Experian

news release

Preliminary results for the year ended 31 March 2014

7 May 2014 – Experian, the global information services company, today issues its financial results for the year ended 31 March 2014.

General highlights

- A year of good growth, with progress across all regions and business lines
- Significant strategic progress across key growth initiatives
- Strong starts to Passport Health Communications and 41st Parameter acquisitions
- Kerry Williams to be appointed to the Board as Chief Operating Officer

Financial highlights

- At constant exchange rates, total revenue growth from continuing activities was 7%. Organic revenue growth was 5% (H1 6%, H2 5%). Total revenue from continuing activities up 4% at actual exchange rates. Total revenue of US$4.8bn (2013: US$4.7bn).
- Total EBIT from continuing activities of US$1,309m, up 8% at constant exchange rates. Total EBIT of US$1,306m up 4% at actual exchange rates.
- EBIT margin from continuing activities of 27.4%, up 30 basis points year-on-year.
- Benchmark profit before tax of US$1,232m, up 4% at actual rates. Profit before tax from continuing operations of US$1,049m (2013: US$434m).
- Benchmark EPS of 91.7 US cents, up 8% at actual rates. Basic EPS from continuing operations of 76.1 US cents (2013: 24.7 US cents).
- Record year of cash flow, generating in excess of US$1bn of free cash flow. 101% conversion of EBIT into operating cash flow (2013: 94%), and growth in operating cash flow of 12%. Net debt of US$3,809m at 31 March 2014.
- Second interim dividend of 26.00 US cents per ordinary share, to give full year dividend of 37.50 US cents per ordinary share, up 8%.

Don Robert, Chief Executive Officer, commented:

"Experian delivered another year of good progress with organic revenue growth across all four regions and business lines. Decision Analytics was a stand-out performer, as was UK Consumer Services, as we continue to reap benefits from investments made in earlier years. The two key acquisitions completed during the year, Passport Health and 41st Parameter, are performing well. With further margin improvements, we delivered good growth in earnings, and we had an outstanding cash outcome, again demonstrating the fundamental strength of our business model and our broad portfolio."

"Looking ahead, we have made significant investments which continue to strengthen our core business and which will sustain premium growth into the future. In the short term, we face a number of one-off headwinds, most notably a subdued trading environment in Brazil over the World Cup and the revenue impact of the changes we are driving in North American Consumer Services, which together will constrain growth in the first half. We expect a return to more normal levels of organic revenue growth as the second half of the year progresses. We expect at least to maintain margins for the year, to deliver growth in earnings per share and to exceed 90% cash flow conversion."

Contacts

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There will be a presentation today at 9.30am (UK time) to analysts and investors at the Bank of America Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. The presentation can be viewed live on the Experian website at www.experianplc.com and can also be accessed live via a dial-in facility on +44 (0)20 3037 9164. The supporting slides and an indexed replay will be available on the website later in the day.

Experian will update on first quarter trading on 11 July 2014, when it will issue an Interim Management Statement.

See Appendix 1 and note 5 to the Group financial statements for definitions of non-GAAP measures used throughout this announcement.

Roundings
Certain financial data have been rounded within this announcement. As a result of this rounding, the totals of data presented may vary slightly from the actual arithmetic totals of such data.

Forward looking statements
Certain statements made in this announcement are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward looking statements. See note 28 to the Group financial statements for further information on risks and uncertainties facing Experian.

Company website
Neither the content of the Company's website, nor the content of any website accessible from hyperlinks on the Company's website (or any other website), is incorporated into, or forms part of, this announcement.

About Experian
Experian is the leading global information services company, providing data and analytical tools to clients around the world. The Group helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended 31 March 2014 was US$4.8 billion. Experian employs approximately 16,000 people in 39 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

For more information, visit http://www.experianplc.com.

Chief Executive Officer's review

Experian delivered another year of good growth, underscoring the strength of our portfolio, and we made further strategic progress as we concentrated investment in key growth areas.

Total revenue growth from continuing activities was 7% at constant currency and organic revenue growth was 5% (H1 6%, H2 5%). We saw further progress in EBIT margins, which rose by 30 basis points to 27.4%, with EBIT rising 8% at constant currencies. Actual revenue and EBIT growth were 4% and 5% respectively, including the contribution from recent acquisitions, offset by negative currency translation effects. Benchmark EPS increased to 91.7 US cents per share, up 8% at actual exchange rates.

Notable highlights include:

- We grew across all four regions, with organic revenue growth of 7% in Latin America, 7% in the UK and Ireland, 4% in North America and 2% in EMEA/Asia Pacific.
- We also grew across all four global business lines, with organic revenue growth of 10% in Decision Analytics, 5% in Credit Services, 5% in Consumer Services and 1% in Marketing Services.
- Cash generation was a particular highlight, as we converted 101% of EBIT into operating cash, resulting in a net debt to EBITDA ratio of 2.27 times, from a peak of over 2.5 times in November 2013.
- We made significant strategic progress, as we concentrate our efforts across key growth initiatives. We are placing significant emphasis on fraud and identity management, we are becoming increasingly focused on a select number of industry verticals and we are sharpening our operations in our most exciting geographies.
- We also raised our full year dividend by 8% to 37.50 US cents per share.

Strategic and operational review

Let me focus on specific highlights for the year and comment on our future direction:

Credit Services
We delivered good revenue growth in Credit Services, up 5% organically.

With confidence gradually returning to the retail lending sector, the core bureau in North America performed well. While declines in the US mortgage market held back growth somewhat, lenders are generally prospecting more for new credit customers. We are also benefiting as we steadily reduce our dependency on financial services and raise our exposure to faster-growing market segments. We took a significant step in this regard with the acquisition of Passport Health Communications ('Passport') which, combined with our existing operations, makes us the leader in US healthcare revenue cycle management, a highly attractive market. Passport has performed well since acquisition, as described in more detail below.

Macro-economically, it was a challenging year in Latin America, particularly in Brazil. That said, it is gratifying to note that our bureaux in the region were collectively the fastest-growing in the Experian portfolio. During the year we strengthened our operations in Brazil, stepping up our ability to grow through new products, new clients, new verticals and by deploying services which straddle our whole business. And while the World Cup poses specific challenges in H1, we are well placed to continue to expand in Brazil and across the region over the medium-term.

We have seen improving momentum in the UK, where we have placed significant emphasis on increasing the data depth of the bureau. This helps to open up new market opportunities, enables greater levels of innovation and ultimately creates ever greater competitive distinction for Experian. Overall, we feel well placed as confidence and investment returns to the UK economy. Meanwhile, in EMEA/Asia Pacific, we have acted to strengthen our operations in parts of Continental Europe, with good results, and we are fully engaged in building positive data in Australia, following the enactment of regulations in March.

Decision Analytics
I am delighted with progress in Decision Analytics, which returned to strong revenue growth, up 10% organically.

For some time now, we have been investing in our products and flexing our infrastructure with the aim of creating a more sustainable, high-growth Decision Analytics business. We have made considerable advances, positioning us well for the future. PowerCurve, our new flagship credit risk management software, has met with worldwide success, and we will continue the roll-out over the coming year. Fraud and identity management increasingly represents a new dimension to our business, and has been pivotal in opening up a new set of opportunities in new client segments such as the US public sector. We are investing further in analytics, meeting demand from clients for sophisticated tools to help them deal with their big data challenges. Finally, I should note the particular success we have met with in EMEA/Asia Pacific which, in response to previous actions, recovered during the year.

Marketing Services
While organic revenue growth in Marketing Services was just 1%, we have made significant strategic progress as we increasingly integrate and bundle our products for clients.

Marketers are facing a world in which consumers seamlessly switch between media and devices, driving greater need for marketing campaigns that are more personalised and coordinated across many channels. Experian is one of the few companies in the world that can bring together the data, data quality, analytics and cross-channel marketing services to help marketers do their jobs more effectively. This suite is increasingly resonating in the market, and we have a growing pipeline of opportunities across all regions.

Consumer Services
In Consumer Services, where revenue grew 5% organically, we had a record year in the UK, as the business moved from strength to strength, but we faced some challenges in North America.

We continue to evolve our business model in North America, diversifying and expanding into new areas. Our strategy is focused on a number of key elements, including:

- building on our leading position in the affinity channel;
- building on Experian’s market leading position in business-to-business data breach services;
- positioning the Experian.com brand as the trusted brand for consumers; and
- changing the way consumers interact with their personal data, by enhancing the user experience with new tools and features.

These are important steps which will strengthen our offerings in the future and which position us strongly in the marketplace.

Since April 2010 we have been restricted in our ability to market our ‘free’ brands. At the time, we elected to discontinue advertising our freecreditreport.com brand in response to new rules issued by the US Federal Trade Commission and to focus our investment on other brands, including Experian.com. Without the benefit of ongoing advertising, our ‘free’ brand membership base has gradually eroded.

Earlier this year, we noted that we are shifting our marketing efforts away from the ‘free’ brands and putting our investment behind our strongest brand, Experian.com, where we have tremendous recognition and brand loyalty. We are now taking further steps to accelerate the move into the Experian brand, where response from consumers has been encouraging. However, growth in Experian.com is not yet of sufficient size to fully offset attrition rates in the free portfolio, and revenues in North America Consumer Services declined in the fourth quarter of the year. We expect this to continue in the first half of FY15, before improving later in the year as we reach a tipping point for the Experian.com brand.

Our affinity business continues to build and now represents c. 20% of North America Consumer Services revenue. The dynamics of the affinity model (where we provide white-label consumer services for large business-to-business clients) are highly attractive, since contracts are typically long term in nature and the lifetime value of consumer relationships is higher than in other parts of our business. Over the past year we have been successful in securing new multimillion dollar affinity contract wins, which will benefit the business over the coming year. Our pipeline of future opportunities also continues to be strong. We have also seen good success in data breach services, as we leverage the strength of the Experian brand and our superior product offering.

These developments provide increasing levels of balance and diversity in North America Consumer Services and a strong platform from which to expand in the future.

Progress of acquisitions

I am pleased to report good progress across our two most recent acquisitions, Passport and 41st Parameter. These acquisitions respectively boost our market positions in healthcare payment services and in fraud and identity management, two of the most promising initiatives to have emerged from our global growth programme. Pro forma revenue growth across the two acquired entities has been strong in the period since acquisition, and we have laid solid foundations from which to deliver against the respective acquisition buy plans during the coming year.

We completed the acquisition of Passport in November 2013. We have had a strong start, with the business performing well. We were pleased to secure a broad range of new business wins in the quarter ending 31 March 2014, including new hospital and physician practice clients, as well as new sales into the existing client base. The integration of Passport and Experian Healthcare has also gone well, as we have aligned the leadership team, combined the salesforces and determined our core product focus.

We acquired 41st Parameter in October 2013. Since that time we have signed 20 new clients to the business and we have been successful in securing a number of cross-sell opportunities, where existing Experian clients have adopted 41st Parameter products. This has included the sale of 41st Parameter into an existing identity management agreement with a US public sector agency, for example.

Margin progression

We delivered good progress in EBIT margin during the year, up 30 basis points to 27.4%.

- EBIT margins in Credit Services improved, reflecting revenue growth, net of a ramp-up in investment in the Australian credit bureau and higher regulatory-related expenditure in the US.

- Decision Analytics EBIT margins were broadly flat, as revenue growth was offset by margin dilution from 41st Parameter.

- EBIT margins in Marketing Services improved, largely as a result of cost actions taken during the year, and notwithstanding revenue contraction in Latin America and the wind down of a large marketing contract in EMEA.

- Consumer Services EBIT margins contracted, reflecting increased marketing and customer acquisition expenditure in support of the brand transition in North America.

- We absorbed adverse translational foreign exchange movements, caused principally by the depreciation of the Brazilian real relative to the US dollar.

Cash flow and net debt

Cash generation during the year was very strong, and we converted 101% of EBIT into operating cash flow, significantly exceeding our target of 90% conversion. Net debt levels increased during the year, rising by US$871m to US$3,809m at 31 March 2014, primarily reflecting the acquisitions of Passport and 41st Parameter. We made good progress with regard to the efficiency of capital expenditure, and our capital expenditure to revenue ratio reduced to 8.3% (2013: 9.7%). The net debt to EBITDA gearing ratio was 2.27 times at 31 March 2014, having peaked at over 2.5 times in November 2013 following the acquisition of Passport.

Dividend and capital management

For the year ended 31 March 2014, we are announcing a second interim dividend of 26.00 US cents per share. This gives a full year dividend of 37.50 US cents per share, up 8%. The second interim dividend will be paid on 25 July 2014 to shareholders on the register at the close of business on 27 June 2014. Net share purchases during the year amounted to US$371m, of which approximately US$180m was the cost of satisfying vesting employee plans.

Our priority over the coming year will be to return to our target net debt to EBITDA range of 1.75 to 2.0 times. We expect to achieve this during the year ending 31 March 2015, subject to future trading performance. Our target dividend payout ratio is unchanged at 40% and we expect to make share repurchases only in respect of employee share plan awards which vest in the year.

People

On 16 January 2014, Experian's Board announced my appointment to succeed as Chairman of Experian, following Sir John Peace's retirement. I am deeply honoured to have been chosen and am greatly looking forward to taking up my new role. At the same time, the Board announced that Brian Cassin will be appointed as Chief Executive Officer and George Rose will become Deputy Chairman and Senior Independent Director. These appointments will become effective from 16 July 2014, following our Annual General Meeting. Sir John Peace and Sir Alan Rudge will retire from the Board at the conclusion of that meeting.

On 29 April 2014, we also announced the appointment of Lloyd Pitchford as Chief Financial Officer and as an Executive Director of Experian and the appointment of Jan Babiak as a new independent Non-Executive Director. Lloyd and Jan will bring a great deal of experience to Experian and I am delighted to welcome them both.

Today, we are announcing that our Chief Operating Officer, Chris Callero, has decided to retire from the Board at the conclusion of the Annual General Meeting on 16 July 2014. Chris joined Experian in 2002 and has made an immense contribution to the development of the Group, particularly as it expanded from its roots in the UK and the US to become the global business it is today. We owe Chris a deep debt of gratitude for his significant achievements on behalf of the Group.

Chris will be succeeded as Chief Operating Officer by Kerry Williams, who will take up his new position and join the Board as an Executive Director following Chris's retirement at the Annual General Meeting. Kerry joined Experian North America in 2003 and was subsequently promoted to lead our Credit Services operations globally. Last year Kerry was appointed as President of our Latin America region and most recently assumed the post of Deputy Chief Operating Officer for Experian. Kerry has immense experience and deep knowledge of Experian's businesses across the world, which I am certain will be of significant benefit to the Group in the future.

Finally, I would like to take this opportunity to thank everyone in Experian for their dedication over the year. Experian is a people-business and its achievements are down to their enthusiasm, creativity and sheer hard work. I would like to express my gratitude for their ongoing support and commitment to the success of the business.

Group financial results

Revenue by geography

Year ended 31 March	2014 US$m	2013[1] US$m	Growth % Total at actual rates	Growth % Total at constant rates	Growth % Organic at constant rates
North America					
Credit Services	961	873		10	5
Decision Analytics	179	146		23	12
Marketing Services	433	417		4	3
Consumer Services	831	822		1	1
Total continuing activities	**2,404**	**2,258**	**6**	**6**	**4**
Discontinuing activities	-	-			
Total North America	**2,404**	**2,258**			
Latin America					
Credit Services	839	874		7	7
Decision Analytics	53	44		37	37
Marketing Services	33	42		(10)	(10)
Total continuing activities	**925**	**960**	**(4)**	**7**	**7**
Discontinuing activities	21	41			
Total Latin America	**946**	**1,001**			
UK and Ireland					
Credit Services	257	248		3	3
Decision Analytics	217	206		4	3
Marketing Services	230	226		1	1
Consumer Services	240	193		23	23
Total continuing activities	**944**	**873**	**8**	**7**	**7**
Discontinuing activities	-	-			
Total UK and Ireland	**944**	**873**			
EMEA/Asia Pacific					
Credit Services	187	186		2	2
Decision Analytics	127	116		11	10
Marketing Services	185	189		2	(3)
Total continuing activities	**499**	**491**	**2**	**4**	**2**
Discontinuing activities	47	107			
Total EMEA/Asia Pacific	**546**	**598**			
Total revenue - continuing activities	**4,772**	**4,582**	**4**	**7**	**5**
Total revenue - discontinuing activities	68	148			
Total revenue – continuing operations	**4,840**	**4,730**			

1. 2013 restated for the divestment of the Colombia document outsourcing business in Latin America, Sinotrust Market Research Services and other discontinuing activities in EMEA/Asia Pacific.

See Appendix 2 (page 15) for analyses of revenue, EBIT and EBIT margin by business segment.

Income statement, earnings and EBIT margin analysis

Year ended 31 March			**Growth %**	
	2014 US$m	**2013[1] US$m**	**Total at constant rates**	**Total at actual rates**
EBIT by geography				
North America	757	718	5	
Latin America	344	343	12	
UK and Ireland	284	246	14	
EMEA/Asia Pacific	7	20	(60)	
EBIT before Central Activities	**1,392**	**1,327**	**8**	
Central Activities – central corporate costs	(83)	(83)		
Total EBIT from continuing activities	**1,309**	**1,244**	**8**	**5**
EBIT - discontinuing activities[2]	(3)	7		
Total EBIT from continuing operations	**1,306**	**1,251**	**7**	**4**
Net interest	(74)	(62)		
Benchmark PBT	**1,232**	**1,189**		**4**
Exceptional items	(54)	(66)		
Amortisation and impairment of acquisition intangibles	(131)	(123)		
Impairment of goodwill	(15)	-		
Acquisition expenses	(10)	(4)		
Adjustment to the fair value of contingent consideration	-	(1)		
Financing fair value remeasurements	27	(561)		
Profit before tax	**1,049**	**434**		
Group tax charge	(302)	(151)		
Profit/(loss) after tax from continuing operations	**747**	**283**		
Benchmark earnings				
Benchmark PBT	**1,232**	**1,189**		**4**
Benchmark tax charge	(329)	(301)		
Overall benchmark earnings	**903**	**888**		
For owners of Experian plc	**899**	**842**		**7**
For non-controlling interests	4	46		
Benchmark EPS	**US91.7c**	**US85.2c**		**8**
Basic EPS from continuing operations	US76.1c	US24.7c		
Weighted average number of ordinary shares	980m	988m		
EBIT margin – continuing activities				
North America	31.5%	31.8%		
Latin America	37.2%	35.7%		
UK and Ireland	30.1%	28.2%		
EMEA/Asia Pacific	1.4%	4.1%		
Total EBIT margin – continuing activities	**27.4%**	**27.1%**		

1. 2013 restated for the divestment of the Colombia document outsourcing business in Latin America, Sinotrust Market Research Services and other discontinuing activities in EMEA/Asia Pacific, and for further costs within Central Activities and a higher interest charge as a result of the adoption of IAS 19 (revised).
2. EBIT from discontinuing activities arises in Latin America and EMEA/Asia Pacific.

See Appendix 2 (page 15) for analyses of revenue, EBIT and EBIT margin by business segment.
See Appendix 1 (page 15) and note 5 to the Group financial statements for definitions of non-GAAP measures.

Business review

North America

Total revenue from continuing activities in North America was US$2,404m, up 6%, with organic revenue growth of 4%. The difference relates to the acquisitions of Passport (November 2013), 41st Parameter (October 2013) and Decisioning Solutions (April 2013).

Credit Services
Total revenue growth was 10% and organic revenue growth was 5%. The core credit bureau, excluding mortgage, performed well as clients engaged in more credit prospecting and origination activity. Mortgage detracted from growth however, due to a sharp contraction in refinancing activity during the year. Across the verticals, our legacy healthcare services operations performed well, as we secured new business bookings and extended our presence within the existing base of hospital clients and physician practices. Automotive performed strongly, reflecting volume growth in automotive checks and good appetite among our dealer and lender clients for vehicle sales information.

Decision Analytics
Total revenue growth was 23% and organic revenue growth was 12%. Growth in Decision Analytics was robust, picking-up as the year progressed. Our credit risk management software platform, PowerCurve, has been well received by clients and we secured a number of new wins during the year. In addition, identity verification volumes were exceptionally strong, driven by growth across major federal public sector agencies, as US citizens enrolled for affordable healthcare and social security benefits.

Marketing Services
Total revenue growth was 4% and organic revenue growth was 3%. Progress in Marketing Services was encouraging as we secured more client conversions for our new cross-channel marketing platform, and as we have built a strong pipeline of future prospects. Overall, this led to higher cross-channel marketing volumes and first-time contributions from new business wins. We also saw good demand for digital services for targeted marketing and in our data quality operations. This offset further declines in our more traditional data and database activities.

Consumer Services
Total and organic revenue growth was 1%. We delivered growth across the Experian.com brand, affinity and data breach, which offset a decline in revenue across the ‘free’ brands. This supports our strategy to focus the majority of our investment on building the Experian brand, developing the affinity channel and expanding in data breach services. Over the year, we secured key client wins in the affinity channel, for which we have commenced the implementation process.

EBIT and EBIT margin
For continuing activities, North America EBIT was US$757m, up 5%. EBIT margin was 31.5%, (2013: 31.8%). There was good margin progress in Credit Services, Decision Analytics and Marketing Services, reflecting revenue growth and cost efficiency actions. Margins in Consumer Services declined as we increased marketing expenditure in support of the Experian brand. There was also some dilution attributable to acquisitions.

Latin America

Total revenue from continuing activities in Latin America was US$925m, up 7% at constant exchange rates, with organic revenue growth also of 7%. The Colombia document outsourcing business was divested in November 2013.

Credit Services
At constant exchange rates, total and organic revenue growth in Credit Services was 7%. Credit Services in Brazil performed well, with growth across both consumer and business information, partially offset by a decline in digital certificates (authentication). Within business information, we are benefiting from the introduction of new product features, which create a richer offering for small and medium enterprise customers, while in consumer information we delivered good growth in higher value-added services and across a wide range of industry verticals, which compensated for lower growth in credit bureau volumes. Growth in our other Latin American bureau markets was very strong. We have extended our market position in Colombia with a series of new client wins and further expansion of the small and medium enterprise channel.

Decision Analytics
We delivered strong growth across the region, with total and organic revenue growth of 37% at constant exchange rates. We have invested significantly in Decision Analytics, as we have leveraged expertise and best practices from across Experian. Growth was in part attributable to the roll-out of our credit-risk management suite, including PowerCurve originations and PowerCurve on-demand software. We have also further enhanced our analytics offering and have been building-out our identity management and fraud prevention services, both in Brazil and across the wider Latin America region.

Marketing Services
Total and organic revenue at constant exchange rates declined 10%. Marketing Services was affected by the weak trading environment in Brazil, particularly for retailers who cut back on customer prospecting activity during the year. Notwithstanding these challenges, we are investing in our product range, in order to provide more sophisticated targeted marketing services and to enhance our digital offerings.

EBIT and EBIT margin
For Latin America, EBIT grew 12% at constant exchange rates to US$344m. The EBIT margin increased by 150 basis points to 37.2%, reflecting operating leverage due to revenue growth and cost savings, net of reinvestment for growth.

UK and Ireland

In the UK and Ireland, revenue was US$944m, with total and organic revenue growth of 7% at constant exchange rates.

Credit Services
Total and organic revenue growth at constant exchange rates was 3%. During the year, Credit Services benefited from gradually improving volumes and the introduction of new products. We saw strength across consumer information, where we have benefited from increased credit origination activity amongst traditional lenders, engagements with new entrants in the banking market and growth across non-financial customers. Business information had a more mixed year, which we are addressing through a number of initiatives, including the introduction of new products and expansion of the small and medium enterprise channel.

Decision Analytics
Total and organic revenue growth at constant exchange rates was 4% and 3% respectively. In Decision Analytics, momentum improved as the year progressed as large organisations started to invest more in updating core systems. We secured a number of major client wins for credit risk management software, including our first major deal in the UK and Ireland for PowerCurve originations. We also saw further traction in identity management and fraud prevention services. More recently, we have added device identification from 41st Parameter to our product range, and we were pleased to secure a major client win in the insurance sector after the year end.

Marketing Services
Total and organic revenue growth was 1% at constant exchange rates. During the year we focused on developing a more integrated approach to Marketing Services in the UK and Ireland, bundling our services in order to create a more comprehensive offer for our clients across channels. This has delivered demonstrable benefits, as we have secured new client wins, with a good pipeline of similar future prospects.

Consumer Services
Consumer Services performed strongly, with total and organic revenue growth of 23% at constant exchange rates. Growth reflected new member growth and improved member retention as we continue to build our brand in the UK, where we have benefited from a significant uplift in consumer recognition, and as we add new features and enhancements to increase the attraction of the membership service and to encourage loyalty.

EBIT and EBIT margin
For the UK and Ireland, EBIT from continuing activities was US$284m, up 14% at constant exchange rates. EBIT margin increased by 190 basis points to 30.1%, reflecting operating leverage due to revenue growth as well as cost savings, net of reinvestments.

EMEA/Asia Pacific
Total revenue from continuing activities in EMEA/Asia Pacific was US$499m, up 4% at constant exchange rates, with organic revenue growth of 2%. The difference relates principally to the acquisition of 41st Parameter. We divested of Sinotrust Market Research Services in May 2013 and other Marketing Services operations as part of actions to realign and refocus the business in Asia Pacific.

Credit Services
Total and organic revenue growth at constant exchange rates was 2%. While market conditions in the Eurozone remained mixed, we saw stability, recovery and growth across some of our major bureau markets, including Spain, Netherlands and South Africa, offsetting weakness elsewhere. We also delivered good growth across our business information bureaux in China and Singapore, and we were pleased to realise a small first-time revenue contribution from our new bureau in Australia towards the end of the year.

Decision Analytics
Total and organic revenue growth at constant exchange rates was 11% and 10% respectively. Our actions to reposition our Decision Analytics operations in EMEA have been successful and the business returned strongly to growth during the year, driven by demand for PowerCurve software, fraud prevention products, analytics and collections software. During the year, we undertook similar actions to reposition our Asia Pacific operations, to focus on our most significant opportunities, and we were pleased to secure a number of new PowerCurve and fraud prevention deployments towards the end of the year.

Marketing Services
Total revenue growth at constant exchange rates was 2%, while organic revenue declined 3%. The decline in Marketing Services was due to the wind down of a large email contract in EMEA, as we have previously announced. Excluding this one-off item, Marketing Services performed well, with a good reception for our combined approach and particularly for our new cross-channel marketing platform, which has led to a number of new client wins during the year, with a good pipeline of prospects.

EBIT and EBIT margin
In EMEA/Asia Pacific, EBIT from continuing activities was US$7m (2013: US$20m). The reduction in profitability was largely due to ramp-up in investment in the Australian bureau development and the impact of the wind down of the large client contract in EMEA, referred to above.

Group financial review

Key financials

Year ended 31 March	2014	2013
Revenue	**US$4,840m**	US$4,730m
EBIT margin – continuing activities	**27.4%**	27.1%
Benchmark PBT	**US$1,232m**	US$1,189m
Benchmark tax rate	**26.7%**	25.3%
Benchmark EPS	**USc 91.7**	USc 85.2
Operating cash flow	**US$1,321m**	US$1,175m
Net debt	**US$3,809m**	US$2,938m

Experian adopted IAS 19 (revised) 'Employee benefits' with effect from 1 April 2013 and the comparative information in this report has been re-presented as necessary. Note 3 to the Group financial statements gives further details and the impact of adoption is modest.

Income statement commentary

Revenue and profit performance – continuing operations

Group profit performance by geography is discussed within pages 3 to 11. A summary of performance by business segment is given in Appendix 2 on page 15 with an additional analysis of the income statement in Appendix 3 on page 16.

Profit before tax from continuing operations increased by US$615m, from US$434m to US$1,049m. In the year ended 31 March 2013, we incurred a charge of US$558m due to the movement in the fair value of the Serasa put option prior to our purchase of the non-controlling interest. There was no such charge in the year ended 31 March 2014 and any similar exposures we face in respect of other transactions are now comparatively minor. Benchmark PBT rose by US$43m to US$1,232m (2013: US$1,189m).

Exceptional items – continuing operations

As shown in the table below, there was an exceptional charge of US$54m in the year (2013: US$66m). The charge for the year includes:

- Restructuring costs which are the costs we incurred following the strategic review of our cost base during the year ended 31 March 2013. Note 9 to the Group financial statements gives further details.
- The gain on disposal of businesses in the year relating to a number of small disposals.

Year ended 31 March	2014 US$m	2013 US$m
Restructuring costs	68	54
(Gain)/loss on disposal of businesses	(14)	12
Total exceptional charge	**54**	**66**

Other adjustments made to derive Benchmark PBT – continuing operations

Year ended 31 March	2014 US$m	2013 US$m
Amortisation and impairment of acquisition intangibles	131	123
Impairment of goodwill	15	-
Acquisition expenses	10	4
Adjustment to the fair value of contingent consideration	-	1
Increase in fair value of Serasa put option	-	558
Other financing fair value remeasurements	(27)	3
Other adjustments made to derive Benchmark PBT	**129**	**689**

Further information in respect of these items is given in note 10 to the Group financial statements.

Net interest expense
The net interest expense for the year was US$74m (2013: US$62m). The key driver of the increase was the full-year effect of the additional funding for the acquisition of the further 29.6% stake in Serasa in November 2012, and the effect of the US$1.2bn we spent on the Passport and 41st Parameter acquisitions in the US in the second half of the year ended 31 March 2014.

Experian remains strongly cash generative and both our interest cost and the amount paid have continued to benefit from low interest rates globally.

Tax
The Benchmark tax rate was 26.7% (2013: 25.3%). The increase reflects higher profits in the US, which has a corporate tax rate above the main UK rate. Note 12 to the Group financial statements includes a reconciliation of the Benchmark tax charge.

The tax charge for the year was US$302m and the effective tax rate was 28.8%. This is higher than the Benchmark tax rate, primarily reflecting the reduction in the main rate of UK corporation tax from 23% to 20% and the associated reduction in deferred tax assets we recognise in respect of tax losses. The blended tax rate on exceptional items and other adjustments made to derive Benchmark PBT was 27.3%.

The tax charge for the year ended 31 March 2013 was US$151m and the effective tax rate was 34.8%. This was higher than the Benchmark tax rate, primarily because our statutory profit before tax included the charge for the Serasa put option, on which there was no tax relief, while there was a one-off tax benefit on a corporate transaction in respect of our Colombia business.

Earnings per share
As indicated in note 14 to the Group financial statements, basic earnings per share were 76.8 US cents (2013: 36.6 US cents). Basic earnings per share included 0.7 US cents (2013: 11.9 US cents) in respect of discontinued operations. Benchmark EPS increased to 91.7 US cents, from 85.2 US cents last year.

At 31 March 2014, Experian had 1,031 million shares in issue of which some 54 million were held in treasury and by employee trusts. Accordingly, the number of shares to be used for the purposes of calculating basic earnings per share from 31 March 2014 is 977 million. Issues and purchases of shares after 31 March 2014 will result in an amendment to this figure.

Seasonality
In recent years, our margin progression has tended to be weighted towards the second half of the year, reflecting revenue seasonality and the phasing of our investment expenditure.

Foreign exchange – average rates
The principal exchange rates used to translate revenue and EBIT are shown in the table below.

	2014	**2013**	**Strengthened/ (weakened) against the US dollar**
US dollar : Brazilian real	**2.25**	2.01	(11.9%)
Sterling : US dollar	**1.59**	1.58	0.6%
Euro : US dollar	**1.34**	1.29	3.9%

Exchange rate movements from last year have decreased our reported revenue for the year ended 31 March 2014 by US$107m and our EBIT by US$39m. This is primarily as a consequence of the weakness of the Brazilian real and its impact on the reported results of our Latin America region.

Cash flow and net debt commentary

Cash flow summary

We generated very strong cash flow in the year with operating cash flow of US$1,321m (2013: US$1,175m) and a cash flow conversion of 101% (2013: 94%). Note 19 to the Group financial statements reconciles cash generated from operations, as reported in the Group cash flow statement, to operating cash flow as reported in the cash flow summary table.

As the cash flow summary table at Appendix 4 on page 17 shows, free cash flow in the year ended 31 March 2014 was US$1,067m (2013: US$891m). The net cash outflow in the year of US$570m (2013: US$1,018m) is after acquisition spend of US$1,250m (2013: US$1,549m) and equity dividend payments of US$349m (2013: US$322m).

Note 18(e) to the Group financial statements analyses our acquisition spend. Acquisitions in the year ended 31 March 2014 included the two significant transactions in North America. Acquisition spend in the prior year principally comprised the additional stake in Serasa in November 2012. The Group ran a share purchase programme from May 2013 until late October 2013, when it was discontinued following the announcement of the acquisition of Passport.

Funding

In light of the above and our redemption of the £334m 5.625% Euronotes 2013 at maturity in December 2013, we undertook two significant corporate financing initiatives in the second half of the year. We initiated a commercial paper programme in January 2014 and we issued £400m 3.50% Euronotes 2021 in February 2014.

Both these initiatives were well supported by the financial markets. Our outstandings under the commercial paper programme were US$576m at 31 March 2014.

Capital expenditure

Capital expenditure was US$402m (2013: US$460m) including data and software to support our future growth. We subject our capital expenditure to rigorous internal review processes on both a pre-investment and a post-investment view. We have reduced capital expenditure as a percentage of revenue from 9.7% in the prior year to 8.3% in the year under review.

Net debt and covenants

At 31 March 2014, net debt was US$3,809m (2013: US$2,938m) with undrawn committed borrowing facilities of US$2,216m (2013: US$1,624m). Our net debt at 31 March 2014 was 2.27 times EBITDA, compared to a target ratio of 1.75 to 2.0 times. A summary reconciliation of the movement in net debt is given at Appendix 5 on page 17.

Other items

The Group has continued to receive a significant number of claims in Brazil throughout the year, primarily in three states, relating to the disclosure and use of credit scores. The cases are mainly individual small claims and also include a small number of class actions. Similar proceedings have been commenced against other suppliers of credit scores in Brazil. The Superior Tribunal of Justice ('STJ'), the highest court in Brazil for such cases, has issued a stay on all proceedings relating to these claims while it determines the principal legal issues involved. The Group does not believe the claims have merit under Brazilian law and will continue to vigorously defend them.

Appendices

1. Non-GAAP financial information

Experian has identified and defined certain measures that it believes assist understanding of the performance of the Group. These measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance but management has included them as these are considered to be key measures used within the business for assessing performance. Information on certain of our non-GAAP measures is set out below in the further appendices. Definitions of all our non-GAAP measures are given in note 5 to the Group financial statements.

2. Revenue, EBIT and EBIT margin by business segment

Year ended 31 March			**Growth**	
	2014 **US$m**	**2013[1]** **US$m**	**Total at constant rates %**	**Organic at constant rates %**
Revenue				
Credit Services	2,244	2,181	7	5
Decision Analytics	576	512	14	10
Marketing Services	881	874	2	1
Consumer Services	1,071	1,015	5	5
Total – continuing activities	**4,772**	**4,582**	**7**	**5**
Discontinuing activities[2]	68	148	n/a	
Total	**4,840**	**4,730**	**5**	
EBIT				
Credit Services	806	769	9	
Decision Analytics	122	109	14	
Marketing Services	156	138	13	
Consumer Services	308	311	(1)	
Total business segments	**1,392**	**1,327**	**8**	
Central Activities – central corporate costs	(83)	(83)	-	
Total – continuing activities	**1,309**	**1,244**	**8**	
Discontinuing activities[2]	(3)	7	n/a	
Total	**1,306**	**1,251**	**7**	
EBIT margin – continuing activities				
Credit Services	35.9%	35.3%		
Decision Analytics	21.2%	21.3%		
Marketing Services	17.7%	15.8%		
Consumer Services	28.8%	30.6%		
Total EBIT margin	**27.4%**	**27.1%**		

1. 2013 restated for the movement of some small Marketing Services businesses to discontinuing activities and for further costs of US$2m, within Central Activities, as a result of the adoption of IAS 19 (revised).
2. Discontinuing activities comprise small discontinuing Credit Services and Marketing Services businesses.

3. Income statement analysis – continuing operations

Year ended 31 March	2014			2013		
	Benchmark	Non-benchmark[1]	Total	Benchmark[2]	Non-benchmark[1]	Total[2]
	US$m	US$m	US$m	US$m	US$m	US$m
Revenue	**4,840**	**-**	**4,840**	**4,730**	**-**	**4,730**
Labour costs	(1,769)	(61)	(1,830)	(1,794)	(41)	(1,835)
Data and information technology costs	(481)	-	(481)	(453)	-	(453)
Amortisation, depreciation and impairment charges	(371)	(153)	(524)	(329)	(136)	(465)
Marketing and customer acquisition costs	(405)	-	(405)	(375)	-	(375)
Other operating charges	(510)	4	(506)	(528)	(17)	(545)
Total operating expenses	(3,536)	(210)	(3,746)	(3,479)	(194)	(3,673)
Operating profit/(loss)	**1,304**	**(210)**	**1,094**	**1,251**	**(194)**	**1,057**
Share of profit of associates	2	-	2	-	-	-
EBIT from continuing operations	**1,306**			**1,251**		
Non-benchmark items		**(210)**			**(194)**	
Profit/(loss) before net finance costs and tax	**1,306**	**(210)**	**1,096**	**1,251**	**(194)**	**1,057**
Net finance income/(costs)	(74)	27	(47)	(62)	(561)	(623)
Profit/(loss) before tax	**1,232**	**(183)**	**1,049**	**1,189**	**(755)**	**434**
Tax (charge)/credit	(329)	27	(302)	(301)	150	(151)
Profit/(loss) after tax from continuing operations	**903**	**(156)**	**747**	**888**	**(605)**	**283**
Attributable to:						
Owners of Experian plc	899	(153)	746	842	(598)	244
Non-controlling interests	4	(3)	1	46	(7)	39
Profit/(loss) after tax from continuing operations	**903**	**(156)**	**747**	**888**	**(605)**	**283**
	US cents	**US cents**	**US cents**	**US cents**	**US cents**	**US cents**
Earnings/(loss) per share – basic	**91.7**	**(15.6)**	**76.1**	**85.2**	**(60.5)**	**24.7**
	%	**%**	**%**	**%**	**%**	**%**
Effective rate of tax	**26.7**	**14.8**	**28.8**	**25.3**	**19.9**	**34.8**

1. The loss before tax for non-benchmark items of US$183m (2013: US$755m) comprises charges for exceptional items of US$54m (2013: US$66m) and other adjustments made to derive Benchmark PBT of US$129m (2013: US$689m). Further information is given in notes 9 and 10 to the Group financial statements.

2. Restated as a result of the adoption of IAS 19 (revised).

4. Cash flow summary

Year ended 31 March	2014 US$m	2013 US$m
EBIT from continuing operations	1,306	1,251
Amortisation and depreciation (see below)	371	329
Loss on sale of fixed assets	5	2
Capital expenditure	(402)	(460)
Sale of property, plant and equipment	8	1
Increase in working capital	(36)	(27)
(Profit)/loss retained in associates	(1)	1
Charge for share incentive plans	70	78
Operating cash flow	**1,321**	**1,175**
Net interest paid	(74)	(68)
Tax paid – continuing operations	(174)	(162)
Dividends paid to non-controlling interests	(6)	(54)
Free cash flow	**1,067**	**891**
Cash outflow for exceptional restructuring costs	(65)	(27)
Acquisitions	(1,250)	(1,549)
Purchase of other financial assets and investments	(3)	(8)
Disposal of businesses – continuing operations	25	5
Disposal of businesses – discontinued operations	5	(8)
Equity dividends paid	(349)	(322)
Net cash outflow	**(570)**	**(1,018)**
Net share purchases	(371)	(180)
New borrowings and other financing related cash flows	808	1,118
Net decrease in cash and cash equivalents – continuing operations	**(133)**	**(80)**
Net increase in cash and cash equivalents – discontinued operations	140	64
Net increase/(decrease) in cash and cash equivalents	**7**	**(16)**
Cash and cash equivalents at 1 April	226	254
Exchange movements on cash and cash equivalents	(25)	(12)
Cash and cash equivalents at 31 March	**208**	**226**

5. Reconciliation of net debt

Year ended 31 March	2014 US$m	2013 US$m
At 1 April	2,938	1,818
Net cash outflow – as reported in the cash flow summary	570	1,018
Net share purchases	371	180
Exchange, discontinued operations and other movements in net debt	(70)	(78)
At 31 March	**3,809**	**2,938**

6. Reconciliation of amortisation, depreciation and impairment charges

Year ended 31 March	2014 US$m	2013 US$m
As reported in the Group income statement	524	465
Less: amortisation and impairment of acquisition intangibles	(131)	(123)
Less: exceptional asset write-off	(7)	(13)
Less: impairment of goodwill	(15)	-
As reported in the cash flow summary	**371**	**329**

Group income statement

for the year ended 31 March 2014

	Notes	2014 US$m	2013 (Re-presented) (Note 3) US$m
Revenue	6	**4,840**	4,730
Labour costs		**(1,830)**	(1,835)
Data and information technology costs		**(481)**	(453)
Amortisation, depreciation and impairment charges		**(524)**	(465)
Marketing and customer acquisition costs		**(405)**	(375)
Other operating charges		**(506)**	(545)
Total operating expenses		**(3,746)**	(3,673)
Operating profit		**1,094**	1,057
Interest income		**22**	20
Finance expense		**(69)**	(643)
Net finance costs	11(a)	**(47)**	(623)
Share of post-tax profit of associates		**2**	-
Profit before tax	6	**1,049**	434
Group tax charge	12(a)	**(302)**	(151)
Profit after tax for the financial year from continuing operations		**747**	283
Profit for the financial year from discontinued operations	13(a)	**7**	118
Profit for the financial year		**754**	401
Attributable to:			
Owners of Experian plc		**753**	362
Non-controlling interests		**1**	39
Profit for the financial year		**754**	401

	Notes	US cents	US cents
Earnings per share			
Basic	14(a)	**76.8**	36.6
Diluted	14(a)	**75.8**	35.9
Earnings per share from continuing operations			
Basic	14(a)	**76.1**	24.7
Diluted	14(a)	**75.1**	24.2

	Notes	US cents	US cents
Non-GAAP information:			
Full year dividend per share	15(a)	**37.50**	34.75

Group statement of comprehensive income

for the year ended 31 March 2014

	2014	2013 (Re-presented) (Note 3)
	US$m	US$m
Profit for the financial year	**754**	401
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations	**(14)**	(56)
Deferred tax credit	**4**	13
Items that will not be reclassified to profit or loss	**(10)**	(43)
Item that may be reclassified subsequently to profit or loss:		
Fair value gains recognised on available-for-sale financial assets	**5**	3
Currency translation losses	**(188)**	(39)
Item that may be reclassified subsequently to profit or loss	**(183)**	(36)
Reclassification of cumulative currency translation gain in respect of divestments	**(2)**	-
Other comprehensive income for the financial year, net of tax	**(195)**	(79)
Total comprehensive income for the financial year	**559**	322
Attributable to:		
Continuing operations	**552**	181
Discontinued operations	**7**	118
Owners of Experian plc	**559**	299
Non-controlling interests	**-**	23
Total comprehensive income for the financial year	**559**	322

Amounts reported within other comprehensive income are in respect of continuing operations and, except as reported above for post-employment benefit assets and obligations, there is no associated tax. Currency translation items are taken directly to the translation reserve within other reserves. Other items within other comprehensive income are taken directly to retained earnings.

Non-GAAP measures:

Reconciliation of profit before tax to Benchmark PBT

for the year ended 31 March 2014

	Notes	2014	2013 (Re-presented) (Note 3)
		US$m	US$m
Profit before tax	6	**1,049**	434
Exceptional items	9	**54**	66
Amortisation and impairment of acquisition intangibles	10	**131**	123
Impairment of goodwill	10	**15**	-
Acquisition expenses	10	**10**	4
Adjustment to the fair value of contingent consideration	10	**-**	1
Financing fair value remeasurements	10	**(27)**	561
Benchmark PBT	6	**1,232**	1,189

	Notes	US cents	US cents
Benchmark earnings per share			
Basic	14(a)	**91.7**	85.2
Diluted	14(a)	**90.5**	83.4

Group balance sheet

at 31 March 2014

	Notes	2014 US$m	2013 US$m
Non-current assets			
Goodwill		**4,807**	4,057
Other intangible assets	16	**1,869**	1,474
Property, plant and equipment	16	**469**	478
Investments in associates		**13**	21
Deferred tax assets		**460**	643
Post-employment benefit assets	17(a)	**74**	80
Trade and other receivables		**9**	10
Available-for-sale financial assets		**46**	41
Other financial assets		**229**	156
		7,976	6,960
Current assets			
Inventories		**2**	7
Trade and other receivables		**942**	923
Current tax assets		**13**	49
Other financial assets		**27**	27
Cash and cash equivalents	18(h)	**212**	229
		1,196	1,235
Current liabilities			
Trade and other payables		**(1,168)**	(1,197)
Borrowings	20	**(584)**	(635)
Current tax liabilities		**(91)**	(41)
Provisions		**(54)**	(52)
Other financial liabilities		**(5)**	(20)
		(1,902)	(1,945)
Net current liabilities		**(706)**	(710)
Total assets less current liabilities		**7,270**	6,250
Non-current liabilities			
Trade and other payables		**(52)**	(41)
Borrowings	20	**(3,576)**	(2,626)
Deferred tax liabilities		**(412)**	(222)
Post-employment benefit obligations	17(a)	**(61)**	(56)
Provisions		**-**	(1)
Other financial liabilities		**(65)**	(80)
		(4,166)	(3,026)
Net assets		**3,104**	3,224
Equity			
Called up share capital	22	**103**	102
Share premium account	22	**1,492**	1,480
Retained earnings		**18,167**	17,849
Other reserves		**(16,680)**	(16,247)
Attributable to owners of Experian plc		**3,082**	3,184
Non-controlling interests		**22**	40
Total equity		**3,104**	3,224

Group statement of changes in total equity

for the year ended 31 March 2014

	Called up share capital (Note 22) US$m	Share premium account (Note 22) US$m	Retained earnings US$m	Other reserves US$m	**Attributable to owners of Experian plc US$m**	Non-controlling interests US$m	**Total equity US$m**
At 1 April 2013	102	1,480	17,849	(16,247)	**3,184**	40	**3,224**
Profit for the financial year	-	-	753	-	**753**	1	**754**
Other comprehensive income for the financial year	-	-	(5)	(189)	**(194)**	(1)	**(195)**
Total comprehensive income for the financial year	-	-	748	(189)	**559**	-	**559**
Transactions with owners:							
Employee share incentive plans:							
- value of employee services	-	-	70	-	**70**	-	**70**
- shares issued on vesting	1	12	-	-	**13**	-	**13**
- other exercises of share awards and options	-	-	(132)	85	**(47)**	-	**(47)**
- related tax credit	-	-	4	-	**4**	-	**4**
- purchase of own shares by employee trusts	-	-	-	(126)	**(126)**	-	**(126)**
- other payments	-	-	(7)	-	**(7)**	-	**(7)**
Purchase of own shares held as treasury shares	-	-	-	(203)	**(203)**	-	**(203)**
Transactions with non-controlling interests	-	-	(16)	-	**(16)**	(12)	**(28)**
Dividends paid	-	-	(349)	-	**(349)**	(6)	**(355)**
Transactions with owners	1	12	(430)	(244)	**(661)**	(18)	**(679)**
At 31 March 2014	**103**	**1,492**	**18,167**	**(16,680)**	**3,082**	**22**	**3,104**

for the year ended 31 March 2013

	Called up share capital (Note 22) US$m	Share premium account (Note 22) US$m	Retained earnings US$m	Other reserves US$m	**Attributable to owners of Experian plc US$m**	Non-controlling interests US$m	**Total equity US$m**
At 1 April 2012	102	1,471	17,350	(16,151)	**2,772**	159	**2,931**
Profit for the financial year	-	-	362	-	**362**	39	**401**
Other comprehensive income for the financial year	-	-	(40)	(23)	**(63)**	(16)	**(79)**
Total comprehensive income for the financial year	-	-	322	(23)	**299**	23	**322**
Transactions with owners:							
Employee share incentive plans:							
- value of employee services	-	-	78	-	**78**	-	**78**
- shares issued on vesting	-	9	-	-	**9**	-	**9**
- other exercises of share awards and options	-	-	(105)	148	**43**	-	**43**
- related tax credit	-	-	15	-	**15**	-	**15**
- purchase of own shares by employee trusts	-	-	-	(221)	**(221)**	-	**(221)**
- other payments	-	-	(4)	-	**(4)**	-	**(4)**
Liability for put option over non-controlling interests	-	-	(15)	-	**(15)**	-	**(15)**
Non-controlling interests arising on business combinations	-	-	-	-	**-**	1	**1**
Acquisition of non-controlling interest in Serasa	-	-	534	-	**534**	(85)	**449**
Other transactions with non-controlling interests	-	-	(4)	-	**(4)**	(4)	**(8)**
Dividends paid	-	-	(322)	-	**(322)**	(54)	**(376)**
Transactions with owners	-	9	177	(73)	**113**	(142)	**(29)**
At 31 March 2013	**102**	**1,480**	**17,849**	**(16,247)**	**3,184**	**40**	**3,224**

Group cash flow statement

for the year ended 31 March 2014

	Notes	2014 US$m	2013 US$m
Cash flows from operating activities			
Cash generated from operations	18(a)	**1,641**	1,602
Interest paid		**(95)**	(80)
Interest received		**21**	12
Dividends received from associates		**1**	1
Tax paid	18(d)	**(174)**	(162)
Net cash inflow from operating activities – continuing operations		**1,394**	1,373
Net cash inflow from operating activities – discontinued operations	13(b)	**140**	64
Net cash inflow from operating activities		**1,534**	1,437
Cash flows from investing activities			
Purchase of other intangible assets		**(319)**	(345)
Purchase of property, plant and equipment		**(83)**	(115)
Sale of property, plant and equipment		**8**	1
Purchase of investments in associates		**-**	(8)
Purchase of other financial assets		**(3)**	-
Acquisition of subsidiaries, net of cash acquired	18(e)	**(1,223)**	(38)
Disposal of subsidiaries – continuing operations		**25**	5
Disposal of subsidiaries – discontinued operations	13(c)	**5**	(8)
Net cash flows used in investing activities		**(1,590)**	(508)
Cash flows from financing activities			
Employee share incentive plans:			
- proceeds from issue of ordinary shares		**13**	9
- net cash (outflow)/inflow on vesting of share awards and exercise of share options		**(55)**	61
- purchase of own shares by employee trusts		**(126)**	(250)
- other payments		**(7)**	(4)
Purchase of own shares held as treasury shares		**(203)**	-
Payments to acquire non-controlling interests	18(g)	**(19)**	(1,507)
New borrowings		**1,911**	1,135
Repayment of borrowings		**(1,139)**	(12)
Capital element of finance lease rental payments		**(5)**	(1)
Net receipts from derivative financial instruments held to manage currency profile		**43**	-
Net receipts from equity swaps		**5**	-
Dividends paid		**(355)**	(376)
Net cash flows from/(used) in financing activities		**63**	(945)
Net increase/(decrease) in cash and cash equivalents		**7**	(16)
Cash and cash equivalents at 1 April		**226**	254
Exchange and other movements on cash and cash equivalents		**(25)**	(12)
Cash and cash equivalents at 31 March	18(h)	**208**	226

Notes to the financial statements

for the year ended 31 March 2014

1. Corporate information

Experian plc (the 'Company'), which is the ultimate parent company of the Experian group of companies ('Experian' or the 'Group'), is incorporated and registered in Jersey as a public company limited by shares and is resident in Ireland. The Company's ordinary shares are traded on the London Stock Exchange's Regulated Market (Premium Listing).

2. Basis of preparation

The financial information set out in this preliminary announcement does not constitute the Group's statutory financial statements, which comprise the annual report and audited financial statements, for the years ended 31 March 2014 or 31 March 2013 but is derived from the statutory financial statements for the year ended 31 March 2014. The Group's statutory financial statements for the year ended 31 March 2014 will be made available to shareholders in June 2014 and delivered to the Jersey Registrar of Companies in due course. The auditors have reported on those financial statements and have given an unqualified report which does not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991. The Group's statutory financial statements for the year ended 31 March 2013 have been delivered to the Jersey Registrar of Companies. The auditors reported on those financial statements and gave an unqualified report which did not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991.

The Group's statutory financial statements for the year ended 31 March 2014 have been:

- prepared in accordance with International Financial Reporting Standards ('IFRS' or 'IFRSs') as adopted for use in the European Union and IFRS Interpretations Committee interpretations;
- prepared on a going concern basis and under the historical cost convention, as modified for the revaluation of available-for-sale financial assets and certain other financial assets and financial liabilities including derivatives;
- presented in US dollars, the most representative currency of the Group's operations, and generally rounded to the nearest million; and
- prepared using the principal exchange rates set out in note 8.

Other than those disclosed in this preliminary announcement, no significant events impacting the Group have occurred between 31 March 2014 and 6 May 2014 when this preliminary announcement was approved for issue.

This preliminary announcement has been prepared in accordance with the Listing Rules of the UK Financial Conduct Authority, using the accounting policies applied in the preparation of the Group's statutory financial statements for the year ended 31 March 2014. Those policies were published in full in the Group's statutory financial statements for the year ended 31 March 2013 and are available on a corporate website, at www.experianplc.com/annualreport.

3. Changes in accounting standards

Accounting standards, amendments or interpretations effective for the first time in the year ended 31 March 2014 which had a material impact on these financial statements are detailed below. The Group's statutory financial statements for the year ended 31 March 2014 will include the additional disclosures required by the amendment to IFRS 7 'Financial instruments: disclosures' which was also effective for the first time in the year ended 31 March 2014.

(a) Amendment to IAS 1 'Financial statements presentation'

In accordance with this amendment, amounts reported in the Group statement of comprehensive income are now grouped to separately report items that will not be reclassified to profit or loss and items that may be reclassified subsequently to profit or loss. Comparative figures have been re-presented in the appropriate grouping.

(b) IAS 19 (revised) 'Employee benefits'

Experian adopted IAS 19 (revised) with effect from 1 April 2013. This revision requires the use of the discount rate to determine both the interest income on pension assets and the interest expense on post-employment benefit obligations. The resulting net interest is reported within interest income or expense as appropriate. Pension plan administration costs are now required to be reported within operating profit rather than as a deduction from the return on pension assets.

Comparative figures have been re-presented accordingly. The effect is to reduce Profit before tax and Benchmark profit before tax for the year ended 31 March 2013 by US$6m. Operating profit is reduced by pension plan administration costs of US$2m, recognised in the Central Activities segment, and net finance costs are increased by US$4m. Remeasurement losses on post-employment benefit assets and obligations recognised in the Group statement of comprehensive income have been reduced by US$5m, including a tax effect of US$1m. There is no effect on the Group balance sheet at 31 March 2013 nor on amounts in the Group cash flow statement for the year then ended.

Notes to the financial statements (continued)

for the year ended 31 March 2014

3. Changes in accounting standards (continued)

(c) IFRS 13 'Fair value measurement'

IFRS 13 establishes a single source of guidance for all fair value measurements but its application has not materially affected the Group's fair value measurements. In accordance with the transitional provisions of IFRS 13, Experian has applied the new fair value measurement guidance prospectively.

4. Recent accounting developments

The information below is a summary of other external accounting developments, none of which is currently expected to have a significant impact on the Group. We routinely review such developments and adapt our financial reporting systems as appropriate.

The following accounting standards, amendments and interpretations are effective for the first time for the Group's accounting periods beginning on or after 1 April 2014:

- IFRS 10 'Consolidated financial statements';
- IFRS 11 'Joint arrangements';
- IFRS 12 'Disclosure of interests in other entities';
- Amendments to IFRS 10, IFRS 11 and IFRS 12 'Transition guidance';
- IAS 27 (revised) 'Separate financial statements';
- IAS 28 (revised) 'Associate and joint ventures';
- Amendment to IAS 32 'Financial instruments amendment on financial assets and liability offsetting';
- Amendment to IAS 36 'Recoverable amount disclosures for non-financial assets'; and
- Amendment to IAS 39 'Novation of derivatives and continuation of hedge accounting'.

At 31 March 2014 there are a number of new standards and amendments to existing standards in issue but not yet effective, including IFRS 9 'Financial instruments' which is being issued in phases. Until IFRS 9 is finalised, its full requirements remain uncertain and it is not currently possible to assess the impact of its adoption on the Group. There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material impact on the Group.

5. Use of non-GAAP measures in the Group financial statements

As detailed below, the Group has identified and defined certain measures that it believes assist understanding of Experian's performance. The measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance but management has included them as they consider them to be key measures used within the business to assess performance.

(a) Benchmark profit before tax ('Benchmark PBT')

Benchmark PBT is defined as profit before amortisation and impairment of acquisition intangibles, impairment of goodwill, acquisition expenses, adjustments to contingent consideration, exceptional items, financing fair value remeasurements, tax and discontinued operations. It includes the Group's share of continuing associates' pre-tax results.

An explanation of the basis on which Experian reports exceptional items is provided below. Other adjustments made to derive Benchmark PBT can be explained as follows:

- The Group has excluded charges for the amortisation and impairment of acquisition intangibles from its definition of Benchmark PBT because such charges are based on judgments about their value and economic life. Impairment of goodwill is similarly excluded from the definition of Benchmark PBT.
- Acquisition expenses are excluded from the definition of Benchmark PBT as they bear no relation to the underlying performance of the Group or to the performance of the acquired businesses. Adjustments to contingent consideration are similarly excluded from the definition of Benchmark PBT.
- An element of the Group's derivatives is ineligible for hedge accounting. Gains or losses on these derivatives arising from market movements, together with gains and losses on put options in respect of acquisitions, are credited or charged to financing fair value remeasurements within finance expense in the Group income statement and excluded from the definition of Benchmark PBT.

(b) Earnings before interest and tax ('EBIT')

EBIT is defined as profit before amortisation and impairment of acquisition intangibles, impairment of goodwill, acquisition expenses, adjustments to contingent consideration, exceptional items, net finance costs, tax and discontinued operations. It includes the Group's share of continuing associates' pre-tax results.

(c) Earnings before interest, tax, depreciation and amortisation ('EBITDA')

EBITDA is defined as EBIT before depreciation and amortisation charged therein.

(d) Discontinuing activities

Discontinuing activities are businesses sold, closed or identified for closure during a financial year. These are treated as discontinuing activities for both revenue and EBIT purposes. The results of discontinuing activities are disclosed separately with the results of the prior period re-presented as appropriate. This measure differs from the definition of discontinued operations set out in IFRS 5.

(e) Continuing activities

Businesses trading at 31 March 2014, which have not been disclosed as discontinuing activities, are treated as continuing activities.

(f) Constant exchange rates

To highlight its organic performance, Experian discusses its results in terms of constant exchange rate growth, unless otherwise stated. This represents growth calculated as if the exchange rates used to determine the results had remained unchanged from those used in the previous year.

(g) Total growth

This is the year-on-year change in the performance of Experian's activities. Total growth at constant exchange rates removes the translational foreign exchange effects arising on the consolidation of Experian's activities.

(h) Organic growth

This is the year-on-year change in the revenue of continuing activities, translated at constant exchange rates, excluding acquisitions until the first anniversary date of their consolidation.

Notes to the financial statements (continued)

for the year ended 31 March 2014

5. Use of non-GAAP measures in the Group financial statements (continued)

(i) Benchmark earnings

Benchmark earnings represents Benchmark PBT less attributable tax and non-controlling interests. Benchmark earnings attributable to non-controlling interests represents that portion of Benchmark earnings that relate to non-controlling interests. Benchmark PBT less attributable tax is designated as Overall benchmark earnings. The attributable tax for this purpose excludes significant tax credits and charges arising in the year which, in view of their size or nature, are not comparable with previous years together with tax arising on exceptional items and on total adjustments made to derive Benchmark PBT.

(j) Benchmark earnings per share (‘Benchmark EPS’)

Benchmark EPS represents Benchmark earnings divided by a weighted average number of ordinary shares, and is disclosed to indicate the underlying profitability of the Group.

(k) Benchmark tax charge and rate

The Benchmark tax charge is defined as the total tax charge as reported in the Group income statement, adjusted for the tax impact of non-benchmark items. The related effective rate of tax is calculated by dividing the Benchmark tax charge by Benchmark PBT.

(l) Exceptional items

The separate reporting of non-recurring exceptional items gives an indication of the Group’s underlying performance. Exceptional items are those arising from the profit or loss on disposal of businesses, closure costs of major business units and costs of significant restructuring programmes. All other restructuring costs are charged against EBIT, in the segments in which they are incurred.

(m) Operating and free cash flow

Operating cash flow is defined as EBIT from continuing operations, plus amortisation, depreciation and charges in respect of share-based incentive plans, less capital expenditure net of disposal proceeds and further adjusted for changes in working capital and the profit or loss retained in continuing associates. Operating cash flow is reconciled to cash generated from operations in note 19. Free cash flow is derived from operating cash flow by excluding net interest, tax paid in respect of continuing operations and dividends paid to non-controlling interests.

(n) Cash flow conversion

Cash flow conversion is defined as operating cash flow expressed as a percentage of EBIT.

(o) Net debt

Net debt is defined as borrowings (and the fair value of derivatives hedging borrowings) excluding accrued interest, less cash and cash equivalents reported in the Group balance sheet and other highly liquid bank deposits with original maturities greater than three months.

Notes to the financial statements (continued)

for the year ended 31 March 2014

6. Segment information

(a) Income statement

Year ended 31 March 2014	North America US$m	Latin America US$m	UK & Ireland US$m	EMEA/ Asia Pacific[2] US$m	**Total operating segments US$m**	Central Activities US$m	**Total continuing operations US$m**
	Continuing operations[1]						
Revenue from external customers							
Continuing activities	2,404	925	944	499	**4,772**	-	**4,772**
Discontinuing activities	-	21	-	47	**68**	-	**68**
Total	2,404	946	944	546	**4,840**	-	**4,840**
Reconciliation from EBIT to profit/(loss) before tax							
EBIT							
Continuing activities	757	344	284	7	**1,392**	(83)	**1,309**
Discontinuing activities	-	-	-	(3)	**(3)**	-	**(3)**
Total	757	344	284	4	**1,389**	(83)	**1,306**
Net interest (note 11(b))	-	-	-	-	**-**	(74)	**(74)**
Benchmark PBT	757	344	284	4	**1,389**	(157)	**1,232**
Exceptional items (note 9)	(27)	(8)	(12)	(7)	**(54)**	-	**(54)**
Amortisation and impairment of acquisition intangibles (note 10)	(50)	(48)	(14)	(19)	**(131)**	-	**(131)**
Impairment of goodwill (note 10)	-	-	-	(15)	**(15)**	-	**(15)**
Acquisition expenses	(9)	-	-	(1)	**(10)**	-	**(10)**
Financing fair value remeasurements (note 11(c))	-	-	-	-	**-**	27	**27**
Profit/(loss) before tax	671	288	258	(38)	**1,179**	(130)	**1,049**

Year ended 31 March 2013	North America US$m	Latin America US$m	UK & Ireland US$m	EMEA/ Asia Pacific[2] US$m	**Total operating segments US$m**	Central Activities Re-presented[3] US$m	**Total continuing operations** Re-presented[3] **US$m**
	Continuing operations[1]						
Revenue from external customers							
Continuing activities	2,258	960	873	491	**4,582**	-	**4,582**
Discontinuing activities	-	41	-	107	**148**	-	**148**
Total	2,258	1,001	873	598	**4,730**	-	**4,730**
Reconciliation from EBIT to profit/(loss) before tax							
EBIT							
Continuing activities	718	343	246	20	**1,327**	(83)	**1,244**
Discontinuing activities	-	3	-	4	**7**	-	**7**
Total	718	346	246	24	**1,334**	(83)	**1,251**
Net interest (note 11(b))	-	-	-	-	**-**	(62)	**(62)**
Benchmark PBT	718	346	246	24	**1,334**	(145)	**1,189**
Exceptional items (note 9)	(23)	(1)	(9)	(33)	**(66)**	-	**(66)**
Amortisation of acquisition intangibles (note 10)	(32)	(53)	(21)	(17)	**(123)**	-	**(123)**
Acquisition expenses	(1)	(1)	(1)	(1)	**(4)**	-	**(4)**
Adjustment to the fair value of contingent consideration	-	-	-	(1)	**(1)**	-	**(1)**
Financing fair value remeasurements (note 11(c))	-	-	-	-	**-**	(561)	**(561)**
Profit/(loss) before tax	662	291	215	(28)	**1,140**	(706)	**434**

1. Revenue of US$nil (2013: US$147m) and a loss before tax of US$nil (2013: US$5m) arose in respect of discontinued operations (see note 13).
2. EMEA/Asia Pacific represents all other operating segments.
3. As a consequence of the adoption of IAS 19 (revised), the loss before interest and tax for Central Activities for the year ended 31 March 2013 has been increased by US$2m and the net interest expense has been increased by US$4m.
4. Additional information by operating segment, including that on total and organic growth at constant exchange rates, is provided within pages 3 to 11.

Notes to the financial statements (continued)

for the year ended 31 March 2014

6. Segment information (continued)

(b) Revenue by country – continuing operations	**2014 US$m**	2013 US$m
USA	**2,391**	2,255
Brazil	**819**	866
UK	**936**	865
Colombia	**94**	111
Other	**600**	633
	4,840	4,730

The Company is resident in Ireland and, as revenue with Irish external customers is less than 1% of the Group's revenue from external customers, the Group's revenue is primarily attributable to foreign countries. No single customer accounted for 10% or more of the Group's revenue in the current or prior year.

(c) Revenue by business segment – continuing operations

The additional analysis of revenue from external customers provided to the chief operating decision-maker and accordingly reportable under IFRS 8 is given within note 7. This is supplemented by voluntary disclosure of the profitability of groups of service lines. For ease of reference, Experian continues to use the term 'business segments' when discussing the results of groups of service lines.

Notes to the financial statements (continued)

for the year ended 31 March 2014

7. Information on business segments (including non-GAAP disclosures)

Year ended 31 March 2014	Continuing operations[1] Credit Services US$m	Decision Analytics US$m	Marketing Services US$m	Consumer Services US$m	**Total business segments US$m**	Central Activities US$m	**Total continuing operations US$m**
Revenue from external customers							
Continuing activities	2,244	576	881	1,071	**4,772**	-	**4,772**
Discontinuing activities	-	-	68	-	**68**	-	**68**
Total	2,244	576	949	1,071	**4,840**	-	**4,840**
Reconciliation from EBIT to profit/(loss) before tax							
EBIT							
Continuing activities	806	122	156	308	**1,392**	(83)	**1,309**
Discontinuing activities	-	-	(3)	-	**(3)**	-	**(3)**
Total	806	122	153	308	**1,389**	(83)	**1,306**
Net interest (note 11(b))	-	-	-	-	**-**	(74)	**(74)**
Benchmark PBT	806	122	153	308	**1,389**	(157)	**1,232**
Exceptional items (note 9)	(41)	(10)	-	(3)	**(54)**	-	**(54)**
Amortisation and impairment of acquisition intangibles (note 10)	(74)	(11)	(27)	(19)	**(131)**	-	**(131)**
Impairment of goodwill (note 10)	-	-	(15)	-	**(15)**	-	**(15)**
Acquisition expenses	(5)	(4)	(1)	-	**(10)**	-	**(10)**
Financing fair value remeasurements (note 11(c))	-	-	-	-	**-**	27	**27**
Profit/(loss) before tax	686	97	110	286	**1,179**	(130)	**1,049**

Year ended 31 March 2013	Continuing operations[1] Credit Services US$m	Decision Analytics US$m	Marketing Services US$m	Consumer Services US$m	**Total business segments US$m**	Central Activities Re-presented[2] US$m	**Total continuing operations Re-presented[2] US$m**
Revenue from external customers							
Continuing activities	2,181	512	874	1,015	**4,582**	-	**4,582**
Discontinuing activities	13	-	135	-	**148**	-	**148**
Total	2,194	512	1,009	1,015	**4,730**	-	**4,730**
Reconciliation from EBIT to profit/(loss) before tax							
EBIT							
Continuing activities	769	109	138	311	**1,327**	(83)	**1,244**
Discontinuing activities	(1)	-	8	-	**7**	**-**	**7**
Total	768	109	146	311	**1,334**	(83)	**1,251**
Net interest (note 11(b))	-	-	-	-	**-**	(62)	**(62)**
Benchmark PBT	768	109	146	311	**1,334**	(145)	**1,189**
Exceptional items (note 9)	(29)	(14)	(20)	(3)	**(66)**	-	**(66)**
Amortisation of acquisition intangibles (note 10)	(71)	(5)	(28)	(19)	**(123)**	-	**(123)**
Acquisition expenses	(2)	(1)	(1)	-	**(4)**	-	**(4)**
Adjustment to the fair value of contingent consideration	-	-	(1)	-	**(1)**	-	**(1)**
Financing fair value remeasurements (note 11(c))	-	-	-	-	**-**	(561)	**(561)**
Profit/(loss) before tax	666	89	96	289	**1,140**	(706)	**434**

1. Revenue of US$nil (2013: US$147m) and a loss before tax of US$nil (2013: US$5m) arose in respect of discontinued operations (see note 13).
2. As a consequence of the adoption of IAS 19 (revised), the loss before interest and tax for Central Activities for the year ended 31 March 2013 has been increased by US$2m and the net interest expense has been increased by US$4m.
3. Additional information by business segment, including that on total and organic growth at constant exchange rates, is provided within pages 3 to 11.

Notes to the financial statements (continued)

for the year ended 31 March 2014

8. Foreign currency

The principal exchange rates used in these financial statements are as follows:

	Average		Closing		
	2014	2013	**2014**	2013	2012
US dollar : Brazilian real	**2.25**	2.01	**2.27**	2.02	1.82
Sterling : US dollar	**1.59**	1.58	**1.66**	1.52	1.60
Euro : US dollar	**1.34**	1.29	**1.38**	1.28	1.33

9. Exceptional items – continuing operations

	2014 US$m	2013 US$m
Restructuring costs:		
Redundancy costs	**61**	41
Asset write-offs	**7**	13
Restructuring costs	**68**	54
(Gain)/loss on disposal of businesses	**(14)**	12
Total exceptional items	**54**	66
By income statement caption:		
Labour costs	**61**	41
Amortisation, depreciation and impairment charges	**7**	13
Other operating charges	**(14)**	12
Total exceptional items	**54**	66

The Group conducted a strategic review of its cost base during the year ended 31 March 2013 and recognised a charge of US$54m in connection with this significant programme in that year and a further charge of US$68m in the year ended 31 March 2014. The cash outflow from the restructuring programme in the year ended 31 March 2014 was US$65m (2013: US$27m) and a reconciliation of the charge to the cash outflow is given in note 18(c).

The gain on disposal of businesses in the year ended 31 March 2014 related to a number of small disposals with a related cash inflow of US$25m. The loss in the prior year of US$12m also related to small disposals and there was a cash inflow of US$5m in that year.

10. Other adjustments made to derive Benchmark PBT – continuing operations

	2014 US$m	2013 US$m
Amortisation and impairment of acquisition intangibles:		
Amortisation	**122**	123
Impairment	**9**	-
Amortisation and impairment of acquisition intangibles	**131**	123
Impairment of goodwill	**15**	-
Acquisition expenses	**10**	4
Adjustment to the fair value of contingent consideration	**-**	1
Financing fair value remeasurements (note 11(c))	**(27)**	561
Other adjustments made to derive Benchmark PBT	**129**	689
By income statement caption:		
Amortisation, depreciation and impairment charges	**146**	123
Other operating charges	**10**	5
Within operating profit	**156**	128
Finance expense	**(27)**	561
Other adjustments made to derive Benchmark PBT	**129**	689

During the year ended 31 March 2014, the Group recorded impairment charges of US$24m, comprising US$9m on acquisition intangibles (primarily customer relationships and other contractual relationships) and US$15m on goodwill, on a business in the Asia Pacific segment that was sold during the year. There were no such charges in the year ended 31 March 2013. Further information on the nature of the items within the above table is given in note 5(a).

Notes to the financial statements (continued)

for the year ended 31 March 2014

11. Net finance costs

(a) Net finance costs included in Profit before tax

	2014 US$m	2013 (Re-presented) (Note 3) US$m
Interest income:		
Bank deposits, short-term investments and loan notes	**(20)**	(16)
Interest on opening retirement benefit assets	**(2)**	(4)
Interest income	**(22)**	(20)
Finance expense:		
Interest expense	**96**	82
(Credit)/charge in respect of financing fair value remeasurements (note 11(c))	**(27)**	561
Finance expense	**69**	643
Net finance costs included in Profit before tax	**47**	623

(b) Net interest expense included in Benchmark PBT

	2014 US$m	2013 (Re-presented) (Note 3) US$m
Interest income	**(22)**	(20)
Interest expense	**96**	82
Net interest expense included in Benchmark PBT	**74**	62

(c) Analysis of (credit)/charge in respect of financing fair value remeasurements

	2014 US$m	2013 US$m
Increase in fair value of Serasa put option	**-**	558
Other financing fair value (gains)/losses	**(27)**	3
(Credit)/charge in respect of financing fair value remeasurements	**(27)**	561

The charge of US$558m in the year ended 31 March 2013 for the increase in the fair value of the Serasa put option reflected the movement to the date of the acquisition of the additional 29.6% interest in Serasa in November 2012 and the terms of the related agreement. As the option lapsed on the acquisition of the further interest, there is no such charge in the year ended 31 March 2014.

Notes to the financial statements (continued)

for the year ended 31 March 2014

12. Tax – continuing operations

(a) Group tax charge and effective rate of tax

	2014 US$m	2013 (Re-presented) (Note 3) US$m
UK tax	**71**	4
Non-UK tax	**231**	147
Group tax charge	**302**	151
Profit before tax	**1,049**	434
Effective rate of tax based on Profit before tax	**28.8%**	34.8%

(b) Reconciliation of the Group tax charge to the Benchmark tax charge

	2014 US$m	2013 (Re-presented) (Note 3) US$m
Group tax charge	**302**	151
Tax relief on exceptional items	**8**	11
Tax relief on other adjustments made to derive Benchmark PBT	**42**	41
Deferred tax charge arising on rate reduction	**(23)**	-
One-off tax credit	**-**	98
Benchmark tax charge	**329**	301
Benchmark PBT	**1,232**	1,189
Benchmark tax rate	**26.7%**	25.3%

In both the current and prior year, significant one-off tax charges and credits have been excluded from the calculation of the Benchmark tax rate in view of their size and nature. In the year ended 31 March 2014, a deferred tax charge of US$23m was recognised as a consequence of the enacted reduction in the main rate of UK corporation tax from 23% to 20% and the associated reduction in deferred tax assets recognised in respect of tax losses. In the year ended 31 March 2013, the one-off tax credit of US$98m comprised a tax benefit on a corporate transaction in respect of the Group's subsidiary undertaking in Colombia.

(c) Tax recognised in other comprehensive income and directly in equity

In the year ended 31 March 2014, the charge of US$195m (2013: US$79m) in respect of other comprehensive income is after a deferred tax credit of US$4m (2013: US$13m), relating to remeasurement losses on post-employment benefit assets and obligations.

In the year ended 31 March 2014, a tax credit relating to employee share incentive plans of US$4m (2013: US$15m) has been recognised in equity and reported as appropriate within transactions with owners. This amount comprises a current tax credit of US$17m (2013: US$21m) and a deferred tax charge of US$13m (2013: US$6m). A further deferred tax credit of US$462m was recognised in equity in the year ended 31 March 2013 in respect of the acquisition of the additional interest in Serasa.

Notes to the financial statements (continued)

for the year ended 31 March 2014

13. Discontinued operations - comparison shopping and lead generation businesses

Experian divested the Group's comparison shopping and lead generation businesses in October 2012 and the results and cash flows of these businesses are classified as discontinued.

(a) Results

	2014 **US$m**	2013 US$m
Revenue	**-**	147
Labour costs	**-**	(34)
Data and information technology costs	**-**	(7)
Marketing and customer acquisition costs	**-**	(99)
Other operating charges	**-**	(12)
Total operating expenses	**-**	(152)
Loss before tax	**-**	(5)
Current tax credit	**-**	2
Loss after tax of discontinued operations	**-**	(3)
Profit on disposal of discontinued operations	**-**	-
Tax credit in respect of disposal	**7**	121
Profit after tax on disposal of discontinued operations	**7**	121
Profit for the financial year from discontinued operations	**7**	118

The loss before tax of US$5m for the year ended 31 March 2013 reported for discontinued operations in notes 6 and 7 comprises the loss before tax of US$5m and a profit on disposal of US$nil. In the year ended 31 March 2013, a tax credit of US$121m, comprising a deferred tax charge of US$13m and a current tax credit of US$134m, was recognised primarily on tax losses arising in respect of the disposal. A further current tax credit of US$7m was recognised in the year ended 31 March 2014.

(b) Cash inflow from operating activities

	2014 **US$m**	2013 US$m
Tax received on income	**-**	2
Tax recovery on disposal transaction	**144**	85
Tax received in respect of discontinued operations	**144**	87
Other cash flows from operating activities	**(4)**	(23)
Cash inflow from operating activities	**140**	64

(c) Cash inflow/(outflow) on disposal

The net cash inflow of US$5m arising on the disposal of discontinued businesses (2013: outflow of US$8m) is disclosed within net cash flows used in investing activities from continuing operations in the Group cash flow statement.

Notes to the financial statements (continued)

for the year ended 31 March 2014

14. Earnings per share disclosures

(a) Earnings per share

	Basic		Diluted	
	2014	2013 (Re-presented) (Note 3)	**2014**	2013 (Re-presented) (Note 3)
	US cents	US cents	**US cents**	US cents
Continuing and discontinued operations	**76.8**	36.6	**75.8**	35.9
Deduct: discontinued operations	**(0.7)**	(11.9)	**(0.7)**	(11.7)
Continuing operations	**76.1**	24.7	**75.1**	24.2
Add: exceptional items and other adjustments made to derive Benchmark PBT	**15.6**	60.5	**15.4**	59.2
Benchmark earnings per share from continuing operations (non-GAAP measure)	**91.7**	85.2	**90.5**	83.4

(b) Earnings attributable to owners of Experian plc

	2014	2013 (Re-presented) (Note 3)
	US$m	US$m
Continuing and discontinued operations	**753**	362
Deduct: discontinued operations	**(7)**	(118)
Continuing operations	**746**	244
Add: exceptional items and other adjustments made to derive Benchmark PBT	**153**	598
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**899**	842

(c) Earnings attributable to non-controlling interests

	2014	2013
	US$m	US$m
Continuing and discontinued operations	**1**	39
Add: amortisation of acquisition intangibles attributable to non-controlling interests	**3**	7
Benchmark earnings attributable to non-controlling interests (non-GAAP measure)	**4**	46

(d) Reconciliation of Overall benchmark earnings to profit for the financial year

	2014	2013 (Re-presented) (Note 3)
	US$m	US$m
Overall benchmark earnings (non-GAAP measure)	**903**	888
Profit from discontinued operations	**7**	118
Loss from exceptional items and other adjustments made to derive Benchmark PBT	**(156)**	(605)
Profit for the financial year	**754**	401

(e) Weighted average number of ordinary shares used

	2014 million	2013 million
Weighted average number of ordinary shares	**980**	988
Add: dilutive effect of share incentive awards, options and share purchases	**13**	21
Diluted weighted average number of ordinary shares	**993**	1,009

Notes to the financial statements (continued)

for the year ended 31 March 2014

15. Dividends

(a) Dividend information

	2014		2013	
	US cents per share	**US$m**	US cents per share	US$m
Amounts recognised and paid during the financial year:				
First interim – paid in January 2014 (2013: February 2013)	**11.50**	**113**	10.75	106
Second interim – paid in July 2013 (2013: July 2012)	**24.00**	**236**	21.75	216
Dividends paid on ordinary shares	**35.50**	**349**	32.50	322
Full year dividend for the financial year	**37.50**	**366**	34.75	343

A second interim dividend in respect of the year ended 31 March 2014 of 26.00 US cents per ordinary share will be paid on 25 July 2014 to shareholders on the register at the close of business on 27 June 2014 and is not included as a liability in these financial statements. This dividend and the first interim dividend paid in January 2014 comprise the full year dividend for the financial year of 37.50 US cents per ordinary share. Unless shareholders elect by 27 June 2014 to receive US dollars, their dividends will be paid in sterling at a rate per share calculated on the basis of the exchange rate from US dollars to sterling on 4 July 2014.

(b) Income Access Share arrangements

As its ordinary shares are listed on the London Stock Exchange, the Company has a large number of UK resident shareholders. In order that shareholders may receive Experian dividends from a UK source, should they wish, the Income Access Share Arrangements (the ‘IAS Arrangements’) have been put in place. The purpose of the IAS Arrangements is to preserve the tax treatment of dividends paid to Experian shareholders in the UK, in respect of dividends paid by the Company. Shareholders who elect, or are deemed to elect, to receive their dividends via the IAS Arrangements will receive their dividends from a UK source (rather than directly from the Company) for UK tax purposes.

Shareholders who hold 50,000 or fewer Experian shares on the first dividend record date after they become shareholders, unless they elect otherwise, will be deemed to have elected to receive their dividends under the IAS Arrangements.

Shareholders who hold more than 50,000 shares and who wish to receive their dividends from a UK source must make an election to receive dividends via the IAS Arrangements. All elections remain in force indefinitely unless revoked.

Unless shareholders have made an election to receive dividends via the IAS Arrangements, or are deemed to have made such an election, dividends will be received from an Irish source and will be taxed accordingly.

(c) Dividend waivers

In the year ended 31 March 2014 the employee trusts waived their entitlements to dividends of US$8m (2013: US$7m). There is no entitlement to dividend in respect of own shares held in treasury.

16. Capital expenditure, disposals and capital commitments

During year ended 31 March 2014, the Group incurred capital expenditure of US$402m (2013: US$460m) in continuing operations.

Excluding any amounts in connection with the disposal of businesses, the book value of other intangible fixed assets and property, plant and equipment disposed of in the year ended 31 March 2014 was US$13m (2013: US$3m) and the amount realised was US$8m (2013: US$1m).

At 31 March 2014, the Group had capital commitments in respect of property, plant and equipment and intangible assets and for which contracts had been placed of US$96m (2013: US$119m). These include commitments of US$59m not expected to be incurred before 31 March 2015. Capital commitments as at 31 March 2013 included commitments of US$77m not then expected to be incurred before 31 March 2014.

17. Post-employment benefit assets and obligations – defined benefit plans

(a) Balance sheet assets/(obligations)

	2014 **US$m**	2013 US$m
Retirement benefit assets/(obligations) - funded plans:		
Fair value of funded plans' assets	**1,104**	994
Present value of funded plans' obligations	**(1,030)**	(914)
Assets in the balance sheet for funded defined pension benefits	**74**	80
Obligations in the balance sheet for unfunded post-employment benefits:		
Present value of defined pension benefits - unfunded plans	**(50)**	(45)
Present value of post-employment medical benefits	**(11)**	(11)
Liabilities in the balance sheet	**(61)**	(56)
Net post-employment benefit assets	**13**	24

The post-employment benefit assets and obligations are denominated primarily in sterling.

(b) Movements in net post-employment benefit assets recognised in the balance sheet

	2014 **US$m**	2013 (Re-presented) (Note 3) US$m
At 1 April	**24**	77
Differences on exchange	**3**	(3)
Charge to income statement	**(9)**	(5)
Remeasurement losses recognised within other comprehensive income	**(14)**	(56)
Contributions paid by the Group	**9**	11
At 31 March	**13**	24

(c) Group income statement charge/(credit)

	2014 **US$m**	2013 (Re-presented) (Note 3) US$m
Current service cost	**9**	8
Administration expenses	**2**	2
Settlement or curtailment	**-**	(1)
Charge within labour costs and operating profit	**11**	9
Interest income	**(2)**	(4)
Total charge to Group income statement	**9**	5

(d) Actuarial assumptions

	2014 **%**	2013 %
Discount rate	**4.3**	4.5
Inflation rate – based on the UK Retail Prices Index ('RPI')	**3.3**	3.4
Inflation rate – based on the UK Consumer Prices Index ('CPI')	**2.3**	2.4
Increase in salaries	**3.8**	4.4
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**3.0**	3.1
Increase for pensions in payment – element based on the CPI (where cap is 5%)	**1.7**	2.4
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.9**	2.0
Increase for pensions in deferment	**2.3**	2.4
Inflation in medical costs	**6.8**	6.9

The mortality assumptions used at 31 March 2014 have been updated from those used at 31 March 2013 following additional analysis carried out in connection with the triennial funding valuation of the principal defined benefit scheme as at 31 March 2013.

Notes to the financial statements (continued)

for the year ended 31 March 2014

18. Notes to the Group cash flow statement

(a) Cash generated from operations

	Note	2014 US$m	2013 (Re-presented) (Note 3) US$m
Profit before tax		**1,049**	434
Share of post-tax profit of associates		**(2)**	-
Net finance costs		**47**	623
Operating profit		**1,094**	1,057
Loss on disposals of fixed assets		**5**	2
(Gain)/loss on disposal of businesses		**(14)**	12
Depreciation and amortisation		**500**	465
Impairment of acquisition intangibles		**9**	-
Impairment of goodwill		**15**	-
Charge in respect of share incentive plans		**70**	78
Increase in working capital	18(b)	**(36)**	(27)
Acquisition expenses – difference between Group income statement charge and amount paid		**2**	-
Adjustment to the fair value of contingent consideration		**-**	1
Movement in exceptional items included in working capital		**(4)**	14
Cash generated from operations		**1,641**	1,602

(b) Increase in working capital

	2014 US$m	2013 (Re-presented) (Note 3) US$m
Inventories	**3**	3
Trade and other receivables	**(6)**	(68)
Trade and other payables	**(33)**	38
Increase in working capital	**(36)**	(27)

(c) Reconciliation of cash outflow in respect of restructuring programme

	Note	2014 US$m	2013 US$m
Charge for restructuring costs	9	**68**	54
Working capital movements		**4**	(14)
Asset write-offs		**(7)**	(13)
Cash outflow in respect of restructuring programme		**65**	27

(d) Cash outflow in respect of tax

	Note	2014 US$m	2013 US$m
Tax paid – continuing operations		**174**	162
Tax received – discontinued operations:	13		
Tax received on income		**-**	(2)
Tax recovery on disposal transaction		**(144)**	(85)
Tax received in respect of discontinued operations		**(144)**	(87)
Cash outflow in respect of tax		**30**	75

Notes to the financial statements (continued)

for the year ended 31 March 2014

18. Notes to the Group cash flow statement (continued)

(e) Cash flows on acquisitions (non-GAAP measure)

	Notes	2014 US$m	2013 US$m
Purchase of subsidiaries	24	**1,235**	23
Net cash acquired with subsidiaries		**(13)**	-
Deferred consideration settled		**1**	15
As reported in the Group cash flow statement		**1,223**	38
Acquisition expenses paid		**8**	4
Payments to acquire non-controlling interests	18(g)	**19**	1,507
Cash outflow for acquisitions (non-GAAP measure)		**1,250**	1,549

(f) Cash outflow in respect of net share purchases (non-GAAP measure)

	Notes	2014 US$m	2013 US$m
Issue of ordinary shares	22	**(13)**	(9)
Net cash outflow/(inflow) on vesting of share awards and exercise of share options		**55**	(61)
Purchase of own shares by employee trusts – for employee share incentive plans		**126**	250
Purchase of own shares held as treasury shares		**203**	-
Cash outflow in respect of net share purchases (non-GAAP measure)		**371**	180

(g) Payments to acquire non-controlling interests

	2014 US$m	2013 US$m
Payment to shareholders in Serasa for purchase of additional interest	**5**	1,487
Expenses in connection with the purchase of additional interest in Serasa	**1**	13
Payments to acquire additional interest in Serasa	**6**	1,500
Other payments to acquire non-controlling interests	**13**	7
Payments to acquire non-controlling interests	**19**	1,507

(h) Analysis of cash and cash equivalents

	2014 US$m	2013 US$m
Cash and cash equivalents in the Group balance sheet	**212**	229
Bank overdrafts	**(4)**	(3)
Cash and cash equivalents in the Group cash flow statement	**208**	226

19. Reconciliation of Cash generated from operations to Operating cash flow (non-GAAP measure)

	Notes	2014 US$m	2013 (Re-presented) (Note 3) US$m
Cash generated from operations	18(a)	**1,641**	1,602
Acquisition expenses paid		**8**	4
Purchase of other intangible assets		**(319)**	(345)
Purchase of property, plant and equipment		**(83)**	(115)
Sale of property, plant and equipment		**8**	1
Dividends received from associates		**1**	1
Cash outflow in respect of restructuring programme	18(c)	**65**	27
Operating cash flow		**1,321**	1,175

Notes to the financial statements (continued)

for the year ended 31 March 2014

20. Net debt (non-GAAP measure)

(a) Analysis of net debt by nature

	2014	2013
	US$m	US$m
Cash and cash equivalents (net of overdrafts)	**208**	226
Debt due within one year – bonds and notes	**-**	(620)
Debt due within one year – commercial paper	**(576)**	-
Debt due within one year – finance lease obligations	**(4)**	(3)
Debt due after more than one year – bonds and notes	**(2,743)**	(2,014)
Debt due after more than one year – bank loans and finance lease obligations	**(823)**	(602)
Derivatives hedging loans and borrowings	**129**	75
	(3,809)	(2,938)

(b) Analysis of net debt by balance sheet caption

	2014	2013
	US$m	US$m
Cash and cash equivalents in the Group balance sheet	**212**	229
Current borrowings in the Group balance sheet	**(584)**	(635)
Non-current borrowings in the Group balance sheet	**(3,576)**	(2,626)
Total reported in the Group balance sheet	**(3,948)**	(3,032)
Accrued interest reported within borrowings above but excluded from net debt	**10**	19
Derivatives reported within financial assets	**135**	75
Derivatives reported within financial liabilities	**(6)**	-
	(3,809)	(2,938)

21. Undrawn committed bank borrowing facilities

	2014	2013
	US$m	US$m
Facilities expiring in:		
One to two years	**2,216**	114
Two to three years	**-**	1,510
	2,216	1,624

Notes to the financial statements (continued)

for the year ended 31 March 2014

22. Called up share capital and share premium account

	Number of shares million	Called up share capital US$m	Share premium account US$m
At 1 April 2012	1,029.0	102	1,471
Shares issued under employee share incentive plans	1.1	-	9
At 31 March 2013	1,030.1	102	1,480
Shares issued under employee share incentive plans	1.5	1	12
At 31 March 2014	**1,031.6**	**103**	**1,492**

23. Own shares held

	Number of shares million	Cost of shares US$m
At 1 April 2012	40	492
Purchase of own shares by employee trusts	14	221
Exercise of share options and awards	(12)	(148)
At 31 March 2013	42	565
Purchase of own shares held as treasury shares	11	203
Purchase of own shares by employee trusts	7	126
Exercise of share options and awards	(6)	(85)
At 31 March 2014	**54**	**809**

Own shares held at 31 March 2014 include 38 million shares held as treasury shares and 16 million shares held by employee trusts. Own shares held at 31 March 2013 included 20 million shares held as treasury shares and 22 million shares held by employee trusts. The total cost of own shares held at 31 March 2014 of US$809m (2013: US$565m) is deducted from other reserves in the Group balance sheet. During the year ended 31 March 2014, 7 million shares were transferred from employee trusts to treasury.

Notes to the financial statements (continued)

for the year ended 31 March 2014

24. Acquisitions

(a) Acquisitions in the year

The Group made four acquisitions during the year in connection with which provisional goodwill of US$831m has been recognised based on the fair value of the net assets acquired of US$418m.

These transactions included:

- the acquisition on 1 October 2013 of the whole of the issued share capital of The 41st Parameter, Inc, ('41st Parameter') a leading provider of fraud detection services based in the US, for an aggregate purchase consideration of US$324m of which US$14m is subject to limited, two-year revenue based earn-out provisions. This acquisition increases Experian's presence in the fraud prevention market, and complements Experian's existing activities in fraud detection and online authentication.
- the acquisition on 21 November 2013 of the whole of the issued share capital of Passport Health Communications, Inc. ('Passport'), a leading provider of data, analytics and software in the US healthcare payment market, for a consideration of US$850m. This acquisition further increases Experian's presence in this market.
- two other acquisitions, neither of which is individually material.

(b) Net assets acquired, goodwill and acquisition consideration

	Passport US$m	41st Parameter US$m	Other US$m	**Total** **US$m**
Intangible assets:				
Customer and other relationships	398	72	16	**486**
Software development	45	15	12	**72**
Intangible assets	443	87	28	**558**
Property, plant and equipment	11	2	-	**13**
Trade and other receivables	32	3	3	**38**
Cash and cash equivalents	4	4	5	**13**
Trade and other payables	(20)	(9)	(1)	**(30)**
Loans and borrowings	-	(4)	-	**(4)**
Deferred tax liabilities	(145)	(17)	(8)	**(170)**
Total identifiable net assets	325	66	27	**418**
Goodwill	529	258	44	**831**
Total	854	324	71	**1,249**
Satisfied by:				
Cash	854	310	71	**1,235**
Deferred and contingent consideration	-	14	-	**14**
Total	854	324	71	**1,249**

These provisional fair values contain amounts which will be finalised no later than one year after the dates of acquisition. Provisional amounts have been included at 31 March 2014 as a consequence of the timing and complexity of the acquisitions. Goodwill represents the synergies, assembled workforces and future growth potential of the businesses. None of the goodwill arising in the year of US$831m is currently deductible for tax purposes.

Notes to the financial statements (continued)

for the year ended 31 March 2014

24. Acquisitions (continued)

(c) Additional information

(i) For current year acquisitions

	Passport US$m	41st Parameter US$m	Other US$m	**Total US$m**
Increase in book value from fair value adjustments:				
Intangible assets	416	87	28	**531**
Other assets and liabilities	(145)	(17)	(8)	**(170)**
Increase in book value from fair value adjustments	271	70	20	**361**
Gross contractual amounts receivable in respect of trade and other receivables	28	2	3	**33**
Revenue from 1 April 2013 to dates of acquisition	85	13	1	**99**
Revenue from dates of acquisition to 31 March 2014	45	14	11	**70**
Loss before tax from dates of acquisition to 31 March 2014	-	(8)	-	**(8)**

At the dates of acquisition, the gross contractual amounts receivable in respect of trade and other receivables of US$33m were expected to be collected in full.

It has been impracticable to estimate the impact on Group profit before tax had the acquired entities been owned from 1 April 2013, as their accounting policies and period end dates did not accord with those of the Group prior to their acquisition.

(ii) For current and prior year acquisitions

There have been no material gains, losses, error corrections or other adjustments recognised in the year ended 31 March 2014 that relate to acquisitions in the current or prior years.

25. Contingencies

There are a number of pending and threatened litigation claims involving the Group in North America and Latin America which are being vigorously defended. The directors do not believe that the outcome of any such pending or threatened litigation will have a materially adverse effect on the Group's financial position. However, as is inherent in legal proceedings, there is a risk of outcomes that are unfavourable to the Group. In the case of unfavourable outcomes the Group would benefit from applicable insurance recoveries.

As previously indicated, Serasa has been advised that the Brazilian tax authorities are challenging the deduction for tax purposes of goodwill amortisation arising from the acquisition of Serasa in 2007. Experian believes that the possibility of this resulting in a liability to the Group is remote, on the basis of the advice of external legal counsel and other factors in respect of the claim.

The Group has continued to receive a significant number of claims in Brazil throughout the year, primarily in three states, relating to the disclosure and use of credit scores. The cases are mainly individual small claims and also include a small number of class actions. Similar proceedings have been commenced against other suppliers of credit scores in Brazil. The Superior Tribunal of Justice (STJ), the highest court in Brazil for such cases, has issued a stay on all proceedings relating to these claims while it determines the principal legal issues involved. The Group does not believe the claims have merit under Brazilian law and will continue to vigorously defend them. Accordingly, no provision has been made for the ultimate outcome. Given the number of possible outcomes and the different potential courses of action which may be available to the Group, it cannot reliably quantify the possible exposure.

26. Events occurring after the end of the reporting period

Details of the second interim dividend announced since the end of the reporting period are given in note 15(a).

Notes to the financial statements (continued)

for the year ended 31 March 2014

27. Company website

The Company has a website which contains up-to-date information on Group activities and published financial results. The directors are responsible for the maintenance and integrity of statutory and audited information on this website. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the preliminary announcement since it was initially presented on the website. Jersey legislation and UK regulation governing the preparation and dissemination of financial information may differ from requirements in other jurisdictions.

28. Risks and uncertainties

Experian is an innovation-driven, global business. Risk management is central to how we operate, enabling us to create value and deliver substantial returns to shareholders. It operates at all levels throughout our organisation, across regions, business lines and operational support functions. Our approach to risk management encourages clear decision-making about which risks we take and how we manage them, based on an understanding of their potential strategic, commercial, financial, compliance, legal and reputational implications.

Our risk management framework provides a structured and consistent process for identifying, assessing, responding to and reporting risks. It enables management to demonstrate a responsible and proactive embedded approach to risk management. In doing so, the Board's main functions are supported by identifying and managing risk, in line with our strategic objectives, risk appetite, corporate responsibility strategy and the long-term drivers of our business.

Principal features of the risk management and internal control framework

Define governance structure

- Defined Board and Board committees’ terms of reference
- Defined global and regional authorities
- Review significant business commitments through global and regional strategic project committees
- Oversee the risk management process through global and regional risk management committees
- Report on risk to the Audit Committee and Board

Identify risks

- Assess the potential effect of each strategic, operational and financial risk on the achievement of our business objectives
- Identify and escalate new, emerging or changing risks, significant control gaps and risk acceptance
- Consider external factors arising from the environment in which we operate and internal risks arising from the nature of our business, its control and processes, and our management decisions

Evaluate current control environment

- Evaluate compliance with policies and standards addressing risk management, compliance, accounting, treasury management, information security, fraud and whistleblowing
- Execute formal review/approval procedures for major transactions, capital expenditure and revenue expenditure
- Monitor budgetary and performance reviews tied to KPIs and achievement of objectives
- Apply a risk scoring system, based on our assessment of the probability of a risk materialising, and the impact and velocity if it does
- Require executive management confirmations of compliance with Experian’s system of internal control, policies, and corporate governance and corporate responsibility processes

Notes to the financial statements (continued)

for the year ended 31 March 2014

28. Risks and uncertainties (continued)

Respond to risks

- Have active risk remediation strategies including internal controls, insurance and specialised treasury instruments
- Use formal review and approval procedures for significant accepted risks

Communicate

- Board- and Group-level finance reports including financial summaries, results, forecasts and revenue trends, investor relations analysis and detailed business trading summaries
- Regional-level detailed performance reviews
- Regional and executive risk management committee and Audit Committee risk reporting on the status of principal/emerging risks, the progress of strategic projects/acquisitions and escalation of significant accepted risk
- Global Internal Audit reporting to the Audit Committee on assurance testing and fraud/whistleblowing investigation results

Monitor

- Management, internal audit and third parties control reviews and follow-ups
- Global Internal Audit independent assessment of the adequacy and effectiveness of the system of internal controls
- A variety of Audit Committee risk reporting addressing material/emerging risks, material litigation, information security and regulatory compliance
- Audit Committee annual review of the effectiveness of Experian's systems of risk management and internal control; receipt of an annual report on the controls over relevant risks

Long-term performance risks

Throughout the year, we have critically reviewed and evaluated the risks Experian faces. This note outlines our assessment of the most significant risks and uncertainties that could affect our long-term performance. These risks are not set out in any order or priority. The list is not exhaustive and it is likely to change during the course of the year, as some risks assume greater importance and others become less significant.

(a) Principal risks

(i) Risk area – *Regulatory compliance*

We must comply with international, federal, regional, provincial, state and other jurisdictional regulations and best practice, including but not limited to privacy, consumer data protection, health and safety, tax, labour, environmental, anti-corruption and information security laws.

Description of risk

- We might fail to comply with international, federal, regional, provincial, state or other jurisdictional regulations, due to their complexity, frequent changes or inconsistent application and interpretation

Potential impact

- We may face increased costs to comply with these regulations
- If we fail to comply, we may have to pay fines or face restrictions on our ability to carry on or expand our operations

How we manage this risk

- Our Global Compliance team has region-specific regulatory expertise and works with our businesses to identify and adopt compliance strategies

28. Risks and uncertainties (continued)

(ii) Risk area – *Data ownership and access*

Our products and services rely extensively upon data collected from public and private sources. The act of collecting and analysing large quantities of this data generates more data, which augments our products and services.

Description of risk

- Consumer privacy concerns could lead to changes or restrictions in how consumer information is collected, aggregated, analysed and used for marketing, risk management and fraud detection
- Our data providers could withdraw or be unable to provide their data to us

Potential impact

- Our ability to provide products and services to our clients could be affected, leading to a materially adverse effect on our business, reputation and operating results

How we manage this risk

- We monitor legislative bills and educate lawmakers, regulators, consumer and privacy advocates, industry trade groups and other stakeholders in the public policy debate
- We use standardised selection, negotiation and contracting of provider agreements, to address delivery assurance, reliability and protections relating to critical service provider relationships
- Our legal contracts define the type and use of data and services
- We analyse data to make sure we receive data of the best value and highest quality

(iii) Risk area – *Product/service or technology obsolescence*

The markets for our products and services are characterised by technological changes, frequent introduction of new services and evolving industry standards.

Description of risk

- Advances in technology may result in rapidly changing consumer preferences for products, services and delivery formats

Potential impact

- We might be unable to support changes in the way our businesses and clients use and purchase information, affecting our operating results

How we manage this risk

- We carry out detailed competitive and market analyses
- We use rigorous processes to identify and select our investments in products and services, so we can effectively introduce new products and services to the market

(iv) Risk area – *Interruptions in business processes or systems*

Our ability to provide reliable services largely depends on the efficient and uninterrupted operation of our computer network systems and data and call centres, as well as maintaining sufficient staffing levels.

Description of risk

- Our systems, personnel and operations could be exposed to damage, interruption and pandemic outbreaks

Potential impact

- Any significant failure or interruption could have a materially adverse effect on our business, financial performance and financial condition

How we manage this risk

- We maintain sufficiently operational capacity to rapidly cover a loss of personnel or system failure
- We ensure strict standards, procedures and training programmes for physical security
- We have comprehensive business continuity plans and incident management programmes
- We fully duplicate all information in our databases and run back-up data centres
- We employ third-party vendor continuity standards, procedures, training and support arrangements

28. Risks and uncertainties (continued)

(v) Risk area – *Dependence on recruitment and retention of highly skilled personnel*

Demand is high for individuals with appropriate knowledge and experience in the information technology and business services market.

Description of risk

- We may be unable to attract, motivate or retain key talent, or to hire and retain personnel at reasonable compensation levels
- Our competitors may offer more attractive employment terms and seek to hire our high-talent personnel

Potential impact

- Not having the right people could materially affect our ability to service our clients and grow our business

How we manage this risk

- We have on-going recruitment, personal and career development, and talent identification and development programmes
- We carry out our global people survey approximately every 18 months and act on feedback received
- We offer competitive compensation and benefits and review them regularly

(vi) Risk area – *Loss or inappropriate usage of data*

Experian owns and processes a large amount of highly sensitive and confidential consumer information.

Description of risk

- We may face cyber-attacks on us, our partners or third-party contractors, suffer other breaches of security, or lost, misappropriated or misused data

Potential impact

- Losing or misusing data could result in material loss of business, substantial legal liability or significant harm to our reputation

How we manage this risk

- We have robust physical security, technical controls and contractual precautions

(vii) Risk area – *Exposure to legislation or regulatory reforms addressing consumer privacy*

Legislative and judicial systems in the countries we operate in are responding to public concerns over consumer privacy.

Description of risk

- New laws, regulations or enforcement practices could change or restrict how consumer information is collected and used for marketing, risk management and fraud detection

Potential impact

- We may suffer increased costs or reduced revenue resulting from modified business practices, adopting new procedures or self-regulation

How we manage this risk

- We educate lawmakers, regulators, consumer and privacy advocates, industry trade groups and other stakeholders in the public policy debate

28. Risks and uncertainties (continued)

(viii) Risk area – *Exposure to increasing competition*

We operate in a number of highly competitive geographic, product and service markets.

Description of risk

- New or existing competitors may develop products and services that are superior to ours, or achieve greater market acceptance
- New or existing competitors may be able to sell products at lower prices than ours by accepting lower margins or because they benefit from proprietary ownership of data, technological superiority or economies of scale

Potential impact

- Price reductions may reduce our margins, market share and results of operations, and harm our ability to obtain new customers or retain existing ones

How we manage this risk

- We are committed to continued research and investment in new data sources, people, technology and products to support our strategic plan. We continue to focus on developing new products that leverage our scale and allow us to deploy capabilities into new and existing markets and geographies

(b) Other risks

(i) Risk area – *Exposure to materially adverse litigation, including claims of intellectual property infringement or violation of privacy laws*

We are involved in a number of pending and threatened litigation claims in the US and Brazil, including a number of class actions.

Description of risk

- Litigation can cover a number of areas, including intellectual property, privacy, antitrust, general commercial disputes and employment

Potential impact

- An adverse outcome in any of these claims could result in civil or criminal penalties as well as negative publicity which may encourage further claims
- We may incur significant costs in handling claims and may suffer reduced revenue if business practices require amendment

How we manage this risk

- We monitor third-party patents and patent applications
- We carry out freedom-to-operate analyses
- We vigorously defend all pending and threatened litigation claims, employing internal and external counsel to effectively manage and dispose of proceedings
- We analyse the causes of cases, to identify any potential changes in our business processes and policies
- We maintain insurance cover, where feasible and appropriate

28. Risks and uncertainties (continued)

***(ii) Risk area** – Acquiring businesses or entering into strategic partnerships may not produce the desired financial or operating results*

We continue to expand our global reach and to extend our capabilities through a combination of acquisitions, strategic alliances and joint ventures.

Description of risk

- It may be difficult to assimilate new businesses and their products, services, technologies and personnel into our operations
- Partners in an alliance or joint venture may have different objectives or different cultures and management styles resulting in poor integration and co-operation

Potential impact

- Difficult integrations may disrupt our ongoing business, distract management and employees, increase expenses and otherwise materially and adversely affect our operating results and financial condition

How we manage this risk

- We rigorously assess all acquisitions and partnerships, using both in-house experts and professional advisers
- We conduct extensive post-acquisition and organic investment reviews, to ensure performance remains consistent with the business plan
- We conduct performance reviews of all our businesses and, as a result, sometimes withdraw from low-growth or low-return markets

***(iii) Risk area** – Exposure to the unpredictability of financial markets (foreign exchange, interest rate and other financial risk)*

Our operations expose us to the unpredictability of international financial markets.

Description of risk

We are exposed to foreign exchange risk from future commercial transactions, recognised assets and liabilities, and investments in, and loans between, undertakings with different functional currencies

- We face interest rate risks arising from our borrowings
- Credit and liquidity risks arise from our derivative financial instruments and borrowing facilities

Potential impact

- Changes in financial market conditions could adversely affect our business, operations and profitability

How we manage this risk

- We operate conservative currency hedging strategies, to minimise the impact of currency volatility
- We use fixed and floating rate borrowings, of varying durations
- We have long-term committed bank borrowing facilities
- Our treasury and insurance activities are only with institutions with strong credit ratings, within limits we set for each organisation

Notes to the financial statements (continued)

for the year ended 31 March 2014

28. Risks and uncertainties (continued)

(iv) Risk area *– Adverse market conditions could affect operational results*

Our operations are exposed to adverse market conditions resulting from concerns about the large sovereign debts and/or fiscal deficits of a number of European countries and the US or an economic slowdown in high-growth markets such as Brazil and China.

Description of risk

- The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system
- An economic slowdown could hit our high-growth markets

Potential impact

- We could see sluggish demand for our products and services, affecting our operations and profitability
- Financial instability of our customers, suppliers, counterparties or creditors could affect our profitability

How we manage this risk

- Our business is diversified by region and client
- We continue to develop counter-cyclical products and services
- We monitor our counterparty relationships

(v) Risk area *– Exposure to country and regional political, financial, economic or social risks, particularly in the US, Brazil and the UK*

Our global footprint subjects our businesses to risks associated with international sales and operations.

Description of risk

- Changes in a country's or region's political, economic or social risks or geopolitical turmoil could result in loss of services and prevent us meeting agreed service levels or fulfilling other obligations. These risks are generally outside our control.
- We could face increased effective tax rates due to changes in some countries' tax laws

How we manage this risk

- We have a diverse portfolio by geography, product, sector and client
- We help communities to realise their social and economic potential, by using our business skills, products and services to promote financial education, financial inclusion and support small business entrepreneurs
- We retain internal and external tax professionals, who monitor the likelihood of future tax changes

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the financial statements are prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole; and the management report includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, and a description of the principal risks and uncertainties that they face is included in note 28.

At the date of this statement, the names and functions of the directors in office are those listed in the Experian annual report 2013 and Jan Babiak who was appointed to the Board on 29 April 2014.

By order of the Board

Charles Brown

Company Secretary

6 May 2014