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Company or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Company or such Restricted Subsidiary that are the subject of such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Company or such Restricted Subsidiary or the assets or property of any other Restricted Subsidiary;

(t) any encumbrance or restriction with respect to a Restricted Subsidiary or Receivables Subsidiary that was previously an Unrestricted Subsidiary which encumbrance or restriction exists pursuant to or by reason of an agreement that such Subsidiary is a party to or entered into before the date on which such Subsidiary became a Restricted Subsidiary; *provided* that such agreement was not entered into in anticipation of an Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction does not extend to any assets or property of the Company or any other Restricted Subsidiary other than the assets and property of such Subsidiary; and

(u) any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (t) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Company, not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this covenant (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed an encumbrance or restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to the Company or a Restricted Subsidiary to other Indebtedness incurred by the Company or any such Restricted Subsidiary shall not be deemed an encumbrance or restriction on the ability to make loans or advances.

Guarantees

The Company will not permit any of its Restricted Subsidiaries (other than the Co-Issuer or an Excluded Subsidiary) to guarantee the payment of (i) the Senior Secured Credit Facilities or (ii) any syndicated bank indebtedness or any capital markets debt securities of the Company, the Co-Issuer or any Guarantor (other than Indebtedness payable to the Company or a Restricted Subsidiary) in an aggregate principal amount in excess of $50.0 million (such indebtedness under (i) and (ii) of this paragraph, the "*Triggering Indebtedness*") unless such Restricted Subsidiary shall within 60 days execute, and deliver to the Trustee, a supplemental indenture (a "*Guarantor Supplemental Indenture*") substantially in the form attached to the Indenture pursuant to which such Restricted Subsidiary shall unconditionally Guarantee all of the Company's Obligations under the Notes and the Indenture on the terms set forth in the Indenture, except that with respect to a guarantee of Indebtedness of the Company, the Co-Issuer or any Guarantor (x) if the Notes or such Guarantor's Guarantee are subordinated in right of payment to such Indebtedness, the Guarantee under the supplemental indenture shall be subordinated to such Restricted Subsidiary's guarantee with respect to such Indebtedness substantially to the same extent as the Notes are subordinated to such Indebtedness and (y) if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Guarantee substantially to the same extent as such Indebtedness is subordinated to the Notes; *provided* that (1) to the extent that any Excluded Subsidiary no longer satisfies the definition of Excluded Subsidiary as of the end of the most recent fiscal year for which audited financial statements have been provided in accordance with the covenant described below under the caption "—Reports and Other Information," then the Company shall cause, within 60 days of delivery of such financial statements, such Restricted Subsidiary to execute and deliver to the Trustee a Guarantor Supplemental Indenture, (2) to the extent any Foreign Subsidiary guarantees the payment of any Triggering Indebtedness, the Company shall cause, within 60 days of such guarantee, such Foreign Subsidiary to execute and deliver to the Trustee a Guarantor Supplemental Indenture, (3) the Guarantee of any Foreign Subsidiary may be limited as to its full and unconditional nature as required by the laws of the jurisdiction of organization of such Foreign Subsidiary and (4) this covenant shall not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary.

Notwithstanding the foregoing, the Company shall not be obligated to cause such Restricted Subsidiary to guarantee the Notes if the guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law or any liability for the officers, directors, managers or shareholders of such Restricted Subsidiary that, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Company or the Restricted Subsidiary.

The Company may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor, in which case such Subsidiary shall not be required to comply with the 60 day period described above. Each Guarantee of a Guarantor shall be released in accordance with the above provisions.

Notwithstanding the foregoing, this covenant shall not prohibit a guarantee or pledge by a Foreign Subsidiary that is not a Guarantor securing the payment of Indebtedness of another Foreign Subsidiary that is not a Guarantor.

Reports and Other Information

So long as any Notes are outstanding, the Indenture will require the Company to furnish to the Holders:

(1) within 90 days after the end of each fiscal year, audited year-end consolidated financial statements of the Company (including a balance sheet, statement of operations and statement of cash flows) prepared in accordance with GAAP, together with a report on the annual financial statements by the Company's independent registered public accounting firm, a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a presentation of EBITDA of the Company, consistent with the presentation thereof in this Offering Circular and derived from such financial statements; *provided*, that the foregoing report relating to the Company's first fiscal year ending after the Issue Date shall be required to be prepared within 120 days after the end of such fiscal year;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, unaudited quarterly consolidated financial statements of the Company (including a balance sheet, statement of operations and statement of cash flows) prepared in accordance with GAAP, a "Management's Discussion and Analysis of Financial Condition and Results of Operations," subject to normal year-end adjustments and a presentation of EBITDA of the Company consistent with the presentation thereof in this Offering Circular and derived from such financial statements; *provided*, that the foregoing report relating to the first three fiscal quarters ending after the Issue Date shall be required to be prepared within 60 days after the end of such quarterly period;

(3) within 15 Business Days after the occurrence of an event that would have been required to be reported in a Current Report on Form 8-K if the Company would have been required to file such reports under the Exchange Act, current reports containing substantially the same information required to be filed in a Current Report on Form 8-K pursuant to Items 1.01, 1.02, 1.03, 2.01, 2.05, 2.06, 4.01, 4.02, 5.01, 5.02(b) and 5.02(c) (other than with respect to information otherwise required or contemplated by Item 402 of Regulation S-K), in each case as in effect on the Issue Date; *provided, however*, that no such report will be required to be furnished if the Company determines in its good faith judgment that such event is not material to Holders or the business, assets, operations, financial positions or prospects of the Company and its Restricted Subsidiaries, taken as a whole; *provided, further*, that instead of providing such information pursuant to this clause (3), the Company will be deemed to have satisfied this requirement by providing the information in any report delivered pursuant to clauses (1) or (2) within 15 Business Days after the occurrence of such event.

In addition, no report prepared pursuant to this covenant will be required (1) to include any exhibit (including any agreements, financial statements or other items that would be required to be filed as an exhibit), or (2) to include a summary of the terms of, any employment or compensatory arrangement agreement, plan or understanding between the Company (or any Parent Entity or Subsidiaries) and any director, manager or executive officer of the Company (or any Parent Entity or Subsidiaries).

For the avoidance of doubt, in no event shall the Company be required (1) to comply with Section 302, Section 404 or Section 906 of the Sarbanes-Oxley Act of 2002, or related Items 307 and 308 of Regulation S-K promulgated by the SEC, Regulation G promulgated by the SEC, Item 10(e) of Regulation S-K promulgated by the SEC (with respect to any non-GAAP financial measures contained therein) or Items 402, 405, 406, 407 and 601 of Regulation S-K promulgated by the SEC, in each case as in effect on the Issue Date, (2) to comply with Rule 3-10 of Regulation S-X promulgated by the SEC or contain separate financial statements for the Company, the Guarantors or other Subsidiaries the shares of which are pledged to secure the Notes or any Guarantee that would be required under (a) Section 3-09 of Regulation S-X to the extent that the Company determines in its good faith judgment that such information would not be material to the Holders or the business, assets, operations, financial positions or prospects of the Company and its Restricted Subsidiaries, (b) Section 3-10 of Regulation S-X or (c) Section 3-16 of Regulation S-X, respectively, promulgated by the SEC, (3) to comply with any requirements of Regulation S-K or Regulation S-X promulgated by the SEC to the extent such requirements were not complied with in this Offering Circular or to otherwise provide any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Circular or (4) to provide financial statements in interactive data format using the eXtensible Business Reporting Language.

The Company will make available such information and such reports to the Trustee under the Indenture, to any Holder of the Notes and, upon request, to any beneficial owner of the Notes, in each case by confidentially posting such information on any password-protected online data system, and will make such information readily available on any password-protected online data system to any bona fide prospective investor, any securities analyst (to the extent providing analysis of investment in the Notes) or any bona fide market maker in the Notes ("*Permitted Parties*") upon certification to the Company as provided in the next succeeding paragraph. Any such password-protected online data system may, at the Company's option, require a confidentiality acknowledgement in order to access the information and reports contained thereon. The Trustee shall have no responsibility or obligation whatsoever to determine if such posting has occurred or for the content of such reports.

Any person who requests or accesses such financial information or seeks to participate in any conference calls required by this covenant will be required to certify to the Company (to the Company's reasonable satisfaction) that:

(1) it is a Permitted Party;

(2) it will not use the information in violation of applicable securities laws or regulations;

(3) it will keep such reports and provided information confidential and will not communicate the reports or information to any Person;

(4) it will not use such reports and the information contained therein for any purpose other than their investment or potential investment in the Notes; and

(5) it will not use the information to compete with the Company or any of its Subsidiaries and it is not a Person (which includes such Person's Affiliates) that is principally engaged in a Similar Business or that derives a significant portion of its revenues from the operation of a Similar Business.

Within ten Business Days after the dates that the reports described in clauses (a) and (b) above are furnished, the Company shall participate in quarterly conference calls to discuss operating results and related matters, which conference call shall be open to all Holders, beneficial owners of a Note and Permitted Parties that have certified to the Company their status as a Permitted Party.

The Company will also furnish to holders, securities analysts and prospective investors upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, so long as the Notes are not freely transferable under the Securities Act.

The Company, at its option, may report at a Parent Entity's level on a consolidated basis if such Parent Entity is not engaged in any business in any material respect other than as incidental to its ownership, directly or indirectly, of the capital stock of the Company. In such a case, the reports, information and other documents required to be furnished to the Holders pursuant to this covenant may, at the option of the Company, be filed by and be those of such parent rather than the Company; *provided* that, the same is accompanied by consolidating information, which may be unaudited, that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to the Company and its Restricted Subsidiaries on a standalone basis, on the other hand. Such Parent Entity shall not be considered a Guarantor by virtue of providing such reports. The obligations under this covenant may be satisfied by having the applicable reporting entity file reports with the SEC containing the information contemplated hereunder within the timeframes contemplated hereunder.

Notwithstanding anything herein to the contrary, (a) the Company will not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (3) under "Events of Default and Remedies" until 90 days after written notice described in clause (3) has been given and (b) any failure to comply with this covenant shall be automatically cured when the Company or any Parent Entity, as the case may be, provides all required reports to the holders of the Notes.

Notwithstanding anything herein to the contrary, if the Company makes an election to change its fiscal year, the Company will not be required to provide audited financial statements for the period from the closing of the Company's most recent fiscal year and the opening date of its newly selected fiscal year (the "Transition Period"), nor will the Company be required to deliver a report on the financial statements by the Company's independent registered public accounting firm with respect to the financial statements for such Transition Period. With respect to the Transition Period, the Company will only be required to provide unaudited financial statements that have been reviewed pursuant to the American Institute of Certified Public Accountants procedures for a review of interim financial information as described in AU Section 722, Interim Financial Information (or any successor provision) for the Transition Period.

Events of Default and Remedies

The Indenture will provide that each of the following is an Event of Default:

(1) default in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Notes;

(2) default for 30 days or more in the payment when due of interest on or with respect to the Notes;

(3) (a) failure by the Company or any Restricted Subsidiary for 60 days after receipt of written notice given to the Company by the Trustee or the Holders of not less than 30% in principal amount of the Notes then outstanding to comply with any of its obligations, covenants or agreements (other than a default referred to in clauses (1) or (2) above) contained in the Indenture or the Notes;

(4) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries or the payment of which is guaranteed by the Company or any Restricted Subsidiaries, other than Indebtedness owed to the Company or any Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the Notes, if both:

(a) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such

Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated final maturity; and

(b) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregates to $70.0 million (or its foreign currency equivalent) or more at any one time outstanding;

(5) failure by the Company, the Co-Issuer or any Significant Subsidiary (or group of Restricted Subsidiaries that taken together as of the date of the most recent audited financial statements of the Company would constitute a Significant Subsidiary) to pay non-appealable final judgments aggregating in excess of $70.0 million (excluding amounts covered by insurance provided by a carrier that has acknowledged coverage or amounts covered by valid third party indemnification obligations from a third party which is solvent), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final and non-appealable, and, in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(6) certain events of bankruptcy or insolvency with respect to the Company, the Co-Issuer or any other Significant Subsidiary; or

(7) the Guarantee of any Significant Subsidiary (or any group of Guarantors that taken together as of the date of the most recent audited financial statements of the Company, would constitute a Significant Subsidiary) shall for any reason cease to be in full force and effect (except as contemplated by the terms of the Indenture) or be declared null and void or any responsible officer of such Guarantor, as the case may be, denies in writing that it has any further liability under its Guarantee or gives written notice to such effect, other than by reason of the termination of the Indenture or the release of any such Guarantee in accordance with the Indenture, and such default continues for 10 Business Days.

If any Event of Default (other than of a type specified in clause (6) above with respect to the Company or the Co-Issuer) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 30% in principal amount of the then total outstanding Notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately.

Upon the effectiveness of such declaration, such principal and interest will be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising under clause (6) of the first paragraph of this section with respect to the Company or the Co-Issuer, all outstanding Notes will become due and payable without further action or notice. The Indenture will provide that the Trustee may withhold from the Holders notice of any continuing Default or Event of Default, except a Default relating to the payment of principal, premium, if any, or interest, if it determines that withholding notice is in the Holders' interest. In addition, the Trustee shall have no obligation to accelerate the Notes if in the best judgment of the Trustee acceleration is not in the best interest of the Holders.

The Indenture will provide that the Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture and rescind any acceleration with respect to the Notes and its consequences (except if such rescission would conflict with any judgment of a court of competent jurisdiction) except a continuing Default or Event of Default in the payment of interest on, premium, if any, or the principal of any Note held by a non-consenting Holder.

In the event of any Event of Default specified in clause (4) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of the acceleration of the Notes) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 20 days after such Event of Default arose,

(x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged,

(y) the requisite holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default, or

(z) the default that is the basis for such Event of Default has been cured.

Subject to the provisions of the Indenture relating to the duties of the Trustee thereunder, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in principal amount of the total outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(5) Holders of a majority in principal amount of the total outstanding Notes have not given the Trustee a written direction inconsistent with such request within such 60-day period.

Subject to certain restrictions contained in the Indenture, the Holders of a majority in principal amount of the total outstanding Notes are given the right to direct in writing the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability.

The Indenture will provide that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the "*Initial Default*") occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "Reports and Other Information" or otherwise to deliver any notice or certificate pursuant to any other provision of this Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or such notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will provide that the Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required, within 30 days after becoming aware of any Default, to deliver to the Trustee a statement specifying such Default, unless such Default has been cured before the end of the 30-day period.

No Personal Liability of Directors, Officers, Employees and Stockholders

No past, present or future director, manager, officer, employee, incorporator or stockholder, member or limited partner of the Company or any Restricted Subsidiary or any of their direct or indirect parent companies shall have any liability for any obligations of the Issuers or the Guarantors under the Notes, the Guarantees or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. Such waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Legal Defeasance and Covenant Defeasance

The obligations of the Issuers and the Guarantors under the Indenture, the Notes or the Guarantees, as the case may be, will terminate (other than certain obligations) and will be released upon payment in full of all of the Notes. The Issuers may, at their option and at any time, elect to have all of their obligations discharged with respect to the Notes and have each Guarantor's obligation discharged with respect to its Guarantee ("*Legal Defeasance*") and cure all then existing Events of Default except for:

(1) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due solely out of the trust created pursuant to the Indenture;

(2) the Issuers' obligations with respect to Notes concerning issuing temporary Notes, registration of such Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuers' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuers may, at their option and at any time, elect to have their obligations and those of each Guarantor released with respect to substantially all of the restrictive covenants that are described in the Indenture and its Guarantee, as applicable ("*Covenant Defeasance*") and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including bankruptcy, receivership, rehabilitation and insolvency events pertaining to the Issuers) described under "Events of Default and Remedies" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance with respect to the Notes:

(1) the Issuers or any Guarantor must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of Notes, cash in U.S. dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants reasonably acceptable to the Trustee, a nationally recognized investment bank or a nationally recognized appraisal or valuation firm, to pay the principal of, premium, if any, and interest due on the Notes on the stated maturity date or on the redemption date, as the case may be, of such principal, premium, if any, or interest on such Notes, and the Issuers must specify whether such Notes are being defeased to maturity or to a particular redemption date; *provided*, that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount,

the "*Applicable Premium Deficit*") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions,

(a) the Company has received from, or there has been published by, the United States Internal Revenue Service a ruling, or

(b) since the issuance of the Notes, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, subject to customary assumptions and exclusions, the Holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the Holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Company shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuers or any Guarantor with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuers or any Guarantor or others; and

(5) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Notwithstanding the foregoing, an Opinion of Counsel required by clause (2) with respect to Legal Defeasance need not be delivered if all of the Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes, when either:

(1) all Notes theretofore authenticated and delivered, except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust, have been delivered to the Trustee for cancellation; or

(2) (a) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise, will become due and payable within one year or are to be called for redemption and redeemed within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers and the Issuers or any Guarantor have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders of Notes, cash in U.S. dollars, Government Securities, or a combination thereof, in

such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, a nationally recognized investment bank or a nationally recognized appraisal or valuation firm, without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; *provided*, that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(b) the Issuers have paid or caused to be paid all sums payable by them under the Indenture; and

(c) the Issuers have delivered irrevocable written instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, upon its request for written acknowledgement of satisfaction and discharge, the Company must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (a), (b) and (c)).

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, any Guarantee and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding, including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes, and any existing Default or Event of Default or compliance with any provision of the Indenture, any Guarantee or the Notes issued thereunder may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes, other than Notes beneficially owned by the Company or its Affiliates, including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes.

The Indenture will provide that, without the consent of each affected Holder of Notes, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the percentage of the aggregate principal amount of such Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed final maturity of any such Note or alter or waive the provisions with respect to the redemption of such Notes (other than provisions relating to the covenants described above under the caption "Repurchase at the Option of Holders" and other than the notice provisions);

(3) reduce the rate of or change the time for payment of interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on such Notes, except a rescission of acceleration of such Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration;

(5) make any such Note payable in currency other than that stated therein;

(6) make any change in the provisions of the Indenture relating to the rights of Holders to receive payments of principal of or premium, if any, or interest on the Notes;

(7) make any change in these amendment and waiver provisions;

(8) impair the right of any Holder to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(9) make any change to or modify the ranking of such Notes that would adversely affect the Holders; or

(10) except as expressly permitted by the Indenture, modify the Guarantee of any Significant Subsidiary in any manner adverse to the Holders.

Notwithstanding the foregoing, the Issuers, any Guarantor (with respect to a Guarantee or the Indenture to which it is a party) and the Trustee may amend or supplement the Indenture and any Guarantee or Notes without the consent of any Holder:

(1) to cure any ambiguity, omission, mistake, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code);

(3) to comply with the covenant described under "Certain Covenants—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets;"

(4) to provide for the assumption of the Issuers' or any Guarantor's obligations to the Holders;

(5) to make any change that would provide any additional rights or benefits to the Holders or that does not materially adversely affect the legal rights under the Indenture of any such Holder;

(6) to add covenants for the benefit of the Holders or to surrender any right or power conferred upon the Issuers or any Guarantor;

(7) to evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee or a successor paying agent thereunder pursuant to the requirements thereof;

(8) to provide for the issuance of exchange Notes or private exchange Notes, which are identical to exchange Notes except that they are not freely transferable;

(9) to provide for the succession of any parties to the Indenture (and other amendments that are administrative or ministerial in nature);

(10) to add a Guarantor or release any Guarantor in accordance with the terms of the Indenture;

(11) to conform the text of the Indenture, Guarantees or the Notes to any provision of this "Description of Notes" to the extent that such provision in this "Description of Notes" was intended to be a substantially verbatim recitation of a provision of the Indenture, Guarantee or Notes;

(12) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation, to facilitate the issuance and administration of the Notes; *provided, however*, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of Holders to transfer Notes;

(13) to provide for the issuance of Additional Notes in accordance with the terms of the Indenture;

(14) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Trustee for the benefit of the Holders, as security for the payment and performance of all or any portion of the Notes, in any property or assets; or

(15) to comply with the rules of any applicable securities depositary.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment, waiver or consent. It is sufficient if such consent approves the substance of the proposed amendment, waiver or consent.

Notices

Notices given by publication or, if a method of electronic delivery is approved by the Trustee, such electronic delivery will be deemed given on the first date on which publication or electronic delivery is made, and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing. Notice otherwise given in accordance with the procedures of DTC will be deemed given on the date sent to DTC.

Concerning the Trustee

The Indenture will contain certain limitations on the rights of the Trustee thereunder, should it become a creditor of the Issuers or any Guarantor, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign.

The Indenture will provide that the Holders of a majority in principal amount of the outstanding Notes issued thereunder will have the right to direct in writing the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default shall occur (which shall not be cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs.

Governing Law

The Indenture, the Notes and any Guarantee will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

Set forth below are certain defined terms to be used in the Indenture. For purposes of the Indenture, unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person on a consolidated basis in accordance with GAAP, but with its Restricted Subsidiaries, and excluding from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

"*Acquired Indebtedness*" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness assumed or incurred in connection with, or in contemplation of, such other Person merging or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person;

provided that any Indebtedness of such other Person that is extinguished, redeemed, defeased, retired or otherwise repaid at the time of or immediately upon consummation of the transaction pursuant to which such other Person becomes a Restricted Subsidiary of the specified Person will not be Acquired Indebtedness.

"*Acquisition*" means the transactions contemplated by the Merger Agreement.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. No Person (other than the Company or any Subsidiary of the Company) in whom a Receivables Subsidiary makes an Investment in connection with a financing of accounts receivable will be deemed to be an Affiliate of the Company or any of its Subsidiaries solely by reason of such Investment.

"*Applicable Calculation Date*" means the applicable date of calculation for (i) the Total Net Leverage Ratio, (ii) the Total Net Secured Leverage Ratio, (iii) the Fixed Charge Coverage Ratio or (iv) EBITDA.

"*Applicable Measurement Period*" means the most recently completed four consecutive fiscal quarters of the Company immediately preceding the Applicable Calculation Date for which internal financial statements are available; *provided* that prior to the first date such financial statements are available, the Applicable Measurement Period in effect will be the period of four consecutive fiscal quarters of the Company ended December 31, 2015.

"*Applicable Premium*" means, with respect to any Note on any Redemption Date, the greater of:

(1) 1.0% of the principal amount of such Note; and

(2) the excess, if any, of (a)(i) the sum of the present values at such Redemption Date of (A) the redemption price of such Note at March 1, 2019 (such redemption price being set forth in the table appearing above under the caption "Optional Redemption"), plus (B) all required interest payments due on such Note through March 1, 2019, discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate as of such Redemption Date plus 50 basis points, minus (ii) accrued but unpaid interest to, but excluding, the Redemption Date over (b) the principal amount of such Note.

Calculation of the Applicable Premium will be made by the Company or on behalf of the Company by such Person as the Company shall designate and such calculation and the correctness thereof shall not be a duty or obligation of the Trustee.

"*Asset Sale*" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets outside the ordinary course of business (including by way of a Sale Leaseback Transaction) of the Company or any of its Restricted Subsidiaries (each referred to in this definition as a "*disposition*"); or

(2) the issuance or sale of Equity Interests (other than directors' qualifying shares or shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary, whether in a single transaction or a series of related transactions (other than Preferred Stock of Restricted Subsidiaries issued in compliance with the covenant described above under the caption "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock");

in each case, other than:

(a) any disposition of Cash Equivalents or Investment Grade Securities or obsolete, damaged, unnecessary, unsuitable or worn out property or equipment or of assets no longer used or useful in the business or any sale or disposition of property or assets in connection with scheduled turnarounds, maintenance and equipment and facility updates or any disposition of products, services or inventory held for sale in the ordinary course of business;

(b) the disposition of all or substantially all of the assets of the Company in a manner permitted pursuant to the provisions described above under the caption "Certain Covenants Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets" or any disposition that constitutes a Change of Control pursuant to the Indenture;

(c) the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under the caption "Certain Covenants—Limitation on Restricted Payments";

(d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary (other than the Co-Issuer) in any transaction or series of related transactions with an aggregate fair market value of less than $25.0 million;

(e) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to another Restricted Subsidiary;

(f) to the extent allowable under Section 1031 of the Code or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g) the lease, assignment, sublease, license or sublicense of any real or personal property in the ordinary course of business;

(h) foreclosures, condemnations, nationalizations or any similar actions on assets;

(i) grants, licenses or sublicenses of software, technology, patents, trademarks, copyrights, know-how, trade secrets, content, databases and any other intellectual property or other intangibles in the ordinary course of business;

(j) the creation of any Lien permitted under this Indenture;

(k) any issuance, sale or pledge of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(l) any financing transaction with respect to property built or acquired by the Company or any Restricted Subsidiary after the Issue Date to the extent permitted under the Indenture, including Sale and Lease-Back Transactions and asset securitizations permitted by the Indenture;

(m) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other litigation claims in the ordinary course of business;

(n) a disposition of accounts receivable, or participations therein and related assets in connection with a Permitted Receivables Financing or in factoring or similar transactions;

(o) the sale, lease, assignment, license or sublease of inventory, equipment, accounts receivable or other assets held for sale in the ordinary course of business, the settlement or writeoff of accounts receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable;

(p) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset;

(q) the lapse, abandonment or cancellation of intellectual property that the Company or the Co-Issuer in its reasonable business judgment, deems no longer useful to maintain;

(r) the unwinding of any Swap Agreements;

(s) sales, transfers and other dispositions of Investments in joint ventures that are permitted pursuant to the provisions described above under the caption "Certain Covenants—Limitation on Restricted Payments" or the definition of "Permitted Investments" to the extent required by, or made pursuant to, customary buy/sell arrangements, drag-along rights, put rights, call rights or similar arrangements between the joint venture parties set forth in joint venture or similar binding agreements;

(t) dispositions of property, plant and equipment to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) an amount equal to the Net Proceeds of such disposition are promptly applied to the purchase price of such replacement property; and

(u) consummation of the Transactions and the Post-Closing Restructuring Transactions.

In the event that a transaction (or a portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, the Issuers, in their sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as a permitted Asset Sale and/or one or more of the types of permitted Restricted Payments or Permitted Investments.

"*Asset Sale Offer*" has the meaning set forth in the third paragraph under the caption "Repurchase at the Option of Holders—Asset Sales."

"*Board*" with respect to a Person means the board of directors (or similar body) of such Person or any committee thereof duly authorized to act on behalf of such board of directors (or similar body).

"*Business Day*" means each day which is not a Legal Holiday.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Cash Equivalents*" means:

(1) United States dollars, Euros or any national currency of any participating member of the EMU, Pounds Sterling, Canadian Dollars, Australian Dollars and Swedish Krona (including such United States dollars, Euros, Pounds Sterling, Canadian Dollars, Australian Dollars and Swedish Krona as are held as overnight bank deposits and demand deposits with banks) or in case of any Restricted Subsidiary organized outside of the United States or Europe, such local currencies held by it from time to time in the ordinary course of business;

(2) securities issued or directly and fully and unconditionally guaranteed or insured by the U.S. government or any agency or instrumentality thereof or any member state of the European Union or Canada the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(3) obligations maturing not more than one year after such time issued or guaranteed by the government of a country ("*OECD Country*") that is a member of the Organization for Economic Cooperation and Development or any agency thereof that is rated at least A by S&P or A by Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(4) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $250.0 million in the case of U.S. banks or other U.S. financial institutions and $100.0 million (or the U.S. dollar equivalent as of the date of determination) in the case of non-U.S. banks or other non-U.S. financial institutions;

(5) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P and in each case maturing within 24 months after the date of creation thereof (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(6) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively and in each case maturing within 24 months after the date of creation thereof (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(7) readily marketable direct obligations issued by any state, commonwealth or territory of the United States or any political subdivision or taxing authority thereof having one of the two highest ratings obtainable from either Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) with maturities of 24 months or less from the date of acquisition;

(8) repurchase obligations of any lender or of any commercial bank satisfying (at the time of acquisition) the requirements of clause (4) of this definition, with respect to securities of the types described in clauses (2) and (4) above;

(9) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed or insured by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated either (I) A or better by S&P or A or better by Moody's or (II) SP1 or better by S&P or V-MIG 1 or better by Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(10) securities issued or directly and fully guaranteed or insured by any OECD Country or any instrumentality or agency thereof (*provided* that the full faith and credit of such OECD Country is pledged in support thereof) having maturities of not more than twelve (12) months from the date of acquisition and rated either (I) at least A by S&P or A by Moody's or (II) at least SP1 by S&P or V-MIG by Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(11) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of any OECD Country, by any political subdivision or taxing authority of any such state, commonwealth or territory, the securities of which state, commonwealth, territory, political subdivision or taxing authority (as the case may be)

are rated either (I) at least A by S&P or A by Moody's or (II) at least SP1 by S&P or V-MIG by Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(12) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any lender or any commercial bank satisfying the requirements of clause (4) or (5) of this definition;

(13) Indebtedness or Preferred Stock issued by Persons with a rating, at the time of acquisition thereof, of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition;

(14) investment funds investing 95% of their assets in securities of the types described in clauses (1) through (13) above; and

(15) in the case of any Restricted Subsidiary organized or having its principal place of business outside of the United States, Investments of comparable tenor and credit quality to those described in the foregoing clauses (1) through (14) customarily utilized in countries in which such Restricted Subsidiary operates.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clause (1) above; *provided* that such amounts are converted into any currency listed in clause (1) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

"*CFC*" means a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"*CFC HoldCo*" means a Subsidiary of the Company, whether disregarded or regarded for U.S. federal income tax purposes, that has no material assets (directly or indirectly) other than capital stock (including any debt instrument treated as equity for U.S. federal income tax purposes) of one or more direct or indirect Foreign Subsidiaries that are CFCs.

"*Change of Control*" means the occurrence of any of the following after the Issue Date:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person, other than a Permitted Holder; or

(2) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by (A) any Person (other than any Permitted Holder) or (B) Persons (other than any Permitted Holders) that are together a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act, or any successor provision), in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase, of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of 50% or more of the total voting power of the Voting Stock of the Company or any Parent Entity holding directly or indirectly 100% of the total voting power of the Voting Stock of the Company; *provided* that (x) so long as the Company is a Subsidiary of any Parent Entity, no "Person" shall be deemed to be or become a "beneficial owner" of more than 50% of the total voting power of the Voting Stock of the Company unless such "Person" shall be or become a "beneficial owner" of more than 50% of the total voting power of the Voting Stock of such Parent Entity and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" shall not in any case be included in the calculation of any Voting Stock of which any such "Person" is the "beneficial owner."

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Consolidated Depreciation and Amortization Expense*" means with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of goodwill and other intangibles and deferred financing fees of such Person and its Restricted Subsidiaries, for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income, including (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or banker's acceptances, (c) non-cash interest payments, (d) the interest component of Financing Lease Obligations, and (e) net cash payments, if any, pursuant to interest rate Swap Agreements with respect to Indebtedness, and excluding (v) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (w) any expensing of bridge, commitment and other financing fees, (x) any non-cash interest expense attributable to the movement in the mark-to-market valuation of Swap Agreements or other derivative instruments pursuant to GAAP, (y) any lease, rental or other expense in connection with a Non-Financing Lease Obligation and (z) any interest expense attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto and with respect to the Transactions, any acquisition or Investment permitted hereunder, all as calculated on a consolidated basis in accordance with GAAP; *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *less*

(3) interest income for such period.

For purposes of this definition, interest on a Financing Lease Obligation shall be deemed to accrue at an interest rate determined in good faith by such Person to be the rate of interest implicit in such Financing Lease Obligation in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided, however*, that, without duplication:

(1) any after-tax effect of extraordinary, non-recurring or unusual gains or losses, including business optimization charges and restructuring charges and carve-out related items shall be excluded;

(2) the cumulative effect of a change in accounting principles during such period shall be excluded;

(3) any after-tax effect of income (loss) attributable to disposed, abandoned, transferred, closed or discontinued operations and any gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of) or fixed assets shall be excluded;

(4) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions other than in the ordinary course of business, as determined in good faith by the Company, shall be excluded;

(5) the Net Income (but not loss) for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the Company and its Restricted Subsidiaries shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the Company or a Restricted Subsidiary thereof in respect of such period by such Person and shall be decreased by the amount of any losses that have been funded with cash from the Company or a Restricted Subsidiary during such period;

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (C)(1) of the first paragraph of the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments," (i) the Net Income (but not loss) for such period of any Restricted Subsidiary (other than the Co-Issuer or any Guarantor) shall be excluded if the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions has been legally waived and (ii) the Net Income (but not loss) for such period of any Restricted Subsidiary that is not a Wholly-Owned Subsidiary shall be excluded to the extent it is attributable to the non-controlling interest in such Restricted Subsidiary; *provided* that, in each case, Consolidated Net Income of the Company will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) to the Company or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to the Company and its Restricted Subsidiaries) in the property and equipment, software and other intangible assets, deferred revenue, debt line items, current assets and current liabilities in such Person's consolidated financial statements pursuant to GAAP resulting from the application of purchase accounting in relation to the Transactions, the Post-Closing Restructuring Transactions and/or any consummated acquisition or other Investment and any increase in amortization or depreciation or other non-cash charges resulting therefrom and any write-off of any amounts thereof, net of taxes, shall be excluded;

(8) any impairment charge or asset write-off, in each case, pursuant to GAAP and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(9) any non-cash items (including mark-to-market items and timing discrepancies between the time when an item is incurred and when it is recorded under GAAP due to fluctuations in currency values) shall be excluded;

(10) any accruals, payments, fees, charges, costs and expenses (including rationalization, legal, tax, structuring and other costs and expenses) related to the Transactions and the Post-Closing Restructuring Transactions (including in connection with the issuance of Equity Interests of any Parent Entity) incurred by such Person or any of its Restricted Subsidiaries during such period shall be excluded;

(11) [reserved];

(12) any net after-tax gains or losses (including the effect of all fees and expenses or charges relating thereto) attributable to the early extinguishment of Indebtedness or Swap Agreements or other derivative agreements (including deferred financing costs written off and premiums paid and any net gain (or loss) from any write-off or forgiveness of Indebtedness) shall be excluded;

(13) unrealized gains and losses relating to hedging transactions and foreign exchange transactions and other investments, fluctuations in currency values in accordance with GAAP and mark-to-market of Indebtedness resulting from the application of GAAP shall be excluded;

(14) any expenses or charges or any amortization thereof related to any Equity Offering, Permitted Investment, acquisition (including earn-out provisions) or disposition, recapitalization or the incurrence or refinancing of Indebtedness permitted to be incurred by the Indenture, including a refinancing thereof (in each case, whether or not successful) for such period, including (i) such fees, expenses or charges related to the offering of the Notes and the Senior Secured Credit Facilities and (ii) any amendment or other modification to the terms of any such transactions shall, in each case, be excluded;

(15) (i) any non-cash compensation expense realized from employee benefit plans or other post-employment benefit plans or recorded from grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock or other rights to officers, directors, managers or employees and management compensation plans or equity incentive programs or the treatment of such options under variable plan accounting and (ii) non-cash income (loss) attributable to deferred compensation plans or trusts, shall be excluded;

(16) any (x) expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any investment, acquisition or any sale, conveyance, transfer or other disposition of assets permitted under the Indenture, or (y) expenses charged or losses with respect to liability or casualty events or business interruption covered by insurance, in each case to the extent actually reimbursed, or, so long as the Company has made a determination that reasonable evidence exists that such indemnification or reimbursement will be made, and only to the extent that such amount is (i) not denied by the applicable indemnifying party, obligor or insurer in writing within 365 days after such determination and (ii) in fact indemnified or reimbursed within 365 days after such determination (with a deduction in the applicable future period for any amount so added back to the extent not so indemnified or reimbursed within such 365-day period), shall be excluded;

(17) any amounts paid that are used to fund payments pursuant to clause (11) of the second paragraph of the covenant described above under the caption “Certain Covenants—Limitation on Restricted Payments” that, if paid by the Company would have reduced Consolidated Net Income, shall be included to reduce Consolidated Net Income; and

(18) accruals and reserves that are established or adjusted within 18 months after the Issue Date that are so required to be established as a result of the Transactions (or within 18 months after the closing of any acquisition that are so required to be established as a result of such acquisition) in accordance with GAAP shall be excluded.

Solely for purposes of calculating EBITDA, the Net Income of the Company and its Restricted Subsidiaries shall be calculated without deducting the income attributable to the minority equity interests of third parties in any non-Wholly-Owned Subsidiary that is a Restricted Subsidiary except to the extent of dividends declared or paid in respect of such period or any prior period on the shares of Capital Stock of such Restricted Subsidiary held by such third parties.

Notwithstanding the foregoing, for the purpose of the covenant described above under the caption “Certain Covenants—Limitation on Restricted Payments” only (other than clauses (C)(4) and (C)(5) of the first paragraph thereof), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by the Company and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from the Company and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by the Company or any of its Restricted Subsidiaries, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clauses (C)(4) or (C)(5) of the first paragraph thereof.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent,

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor,

(2) to advance or supply funds

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof,

provided, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Issue Date or entered into in connection with any acquisition or disposition of assets permitted under the Indenture (other than such obligations with respect to Indebtedness). The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined in good faith by an Officer of the Company.

"*Controlled Investment Affiliate*" means, as to any Person, any other Person, other than any Investor, which directly or indirectly controls, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Company and/or other Persons.

"*Debt Facilities*" means, with respect to the Company or any of its Restricted Subsidiaries, one or more debt facilities, including the Senior Secured Credit Facilities, or other financing arrangements (including, without limitation, commercial paper facilities, indentures, trust deeds or note purchase agreements) providing for revolving credit loans, term loans, capital market financings, receivables financings, capital leases, letters of credit or other borrowings or other extensions of credit, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, replacements, renewals, restatements or refundings thereof and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, refinance, extend, renew, restate, amend, supplement or modify any part of the loans, notes, other credit facilities or commitments thereunder, including any such exchanged, replaced, refunded, refinanced, extended, renewed, restated, amended, supplemented or modified facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted by the covenant described above under the caption "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") or adds entities as additional borrowers, issuers or guarantors thereunder or otherwise alters the terms and conditions thereof and whether by the same or any other agent, lender, group of lenders or otherwise.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the fair market value of non-cash consideration received by the Company or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, executed by the principal financial officer of the Company, less the amount of cash and Cash Equivalents received in connection with a subsequent sale of or collection of such Designated Non-cash Consideration.

"*Designated Preferred Stock*" means Preferred Stock of the Company or any Parent Entity (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (C) of the first paragraph of the covenant described above under the caption "Certain Covenants—Limitation on Restricted Payments."

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is putable or exchangeable) or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control, asset sale, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; *provided, however*, that if such Capital Stock is issued to any plan for the benefit of employees of the Company or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations; *provided, further, however* that any Capital Stock held by any future, current or former employee, director, manager or consultant (or their respective trusts, estates, investment funds, investment vehicles or Immediate Family Members) of the Company, any of its Restricted Subsidiaries or any Parent Entity, in each case pursuant to any stockholders' agreement, management equity plan, stock option plan or any other management or employee benefit plan or agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company or its Subsidiaries; and *provided, further, however*, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

"*Domestic Subsidiary*" means, with respect to any Person, any Restricted Subsidiary of such Person that is organized or existing under the laws of the United States, any state thereof or the District of Columbia.

"*EBITDA*" means, with respect to any Person and its Restricted Subsidiaries on a consolidated basis for any period, the Consolidated Net Income of such Person for such period:

(1) increased by (without duplication) in each case only to the extent the same was deducted (and not added back) in determining such Consolidated Net Income (other than with respect to clause (k) below) and without duplication:

(a) (x) provision for taxes based on income or profits or capital gains, including state, franchise and similar taxes and foreign withholding taxes of such Person paid or accrued during such period, (y) the tax effect with respect to the items excluded from the calculation of Consolidated Net Income pursuant to clauses (1), (3), (4) and (12) of the definition thereof and

(z) an amount equal to the amount of tax distributions actually made to the holders of Capital Stock of such Person or any direct or indirect parent of such Person in respect of such period in accordance with clause (11) of the second paragraph under the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments," which shall be included as though such amounts had been paid as income taxes directly by such Person; *plus*

(b) Fixed Charges of such Person for such period; *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period; *plus*

(d) any expenses or charges or any amortization related to any Equity Offering, Permitted Investment, acquisition (including earn-out provisions), disposition, recapitalization or the incurrence, prepayment, amendment, modification, restructuring or refinancing of Indebtedness permitted to be incurred by the Indenture (including a refinancing thereof) (whether or not successful) for such period, including (i) such fees, expenses or charges related to the offering of the Notes and the Senior Secured Credit Facilities and the Transactions, (ii) any amendment or other modification to the terms of any such transactions and (iii) any losses or discounts on sales of receivables and related assets in connection with any Permitted Receivables Financing; *plus*

(e) carveout costs, restructuring costs, integration costs, retention, recruiting, relocation and signing bonuses and expenses, stock option and other equity-based compensation expenses, severance costs, transaction fees and expenses and management fees and expenses incurred by the Company or a Restricted Subsidiary during such period, including, without limitation, any one-time expense relating to enhanced accounting function or other transaction costs, including those associated with becoming a stand-alone entity or a public company; *plus*

(f) any other non-cash losses, charges and expenses reducing Consolidated Net Income for such period (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Company may elect not to add back such non-cash charge in the current period and (B) to the extent the Company elects to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from EBITDA to such extent); *plus*

(g) any costs or expense incurred by the Company or a Restricted Subsidiary during such period pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Company or net cash proceeds of an issuance of Equity Interests of the Company (other than Disqualified Stock); *plus*

(h) any non-cash compensation expense, charges or losses recorded from grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock or other rights to officers, directors, managers or employees and management compensation plans or equity incentive programs or the treatment of such options under variable plan accounting during such period; *plus*

(i) the amount of management, monitoring, consulting and advisory fees and related expenses incurred during such period to the Investors and the amount of any directors' fees or reimbursements (including pursuant to any management agreement), in each case, to the extent permitted by the covenant described above under the caption "—Certain Covenants—Transactions with Affiliates"; *plus*

(j) earn-out expenses incurred during such period resulting from acquisitions or Permitted Investments in which the Company and/or any Restricted Subsidiary is required to treat such earn-out expenses as compensation costs; *plus*

(k) the amount of expected cost savings, operating expense reductions, operating improvements and "run rate" synergies projected by the Company in good faith to be realized as a result of actions taken or expected to be taken (calculated on a *pro forma* basis as though such cost savings, operating expense reductions, operating improvements and "run rate" synergies had been realized on the first day of such period) related to the Transactions and the Post-Closing Restructuring Transactions, acquisitions (including the commencement of activities constituting such business) of business entities or properties or assets constituting a division or line of business of any business entity, division or line of business that is the subject of any such acquisition, material divestitures (including the termination or discontinuance of activities constituting such business) of business entities or properties or assets constituting a division or line of business of any business entity, division or line of business that is the subject of any such disposition and/or other operational changes (including resulting from the Transactions, the Post-Closing Restructuring Transactions or any other restructurings), in each case, which are factually supportable, net of the amount of actual benefits realized during such period from such actions; *provided* that (x) such cost savings, operating expense reductions, operating improvements or "run rate" synergies shall be certified by an Officer of the Company as having been determined in good faith to be reasonably anticipated to be realizable within 12 months following such acquisition, divestiture or operational change (in the good faith determination of the Company), (y) no cost savings, operating expense reductions or "run rate" synergies may be added pursuant to this clause (k) to the extent duplicative of any expenses or charges relating thereto that are either excluded in computing Consolidated Net Income or included (*i.e.*, added back) in computing EBITDA for such period and (z) the aggregate addbacks pursuant to this clause (k), when taken together with all adjustments pursuant to the first sentence of the third paragraph of the definition of "Fixed Charge Coverage Ratio" shall not exceed 25% of EBITDA for such period prior to giving effect to amounts added back under this clause (k); *plus*

(l) actual expenses incurred in such period in connection with obtaining and maintaining credit ratings; *plus*

(m) adjustments and add-backs (i) specifically identified in the Sponsor Model, (ii) consistent with Article 11 of Regulation S-X promulgated under the Securities Act and as interpreted by the staff of the SEC or (iii) contained in the quality of earnings report delivered to the Initial Purchasers prior to the Issue Date; *plus*

(n) expenses relating to changes in accounting principles; *plus*

(o) the net amount, if any, by which consolidated deferred revenues of the Company and its Restricted Subsidiaries increased during such period; *plus*

(p) costs and expenses in connection with any stock options, restricted stock units and performance based restricted stock units, including, but not limited to, the RSU Payments (as defined in clause (17) of the second paragraph of the covenant set forth above under the caption "—Certain Covenants—Limitation on Restricted Payments"); *plus*

(q) proceeds of business interruption insurance received in cash during such period, to the extent not already included in Consolidated Net Income; *plus*

(r) charges, losses or expenses to the extent indemnified or insured or reimbursed by a third party to the extent such indemnification, insurance or reimbursement is actually received in cash for such period; *plus*

(s) cash receipts not included in the calculation of Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of EBITDA pursuant to paragraph (b) below for any previous period and not added back; *plus*

(t) Public Company Costs,

(2) decreased by (without duplication) (i) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced EBITDA in any prior period and (ii) the net amount, if any, by which consolidated deferred revenues of the Company and its Restricted Subsidiaries decreased during such period, and

(3) increased or decreased by (without duplication):

(a) any net gain or loss resulting in such period from obligations under Swap Agreements; *plus or minus*, as applicable,

(b) any net gain or loss resulting in such period from currency translation gains or losses related to currency remeasurements of Indebtedness (including any net loss or gain resulting from Swap Agreements for currency exchange risk); *plus or minus*, as applicable, and

(c) any net after-tax income (loss) from the early extinguishment of Indebtedness or obligations under Swap Agreements or other derivative; *plus or minus*, as applicable;

all as determined on a consolidated basis for such Person and its Restricted Subsidiaries in accordance with GAAP to the extent applicable.

Notwithstanding anything to the contrary herein, for all purposes of the Indenture, EBITDA of the Company and its Restricted Subsidiaries shall be deemed to equal $136.1 million, $137.1 million, $139.6 million and $138.9 million, respectively, for the fiscal quarters ended March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015, in each case and, without duplication, adjusted to reflect any *pro forma* adjustments with respect to any acquisitions and dispositions as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio, in each case, occurring or identified after the Issue Date and not otherwise included in the calculation of the foregoing amounts.

"*EMU*" means economic and monetary union as contemplated in the Treaty on European Union.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"*Equity Offering*" means any public or private sale of common equity or Preferred Stock of the Company or any Parent Entity (excluding Disqualified Stock), other than:

(1) public offerings with respect to the Company's or any of its Parent Entity's common stock registered on Form S-8;

(2) issuances to any Subsidiary of the Company; and

(3) any such public or private sale that constitutes an Excluded Contribution.

"*European Domicile Transaction*" has the meaning set forth in the first paragraph under "Certain Covenants—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets."

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Excluded Contribution*" means net cash proceeds, Cash Equivalents or fair market value of assets or property received by or contributed to the Company from:

(a) contributions to its common equity capital; and

(b) the sale (other than to a Subsidiary of the Company or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Company) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Company,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate within 180 days of the date such capital contributions are made, the date such dividends, distributions, fees or other payments are received or the date such Equity Interests are sold, as the case may be, and which are excluded from the calculation set forth in clause (C) of the first paragraph of the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments."

"*Excluded Subsidiaries*" means (a) any non-Wholly-Owned Subsidiary of the Company, (b) any subsidiary of the Company that is a captive insurance company, not-for-profit Subsidiary or special purpose entity, (c) any Restricted Subsidiary that is designated as an Unrestricted Subsidiary after the Issue Date, (d) any Restricted Subsidiary that is prohibited by applicable law (including financial assistance, fraudulent conveyance, preference, capitalization or other similar laws and regulations), regulation or contractual provision (including any requirement to obtain the consent, license, authorization or approval of any governmental authority or other third party that has not been obtained) existing on the Issue Date from providing a Guarantee, (e) any Immaterial Subsidiary, (f) any Receivables Subsidiary, (g) any Subsidiary of the Company that is (i) a Foreign Subsidiary (including, solely after the consummation of the Post-Closing Restructuring Transactions, Intermediate Holdings CFC One, Intermediate Holdings CFC Two, Intermediate Holdings CFC Three and Intermediate Holdings CFC Four), (ii) a CFC Holdco or (iii) any direct or indirect Subsidiary of a CFC or a CFC Holdco, (h) any Subsidiary if Guarantee by such Subsidiary would result in material adverse tax consequences as reasonably determined in good faith by the Company; *provided* that Intermediate Holdings CFC One, Intermediate Holdings CFC Two, Intermediate Holdings CFC Three and Intermediate Holdings CFC Four shall not be considered Excluded Subsidiaries prior to the consummation of the Post-Closing Restructuring Transactions.

"*Existing Notes*" means Audatex North America, Inc.'s 6.000% senior notes due 2021 and 6.125% senior notes due 2023.

"*fair market value*" means, with respect to any Investment, asset or property, the fair market value of such Investment, asset or property as determined by the Company in good faith.

"*Financing Lease Obligation*" means an obligation that is required to be classified and accounted for as a financing or capital lease (and, for the avoidance of doubt, not a straight-line or operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a financing or capital lease would be the amount required to be reflected as a liability on such balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person as of any Applicable Calculation Date, the ratio of EBITDA of such Person for the Applicable Measurement Period to the Fixed Charges of such Person for such Applicable Measurement Period. In the event that the Company or any Restricted Subsidiary incurs, assumes, guarantees, redeems, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility or other incurrence of Indebtedness for working capital purposes pursuant to working capital facilities unless, in each case, such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the Applicable Measurement Period but on or prior to the Applicable Calculation Date, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, redemption, retirement or extinguishment of Indebtedness, or such issuance or redemption of

Disqualified Stock or Preferred Stock (in each case, including a *pro forma* application of the net proceeds therefrom), as if the same had occurred at the beginning of the Applicable Measurement Period; *provided*, *however*, that the pro forma calculation shall not give effect to any Indebtedness incurred on such determination date pursuant to the provisions described in the second paragraph (other than pursuant to clause (14)) under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers (including the Acquisition), amalgamations, consolidations and disposed or discontinued operations (as determined in accordance with GAAP) that have been made by the Company or any of its Restricted Subsidiaries during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to or simultaneously with the Applicable Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and disposed or discontinued operations (and the change in any associated Fixed Charges and the change in EBITDA resulting therefrom, without duplication of the adjustments set forth in the definition of "EBITDA") had occurred on the first day of the Applicable Measurement Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged or amalgamated with or into the Company or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such Applicable Measurement Period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed or discontinued operation had occurred at the beginning of the Applicable Measurement Period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Company and may include, without duplication, cost savings, operating expense reductions, restructuring charges and expenses and cost-saving synergies resulting from any Asset Sale or other disposition or such Investment, acquisition, disposition, merger, amalgamation or consolidation or discontinued operation or other transaction (including the Transactions), in each case calculated in a manner consistent with clause (1)(k) of the definition of "EBITDA." For the avoidance of doubt, the actual adjustments set forth in the computation of "Pro Forma Adjusted EBITDA" as described in this Offering Circular shall be deemed to comply with the standards set forth in the immediately preceding sentence. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Applicable Calculation Date had been the applicable rate for the entire period (taking into account any obligations under Swap Agreements applicable to such Indebtedness). Interest on a Financing Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Financing Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate as the Company or the Co-Issuer may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of such Person during such period; and

(3) all cash dividends or other distributions paid or accrued (excluding items eliminated in consolidation) on any series of Disqualified Stock of such Person during such period.

"*Foreign Subsidiary*" means, with respect to any Person, any Restricted Subsidiary other than a Domestic Subsidiary.

"*GAAP*" means (1) generally accepted accounting principles in the United States as in effect from time to time; *provided* that all terms of an accounting or financial nature used in the Indenture shall be construed, and all computations of amounts and ratios referred to in the Indenture shall be made (a) without giving effect to any election under FASB Accounting Standards Codification Topic 825—*Financial Instruments*, or any successor thereto (including pursuant to the FASB Accounting Standards Codification), to value any Indebtedness of the Company or any Subsidiary at "fair value," as defined therein and (b) the amount of any Indebtedness under GAAP with respect to Financing Lease Obligations shall be determined in accordance with the definition of Financing Lease Obligation or (2) if elected by the Company (the "*IFRS Election*") by written notice to the Trustee in connection with the delivery of financial statements and information, the accounting standards and interpretations adopted by the International Accounting Standard Board ("*IFRS*"), as in effect on the first date of the period for which the Company is making such election; *provided*, that (a) any such election, once made, shall be irrevocable and (b) from and after the date of the IFRS Election, (i) all financial statements and reports required to be provided after such election pursuant to the Indenture shall be prepared on the basis of IFRS, (ii) all ratios, financial definitions, computations and other determinations based on GAAP contained in the Indenture shall be computed in conformity with IFRS, (iii) all references in the Indenture to GAAP shall be deemed to be references to IFRS, (iv) all references in the Indenture to the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or any successor thereto shall be deemed to be references to the International Accounting Standards Board or any successor thereto and (v) accounting terms not defined in the Indenture shall have the respective meanings given to them under IFRS; *provided* that any such term phrased in a manner customary under GAAP shall be interpreted to refer to the equivalent accounting or financial concept under IFRS and, if there is no such equivalent accounting or financial concept, shall be interpreted in a manner that best approximates the effect that such term would have if it were construed in accordance with GAAP as in effect on the Issue Date. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness.

If there occurs a change in generally accepted accounting principles relating to revenue recognition resulting from the joint revenue recognition standard of the Financial Accounting Standards Board and the International Accounting Standards Board, and such change would cause a change in the method of calculation of standards or terms as determined in good faith by the Company (an "*Accounting Change*"), then the Company may elect, as evidenced by a written notice of the Company to the Trustee, that such standards or terms shall be calculated as if such Accounting Change had not occurred.

"*Government Securities*" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America.

"*guarantee*" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"*Guarantee*" means the guarantee by any Guarantor of the Company's Obligations under the Indenture and the Notes.

"*Guarantor*" means Merger Sub, Intermediate Holdings CFC One, Intermediate Holdings CFC Two, Intermediate Holdings CFC Three, Intermediate Holdings CFC Four and each Subsidiary of the Company that executes a supplemental indenture to the Indenture as a Guarantor on the Issue Date and each other Subsidiary of the Company that thereafter guarantees the Notes in accordance with the terms of the Indenture, until, in each case, such Person is released from the guarantee of the Notes in accordance with the terms of the Indenture.

"*holder*" means, with reference to any Indebtedness or other Obligations, any holder or lender of, or trustee or collateral agent or other authorized representative with respect to, such Indebtedness or Obligations, and, in the case of Swap Agreements, any counter-party to such Swap Agreements.

"*Holder*" means the Person in whose name a Note is registered on the registrar's books.

"*Immaterial Subsidiary*" means each Restricted Subsidiary of the Company which, as of the Applicable Measurement Period, (i) contributed less than 2.0% of third party gross revenues of the Company and the Restricted Subsidiaries and (ii) had assets with a net book value of less than 2.0% of Total Assets as of the Applicable Calculation Date; *provided, however*, that, if at any time the aggregate amount of third party gross revenues of the Company and the Restricted Subsidiaries or Total Assets, as applicable, attributable to all Restricted Subsidiaries (other than Restricted Subsidiaries that are Excluded Subsidiaries pursuant to clauses (a), (b), (d) or (e) of the definition of "Excluded Subsidiaries") that are Immaterial Subsidiaries exceeds 5.0% of third party gross revenues of the Company and all of the Restricted Subsidiaries for any such Applicable Measurement Period or 5.0% of Total Assets as of the Applicable Calculation Date, as applicable, then such Restricted Subsidiary or Restricted Subsidiaries shall no longer be deemed Immaterial Subsidiaries to the extent of such excess.

"*Immediate Family Members*" means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law (including adoptive relationships), and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"*Indebtedness*" means, with respect to any Person at any date, without duplication:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Financing Lease Obligations), except (i) any such balance that constitutes an accrued expense or trade payable or similar obligation to a trade creditor, in each case, accrued in the ordinary course of business that are not overdue by 90 days or more or are being contested in good faith and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP; or

(d) representing any Obligations under any Swap Agreements;

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Obligations under Swap Agreements) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided*, that Indebtedness of any Parent Entity appearing upon the balance sheet of the Company solely by reason of push down accounting under GAAP shall be excluded;

(2) to the extent not otherwise included, any Obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations (of the type referred to in clause (1) of this definition) of a third Person (whether or not such items would appear upon the balance sheet of the such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person; provided that if such Indebtedness has not been so assumed the amount of such Indebtedness shall be the lesser of (A) the fair market value of such asset at the date of determination and (B) the amount of the Indebtedness so secured;

provided, however, that notwithstanding the foregoing, Indebtedness shall be deemed not to include Contingent Obligations incurred in the ordinary course of business. Notwithstanding the foregoing or anything else herein to the contrary, Indebtedness shall not include: (a) accrued obligations incurred in the ordinary course of business, (b) royalty payments made in the ordinary course of business in respect of licenses (to the extent such licenses are not prohibited hereby), (c) any accruals for payroll and other non-interest bearing liabilities accrued in the ordinary course of business, (d) deferred rent obligations, taxes and compensation, (e) customary payables with respect to money orders or wire transfers, (f) customary obligations under employment arrangements, (g) Non-Financing Lease Obligations or other obligations under or in respect of straight-line leases, operating leases or Sale Leaseback Transactions (except any resulting Financing Lease Obligations) and Permitted Receivables Financing, (h) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto and (i) in the case of the Company and its Restricted Subsidiaries, intercompany loans, advances or other Indebtedness having a term not exceeding 364 days (inclusive of any rollover or extension of terms) in the ordinary course of business.

"*Independent Financial Advisor*" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Company, qualified to perform the task for which it has been engaged.

"*Initial Purchasers*" means Goldman, Sachs & Co., Citigroup Global Markets Inc., Jefferies LLC, Macquarie Capital (USA) Inc., Nomura Securities International, Inc., UBS Securities LLC, KKR Capital Markets LLC and MCS Capital Markets LLC.

"*Intermediate Holdings CFC Four*" shall mean Galaxy Acquisition Co 2 Ltd, a private limited company organized under the laws of England and Wales, and its permitted successors and assigns.

"*Intermediate Holdings CFC One*" shall mean Galaxy Holdco 1 Ltd, a private limited company organized under the laws of England and Wales, and its permitted successors and assigns.

"*Intermediate Holdings CFC Three*" shall mean Galaxy Holdco 2 Ltd, a private limited company organized under the laws of England and Wales, and its permitted successors and assigns.

"*Intermediate Holdings CFC Two*" shall mean Galaxy Acquisition Co 1 Ltd. a private limited company organized under the laws of England and Wales, and its permitted successors and assigns.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or equivalent) by Moody's and BBB- (or equivalent) by S&P, or an equivalent rating by any Successor Rating Agency.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries;

(3) investments in any fund that invests at least 95% of its assets in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high-quality investments.

"*Investments*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers and employees, in each case made in the ordinary course of business) (and, in the case of the Company and its Restricted Subsidiaries, intercompany loans, advances or other Indebtedness having a term not exceeding 364 days (inclusive of any rollover or extension of terms) in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Company in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described above under the caption "Certain Covenants—Limitation on Restricted Payments":

(1) "Investments" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to:

(a) the Company's "Investment" in such Subsidiary at the time of such redesignation; less

(b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined by the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash by the Company or a Restricted Subsidiary in respect of such Investment.

"*Investors*" means each of (1) Vista Equity Partners and each of its Affiliates (including the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any of its portfolio companies or Parent and its Subsidiaries), (2) Koch Industries, Inc. and its Affiliates (including the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any of its portfolio companies or Parent and its Subsidiaries) and (3) Broad Street Principal Investments, L.L.C. and its Affiliates (including the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any of its portfolio companies or Parent and its Subsidiaries).

"*Issue Date*" means March 3, 2016.

"*Issuers*" has the meaning set forth in the first paragraph under "General."

"*Legal Holiday"* means a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York.

"*Lien*" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded, registered, published or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Limited Condition Transaction*" shall mean any acquisition by way of merger, amalgamation or consolidation, by the Company or one or more of its Restricted Subsidiaries, the consummation of which is not conditioned on the availability of, or on obtaining, third party financing.

"*Merger Agreement*" means the Agreement and Plan of Merger, dated as of September 13, 2015 by and among Solera Holdings, Inc., Summertime Holding Corp. and Merger Sub, as the same may be amended prior to the Issue Date.

"*Moody's*" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"*Net Income*" means, with respect to any Person, the net income (loss) of such Person and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"*Net Proceeds*" means the aggregate cash proceeds and the fair market value of any Cash Equivalents (including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not the interest component, thereof)) received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-Cash Consideration, including legal, accounting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, and brokerage and sales commissions, any relocation expenses incurred as a result thereof, other fees and expenses, taxes paid or payable as a result thereof, including in connection with any repatriation of funds, and, without duplication, any payments to any Parent Entity in respect of such taxes (after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness required (other than required by clause (1) of the second paragraph of the provisions described above under the caption "Repurchase at the Option of Holders—Asset Sales") to be paid as a result of such transaction, any costs associated with unwinding any related Swap Agreements in connection with such transaction and any deduction of appropriate amounts to be provided by the Company or any of the Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Company or any of the Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations (fixed or contingent) associated with such transaction.

"*Non-Financing Lease Obligation*" means a lease obligation that is not required to be classified and accounted for as a financing or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. For the avoidance of doubt, a straight-line or operating lease shall be considered a Non-Financing Lease Obligation.

"*Non-Recourse Indebtedness*" means Indebtedness that is non-recourse to the Company and the Restricted Subsidiaries.

"*Obligations*" means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, provincial, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, premium, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness; *provided* that, solely for purposes of the covenant described under "Repurchase at the Option of Holders—Asset Sales," Obligations with respect to the Notes shall not include fees or indemnification obligations in favor of the Trustee and other third parties other than the Holders.

"*Offering Circular*" means the confidential offering circular dated February 29, 2016, pursuant to which the initial Notes were offered to potential purchasers.

"*Officer*" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer, any Assistant Treasurer, the Controller or the Secretary or any other officer designated by any such individuals of the Company, the Co-Issuer or any other Person, as the case may be.

"*Officer's Certificate*" means a certificate signed on behalf of the Company by an Officer of the Company or on behalf of any other Person by an Officer of that Person, as the case may be, that meets the requirements set forth in the Indenture.

"*Opinion of Counsel*" means a written opinion from legal counsel which is reasonably acceptable to the Trustee. Such counsel may be an employee of or counsel to the Company or any Subsidiary of the Company.

"*Parent*" means Summertime Holding Corp., a Delaware corporation and the indirect parent company of the Company.

"*Parent Entity*" means Parent and any other Person that is a direct or indirect parent of the Company.

"*Parent Series A Investors Rights Agreement*" shall mean that certain Investors Rights Agreement, dated as of the Issue Date, relating to the Preferred Equity designated as Series A Preferred Stock.

"*Parent Series B Investors Rights Agreement*" shall mean that certain Investors Rights Agreement, dated as of the Issue Date, relating to the Preferred Equity designated as Series B Preferred Stock.

"*Parent Series Z Investors Rights Agreement*" shall mean that certain Investors Rights Agreement relating to the Preferred Equity designated as Series Z Preferred Stock in such form as attached as Exhibit D to the Parent Series B Investors Rights Agreement.

"*Pari Passu Indebtedness*" means:

(1) with respect to the Issuers, any Indebtedness that is *pari passu* in right of payment with the Notes; and

(2) with respect to any Guarantor, its Guarantee and any Indebtedness that is *pari passu* in right of payment to such Guarantor's Guarantee.

"*Permitted Asset Swap*" means the substantially concurrent purchase and sale or exchange of Replacement Assets or a combination of Replacement Assets and cash or Cash Equivalents between the Company or any Restricted Subsidiary and another Person; *provided* that any cash or Cash Equivalents received must be applied in accordance with the covenant described above under the caption "Repurchase at the Option of Holders—Asset Sales."

"*Permitted Holders*" means (1) (a) each of the Investors and members of management of the Company (or any Parent Entity) and its Subsidiaries who are holders of Equity Interests of the Company (or any Parent Entity) on the Issue Date and (b) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided*, that, in the case of such group and without giving effect to the existence of such group or any member of such group, such Persons specified in clause (1)(a) collectively own, directly or indirectly, more than 50% of the total voting power of the Voting Stock of the Company or any Parent Entity or (2) any Permitted Parent. Any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Company or any of its Restricted Subsidiaries (including guarantees of obligations of its Restricted Subsidiaries);

(2) any Investment in cash and Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Company or any of its Restricted Subsidiaries in a Person if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary; or

(b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys a product line or line of business to the Company or a Restricted Subsidiary or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary, and, in each case, any Investment held by such Person; provided that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation, transfer or conveyance;

(4) Investments consisting of earnest money deposits made in connection with a letter of intent, purchase agreement or other acquisition;

(5) any Investment in securities or other assets, including earn-outs, not constituting cash, Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the provisions described above under the caption "Repurchase at the Option of Holders—Asset Sales" or any other disposition of assets not constituting an Asset Sale;

(6) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment existing on the Issue Date or binding commitment in effect on the Issue Date; *provided*, that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (a) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under the Indenture;

(7) any Investment acquired by the Company or any of its Restricted Subsidiaries in compromise of, or in respect of, obligations of, claims against or dispute with, any Person (other than the Company or any Restricted Subsidiary or Affiliate), including, but not limited to:

(a) in exchange for any other Investment or accounts receivable held by the Company or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable;

(b) as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(c) in satisfaction of judgments or in settlements of debt or compromises of obligations incurred in the ordinary course of business; or

(d) in compromise or resolution of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (ii) litigation, arbitration or other disputes.

(8) Investments consisting of Swap Agreements permitted under clause (10) of the second paragraph of the covenant described above under the caption "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(9) Investments made with the net cash proceeds of, or the payment for which consists of, Equity Interests (exclusive of Disqualified Stock and Excluded Contributions) of the Company or any Parent Entity; *provided*, that in each case, such cash proceeds or such Equity Interests, as the case may be, will not increase the amount available for Restricted Payments under clause (C) of the first paragraph under the covenant described above under the caption "Certain Covenants—Limitations on Restricted Payments";

(10) guarantees of Indebtedness permitted under the covenant described above under the caption "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," performance guarantees and Contingent Obligations

incurred in the ordinary course of business or consistent with past practice and the creation of Liens on the assets of the Company or any Restricted Subsidiary in compliance with the covenant described above under the caption "— Certain Covenants—Liens";

(11) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the second paragraph of the covenant described above under the caption "—Certain Covenants—Transactions with Affiliates" (other than those described in clauses (2), (7), (11), (13), (16), (17) and (21) of such covenant);

(12) Investments relating to any Permitted Receivable Financing that, in the good faith determination of the Company, are necessary or advisable to effect such Permitted Receivables Financing;

(13) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding (without giving effect to the sale of an Investment to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed (i) $150.0 million *plus* (ii) any unused amounts under clause (18) of the second paragraph of the covenant described above under the caption "Certain Covenants—Limitation on Restricted Payments"; *provided, however*, that if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (13) for so long as such Person continues to be a Restricted Subsidiary;

(14) loans and advances to, or guarantees of Indebtedness of, officers, directors, employees and consultants in an amount at any time outstanding not to exceed the greater of (x) $15.0 million at (y) 3.0% of EBITDA at the time such Investment is made;

(15) (i) loans and advances to officers, directors, managers and employees for business related travel expenses, moving expenses and other similar expenses, in each case incurred in the ordinary course of business or consistent with past practice or to fund such Person's purchase of Equity Interests of the Company or any Parent Entity to the extent such transactions are cashless and (ii) advances of payroll payments to employees in the ordinary course of business and Investments made pursuant to employment and severance arrangements of officers and employees in the ordinary course of business and transactions pursuant to stock option plans and employee benefit plans and arrangements in the ordinary course of business;

(16) advances to customers or suppliers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the Company or the Restricted Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business;

(17) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice;

(18) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons, in each case in the ordinary course of business;

(19) Investments in a Similar Business (including joint ventures) having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (19) that are at that time outstanding (without giving effect to the sale of an Investment to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (a) $250.0 million and (b) 45.0% of EBITDA of the Company for the Applicable Measurement Period; *provided*, *however*, that if any Investment pursuant to this clause (19) is made in any

Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (19) for so long as such Person continues to be a Restricted Subsidiary;

(20) Investments in the Notes (including any Additional Notes) and any other Indebtedness of the Company or any Restricted Subsidiary;

(21) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of intellectual property, in each case in the ordinary course of business;

(22) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or consistent with past practice or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(23) Investments in the ordinary course of business consisting of (a) endorsements for collection or deposit and (b) customary trade arrangements with customers consistent with past practices;

(24) Investments made in the ordinary course of business and consistent with past practice in connection with obtaining, maintaining or renewing client contracts and loans or advances made to distributors in the ordinary course of business and consistent with past practice;

(25) advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and performance guarantees, in each case in the ordinary course of business;

(26) the acquisition of assets or Capital Stock solely in exchange for the issuance of common Equity Interests of the Company;

(27) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business or consistent with past practice;

(28) Investments made in connection with the Post-Closing Restructuring Transactions; and

(29) any other Investment; *provided* that on a pro forma basis after giving effect to such Investment the Total Net Leverage Ratio would be equal to or less than 5.25 to 1.00.

For purposes of this definition, any Investment shall be determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value.

"*Permitted Liens*" means, with respect to any Person:

(1) pledges or deposits by such Person under workers' compensation laws, unemployment insurance laws or similar legislation (including social security legislation), or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;

(2) Liens, imposed by law, constituting carriers', warehousemen's, landlords' and mechanics' Liens or other like Liens (including any retention of title and extended retention of title

arrangements), in each case for sums not yet overdue for a period of more than thirty (30) days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review and for which adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(3) Liens for taxes, assessments or other governmental charges not yet (i) overdue for a period of more than thirty (30) days or (ii) subject to penalties for nonpayment, or which are being contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens incurred in the ordinary course of business to secure (x) public or statutory obligations, utilities, surety, stay, appeal, indemnity, bid, performance and similar bonds or with respect to other regulatory requirements or (y) letters of credit, banker's acceptances or completion guarantees;

(5) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental, to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not in the aggregate materially impair their use in the operation of the business of such Person;

(6) Liens securing Indebtedness permitted to be incurred pursuant to clauses (4), (12)(a), (13), (14) and (22) of the second paragraph of the covenant described above under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;" *provided* that (a) Liens securing Indebtedness permitted to be incurred pursuant to such clause (4) extend only to the assets purchased with the proceeds of such Indebtedness, accessions to such assets and the proceeds and products thereof, and any lease of such assets (including accessions thereto) and the proceeds and the products thereof; *provided*, *further*, that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender; (b) Liens securing Indebtedness permitted to be incurred pursuant to clause (14) shall only be permitted if such Liens are limited to all or part of the same property or assets, including Capital Stock (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any there) acquired, or of any Person acquired or merged, amalgamated or consolidated with or into the Company or any Restricted Subsidiary, in any transaction to which such Indebtedness relates; (c) Liens securing Obligations relating to any Indebtedness permitted to be incurred pursuant to clause (13) relate only to Obligations relating to Refinancing Indebtedness that (x) is secured by Liens on the same assets as the assets that secured the Indebtedness being refinanced or (y) extends, replaces, refunds, refinances, renews or defeases Indebtedness incurred or Disqualified Stock or Preferred Stock issued under clauses (3) (solely to the extent such Indebtedness was secured by a Lien prior to such refinancing), (4) or (12)(a) (solely to the extent such Indebtedness was secured by a Lien prior to such refinancing) of the second paragraph of the covenant described above under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and (d) Liens securing Indebtedness permitted to be incurred pursuant to such clause (22) are solely on acquired property or extend only to the assets of the acquired entity, as the case may be, and the proceeds and products thereof;

(7) Liens existing on the Issue Date (other than Liens in favor of secured parties under the Senior Secured Credit Facilities);

(8) Liens on property or shares of stock or other assets of a Person at the time such Person becomes a Subsidiary; *provided*, that such Liens are not created or incurred in connection with,

or in contemplation of, such other Person becoming such a Subsidiary; *provided further*, that such Liens may not extend to any other property or other assets owned by the Company or any of its Restricted Subsidiaries;

(9) Liens on property or other assets at the time the Company or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Company or any of its Restricted Subsidiaries; *provided*, that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition; *provided further*, that the Liens may not extend to any other property or other assets owned by the Company or any of its Restricted Subsidiaries;

(10) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Company or another Restricted Subsidiary permitted to be incurred in accordance with the covenant described above under the caption “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;

(11) Liens on cash, Cash Equivalents and letters of credit securing obligations under Swap Agreements permitted under the Indenture;

(12) Liens on property or other assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or other asset;

(13) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(14) leases, subleases, licenses or sublicenses granted to others in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries and do not secure any Indebtedness;

(15) (i) any interest or title of a lessor under any lease entered into by the Company and its Restricted Subsidiaries in the ordinary course of its business and covering only the assets so leased and (ii) ground leases in respect of real property on which facilities owned or leased by the Company and its Restricted Subsidiaries are located;

(16) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(17) Liens in favor of the Company, the Co-Issuer or any Guarantor;

(18) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (6), (7), (8), (9), this clause (18), (21) and any Lien permitted by clause (c) of the second paragraph of the covenant described above under the caption “Certain Covenants—Liens”; *provided, however*, that (a) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), this clause (18), (21) and any Lien permitted by clause (c) of the second paragraph of the covenant described above under the caption “Certain Covenants—Liens” at the time the original Lien became a Permitted Lien under the Indenture, and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement;

(19) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto and deposits made or other security provided in the ordinary course of business to secure liability to insurance carriers;

(20) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement in connection with an Investment permitted hereunder;

(21) other Liens securing Obligations (including Financing Lease Obligations) that do not exceed at any one time outstanding the greater of (x) $110.0 million and (y) 20.0% of EBITDA of the Company for the Applicable Measurement Period at the time such Lien is created;

(22) Liens securing judgments for the payment of money not constituting an Event of Default under clause (5) under the caption "Events of Default and Remedies";

(23) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation and exportation of goods in the ordinary course of business;

(24) Liens in respect of the licensing of patents, copyrights, trademarks, trade names, other indications of origin, domain names and other forms of intellectual property in the ordinary course of business;

(25) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code (or any comparable or successor provision) on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (iii) in favor of banking institutions arising as a matter of law or pursuant to a bank's general banking conditions encumbering deposits (including the right of setoff) and which are within the general parameters customary in the banking industry;

(26) Liens arising out of conditional sale, title retention (including extended retention of title arrangements), consignment or similar arrangements for the sale of goods entered into in the ordinary course of business or Liens arising by operations of law under Article 2 of the Uniform Commercial Code (or any comparable or successor provision) in favor of a reclaiming seller of goods or buyer of goods;

(27) Liens deemed to exist in connection with Investments in repurchase agreements permitted by the covenant described above under the caption "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(28) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(29) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts or netting arrangements of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(30) Liens on accounts receivable in respect of a Permitted Receivables Financing and customary limitations set forth in the documents governing such Permitted Receivables Financing;

(31) Non-recourse Liens on the Equity Interests of an Unrestricted Subsidiary to secure Indebtedness or other Obligations of such Unrestricted Subsidiary;

(32) Liens on Equity Interests (x) deemed to exist in connection with any options, put and call arrangements, rights of first refusal and similar rights relating to Investments in Persons that are not Restricted Subsidiaries under the Indenture or (y) of any joint venture or similar arrangement pursuant to any joint venture or similar arrangement;

(33) Liens Incurred to secure cash management services (and other "bank products"), owed to a lender or any Affiliate of such lender under the Senior Secured Credit Facilities in the ordinary course of business;

(34) restrictions on dispositions of assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements;

(35) Liens on equipment of the Company or any of its Restricted Subsidiaries granted in the ordinary course of business to the Company's or its Restricted Subsidiaries' clients;

(36) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness; *provided* that such defeasance, discharge or redemption is permitted hereunder;

(37) Liens on cash advances in favor of the seller of any property to be acquired in an Investment permitted under the Indenture to be applied against the purchase price for such Investment; and

(38) Liens on assets of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of such Restricted Subsidiary permitted to be incurred pursuant to the covenant described above under the caption "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," other than Indebtedness owed to another Restricted Subsidiary that is not a Guarantor.

For purposes of determining compliance with this definition and the covenant described above under the caption "Certain Covenants—Liens," the principal amount of Indebtedness secured by a Lien outstanding under any category of Permitted Liens shall be determined after giving effect to the application of the proceeds of any such Indebtedness to refinance any such other Indebtedness.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"*Permitted Parent*" means any direct or indirect parent of the Company that at the time it became a parent of the Company was a Permitted Holder pursuant to clause (1) of the definition thereof.

"*Permitted Receivables Financing*" shall mean any receivables financing facility or arrangement entered into in the ordinary course of business pursuant to which a third party purchases or otherwise acquires accounts receivable of the Company or any of its Restricted Subsidiaries.

"*Person*" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Post-Closing Restructuring Transactions*" means the transactions contemplated by or undertaken to implement the plan attached as a schedule to the Senior Secured Credit Facilities, as such plan may be amended, supplemented or otherwise modified from time to time; *provided* that any such amendment, supplement or modification, in the good faith judgment of the Company, will not materially impair the Company's ability to make payments under the Notes when due or result in a deemed exchange of the Notes for U.S. federal income tax purposes.

"*Preferred Equity*" shall mean the preferred stock issued by Parent on the Issue Date.

"*Preferred Stock*" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"*Public Company Costs*" means, as to any Person, costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated in connection therewith and costs relating to compliance with the provisions of the Securities Act and the Exchange Act or any other comparable body of laws, rules or regulations, as applicable to companies with equity securities held by the public, the rules of national securities exchange companies with listed equity, directors' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders, directors' and officers' insurance and other executive costs, legal and other professional fees, and listing fees, in each case to the extent arising solely by virtue of the listing of such Person's (or such Person's direct or indirect holding company's) equity securities on a national securities exchange, in each case whether or not incurred prior to or after the Issue Date.

"*Purchase Money Obligations*" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise.

"*Rating Agencies*" mean Moody's and S&P; *provided* that if S&P, Moody's or any Successor Rating Agency (as defined below) shall cease to be in the business of providing rating services for debt securities generally, the Issuers shall be entitled to replace any such Rating Agency or Successor Rating Agency, as the case may be, which has ceased to be in the business of providing rating services for debt securities generally with a security rating agency which is in the business of providing rating services for debt securities generally and which is nationally recognized in the United States (such rating agency, a "*Successor Rating Agency*").

"*Receivables Fee*" means distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest therein issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Permitted Receivables Financing.

"*Receivables Subsidiary*" means any Subsidiary of the Company or any other Person formed for the purpose of facilitating or entering into any Permitted Receivables Financing, and in each case engaged only in activities reasonably related or incidental thereto.

"*Replacement Assets*" means (a) substantially all the assets of a business operating or engaged in a Similar Business, (b) Capital Stock in any Person operating or engaged in a Similar Business that results in the Company or a Restricted Subsidiary, as the case may be, owning an amount of the Capital Stock of such Person such that it constitutes a Restricted Subsidiary or (c) any other property or assets used or useful in a Similar Business.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means, at any time, any direct or indirect Subsidiary of the Company (including any Foreign Subsidiary and the Co-Issuer) that is not then an Unrestricted Subsidiary; *provided, however*, that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary."

"*S&P*" means Standard & Poor's Ratings Services and any successor to its rating agency business.

"*Sale Leaseback Transaction*" means any arrangement providing for the leasing by the Company or any of its Restricted Subsidiaries of any real property or tangible personal property, which property has been or is to be sold or transferred by the Company or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Secured Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries secured by a Lien.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Senior Secured Credit Facilities*" means the credit facilities under the credit agreement to be entered into as of the Issue Date, by and among, the Issuers, as co-borrowers, the lenders party thereto, Goldman Sachs Bank USA, as administrative agent and the other parties thereto, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any appendices, exhibits, annexes or schedules to any of the foregoing (as the same may be in effect from time to time) and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, exchanges or refinancings thereof (whether with the original agents and lenders or other agents or lenders or otherwise, and whether provided under the original credit agreement or other credit agreements or otherwise) and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that extend, replace, refund, exchange, refinance, renew or defease any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding, exchange or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" above) or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee or group of lenders or holders.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

"*Similar Business*" means any business conducted or proposed to be conducted by the Company and its Subsidiaries on the Issue Date or any business or other activities that are reasonably similar, ancillary, incidental, complementary or related thereto, or a reasonable extension, development or expansion thereof.

"*Sponsor*" means Vista Equity Partners and each of its Affiliates (including the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any of its portfolio companies or Parent and its Subsidiaries).

"*Sponsor Management Agreement*" means the Transaction and Monitoring Fee Agreement, dated on or before the Issue Date, among the Issuers (or any Parent Entity) and Vista Equity Partners.

"*Sponsor Model*" shall mean the model delivered to the Initial Purchasers on February 2, 2016.

"*Subordinated Indebtedness*" means, with respect to the Notes or the Guarantee of a Guarantor,

(1) any Indebtedness of an Issuer which is by its terms subordinated in right of payment to the Notes, and

(2) any Indebtedness of any Guarantor which is by its terms subordinated in right of payment to the Guarantee of such entity of the Notes.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which

(x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(y) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

For the avoidance of doubt, any entity that is owned at a 50% or less level (as described above) shall not be a "Subsidiary" for any purpose under the Indenture, regardless of whether such entity is consolidated on the Company's or any Restricted Subsidiary's financial statements.

"*Swap Agreement*" shall mean any agreement with respect to any swap, cap, collar, hedge, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"*Taxes*" shall mean all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"*Tender Offer*" shall mean the cash tender offer commenced by Audatex North America, Inc. on November 6, 2015 for the Existing Notes.

"*Total Assets*" means the total assets of the Company and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the most recently ended fiscal quarter prior to the applicable date of determination for which financial statements are available; *provided* that, for purposes of calculating "Total Assets" for purposes of testing the covenants under the Indenture in connection with any transaction, the total consolidated assets of the Company and the Restricted Subsidiaries shall be adjusted to reflect any acquisitions and dispositions of assets that have occurred during the period from the date of the applicable balance sheet through the applicable date of determination including the transaction being tested under the Indenture.

"*Total Indebtedness*" means, as of any date of determination, an amount equal to the sum of (1) the aggregate amount of all outstanding Indebtedness of the Company and its Restricted Subsidiaries on a consolidated basis consisting of Indebtedness for borrowed money, Obligations in respect of Financing Lease Obligations and third party debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, (A) Obligations under Swap

Agreements, (B) all undrawn amounts under revolving credit facilities, (C) performance bonds or any similar instruments and (D) Non-Financing Lease Obligations) and (2) the aggregate amount of all outstanding Disqualified Stock of the Company and all Preferred Stock of the Restricted Subsidiaries, with the amount of such Disqualified Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and their Maximum Fixed Repurchase Prices, in each case, determined on a consolidated basis in accordance with GAAP.

For purposes hereof (i) the "Maximum Fixed Repurchase Price" of any Disqualified Stock or Preferred Stock means the price at which such Disqualified Stock or Preferred Stock could be redeemed or repurchased by the issuer thereof in accordance with its terms or, if such Disqualified Stock or Preferred Stock cannot be so redeemed or repurchased, the fair market value of such Disqualified Stock or Preferred Stock, in each case, determined on any date on which Total Indebtedness shall be required to be determined and (ii) the amount of any Indebtedness outstanding under the Senior Secured Credit Facilities on any date shall be deemed to be the average daily amount of such Indebtedness thereunder for the most recent 12-month period ending on such date (or, prior to the one year anniversary of the Issue Date, during the period from the Issue Date to such date).

"*Total Secured Indebtedness*" means, as of any date of determination, the amount of Total Indebtedness that is Secured Indebtedness as of such date (other than, for the avoidance of doubt, intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries).

"*Total Net Leverage Ratio*" means, as of the date of determination, the ratio of (a) the Total Indebtedness of the Company and its Restricted Subsidiaries less the amount of cash and Cash Equivalents (excluding restricted cash other than restricted cash held for the benefit of the administrative agent for the Senior Secured Credit Facilities or any other Indebtedness that is *pari passu* with the Senior Secured Credit Facilities) held by the Company and its Restricted Subsidiaries, in each case, computed as of the end of the most recent fiscal quarter for which internal financial statements are available immediately preceding the Applicable Calculation Date to (b) EBITDA of the Company and its Restricted Subsidiaries for the Applicable Measurement Period, in each case with such *pro forma* adjustments to Total Indebtedness, cash, Cash Equivalents and EBITDA as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio."

"*Total Net Secured Leverage Ratio*" means, as of the date of determination, the ratio of (a) the Total Secured Indebtedness of the Company and its Restricted Subsidiaries less the amount of cash and Cash Equivalents (excluding restricted cash other than restricted cash held for the benefit of the administrative agent for the Senior Secured Credit Facilities or any other Indebtedness that is *pari passu* with the Senior Secured Credit Facilities) held by the Company and its Restricted Subsidiaries, in each case, computed as of the end of the most recent fiscal quarter for which internal financial statements are available immediately preceding the Applicable Calculation Date to (b) EBITDA of the Company and its Restricted Subsidiaries for the Applicable Measurement Period, in each case with such *pro forma* adjustments to Total Secured Indebtedness, cash, Cash Equivalents and EBITDA as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio;" *provided* that, for purposes of the calculation of Total Net Secured Leverage Ratio, in connection with (x) the incurrence of any Indebtedness under any revolving credit facility pursuant to clause (1) of the second paragraph under "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (y) the incurrence of any Lien pursuant to clause (c) of the second paragraph under "Certain Covenants—Liens," the Company may elect, pursuant to an Officer's Certificate of the Company delivered to the Trustee, to treat all or any portion of the commitment (such amount elected until revoked as described below, the "Elected Amount") under any revolving Indebtedness which is to be incurred or secured by such Lien, as the case may be, as being Incurred as of the Applicable Calculation Date and (i) any subsequent incurrence of revolving Indebtedness under such commitment (so long as the total amount under such Indebtedness does not exceed the Elected Amount) shall not be deemed, for purposes of this calculation, to be an incurrence of additional Indebtedness or an additional Lien at such subsequent time, (ii) the Company may revoke an election of an Elected Amount pursuant to an Officer's Certificate of the Company delivered to the Trustee and (iii) for purposes of all subsequent calculations of the Total Net Secured Leverage Ratio, the Elected Amount (if any) shall be deemed to be outstanding, whether or not such amount is actually outstanding.

"*Transactions*" means the transactions described in the Offering Circular under "The Transactions."

"*Treasury Rate*" means, as obtained by the Company, as of any Redemption Date, the yield to maturity as of such Redemption Date of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the date notice of the applicable redemption of Notes is sent in accordance with the Indenture (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to March 1, 2019; *provided, however*, that if the period from such Redemption Date to March 1, 2019, is less than one year, the weekly average yield on actively traded U.S. Treasury securities adjusted to a constant maturity of one year will be used.

"*Unrestricted Subsidiary*" means:

(1) any direct or indirect Subsidiary of the Company (other than the Co-Issuer) which at the time of determination is an Unrestricted Subsidiary (as designated by the Board of the Company, as provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of the Company may designate any direct or indirect Subsidiary of the Company (including any existing Subsidiary and any newly acquired or newly formed direct or indirect Subsidiary, but excluding the Co-Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Company or any Subsidiary of the Company (other than any Subsidiary of the Subsidiary to be so designated); *provided* that

(1) any Unrestricted Subsidiary must be an entity of which the Equity Interests entitled to cast at least a majority of the votes that may be cast by all Equity Interests having ordinary voting power for the election of directors or Persons performing a similar function are owned, directly or indirectly, by the Company;

(2) such designation complies with the covenants described under "Certain Covenants—Limitation on Restricted Payments"; and

(3) each of:

(a) the Subsidiary to be so designated; and

(b) its Subsidiaries

has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Company or any Restricted Subsidiary (other than Equity Interests in the Unrestricted Subsidiary).

The board of directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, no Default shall have occurred and be continuing and either:

(1) the Company could incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described in the first paragraph under "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or

(2) the Fixed Charge Coverage Ratio for the Company and the Restricted Subsidiaries on a consolidated basis would be greater than or equal to such ratio for the Company and the Restricted Subsidiaries on a consolidated basis immediately prior to such designation, in each case on a *pro forma* basis taking into account such designation.

Any such designation by the Company shall be notified by the Company to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of the Company or any committee thereof giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment; by

(2) the sum of all such payments.

"*Wholly-Owned Subsidiary*" of any Person means a Subsidiary of such Person, 100% of the outstanding Equity Interests of which (other than directors' qualifying shares and shares issued to foreign nationals as required by applicable laws) shall at the time be owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

BOOK ENTRY, DELIVERY AND FORM

The notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes"). Notes also may be offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Notes"). Except as set forth below, notes will be issued in registered, global form in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more global notes in registered form without interest coupons (collectively, the "Rule 144A Global Notes"). Regulation S Notes initially will be represented by one or more temporary global notes in registered form without interest coupons (collectively, the "Temporary Regulation S Global Notes"). The Temporary Regulation S Global Notes will be exchangeable for permanent global notes (the "Permanent Regulation S Global Notes" and, together with the Temporary Regulation S Global Notes, the "Regulation S Global Notes") after the expiration of the Distribution Compliance Period (as defined below). The Rule 144A Global Notes and the Regulation S Global Notes are collectively referred to herein as the "Global Notes." The Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("DTC"), and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "Distribution Compliance Period"), beneficial interests in the Regulation S Temporary Global Notes may be held only through Euroclear and Clearstream (each as defined below) (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below.

Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See "—Exchanges Among Global Notes."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in certificated form ("Certificated Notes") except in the limited circumstances described below. See "—Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Transfer Restrictions." Regulation S Notes will also be subject to certain restrictions on transfer and will also bear the legend as described under "Transfer Restrictions." In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear or Clearstream), which may change from time to time.

Depositary Procedures

The following description of the operations and procedures of DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the "participants") and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book-entry changes in accounts of its participants. The participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the "indirect participants"). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Rule 144A Global Notes who are participants in DTC's system may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are participants in such system. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Distribution Compliance Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank SA/NV, as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of an interest in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indenture, the Issuers and the Trustee will treat the Persons in whose names the notes, including the Global Notes, are registered as the owners of such notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuers, the Trustee nor any agent of the Issuers or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the Trustee or the Issuers. Neither the Issuers nor the Trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the notes, and the Issuers and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

DTC has advised the Issuers that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its participants.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform such procedures, and such procedures may be discontinued or changed at any time. Neither the Issuers nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

(1) DTC (a) notifies the Issuers that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in each case, a successor depositary is not appointed;

(2) the Issuers, at their option, notify the Trustee in writing that it elects to cause the issuance of the Certificated Notes; or

(3) there has occurred and is continuing a Default with respect to the notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law. In no event shall the Temporary Regulation S Global Notes be exchanged for Certificated Notes prior to (a) the expiration of the Distribution Compliance Period and (b) the receipt of any certificates required under the provisions of Regulation S.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "Transfer Restrictions."

Exchanges Among Global Notes

Prior to the expiration of the Distribution Compliance Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note only if:

(1) such exchange occurs in connection with a transfer of the relevant notes pursuant to Rule 144A; and

(2) the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that the relevant notes are being transferred to a Person:

  (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

  (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

(c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interest in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests among the Regulation S Global Notes and the Rule 144A Global Notes will be effected in DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect the changes in the principal amounts of the Regulation S Global Note and the Rule 144A Global Note, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Temporary Regulation S Global Note prior to the expiration of the Distribution Compliance Period.

Same Day Settlement and Payment

The Issuers will make payments in respect of the notes represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by the Global Note holder. The Issuers will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The notes represented by the Global Notes are expected to be made eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuers expect that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a DTC participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Issuers that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the notes offered hereby.

We have not registered the notes under the Securities Act, and the notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person except to (i) "qualified institutional buyers" in reliance on Rule 144A under the Securities Act and (ii) certain persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above and otherwise in this section of the offering circular have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

Each purchaser of notes will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the notes have not been registered under the Securities Act or any other applicable securities laws and that the notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom (other than pursuant to Rule 144), or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (3) below.

You are not our "affiliate" (as defined in Rule 144 under the Securities Act), you are not acting on our behalf and you are either:

(a) a qualified institutional buyer and are aware that any sale of these notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another qualified institutional buyer; or

(b) not a "U.S. person" as defined in Regulation S under the Securities Act or purchasing for the account or benefit of a U.S. person (other than a distributor) and you are purchasing the notes in an offshore transaction in accordance with Regulation S.

(2) You acknowledge that none of us, the initial purchasers or any person representing us or the initial purchasers has made any representation to you with respect to us or the offer or sale of any of the notes, other than the information contained in this offering circular, which offering circular has been delivered to you and upon which you are relying in making your investment decision with respect to the notes. You acknowledge that the initial purchasers make no representation or warranty as to the accuracy or completeness of this offering circular. You have had access to such financial and other information concerning us and the notes, including an opportunity to ask questions of, and request information from, us and the initial purchasers.

(3) You are purchasing these notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act (other than pursuant to Rule 144). You agree on your own behalf and on behalf of any investor account for which you are purchasing the notes, and each subsequent holder of these notes

by its acceptance thereof will agree, to offer, sell or otherwise transfer such notes prior to the date which is one year after the later of the date of the original issue of these notes and the last date on which we or any of our affiliates were the owner of such notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the “Resale Restriction Termination Date”) only:

(a) to us;

(b) pursuant to a registration statement which has been declared effective under the Securities Act;

(c) for so long as the notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a qualified institutional buyer that purchases for its own account or for the account of another qualified institutional buyer to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S under the Securities Act; or

(e) pursuant to any other available exemption from the registration requirements of the Securities Act (other than pursuant to Rule 144);

subject in each of the foregoing cases to any requirement of law that the disposition of the seller’s property or the property of an investor account or accounts be within the seller or account’s control, and in compliance with any applicable state securities laws.

You also acknowledge that:

- you will not be able to rely on Rule 144 for transfers of notes even after the applicable holding period has been satisfied; and
- we and the trustee reserve the right to require in connection with any offer, sale or other transfer of notes under clauses (d) and (e) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the trustee

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. You acknowledge that we, the trustee and the registrar reserve the right prior to any offer, sale or other transfer of the notes offered hereby pursuant to clause (d) above prior to the end of the 40-day distribution compliance period within the meaning of Regulation S under the Securities Act or pursuant to clause (e) above prior to the Resale Restriction Termination Date of the notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the trustee and the registrar.

Each purchaser acknowledges that each note offered hereby will contain a legend substantially in the following form:

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR IN ACCORDANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (OTHER THAN PURSUANT TO RULE 144) (SUBJECT TO THE DELIVERY OF SUCH EVIDENCE, IF ANY, REQUIRED UNDER THE INDENTURE PURSUANT TO WHICH THIS NOTE IS ISSUED) AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED

BY RULE 144A THEREUNDER OR ANOTHER EXEMPTION UNDER THE SECURITIES ACT. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE AUTHORITY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1)(a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (c) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (OTHER THAN PURSUANT TO RULE 144) (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), SUBJECT TO THE RECEIPT BY THE REGISTRAR OF A CERTIFICATION OF THE TRANSFEROR AND AN OPINION OF COUNSEL TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (2) TO THE AUTHORITY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTION SET FORTH IN (A) ABOVE."

The notes will bear the following additional legend:

"THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" (WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED). UPON WRITTEN REQUEST, THE ISSUER WILL PROMPTLY MAKE AVAILABLE TO ANY HOLDER OF THIS NOTE THE FOLLOWING INFORMATION: (1) THE ISSUE PRICE AND DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE AND (3) THE YIELD TO MATURITY OF THE NOTE. HOLDERS SHOULD CONTACT SOLERA'S CHIEF FINANCIAL OFFICER AT SOLERA, LLC, 1301 SOLANA BLVD., BUILDING 2, SUITE 2100, WESTLAKE, TX 76262."

If you purchase notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these notes as well as to holders of these notes.

(4) You acknowledge that the registrar will not be required to accept for registration of transfer any notes acquired by you, except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth herein have been complied with.

(5) You acknowledge that:

  (a) we, the initial purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the initial purchasers promptly in writing; and

  (b) if you are acquiring any notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

    (i) you have sole investment discretion; and

    (ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(6) You agree that you will give to each person to whom you transfer these notes notice of any restrictions on the transfer of the notes.

(7) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S under the Securities Act, you acknowledge that until the expiration of the "Distribution Compliance Period" (as defined below), you shall not make any offer or sale of these notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act. The "Distribution Compliance Period" means the 40-day period following the issue date for the notes.

(8) You understand that no action has been taken in any jurisdiction (including the United States) by us or the initial purchasers that would permit a public offering of the notes or the possession, circulation or distribution of this offering circular or any other material relating to us or the notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the notes will be subject to the selling restrictions set forth under "Plan of Distribution."

(9) If a resident of the United Kingdom, the purchaser is a person to whom communications or offers of securities may be addressed without breach of the Financial Services Markets Act 2000, as amended (the "FSMA") or other applicable United Kingdom laws and regulations. In addition, one or more of the following exemptions apply to the purchaser:

  (a) the purchaser is a person who receives the offering circular outside the United Kingdom;

  (b) the purchaser is a person falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Services Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Promotion Order");

  (c) the purchaser is an investment professional, as such term is defined in Article 19(5) of the Promotion Order; and

  (d) the purchaser is a person to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as ''relevant persons'').

This offering circular must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering circular relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this offering circular or any of its contents.

The notes offered hereby may not be sold or transferred to, and you as a purchaser, by your purchase of the notes shall be deemed to have represented and covenanted that you are not acquiring the notes for or on behalf of, and will not transfer the notes to, any "employee benefit plan" (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")) subject to Title I of ERISA, any plan, individual retirement account or other arrangement subject to Section 4975 of the Code, including the regulations promulgated and the rules issued thereunder or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Internal Revenue Code, or any entity whose assets include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) of any such plan, account or otherwise (each, a "Plan Entity") except that such a purchase for or on behalf of an employee benefit plan shall be permitted:

(1) to the extent such purchase is made by or on behalf of a bank collective investment fund maintained by the purchaser in which no Plan Entity (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total assets in such collective investment fund and the conditions of Section III of Prohibited Transaction Class Exemption 91-38 issued by the U.S. Department of Labor are satisfied;

(2) to the extent such purchase is made by or on behalf of an insurance company pooled separate account maintained by the purchaser in which, at any time while the notes are outstanding, no Plan Entity (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total of all assets in such pooled separate account and the conditions of Section III of Prohibited Transaction Class Exemption 90-1 issued by the U.S. Department of Labor are satisfied;

(3) to the extent such purchase is made on behalf of a Plan Entity by:

(a) an investment advisor registered under the U.S. Investment Advisers Act of 1940, as amended, that had as of the last day of its most recent fiscal year total assets under its management and control in excess of $50.0 million and had stockholders' or partners' equity in excess of $750,000, as shown in its most recent balance sheet prepared in accordance with generally accepted accounting principles; or

(b) a bank as defined in Section 202(a)(2) of the U.S. Investment Advisers Act of 1940, as amended, with equity capital in excess of $1.0 million as of the last day of its most recent fiscal year; or

(c) an insurance company that is qualified under the laws of more than one state to manage, acquire or dispose of any assets of a Plan Entity, which insurance company has as of the last day of its most recent fiscal year, net worth in excess of $1.0 million and which is subject to supervision and examination by a state authority having supervision over insurance companies; and

(d) in any case, such investment advisor, bank or insurance company is otherwise a qualified professional asset manager, as such term is used in Prohibited Transaction Class Exemption 84-14 issued by the U.S. Department of Labor, and the assets of that Plan Entity when combined with the assets or other plans established or maintained by the same employer (or affiliate thereof) or employee organization and managed by such investment advisor, bank or insurance company, do not represent more than 20% of the total client assets managed by such investment advisor, bank or insurance company, and the conditions of Section 1 of such exemption are otherwise satisfied;

(4) to the extent such purchase is made with funds from an insurance company general account, the conditions of Sections I and IV of Prohibited Transactions Class Exemption 95-60 issued by the U.S. Department of Labor are satisfied;

(5) to the extent such plan is a governmental plan (as defined in Section 3(32) of ERISA) which is not subject to the provisions of Title I of ERISA or Section 4975 of the Code;

(6) to the extent an in-house asset manager makes such purchase on behalf of a Plan Entity and the conditions of Part I of Prohibited Transactions Class Exemption 96-23 issued by the U.S. Department of Labor are satisfied; or

(7) to the extent such purchase is made on behalf of a plan entity as to which any other statutory, regulatory, administrative or other exemption from the prohibited rules set forth in Section 406 of ERISA and Section 4975 of the Code applies.

CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS

The following is a summary of certain United States federal income and, in the case of non-U.S. holders (as defined below), estate tax consequences of the purchase, ownership and disposition of the notes as of the date of this offering circular. This summary deals only with notes held as capital assets by holders who are treated as acquiring the notes for cash upon original issuance at their "issue price" (the first price at which a substantial amount of the notes of the applicable series is sold for money to investors, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler).

As used herein, a "U.S. holder" means a beneficial owner of the notes that is for United States federal income tax purposes any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

Except as modified for estate tax purposes (as discussed below), as used herein, the term "non-U.S. holder" means a beneficial owner of the notes (other than an entity treated as a partnership for United States federal income tax purposes) that is not a U.S. holder.

If any entity classified as a partnership for United States federal income tax purposes holds the notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership considering an investment in the notes, you should consult your own tax advisors.

This summary does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding the notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for United States federal income tax purposes (or a person who is an investor in such an entity);

- a U.S. holder whose "functional currency" is not the U.S. dollar;
- a "controlled foreign corporation";
- a "passive foreign investment company"; or
- a United States expatriate.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), United States Treasury regulations, administrative rulings and judicial decisions as of the date hereof. Those authorities may be changed, possibly on a retroactive basis, so as to result in United States federal income and estate tax consequences different from those summarized below.

This summary does not represent a detailed description of the United States federal income and estate tax consequences to you in light of your particular circumstances and does not address the Medicare contribution tax on net investment income, the United States federal gift tax or the effects of any state, local or non-United States tax laws. It is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser of notes. **If you are considering purchasing notes, you should consult your own tax advisors concerning the particular United States federal income and estate tax consequences to you of the purchase, ownership or disposition of the notes, as well as the consequences to you arising under any other federal tax laws and the laws of any other taxing jurisdiction.**

U.S. Holders

The following is a summary of certain United States federal income tax consequences that will apply to you if you are a U.S. holder of the notes.

Payments of interest. Stated interest on the notes will generally be taxable to you as United States source ordinary income at the time it is received or accrued, depending on your method of accounting for United States federal income tax purposes.

Sale, exchange, retirement or other taxable disposition of a note. *Upon the sale, exchange, retirement or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference between the amount realized upon the disposition (less an amount equal to any accrued and unpaid interest, which will be treated as a payment of interest for United States federal income tax purposes) and your adjusted tax basis in the note. Your adjusted tax basis in a note generally will be your cost for that note increased by any OID previously included in income. Any gain or loss generally will be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss you recognize will generally be treated as United States source gain or loss.*

Original Issue Discount

The notes will be treated as issued with OID for United States federal income tax purposes in an amount equal to the difference between their stated principal amount and their "issue price" (as defined above). As a result, you generally must include the OID in gross income (as ordinary income) as it accrues (on a constant yield to maturity basis), in advance of the receipt of the cash attributable to that income, regardless of your regular method of accounting for United States federal income tax purposes.

The amount of OID that you must include in income for any taxable year with respect to a note will generally equal the sum of the "daily portions" of OID with respect to the note for each day during such taxable year (or portion thereof) on which you held that note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. The "accrual period" for a note may be of any length and may vary in length over the term of the note, provided that each accrual period is no longer than one year and each scheduled payment of principal and interest occurs on the first day or the final day of an accrual period.

The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess of

- the note's "adjusted issue price" at the beginning of the accrual period multiplied by its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over
- the aggregate of any stated interest allocable to the accrual period.

OID allocable to a final accrual period is the difference between the stated principal amount and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "adjusted issue price" of a note at the beginning of any accrual period is equal to its issue price increased by the accrued OID, if any, for each prior accrual period. Under these rules, you generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

The rules governing OID are complex. You are strongly urged to consult your own tax advisors regarding the application of these rules in light of your particular circumstances.

Non-U.S. Holders

The following is a summary of certain United States federal income and estate tax consequences that will apply to you if you are a non-U.S. holder of the notes.

United States Federal Withholding Tax

Subject to the discussion of backup withholding and FATCA below, United States federal withholding tax will not apply to any payment of interest on the notes (which, for purposes of this discussion of non-U.S. holders, includes any OID) under the "portfolio interest rule," provided that:

- interest paid on the notes is not effectively connected with your conduct of a trade or business in the United States;
- you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of voting stock of Parent or the Co-Issuer within the meaning of the Code and applicable United States Treasury regulations;
- you are not a controlled foreign corporation that is related to Parent or the Co-Issuer through stock ownership;
- you are not a bank whose receipt of interest on the notes is described in Section 881(c)(3)(A) of the Code; and
- either (a) you provide your name and address on an applicable IRS Form W-8, and certify, under penalties of perjury, that you are not a United States person as defined under the Code or (b) you hold your notes through certain foreign intermediaries and satisfy the certification requirements of applicable United States Treasury regulations. Special certification rules apply to non-U.S. holders that are pass-through entities rather than corporations or individuals.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to a 30% United States federal withholding tax, unless you provide the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or W-8BEN-E (or other applicable form) certifying an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or
- IRS Form W-8ECI (or other applicable form) certifying that interest paid on the notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as discussed below under "United States Federal Income Tax").

The 30% United States federal withholding tax generally will not apply to any payment of principal or gain that you realize on the sale, exchange, retirement, redemption or other taxable disposition of a note.

United States Federal Income Tax

If you are engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), then you will be subject to United States federal income tax on that interest on a net income basis (although you will be exempt from the 30% United States federal withholding tax, provided the certification requirements discussed above in "—United States Federal Withholding Tax" are satisfied) in generally the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) of your effectively connected earnings and profits, subject to certain adjustments.

Subject to the discussion of backup withholding and FATCA below, any gain realized on the sale, exchange, retirement, redemption or other taxable disposition of a note generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), in which case you generally will be subject to United States federal income tax (and possibly branch profits tax) on such gain in the same manner as described above with respect to effectively connected interest; or
- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met, in which case you will be subject to United States federal income tax at a rate of 30% (or a lower rate under an applicable income tax treaty) on such gain (net of certain United States source losses).

United States Federal Estate Tax

If you are an individual who is neither a citizen nor a resident (as specifically defined for United States federal estate tax purposes) of the United States at the time of your death, your estate will not be subject to United States federal estate tax on notes beneficially owned (or deemed to be beneficially owned) by you at the time of your death, provided that any interest payment to you on the notes would be eligible for exemption from United States federal withholding tax under the "portfolio interest rule," described above under "—United States Federal Withholding Tax," without regard to the statement requirement described in the fifth bullet point of that section.

Information Reporting and Backup Withholding

U.S. Holders

In general, information reporting requirements will apply to payments of stated interest on the notes (including OID) and the proceeds of the sale or other taxable disposition (including a retirement or redemption) of a note paid to you (unless you are an exempt recipient). Backup withholding may apply to such payments if you fail to provide your taxpayer identification number or a certification that you are not subject to backup withholding, or if you have failed to report in full interest and dividend income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability, provided the required information is timely furnished to the IRS.

Non-U.S. Holders

Interest (including OID) paid to you and the amount of tax, if any, withheld with respect to those payments generally will be reported to the IRS. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty. In general, you will not be subject to backup withholding with respect to payments of interest on the notes (including OID) that we make to you provided that the applicable withholding agent does not have actual knowledge or reason to know that you are a United States person as defined under the Code, and such withholding agent has received from you the required certification that you are a non-U.S. holder described above in the fifth bullet point under "Non-U.S. Holders—United States Federal Withholding Tax."

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition (including a retirement or redemption) of notes within the United States or conducted through certain United States-related financial intermediaries, unless you certify to the payor under penalties of perjury that you are a non-U.S. holder (and the payor does not have actual knowledge or reason to know that you are a United States person as defined under the Code), or you otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as "FATCA"), a 30% United States federal withholding tax may apply to any interest income (including OID) paid on the notes and, for a disposition of a note occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a "foreign financial institution" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "Non-U.S. Holders—United States

Federal Withholding Tax," the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. If you are a foreign financial institution or a non-financial foreign entity organized in a jurisdiction that has entered into an intergovernmental agreement with the United States regarding FATCA, you may be subject to different rules. You should consult your own tax advisors regarding these rules and whether they may be relevant to your ownership and disposition of the notes.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of the Code or ERISA (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Part 4 of Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of notes by an ERISA Plan with respect to which the Issuers, a guarantor or an initial purchaser is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan receives no less, nor pays no more, than adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Plans considering acquiring and/or holdings the notes in reliance of these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, the notes should not be purchased or held by any person investing "plan assets" of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of a note, each purchaser and subsequent transferee of a note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the notes (or any interest therein) constitutes assets of any Plan or (ii) the purchase and holding of the notes (or any interest therein) by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all inclusive nor should it be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the notes. Purchasers have exclusive responsibility for ensuring that their purchase and holding of the notes do not violate the fiduciary responsibility or prohibited transaction rules of ERISA, the Code, or any applicable Similar Laws. Except as otherwise stated herein, the sale of any notes to a Plan is in no respect a representation by the Issuers, an initial purchaser, or any of their respective affiliates or representatives that such an investment meets all legal requirements with respect to such investments by any such Plan generally or any particular Plan, or that such investment is appropriate for such Plans generally or any particular Plan.

PLAN OF DISTRIBUTION

The Issuers and the initial purchasers will enter into a purchase agreement with respect to the notes. Subject to certain conditions, each initial purchaser has severally agreed to purchase the respective principal amount of notes indicated opposite its name as set forth in the following table.

Initial Purchasers	Principal Amount of Notes
Goldman, Sachs & Co.	$ 865,000,000
Citigroup Global Markets Inc.	206,856,100
Jefferies LLC	169,245,900
Macquarie Capital (USA) Inc.	141,029,600
Nomura Securities International, Inc.	141,029,600
UBS Securities LLC	141,029,600
MCS Capital Markets LLC	45,447,100
KKR Capital Markets LLC	20,362,100
Total	$1,730,000,000

The initial purchasers are committed to take and pay for all of the notes being offered, if any are taken. The initial offering price is set forth on the cover page of this offering circular. After the notes are released for sale, the initial purchasers may change the offering price and other selling terms. The offering of the notes by the initial purchasers is subject to receipt and acceptance and subject to the initial purchasers' right to reject any order in whole or in part.

The notes have not been and will not be registered under the Securities Act. Each initial purchaser has agreed that it will only offer or sell the notes (A) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and (B) outside the United States to non-United States persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above have the meanings given to them by Rule 144A and Regulation S under the Securities Act.

In connection with sales outside the United States, the initial purchasers have agreed that they will not offer, sell or deliver the notes to, or for the account or benefit of, United States persons (i) as part of the initial purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the notes are originally issued. The initial purchasers will send to each dealer to whom it sells such notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, United States persons.

In addition, with respect to notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this offering or the date the notes are originally issued, an offer or sale of such notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

The Issuers and the guarantors will agree in the purchase agreement, subject to certain exceptions, that for a period of 90 days after the date of this offering circular, neither it nor any of the guarantors will, without the prior written consent of Goldman, Sachs & Co., offer, sell, contract to sell or otherwise dispose of any securities that are substantially similar to the notes.

The notes are new issuances of securities with no established trading market. We do not intend to list the notes on any national securities exchange or to arrange for quotation on any automated dealer quotation system. There can be no assurance that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. We have been advised by the initial purchasers that the initial purchasers intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

In connection with the offering, the initial purchasers may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The initial purchasers also may impose a penalty bid. This occurs when a particular initial purchaser repays to the initial purchasers a portion of the underwriting discount received by it because Goldman, Sachs & Co. or its affiliates have repurchased notes sold by or for the account of such initial purchaser in stabilizing or short covering transactions.

These activities by the initial purchasers, as well as other purchases by the initial purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the initial purchasers at any time. These transactions may be effected in the over-the-counter market or otherwise.

The Issuers and the guarantors have agreed to indemnify the several initial purchasers against certain liabilities, including liabilities under the Securities Act.

An investor has indicated an interest in acquiring notes and has negotiated separate terms with Goldman, Sachs & Co. for an option to acquire $400 million of notes prior to March 31, 2016. Goldman, Sachs & Co. will earn fees and expenses in connection with the option, and will be allocated $400 million in connection with the offering so that it can deliver notes pursuant to the option, if exercised. The payment and other terms of this option are different from, and could be deemed more favorable to such investor than, the initial offering terms as described herein.

Relationships

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the initial purchasers and their respective affiliates have provided, and may in the future provide, a variety of these services to the Issuers and to persons and entities with relationships with the Issuers, for which they received or will receive customary fees and expenses. The initial purchasers have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. In addition, Goldman, Sachs & Co. acted as an initial purchaser in Audatex's offering of the 2021 Senior Notes in July 2013, the 2021 Senior Notes and 2023 Senior Notes in November 2013, the 2021 Senior Notes in May 2014, the 2021 Senior Notes and 2023 Senior Notes in November 2014 and the 2023 Senior Notes in July 2015. An affiliate of Goldman, Sachs & Co. is a party to certain of our financial derivative transactions. It is possible that such financial derivative transactions may be impacted by the Transactions, and the resulting payments in connection therewith could be material. Investment funds or accounts managed or advised by an affiliate of KKR Capital Markets LLC and MCS Capital Markets LLC are existing holders of the 2021 Senior Notes and the 2023 Senior Notes. The initial purchasers or their respective affiliates have committed to become agents, arrangers, bookrunners, managers or lenders under the New Senior Secured Credit Facilities. In addition, the initial purchasers or their respective affiliates have also agreed to provide interim financing to us under certain circumstances in the event the offering is not consummated, for which these initial purchasers will be paid customary fees. An affiliate of Goldman, Sachs & Co. has committed to make a preferred equity investment in Parent in connection with the Transactions. In addition, Goldman, Sachs & Co. is acting as dealer manager in connection with the Tender Offer and the Consent Solicitation related to the Existing Notes.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuers (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuers. The initial purchasers and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), the initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer of notes to the public in that Relevant Member State may be made other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuers for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the Issuers or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each initial purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers and the guarantors; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Hong Kong

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whole sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and the initial purchaser has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

The validity of the notes offered hereby and certain other legal matters will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. Certain legal matters in connection with this offering will be passed on for the initial purchasers by Latham & Watkins LLP, New York, New York.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements and the related financial statement schedule of Solera Holdings, Inc. and its subsidiaries as of June 30, 2014 and 2015 and for each of the three years in the period ended June 30, 2015 included in this offering circular have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein.

WHERE YOU CAN FIND MORE INFORMATION

Upon completion of the Transactions, we will not be subject to the periodic reporting and other informational requirements of the Exchange Act. Under the terms of the indenture that will govern the notes, we will agree that for so long as any of the notes remain outstanding, we will furnish to the trustee and holders of the notes the information specified therein. See "Description of Notes—Reports and Other Information."

We have not, and the initial purchasers have not, authorized anyone to provide you with information other than that provided in this offering circular. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information in this offering circular is accurate as of any date other than the date of this offering circular.

This offering circular contains summaries of certain agreements that we have entered into or will enter into in connection with the Transactions, such as the indenture that will govern the notes offered hereby, the credit agreements that will govern the New Senior Secured Credit Facilities and agreements described under "The Transactions" and "Certain Relationships and Related Party Transactions." The descriptions contained in this offering circular of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you in response to a written request to us. Any such request should be directed to us at Solera Holdings, Inc., 1301 Solana Blvd., Building 2, Suite 2100, Westlake, Texas 76262, Telephone: (817) 961-2100, Attention: Corporate Secretary.

Consolidated Financial Statements of Solera Holdings, Inc.

Table of Contents

Audited Financial Statements

Unaudited Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Solera Holdings, Inc.
Westlake, Texas

We have audited the accompanying consolidated balance sheets of Solera Holdings, Inc. and subsidiaries (the "Company") as of June 30, 2015 and 2014, and the related consolidated statements of income (loss), comprehensive income (loss), stockholders' equity and redeemable noncontrolling interests, and cash flows for each of the three years in the period ended June 30, 2015. Our audits also included the financial statement schedule listed in the Index on page F-1. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Solera Holdings, Inc. and subsidiaries as of June 30, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

Dallas, Texas
August 31, 2015

SOLERA HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	As of June 30, 2015	As of June 30, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 479,592	$ 837,751
Accounts receivable, net of allowance for doubtful accounts of $6,114 and $5,098 at June 30, 2015 and 2014, respectively	156,955	153,150
Other receivables	21,234	23,002
Other current assets	53,597	35,594
Deferred income tax assets	12,878	8,184
Total current assets	724,256	1,057,681
Property and equipment, net	93,391	76,977
Goodwill	1,950,408	1,574,937
Intangible assets, net	898,500	584,756
Other noncurrent assets	70,330	13,012
Noncurrent deferred income tax assets	15,745	92,723
Total assets	$3,752,630	$3,400,086
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 44,239	$ 37,413
Accrued expenses and other current liabilities	266,861	216,828
Income taxes payable	16,263	15,179
Deferred income tax liabilities	9,077	13,332
Total current liabilities	336,440	282,752
Long-term debt	2,481,828	1,867,808
Other noncurrent liabilities	73,799	63,433
Noncurrent deferred income tax liabilities	176,316	106,295
Total liabilities	3,068,383	2,320,288
Redeemable noncontrolling interests	445,552	382,298
Stockholders' equity:		
Solera Holdings, Inc. stockholders' equity:		
Common shares, $0.01 par value: 150,000 shares authorized; 66,985 and 68,552 issued and outstanding as of June 30, 2015 and 2014, respectively	579,602	629,247
Retained earnings (accumulated deficit)	(173,305)	71,417
Accumulated other comprehensive loss	(178,474)	(12,688)
Total Solera Holdings, Inc. stockholders' equity	227,823	687,976
Noncontrolling interests	10,872	9,524
Total stockholders' equity	238,695	697,500
Total liabilities and stockholders' equity	$3,752,630	$3,400,086

See accompanying notes to consolidated financial statements.

SOLERA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(In thousands, except per share data)

	Fiscal Years Ended June 30,		
	2015	**2014**	**2013**
Revenues	$1,140,846	$987,259	$838,103
Cost of revenues:			
Operating expenses	285,643	222,262	181,448
Systems development and programming costs	105,476	90,735	79,083
Total cost of revenues (excluding depreciation and amortization)	391,119	312,997	260,531
Selling, general and administrative expenses	336,709	297,301	234,742
Depreciation and amortization	162,160	122,283	103,239
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	6,280	6,527	5,435
Acquisition and related costs	35,162	41,512	26,945
Interest expense	124,748	107,422	69,511
Other (income) expense, net	(34,525)	63,991	1,860
	1,021,653	952,033	702,263
Income before provision for income taxes	119,193	35,226	135,840
Income tax provision	200,320	30,058	30,797
Net income (loss)	(81,127)	5,168	105,043
Less: Net income attributable to noncontrolling interests	19,706	13,878	11,159
Net income (loss) attributable to Solera Holdings, Inc.	$ (100,833)	$ (8,710)	$ 93,884
Net income (loss) attributable to Solera Holdings, Inc. per common share:			
Basic	$ (1.50)	$ (0.13)	$ 1.35
Diluted	$ (1.50)	$ (0.13)	$ 1.35
Weighted-average shares used in the calculation of net income (loss) attributable to Solera Holdings, Inc. per common share:			
Basic	67,692	68,817	68,843
Diluted	67,692	68,817	69,139

See accompanying notes to consolidated financial statements.

SOLERA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Fiscal Years Ended June 30,		
	2015	2014	2013
Net income (loss)	$ (81,127)	$ 5,168	$105,043
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments, net of income tax (expense) benefit of $21,598, $(1,482) and $(137), respectively	(185,370)	43,594	11,872
Unrealized gain (loss) on derivative financial instruments:			
Unrealized gains (losses) on derivative financial instruments, net of income tax benefit (expense) of $(159), $(3,359) and $2,045, respectively	32,614	(12,603)	(3,794)
Amounts reclassified out of accumulated other comprehensive income (loss), net of income tax benefit (expense) of $134, $2,506 and $(1,541), respectively	(27,676)	9,403	2,858
Net change in unrealized gain (loss) on derivative financial instruments, net of tax	4,938	(3,200)	(936)
Change in funded status of defined benefit pension plans, net of income tax benefit (expense) of $1,610, $2,001 and $665, respectively	(3,047)	(5,473)	(3,333)
Total other comprehensive income (loss)	(183,479)	34,921	7,603
Total comprehensive income (loss)	(264,606)	40,089	112,646
Comprehensive income attributable to noncontrolling interests	2,013	18,340	14,636
Comprehensive income (loss) attributable to Solera Holdings, Inc.	$(266,619)	$ 21,749	$ 98,010

See accompanying notes to consolidated financial statements.

SOLERA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
(In thousands)

	Common Shares		Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Solera Holdings, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	Amount						
Balance at June 30, 2012	68,895	$582,693	$ 141,814	$ (47,273)	$677,234	$10,147	$687,381	$ 88,603
Net income attributable to Solera Holdings, Inc. and noncontrolling interests	—	—	93,884	—	93,884	4,688	98,572	6,471
Total comprehensive income (loss)	—	—	—	4,126	4,126	626	4,752	2,851
Share-based compensation	—	25,753	—	—	25,753	—	25,753	—
Purchases of Solera Holdings, Inc. common shares	(550)	(4,618)	(23,330)	—	(27,948)	—	(27,948)	—
Issuance of common shares under employee stock award plans, net	419	5,732	—	—	5,732	—	5,732	—
Dividends paid on common stock and participating securities ($0.50 per share)	—	—	(34,814)	—	(34,814)	—	(34,814)	—
Dividends paid to noncontrolling owners	—	—	—	—	—	(4,023)	(4,023)	(6,261)
Acquisition of additional ownership interest in majority-owned subsidiary	—	—	—	—	—	—	—	(14,093)
Revaluation of and additions to noncontrolling interests	—	(6,947)	(219)	—	(7,166)	—	(7,166)	7,166
Balance at June 30, 2013	68,764	$602,613	$ 177,335	$ (43,147)	$736,801	$11,438	$748,239	$ 84,737
Net income attributable to Solera Holdings, Inc. and noncontrolling interests	—	—	(8,710)	—	(8,710)	5,524	(3,186)	8,354
Total comprehensive income (loss)	—	—	—	30,459	30,459	363	30,822	4,099
Share-based compensation	—	37,515	—	—	37,515	—	37,515	—
Purchases of Solera Holdings, Inc. common shares	(898)	(7,953)	(50,001)	—	(57,954)	—	(57,954)	—
Issuance of common shares under employee stock award plans, net	686	8,302	—	—	8,302	—	8,302	—
Dividends paid on common stock and participating securities ($0.68 per share)	—	—	(47,207)	—	(47,207)	—	(47,207)	—
Dividends paid to noncontrolling owners	—	—	—	—	—	(7,801)	(7,801)	(15,298)
Acquisition of additional ownership interest in majority-owned subsidiary	—	—	—	—	—	—	—	289,176
Revaluation of and additions to noncontrolling interests	—	(11,230)	—	—	(11,230)	—	(11,230)	11,230
Balance at June 30, 2014	68,552	$629,247	$ 71,417	$ (12,688)	$687,976	$ 9,524	$697,500	$382,298
Net income (loss) attributable to Solera Holdings, Inc. and noncontrolling interests	—	—	(100,833)	—	(100,833)	6,010	(94,823)	13,696
Total comprehensive income (loss)	—	—	—	(165,786)	(165,786)	(1,991)	(167,777)	(15,702)
Share-based compensation	—	36,875	—	—	36,875	—	36,875	—
Purchases of Solera Holdings, Inc. common shares	(2,056)	(18,659)	(90,492)	—	(109,151)		(109,151)	—
Issuance of common shares under employee stock award plans, net	489	5,467	—	—	5,467	—	5,467	—
Dividends paid on common stock and participating securities ($0.78 per share)	—	—	(53,397)	—	(53,397)	—	(53,397)	—
Dividends and other distributions paid to noncontrolling owners	—	—	—	—	—	(2,479)	(2,479)	(8,132)
Acquisition of additional ownership interest in majority-owned subsidiaries	—	64	—	—	64	(192)	(128)	—
Revaluation of and additions to noncontrolling interests	—	(73,392)	—	—	(73,392)	—	(73,392)	73,392
Balance at June 30, 2015	66,985	$579,602	$(173,305)	$(178,474)	$227,823	$10,872	$238,695	$445,552

See accompanying notes to consolidated financial statements.

SOLERA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Years Ended June 30,		
	2015	2014	2013
Cash flows from operating activities:			
Net income (loss)	$ (81,127)	$ 5,168	$ 105,043
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	162,160	122,283	103,239
Provision for doubtful accounts	4,495	4,579	3,371
Share-based compensation	36,875	37,515	25,753
Deferred income taxes	133,758	(25,245)	(25,387)
Change in fair value of derivative financial instruments	(27,810)	6,897	4,400
Loss on extinguishment of debt	—	63,328	—
Other	(440)	(3,822)	1,100
Changes in operating assets and liabilities, net of effects from acquisitions of businesses:			
Increase in accounts receivable	(1,389)	(4,852)	(9,869)
Decrease (increase) in other assets	(64,734)	(1,806)	6,245
Increase in accounts payable	3,453	2,963	112
Increase in accrued expenses and other liabilities	50,679	41,518	12,701
Net cash provided by operating activities	215,920	248,526	226,708
Cash flows from investing activities:			
Capital expenditures	(53,811)	(34,374)	(33,174)
Acquisitions and capitalization of intangible assets	(26,311)	(21,423)	(7,670)
Acquisitions of businesses, net of cash acquired	(903,956)	(362,126)	(142,100)
Decrease (increase) in restricted cash	(3,126)	345	1,459
Net cash used in investing activities	(987,204)	(417,578)	(181,485)
Cash flows from financing activities:			
Proceeds from debt issuance, net of payments of debt issuance costs	614,504	1,859,606	(859)
Repayments of long-term debt	—	(1,197,691)	(2,913)
Payment of contingent purchase consideration	(15,531)	(2,267)	(2,219)
Acquisition of additional shares in majority-owned subsidiary	—	—	(14,093)
Principal payments on financed asset acquisitions	(178)	(145)	(893)
Cash dividends paid on common shares and participating securities	(53,397)	(47,207)	(34,814)
Cash dividends and other distributions paid to noncontrolling interests	(10,610)	(23,099)	(10,284)
Cash paid to repurchase common stock	(109,151)	(57,954)	(27,948)
Proceeds from stock purchase plan and exercise of stock options	5,277	10,904	5,506
Net cash provided by (used in) financing activities	430,914	542,147	(88,517)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(17,789)	417	(713)
Net change in cash and cash equivalents	(358,159)	373,512	(44,007)
Cash and cash equivalents, beginning of period	837,751	464,239	508,246
Cash and cash equivalents, end of period	$ 479,592	$ 837,751	$ 464,239
Supplemental cash flow information:			
Cash paid for interest	$ 128,816	$ 117,019	$ 67,596
Cash paid for income taxes	$ 63,621	$ 53,635	$ 52,458
Supplemental disclosure of non-cash investing and financing activities:			
Capital assets financed	$ 1,562	$ 3,331	$ 1,368
Accrued contingent purchase consideration	$ 23,188	$ 1,469	$ 21,051

See accompanying notes to consolidated financial statements.

SOLERA HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

Nature of Operations

Solera Holdings, Inc. and subsidiaries (the “Company”, “Solera”, “we”, “us” or “our”) is a leading provider of risk and asset management software and services to the automotive and property marketplace, including the global “property and casualty” (“P&C”) insurance industry. In addition to our global-leading position in collision repair and our U.S. based mechanical repair presence, we provide data driven productivity and decision support solutions to other aspects of vehicle ownership such as vehicle validation, driver violation monitoring, vehicle salvage and electronic titling. We are also expanding our core competencies of data, software and connectivity from the auto to the home. We are active in over 75 countries across six continents.

Through our acquisition of the Insurance and Services Division of Pittsburgh Glass Works LLC (“I&S”) in July 2014, we also provide software and business management tools, third-party claims administration, first notice of loss and network management services to the U.S. auto and property repair industries, specializing in glass claims. In addition, through our acquisition of CAP Automotive (“CAP”) in November 2014, we provide valuation data and specification data for new and used vehicles in the United Kingdom.

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles as set forth in the Financial Accounting Standards Board’s Accounting Standards Codification and applicable regulations of the Securities and Exchange Commission (“SEC”). Our operating results for the fiscal year ended June 30, 2015 are not necessarily indicative of the results that may be expected for any future periods.

The consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries as well as Service Repair Solutions, Inc. (“SRS”). Our consolidated, majority-owned subsidiaries include certain of our subsidiaries located in Belgium, France, Portugal, Spain and Mexico. All intercompany accounts and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the accompanying consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make judgments, assumptions and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates and judgments on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates. The reported amounts of assets, liabilities, revenues and expenses are affected by estimates and assumptions which are used for, but not limited to, the accounting for sales allowances, allowance for doubtful accounts, fair value of derivatives, valuation of goodwill and intangible assets, amortization of intangibles, restructurings, liabilities under defined benefit plans, share-based compensation, redeemable noncontrolling interests and income taxes.

Cash and Cash Equivalents

We consider all highly liquid investments with original maturities of 90 days or less at the time of purchase to be cash equivalents. Cash equivalents at June 30, 2015 and 2014 consisted primarily of money market funds and bank certificates of deposit. The carrying amounts approximate fair value due to the short maturities of these instruments.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded according to contractual agreements. Credit terms for payment of products and services are extended to customers in the normal course of business and no collateral is required. The allowance for doubtful accounts is estimated based on our historical losses, the existing economic conditions, and the financial stability of our customers. Receivables are written-off in the period that they are deemed uncollectible.

Property and Equipment

Property and equipment is stated at cost and depreciated over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of assets are as follows:

Buildings	20 to 40 years
Building improvements	5 to 15 years
Leasehold improvements	Lesser of 10 years or remaining lease term
Data processing equipment	3 years
Furniture and fixtures	4 to 7 years
Machinery and equipment	3 to 6 years
Software licenses	3 to 5 years

Internal Use Software

We capitalize the direct and incremental costs incurred in developing or obtaining internal use computer software as well as certain payroll and payroll-related costs of employees who are directly associated with internal use computer software projects. The amount of capitalized payroll costs with respect to these employees is limited to the time directly spent on such projects. The costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred. Additionally, we expense internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities.

Contingent Purchase Consideration

Contingent future cash payments related to acquisitions are recognized at fair value as of the acquisition date and included in the determination of the acquisition date purchase price. Subsequent changes in the fair value of the contingent future cash payments are recognized in earnings in the period that the change occurs.

Goodwill and Intangible Assets

Goodwill and intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment annually or more frequently if impairment indicators arise. We perform our annual goodwill and indefinite-lived intangible assets impairment assessment on April 1 of each fiscal year. Impairment indicators arise when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable, such as a significant downturn in industry or economic trends with a direct impact on the business, an expectation that a reporting unit will be sold or otherwise disposed of for less than the carrying value, loss of key personnel, or a significant decline in the market price of an asset or asset group.

We test goodwill for impairment annually at a reporting unit level using a two-step process. The first step of the impairment test involves comparing the fair values of the applicable reporting units with their aggregate carrying values, including goodwill. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, we then perform the second step of the goodwill impairment test to determine the amount of the potential impairment loss. The second step of the goodwill impairment test involves comparing the implied fair value of the affected reporting unit's goodwill with the carrying value of that goodwill. If the carrying amount of goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

In our annual goodwill impairment assessment for fiscal year 2015, we concluded that the fair values of the reporting units to which goodwill was assigned exceeded their respective carrying values and, accordingly, we did not identify any goodwill impairment.

We test indefinite-lived intangible assets at the unit of accounting level by making a determination of the fair value of the intangible asset. If the fair value of the intangible asset is less than its carrying value, an impairment loss is recognized in an amount equal to the difference. We also evaluate the remaining useful life of our intangible assets that are not subject to amortization on an annual basis to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, that asset is tested for impairment. After recognition of the impairment, if any, the asset is amortized prospectively over its estimated remaining useful life and accounted for in the same manner as other intangible assets that are subject to amortization.

In our annual indefinite-lived intangible asset impairment assessment for fiscal year 2015, we concluded that the fair value of our indefinite-lived intangible assets exceeded their respective carrying value and, accordingly, we did not identify any impairment of indefinite-lived intangible assets.

Intangible assets with finite lives primarily consist of intangible assets acquired in business combinations and the costs associated with software developed for internal use. We amortize intangible assets with finite lives acquired in business combinations on an accelerated basis to reflect the pattern in which the economic benefits of the intangible asset are consumed. Costs associated with software developed for internal use are amortized over three- to five- years on a straight-line basis.

Impairment of Long-Lived Assets

We review long-lived assets, including intangible assets with finite lives and property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the market price of an asset or asset group, a significant adverse change in the extent or manner in which an asset or asset group is being used, the loss of legal ownership or title to the asset, significant negative industry or economic trends or the presence of other factors that would indicate that the carrying amount of an asset or asset group is not recoverable. We consider a long-lived asset to be impaired if the estimated undiscounted future cash flows resulting from the use of the asset and its eventual disposition are not sufficient to recover the carrying value of the asset. If we deem an asset to be impaired, the amount of the impairment loss represents the excess of the asset's carrying value compared to its estimated fair value.

Net Income (Loss) Attributable to Solera Holdings, Inc. Per Share

Our restricted stock units and performance share units have the right to receive non-forfeitable dividends on an equal basis with common stock and therefore are considered participating securities that must be included in the calculation of net income (loss) per share using the two-class method. Under the two-class method, basic and diluted net income (loss) per share is determined by calculating net income (loss) per share for common stock and participating securities based on the cash dividends paid and participation rights in undistributed earnings. Diluted net income (loss) per share also considers the dilutive effect of in-the-money stock options and unvested restricted stock units and performance share units that have the right to forfeitable dividends, calculated using the treasury stock method. Under the treasury stock method, the amount of assumed proceeds from unexercised stock options and unvested restricted stock units and performance share units that have the right to forfeitable dividends includes the amount of compensation cost attributable to future services not yet recognized, proceeds from the exercise of the options, and any excess income tax benefit or liability.

The computation of basic and diluted net income (loss) attributable to Solera Holdings, Inc. per common share using the two-class method is as follows (in thousands, except per share amounts):

	Fiscal Years Ended June 30,		
	2015	2014	2013
Basic net income (loss) attributable to Solera Holdings, Inc. per common share			
Net income (loss) attributable to Solera Holdings, Inc.	$(100,833)	$ (8,710)	$93,884
Less: Dividends paid and undistributed earnings allocated to participating securities	(522)	(289)	(756)
Net income (loss) attributable to common shares-basic	$(101,355)	$ (8,999)	$93,128
Weighted-average number of common shares used to compute basic net income (loss) attributable to Solera Holdings, Inc. per common share	67,692	68,817	68,843
Basic net income (loss) attributable to Solera Holdings, Inc. per common share	$ (1.50)	$ (0.13)	$ 1.35
Diluted net income (loss) attributable to Solera Holdings, Inc. per common share			
Net income (loss) attributable to Solera Holdings, Inc.	$(100,833)	$ (8,710)	$93,884
Less: Dividends paid and undistributed earnings allocated to participating securities	(522)	(289)	(754)
Net income (loss) attributable to common shares-diluted	$(101,355)	$ (8,999)	$93,130
Weighted-average number of common shares used to compute basic net income (loss) attributable to Solera Holdings, Inc. per common share	67,692	68,817	68,843
Diluted effect of options to purchase common stock, restricted stock units and performance share units	—	—	296
Weighted-average number of common shares used to compute diluted net income (loss) attributable to Solera Holdings, Inc. per common share	67,692	68,817	69,139
Diluted net income (loss) attributable to Solera Holdings, Inc. per common share	$ (1.50)	$ (0.13)	$ 1.35

The following securities that could potentially dilute earnings per share in the future are not included in the determination of diluted net income (loss) attributable to Solera Holdings, Inc. per common share (in thousands):

	Fiscal Years Ended June 30,		
	2015	2014	2013
Antidilutive options to purchase common stock and restricted stock units	453	17	224

Revenue Recognition

Revenues are recognized only after services are provided, when persuasive evidence of an arrangement exists, the fee is fixed and determinable, and when collectability is probable. Our multiple element arrangements primarily include a combination of software licenses, hosted database and other services, installation and set-up services, hardware, maintenance services and transaction-based deliverables.

We generate a significant majority of our revenue from subscription-based contracts (where a monthly fee is charged), transaction-based contracts (where a fee per transaction is charged) and subscription-based contracts with additional transaction-based fees (where a monthly fee and a fee per transaction are charged).

Subscription-based and transaction-based contracts generally include the delivery of software, access to our database through a hosted service, upfront fees for the implementation and set-up activities necessary for the client to use/access the software and maintenance. Under a subscription arrangement, we consider delivery of software, access to the hosted database and maintenance to be a combined unit of accounting and recognize related revenues at the end of each month upon the completion of the monthly service. A transaction-based fee represents a payment for the right to use the software, access to the hosted database and maintenance. We consider the fee to be fixed and determinable only at the time actual usage occurs, and, accordingly, we recognize revenue at the time of actual usage.

Implementation services and set-up activities are necessary for the client to receive services/ software. We defer up-front fees billed during the implementation/set-up phase and recognize such revenues on a straight-line basis over the estimated customer life. Recognition of this deferred revenue will commence upon the start of the monthly service. Implementation and set-up costs that are direct and incremental to the contract are capitalized and amortized on a straight-line basis over the estimated customer life.

Revenues are reflected net of customer sales allowances, which are based on both specific identification of certain accounts and a predetermined percentage of revenue based on historical experience.

Sales and Related Taxes Collected

Sales and related taxes collected from customers and remitted to various governmental agencies are excluded from reported revenues in our consolidated statements of income.

Cost of Revenues (Excluding Depreciation and Amortization)

Our costs and expenses applicable to revenues represent the total of operating expenses and systems development and programming costs as presented on our consolidated statements of income. Operating expenses include compensation and benefits costs for operations, database development and customer service personnel, other costs related to operations, database development and customer support functions, as well as third-party data and royalty costs, the cost of computer software and hardware used directly in the delivery of our products and services and the costs of purchased data from state departments of motor vehicles. Systems development and programming costs include compensation and benefit costs for our product development and product management personnel, other costs related to our product development and product management functions and costs related to external software consultants involved in systems development and programming activities.

Software Development Costs

Costs for the development of new software products and substantial enhancements to existing software products are expensed as incurred until technological feasibility has been established, at which time any additional costs would be capitalized. The costs to develop such software have not been capitalized as we believe our current software development process is essentially completed concurrent with the establishment of technological feasibility.

Acquisition and Related Costs

Acquisition and related costs include legal and other professional fees and other transaction costs associated with completed and contemplated business combinations and asset acquisitions, costs associated with integrating acquired businesses, including costs incurred to eliminate workforce redundancies and for product rebranding, and other charges incurred as a direct result of our acquisition efforts. These other charges include changes to the fair value of contingent purchase consideration, acquired assets, and assumed liabilities subsequent to the completion of the purchase price allocation, purchase consideration that is deemed to be compensatory in nature, and incentive compensation arrangements with continuing employees of acquired companies.

Foreign Currency Translation

For each of our foreign subsidiaries, the local currency is its functional currency. Functional currencies of significant foreign subsidiaries include Euros, British Pounds, Swiss francs, Canadian dollars, Brazilian reals, and Mexican pesos.

We translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during the reporting period for our consolidated statement of income and certain components of stockholders' equity, and the exchange rate at the end of that period for our consolidated balance sheet. These translations resulted in net foreign currency translation adjustments of $(167.7) million and $39.1 million in fiscal years 2015 and 2014, respectively, which are recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity. The foreign currency translation adjustment in fiscal year 2015 was caused by a strengthening in the value of the U.S. dollar versus certain foreign currencies, including the Euro, during the period. Generally, this strengthening of the U.S. dollar resulted in decreases to the U.S. dollar value of certain of our assets and liabilities from June 30, 2014 to June 30, 2015, as presented in the accompanying consolidated balance sheets, although the corresponding local currency balances may have increased or remain unchanged.

During the fiscal years ended June 30, 2015, 2014, and 2013, we recognized net foreign currency transaction gains (losses) in other (income) expense, net in our consolidated statements of income (loss) of $(50.5) million, $11.0 million, and $(5.5) million, respectively.

Income Taxes

The provision for income taxes, income taxes payable and deferred income taxes are determined using the asset and liability method. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured by applying enacted tax rates and laws to taxable years in which such differences are expected to reverse.

As part of the process of preparing consolidated financial statements, we are required to estimate our income taxes and tax contingencies in each of the jurisdictions in which we operate prior to the completion and filing for tax returns for such periods. This process involves estimating actual current tax expense together with assessing temporary differences, or reversing book-tax differences, resulting from differing treatment of items, such as deferred revenue, for tax and accounting purposes. These differences result in net deferred tax assets and liabilities.

We regularly assess the likelihood that our deferred tax assets will be realizable using the more-likely-than-not standard. In our assessment, we consider all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies. If we determine that our deferred tax assets do not meet the more-likely-than-not standard, we establish a valuation allowance. We exercise significant judgment relating to the projection of future taxable income. If judgments regarding recoverability of deferred tax assets change in future periods, we may need to adjust our valuation allowances, which could impact our results of operations in the period in which such determination is made.

Derivative Financial Instruments

We utilize derivative financial instruments to manage interest rate and foreign currency exposures. Derivative financial instruments are recorded in the consolidated balance sheets at fair value. If the derivative is designated as a cash flow hedge or net investment hedge, the effective portions of the changes in the fair value of the derivative are initially recorded in accumulated other comprehensive income (loss) and are subsequently reclassified into earnings when the hedged transactions occur and affect earnings. Ineffective portions of changes in the fair value of cash flow and net investment hedges are recognized as a charge or credit to earnings. Derivative instruments not designated as hedges are marked-to-market at the end of each period with changes in fair value recognized in earnings.

Advertising Costs

Advertising costs are expensed when incurred and are included in selling, general and administrative expenses. Total advertising costs were $12.1 million, $11.2 million and $9.1 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively.

Share-Based Compensation

We expense share-based payment awards in the period to which the services rendered for these awards relate. These awards include stock options, restricted stock units and performance share units. We estimate the grant date fair value of stock options with vesting contingent upon the achievement of service conditions using the Black-Scholes option pricing model. The grant date fair value of restricted stock units with vesting contingent upon the achievement of service conditions and performance share units with vesting contingent upon the achievement of performance conditions equals the intrinsic value on the grant date. We estimate the grant date fair value of performance share units and stock options with vesting contingent upon the achievement of market conditions using the Monte-Carlo model, a generally accepted statistical technique used to simulate a range of possible future stock prices.

Share-based compensation expense associated with stock options and restricted stock units with vesting contingent upon the achievement of service conditions is recognized on a straight-line basis over the requisite service period of the award, which generally equals the vesting period. Share-based compensation expense associated with performance share units with vesting contingent upon the achievement of performance conditions and performance share units and stock options with vesting contingent upon the achievement of market conditions is recognized on an accelerated basis over the derived service period. Share-based compensation expense associated with our employee stock purchase plan is recognized over the applicable offering period on a straight-line basis. The amount of share-based compensation expense recognized for share-based awards is net of estimated forfeitures of unvested awards. No compensation cost is recorded for awards that do not vest, other than performance share units and stock options with vesting contingent upon the achievement of market conditions.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) includes foreign currency translation adjustments, unrealized gains and losses on derivative instruments, net of the related income tax effect, and changes in the funded status of defined benefit pension plans, net of the related income tax effect, that are excluded from the consolidated statements of income (loss) and are reported as a separate component in stockholders' equity.

The following table summarizes the changes in accumulated other comprehensive income (loss) during fiscal year 2015 and 2014 (in thousands):

	Foreign Currency Translation Adjustment	Unrealized Losses on Derivative Financial Instruments	Change in Funded Status of Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss
Balance at June 30, 2013	$ (27,978)	$ (3,754)	$(11,415)	$ (43,147)
Other comprehensive income (loss) before reclassifications, net of tax	39,132	(10,097)	(5,473)	23,562
Amounts reclassified from accumulated other comprehensive income (loss)	—	6,897	—	6,897
Balance at June 30, 2014	$ 11,154	$ (6,954)	$(16,888)	$ (12,688)
Other comprehensive income (loss) before reclassifications, net of tax	(167,677)	32,614	(3,047)	(138,110)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	—	(27,676)	—	(27,676)
Balance at June 30, 2015	$(156,523)	$ (2,016)	$(19,935)	$(178,474)

Guarantees

We recognize, at the inception of a guarantee, a liability for the fair value of any guarantees.

Reclassifications

Share-based compensation expense for the previously reported periods has been reclassified from a separate line item in the accompanying consolidated statement of income (loss) to selling, general and administrative expenses to conform with the current period presentation.

Recently Adopted Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") Topic No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*, which requires an entity to present certain unrecognized tax benefits as reductions to deferred tax assets rather than as liabilities in balance sheets when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. ASU Topic No. 2013-11 does not affect the recognition or measurement of uncertain tax positions under ASC 740. We adopted ASU Topic No. 2013-11 in the first quarter of our fiscal year 2015. The adoption of ASU Topic No. 2013-11 did not impact our financial condition, results of operations or cash flow.

New Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU Topic No. 2014-09, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in ASC Topic No. 605, *Revenue Recognition*, and most industry-specific guidance. This guidance primarily requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In July 2015, the FASB deferred the effective date of ASU Topic No. 2014-09 for one year. As a result, ASU Topic No. 2014-09 will be effective for our fiscal year 2019. ASU Topic No. 2014-09 permits the use of either the retrospective or cumulative effect transition method. We have not yet selected a transition method and are currently evaluating the effect that ASU Topic No. 2014-09 will have on our financial condition, results of operations and financial statement disclosures.

In August 2014, the FASB issued ASU Topic No. 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern*, which requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements. ASU Topic No. 2014-15 is effective for our fiscal year 2017.

In April 2015, FASB issued ASU Topic No. 2015-3, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs,* which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU Topic No. 2015-3 is effective for our fiscal year 2017.

In April 2015, FASB issued ASU Topic No. 2015- 5, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement,* which provides guidance to help entities determine whether a cloud computing arrangement includes a software license and evaluate fees paid by a customer in a cloud computing arrangement. ASU Topic No. 2015-5 is effective for our fiscal year 2017.

3. Business Combinations

Fiscal Year 2015

Acquisition of CAP

On November 20, 2014, we acquired 100% of the equity interests of CAP, for approximately £284.8 million ($449.7 million) in cash paid at closing. CAP is a provider of real-time, high-accuracy valuations and specifications for new and used vehicles in the United Kingdom. CAP's solutions provide pricing transparency for vehicle transactions and enable buyers and sellers of vehicles to make accurate pricing decisions. We financed the acquisition of CAP through the issuance of additional senior unsecured notes as well as cash on hand. CAP has been assigned to our EMEA segment. We have included the results of operations of CAP in our consolidated statements of income from the acquisition date. Revenues and net income earned by CAP were $27.2 million and $3.4 million respectively, for the period from the acquisition date through June 30, 2015.

We have accounted for the acquisition of CAP under the acquisition method of accounting and, accordingly, the total purchase price has been allocated to the acquired tangible and identifiable intangible assets and assumed liabilities based on their estimated fair values on the acquisition date. The excess of the purchase price over the aggregate fair values was recorded as goodwill. Of the purchase price for CAP, we have preliminarily allocated £185.8 million $293.3 million to goodwill and £122.7 million $193.6 million to identifiable intangible assets. The goodwill recorded in the acquisition represents future enhancements to the software and database, future customer relationships and markets, and the workforce. The goodwill recorded in the CAP acquisition is not expected to be tax deductible for U.S. federal income tax purposes.

The following table summarizes the preliminary purchase price allocation for the acquisition of CAP (in thousands):

Goodwill	$293,303
Intangible assets	193,640
Cash	4,606
Accounts Receivable	9,352
Other assets acquired	2,876
Accounts payable and other current liabilities assumed	(4,720)
Deferred revenue	(16,925)
Deferred tax liabilities	(32,476)
Total	$449,656

Identifiable intangible assets acquired from CAP were as follows:

	Value (in thousands)	Weighted Average Amortizable Life (in years)
Customer relationships	$ 78,365	19.8
Technology	58,900	10.0
Trademarks	56,375	Indefinite
Total	$193,640	

We are amortizing the acquired identifiable intangible assets on an accelerated basis to reflect the pattern in which the economic benefits of the intangible assets are consumed.

We valued the purchased trademark and technology assets under the income approach using the relief from royalty method, which assumes value to the extent that the acquired company is relieved of the obligation to pay royalties for the benefits received from them. We valued the purchased customer relationships asset under the income approach using the excess earnings methodology based upon estimated future discounted cash flows attributable to revenues projected to be generated from those customers.

In connection with the acquisition of CAP, we incurred direct and incremental costs of $4.5 million, consisting of legal and professional fees, which are included in acquisition and related costs in our consolidated statements of income.

The following table presents the unaudited pro forma combined results of Solera and CAP as though the acquisition of CAP occurred at the beginning of fiscal year 2014. The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisition had occurred at the beginning of fiscal year 2014. The unaudited pro forma financial information reflects all material, recurring adjustments directly attributable to the acquisition of CAP, including amortization of acquired intangible assets, interest expense associated with the senior unsecured notes issued in November 2014 to finance our acquisition of CAP and any related tax effects. Amounts are in thousands, except per share data.

	2015	2014
	(unaudited)	
Revenues	$1,158,464	$1,026,002
Net income (loss) attributable to Solera Holdings, Inc.	(105,220)	(29,144)
Net income (loss) attributable to Solera Holdings, Inc. per common share-basic	(1.56)	(0.43)
Net income (loss) attributable to Solera Holdings, Inc. per common share-diluted	(1.56)	(0.43)

Acquisition of I&S

On July 29, 2014, we acquired 100% of the operating entities and other assets comprising I&S, for approximately $279.4 million in cash paid at closing. Operating under the brand names of LYNX Services, GTS Services, and GLAXIS, I&S is a leading provider of software and business management tools, third-party claims administration, first notice of loss and network management services to the U.S. auto and property repair industries, specializing in glass claims. The acquisition of I&S allows us to expand our relationship with insurance companies in the U.S. and abroad with workflow tools and third-party management services for glass, property, and collision claims as well as providing business management solutions to a broad network of auto repair and flat glass retailers. I&S has been included in our Americas segment. We have included the results of operations of I&S in our consolidated statements of income from the acquisition date. Revenues earned and net loss incurred by I&S were $57.2 million and $0.7 million, respectively, for the period from the acquisition date through June 30, 2015.

We have accounted for the acquisition of I&S under the acquisition method of accounting and, accordingly, the total purchase price has been allocated to the acquired tangible and identifiable intangible assets and assumed liabilities based on their estimated fair values on the acquisition date. The excess of the purchase price over the aggregate fair values was recorded as goodwill. Of the purchase price for I&S, we have allocated $153.5 million to goodwill and $129.6 million to identifiable intangible assets. The goodwill recorded in the acquisition represents future enhancements to the software and database, future customer relationships and markets, and the workforce. All of the goodwill recorded in the I&S acquisition is expected to be tax deductible.

The following table summarizes the purchase price allocation for the acquisition of I&S (in thousands):

Goodwill	$153,451
Intangible assets	129,560
Accounts receivable	2,836
Other assets acquired	2,648
Accounts payable	(6,839)
Accrued expenses and other current liabilities assumed	(2,240)
Total	$279,416

Identifiable intangible assets acquired from I&S were as follows:

	Value (in thousands)	Weighted Average Amortizable Life (in years)
Customer relationships	$ 76,240	19.2
Technology	31,670	15.0
Trademarks	21,650	Indefinite
Total	$129,560	

We are amortizing the acquired identifiable intangible assets on an accelerated basis to reflect the pattern in which the economic benefits of the intangible assets are consumed.

We valued the purchased trademark and technology assets under the income approach using the relief from royalty method, which assumes value to the extent that the acquired company is relieved of the obligation to pay royalties for the benefits received from them. We valued the purchased customer relationships asset under the income approach using the excess earnings methodology based upon estimated future discounted cash flows attributable to revenues projected to be generated from those customers.

In connection with the acquisition of I&S, we incurred direct and incremental costs of $2.0 million, consisting of legal and professional fees, which are included in acquisition and related costs in our consolidated statements of income.

The following table presents the unaudited pro forma combined results of Solera and I&S as though the acquisition of I&S occurred at the beginning of fiscal year 2014. The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisition had occurred at the beginning of fiscal year 2014. The unaudited pro forma financial information reflects all material, recurring adjustments directly attributable to the acquisition of I&S, including amortization of acquired intangible assets and any related tax effects. Amounts are in thousands, except per share data.

	2015	2014
	(unaudited)	
Revenues	$1,145,758	$1,046,321
Net income (loss) attributable to Solera Holdings, Inc.	(100,950)	(6,147)
Net income (loss) attributable to Solera Holdings, Inc. per common share-basic	(1.50)	(0.09)
Net income (loss) attributable to Solera Holdings, Inc. per common share-diluted	(1.50)	(0.09)

Other Acquisitions

In addition to CAP and I&S, we acquired four businesses and substantially all of the assets of another businesses for approximately $177.8 million in cash paid at closing and additional future cash payments of up to $33.8 million contingent upon the achievement of certain financial performance, product-related, integration and other objectives. Excluding CAP and I&S, the acquisitions completed in fiscal year 2015 were immaterial both individually and in the aggregate.

Fiscal Year 2014

On November 13, 2013, we acquired a 50% equity ownership interest in SRS and its subsidiaries from WCAS, which was the sole owner, for $289.2 million in cash paid at closing. SRS is a leading U.S. provider in the service, maintenance and repair market with proprietary databases and workflow solutions used by mechanical repair shops and auto dealers. Upon the closing of the SRS transaction, we had control of SRS as defined by accounting principles generally accepted in the United States and therefore consolidated its assets, liabilities, and financial results from the closing date. The acquisition of SRS allows us to expand our reach deeper into household decisions related to the total cost of automobile ownership. SRS has been included in our Americas segment. We have included the results of operations of SRS in our consolidated statements of income (loss) from the acquisition date. Revenues earned and net income reported by SRS were $74.0 million and $3.3 million, respectively, for the period from the acquisition date through June 30, 2014.

We have the right to acquire the remaining 50% equity ownership interest of SRS (the “Call Right”) at a price, subject to certain adjustments, equal to the greater of (a) a specified multiple of WCAS’s cost basis of such equity ownership interest, and (b) a per share equity value based on a specified multiple of SRS’s trailing twelve month EBITDA (the “TTM EBITDA”), as defined in the stockholders agreement between us, WCAS and the other parties thereto (the “Stockholders Agreement”). On July 16, 2015, we acquired the remaining 50% equity ownership interest in SRS from WCAS (Note 17).

In addition, under the Stockholders Agreement, we had the right to acquire 100% ownership interest in two subsidiaries of SRS, AutoPoint, LLC and Mobile Productivity, LLC. (together, “AutoPoint”), from SRS. We exercised our right and completed the acquisition of AutoPoint in April 2014. The acquisition resulted in tax deductible goodwill of $6.2 million.

WCAS has the right to require that we purchase its equity ownership interest in SRS up to four times per year, subject to an annual cap of $250 million and a $25 million per exercise minimum (the “Annual Put Right”) at a price based on the TTM EBITDA. In addition, WCAS has additional rights to require that we purchase either half or all (depending on the triggering event) of their equity ownership interest of SRS at a price, subject to certain adjustments, equal to a specified multiple of WCAS’s cost basis of such equity ownership interest (the “Special Put Right”). The triggering events for the Special Put Right include, among others, a drop in our corporate credit rating below certain specified levels or if SRS is required to become a guarantor of any of the indebtedness of Solera or its subsidiaries (other than SRS) or at any time beginning on August 1, 2018 and ending on the earlier of (x) December 31, 2018 and (y) the consummation of any Annual Put Right after August 1, 2018.

On the acquisition date, we determined the fair value of the 50% noncontrolling ownership interest in SRS to be $289.2 million based primarily on our purchase price for 50% controlling ownership interest. Because the SRS noncontrolling interest is redeemable at other than fair value, we are accreting the carrying value to the redemption value at each reporting period through the earliest redemption date. Accordingly, at any point in time, the carrying value of the SRS noncontrolling interest represents the acquisition-date fair value, adjusted to reflect the noncontrolling owner’s share of net income, dividends paid to the noncontrolling owner, and acquisition of additional equity ownership interest in SRS by us, plus periodic accretion to the redemption value. Since the currently redeemable portion of the SRS noncontrolling interest is capped at $250 million, which is less than the acquisition-date fair value of the noncontrolling interest, we are accreting the carrying value to the redemption value pursuant to the Special Put Right through August 1, 2018.

Additionally, if the redemption value of the SRS noncontrolling interest were to exceed the fair value, the excess would result in an adjustment to the numerator in our calculation of net income per common share attributable to Solera Holdings, Inc. which could result in a decrease in our net income per share. The fair value of the SRS noncontrolling interest exceeded its redemption value at June 30, 2015.

We have accounted for the acquisition of SRS under the acquisition method of accounting and, accordingly, the total purchase price has been allocated to the acquired tangible and identifiable intangible assets and assumed liabilities based on their estimated fair values on the acquisition date. The excess of the purchase price over the aggregate fair values was recorded as goodwill. Of the purchase price for SRS, we have preliminarily allocated $398.8 million to goodwill and $248.4 million to identifiable intangible assets. The goodwill recorded in the acquisition represents future enhancements to the software and database, future customer relationships and markets, and the workforce.

The following table summarizes the purchase price allocation for the acquisition of SRS (in thousands):

Goodwill	$ 398,838
Intangible assets	248,370
Cash	7,458
Accounts receivable	1,844
Other assets acquired	3,858
Fair value of redeemable noncontrolling interest	(289,176)
Assumed deferred revenue	(3,939)
Net deferred tax liabilities	(71,672)
Other assumed liabilities	(6,428)
Total	$ 289,153

Identifiable intangible assets acquired from SRS were as follows:

	Value (in thousands)	Weighted Average Amortizable Life (in years)
Customer relationships	$126,470	15
Technology	71,420	10
Trademarks—indefinite-lived	49,230	indefinite
Trademarks—amortizable	1,250	5
Total	$248,370	13

We are amortizing the acquired identifiable intangible assets on an accelerated basis to reflect the pattern in which the economic benefits of the intangible assets are consumed.

We valued the purchased trademark and technology assets under the income approach using the relief from royalty method, which assumes value to the extent that the acquired company is relieved of the obligation to pay royalties for the benefits received from them. We valued the purchased customer relationships asset under the income approach using the excess earnings methodology based upon estimated future discounted cash flows attributable to revenues projected to be generated from those customers.

In connection with the acquisition of SRS, we incurred direct and incremental costs of $2.7 million, consisting of legal and professional fees, which are included in acquisition and related costs in our consolidated statements of income (loss). Pursuant to the terms of our acquisition of SRS, we received a $2.5 million cash payment from SRS at closing which was intended to reimburse us for a portion of the direct and incremental costs we incurred related to the acquisition. This payment is also included in acquisition and related costs in our consolidated statements of income (loss) for the fiscal year ended June 30, 2014.

The following table presents the unaudited pro forma combined results of the Company and SRS as though the acquisition of SRS occurred at the beginning of fiscal year 2013. The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of fiscal year 2013. The unaudited pro forma financial information reflects all material, recurring adjustments directly attributable to the acquisition of SRS, including amortization of acquired intangible assets and any related tax effects. Amounts are in thousands, except per share data.

	2014	2013
	(unaudited)	
Revenues	$1,029,119	$947,181
Net income (loss) attributable to Solera Holdings, Inc.	(7,807)	100,286
Net income (loss) attributable to Solera Holdings, Inc. per common share-basic	(0.11)	1.46
Net income (loss) attributable to Solera Holdings, Inc. per common share-diluted	(0.11)	1.45

In addition to SRS , we acquired six businesses, including AutoPoint, and substantially all of the assets of another business for approximately $106.4 million in cash paid at closing and additional future cash payments of up to $51.7 million contingent upon the achievement of certain financial performance, product-related, integration and other objectives. Excluding SRS, the acquisitions completed in fiscal year 2014 were immaterial both individually and in the aggregate.

Fiscal Year 2013

We acquired six businesses, substantially all of the assets of another business and a majority of the outstanding shares of a fifth business for approximately $149.6 million in cash paid at closing and additional future cash payments of up to $79.1 million contingent upon the achievement of certain financial performance, product-related, integration and other objectives. The acquisitions completed in fiscal year 2013 were immaterial both individually and in the aggregate.

All acquired entities have been included in our consolidated statements of income (loss) from the respective acquisition dates.

At June 30, 2015, the maximum aggregate amount of remaining contingent cash payments associated with our business combinations is $110.0 million which are payable through fiscal year 2019.

4. Goodwill and Intangible Assets

Intangible Assets

Intangible assets, net consists of the following (in thousands):

	June 30, 2015			June 30, 2014		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net
Amortized intangible assets:						
Internally developed software	$ 83,196	$ (30,958)	$ 52,238	$ 60,330	$ (22,349)	$ 37,981
Purchased customer relationships	721,170	(267,012)	454,158	518,483	(224,305)	294,178
Purchased tradenames and trademarks	41,259	(32,928)	8,331	39,662	(30,766)	8,896
Purchased software and database technology	616,040	(389,524)	226,516	540,803	(381,478)	159,325
Other	4,992	(4,679)	313	6,021	(5,776)	245
	$1,466,657	$(725,101)	$741,556	$1,165,299	$(664,674)	$500,625
Intangible assets not subject to amortization:						
Purchased tradenames and trademarks with indefinite lives	156,944	—	156,944	84,131	—	84,131
	$1,623,601	$(725,101)	$898,500	$1,249,430	$(664,674)	$584,756

Amortization of intangible assets totaled $127.8 million, $94.2 million and $77.8 million for fiscal years 2015, 2014 and 2013, respectively. Estimated future amortization expense related to intangible assets subject to amortization at June 30, 2015 is as follows (in thousands):

2016	$145,748
2017	128,802
2018	107,901
2019	76,714
2020	62,240
Thereafter	220,151
Total	$741,556

Goodwill

The following table summarizes the activity in goodwill for the fiscal years ended June 30, 2015 and 2014 (in thousands):

	Balance at Beginning of Year	Current Year Acquisitions	Other	Foreign Currency Translation Effect	Balance at End of Year
Year Ended June 30, 2015:					
EMEA	$ 632,701	$303,619	$(2,624)	$(136,995)	$ 796,701
Americas	942,236	216,574	(623)	(4,480)	1,153,707
Total	$1,574,937	$520,193	$(3,247)	$(141,475)	$1,950,408
Year Ended June 30, 2014:					
EMEA	$ 577,042	$ 25,676	$ —	$ 29,983	$ 632,701
Americas	522,179	419,639	253	165	942,236
Total	$1,099,221	$445,315	$ 253	$ 30,148	$1,574,937

We have not recognized any goodwill impairment losses to date.

5. Redeemable Noncontrolling Interests

The noncontrolling stockholders of certain of our majority-owned subsidiaries have the right to require us to redeem their shares at the then fair market value. Accordingly, we have presented these redeemable noncontrolling interests as a mezzanine item in our consolidated balance sheets. If redeemable at fair value, the redeemable noncontrolling interests are reported at their fair value with any adjustment of the carrying value to fair value recorded to common shares in stockholders' equity. We estimate the fair value of our redeemable noncontrolling interests through an income approach, utilizing a discounted cash flow model, and a market approach, which considers comparable companies and transactions, including transactions with the noncontrolling stockholders of our majority-owned subsidiaries.

We do not have any indication that the exercise of the redemption rights is probable within the next twelve months. Further, we do not believe the occurrence of conditions precedent to the exercise of certain of these redemption rights is probable within the next twelve months. If the stockholders exercise their redemption rights, we believe that we have sufficient liquidity to fund such redemptions.

6. Other Financial Statement Captions

Property and equipment

Property and equipment, net consists of the following (in thousands):

	June 30, 2015	June 30, 2014
Land and buildings	$ 20,474	$ 16,243
Machinery and equipment	10,034	10,218
Furniture and fixtures	10,079	8,234
Data processing equipment	76,906	63,264
Leasehold improvements	30,368	26,073
Software licenses	56,333	47,960
Capitalized leases of machinery and equipment	3,925	5,145
Property and equipment, gross	208,119	177,137
Less: Accumulated depreciation	(114,728)	(100,160)
Property and equipment, net	$ 93,391	$ 76,977

Depreciation expense was $34.3 million, $28.1 million and $25.4 million for fiscal years 2015, 2014 and 2013, respectively.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consists of the following (in thousands):

	June 30,	
	2015	2014
Accrued payroll and benefits	$ 33,103	$ 30,777
Accrued incentive compensation	34,738	34,033
Accrued non-income based taxes	25,659	21,440
Deferred revenue, customer deposits and advance payments	51,062	30,077
Accrued contingent purchase consideration	38,032	45,918
Derivative financial instruments	24,726	743
Other	59,541	53,840
Accrued expenses and other current liabilities	$266,861	$216,828

Other (income) expense, net

Other (income) expense, net consists of the following (in thousands):

	Fiscal Years Ended June 30,		
	2015	2014	2013
Investment income	$ (487)	$ (396)	$ (537)
Losses on equity method investments	34	732	660
Foreign exchange (gains) losses	50,454	(11,011)	5,457
Reclassification of accumulated other comprehensive (income) loss related to derivative financial instruments designated as hedges	(27,810)	6,897	(4,400)
Unrealized (gains) losses on derivative financial instruments not designated as hedges	(43,705)	6,700	—
Realized gains on derivative financial instruments	(14,210)	—	—
(Gains) losses on asset sales	155	(2,420)	560
Loss on debt extinguishment	—	63,328	—
Other expense	1,044	161	120
Other (income) expense, net	$(34,525)	$ 63,991	$ 1,860

7. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes our assets and liabilities that require fair value measurements on a recurring basis and their respective input levels based on the fair value hierarchy (in thousands):

		Fair Value Measurements at June 30, 2015 Using:		
	Fair Value at June 30, 2015	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$479,592	$479,592	$ —	$ —
Restricted cash (1)	4,077	4,077	—	—
Derivative financial instruments classified as assets (2)	60,734	—	60,734	—
Derivative financial instruments classified as liabilities (3)	41,223	—	41,223	—
Accrued contingent purchase consideration (3)	15,561	—	—	15,561
Redeemable noncontrolling interests	84,577	—	—	84,577

		Fair Value Measurements at June 30, 2014 Using:		
	Fair Value at June 30, 2014	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$837,751	$837,751	$ —	$ —
Restricted cash (1)	317	317	—	—
Derivative financial instruments classified as liabilities (3)	13,898	—	13,898	—
Accrued contingent purchase consideration (3)	20,784	—	—	20,784
Redeemable noncontrolling interests	85,958	—	—	85,958

(1) Included in other current assets and other noncurrent assets in the accompanying consolidated balance sheets. Restricted cash primarily relates to funds held in escrow for the benefit of customers and the sellers of acquired businesses, and facility lease deposits.

(2) Included in other current assets and other noncurrent assets in the accompanying consolidated balance sheet.

(3) Included in accrued expenses and other current liabilities, and other noncurrent liabilities in the accompanying consolidated balance sheet.

Cash and cash equivalents and restricted cash. Our cash and cash equivalents and restricted cash, primarily consist of bank deposits, money market funds and bank certificates of deposit. The fair value of our cash and cash equivalents and restricted cash are determined using quoted market prices for identical assets (Level 1 inputs).

Derivative financial instruments. We estimate the fair value of our cross-currency swaps using standard valuation techniques that utilize market-based observable inputs to extrapolate future reset rates from period-end yield curves and standard valuation models based on a discounted cash flow model. Market-based observable inputs including spot and forward rates, volatilities and interest rate curves at observable intervals are used as inputs to the models (Level 2 inputs). Our estimate of fair value also considers the risk that the swap contracts will not be fulfilled.

Accrued contingent purchase consideration. Contingent future cash payments related to business combinations that are not deemed to be compensatory are accrued at fair value as of the acquisition date. We re-assess the fair value measurement at each reporting date. Fair value is determined by estimating the present value of potential future cash payments that would be earned upon achievement by the acquired business of certain financial performance, product-related, integration and other objectives. Our estimate of fair value considers a range of possible cash payment scenarios using information available as of the reporting date, including the recent financial performance of the acquired businesses (Level 3 inputs).

The following table summarizes the activity in accrued contingent purchase consideration which is measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) (in thousands):

	Fiscal Year Ended June 30,	
	2015	**2014**
Balance at beginning of period	$ 20,784	$23,334
Current period acquisitions	25,319	969
Change in fair value	(7,973)	(1,500)
Payments	(19,318)	(2,224)
Effect of foreign exchange	(3,251)	205
Balance at end of period	$ 15,561	$20,784

Redeemable noncontrolling interests. We estimate the fair value of our redeemable noncontrolling interests through an income approach, utilizing a discounted cash flow model, and a market approach, which considers comparable companies and transactions, including transactions with the noncontrolling stockholders of our majority-owned subsidiaries.

Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specific projection period and a residual value related to future cash flows beyond the projection period. Both values are discounted to reflect the degree of risk inherent in an investment in the reporting unit and achieving the projected cash flows. A weighted average cost of capital of a market participant, which is an unobservable input, is used as the discount rate. The residual value is generally determined by applying a constant terminal growth rate to the estimated net cash flows at the end of the projection period. Alternatively, the present value of the residual value may be determined by applying a market multiple at the end of the projection period.

Under the market approach, fair value is determined based on multiples of revenues and earnings before interest, taxes, depreciation and amortization for each reporting unit. For our calculation, we determined the multiples based on a selection of comparable companies and acquisition transactions, discounted for each reporting unit to reflect the relative size, diversification and risk of the reporting unit in comparison to the indexed companies and transactions.

Although we considered the fair value under both the income and market approaches, we estimated the fair value of our redeemable noncontrolling interests based solely upon the income approach, which utilizes a discounted cash flow model, a Level 3 input, as we believe this is the best indicator of fair value. The significant unobservable inputs in the discounted cash flow model include a discount rate and a long-term growth rate. The discount rate used in the determination of the estimated fair value of the redeemable noncontrolling interests as of June 30, 2015 using the income approach ranged between 12.8% and 16.5%, with a weighted average discount rate of 13.2%, reflecting a market participant's perspective as a noncontrolling shareholder in a privately-held subsidiary. The long-term growth rate used in the determination of the estimated fair value of the redeemable noncontrolling interests as of June 30, 2015 using the income approach was 4.0%.

The following table summarizes the activity in redeemable noncontrolling interests which are measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) (in thousands):

	Fiscal Year Ended June 30,	
	2015	2014
Balance at beginning of period	$ 85,958	$84,737
Net income attributable to redeemable noncontrolling interests	7,346	6,968
Dividends paid to noncontrolling owners	(8,132)	(6,298)
Change in fair value	15,106	(3,549)
Effect of foreign exchange	(15,701)	4,100
Balance at end of period	$ 84,577	$85,958

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

We performed our fiscal year 2015 annual goodwill and indefinite-lived intangible asset impairment assessment on April 1, 2015.

We test goodwill for impairment at a reporting unit level. We determine the fair value of our reporting units through a combination of an income approach, utilizing a discounted cash flow model, and a market approach, which considers comparable companies and transactions.

Under the income approach, the discounted cash flow model determines the fair value of each reporting unit based on the present value of projected reporting unit cash flows over a specific projection period and a residual value related to future cash flows beyond the projection period. Both values are discounted to reflect the degree of risk inherent in an investment in the reporting unit and achieving the projected cash flows. A weighted average cost of capital of a market participant is used as the discount rate. The residual value is generally determined by applying a constant terminal growth rate to the estimated net cash flows at the end of the projection period. Alternatively, the present value of the residual value may be determined by applying a market multiple at the end of the projection period.

Under the market approach, the fair value of each reporting unit is determined based on multiples of revenues and earnings before interest, taxes, depreciation and amortization for each reporting unit. The multiples were determined based on a selection of comparable companies and acquisition transactions, discounted for each reporting unit to reflect the relative size, diversification and risk of the reporting unit in comparison to the indexed companies and transactions.

In our annual goodwill impairment assessment for fiscal year 2015, we concluded that the fair values of the reporting units to which goodwill was assigned exceeded their respective carrying values and, accordingly, we did not identify any goodwill impairment.

We determine fair value of our indefinite-lived intangible assets under an income approach using the relief from royalty method, which assumes value to the extent that the acquired company is relieved of the obligation to pay royalties for the benefits received from the assets. In our annual indefinite-lived intangible asset impairment assessment for fiscal year 2015, we concluded that the fair value of our indefinite-lived intangible assets exceeded their respective carrying value and, accordingly, we did not identify any impairment of indefinite-lived intangible assets.

Fair Value of Other Financial Instruments

The carrying amounts of certain of our financial instruments, including accounts receivable, accounts payable and accrued expenses, approximate fair value due to their short-term nature. Based on the current quoted trading price of our senior unsecured notes (Level 1 inputs), we believe that the fair value of our senior unsecured notes is approximately $2.3 billion at June 30, 2015.

8. Long-Term Debt

Long-term debt consists of the following (in thousands):

	June 30,	
	2015	2014
Senior unsecured notes due June 2021	1,707,400	1,527,808
Senior unsecured notes due November 2023	574,428	340,000
Unsecured term loan due May 2016	200,000	—
Total debt (1)	2,481,828	1,867,808
Less: Current portion	—	—
Long-term portion	$2,481,828	$1,867,808

(1) The balance as of June 30, 2015 and 2014 includes unamortized premium of $31.8 million and $17.8 million, respectively.

Future minimum principal payments on our outstanding debt as of June 30, 2015 are as follows (in thousands):

2016	$ 200,000
2017	—
2018	—
2019	—
2020	—
Thereafter	2,250,000
Total (1)	$2,450,000

(1) Excludes the unamortized premium on the senior unsecured notes of $31.8 million as of June 30, 2015.

On June 2, 2015, we entered into a $200.0 million Credit and Guaranty Agreement (the “Credit Agreement”) in connection with the completion of an acquisition. The Credit Agreement provides for an unsecured term loan in the amount of $200.0 million (the “Term Loan”), which was fully funded on June 2, 2015. The Term Loan matures no later than May 31, 2016 and bears interest based on the London interbank offered rate for Eurodollar rate loans or the Prime Rate, at our election, plus an applicable margin, with such applicable margin increasing by 0.50% per annum at the end of every 90 day period. The Term Loan currently bears interest at the London interbank offered rate for Eurodollar rate loans plus a 3.5% margin (4.25% as of June 30, 2015). We may prepay all or part of the Term Loan at any time without premium or penalty. Subject to certain exceptions and limitations, we are required to prepay the Term Loan with the net proceeds of certain incurrences of indebtedness, equity issuances, asset sales and insurance/condemnation events. The Term Loan is guaranteed by Solera and certain of our domestic wholly-owned subsidiaries. Since the Term Loan was repaid using the proceeds from the issuance of additional senior unsecured notes in July 2015 (Note 17), the Term Loan has been classified as long-term debt in the accompanying consolidated balance sheet as of June 30, 2015.

We have issued senior unsecured notes due 2021 (the "2021 Senior Notes") pursuant to an indenture dated as of July 2, 2013 and senior unsecured notes due 2023 (the "2023 Senior Notes") pursuant to an indenture dated as of November 5, 2013. The 2021 Senior Notes accrue interest at 6.000% per annum, payable semi-annually, and become due and payable on June 15, 2021. The 2023 Senior Notes accrue interest at 6.125% per annum, payable semi-annually, and become due and payable on November 1, 2023.

The 2021 Senior Notes include redemption provisions that allow us, at our option, to redeem all or a portion of the aggregate principal amount of the 2021 Senior Notes as follows:

- At any time prior to June 15, 2016, we may redeem up to 35% of the aggregate principal amount of the 2021 Senior Notes at a redemption price equal to 106.0% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, through the date of redemption.
- At any time prior to June 15, 2017, we may redeem the 2021 Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium and accrued and unpaid interest to the redemption date. The premium at the applicable redemption date is the greater of: (1) 1.0% of the then outstanding principal amount of the notes; or (2) the excess of: (a) the present value at such redemption date of the sum of the

redemption price of the notes at June 15, 2017 plus all required interest payments due on the notes through June 15, 2017 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the then outstanding principal amount of the notes.

- At any time on or after June 15, 2017, we may redeem the 2021 Senior Notes, in whole or in part, at the following redemption prices, plus accrued and unpaid interest, if any, through the date of redemption: (i) if the redemption occurs on or after June 15, 2017 but prior to June 15, 2018, the redemption price is 103.000% of the principal amount of the notes; (ii) if the redemption occurs on or after June 15, 2018 but prior to June 15, 2019, the redemption price is 101.500% of the principal amount of the notes; and (iii) if the redemption occurs on or after June 15, 2019, the redemption price is 100.000% of the principal amount of the notes.

The 2023 Senior Notes include redemption provisions that allow us, at our option, to redeem all or a portion of the aggregate principal amount of the 2023 Senior Notes as follows:

- At any time prior to November 1, 2016, we may redeem up to 35% of the aggregate principal amount of the 2023 Senior Notes at a redemption price equal to 106.125% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, through the date of redemption.
- At any time prior to November 1, 2018, we may redeem the 2023 Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium and accrued and unpaid interest to the redemption date. The premium at the applicable redemption date is the greater of: (1) 1.0% of the then outstanding principal amount of the notes; or (2) the excess of: (a) the present value at such redemption date of the sum of the redemption price of the notes at November 1, 2018 plus all required interest payments due on the notes through November 1, 2018 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points over (b) the then outstanding principal amount of the notes.
- At any time on or after November 1, 2018, we may redeem the 2023 Senior Notes, in whole or in part, at the following redemption prices, plus accrued and unpaid interest, if any, through the

date of redemption: (i) if the redemption occurs on or after November 1, 2018 but prior to November 1, 2019, the redemption price is 103.063% of the principal amount of the notes; (ii) if the redemption occurs on or after November 1, 2019 but prior to November 1, 2020, the redemption price is 102.042% of the principal amount of the notes; (iii) if the redemption occurs on or after November 1, 2020 but prior to November 1, 2021, the redemption price is 101.021% of the principal amount of the notes; and (iv) if the redemption occurs on or after November 1, 2021, the redemption price is 100.000% of the principal amount of the notes.

Upon the occurrence of a change of control, we are required to offer to redeem the 2021 Senior Notes and the 2023 Senior Notes at a redemption price equal to 101.021% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, through the redemption date.

In November 2013, we used the net proceeds from the issuance of the 2021 Senior Notes and the 2023 Senior Notes of $855.4 million, together with existing cash on hand, to redeem the outstanding senior unsecured notes due June 2018 (the "2018 Senior Notes"). The redemption price for the 2018 Senior Notes was $932.8 million, consisting of (i) the unpaid principal amount of $850.0 million, (ii) accrued unpaid interest through the redemption date of $24.4 million, and (iii) a redemption premium of $58.4 million. The redemption premium of $58.4 million, as well as the remaining unamortized debt issuance costs related to the 2018 Senior Notes, net of the unamortized premium, of $1.8 million, were charged against earnings at the redemption date and are included in other (income) expense, net in our consolidated statement of income (loss) for fiscal year 2014.

In July 2013, we used $289.5 million of the net proceeds from the issuance of the 2021 Senior Notes to repay in full all of the outstanding term loans under our Amended and Restated First Lien Credit and Guaranty Agreement (the "Amended Credit Facility"), including accrued unpaid interest through the repayment date. Upon repayment of the outstanding term loans, the Amended Credit Facility was terminated. In connection with the termination of the Amended Credit Facility, we wrote-off the remaining unamortized debt issuance costs related to the term loans of $3.1 million, which is included in other (income) expense, net in our consolidated statement of income (loss) for fiscal year 2014.

The costs associated with the issuance of the 2021 Senior Notes, the 2023 Senior Notes and the Credit Agreement are deferred and are included in other noncurrent assets in our consolidated balance sheet. We are amortizing these debt issuance costs to interest expense over the term of the related debt using the effective interest method.

The indentures governing the 2021 Senior Notes and the 2023 Senior Notes contain limited covenants, including those restricting our and our subsidiaries' ability to incur certain liens, engage in sale and leaseback transactions and consolidate, merge with, or convey, transfer or lease substantially all of our or their assets to, another person, and, in the case of any of our subsidiaries that did not issue or guarantee such notes, incur indebtedness. The Credit Agreement contains covenants substantially similar to those in the indentures governing the 2021 Senior Notes and 2023 Senior Notes. We are in compliance with the specified covenants of the 2021 Senior Notes, the 2023 Senior Notes and the Credit Agreement at June 30, 2015.

9. Derivative Financial Instruments

In the normal course of business, we are exposed to variability in interest rates and foreign currency exchange rates. We use derivatives to mitigate risks associated with this variability. We do not use derivatives for speculative purposes. The following is a summary of outstanding derivative financial instruments as of June 30, 2015:

- In April 2012, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps in the aggregate notional amount of €109.0 million. We pay Euro fixed coupon payments at 6.990% and receive U.S. dollar fixed coupon payments at 6.750% on the notional amount. The maturity date of the swaps is June 15, 2018. These cross-currency swaps were designated, at inception, as cash flow hedges and we evaluate the swaps for effectiveness quarterly. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. To date, there has been no hedge ineffectiveness.

- In November 2014, we entered into a pay floating / received fixed interest rate swap with a notional amount of $400.0 million. Under the terms of the interest rate swap, we pay quarterly floating coupon payments at 3-month LIBOR plus 3.924% and receive semi-annual fixed coupon payments at 6.000%. The maturity date of the interest rate swap is June 15, 2021, although the swap may be terminated at any time effective June 15, 2017 by the counterparty subject to the payment of a cancellation fee. The interest rate swap was not designated as a hedge at inception. We recognize changes in the fair value of the interest rate swap in other (income) expense, net in our consolidated statements of income.
- In November 2014, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €401.6 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.993% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income.
- In March 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €174.8 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.725% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was designated as a net investment hedge at inception. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. To date, there has been no hedge ineffectiveness.
- In March 2015, we entered into a 60-day foreign exchange forward contract with a notional amount of €472.9 million. Under the terms of the forward contract, we pay predetermined forward rate on the settlement date. The foreign exchange forward contract was not designated as a hedge at inception. We recognize changes in the fair value in other (income) expense, net in our consolidated statements of income. In May 2015, we extended the settlement date of the foreign exchange forward contract to July 2015.

We determined the estimated fair value of our derivatives using an income approach and standard valuation techniques that utilize market-based observable inputs including spot and forward interest and foreign currency exchange rates, volatilities and interest rate curves at observable intervals. Our estimate of fair value also considers the risk that the swap contracts will not be fulfilled.

The following table presents the fair value of our derivative financial instruments, which are included in other current assets, other noncurrent assets, accrued expenses and other current liabilities, and other noncurrent liabilities in the accompanying condensed consolidated balance sheets (in thousands):

	June 30, 2015	June 30, 2014
Derivative financial instruments classified as assets		
Fixed rate cross-currency swaps	$60,734	$ —
Derivative financial instruments classified as liabilities		
U.S. dollar interest rate swap	$ 2,170	$ —
Fixed rate cross-currency swaps	14,327	12,900
Floating rate cross-currency swaps	—	998
Foreign currency forward contract	24,726	—
Total	$41,223	$13,898

The following table presents the effect of our derivative financial instruments, designated as cash flow hedges, on the consolidated statements of income (loss) and accumulated other comprehensive income (loss) ("AOCI") (in thousands):

Derivative Financial Instruments	Gain (Loss) Recognized in AOCI on Derivatives (1)	Location of Gain (Loss) Reclassified from AOCI into Income (1)	Gain (Loss) Reclassified from AOCI into Income (1)	Location of Gain (Loss) Recognized in Income on Derivatives (2)	Gain (Loss) Recognized in Income on Derivatives (2)
Fiscal year Ended June 30, 2015:					
Fixed rate cross-currency swaps	$33,490	Interest Expense	$ 717	N/A	$—
		Other (Income) Expense, net	28,315	N/A	—
Total	$33,490		$29,032		$—
Fiscal year Ended June 30, 2014:					
Fixed rate cross-currency swaps	$ (9,503)	Interest Expense	$ (705)	N/A	$—
		Other (Income) Expense, net	(7,401)	N/A	—
U.S dollar interest rate swap	—	Interest Expense	(3)	Interest Expense	549
Euro interest rate swap	—	Interest Expense	(3)	Interest Expense	(364)
Total	$ (9,503)		$ (8,112)		$185
Fiscal Year Ended June 30, 2013:					
Fixed rate cross-currency swaps	$ 6,293	Interest Expense	$ 234	N/A	$—
		Other (Income) Expense, net	4,742	N/A	—
U.S. dollar interest rate swaps	(265)	Interest Expense	366	Interest Expense	26
Euro interest rate swaps	607	Interest Expense	423	Interest Expense	6
Total	$ 6,635		$ 5,765		$ 32

(1) Effective portion.
(2) Ineffective portion and amount excluded from effectiveness testing.

The following table presents the effect of our derivative financial instruments designated as net investment hedges on the consolidated statements of income (loss) and accumulated other comprehensive income (loss) ("AOCI") for fiscal year 2015:

	Income (Loss) Recognized in AOCI on Derivatives (1)	Location of Income (Loss) Reclassified from AOCI into Income (1)	Income (Loss) Reclassified from AOCI into Income (1)	Location of Income (Loss) Recognized in Income on Derivatives (2)	Income (Loss) Recognized in Income on Derivatives (2)
Fixed rate cross-currency swap. . .	$(13,810)	N/A	$—	N/A	$—

No net investment hedges were outstanding prior to fiscal year 2015.

During fiscal years 2015 and 2014, we recognized unrealized gains (losses) on derivatives not designated as hedging instruments of $(43.7) million and $6.7 million, respectively, which is included in other (income) expense, net in our consolidated statements of income (loss). No unrealized gains (losses) on derivatives not designated as hedging instruments were recognized in fiscal year 2013.

10. Share-Based Compensation

We grant stock awards pursuant to our 2008 Omnibus Equity Incentive Plan (the "2008 Plan"), which was approved by our stockholders in November 2008. Upon stockholder approval of the 2008 Plan, we ceased granting awards under the 2007 Long-Term Equity Incentive Plan (the "2007 Plan") and the remaining shares available for grant under the 2007 Plan were added to the shares authorized for grant under the 2008 Plan. Additionally, any awards previously granted under the 2007 Plan that expire unexercised or are forfeited are added to the shares authorized for grant under the 2008 Plan.

During fiscal year 2015, we granted stock awards under the 2008 Plan in the form of stock options, restricted stock units and performance share units. Stock options are granted at exercise prices equal to the fair market value of our common stock on the date of grant, generally vest ratably over four years and have a term of seven years. Restricted stock unit grants generally vest ratably over four years. Each performance share unit represents the right to receive one share of our common stock based on our total stockholder return ("TSR") and/or the achievement of certain financial performance targets during applicable performance periods.

At June 30, 2015, 2.9 million shares remain available for future grant of awards under the 2008 Plan.

We also have an employee stock purchase plan (the "ESPP") that allows eligible employees to purchase shares of our common stock at a price equal to 95% of the lower of the fair market value of the common stock at the beginning or end of each six-month offering period. We have reserved for issuance 1.5 million shares of our common stock under the ESPP. During fiscal years 2015 and 2014, we awarded approximately 11,400 shares and 11,000 shares, respectively, of our common stock under the ESPP. At June 30, 2015, approximately 1.4 million shares remain available for future grant of awards under the ESPP.

Share-Based Award Activity

The following table summarizes restricted stock unit and performance share unit activity during fiscal year 2015 (shares in thousands):

	Number of Shares	Weighted Average Grant Date Fair Value per Share
Nonvested at June 30, 2014	837	$62.27
Granted	549	$52.36
Vested	(347)	$56.34
Forfeited	(246)	$63.90
Nonvested at June 30, 2015	793	$57.49

The following table summarizes stock option activity during fiscal year 2015:

	Number of Shares (in thousands)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at June 30, 2014	4,264	$50.33		
Granted	333	$53.97		
Exercised	(165)	$40.82		
Canceled	(369)	$55.23		
Outstanding at June 30, 2015	4,063	$50.57	3.80	$9,223
Exercisable at June 30, 2015	1,884	$44.20	3.16	$8,655

Of the stock options outstanding at June 30, 2015, approximately 2.8 million are vested and expected to vest.

Cash received from the exercise of stock options was $6.7 million during fiscal year 2015. The intrinsic value of stock options exercised during fiscal years 2015, 2014, and 2013 totaled $1.8 million, $8.1 million, and $5.7 million, respectively.

Valuation of Share-Based Awards

We utilized the Black-Scholes option pricing model for estimating the grant date fair value of stock options with the following assumptions:

	Risk-Free Interest Rate	Expected Term (in years)	Weighted Average Expected Stock Price Volatility	Expected Dividend Yield	Weighted Average Per Share Grant Date Fair Value
Fiscal Year 2015	1.6%	4.5	24.0%	1.5%	$10.35
Fiscal Year 2014	1.6%	4.6	26.3%	1.2%	$11.93
Fiscal Year 2013	0.7%	4.8	32.8%	1.0%	$12.96

We based the risk-free interest rates on the implied yield available on U.S. Treasury constant maturities in effect at the time of the grant with remaining terms equivalent to the respective expected terms of the stock options. We determine the expected life of an award by considering various relevant factors, including the vesting period and contractual term of the award, our employees' historical exercise patterns and length of service, the expected future volatility of our stock price and employee characteristics. We determined the expected volatility based on the historical volatility of our stock price. The dividend yields for fiscal years 2015, 2014 and 2013 are based on our quarterly cash dividends of $0.195, $0.17 and $0.125 per share, respectively.

The weighted average grant date fair value of restricted stock units granted in fiscal years 2015, 2014 and 2013 was $52.36, $64.42 and $47.14, respectively, determined based on the market price of our common stock on the date of grant, which approximates the intrinsic value.

To estimate the grant date fair value of performance share units and stock options that are earned based on our relative TSR, we utilized a Monte-Carlo simulation model which simulates a range of our possible future stock prices and certain peer companies and assumes that the performance share units and stock options will be earned at target. Based on the Monte-Carlo simulation model, the grant date fair value of performance share units and stock options granted during fiscal year 2013 that are earned based on our relative TSR was $18.89 per share.

Share-Based Compensation Expense

Share-based compensation expense in the accompanying consolidated statements of income (loss), was $36.9 million, $37.5 million and $25.8 million for fiscal years 2015, 2014 and 2013, respectively. At June 30, 2015, the estimated total remaining unamortized share-based compensation expense, net of forfeitures, was $49.1 million which is expected to be recognized over a weighted-average period of 2.1 years.

11. Employee Benefit Plans

Defined Benefit Pension Plans

Our foreign subsidiaries sponsor various defined benefit pension plans and individual defined benefit arrangements covering certain eligible employees. The benefits under these pension plans are based on years of service and compensation levels. Funding is limited to statutory requirements. The measurement date for all plans is June 30th of each fiscal year.

The change in plan assets and benefit obligations as well as the funded status of our foreign pension plans were as follows (in thousands):

	June 30, 2015	June 30, 2014
Change in plan assets:		
Fair value of plan assets-beginning of year	$ 76,947	$ 77,758
Actual return on plan assets	2,288	2,913
Employer contributions	3,595	4,021
Participant contributions	1,177	1,252
Benefits and expenses paid	(2,907)	(4,486)
Settlements	(846)	(8,591)
Foreign currency exchange rate changes	(10,360)	4,080
Fair value of plan assets-end of year	$ 69,894	$ 76,947
Change in benefit obligations:		
Benefit obligations-beginning of year	$116,900	$106,722
Service cost	4,610	4,229
Interest cost	2,670	3,177
Participant contributions	1,177	1,252
Actuarial losses	8,161	9,548
Benefits and expenses paid	(2,907)	(4,486)
Settlements and amendments	(2,886)	(9,105)
Foreign currency exchange rate changes	(15,607)	5,563
Projected benefit obligations-end of year	$112,118	$116,900
Funded status-plan assets less benefit obligations	$ (42,224)	$ (39,953)
Unrecognized net actuarial (gains) losses due to experience different than assumed	—	—
Accrued pension liability	$ (42,224)	$ (39,953)

The accrued pension liability is included in non-current liabilities in the accompanying consolidated balance sheets.

Changes recognized in accumulated other comprehensive income (loss), before the effect of income taxes, are as follows (in thousands):

	June 30, 2015	June 30, 2014
Accumulated other comprehensive loss-beginning of year	$(24,052)	$(15,268)
Prior service credit	2,549	—
Amortization or curtailment recognition of prior service cost	(46)	—
Actuarial losses, net	(8,001)	(8,931)
Foreign currency exchange rate changes	3,529	(731)
Amortization or settlement recognition of net losses (1)	1,470	878
Net loss	(499)	(8,784)
Accumulated other comprehensive loss-end of year	$(24,551)	$(24,052)

(1) Represents amounts recognized as components of net pension expense.

The accumulated benefit obligation for all defined benefit pension plans was $101.8 million and $106.4 million at June 30, 2015 and 2014, respectively.

In fiscal year 2016, amortization of net actuarial losses is expected to be $1.7 million. We expect to amortize $0.2 million of unrecognized prior service credit in fiscal year 2016.

Information for our pension plans with accumulated benefit obligations in excess of plan assets were as follows (in thousands):

	June 30,	
	2015	2014
Projected benefit obligation	$112,118	$116,900
Accumulated benefit obligation	101,788	106,427
Fair value of plan assets	69,894	76,947

The components of net pension expense were as follows (in thousands):

	Fiscal Years Ended June 30,		
	2015	2014	2013
Service cost-benefits earned during the period	$ 4,610	$ 4,229	$ 3,967
Interest cost on projected benefits	2,670	3,177	3,224
Expected return on plan assets	(2,125)	(2,301)	(2,428)
Amortization of prior service cost	(46)	—	—
Amortization of net (gain) loss	1,214	878	427
Settlement (gain) loss recognized	256	—	—
Net pension expense	$ 6,579	$ 5,983	$ 5,190

The general assumptions used to determine the actuarial present value of benefit obligations and net pension expense were as follows:

	Fiscal Years Ended June 30,		
	2015	2014	2013
Assumptions used to determine benefit obligations:			
Discount rate	1.86%	2.58%	3.12%
Rate of compensation increase	2.13	2.16	2.15
Assumptions used to determine net pension expense:			
Discount rate	2.58	3.12	3.33
Expected long-term rate of return on assets	3.01	3.12	3.22
Rate of compensation increase	2.16	2.15	2.14

We base the discount rate upon published rates for high quality fixed income investments that produce cash flows that approximate the timing and amount of expected future benefit payments. We determine the weighted-average long-term expected rate of return on assets based on historical and expected future rates of return on plan assets considering the target asset mix and the long-term investment strategy.

The plan assets of the pension plans consist entirely of insurance contracts, which fully insure the benefit payments. The insurance companies invest the plan assets in accordance with the terms of the insurance companies' guidelines which include a guaranteed minimum rate of return. The fair values of the insurance contracts and their input levels based on the fair value hierarchy are as follows (in thousands):

		Fair Value Measurements Using:		
	Fair Value	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
At June 30, 2015	$69,894	$—	$69,894	$—
At June 30, 2014	76,947	—	76,947	—

We estimate the fair value of the insurance contracts based on vested plan benefits, which considers the contributions made to date and the historical rate of return on the plan assets as guaranteed by the insurance contracts.

The contributions for the fiscal years ended June 30, 2015, 2014 and 2013 were $3.6 million, $4.0 million and $3.9 million, respectively. The minimum required contributions and expected contributions to our pension plans are $3.9 million for fiscal year 2016.

Expected future benefit payments as of June 30, 2015 are as follows (in thousands):

2016	$ 1,412
2017	1,645
2018	1,917
2019	2,178
2020	2,711
2021 to 2025	18,228

The expected benefits to be paid are based on the same assumptions used to measure our pension plans' benefit obligation at June 30, 2015 and include estimated future employee service.

Defined Contribution Retirement and Savings Plans

We have a qualifying 401(k) defined contribution plan that covers most of our domestic employees and provides matching contributions under various formulas. For the fiscal years ended June 30, 2015, 2014 and 2013, we incurred $2.3 million, $1.8 million and $1.5 million, respectively, in costs related to the 401(k) plan company matching contributions.

Our foreign subsidiaries have defined contribution plans that cover certain international employees and provide matching contributions under various formulas. For the fiscal years ended June 30, 2015, 2014 and 2013, we incurred $4.5 million, $3.4 million and $4.2 million, respectively, in costs related to our foreign defined contribution plans company matching contributions.

12. Related Party Transactions

Certain minority stockholders of our international subsidiaries are also commercial purchasers and users of our software and services. Revenue transactions with all of the individual minority stockholders in the aggregate were less than 10% of our consolidated revenue for fiscal years 2015 and 2014, and aggregate accounts receivable from the minority stockholders represent less than 10% of consolidated accounts receivable as of June 30, 2015 and 2014.

On February 12, 2013, we entered into a Facilities Use Agreement with Aquila Family Ventures, LLC (“AFV”), an entity owned by the family of our Chief Executive Officer, Tony Aquila, pursuant to which we shall pay AFV a fixed annual fee of $140,000 in exchange for our use during calendar year 2013 of certain guest ranch facilities in Wyoming (the “Wyoming Facility”). On December 26, 2013, we executed an amendment to the Facilities Use Agreement with AFV and Chaparral Lane Investment, LLC (“CLI”), an entity owned by our Chief Executive Officer and his family, to (i) add an additional facility in Roanoke, Texas (the “Roanoke Facility”) to the Facilities Use Agreement and (ii) increase the fixed annual fee to$170,000 in exchange for our use during calendar year 2014 of the Wyoming Facility. This fee increase is due to increased operating expenses of the Wyoming Facility and an increase in the number of days during which we use the Wyoming Facility. On December 31, 2014, we executed another amendment to the Facilities Use Agreement to: (i) increase the fixed annual fee paid by us to AFV for our use of the Wyoming Facility to $272,250, and (ii) provide for a true-up payment by us to AFV to the extent that our actual use of the Wyoming Facility during a calendar year exceeds the assumed use for that calendar year, which assumed use was a basis for the fixed annual fee. The true-up payment paid by us to AFV for calendar year 2014 was $63,270. On April 7, 2015, we entered into a third amendment to the Facilities Use Agreement whereby the Roanoke Facility and the CLI were removed from the Facilities Use Agreement in connection with our entry of a lease agreement covering the Roanoke Facility (also known as the “Innovation Center” (as defined below)).

On April 7, 2015 we entered into a Lease Agreement with CLI where we lease a property owned by CLI in Texas (the “Innovation Center”). We have been using the Innovation Center since 2013 pursuant to the terms of the Facilities Use Agreement. We use the Innovation Center for various purposes, including: research and development; global employee meetings, training and team building; and functions intended to foster client, partner and vendor relations as well as business and corporate development. The Lease Agreement provides us with continued, exclusive, long-term rights to use the Innovation Center and protects our investment in the improvements to the Innovation Center. The Lease Agreement has term of 20 years with an additional five-year extension option. The monthly lease payment is $10,000.

13. Income Taxes

Income before Provision for Income Taxes

The components of income before income taxes attributable to domestic and foreign operations are as follows (in thousands):

	Fiscal Years Ended June 30,		
	2015	2014	2013
Domestic	$ (38,340)	$(136,545)	$ (23,467)
Foreign	157,533	171,771	159,307
	$119,193	$ 35,226	$135,840

The income tax provision (benefit) by jurisdiction is as follows (in thousands):

	Fiscal Years Ended June 30,		
	2015	2014	2013
Current:			
Federal	$ 11,519	$ 2,273	$ 5,984
Foreign	53,668	52,197	48,947
State	1,375	833	1,253
Total current	$ 66,562	$ 55,303	$ 56,184
Deferred:			
Federal	$143,621	$(18,796)	$ (8,603)
Foreign	(8,352)	(4,175)	(16,350)
State	(1,511)	(2,274)	(434)
Total deferred	133,758	(25,245)	(25,387)
Total income tax provision (benefit)	$200,320	$ 30,058	$ 30,797

Effective Tax Rate Reconciliation

A reconciliation between our effective tax rate on income before income tax provision and the U.S. federal statutory rate is as follows (amounts in thousands):

	Fiscal Years ended June 30,					
	2015		2014		2013	
	Amount	Percent	Amount	Percent	Amount	Percent
Income tax provision at U.S. statutory rate	$ 41,717	35.0 %	$ 12,329	35.0 %	$47,544	35.0 %
(Increase) decrease in provision from:						
State taxes, net of federal tax benefit	(601)	(0.5)%	(1,668)	(4.7)%	381	0.3 %
U.S. tax on foreign earnings	155,377	130.4 %	—	— %	—	— %
Foreign tax rate differential	(16,433)	(13.8)%	(14,889)	(42.3)%	(16,050)	(11.8)%
Nondeductible/nontaxable items	8,214	6.9 %	3,851	10.9 %	1,876	1.4 %
Change in valuation allowance	1,677	1.4 %	26,144	74.2 %	(9,481)	(7.0)%
Other non-income based taxes	1,764	1.5 %	2,637	7.5 %	2,270	1.7 %
Nondeductible stock-based compensation	3,846	3.2 %	2,595	7.4 %	2,210	1.6 %
Foreign tax credits	(1,246)	(1.0)%	—	— %	(177)	(0.1)%
Unrecognized tax expense (benefit)	(889)	(0.7)%	1,142	3.2 %	465	0.3 %
Withholding tax expense/(refund)	2,197	1.8 %	(595)	(1.7)%	552	0.4 %
Other expense (benefit)	4,697	3.9 %	(1,488)	(4.2)%	1,207	0.9 %
Total income tax provision	$200,320	168.1 %	$ 30,058	85.3 %	$30,797	22.7 %

Deferred Taxes

The significant components of deferred income tax assets and liabilities are as follows (in thousands):

	June 30, 2015	June 30, 2014
Deferred income tax assets:		
Accrued expenses not currently deductible	$ 16,725	$ 13,373
Depreciation and amortization	3,686	3,754
Net operating losses and tax credit carryforwards	76,214	61,972
Intangible assets	3,062	3,257
Foreign tax credits	26,975	24,150
Stock-based compensation	19,832	16,036
Pension	10,570	10,337
Other	26,559	23,602
	183,623	156,481
Less: Valuation allowances	(48,136)	(40,653)
Deferred income tax assets, net	135,487	115,828
Deferred income tax liabilities:		
Intangible assets	143,204	128,455
Undistributed foreign earnings	123,682	—
Derivative financial instruments	19,356	1,750
Other	6,015	4,343
Deferred income tax liabilities	292,257	134,548
Net deferred income tax liabilities	$(156,770)	$ (18,720)

Net Operating Losses, Tax Credit Carryforwards and Valuation Allowances

As of June 30, 2015, we have $132.7 million of U.S. federal net operating loss carryforwards that will begin to expire in 2033, $76.4 million of US State net operating loss carryforward that will begin to expire in 2017, and $118.5 million of foreign net operating loss carryforwards that will begin to expire in 2015. We also have $2.3 million of U.S. federal and $2.3 million of U.S. state research and development tax credit carryforwards that will begin to expire in 2021, and $33.5 million of foreign tax credit carryforwards that will begin to expire in 2016. Utilization of our U.S. federal and state net operating losses and U.S. federal and state tax credit carryforwards may be subject to annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. Such an annual limitation could result in the expiration of the net operating loss carryforwards before utilization.

Of the $44.2 million deferred tax asset related to our federal net operating loss carryforwards, $2.2 million is excluded from deferred income tax assets and liabilities as that amount relates to excess tax benefits of stock based compensation deduction for which a tax benefit has not yet been realized, as described below. In addition, $6.1 million related to the foreign tax credit carryforward, $0.6 million related to the U.S. federal research and development tax credit carryforward, and $0.4 million related to the U.S. state research and development tax credit carryforward are excluded from deferred income tax assets and liabilities as those amounts also relate to excess tax benefits on stock-based compensation deductions for which a tax benefit has not yet been realized.

We have not recorded excess tax benefits of $9.4 million as of June 30, 2015 from excess stock-based compensation deductions for which a benefit has not yet been realized. Excess tax benefits represent stock compensation deductions in excess of expenses recognized for financial reporting purposes and are realized when they reduce taxes payable, as determined using a "with and without" method.

We have recorded valuation allowances for deferred tax assets of $48.1 million and $40.7 million at June 30, 2015 and 2014, respectively.

Unremitted Earnings

Our foreign subsidiaries generate earnings that are not subject to U.S. income taxes so long as they are permanently reinvested in our operations outside of the U.S. Pursuant to ASC Topic No. 740-30 (formerly APB 23), undistributed earnings of foreign subsidiaries that are no longer permanently reinvested would become subject to deferred income taxes under U.S. tax law. Prior to fiscal year 2015, we asserted that the undistributed earnings of our foreign subsidiaries were permanently reinvested.

Primarily due to the increase in our U.S. debt service obligations resulting from the issuance of additional unsecured senior notes in the aggregate principal amount of $400.0 million during fiscal year 2015 (Note 8) and the issuance of additional unsecured senior notes in the aggregate principal amount of $850.0 million in July 2015 (Note 17), management concluded that the ability to access certain amounts of foreign earnings would provide greater flexibility to meet domestic cash flow needs without constraining foreign objectives. Accordingly, in the fourth quarter of fiscal year 2015 we withdrew the permanent reinvestment assertion on $350.0 million of earnings generated by certain of our foreign subsidiaries through fiscal year 2015. We provided for U.S. income taxes on the $350.0 million of undistributed foreign earnings, resulting in the recognition of a deferred tax liability of approximately $123.7 million. We recognized additional deferred income tax expense of $25.8 million related to the impact of fluctuations in foreign currency exchange rates during fiscal year 2015 on the portion of the $350.0 million of unremitted earnings generated prior to fiscal year 2015.

There is no certainty as to the timing of when such foreign earnings will be distributed to the U.S. in whole or in part. Further, when the foreign earnings are distributed to the U.S., we anticipate that a substantial portion of the resulting U.S. income taxes due would be reduced by existing deferred tax assets.

We have not provided for U.S. federal or foreign income taxes, including withholding taxes on $732.0 million of our non-U.S. subsidiaries' undistributed earnings as of June 30, 2015. We continue to assert that the $732.0 million of undistributed earnings is permanently reinvested in our foreign operations and have no current plans to repatriate those earnings. If we were to distribute those earnings in the form of dividends or otherwise, we could be subject to both U.S. and foreign income taxes and withholding taxes payable to various foreign countries. It is currently not practicable to compute the residual taxes due on such earnings as we do not know the time or manner in which we would distribute these earnings.

Uncertain Tax Positions

A reconciliation of the beginning and ending amount of total unrecognized tax benefits is as follows (in thousands):

	Fiscal Years Ended June 30,		
	2015	2014	2013
Gross unrecognized tax benefits balance at beginning of period	$13,235	$12,500	$ 9,599
Increase related to prior year tax positions	5	127	236
Decrease related to prior year tax positions	—	(401)	(509)
Increase related to current year tax positions	1,240	2,217	3,825
Decrease related to settlements	—	(384)	(96)
Decrease related to lapse of statute of limitations	(4,179)	(824)	(555)
Gross unrecognized tax benefits balance at end of period	$10,301	$13,235	12,500

Of the unrecognized tax benefits reflected above, the amounts that, if recognized, would impact the effective tax rate were $11.6 million, $13.4 million and $12.7 million for fiscal years 2015, 2014 and 2013, respectively. The amount of unrecognized tax benefits expected to be recognized in the next twelve months is not significant.

We recognize accrued interest and penalties, if incurred, related to unrecognized tax benefits as a component of income tax expense. We had approximately $1.6 million, $1.2 million and $1.1 million of accrued interest expense and penalties related to unrecognized tax benefits for fiscal years 2015, 2014 and 2013, respectively.

We file U.S. federal income tax returns as well as income tax returns in various states and foreign jurisdictions and, as such, are subject to examination in various jurisdictions. The material jurisdictions that are subject to examination by tax authorities primarily include the United States, Canada, France, Germany, Spain, Switzerland and the United Kingdom, covering tax years 2005 through 2013.

Pursuant to the terms of the acquisition agreements, the sellers in our business combinations have indemnified us for all tax liabilities related to the pre-acquisition periods. We are liable for any tax assessments for the post-acquisition periods for our U.S. and foreign jurisdictions.

14. Contractual Commitments and Contingencies

Leases and Other Contractual Commitments

We lease office space and equipment under various operating and capital leases. Additionally, we have contractual obligations under software license agreements and other purchase commitments. Total expense incurred under these agreements was approximately $20.1 million, $18.0 million and $14.0 million for the fiscal years 2015, 2014 and 2013, respectively. Obligations under capital leases totaled $0.2 million as of June 30, 2015 and 2014, respectively.

Future minimum contractual commitments at June 30, 2015 are as follows (in thousands):

2016	$18,529
2017	14,159
2018	11,498
2019	8,728
2020	3,826
Thereafter	7,293
Total	$64,033

In addition to fixed rentals, certain leases require payment of maintenance and real estate taxes and contain escalation provisions based on future adjustments in price indices.

Contingencies

In the normal course of business, we are subject to various claims, charges and litigation. In particular, we have been the subject of allegations that our repair estimating and total loss software and services produced results that favored our insurance company customers, one of which is the subject of pending litigation. In addition, we are subject to assertions by our customers and strategic partners that we have not complied with the terms of our agreements with them or our agreements with them are not enforceable. We have and will continue to vigorously defend ourselves against these claims. We believe that final judgments, if any, which may be rendered against us in current litigation, are adequately reserved for, covered by insurance or would not have a material adverse effect on our financial position.

Guarantees

In the normal course of business, we enter into contracts in which we makes representations and warranties that guarantee the performance of our products and services. Losses related to such guarantees were not significant during any of the periods presented.

15. Segment and Geographic Information

Segment Information

We have aggregated our operating segments into two reportable segments: EMEA and Americas. Our EMEA reportable segment encompasses our operations in Europe, the Middle East, Africa, Asia and Australia, while our Americas reportable segment encompasses our operations in North, Central and South America.

Our chief operating decision maker is our Chief Executive Officer. We evaluate the performance of our reportable segments based on revenues, income before provision for income taxes and adjusted EBITDA, a non-GAAP financial measure that represents GAAP net income attributable to Solera Holdings, Inc. excluding interest expense, provision for income taxes, depreciation and amortization, stock-based compensation expense, restructuring charges, asset impairments and other costs associated with exit and disposal activities, acquisition and related costs, litigation related expenses and other (income) expense, net. We do not allocate certain costs to reportable segments, including costs related to our financing activities, business development and oversight, and tax, audit and other professional fees, to our reportable segments. Instead, we manage these costs at the Corporate level.

(in thousands)	EMEA	Americas	Corporate	Total
Fiscal Year Ended June 30, 2015				
Revenues	$ 538,148	$ 602,698	$ —	$1,140,846
Income (loss) before provision for income taxes	183,563	138,655	(203,025)	119,193
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	60,194	101,254	712	162,160
Interest expense	231	150	124,367	124,748
Other (income) expense, net	(4,559)	3,196	(33,162)	(34,525)
Total assets at end of period	1,596,681	1,986,409	169,540	3,752,630
Capital expenditures	24,024	29,787	—	53,811
Fiscal Year Ended June 30, 2014				
Revenues	$ 517,751	$ 469,508	$ —	$ 987,259
Income (loss) before provision for income taxes	188,196	111,634	(264,604)	35,226
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	46,198	75,531	554	122,283
Interest expense	91	209	107,122	107,422
Other (income) expense, net	1,586	(615)	63,020	63,991
Total assets at end of period	1,328,348	1,556,323	515,415	3,400,086
Capital expenditures	17,609	16,765	—	34,374
Fiscal Year Ended June 30, 2013				
Revenues	$ 471,182	$ 366,921	$ —	$ 838,103
Income (loss) before provision for income taxes	170,003	115,114	(149,277)	135,840
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	47,541	55,359	339	103,239
Interest expense	67	—	69,444	69,511
Other (income) expense, net	614	147	1,099	1,860
Total assets at end of period	1,275,982	855,821	125,738	2,257,541
Capital expenditures	18,282	14,892	—	33,174

Geographic Information

Geographic revenue information is based on the location of the customer. No single country other than the United States, and the United Kingdom accounted for 10% or more of our consolidated revenue and/or property and equipment.

(in thousands)	Europe *	United States	United Kingdom	All Other	Total
Revenues:					
Fiscal Year Ended June 30, 2015	$363,532	$507,658	$155,972	$113,684	$1,140,846
Fiscal Year Ended June 30, 2014	385,589	368,151	116,334	117,185	987,259
Fiscal Year Ended June 30, 2013	353,721	269,165	101,815	113,402	838,103
Property and equipment, net:					
At June 30, 2015	31,773	41,712	13,787	6,119	93,391
At June 30, 2014	29,863	26,460	15,810	4,844	76,977

* Excludes the United Kingdom.

Concentration of Risks

We offer a broad range of services to a diverse group of customers throughout North, Central and South America, Europe, the Middle East, Africa and Asia. We perform periodic credit evaluations of our customers and monitor their financial condition and developing business news. No customers accounted for more than 10% of consolidated revenues or accounts receivable for any of the periods presented.

16. Share Repurchase Program

In November 2014, our Board of Directors approved a new share repurchase program, replacing the share repurchase program authorized in October 2013, for up to a total of $375 million of our common stock through December 31, 2016. Share repurchases are made from time to time, through an accelerated stock purchase agreement, in open market transactions at prevailing market prices or in privately negotiated transactions. The repurchase program does not require us to purchase any specific number or amount of shares, and the timing and amount of such purchases will be determined by management based upon market conditions and other factors. In addition, the program may be amended or terminated at the discretion of our Board of Directors. Through June 30, 2015, we repurchased approximately 1.6 million shares for $78.8 million under the share repurchase program that was authorized in November 2014. During fiscal year 2015, we repurchased approximately 2.1 million shares for $109.2 million under our share repurchase programs

17. Subsequent Events

On July 16, 2015, we completed the acquisition of the equity interests in SRS currently held by WCAS for a purchase price of approximately $594.8 million, plus WCAS' approximate share of SRS's cash balance of $25.0 million (the "SRS Equity Buyout"). The purchase price payable in the SRS Equity Buyout was negotiated with WCAS and was not determined based on the existing call option or put option formulas provided in the stockholders agreement governing the SRS joint venture. Upon completion of the SRS Equity Buyout, we own 100% of the equity interests in SRS. We financed the SRS Equity Buyout using a portion of the net proceeds from the issuance of additional senior unsecured notes (as described below).

On July 16, 2015, we issued additional 2023 Senior Notes in the aggregate principal amount of $850.0 million. The 2023 Senior Notes were issued at an original issue price of 99.50% plus accrued interest from May 1, 2015. The net proceeds from the issuance of the 2023 Senior Notes were used to finance the SRS Equity Buyout and repay the outstanding borrowings under the Credit Agreement. We intend to use any remaining net proceeds for general corporate purposes, including continuing to actively seek, evaluate and potentially pursue strategic initiatives. Such strategic initiatives may include future acquisitions, joint ventures, investments or other business development opportunities.

On July 17, 2015, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps, each with a notional amount of €137.0 million. Under the terms of the cross-currency swaps, we pay Euro fixed coupon payments at 5.135% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swaps is November 1, 2018. One of the cross-currency swaps was designated as a net investment hedge at inception and one was not designated as a hedge at inception. We also entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €274.0 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 5.585% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swap is November 1, 2023. The cross-currency swap was not designated as a hedge at inception. In addition, we partially settled the foreign exchange forward contract and as a result incurred an $8.9 million realized loss. Settlement of the remaining foreign exchange forward contract notional amount was extended to July 2016.

On August 25, 2015, we announced that our Board of Directors approved the payment of a cash dividend of $0.225 per share of outstanding common stock and per outstanding restricted stock unit. The dividends are payable on September 22, 2015 to stockholders and restricted stock unit holders of record at the close of business on September 8, 2015. Any determination to pay dividends in future periods will be at the discretion of our Board of Directors.

18. Quarterly Financial Results (Unaudited)

Summarized unaudited quarterly results of operations for fiscal years 2015 and 2014 are as follows (amounts in thousands, except per share data):

Fiscal Year Ended June 30, 2015 (1)(2)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter (4)
Revenues	$280,083	$282,697	$280,994	$ 297,071
Cost of revenues (excluding depreciation and amortization)	94,433	97,917	96,000	102,769
Net income (loss) including net income attributable to noncontrolling interests	16,572	9,198	35,136	(142,033)
Net income (loss) attributable to Solera Holdings, Inc.	12,364	4,447	29,146	(146,790)
Net income (loss) attributable to Solera Holdings Inc. per common share:				
Basic	$ 0.18	$ 0.06	$ 0.43	$ (2.19)
Diluted	$ 0.18	$ 0.06	$ 0.43	$ (2.19)

Fiscal Year Ended June 30, 2014 (1)(3)	First Quarter	Second Quarter (5)	Third Quarter	Fourth Quarter
Revenues	$218,028	$238,915	$262,416	$ 267,900
Cost of revenues (excluding depreciation and amortization)	69,323	76,394	82,618	84,662
Net income (loss) including net income attributable to noncontrolling interests	16,569	(47,714)	20,299	16,015
Net income (loss) attributable to Solera Holdings, Inc.	13,691	(51,053)	19,893	8,759
Net income (loss) attributable to Solera Holdings Inc. per common share:				
Basic	$ 0.20	$ (0.74)	$ 0.29	$ 0.13
Diluted	$ 0.20	$ (0.74)	$ 0.28	$ 0.13

(1) Our business is subject to seasonal and other fluctuations. In particular, we have historically experienced higher revenues during the second quarter and third quarter versus the first quarter and fourth quarter during each fiscal year. This seasonality is caused primarily by more days of inclement weather during the second quarter and third quarter in most of our markets, which contributes to a greater number of vehicle accidents and damage during these periods. In addition, our business is subject to fluctuations caused by other factors, including the occurrence of extraordinary weather events and the timing of certain public holidays. For example, the Easter holiday occurs during the third quarter in certain fiscal years and occurs during the fourth quarter in other fiscal years, resulting in a change in the number of business days during the quarter in which the holiday occurs.

(2) The results of operations of DMEautomotive, LLC, CIMA Systems, Inc., Service Dynamics, Inc., IBS Automotive s.r.o., CAP Automotive, the Insurance and Services Division of Pittsburgh Glass Works, LLC and the claims related business of the Sherwood Group of companies, acquired in fiscal year 2015, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2015.

(3) The results of operations of Pusula Otomotiv Danýþmanlik Ekspertiz Hizmetleri Anonim Þirketi, Servicios Informaticos Serinfo S.A., SRS, Distribution Services Technologies, Inc, AutoPoint, Autosoft S.r.l., and sachcontrol AG, acquired in fiscal year 2014, are included from the respective dates of the acquisitions, which are not the first day of fiscal year 2014.

(4) Net income (loss) attributable to Solera Holdings, Inc. and net income (loss) attributable to Solera Holdings, Inc. per common share for the fourth quarter of fiscal year 2015 reflects deferred income tax expense of approximately $149.5 million related to the withdrawal of the permanent reinvestment assertion on $350.0 million of earnings generated by certain of our foreign subsidiaries through fiscal year 2015 (Note 13).

(5) Net income (loss) attributable to Solera Holdings, Inc. and net income (loss) attributable to Solera Holdings, Inc. per common share for the second quarter of fiscal year 2014 reflects one-time charges associated with the redemption of our 2018 Senior Notes in November 2013 of $60.2 million.

SOLERA HOLDINGS, INC.
Schedule II—Valuation and Qualifying Accounts

(in thousands)	Balance at Beginning of Period	Net Additions Charged (Credited) to Expense	Deductions (1)	Other (2)	Balance at End of Period
Allowance for doubtful accounts:					
Fiscal Year Ended June 30, 2015 . . .	$5,098	$4,495	$(3,121)	(358)	$6,114
Fiscal Year Ended June 30, 2014 . . .	$3,005	$4,579	$(3,250)	764	$5,098
Fiscal Year Ended June 30, 2013 . . .	$2,356	$3,371	$(2,912)	190	$3,005

(1) Deductions for allowance for doubtful accounts primarily consists of accounts receivable written-off, net of recoveries.

(2) Represents balances acquired in connection with business combinations and changes in foreign currency.

SOLERA HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	December 31, 2015	June 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 470,522	$ 479,592
Accounts receivable, net of allowance for doubtful accounts of $5,525 and $6,114 at December 31, 2015 and June 30, 2015, respectively	162,454	156,955
Other receivables	22,194	21,234
Other current assets	58,412	53,597
Deferred income tax assets	5,186	12,878
Total current assets	718,768	724,256
Property and equipment, net	91,122	93,391
Goodwill	1,938,236	1,950,408
Intangible assets, net	834,782	898,500
Other noncurrent assets	88,330	70,330
Noncurrent deferred income tax assets	41,384	15,745
Total assets	$3,712,622	$3,752,630
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 39,451	$ 44,239
Accrued expenses and other current liabilities	230,251	266,861
Income taxes payable	12,759	16,263
Deferred income tax liabilities	5,680	9,077
Total current liabilities	288,141	336,440
Long-term debt	3,125,384	2,481,828
Other noncurrent liabilities	97,871	73,799
Noncurrent deferred income tax liabilities	154,792	176,316
Total liabilities	3,666,188	3,068,383
Redeemable noncontrolling interests	80,795	445,552
Stockholders' equity:		
Solera Holdings, Inc. stockholders' equity:		
Common shares, $0.01 par value: 150,000 shares authorized; 68,250 and 66,985 issued and outstanding as of December 31, 2015 and June 30, 2015, respectively	374,350	579,602
Accumulated deficit	(217,673)	(173,305)
Accumulated other comprehensive loss	(202,619)	(178,474)
Total Solera Holdings, Inc. stockholders' equity (deficit)	(45,942)	227,823
Noncontrolling interests	11,581	10,872
Total stockholders' equity (deficit)	(34,361)	238,695
Total liabilities and stockholders' equity	$3,712,622	$3,752,630

See accompanying notes to condensed consolidated financial statements.

SOLERA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(In thousands, except per share amounts)
(Unaudited)

	Six Months Ended December 31,	
	2015	**2014**
Revenues	$621,367	$562,780
Cost of revenues:		
Operating expenses	175,026	140,969
Systems development and programming costs	56,635	51,382
Total cost of revenues (excluding depreciation and amortization)	231,661	192,351
Selling, general and administrative expenses (1)	171,934	157,467
Depreciation and amortization	88,998	77,366
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	4,571	2,890
Acquisition and related costs	42,978	22,810
Interest expense	90,607	56,593
Other (income) expense, net	20,897	18,281
	651,646	527,758
Income (loss) before provision for income taxes	(30,279)	35,022
Income tax provision (benefit)	(21,867)	9,252
Net income (loss)	(8,412)	25,770
Less: Net income attributable to noncontrolling interests	5,447	8,959
Net income (loss) attributable to Solera Holdings, Inc.	$ (13,859)	$ 16,811
Net income (loss) attributable to Solera Holdings, Inc. per common share:		
Basic	$ (0.21)	$ 0.24
Diluted	$ (0.21)	$ 0.24
Dividends paid per share	$ 0.45	$ 0.39
Weighted-average shares used in the calculation of net income (loss) attributable to Solera Holdings, Inc. per common share:		
Basic	67,224	68,263
Diluted	67,224	68,691

(1) Includes share-based compensation expense of $14.2 million and $14.3 million for the six months ended December 31, 2015 and 2014, respectively.

See accompanying notes to condensed consolidated financial statements.

SOLERA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Six Months Ended December 31, 2015	Six Months Ended December 31, 2014
Net income (loss)	$ (8,412)	$ 25,770
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax of $2,919 and $858, respectively	(26,200)	(109,488)
Unrealized gain (loss) on derivative financial instruments:		
Unrealized gains on derivative financial instruments, net of tax of $(475) and $8,613, respectively	1,277	19,037
Amounts reclassified out of accumulated other comprehensive income (loss), net of tax of $542 and $(7,353), respectively	(1,305)	(16,250)
Net change in unrealized gain (loss) on derivative financial instruments, net of tax	(28)	2,787
Total other comprehensive loss	(26,228)	(106,701)
Total comprehensive income (loss)	(34,640)	(80,931)
Comprehensive income (loss) attributable to noncontrolling interests	3,364	(1,469)
Comprehensive income (loss) attributable to Solera Holdings, Inc.	$(38,004)	$ (79,462)

See accompanying notes to condensed consolidated financial statements.

SOLERA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended December 31, 2015	Six Months Ended December 31, 2014
Cash flows from operating activities:		
Net income (loss)	$ (8,412)	$ 25,770
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	88,998	77,366
Provision for doubtful accounts	1,798	2,181
Share-based compensation expense	14,186	14,312
Deferred income tax expense (benefit)	4,766	(1,513)
Change in fair value of derivative financial instruments	(1,847)	(16,250)
Loss on extinguishment of debt	1,055	—
Other	(644)	384
Changes in operating assets and liabilities, net of effects from acquisition of businesses:		
(Increase) decrease in accounts receivable	(11,955)	35
Increase in other assets	(69,149)	(50,298)
Increase (decrease) in accounts payable	(8,824)	15
Increase (decrease) in accrued expenses and other liabilities	(11,942)	27,867
Net cash provided by (used in) operating activities	(1,970)	79,869
Cash flows from investing activities:		
Capital expenditures	(20,122)	(30,572)
Acquisitions and capitalization of intangible assets	(19,724)	(14,918)
Acquisitions of businesses, net of cash acquired	(4,720)	(757,642)
Increase in restricted cash	(2,171)	(123)
Net cash used in investing activities	(46,737)	(803,255)
Cash flows from financing activities:		
Proceeds from debt issuance, net of payments of debt issuance costs	841,996	416,327
Payment of contingent purchase consideration	(2,692)	(15,531)
Acquisition of additional shares in majority-owned subsidiary	(619,843)	—
Principal payments on financed asset acquisitions	(71)	(92)
Repayments of long-term debt	(200,000)	—
Cash dividends paid on common shares and participating securities	(30,509)	(26,927)
Cash dividends paid to noncontrolling interests	(1,674)	(1,954)
Repurchases of common stock	—	(82,751)
Proceeds from stock purchase plan and exercise of stock options	38,777	3,896
Net cash provided by financing activities	25,984	292,968
Effect of foreign currency exchange rate changes on cash and cash equivalents	13,653	(14,296)
Net change in cash and cash equivalents	(9,070)	(444,714)
Cash and cash equivalents, beginning of period	479,592	837,751
Cash and cash equivalents, end of period	$ 470,522	$ 393,037
Supplemental cash flow information:		
Cash paid for interest	$ 93,554	$ 60,963
Cash paid for income taxes	$ 25,854	$ 34,906
Supplemental disclosure of non-cash investing and financing activities:		
Capital assets financed	$ 214	$ 1,342
Accrued contingent purchase consideration	$ 72	$ 11,973

See accompanying notes to condensed consolidated financial statements.

SOLERA HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

Description of Business

Solera Holdings, Inc. and subsidiaries (the "Company", "Solera", "we", "us" or "our") is a leading provider of risk and asset management software and services to the automotive and property marketplace, including the global property and casualty ("P&C") insurance industry. In addition to our global-leading position in collision repair and our U.S. based mechanical repair presence, we provide data driven productivity and decision support solutions to other aspects of vehicle ownership such as vehicle validation, driver violation monitoring, vehicle salvage and electronic titling. We are also expanding our core competencies of data, software and connectivity from the auto to the home. We are active in over 75 countries across six continents.

Through our acquisition of the Insurance and Services Division of Pittsburgh Glass Works LLC ("I&S") in July 2014, we also provide software and business management tools, third-party claims administration, first notice of loss and network management services to the U.S. auto and property repair industries, specializing in glass claims. In addition, through our acquisition of CAP Automotive ("CAP") in November 2014, we provide valuation data and specification data for new and used vehicles in the United Kingdom. In July 2015, we completed the acquisition of the remaining ownership interest of Service Repair Solutions, Inc. ("SRS") from Welsh, Carson, Anderson & Stowe ("WCAS"). This acquisition enables Solera to strengthen its service maintenance and repair ("SMR") business and expand our footprint in the global automotive industry.

Financial Statement Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC"), and therefore, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted. In the opinion of management, the accompanying condensed consolidated financial statements for the periods presented reflect all adjustments, consisting of only normal, recurring adjustments, necessary to fairly state our financial position, results of operations and cash flows. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the fiscal year ended June 30, 2015, included in our Annual Report on Form 10-K filed with the SEC on August 31, 2015. Our operating results for the six month period ended December 31, 2015 are not necessarily indicative of the results that may be expected for any future periods.

Principles of Consolidation

The unaudited condensed consolidated financial statements include our accounts and those of our wholly-owned and majority-owned subsidiaries. Our consolidated majority-owned subsidiaries include certain of our subsidiaries located in Belgium, France, Portugal, Spain and Mexico. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the accompanying consolidated financial statements and related disclosures in conformity with U.S. GAAP requires management to make judgments, assumptions and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates and judgments on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates. The reported amounts of assets, liabilities, revenues and expenses are affected by estimates and assumptions which are used for, but not limited to, the accounting for sales allowances, allowance for doubtful accounts, fair value of derivatives, valuation of goodwill and intangible assets, amortization of intangibles, restructurings, liabilities under defined benefit plans, stock-based compensation, redeemable noncontrolling interests and income taxes.

New Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU Topic No. 2014-09, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in ASC Topic No. 605, *Revenue Recognition*, and most industry-specific guidance. This guidance primarily requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU Topic No. 2015—14, *Revenue from Contracts with Customers (Topic 606): Deferral of the effective date,* which deferred the effective date of ASU Topic No. 2014-09 for one year. As a result, ASU Topic No. 2014-09 will be effective for our fiscal year 2019. ASU Topic No. 2014-09 permits the use of either the retrospective or cumulative effect transition method. We have not yet selected a transition method and are currently evaluating the effect that ASU Topic No. 2014-09 will have on our financial condition, results of operations and financial statement disclosures.

In August 2014, the FASB issued ASU Topic *No. 2014-15, Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern*, which requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements. ASU Topic No. 2014-15 is effective for our fiscal year 2017. We do not expect the adoption of this standard to have a material impact on our financial statements.

In April 2015, the FASB issued ASU Topic No. 2015-3, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs,* which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU Topic No. 2015-3 is effective for our fiscal year 2017. Given the absence of authoritative guidance within ASU Topic No. 2015-03 for debt issuance costs related to line-of-credit arrangements, in August 2015, the FASB issued ASU Topic No. 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements—Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting,* which clarified the presentation and measurement requirements of debt issuance costs incurred in connection with line-of-credit arrangements. ASU Topic No. 2015-15 allows an entity to either defer and present debt issuance costs as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement, or present them as a direct deduction from the carrying amount of the debt as provided by ASU Topic No. 2015-3.ASU Topic No. 2015-15 is effective for our fiscal year 2017. The adoption of these standards will result in reclassification of debt issuance costs from assets to liabilities.

In April 2015, the FASB issued ASU Topic No. 2015- 5, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement,* which provides guidance to help entities determine whether a cloud computing arrangement includes a software license and evaluate fees paid by a customer in a cloud computing arrangement. ASU Topic No. 2015-5 is effective for our fiscal year 2017. We do not expect the adoption of this standard to have a material impact on our financial statements.

In September 2015, the FASB issued ASU Topic No. 2015—16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments,* which allows an entity to recognize adjustments to provisional amounts that in a business combination in the reporting period in which the adjustment amounts are determined. ASU Topic No. 2015-16 is effective for our fiscal year 2017. We do not expect the adoption of this standard to have a material impact on our financial statements.

In November 2015, the FASB issued ASU Topic No. 2015—17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes,* which requires deferred tax assets and liabilities to be classified as noncurrent assets or noncurrent liabilities. ASU Topic No. 2015-16 is effective for our fiscal year 2018. We do not expect the adoption of this standard to have a material impact on our financial statements.

In January 2016, the FASB issued ASU Topic No. 2016—1, *Financial Statements—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities,* which requires equity investments to be measured at fair value with changes in fair value recognized in income; use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or the accompanying notes to the financial statements; present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk; and eliminates the requirement disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet. ASU Topic No. 2016-1 is effective for our fiscal year 2019. We do not expect the adoption of this standard to have a material impact on our financial statements.

2. Net Income (Loss) Attributable to Solera Holdings, Inc. Per Common Share

All of our restricted stock units and performance share units have the right to receive non-forfeitable dividends on an equal basis with common stock and therefore are considered participating securities that must be included in the calculation of net income (loss) per share using the two-class method. Under the two-class method, basic and diluted net income (loss) per share is determined by calculating net income (loss) per share for common stock and participating securities based on the cash dividends paid and participation rights in undistributed earnings. Diluted net income per share also considers the dilutive effect of in-the-money stock options and unvested restricted stock units and performance share units that have the right to receive forfeitable dividends, calculated using the treasury stock method. Under the treasury stock method, the amount of assumed proceeds from unexercised stock options and unvested restricted stock units and performance share units that have the right to forfeitable dividends includes the amount of compensation cost attributable to future services not yet recognized, proceeds from the exercise of the options, and any excess income tax benefit or liability. For the six months ended December 31, 2015, we reported a net loss attributable to common shares and, as a result, all potentially dilutive common share equivalents have been excluded from the calculation of diluted net loss per share as they would be antidilutive.

The computation of basic and diluted net income (loss) attributable to Solera Holdings, Inc. per common share using the two-class method is as follows (in thousands, except per share amounts):

	Six Months Ended December 31,	
	2015	2014
Basic net income (loss) attributable to Solera Holdings, Inc. per common share:		
Net income (loss) attributable to Solera Holdings, Inc.	$(13,859)	$16,811
Less: Dividends paid and undistributed earnings allocated to participating securities	(277)	(224)
Less: Undistributed earnings allocated to participating securities	—	—
Net income (loss) attributable to common shares—basic	$(14,136)	$16,587
Weighted-average number of common shares used to compute basic net income (loss) attributable to Solera Holdings, Inc. per common share	67,224	68,263
Basic net income (loss) attributable to Solera Holdings, Inc. per common share	$ (0.21)	$ 0.24
Diluted net income (loss) attributable to Solera Holdings, Inc. per common share:		
Net income (loss) attributable to Solera Holdings, Inc.	$(13,859)	$16,811
Less: Dividends paid and undistributed earnings allocated to participating securities	(277)	(224)
Less: Undistributed earnings allocated to participating securities	—	—
Net income (loss) attributable to common shares—diluted	$(14,136)	$16,587
Weighted-average number of common shares used to compute basic net income (loss) attributable to Solera Holdings, Inc. per common share	67,224	68,263
Dilutive effect of options to purchase common stock, restricted stock units and performance share units	—	428
Weighted-average number of common shares used to compute diluted net income (loss) attributable to Solera Holdings, Inc. per common share	67,224	68,691
Diluted net income (loss) attributable to Solera Holdings, Inc. per common share	$ (0.21)	$ 0.24

The following securities that could potentially dilute earnings per share in the future are not included in the determination of diluted net income (loss) attributable to Solera Holdings, Inc. per common share (in thousands):

	Six Months Ended December 31,	
	2015	2014
Antidilutive options to purchase common stock and restricted stock units	390	31

3. Business Combinations

Six months ended December 31, 2015

We originally acquired a 50% equity ownership interest in SRS from WCAS in November 2013. Since the November 2013 acquisition date, we had control of SRS as defined by accounting principles generally accepted in the United States and therefore consolidated its assets, liabilities, and financial results from the closing date.

On July 16, 2015, we completed the acquisition of the remaining 50% equity ownership interest in SRS held by WCAS for a purchase price of approximately $594.8 million, plus WCAS' approximate share of SRS's cash balance of $25.0 million (the "SRS Equity Buyout"). The purchase price payable in the SRS Equity Buyout was negotiated with WCAS and was not determined based on the existing call option or put option formulas provided in the stockholders agreement. We financed the SRS Equity Buyout using a portion of the net proceeds from the issuance of additional senior unsecured notes in July 2015 (Note 9).

During the six months ended December 31, 2015, in addition to the SRS Equity Buyout, we acquired one business for approximately $4.6 million in cash paid at closing and additional future cash payments of $5.5 million contingent upon the achievement of certain financial performance and objectives. This acquisition is immaterial to our consolidated financial statements. The purchase price allocation for this acquisition reflected in the accompanying condensed consolidated balance sheet as of December 31, 2015 is preliminary.

Six months ended December 31, 2014

On November 19, 2014, we acquired 100% of the equity interests of CAP, for approximately £284.8 million ($449.7 million) in cash paid at closing.

On July 29, 2014, we acquired 100% of the operating entities and other assets comprising I&S, for approximately $279.4 million in cash paid at closing.

During the six months ended December 31, 2014, in addition to CAP and I&S, we acquired two businesses for approximately $27.5 million in cash paid at closing and additional future cash payments of up to $14.2 million contingent upon the achievement of certain financial performance, product-related, integration and other objectives. The acquisitions completed during the six months ended December 31, 2014 were immaterial to our financial statements, both individually and in the aggregate.

At December 31, 2015, the maximum aggregate amount of remaining contingent cash payments associated with our business combinations is $68.9 million payable through fiscal year 2019.

4. Goodwill and Intangible Assets

Intangible assets consist of the following (in thousands):

	December 31, 2015			June 30, 2015		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net
Amortized intangible assets:						
Internally developed software	$ 97,640	$ (35,383)	$ 62,257	$ 83,196	$ (30,958)	$ 52,238
Purchased customer relationships	711,000	(295,227)	415,773	721,170	(267,012)	454,158
Purchased trade names and trademarks	40,401	(33,618)	6,783	41,259	(32,928)	8,331
Purchased software and database technology	608,899	(411,809)	197,090	616,040	(389,524)	226,516
Other	4,859	(4,576)	283	4,992	(4,679)	313
	$1,462,799	$(780,613)	$682,186	$1,466,657	$(725,101)	$741,556
Intangible assets not subject to amortization:						
Purchased trade names and trademarks with indefinite lives	152,596	—	152,596	156,944	—	156,944
	$1,615,395	$(780,613)	$834,782	$1,623,601	$(725,101)	$898,500

The following table summarizes the activity in goodwill for the six months ended December 31, 2015 (in thousands):

	Balance at Beginning of Period	Current Period Acquisitions	Other (1)	Foreign Currency Translation Effect	Balance at End of Period
EMEA	$ 796,701	$2,219	$4,778	$(19,422)	$ 784,276
Americas	1,153,707	—	2,062	(1,809)	1,153,960
Total	$1,950,408	$2,219	$6,840	$(21,231)	$1,938,236

(1) Primarily represents purchase accounting adjustments related to acquisitions completed in fiscal year 2015.

5. Stockholders' Equity and Redeemable Noncontrolling Interests

The following table summarizes the activity in stockholders' equity and redeemable noncontrolling interests for the periods indicated (in thousands):

	Stockholders' Equity Attributable to Solera Holdings, Inc.							
	Common Shares							
	Shares	Amount	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Solera Holdings, Inc. Stockholders' Equity (Deficit)	Noncontrolling Interests	Total Stockholders' Equity (Deficit)	Redeemable Noncontrolling Interests
Balance at June 30, 2015	66,985	$ 579,602	$(173,305)	$(178,474)	$227,823	$10,872	$238,695	$445,552
Net income (loss)	—	—	(13,859)	—	(13,859)	2,600	(11,259)	2,847
Other comprehensive loss	—	—	—	(24,145)	(24,145)	(678)	(24,823)	(1,405)
Share-based compensation expense	—	14,186	—	—	14,186	—	14,186	—
Issuance of common shares under stock award plans, net	1,265	38,777	—	—	38,777	—	38,777	—
Dividends paid on common stock and participating securities	—	—	(30,509)	—	(30,509)	—	(30,509)	—
Dividends due to noncontrolling owners	—	—	—	—	—	(1,674)	(1,674)	(4,571)
Acquisition of remaining 50% equity ownership interest in SRS	—	(258,847)	—	—	(258,847)	—	(258,847)	(360,975)
Revaluation of and additions to noncontrolling interests	—	632	—	—	632	461	1,093	(653)
Balance at December 31, 2015	68,250	$ 374,350	$(217,673)	$(202,619)	$ (45,942)	$11,581	$ (34,361)	$ 80,795

	Stockholders' Equity Attributable to Solera Holdings, Inc.							
	Common Shares							
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Solera Holdings, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2014	68,552	$629,247	$ 71,417	$ (12,688)	$687,976	$9,524	$697,500	$382,298
Net income	—	—	16,811	—	16,811	2,549	19,360	6,409
Other comprehensive loss	—	—	—	(96,272)	(96,272)	(1,260)	(97,532)	(9,167)
Share-based compensation expense	—	14,312	—	—	14,312	—	14,312	—
Purchases of Solera Holdings, Inc. common shares (1)	(1,526)	(14,002)	(68,749)	—	(82,751)	—	(82,751)	—
Issuance of common shares under stock award plans, net	263	3,977	—	—	3,977	—	3,977	—
Dividends paid on common stock and participating securities	—	—	(26,927)	—	(26,927)	—	(26,927)	—
Dividends due to noncontrolling owners	—	—	—	—	—	(1,952)	(1,952)	(5,303)
Acquisition of additional ownership interest in majority-owned subsidiary	—	(547)	—	—	(547)	—	(547)	—
Revaluation of and additions to noncontrolling interests	—	(34,569)	—	—	(34,569)	—	(34,569)	34,569
Balance at December 31, 2014	67,289	$598,418	$ (7,448)	$(108,960)	$482,010	$8,861	$490,871	$408,806

(1) Please refer to Note 6 for further information on repurchases of our common stock. In accordance with ASC Topic No. 505-30-30, we have allocated the cost of the shares repurchased between paid-in capital and retained earnings based on the excess of the repurchase price over the stated value.

6. Share Repurchase Program

In November 2014, our Board of Directors approved a new share repurchase program, replacing the share repurchase program authorized in October 2013, for up to a total of $375 million of our common stock through December 31, 2016. Share repurchases are made from time to time, through an accelerated stock purchase agreement, in open market transactions at prevailing market prices or in privately negotiated transactions. The repurchase program does not require us to purchase any specific number or amount of shares, and the timing and amount of such purchases will be determined by management based upon market conditions and other factors. In addition, the program may be amended or terminated at the discretion of our Board of Directors. Through December 31, 2015, we have repurchased approximately 1.6 million shares for $78.8 million under the share repurchase program, approved by our Board of Directors in November 2014. No shares were repurchased during the six months ended December 31, 2015.

7. Accumulated Other Comprehensive Loss

The following table summarizes the changes in accumulated other comprehensive loss during the six months ended December 31, 2015 and 2014 (in thousands):

	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Derivative Financial Instruments	Change in Funded Status of Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss
Balance at June 30, 2015	$(156,523)	$ (2,016)	$(19,935)	$(178,474)
Other comprehensive income (loss) before reclassifications, net of tax	(24,117)	1,277	—	(22,840)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	—	(1,305)	—	(1,305)
Balance at December 31, 2015	$(180,640)	$ (2,044)	$(19,935)	$(202,619)
Balance at June 30, 2014	$ 11,154	$ (6,954)	$(16,888)	$ (12,688)
Other comprehensive income (loss) before reclassifications, net of tax	(99,059)	19,037	—	(80,022)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	—	(16,250)	—	(16,250)
Balance at December 31, 2014	$ (87,905)	$ (4,167)	$(16,888)	$(108,960)

8. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes our assets and liabilities that require fair value measurements on a recurring basis and their respective input levels based on the fair value hierarchy (in thousands):

		Fair Value Measurements Using:		
	Fair Value	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value at December 31, 2015:				
Cash and cash equivalents	$470,522	$470,522	$ —	$ —
Restricted cash (1)	6,063	6,063	—	—
Derivative financial instruments classified as assets (2)	69,653	—	69,653	—
Derivative financial instruments classified as liabilities (3)	50,694	—	50,694	—
Accrued contingent purchase consideration (3)	13,802	—	—	13,802
Redeemable noncontrolling interests	80,795	—	—	80,795
Fair value at June 30, 2015:				
Cash and cash equivalents	$479,592	$479,592	$ —	$ —
Restricted cash (1)	4,077	4,077	—	—
Derivative financial instruments classified as assets (2)	60,734	—	60,734	—
Derivative financial instruments classified as liabilities (3)	41,223	—	41,223	—
Accrued contingent purchase consideration (3)	15,561	—	—	15,561
Redeemable noncontrolling interests	84,577	—	—	84,577

(1) Included in other current assets and other noncurrent assets in the accompanying consolidated balance sheets. Restricted cash primarily relates to funds held in escrow for the benefit of customers and the sellers of acquired businesses, and facility lease deposits.
(2) Included in other current assets and other noncurrent assets in the accompanying consolidated balance sheet.
(3) Included in accrued expenses and other current liabilities, and other noncurrent liabilities in the accompanying consolidated balance sheet.

Cash and cash equivalents and restricted cash. Our cash and cash equivalents and restricted cash, primarily consist of bank deposits, money market funds and bank certificates of deposit. The fair value of our cash and cash equivalents and restricted cash are determined using quoted market prices for identical assets (Level 1 inputs).

Derivative financial instruments. We estimate the fair value of our derivative financial instruments using industry standard valuation techniques that utilize market-based observable inputs to extrapolate future reset rates from period-end yield curves and standard valuation models based on a discounted cash flow model. Market-based observable inputs including spot and forward rates, volatilities and interest rate curves at observable intervals are used as inputs to the models (Level 2 inputs). Our estimate of fair value also considers the credit related risk that the swap contracts will not be fulfilled.

Accrued contingent purchase consideration. Contingent future cash payments related to business combinations that are not deemed to be compensatory are accrued at fair value as of the acquisition date. We re-assess the fair value measurement at each reporting date. Fair value is determined by estimating the present value of potential future cash payments that would be earned upon achievement by the acquired business of certain financial performance, product-related, integration and other objectives. Our estimate of fair value considers a range of possible cash payment scenarios using information available as of the reporting date, including the recent financial performance of the acquired businesses (Level 3 inputs).

The following table summarizes the activity in accrued contingent purchase consideration which is measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) (in thousands):

	Six Months Ended December 31,	
	2015	**2014**
Balance at beginning of period	$15,561	$ 20,784
Current period acquisitions	1,759	12,276
Change in fair value	(816)	(448)
Payments	(2,692)	(21,508)
Effect of foreign exchange	(10)	(2,550)
Balance at end of period	$13,802	$ 8,554

Redeemable noncontrolling interests. We estimate the fair value of our redeemable noncontrolling interests through an income approach, utilizing a discounted cash flow model. We also consider the fair value using a market approach, which considers comparable companies and transactions, including transactions with the noncontrolling stockholders of our majority-owned subsidiaries.

Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specific projection period and a residual value related to future cash flows beyond the projection period. Both values are discounted to reflect the degree of risk inherent in an investment in the reporting unit and achieving the projected cash flows. A weighted average cost of capital of a market participant, which is an unobservable input, is used as the discount rate. The residual value is generally determined by applying a constant terminal growth rate to the estimated net cash flows at the end of the projection period. Alternatively, the present value of the residual value may be determined by applying a market multiple at the end of the projection period.

Under the market approach, fair value is determined based on multiples of revenues and earnings before interest, taxes, depreciation and amortization for each reporting unit. For our calculation, we determined the multiples based on a selection of comparable companies and acquisition transactions, discounted for each reporting unit to reflect the relative size, diversification and risk of the reporting unit in comparison to the indexed companies and transactions.

Although we considered the fair value under both the income and market approaches, we estimated the fair value of our redeemable noncontrolling interests based solely upon the income approach, which utilizes a discounted cash flow model, a Level 3 input, as we believe this is the better indicator of fair value. The significant unobservable inputs in the discounted cash flow model include a discount rate and a long-term growth rate. The discount rate used in the determination of the estimated fair value of the redeemable noncontrolling interests as of December 31, 2015 using the income approach ranged between 12.8% and 16.4%, with a weighted average discount rate of 13.2%, reflecting a market participant's perspective as a noncontrolling shareholder in a privately-held subsidiary. The long-term growth rate used in the determination of the estimated fair value of the redeemable noncontrolling interests as of December 31, 2015 using the income approach was 4.0%.

The following table summarizes the activity in redeemable noncontrolling interests which are measured at fair value on a recurring basis solely using the income approach and using significant unobservable inputs (Level 3 inputs) (in thousands):

	Six Months Ended December 31,	
	2015	**2014**
Balance at beginning of period	$84,577	$85,958
Net income attributable to redeemable noncontrolling interests	2,847	3,412
Dividends due to noncontrolling owners	(4,571)	(5,303)
Change in fair value	(653)	5,237
Effect of foreign exchange	(1,405)	(9,167)
Balance at end of period	$80,795	$80,137

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

No assets or liabilities were required to be measured at fair value on a nonrecurring basis during the six months ended December 31, 2015.

Fair Value of Other Financial Instruments

The carrying amounts of certain of our financial instruments, including accounts receivable, accounts payable and accrued expenses, approximate fair value due to their short-term nature. Based on the current quoted trading price of our senior unsecured notes (Level 1 inputs), we believe that the fair value of our senior unsecured notes is approximately $3.1 billion at December 31, 2015.

9. Long-Term Debt

Long-term debt consists of the following (in thousands):

	December 31, 2015	June 30, 2015
Senior unsecured notes due June 2021	$1,705,539	$1,707,400
Senior unsecured notes due November 2023	1,419,845	574,428
Unsecured term loan due May 2016	—	200,000
Total debt (1)	3,125,384	2,481,828
Less: Current portion	—	—
Long-term portion	$3,125,384	$2,481,828

(1) The balance as of December 31, 2015 and June 30, 2015 includes unamortized net premium of $25.4 million and $31.8 million, respectively.

We have issued senior unsecured notes due 2021 (the "2021 Senior Notes") pursuant to an indenture dated as of July 2, 2013 and senior unsecured notes due 2023 (the "2023 Senior Notes") pursuant to an indenture dated as of November 5, 2013. The 2021 Senior Notes accrue interest at 6.000% per annum, payable semi-annually, and become due and payable on June 15, 2021. The 2023 Senior Notes accrue interest at 6.125% per annum, payable semi-annually, and become due and payable on November 1, 2023.

On July 16, 2015, we issued additional 2023 Senior Notes in the aggregate principal amount of $850.0 million. The additional 2023 Senior Notes were issued at an original issue price of 99.500% plus accrued interest from May 1, 2015. The net proceeds from the issuance of the additional 2023 Senior Notes of $842.5 million were used to finance the SRS Equity Buyout and repay the $200.0 million unsecured term loan due May 2016. As a result of the repayment of the unsecured term loan, unamortized debt issuance costs of $1.1 million were written off during the six months ended December 31, 2015 and are presented in other (income) expense, net in the accompanying consolidated statement of income (loss). We intend to use any remaining net proceeds from the issuance of the 2023 Senior Notes for general corporate purposes, including continuing to actively seek, evaluate and potentially pursue strategic initiatives. Such strategic initiatives may include future acquisitions, joint ventures, investments or other business development opportunities.

The 2021 Senior Notes include redemption provisions that allow us, at our option, to redeem all or a portion of the aggregate principal amount of the 2021 Senior Notes as follows:

- At any time prior to June 15, 2016, we may redeem up to 35% of the aggregate principal amount of the 2021 Senior Notes at a redemption price equal to 106.000% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, through the date of redemption.
- At any time prior to June 15, 2017, we may redeem the 2021 Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium and accrued and unpaid interest to the redemption date. The premium at the applicable redemption date is the greater of: (1) 1.0% of the then outstanding principal amount of the notes; or (2) the excess of: (a) the present value at such redemption date of the sum of the redemption price of the notes at June 15, 2017 plus all required interest payments due on the notes through June 15, 2017 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the then outstanding principal amount of the notes.

- At any time on or after June 15, 2017, we may redeem the 2021 Senior Notes, in whole or in part, at the following redemption prices, plus accrued and unpaid interest, if any, through the date of redemption: (i) if the redemption occurs on or after June 15, 2017 but prior to June 15, 2018, the redemption price is 103.000% of the principal amount of the notes; (ii) if the redemption occurs on or after June 15, 2018 but prior to June 15, 2019, the redemption price is 101.500% of the principal amount of the notes; and (iii) if the redemption occurs on or after June 15, 2019, the redemption price is 100% of the principal amount of the notes.

The 2023 Senior Notes include redemption provisions that allow us, at our option, to redeem all or a portion of the aggregate principal amount of the 2023 Senior Notes as follows:

- At any time prior to November 1, 2016, we may redeem up to 35% of the aggregate principal amount of the 2023 Senior Notes at a redemption price equal to 106.125% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, through the date of redemption.
- At any time prior to November 1, 2018, we may redeem the 2023 Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium and accrued and unpaid interest to the redemption date. The premium at the applicable redemption date is the greater of: (1) 1.0% of the then outstanding principal amount of the notes; or (2) the excess of: (a) the present value at such redemption date of the sum of the redemption price of the notes at November 1, 2018 plus all required interest payments due on the notes through November 1, 2018 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points over (b) the then outstanding principal amount of the notes.
- At any time on or after November 1, 2018, we may redeem the 2023 Senior Notes, in whole or in part, at the following redemption prices, plus accrued and unpaid interest, if any, through the date of redemption: (i) if the redemption occurs on or after November 1, 2018 but prior to November 1, 2019, the redemption price is 103.063% of the principal amount of the notes; (ii) if the redemption occurs on or after November 1, 2019 but prior to November 1, 2020, the redemption price is 102.042% of the principal amount of the notes; (iii) if the redemption occurs on or after November 1, 2020 but prior to November 1, 2021, the redemption price is 101.021% of the principal amount of the notes; and (iv) if the redemption occurs on or after November 1, 2021, the redemption price is 100.000% of the principal amount of the notes.

In connection with the pending merger with entities affiliated with Vista Equity Partners, the Company has commenced cash tender offer to purchase all of the outstanding 2021 Senior Notes and the 2023 Senior Notes (Note 16).

The costs associated with the issuance of the 2021 Senior Notes and the 2023 Senior Notes are deferred and are included in other noncurrent assets in our consolidated balance sheet. We are amortizing these debt issuance costs to interest expense over the term of the related debt using the effective interest method.

The indentures governing the 2021 Senior Notes and the 2023 Senior Notes contain limited covenants, including those restricting our and our subsidiaries' ability to incur certain liens, engage in sale and leaseback transactions and consolidate, merge with, or convey, transfer or lease substantially all of our or their assets to, another person, and, in the case of any of our subsidiaries that did not issue or guarantee such notes, incur indebtedness. We are in compliance with the specified covenants of the 2021 Senior Notes and the 2023 Senior Notes at December 31, 2015.

10. Derivative Financial Instruments

In the normal course of business, we are exposed to variability in interest rates and foreign currency exchange rates. We use derivatives to mitigate risks associated with this variability. We do not use derivatives for speculative purposes. The following is a summary of outstanding derivative financial instruments as of December 31, 2015:

- In April 2012, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps in the aggregate notional amount of €109.0 million. We pay Euro fixed coupon payments at 6.990% and receive U.S. dollar fixed coupon payments at 6.750% on the notional amount. The maturity date of the swaps is June 15, 2018. These cross-currency swaps were designated, at inception, as cash flow hedges and we evaluate the swaps for effectiveness quarterly. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. To date, there has been no hedge ineffectiveness.
- In November 2014, we entered into a pay floating / received fixed interest rate swap with a notional amount of $400.0 million. Under the terms of the interest rate swap, we pay quarterly floating coupon payments at 3-month LIBOR plus 3.924% and receive semi-annual fixed coupon payments at 6.000%. The maturity date of the interest rate swap is June 15, 2021, although the swap may be terminated at any time effective June 15, 2017 by the counterparty subject to the payment of a cancellation fee. The interest rate swap was not designated as a hedge at inception. We recognize changes in the fair value of the interest rate swap in other (income) expense, net in our consolidated statements of income (loss).
- In November 2014, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €401.6 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.993% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).
- In March 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €174.8 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 4.725% and receive U.S. dollar fixed coupon payments at 6.000% on the notional amount. The maturity date of the cross-currency swap is June 15, 2021. The cross-currency swap was designated as a net investment hedge at inception. We report the effective portion of the gain or loss on these hedges as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. In October 2015, we de-designated the cross-currency swap as a net investment hedge. Upon de-designation, we recognize changes in the fair value of the cross-currency swap in other (income) expense, net in our consolidated statements of income (loss).
- In March 2015, we entered into a foreign exchange forward contract with a notional amount of €472.9 million. Under the terms of the forward contract, we pay predetermined forward rate on the settlement date. The foreign exchange forward contract was not designated as a hedge at inception. We recognize changes in the fair value in other (income) expense, net in our consolidated statements of income (loss). In July 2015, we partially settled the foreign exchange forward contract for a cash payment of $8.9 million which is reported in other (income) expense, net in our consolidated statements of income (loss). Settlement of the remaining foreign exchange forward contract with a notional amount of €235.8 million was extended to July 2016.

- In July 2015, we entered into two pay fixed Euros / receive fixed U.S. dollars cross-currency swaps, each with a notional amount of €137.0 million. Under the terms of the cross-currency swaps, we pay Euro fixed coupon payments at 5.135% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swaps is November 1, 2018. One of the cross-currency swaps was designated as a net investment hedge at inception and one was not designated as a hedge at inception. We report the effective portion of the gain or loss on the cross-currency swap designated as a net investment hedge as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassify these gains or losses into earnings when the hedged transaction affects earnings. In October 2015, we de-designated the cross-currency swap as a net investment hedge. Upon the de-designation, we recognize changes in the fair value of both swaps in other (income) expense, net in our consolidated statements of income (loss).
- In July 2015, we entered into a pay fixed Euros / receive fixed U.S. dollars cross-currency swap with a notional amount of €274.0 million. Under the terms of the cross-currency swap, we pay Euro fixed coupon payments at 5.585% and receive U.S. dollar fixed coupon payments at 6.125% on the notional amount. The maturity date of the cross-currency swap is November 1, 2023. The cross-currency swap was not designated as a hedge at inception. We recognize changes in the fair value of the cross-currency swaps in other (income) expense, net in our consolidated statements of income (loss).

We determined the estimated fair value of our derivatives using an income approach and standard valuation techniques that utilize market-based observable inputs including spot and forward interest and foreign currency exchange rates, volatilities and interest rate curves at observable intervals. Our estimate of fair value also considers the risk that the swap contracts will not be fulfilled.

The following table summarizes the fair value of our derivative financial instruments, which are included in other current assets, other noncurrent assets, accrued expenses and other current liabilities, and other noncurrent liabilities in the accompanying condensed consolidated balance sheets (in thousands):

	December 31, 2015	June 30, 2015
Derivative financial instruments classified as assets		
U.S. dollar interest rate swaps	$ 116	$ —
Fixed rate cross-currency swaps	69,537	60,734
Total	$69,653	$60,734
Derivative financial instruments classified as liabilities		
U.S. dollar interest rate swaps	$ —	$ 2,170
Fixed rate cross-currency swaps	41,722	14,327
Foreign currency forward contract	8,972	24,726
Total	$50,694	$41,223

The following table summarizes the effect of our derivative financial instruments designated as cash flow hedges on the consolidated statements of income (loss) and accumulated other comprehensive income (loss) ("AOCI") for the six months ended December 31, 2015 and 2014 (in thousands).

Derivative Financial Instruments	Income (Loss) Recognized in AOCI on Derivatives (1)	Location of Income (Loss) Reclassified from AOCI into Income (1)	Income (Loss) Reclassified from AOCI into Income (1)	Location of Income (Loss) Recognized in Income on Derivatives (2)	Income (Loss) Recognized in Income on Derivatives (2)
Six Months Ended December 31, 2015					
Fixed rate cross-currency swaps	$ 2,382	Interest Expense	$ 631	N/A	$—
		Other (Income) Expense, net	1,842	N/A	—
Total	$ 2,382		$ 2,473		$—
Six Months Ended December 31, 2014					
Fixed rate cross-currency swaps	$17,866	Interest Expense	$ 76	N/A	$—
		Other (Income) Expense, net	16,754	N/A	—
Total	$17,866		$16,830		$—

(1) Effective portion.
(2) Ineffective portion and amount excluded from effectiveness testing.

The following table summarizes the effect of our derivative financial instruments designated as net investment hedges on the consolidated statements of income (loss) and accumulated other comprehensive income (loss) ("AOCI") for the six months ended December 31, 2015:

	Income (Loss) Recognized in AOCI on Derivatives (1)	Location of Income (Loss) Reclassified from AOCI into Income (1)	Income (Loss) Reclassified from AOCI into Income (1)	Location of Income (Loss) Recognized in Income on Derivatives (2)	Income (Loss) Recognized in Income on Derivatives (2)
Six Months Ended December 31, 2015					
Fixed rate cross-currency swap.....	$(4,825)	N/A	$—	N/A	$—

(1) Effective portion.
(2) Ineffective portion and amount excluded from effectiveness testing.
(3) We de-designated the fixed rate cross-currency swaps as net investment hedges in October 2015.

No net investment hedges were outstanding during the six months ended December 31, 2014.

We recognized unrealized (gains) losses on derivatives not designated as hedging instruments of $12.5 million during the six months ended December 31, 2015, as compared to $9.4 million during the six months ended December 31, 2014. Unrealized (gains) losses on derivatives not designated as hedging instruments are included in other (income) expense, net in our consolidated statements of income (loss).

11. Share-Based Compensation

Share-Based Award Activity

The following table summarizes restricted stock unit and performance share unit activity during the six months ended December 31, 2015:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value per Share
Nonvested at June 30, 2015	793	$57.49
Granted	—	$ —
Vested	(234)	$55.29
Forfeited	(67)	$57.89
Nonvested at December 31, 2015	492	$58.49

Each performance share unit represents the right to receive one share of our common stock based on our total stockholder return and/or the achievement of certain financial performance targets during applicable performance periods. The number of granted shares reflected in the table above assumes the maximum number of performance share units will be earned.

The following table summarizes stock option activity during the six months ended December 31, 2015:

	Number of Shares (in thousands)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at June 30, 2015	4,063	$50.57		
Granted	—	$ —		
Exercised	(1,053)	$38.04		
Canceled	(68)	$49.71		
Outstanding at December 31, 2015	2,942	$55.07	3.95	$6,876
Exercisable at December 31, 2015	982	$51.98	3.44	$4,736

Of the stock options outstanding at December 31, 2015, approximately 1.7 million are vested or expected to vest.

Cash received from the exercise of stock options was $38.8 million during the six months ended December 31, 2015. The intrinsic value of stock options exercised during the six months ended December 31, 2015 and 2014 totaled $16.8 million and $1.3 million, respectively.

Valuation of Share-Based Awards

No stock options were granted during the six months ended December 31, 2015. For stock options granted during the six months ended December 31, 2014, we utilized the Black-Scholes option pricing model for estimating the grant date fair value of stock options with the following assumptions:

	Risk-Free Interest Rate	Expected Term (in years)	Weighted Average Expected Stock Price Volatility	Expected Dividend Yield	Weighted Average Per Share Grant Date Fair Value
Six Months Ended December 31, 2014	1.7%	4.5	24%	1.4%	$11.20

We based the risk-free interest rate on the implied yield available on U.S. Treasury constant maturities in effect at the time of the grant with remaining terms equivalent to the respective expected terms of the options. We determined the expected life of an award by considering various relevant factors, including the vesting period and contractual term of the award, our employees' historical exercise patterns and length of service, the expected future volatility of our stock price and employee characteristics. We determined the expected volatility based on our historical stock price volatility over the expected term. The dividend yield is based on our quarterly dividend of $0.195 per share declared during the six months ended December 31, 2014.

No restricted stock units or performance share units were granted during the six months ended December 31, 2015. The weighted average grant date fair value of restricted stock units and performance share units granted during the six months ended December 31, 2014 was $56.40, determined based on the market price of our common stock on the date of grant, which approximates the intrinsic value.

Share-Based Compensation Expense

Share-based compensation expense was $14.2 million and $14.3 million for the six months ended December 31, 2015 and 2014, respectively, and is reported in selling, general and administrative expenses in the accompanying consolidated statements of income (loss). At December 31, 2015, the estimated total remaining unamortized share-based compensation expense, net of forfeitures, was $29.2 million, which we expect to recognize over a weighted-average period of 1.8 years.

12. Defined Benefit Pension Plans

Our foreign subsidiaries sponsor various defined benefit pension plans and individual defined benefit arrangements covering certain eligible employees. We base the benefits under these pension plans on years of service and compensation levels. Funding is limited to statutory requirements.

The components of net pension expense were as follows (in thousands):

	Six Months Ended December 31,	
	2015	2014
Service cost—benefits earned during the period	$2,501	$ 2,353
Interest cost on projected benefits	987	1,381
Expected return on plan assets	(932)	(1,099)
Amortization of gain	729	620
Net pension expense	$3,285	$ 3,255

13. Other (Income) Expense, Net

Other (income) expense, net consists of the following (in thousands):

	Six Months Ended December 31,	
	2015	2014
Investment income	$ (393)	$ (376)
Foreign exchange losses	11,164	24,927
Realized gains on derivative financial instruments	(822)	—
Reclassifications of accumulated other comprehensive income related to derivative financial instruments designated as hedges	(1,847)	(16,250)
Unrealized losses (gains) on derivative financial instruments not designated as hedges	12,518	9,365
(Gains) losses on asset sales	(933)	109
Loss on debt extinguishment	1,055	—
Other expense	155	506
Other (income) expense, net	$20,897	$ 18,281

14. Provision For Income Taxes

Our tax provision or benefit from income taxes for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Our quarterly tax provision is subject to significant variation due to several factors, including variability in accurately predicting our pre-tax income or loss and the mix of jurisdictions to which they relate, changes in how we do business, acquisitions, foreign currency gains (losses), changes in law, and relative changes of expenses or losses for which tax benefits are not recognized. Additionally, our effective tax rate can be more or less volatile based on the amount of pre-tax income or loss.

We recorded an income tax provision (benefit) of $(21.9) million and $9.3 million for the six months ended December 31, 2015 and 2014, respectively. For the six months ended December 31, 2015, the expected tax provision derived from applying the U.S. federal statutory rate to our pre-tax income differed from our recorded income tax provision primarily due to the amount of our pre-tax loss, relative to our income tax expense, nondeductible expenses, and changes in tax law.

Gross unrecognized tax benefits as of December 31, 2015 and June 30, 2015 were $10.6 million and $10.3 million, respectively. No significant interest and penalties have been accrued during the six months ended December 31, 2015.

Pursuant to the terms of the respective acquisition agreements, the sellers in our business combinations have indemnified us for all tax liabilities related to the pre-acquisition periods. We are liable for any tax assessments for the post-acquisition periods for our U.S. and foreign jurisdictions.

As of each reporting date, management considers all evidence, both positive and negative, that could impact our view with regards to future realization of deferred tax assets including our U.S. cumulative income or loss position over the 12 quarters ended December 31, 2015 which included recent increases to interest expense. As of December 31, 2015 and June 30, 2015, we continue to maintain a valuation allowance on our U.S. deferred tax assets of $26.9 million due to the limitation in our ability to utilize foreign tax credit carryforwards prior to the expiration of the carryforward periods. The U.S. cumulative loss position reduced the weight given to subjective evidence such as projections for future growth. We believe that our estimate of future taxable income is reasonable but inherently uncertain, and if our current or future operations and investments generate taxable income different than the anticipated amounts or US tax law changes reduce income expected in the future, adjustments to the valuation allowance are possible.

Primarily due to the increase in our U.S. debt service obligations resulting from the issuance of additional unsecured senior notes in the aggregate principal amount of $400.0 million during fiscal year 2015 and the issuance of additional unsecured senior notes in the aggregate principal amount of $850.0 million in July 2015, management concluded that the ability to access certain amounts of foreign earnings would provide greater flexibility to meet domestic cash flow needs without constraining foreign objectives. Accordingly, in fiscal year 2015 we withdrew the permanent reinvestment assertion on $350.0 million of earnings generated by certain of our foreign subsidiaries through fiscal year 2015. We provided for U.S. income taxes on the $350.0 million of undistributed foreign earnings, resulting in the recognition of a deferred tax liability of approximately $123.7 million. During the six months ended December 31, 2015, we recognized a deferred income tax expense of $2.9 million related to the impact of fluctuations in foreign currency exchanges rates on the portion of the $350.0 million of unremitted earnings generated prior to fiscal year 2015.

15. Segment and Geographic Information

We have aggregated our operating segments into two reportable segments: EMEA and Americas. Our EMEA reportable segment encompasses our operations in Europe, the Middle East, Africa, Asia and Australia. Our Americas reportable segment encompasses our operations in North, Central and South America.

Our chief operating decision maker is our Chief Executive Officer. We evaluate the performance of our reportable segments based on revenues, income before provision for income taxes and adjusted EBITDA, a non-U.S. GAAP financial measure. We calculate adjusted EBITDA as net income attributable to Solera Holdings, Inc. excluding interest expense, provision for income taxes, depreciation and amortization, share-based compensation expense, restructuring charges, asset impairments and other costs associated with exit and disposal activities, acquisition and related costs, litigation related expenses and other (income) expense, net. We do not allocate certain costs, managed at the corporate level, to reportable segments, including costs related to our financing activities, business development and oversight, and tax, audit and other professional fees, to our reportable segments.

(in thousands)	EMEA	Americas	Corporate	Total
Six Months Ended December 31, 2015				
Revenues	$ 267,097	$ 354,270	$ —	$621,367
Income (loss) before provision for income taxes	71,814	77,664	(179,757)	(30,279)
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	31,905	55,213	1,880	88,998
Interest expense	410	50	90,147	90,607
Other expense, net	2,298	4,931	13,668	20,897
Capital expenditures	9,717	10,405	—	20,122
Total assets as of December 31, 2015	1,541,506	1,895,524	275,592	3,712,622
Total assets as of June 30, 2015	1,596,681	1,986,409	169,540	3,752,630
Six Months Ended December 31, 2014				
Revenues	$ 270,523	$ 292,257	$ —	$562,780
Income (loss) before provision for income taxes	91,296	65,173	(121,447)	35,022
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	27,186	49,851	329	77,366
Interest expense	99	87	56,407	56,593
Other expense, net	858	1,534	15,889	18,281
Capital expenditures	15,668	14,904	—	30,572

Geographic revenue information is based on the location of the customer and was as follows for the periods presented (in thousands):

	Europe *	United States	United Kingdom	All Other	Total
Six Months Ended December 31, 2015	$169,814	$312,279	$87,495	$51,779	$621,367
Six Months Ended December 31, 2014	192,393	242,861	69,292	58,234	562,780

* Excludes the United Kingdom.

16. Pending Acquisition by Affiliates of Vista Equity Partners

On September 13, 2015, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Summertime Holding Corp., a Delaware corporation ("Parent"), and Summertime Acquisition Corp., a Delaware corporation and an indirect wholly owned subsidiary of Parent ("Merger Sub"), pursuant to which, upon the terms and subject to the conditions set forth therein, Merger Sub will merge with and into the Company (the "Merger"), with the Company surviving the Merger as an indirect wholly owned subsidiary of Parent. Parent and Merger Sub were formed by affiliates of Vista Equity Partners Fund V, L.P., a Delaware limited partnership (the "Sponsor" or "Vista"). The board of directors of the Company (the "Board"), following the receipt of the unanimous recommendation of a special committee of independent directors of the Board, unanimously approved the Merger Agreement. On December 8, 2015, our stockholders voted to adopt the Merger Agreement.

Pursuant to the Merger Agreement, at the effective time of the Merger, each share of common stock, par value $0.01 per share, of the Company (the "Common Stock") issued and outstanding immediately prior to the effective time of the Merger (other than (i) shares owned by stockholders who have perfected and not withdrawn a demand for appraisal rights, (ii) shares owned by Parent, Merger Sub or any other direct or indirect wholly owned subsidiary of Parent and (iii) shares owned by the Company or any direct or indirect wholly owned subsidiary of the Company, in each of cases (ii) and (iii) not held on behalf of third parties), will be canceled and converted into the right to receive cash in an amount equal to $55.85, without interest thereon.

Consummation of the Merger is subject to the satisfaction or waiver of specified closing conditions, including (i) the approval of the Merger by the affirmative vote of holders of a majority of the outstanding shares of the Common Stock entitled to vote at a stockholders meeting (which was approved on December 8, 2015), (ii) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (which termination occurred on October 9, 2015) and the receipt of certain other non-United States regulatory approvals required to consummate the Merger (which we have received effective as of December 31, 2015), and (iii) other customary closing conditions, including (a) the absence of any law or order prohibiting the Merger or the other transactions contemplated by the Merger Agreement, (b) the accuracy of each party's representations and warranties (subject to customary materiality qualifiers) and (c) each party's performance of its obligations and covenants contained in the Merger Agreement. The Merger Agreement contains representations, warranties and covenants of the parties customary for a transaction of this type, including, among other things, covenants not to solicit alternative transactions or to provide information or enter into discussions in connection with alternative transactions, subject to certain exceptions to allow the Board to exercise its fiduciary duties.

The Merger Agreement contains certain termination rights for both the Company and Parent, including, among others, if the transactions contemplated by the Merger Agreement are not consummated on or before March 15, 2016 or if the Company terminates the Merger Agreement in compliance with its terms in order to accept a superior proposal. Upon termination of the Merger Agreement under specified circumstances, the Company has agreed to pay Parent a termination fee of

$114.4 million and/or reimburse Parent's expenses up to $5.0 million (which reimbursement shall reduce, on a dollar for dollar basis, any termination fee subsequently payable by the Company). Upon termination of the Merger Agreement under certain other specified circumstances, Parent will be required to pay the Company a termination fee equal to $228.75 million. The Sponsor has provided the Company with a limited guarantee in favor of the Company guaranteeing the payment of Parent's termination fee if such amount becomes payable under the Merger Agreement.

Parent has obtained common equity, preferred equity and debt financing commitments for the transactions contemplated by the Merger Agreement, the aggregate proceeds of which will be sufficient for Parent to pay the aggregate merger consideration and all related fees and expenses. Financing will consist of common equity committed by Parent and common equity, preferred equity and debt committed by third party financing sources.

In connection with the pending Merger, the Company commenced cash tender offers for the 2021 Senior Notes and the 2023 Senior Notes (collectively, the "Notes"). Noteholders that validly tender their Notes by January 28, 2016 (the "Early Tender Date") will receive an amount equal to $1,012.50 per $1,000.00 in principal amount of Notes, which includes an early participation premium of $50.00 per $1,000.00 in principal amount. Noteholders that validly tender their Notes by January 29, 2016 (the "Expiration Date") will receive an amount equal to $962.50 per $1,000.00 in principal amount of Notes. Consummation of the tender offer and payment for the Notes validly tendered pursuant to the tender offer are subject to the satisfaction of certain conditions, including, but not limited to, the receipt of requisite consents, the consummation of the Merger and financing conditions.

Concurrently with the commencement of the tender offer, the Company commenced the requisite change of control redemption offer for the Notes at a redemption price equal to 101.000% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, through the redemption date ("Change of Control Offer").

As of January 6, 2016, the Company has received tenders and consents from holders of $1,680.7 million in aggregate principal amount of the 2021 Senior Notes, representing approximately 99.7% of the total outstanding principal amount of the 2021 Senior Notes, and tenders and consents from holders of $1,413.8 million in aggregate principal amount of the 2023 Notes, representing approximately 99.9% of the total outstanding principal amount of the 2023 Notes.

The Company has received the requisite consents in respect of the Notes to amend the respective indentures governing the Notes. As a result, the Company and the Trustee executed supplemental indentures relating to each of the 2021 Notes and the 2023 Notes on November 20, 2015 ("Supplemental Indentures"). Upon the effectiveness of the Supplemental Indentures, the Company will no longer have an obligation to make the Change of Control Offer. As a result, the Company terminated the Change of Control Offer.

On September 21, 2015, an alleged stockholder of the Company filed an action in the Court of Chancery of the State of Delaware on behalf of a putative class of the Company's stockholders against the Company and its directors, Vista, Parent and Merger Sub. The complaint alleges, among other things, that the Company's directors breached their fiduciary duties by approving the Merger Agreement at an inadequate price and following an inadequate sale process, and that the Company, Vista, Parent and Merger Sub aided and abetted these alleged breaches of duty. The complainant seeks, among other things, either to enjoin the proposed transaction or to rescind it should it be consummated, as well as an award of plaintiff's attorneys' fees and costs in the action. On October 13, 2015, the defendants moved to dismiss the complaint for failure to state a claim. On October 21, 2015, the plaintiff filed an amended complaint that added allegations contending that the Company's disclosure contained in the preliminary version the Company's proxy statement misstated or failed to disclose certain allegedly material information to Company stockholders. On October 22, 2015, the plaintiff filed a motion for a preliminary injunction seeking to enjoin the holding of the Company's shareholder meeting based upon his claim that the Company's public disclosures were inadequate. On November 5, 2015, the Court denied the motion for expedited proceedings, and declined to consider plaintiff's motion seeking to enjoin the special meeting. The defendants deny any wrongdoing in connection with the merger and plan to defend vigorously against the claims set forth in the amended complaint and any injunction motion.

On November 17, 2015, a duplicative action was filed in the Court of Chancery of the State of Delaware against our directors on behalf of the same putative class of the Company's stockholders, alleging similar claims for breach of fiduciary duty and challenging the merger and the disclosures relating to the merger. On December 23, 2015, the defendants filed a motion to dismiss this action. That motion remains pending. The defendants deny any wrongdoing in connection with the merger and plan to defend vigorously against the claims set forth in these actions.

Other than expenses associated with the proposed Merger, which are reported in acquisition and related costs in the accompanying consolidated statements of income (loss), the Merger did not impact our reported financial results as of and for the six months ended December 31, 2015.

17. Subsequent Events

On January 28, 2016, we announced that the Audit Committee of our Board of Directors approved the payment of a quarterly dividend of $0.225 per share of outstanding common stock and per outstanding restricted stock unit. The dividends are payable on the earlier of the closing date of the Merger or March 1, 2016 to stockholders and restricted stock unit holders of record at the close of business on February 11, 2016.

$1,730,000,000

Solera, LLC
Solera Finance, Inc.

10.500% Senior Notes due 2024

Offering Circular
February 29, 2016

Joint Book-Running Managers

Goldman, Sachs & Co.
Citigroup
Jefferies
Macquarie Capital
Nomura
UBS Investment Bank

Co-Managers

MCS Capital Markets
KKR