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## HMRC and EDS Agree To Settlement

London, UK – Her Majesty's Revenue & Customs (HMRC) and EDS have negotiated a settlement of HMRC's claim for compensation for issues experienced with the IT system developed by EDS, to support the 2003 launch and subsequent operation of Tax Credits, during their partnership with HMRC.

HMRC and EDS have successfully concluded an aggregate settlement of £71.25m, including an up front payment and payments of additional amounts over time. The specific terms of the settlement agreement are confidential.

Doug Hoover, EDS Managing Director for the UK, Ireland and Africa stated: "We were always focused on reaching an equitable settlement. HM Government remains a very important client for EDS and we are pleased that we have been able to settle this dispute without incurring the costs and uncertainties of what would have been a lengthy and complex legal case."

The settlement does not impact EDS' prior financial guidance for the fourth quarter of 2005 and full-year 2006.

### Notes For Editors

1. EDS provided IT services to the Inland Revenue under an outsourcing contract from 1994 to 2004.
2. Child Tax Credit and Working Tax Credit, which are collectively referred to as Tax Credits were introduced on 6 April 2003.
3. Tax Credits replaced Working Families Tax Credit and Disabled Persons Tax Credit and Children's Tax Credit.
4. The Inland Revenue and HM Customs and Excise integrated in April 2005 to form Her Majesty's Revenue and Customs (HMRC).

### About EDS

EDS (NYSE: EDS) is a leading global technology services company delivering business solutions to its clients. EDS founded the information technology

outsourcing industry more than 40 years ago. Today, EDS delivers a broad portfolio of information technology and business process outsourcing services to clients in the manufacturing, financial services, healthcare, communications, energy, transportation, and consumer and retail industries and to governments around the world. With \$20.7 billion in 2004 revenue, EDS is ranked 95th on the Fortune 500. Learn more at [eds.com](http://eds.com).

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