

AUDATEX (UK) LIMITED

Report and Financial Statements

30 June 2009

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AUDATEX (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS **For the year ended 30 June 2009**

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AUDATEX (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P R C Tucker (resigned 1 July 2009)

J A Doyle (appointed 1 July 2009)

R Giger

SECRETARY

A Vick

REGISTERED OFFICE

The Forum

Station Road

Theale

Reading

Berkshire

RG7 4RA

BANKERS

Barclays Bank PLC

Business Banking

London Corporate Service Centre

PO Box 46116

London

EC4N 8WB

SOLICITORS

Morgan Cole

Buxton Court

3 West Way

Oxford

OX2 0SZ

AUDITORS

Deloitte LLP

Reading

AUDATEX (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2009.

PRINCIPAL ACTIVITY AND ENHANCED BUSINESS REVIEW

The company is a wholly owned subsidiary of Audatex Holding GmbH which operates as a division of Solera Holdings LLC.

The principal activity of the company is the provision of computer based services and systems to the motor insurance industry. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account, the company's sales have increased by 6% over the prior year. Profit after tax has increased by 28% due to the increase in sales. Profit before tax increased by 22%. The directors feel that the results for the year leave them in a sound position for the coming year.

The balance sheet shows that the company's financial position at the year end is strong. We continue to invest in our IT infrastructure with just under £1.2 million in additional investment this financial year. We are committed to ensuring our customers are provided with a robust and reliable service.

The company continues to invest in research and development which is seen by the directors as key to the continuing success of the business.

Principle risks and uncertainties

Competitive pressure in the UK is seen by the company as a risk, however the company aims to minimise this risk by providing added value services to its customers, maintaining strong customer relationships and fast response times to customer issues.

The company has no loans or other debt. Foreign exchange exposure is minimal as the company invoices all customers in Sterling and only has a small number of foreign currency purchase invoices.

To further strengthen our management of risk and ability to provide continuity of services, we have undertaken and achieved accreditation in ISO 27001 the International standard in Information Security and BS 25999 British standard for Business Continuity.

The company continues to demonstrate a strong financial position, investment in IT infrastructure and research and development, and good customer relationships. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual report and accounts.

Environment

The company adopts a number of environmental policies including recycling of paper, printer cartridges & mobile phones. The company also ensures safe disposal of all redundant computer equipment.

Employees

Employee numbers and related costs can be found in note 3 to the financial statements. The company aims to recruit and retain the best quality staff and has achieved accreditation from Investors In People. The company also embraces diversity in the workforce whilst promoting a culture of equal opportunity.

RESULTS AND DIVIDENDS

The directors have paid a dividend of £542,500 (2008 - £1,007,500). The company made a profit after tax of £1,763,010 (2008 - £1,373,699).

AUDATEX (UK) LIMITED

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and to the date of signing are shown on page 1. All directors served for the entire financial year and to the date of this report unless otherwise stated.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:


(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution for the re-appointment of Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.



J A Doyle

Director

2 December 2009

AUDATEX (UK) LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUDATEX (UK) LIMITED

We have audited the financial statements of Audatex (UK) Limited for the year ended 30 June 2009 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

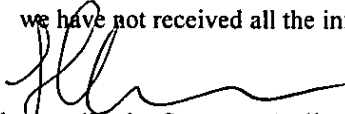
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



John Clennett (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

Reading, United Kingdom

2 December 2009

AUDATEX (UK) LIMITED

PROFIT AND LOSS ACCOUNT

30 June 2009

	Note	2009 £	2008 £
TURNOVER	2	30,581,182	28,893,611
Cost of sales		(947,375)	(887,918)
GROSS PROFIT		29,633,807	28,005,693
Administrative expenses		(27,180,192)	(26,023,072)
OPERATING PROFIT		2,453,615	1,982,621
Interest payable and similar charges	5	(17,686)	(20,333)
Interest receivable and similar income	6	28,575	60,268
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	2,464,504	2,022,556
Tax charge on profit on ordinary activities	7	(701,494)	(648,857)
PROFIT FOR THE YEAR AFTER TAXATION	16	1,763,010	1,373,699

All amounts derive from continuing operations.

There have been no gains and losses during the current or preceding period other than those shown above. Accordingly, no statement of total recognised gains and losses have been presented.

AUDATEX (UK) LIMITED

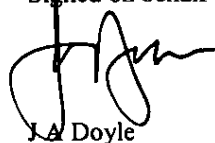
BALANCE SHEET

30 June 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	8	<u>2,344,768</u>	<u>2,462,482</u>
CURRENT ASSETS			
Debtors – amounts due in less than one year	9	6,042,148	6,091,507
Debtors – amounts due in more than one year	9	-	71,473
Cash at bank and in hand		<u>4,566,242</u>	<u>1,402,910</u>
		10,608,390	7,565,890
CREDITORS: amounts falling due within one year	10	<u>(6,166,000)</u>	<u>(3,939,730)</u>
NET CURRENT ASSETS		<u>4,442,390</u>	<u>3,626,160</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,787,158</u>	<u>6,088,642</u>
CREDITORS: amounts falling due after more than one year	11	<u>(197,810)</u>	<u>(495,439)</u>
NET ASSETS		<u>6,589,348</u>	<u>5,593,203</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,550,000	1,550,000
Profit and loss account	16	3,492,668	2,272,158
Capital contribution	16	<u>1,546,680</u>	<u>1,771,045</u>
SHAREHOLDER'S FUNDS	16	<u>6,589,348</u>	<u>5,593,203</u>

The financial statements of Audatex (UK) Limited, registered number 2058567, were approved by the Board of Directors and authorised for issued on 2 December 2009.

Signed on behalf of the Board of Directors



J.A Doyle

Director

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below, and have been applied consistently in the current and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The company continues to demonstrate a strong financial position, investment in IT infrastructure and research and development, and good customer relationships. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The company has not prepared a cash flow statement as it is wholly owned by Solera Holdings Inc and its cash flows are included in that company's consolidated cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less amounts provided for depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life at the following annual rates:

Leasehold improvements	10%
Plant and equipment	33%
Fixtures and fittings	15%
Motor vehicles	25%
Software	33%

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Monetary balances in foreign currencies, primarily with group undertakings, are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. All exchange differences are included in the profit and loss account.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

1. ACCOUNTING POLICIES (CONTINUED)

Finance leases

Assets held under finance leases are capitalized as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Where the company acts as a lessor of assets under finance leases, the net investment in the lease is recorded as a debtor on the balance sheet. Rentals received are apportioned between finance income and repayment of the debtor balance. Finance income is recorded in the profit and loss account so that a constant rate of return on the net cash investment is achieved over the period of the lease.

Turnover

Turnover, which excludes value added tax, represents the value of goods and services supplied in the period.

Pensions

For defined contribution schemes, the amount charged to the profit & loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Research and development

Research and development expenditure is written off as incurred.

Share based payments

During the prior year the company adopted Financial Reporting Standard 20 'Share-Based Payment'. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006. The Solera group issues equity-settled share based payments which are measured at fair value at the date of grant. The fair value determined at grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2. TURNOVER

	2009 £	2008 £
Analysis by class of business		
Computer based customer - services	29,509,980	28,142,425
- systems	1,071,202	751,186
	<u>30,581,182</u>	<u>28,893,611</u>

Turnover consists of sales made in the United Kingdom.

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The average weekly number of employees (including executive directors) during the year was as follows:

	2009 No.	2008 No.
Support Services	33	33
Product Development	34	30
Administration	15	14
Sales and Marketing	22	19
	<u>104</u>	<u>96</u>

	2009 £	2008 £
Staff costs (including executive directors):		
Wages and salaries	5,475,990	5,035,876
Social security costs	820,750	690,768
Other pension costs	406,609	376,851
Share option charge	86,833	50,173
	<u>6,790,182</u>	<u>6,153,668</u>
Directors' remuneration:		
Emoluments	293,374	257,751
Contribution to money purchase pension scheme	33,309	28,217
	<u>326,683</u>	<u>285,968</u>
Highest paid director:		
Emoluments	293,374	257,751
Contribution to money purchase pension scheme	33,309	28,217
	<u>326,683</u>	<u>285,968</u>

One director received remuneration from the company in respect of his services (2008 - 1). The other director received remuneration paid by other group companies in respect of his services to the group as a whole. The portion of this that relates to the Company is £nil (2008 - £nil).

One director is accruing benefits under money purchase pension schemes (2008 - 1). No directors are accruing retirement benefits under defined benefit pension schemes.

The highest paid director exercised share options during the year.

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009 £	2008 £
Profit on ordinary activities before taxation is after charging:		
Depreciation of tangible fixed assets		
-owned	803,900	813,832
-held under finance leases	759,467	579,682
Profit/ Loss on disposal of tangible fixed assets	(4,649)	6,645
Auditors' remuneration		
- audit fees	81,047	79,000
- other services	38,255	7,267
Rentals under operating leases		
- hire of plant and machinery	25,063	37,006
- other	511,545	505,689
Foreign exchange loss	255,342	286,553
Restructuring costs	743,506	-
Research and development expenditure	2,917,986	2,870,560

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on finance leases	17,686	20,333

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Bank interest receivable	18,955	31,676
Finance lease interest receivable	9,620	28,592
	28,575	60,268

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2009 £	2008 £
UK corporation tax at 30% (for period to 31/03/08)	-	548,521
UK corporation tax at 28% (for period from 01/04/08 to 30/06/09)	856,228	170,650
Adjustment in respect of prior years	(49,259)	-
	<u>806,969</u>	<u>719,171</u>
Deferred tax:		
Origination and reversal of timing differences	(140,173)	(95,718)
Impact of change in tax rates	-	-
Adjustment in respect of prior years	34,698	25,404
	<u>(105,475)</u>	<u>(70,314)</u>
Tax charge on profit on ordinary activities	<u>701,494</u>	<u>648,857</u>

The actual tax charge for the current and previous years differs from the standard rate of 28% (2008: 29.5%) for the reasons set out in the following reconciliation:

	2009 £	2008 £
Profit on ordinary activities before tax	<u>2,464,504</u>	<u>2,022,556</u>
Tax at 28% (2008: 29.5%) thereon	690,062	596,654
Expenses not deductible for tax purposes	225,755	213,713
Capital allowances in excess of depreciation	(59,589)	(91,196)
Adjustment in respect of prior year	(49,259)	-
	<u>806,969</u>	<u>719,171</u>

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Software £	Total £
Cost						
At 1 July 2008	87,611	4,112,496	499,428	281,646	971,294	5,952,475
Additions	144,417	1,152,807	-	10,867	148,913	1,457,004
Disposals	-	-	-	(52,668)	-	(52,668)
Transfers	11,114	-	(11,114)	-	-	-
At 30 June 2009	<u>243,142</u>	<u>5,265,303</u>	<u>488,314</u>	<u>239,845</u>	<u>1,120,207</u>	<u>7,356,811</u>
Accumulated depreciation						
At 1 July 2008	483	2,639,346	323,681	95,687	430,796	3,489,993
Charge for the year	17,979	1,091,861	54,344	76,559	322,624	1,563,367
Disposals	-	-	-	(41,317)	-	(41,317)
At 30 June 2009	<u>18,462</u>	<u>3,731,207</u>	<u>378,025</u>	<u>130,929</u>	<u>753,420</u>	<u>5,012,043</u>
Net book value						
At 30 June 2009	<u>224,680</u>	<u>1,534,096</u>	<u>110,289</u>	<u>108,916</u>	<u>366,787</u>	<u>2,344,768</u>
At 30 June 2008	<u>87,128</u>	<u>1,473,150</u>	<u>175,747</u>	<u>185,959</u>	<u>540,498</u>	<u>2,462,482</u>

The net book value of fixed assets held under finance leases at year end was £606,475 (2008: £1,091,585).

9. DEBTORS

	2009 £	2008 £
Amounts due within one year		
Trade debtors	1,046,424	1,493,869
Amounts due from fellow subsidiary undertakings	725,320	249,579
Corporation tax	-	37,704
Deferred tax (note 13)	637,335	531,860
Amounts receivable under finance leases due within 1 year	71,473	286,998
Prepayments and accrued income	3,561,596	3,491,497
	<u>6,042,148</u>	<u>6,091,507</u>
Amounts due in more than one year		
Amounts receivable under finance leases due in more than 1 year	-	71,473
	<u>-</u>	<u>71,473</u>

Aggregate rentals received during the year from finance leases is £296,637 (2008: £419,532).

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	853,279	789,024
Amounts owed to fellow subsidiary undertakings	1,541,920	12,966
Taxation and social security	768,251	945,493
Corporation Tax	24,104	-
Obligations under finance leases (see note 12)	411,313	688,930
Accruals and deferred income	2,567,133	1,503,317
	<u>6,166,000</u>	<u>3,939,730</u>

Included in accruals and deferred income is £626,064 (2008: £nil) relating to costs of restructuring. The finance leases are secured on the assets to which they relate.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Obligations under finance leases (see note 12)	197,810	415,439
Accruals and deferred income	-	80,000
	<u>197,810</u>	<u>495,439</u>

The finance leases are secured on the assets to which they relate.

12. OBLIGATIONS UNDER FINANCE LEASES

	2009 £	2008 £
Instalments (net of finance charges) falling due:		
Within one year	411,313	688,930
Between one and five years	197,810	415,439
	<u>609,123</u>	<u>1,104,369</u>

13. DEFERRED TAX ASSET

	£
Balance at 1 July 2008	531,860
Credit to profit and loss account	105,475
Balance at 30 June 2009	<u>637,335</u>

The deferred tax asset is made up as follows:

	2009 £	2008 £
Depreciation in excess of capital allowances	544,297	530,331
Short term timing differences	70,227	1,529
Share options	22,811	-
	<u>637,335</u>	<u>531,860</u>

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

14. DIVIDEND PAID

	2009 £	2008 £
Paid on ordinary shares: £0.35 (2008: £0.65) per ordinary share	542,500	1,007,500

15. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised: 2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
Called up, allotted and fully paid: 1,550,000 ordinary shares of £1 each	1,550,000	1,550,000

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS AND MOVEMENT IN RESERVES

	Called up share capital	Capital contribution	Profit and loss account	2009 £	2008 £
Opening shareholder's funds	1,550,000	1,771,045	2,272,158	5,593,203	5,176,831
Profit for the financial year	-	-	1,763,010	1,763,010	1,373,699
Dividend paid (see note 14)	-	-	(542,500)	(542,500)	(1,007,500)
Share options distribution	-	(224,365)	-	(224,365)	50,173
Closing shareholder's funds	1,550,000	1,546,680	3,492,668	6,589,348	5,593,203

17. OPERATING LEASE COMMITMENTS

At 30 June 2009 the company was committed to making the following payments during the next year in respect of operating leases:

	2009		2008	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire:				
Within one year	-	112,659	-	93,655
Within two to five years	-	113,195	-	140,927
After five years	175,000	-	175,000	-
	175,000	225,854	175,000	234,582

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

18. PENSION COMMITMENTS

The company makes contributions for all employees into personal pension schemes and the Legal & General Group Personal pension scheme. Contributions to these schemes are charged to the profit and loss account as they fall due.

The pension cost for the defined contribution schemes during the year totalled £406,609 (2008: £376,851).

19. ULTIMATE AND IMMEDIATE PARENT COMPANIES

Audatex Holding GmbH, a company incorporated in Switzerland, is the immediate parent company. Solera Holding, Inc., incorporated in the USA, is the ultimate parent company and the controlling party.

The smallest group in which the results of the company are consolidated is Audatex Holdings GmbH and the largest group is Solera Holding, Inc. The financial statements of Solera Holding, Inc. may be obtained from Solera, Inc. 15030 Avenue of Science, Suite 100 San Diego, CA 92128.

20. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No.8 "Related Party Disclosures", transactions with other group undertakings within, and investee related parties of Solera Holding, Inc. have not been disclosed in these financial statements.

21. SHARE OPTIONS

The Solera group has a share option scheme for certain directors and employees of the group. Options are exercisable at a price equal to the fair market value of Solera Holdings Inc's shares on the date of grant. The vesting period is four years and the options have a term of 10 years.

Details of the share options outstanding during the year are as follows:

	2009		2008	
	Number of share options	Weighted average exercise price (\$)	Number of share options	Weighted average exercise price (\$)
Outstanding at beginning of period	30,500	18.83	20,800	16.00
Granted during the period	10,400	26.60	9,700	24.90
Forfeited during the period	(5,750)	22.61	-	-
Exercised during the period	(4,450)	16.00	-	-
Outstanding at the end of the period	30,700	21.16	30,500	18.83
Exercisable at the end of the period	8,550	18.98	5,200	16.00

The options outstanding at 30 June 2009 had a weighted average exercise price of \$21.16 and a weighted average remaining contractual life of 2.02 years. In 2009, options were granted on 2 September 2008 and 3 November 2008. The aggregate of the estimated fair values of the options granted on those dates is \$92,240 (£54,626). In 2008, options were granted on 1 February 2008 and 2 June 2008. The aggregate of the estimated fair values of the options granted on that date is \$122,000 (£61,400).

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2009

21. SHARE OPTIONS (CONTINUED)

The inputs into the Black-Scholes Option Pricing Model are as follows:

	2009	2008
Weighted average share price and exercise price	\$21.16	\$18.83
Expected volatility	26.8%	26.8%
Expected life	6.1 years	6.1 years
Risk-free rate	3.2%	3.2%
Dividend yield	\$0	\$0

Expected volatility was based on a combination of implied market volatilities, historical volatility of Solera Holdings Inc's share price and other factors.

The company recognised total expenses of £64,974 and £22,833 related to share options in 2009 and 2008 respectively.

Restricted stock options

The Solera group has a restricted stock program under which shares of common stock have been issued to certain employees. These shares are restricted as to transfer and in certain circumstances must be returned to the group at the original purchase price. The company records an expense relating to the restricted stock over the period during which the transfer restrictions exist, which may be up to 5 years from the date of grant.

	2009		2008	
	Number of share options	Weighted average exercise price (\$)	Number of share options	Weighted average exercise price (\$)
Non-vested at beginning of year	88,716	0.01	84,416	0.01
Granted during the year	2,900	0.01	4,300	0.01
Forfeited during the year	(1,638)	0.01	-	-
Vested during the year	(51,690)	0.01	-	-
Non-vested at the end of the year	38,288	0.01	88,716	0.01

The company recognised total expenses of £21,859 and £27,340 related to restricted stock options in 2009 and 2008 respectively.