news release

Preliminary results for the year ended 31 March 2016

11 May 2016 – Experian, the global information services company, today issues its full year financial results for the twelve months ended 31 March 2016.

General highlights

- Delivering on our strategy:
  - improved growth momentum;
  - strength in Credit Services and Decision Analytics;
  - successfully repositioning North America Consumer Services;
  - resilience in Brazil.
- Delivering on our capital framework: investing in growth whilst returning nearly US$1bn in dividends and share repurchases during the year.
- Definitive agreement post year-end to acquire CSIdentity Corporation.
- Total revenue from continuing activities was US$4,477m, with both total and organic revenue at constant exchange rates up 5%. At actual exchange rates, total revenue from continuing activities fell by 4% reflecting foreign exchange headwinds during the period. Total revenue was US$4,550m as the Group exited a number of non-core businesses in the year.
- EBIT from continuing activities was US$1,195m, up 5% at constant exchange rates. At actual exchange rates, EBIT from continuing activities was down 6%. Total EBIT was US$1,210m.
- EBIT margin from continuing activities was stable at constant exchange rates. The impact of foreign exchange movements reduced EBIT margin at actual exchange rates by 60 basis points to 26.7%.
- Benchmark profit before tax was US$1,136m, up 3% at constant exchange rates. Profit before tax was US$1,027m at actual exchange rates (2015: US$1,006m).
- Cash flow conversion of 105%. Net debt decreased by US$194m, with net debt to EBITDA ratio remaining at 1.9 times.
- Benchmark EPS was 89.1 US cents, up 5% at constant exchange rates and down 6% at actual exchange rates. Basic EPS was 78.6 US cents (2015: 79.0 US cents).
- Second interim dividend of 27.5 US cents per ordinary share, to bring the total for FY16 to 40.0 US cents per share, up 2% reflecting underlying strength, notwithstanding the foreign exchange headwinds.
- We expect share repurchases of US$400m in FY17.

Brian Cassin, Chief Executive Officer, commented:

"We have made significant progress against our strategic objectives over the past year. We have returned Experian to organic revenue growth within our target range and driven greater efficiencies in our business, whilst rigorously applying our robust capital framework.

As we look forward, we're investing in a range of initiatives which will help us deliver another year of good growth, within our target range of mid single-digit organic revenue growth, with stable margins and further progress in Benchmark earnings per share."

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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 via the link from 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 14 July 2016.

See Appendix 1 and note 4 to the financial statements for definitions of non-GAAP measures

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 page 13 and note 25 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
We are the leading global information services company, providing data and analytical tools to our clients around the world. We help businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. We also help people to check their credit report and credit score, and protect against identity theft. In 2015, we were named by *Forbes* magazine as one of the 'World's Most Innovative Companies'.

We employ approximately 17,000 people in 37 countries and our corporate headquarters are in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

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 2016 was US$4.6 billion.

To find out more about our company, please visit http://www.experianplc.com or watch our documentary, 'Inside Experian'.

Chief Executive Officer's review

We have made significant progress against our strategic objectives over the past year. We delivered organic revenue growth within our mid single-digit target range and enhanced the efficiency of our business, whilst rigorously applying our robust capital framework. As we look forward, we're investing in a range of initiatives to enable us to deliver good growth consistently.

Highlights this year include:

- We made significant progress on the five strategic priorities we outlined last year, having:
    - backed a range of new organic investments in health, business information, decisioning software, fraud prevention and in other areas;
    - made good progress in repositioning our North America Consumer Services business and returning it to growth in the second half;
    - taken steps to enhance our operating model to fully leverage synergies between businesses and drive greater efficiencies;
    - sold six non-core activities; and
    - returned US$972m in total to shareholders through dividends and net share repurchases.
- We delivered organic revenue growth of 5% for the year, with sequential improvement throughout the year (4% in H1 and 6% in H2). This reflected strong growth in Credit Services and Decision Analytics and improved trends in North America Consumer Services. Foreign exchange effects were a significant headwind and total revenue from continuing activities declined by 4% as a result.
- We maintained margins at constant currency. We benefited from positive operating leverage, counterbalanced by organic investment initiatives. Foreign exchange was a significant headwind, causing the EBIT margin to decline overall to 26.7% at actual rates.
- After the year end we announced a definitive agreement to acquire CSIdentity Corporation ('CSID'), a leading provider of consumer identity management and fraud detection services, further accelerating the execution of our Consumer Services strategy and enabling us to address a broader spectrum of the consumer market. (The acquisition is subject to Hart-Scott-Rodino regulatory approval in the US and is expected to complete during H1).

Regional highlights

North America
We returned to growth in North America during the year, with organic revenue up 3%.

Credit Services performed strongly. Lenders have continued to engage actively in credit marketing and new underwriting as consumer confidence has remained stable. This has supported strong volume growth in our business. We have also secured a number of sizeable wins from financial services clients by taking a 'One Experian' approach, integrating data, analytics, software and expertise from across multiple business activities.

Our strategy of diversifying and building out specialised businesses in new vertical markets continues to produce strong results. Our health business is developing very well. We're building on our market-leading position in revenue-cycle management, where we help healthcare providers to get paid. We see potential to expand into adjacencies, for example we're introducing services to prevent identity and payment fraud. We're also positioning Experian Health to address emerging marketplace needs such as the trend towards 'pay-for-performance', which will affect all healthcare providers. We think this will place greater emphasis on transparency in the payment process, heightening the need for data and analytics and expanding our addressable market.

While Marketing Services has remained weak, we are pleased with progress in cross-channel marketing having on-boarded a number of new clients across a wide range of industries. While growth in cross-channel is not yet sufficient to offset attrition in email marketing, we are encouraged by a growing pipeline of opportunities and a positive reaction for our products from industry analysts. We are also executing on our strategy to more closely align our Experian data quality operations with other parts of Experian, and this is opening up new market opportunities across several vertical markets.

Over the past two years we have taken many actions to reposition Consumer Services. Organic revenue growth moved into positive territory in the second half and the business is now poised to address a larger and more dynamic market. Our goal is to enrich the services we provide, making them more attractive to consumers and helping to diversify our sources of revenue.

Our premium service, Experian.com, is growing strongly. We're attracting members who want to interact and engage, and the take-up rates for our mobile apps and educational services such as ScoreTracker are encouraging. During the year we also launched a new service enabling consumers to access their credit report for free. This is proving to be a successful mechanism for drawing traffic to our site, which can be commercialised in a variety of ways. Since launch we have accumulated over 3m totally free members.

The prospective acquisition of CSID is a further important step in the execution of our strategy, enabling us to attract a broader range of consumers by packaging identity protection as part of our membership services, broaden our offer to third-party white-label partners and expand consumer identity protection services internationally.

Latin America
Helped by counter-cyclical revenues and our new growth initiatives, our business in Latin America has held up well in a worsening economic environment, with organic revenue growth of 7%.

While we continue to be cautious on the economic outlook in Brazil, we are investing during the downturn to develop our business for the longer term. We have restructured our sales approach in order to capture a greater share of the small and medium enterprise market. We are building relationships with consumers to provide new services as well as to collect positive data opt-ins. We have made significant progress in integrating our software and fraud prevention services, which has led recently to much stronger performance in Decision Analytics, and we are repositioning our Marketing Services business to focus more on cross-channel marketing and data quality. We have also taken steps to make our cost base more efficient by setting up a new facility in the city of São Carlos.

These factors have helped us this year and will continue to support growth in the coming year.

UK and Ireland
We delivered a good performance in the UK and Ireland, with organic revenue growth of 5%.

Our business-to-business ('B2B') business in the UK has performed well as we benefit from investments made in product innovation, customer service and ever-closer integration of our product set. Over the year we saw strong market uptake of credit pre-qualification, business information, as well as identity verification services. We have delivered progress across a number of client segments including small businesses, banks, government departments and other areas. It was a good year for new business, with a large proportion of our new wins coming about from the combination of services from across our key business activities. This approach has helped us to maximise opportunities as clients have invested in systems upgrades and fraud prevention. We are also creating new markets as we find new uses for our data, such as in the UK energy sector where we are helping to track fraud.

While Consumer Services delivered growth for the year as a whole, we are seeing evolutionary change in the market, similar to the changes which have occurred in North America. This market shift gave rise to some slowing in signing new member subscriptions and some attrition towards the end of the year, and we expect these trends to continue in the forthcoming year. We are responding in a similar way as we have done in North America, by broadening our product range and diversifying our sources of revenue. For example, we recently secured wins from B2B clients who are providing Experian scores on statements to their customers and other membership services. This helps to re-enforce our leadership position as the provider of scores and data used by the majority of UK lenders in credit underwriting decisions. We plan to launch further new services for consumers in the coming months.

EMEA/Asia Pacific
We have delivered good revenue growth in EMEA/Asia Pacific, with organic revenue growth of 7%.

The actions we've taken to improve performance in EMEA/Asia Pacific are paying off with better revenue growth and improving margins. We have reorganised to drive scale and adopted a more customer-centric approach. We're now focused on fewer markets. We have reduced complexity, centralised functions, and got our largest countries focused on our most successful products. Our growth is being driven by combining credit data with credit decisioning software and analytics, and by focusing on fraud prevention and identity verification, and we're winning new deals in cross-channel marketing. As a result, the average contract value on new wins is increasing, particularly in Asia Pacific, and we have a strong pipeline. We will continue with this focused approach and look to further enhance profitability over the coming year.

EBIT margin
We maintained EBIT margin at constant currency. We faced exceptional foreign exchange movements which reduced reported Group revenue by US$412m and EBIT by US$137m compared to last year and which gave rise to a 60 basis points reduction in the actual EBIT margin to 26.7%. If recent rates prevail, we no longer expect foreign exchange to be a headwind for the year ending 31 March 2017.

Cash generation and uses of cash
Cash flow conversion was strong, with EBIT conversion into operating cash flow of 105%. Operating cash flow was US$1,270m, of which US$325m was utilised in organic capital investment. Net disposal proceeds amounted to US$163m, net share repurchases were US$592m and equity dividends amounted to US$380m. After other small outflows, net debt was reduced by US$194m to US$3,023m.

At 31 March 2016, net debt was 1.9 times EBITDA, compared to our target leverage range of 2 to 2.5 times. After the year end, we announced a definitive agreement to acquire CSID for US$360m. Pro forma for this acquisition, net debt to EBITDA would be 2.1 times for the year ending 31 March 2016.

Return on capital employed
Return on capital employed for the year was 15.4% (2015: 14.9%). This represented organic improvement of 70 basis points, offset by a 20 basis points headwind from disposals and foreign exchange effects.

Dividend and share repurchases
We are announcing a second interim dividend of 27.5 US cents per share, to bring the total for FY16 to 40.0 US cents per share, up 2% on the prior year. This dividend will be paid on 22 July 2016 to shareholders on the register at the close of business on 24 June 2016. We also expect to execute share repurchases of US$400m in the forthcoming year, which includes US$144m to complete the existing US$800m programme.

Group financial results

Revenue by geography

Twelve months ended 31 March	2016 US$m	2015[1] US$m	Growth % Total at actual rates	Growth % Total at constant rates	Growth % Organic at constant rates
North America					
Credit Services	1,237	1,125		10	10
Decision Analytics	161	165		(2)	(2)
Marketing Services	377	383		(2)	(2)
Consumer Services	696	717		(3)	(3)
Total continuing activities	**2,471**	**2,390**	**3**	**3**	**3**
Discontinuing activities	43	78			
Total North America	**2,514**	**2,468**			
Latin America					
Credit Services	579	782		7	7
Decision Analytics	36	46		10	10
Marketing Services	18	28		(4)	(4)
Total continuing activities	**633**	**856**	**(26)**	**7**	**7**
Discontinuing activities	-	1			
Total Latin America	**633**	**857**			
UK and Ireland					
Credit Services	275	277		6	6
Decision Analytics	234	224		12	12
Marketing Services	192	207		-	(1)
Consumer Services	255	263		4	4
Total continuing activities	**956**	**971**	**(2)**	**5**	**5**
Discontinuing activities	15	28			
Total UK and Ireland	**971**	**999**			
EMEA/Asia Pacific					
Credit Services	149	176		(3)	(3)
Decision Analytics	135	130		18	18
Marketing Services	133	135		10	10
Total continuing activities	**417**	**441**	**(6)**	**7**	**7**
Discontinuing activities	15	45			
Total EMEA/Asia Pacific	**432**	**486**			
Total revenue - continuing activities	**4,477**	**4,658**	**(4)**	**5**	**5**
Total revenue - discontinuing activities	73	152			
Total revenue	**4,550**	**4,810**			

1. 2015 restated for the divestment of Baker Hill (North America), FootFall (North America, UK & Ireland and EMEA/Asia Pacific), Consumer Insights (all regions) and other small businesses in EMEA/Asia Pacific.
See Appendix 2 (page 14) for analyses of revenue, EBIT and EBIT margin by business segment.

Income statement, earnings and EBIT margin analysis

Twelve months ended 31 March	2016 US$m	2015[1] US$m	Growth % Total at constant rates	Growth % Total at actual rates
EBIT by geography				
North America	755	741	2	
Latin America	226	313	7	
UK and Ireland	300	308	4	
EMEA/Asia Pacific	(4)	(10)	N/A	
EBIT before Central Activities	**1,277**	**1,352**	**5**	
Central Activities – central corporate costs	(82)	(81)		
EBIT from continuing activities	**1,195**	**1,271**	**5**	**(6)**
EBIT - discontinuing activities	15	35		
Total EBIT	**1,210**	**1,306**	**3**	**(7)**
Net interest	(74)	(75)		
Benchmark PBT	**1,136**	**1,231**	**3**	**(8)**
Exceptional items	37	(2)		
Amortisation of acquisition intangibles	(119)	(134)		
Acquisition expenses	(4)	(1)		
Adjustment to the fair value of contingent consideration	(2)	(7)		
Financing fair value remeasurements	(21)	(81)		
Profit before tax	**1,027**	**1,006**		
Group tax charge	(263)	(255)		
Profit after tax from continuing operations	**764**	**751**		
Benchmark earnings				
Benchmark PBT	**1,136**	**1,231**	**3**	**(8)**
Benchmark tax charge	(283)	(300)		
Overall Benchmark earnings	**853**	**931**		
For owners of Experian plc	**854**	**930**	**3**	**(8)**
For non-controlling interests	(1)	1		
Benchmark EPS	**US89.1c**	**US95.2c**	**5**	**(6)**
Basic EPS from continuing operations	US78.6c	US79.0c		
Weighted average number of ordinary shares	958m	977m		
EBIT margin – continuing activities				
North America	30.6%	31.0%		
Latin America	35.7%	36.6%		
UK and Ireland	31.4%	31.7%		
EMEA/Asia Pacific	(1.0)%	(2.3)%		
EBIT margin	**26.7%**	**27.3%**		

1. 2015 restated for the divestment of Baker Hill (North America), FootFall (North America, UK & Ireland and EMEA/Asia Pacific), Consumer Insights (all regions) and other small businesses in EMEA/Asia Pacific.
See Appendix 1 (page 14) and note 4 to the financial statements for definitions of non-GAAP measures.
See Appendix 2 (page 14) for analyses of revenue, EBIT and EBIT margin by business segment.
Total growth % at constant exchange rates below Total EBIT are estimated.

Business review

North America

Total revenue from continuing activities in North America was US$2,471m, up 3% on both a total and organic basis.

Credit Services
Total and organic revenue growth was 10%, with strong performances from all business activities. Across both our consumer and business credit bureaux, credit prospecting, origination and customer management volumes were strong, and we secured new business wins in financial services and other segments, as we execute on our strategy. Automotive performed well as strength in vehicle unit sales drove demand for vehicle history reports and strength in credit volumes. In health we continue to see rapid growth, driving strength in client bookings and expansion of total contract value amongst existing hospital and physician customers.

Decision Analytics
Total and organic revenue declined 2%, as weakness in public sector more than offset strength in fraud prevention.

Marketing Services
Both total revenue and organic revenue declined by 2%. We saw further growth in cross-channel marketing, driven by new client wins and by expansion within existing clients. Data quality also delivered growth, as did our data targeting business, helped by growth in digital advertising channels. These factors were offset by further attrition in email marketing.

Consumer Services
Both total revenue and organic revenue declined by 3% for the year. There was significant improvement as the year progressed, as the business returned to growth delivering organic revenue growth of 2% in the second half. This reflected continued strong growth in our premium brand, Experian.com and on-boarding of a new affinity partner. These factors offset contraction in the legacy direct-to-consumer (‘D2C’) portfolio.

EBIT and EBIT margin
For continuing activities, North America EBIT was US$755m, up 2%. The EBIT margin was 30.6%, (2015: 31.0%), reflecting ongoing investment in key strategic growth areas.

Latin America

Total revenue from continuing activities in Latin America was US$633m, with both total and organic revenue growth of 7% at constant exchange rates.

Credit Services
At constant exchange rates, total and organic revenue growth in Credit Services was 7%, with good growth across both consumer and business information. In Brazil, consumer information was helped by strong volumes of counter-cyclical products, particularly delinquency notifications and collections, while business information was driven by higher volumes and good demand for new scores and analytics from small and medium enterprise customers. In our other Latin American markets growth was strong, with progress in business information as we continue to build our product range for small and medium enterprises.

Decision Analytics
Total and organic revenue growth was 10% at constant exchange rates. After a weak start, we benefited from considerable momentum, particularly in our Spanish Latin America markets. We have secured several multi-year relationships with larger customers as we integrate credit risk management software with credit data.

Marketing Services
Total and organic revenue at constant exchange rates declined 4%. While the year started weakly, there was a significant improvement in the second half driven by cross-channel marketing and data quality in Brazil.

EBIT and EBIT margin
For Latin America, EBIT increased by 7% at constant currency. The depreciation of the Brazilian real relative to the US dollar had a significant impact on reported EBIT, which decreased to US$226m (2015: US$313m). Foreign exchange movements also had a significant impact on the reported EBIT margin, which was 35.7% compared to 36.6% in the prior year.

UK and Ireland

In the UK and Ireland, total revenue from continuing activities was US$956m, with total and organic revenue growth of 5% at constant exchange rates.

Credit Services
Total and organic revenue growth at constant exchange rates was 6%, with growth across consumer information, business information and automotive. Consumer information growth was driven by new business wins, strength in credit reference volumes, a strong performance from credit pre-qualification services and momentum in key verticals such as financial services. In business information, we are making good progress on our key initiatives including the expansion of the small and medium enterprise channel through products such as BusinessExpress, as well as new business wins from large clients.

Decision Analytics
At constant exchange rates, both total and organic revenue rose 12%. We saw strength across a variety of sectors and products in a strong year for wins from banking clients and elsewhere. There was a one-off boost in identity management from the successful roll-out of a new verification service in the UK public sector, as well as strong demand from banks for credit risk management and fraud prevention software and analytics.

Marketing Services
At constant exchange rates, total revenue growth in Marketing Services was flat and organic revenue declined by 1%. We delivered growth in data, which has benefited from investments we've made in targeted advertising in digital channels, and in cross-channel marketing. This offset softness in email marketing. We also continue to see good forward bookings for our data quality business.

Consumer Services
At constant exchange rates total and organic revenue growth was 4%. Growth was driven by higher D2C memberships for Experian CreditExpert in the first half of the year.

EBIT and EBIT margin
For the UK and Ireland, EBIT from continuing activities was US$300m, up 4% at constant exchange rates. The EBIT margin was 31.4% (2015: 31.7%), reflecting organic investment in growth initiatives, higher legal and regulatory costs and the impact of foreign exchange.

EMEA/Asia Pacific

Total revenue from continuing activities in EMEA/Asia Pacific was US$417m, with total and organic revenue both up 7% at constant exchange rates.

Credit Services
Total and organic revenue at constant exchange rates decreased by 3%. Growth in Asia Pacific was strong, particularly in Japan and India, which partially offset a decline across our bureaux in EMEA. The decline in EMEA was primarily due to weak conditions in some markets such as the Nordics and South Africa.

Decision Analytics
Total and organic revenue growth at constant exchange rates were both 18%. There was significant growth momentum, driven by a number of new client wins for credit risk management software, other credit decisioning tools and fraud prevention.

Marketing Services
Total and organic revenue growth at constant exchange rates were both 10% as we benefited from new client wins for integrated data and cross-channel marketing capabilities.

EBIT and EBIT margin
Losses in EMEA/Asia Pacific were significantly reduced to US$(4)m (2015: US$(10)m). EBIT margin improved to (1.0)% from (2.3)% at actual exchange rates, as operating efficiencies were partially offset by foreign exchange headwinds.

Group financial review

Key financials

Year ended 31 March	2016	2015
Revenue – continuing activities	**US$4,477m**	US$4,658m
Organic revenue growth	**5%**	1%
EBIT margin	**26.7%**	27.3%
Total EBIT	**US$1,210m**	US$1,306m
EBIT growth at constant currency	**5%**	4%
Benchmark PBT	**US$1,136m**	US$1,231m
Benchmark tax rate	**24.9%**	24.4%
Benchmark EPS	**89.1 USc**	95.2 USc
Benchmark EPS growth at constant currency	**5%**	8%
Operating cash flow	**US$1,270m**	US$1,359m
Cash flow conversion	**105%**	104%
Net debt	**US$3,023m**	US$3,217m
Total investment (see Appendix 5)	**US$347m**	US$443m
Net share purchases	**US$592m**	US$192m

The Group has identified and defined certain non-GAAP measures, as they are the key measures used within the business to assess performance. These measures are used within this Group financial review and, unless otherwise indicated, all discussion of Revenue, EBIT and EBIT margin relates to continuing activities only.

Summary

The Group made significant progress during the year, with organic revenue growth improving to an average of 5% for the year as a whole. At constant currency, EBIT margin was stable, reflecting continued focus on efficiency and investment in our strategic growth initiatives.

The Group reports its financial results in US dollars and therefore the weakness of the Group's other trading currencies (primarily the Brazilian real) against the US dollar during the year decreased our total revenue by US$412m and Total EBIT by US$137m, with an adverse impact on EBIT margin of 60 basis points. Details of the principal exchange rates used are given on page 13.

The background to these results and Group profit performance by geography is discussed within pages 3 to 10. A summary of performance by business segment is given in Appendix 2 on page 14.

The Group reported Benchmark PBT of US$1,136m (2015: US$1,231m). Benchmark EPS of 89.1 US cents (2015: 95.2 US cents) represents an increase of 5% at constant currency and a reduction of 6% at actual exchange rates. The net interest expense of US$74m (2015: US$75m) reflects the continuing benefit of low US dollar interest rates, together with the very strong cash flow performance. The Benchmark tax rate was 24.9% (2015: 24.4%).

The Group continued to deliver strong cash generation, with a 105% conversion of Total EBIT to operating cash flow (2015: 104%). Investment activity in the year has been undertaken within the capital allocation framework outlined last year and has been primarily organic. The Group has continued to focus its portfolio, making six disposals for total cash receipts of US$214m.

Shareholder returns
The Group extended its previously announced US$600m share purchase programme to US$800m. At 31 March 2016, US$656m of this programme had been completed.

Taking the total dividend and share purchases together, during the year the Group returned a total of US$972m to shareholders.

Growing the business
The Group delivered improving growth momentum during the year, with organic revenue growth returning to its mid single-digit target range.

Total revenue growth from continuing activities was 5% at constant exchange rates in the year ended 31 March 2016, with a reduction of 4% at actual rates.

This year, Total EBIT was US$1,210m, down 7% at actual exchange rates but up 3% at constant currency. Expenditure through the income statement in support of growth included initiatives in key areas such as Brazil, Health, Consumer Services and Credit Services. We also invested in regulatory and compliance expenditure, and restructuring and productivity initiatives.

EBIT margin from continuing activities was stable at constant currency. The impact of foreign exchange movements reduced EBIT margin by 60 basis points overall for the year.

Generating value
The table at Appendix 3 on page 15 provides a reconciliation of our underlying profitability, as measured by Total EBIT, to our statutory profit before tax.

Our net interest expense and the related cash flows have benefited from the strong cash generation and from low interest rates globally. At 31 March 2016, the interest on 91% of our net funding was at fixed rates (2015: 83%).

Our effective tax rate on Benchmark PBT was 24.9%, reflecting the mix of profits and prevailing tax rates by territory. The equivalent cash tax rate remains below our Benchmark tax rate and a reconciliation is provided in the table at Appendix 7 on page 16. It is currently anticipated that our cash tax rate will increase and move closer to our Benchmark tax rate over the course of the next six years, as tax amortisation of goodwill on earlier acquisitions and prior tax losses are utilised.

Basic EPS was 78.6 US cents (2015: 79.0 US cents). Basic EPS for the year ended 31 March 2016 included a loss of 1.3 (2015: earnings of 2.1) US cents per share in respect of discontinued operations. Benchmark EPS was 89.1 US cents (2015: 95.2 US cents), a decrease of 6% at actual exchange rates but an increase of 5% at constant currency. Further information is given in note 11 to the financial statements. At 31 March 2016, Experian had 1,023 million shares in issue of which some 77 million were held by employee trusts and as treasury shares. Accordingly, the number of shares to be used for the purposes of calculating basic EPS from 31 March 2016 is 946 million. Issues and purchases of shares after 31 March 2016 will result in amendments to this figure.

The total dividend per share for the year is covered 2.2 times by Benchmark EPS (2015: 2.4 times) in accordance with our previously declared policy. Ordinary dividends paid in the year amounted to US$380m (2015: US$374m).

Cash and liquidity management
As shown in the Cash flow and net debt summary table at Appendix 5 on page 16, we generated very strong operating and free cash flows in the year. The continued strength of our operating cash flow performance reflects the nature of our business and financial model and our focus on working capital management.

Net debt at 31 March 2016 was US$3,023m (2015: US$3,217m), with undrawn committed borrowing facilities of US$2,175m (2015: US$2,085m). Our net debt at 31 March 2016 was 1.9 times EBITDA (2015: 1.9 times), compared to the target range of 2.0 to 2.5 times that we adopted last year.

Acquisition expenditure has been modest in both the current and prior years and our capital expenditure of US$339m (2015: US$380m) was 7.5% (2015: 7.9%) of total revenue. Net capital expenditure was US$325m (2015: US$376m).

Foreign exchange rates
Foreign exchange – average rates

The principal exchange rates used to translate total revenue and Total EBIT into the US dollar are shown in the table below.

	2016	2015	Weakened against the US dollar
US dollar : Brazilian real	3.59	2.48	31%
Sterling : US dollar	1.51	1.61	6%
Euro : US dollar	1.10	1.26	13%
US dollar : Colombian peso	2,942	2,118	28%

Foreign exchange – closing rates
The principal exchange rates used to translate assets and liabilities into the US dollar at the year end dates are shown are shown in the table below.

	2016	2015
US dollar : Brazilian real	3.56	3.22
Sterling : US dollar	1.44	1.48
Euro : US dollar	1.14	1.07
US dollar : Colombian peso	2,997	2,596

Risks and uncertainties
The ten principal risks and uncertainties faced by the Group are summarised in note 25 to the financial statements.

Appendices

1. Non-GAAP financial information

Experian has identified and defined certain measures that it believes assist in understanding 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 4 to the financial statements.

2. Revenue, EBIT and EBIT margin by business segment

Year ended 31 March			Growth %	
	2016 US$m	**2015[1]** US$m	**Total at constant rates**	**Organic at constant rates**
Revenue				
Credit Services	2,240	2,360	8	8
Decision Analytics	566	565	9	9
Marketing Services	720	753	1	-
Consumer Services	951	980	(1)	(1)
Continuing activities	**4,477**	**4,658**	**5**	**5**
Discontinuing activities[2]	73	152	n/a	
Total	**4,550**	**4,810**	**3**	
Total EBIT				
Credit Services	791	845	6	
Decision Analytics	104	101	17	
Marketing Services	141	129	16	
Consumer Services	241	277	(11)	
Total business segments	**1,277**	**1,352**	**5**	
Central Activities – central corporate costs	(82)	(81)	(4)	
Continuing activities	**1,195**	**1,271**	**5**	
Discontinuing activities[2]	15	35	n/a	
Total EBIT	**1,210**	**1,306**	**3**	
EBIT margin – continuing activities[3]				
Credit Services	35.3%	35.8%	(0.4%)	
Decision Analytics	18.4%	17.9%	1.3%	
Marketing Services	19.6%	17.1%	2.6%	
Consumer Services	25.3%	28.3%	(2.8%)	
EBIT margin	**26.7%**	**27.3%**	**-**	

1. 2015 restated for the divestment of Baker Hill, FootFall, Consumer Insights and other small businesses and their movement to discontinuing activities within the relevant business segments.
2. Discontinuing activities comprise discontinuing Credit Services, Decision Analytics and Marketing Services businesses.
3. The growth percentages at constant rates for EBIT margin show the margin change at constant exchange rates.

3. Reconciliation of Total EBIT to statutory profit before tax

Year ended 31 March	2016 US$m	2015 US$m
EBIT at constant currency	1,332	1,271
Currency impact	(137)	-
EBIT	**1,195**	**1,271**
Discontinuing activities	15	35
Total EBIT	**1,210**	**1,306**
Net interest expense	(74)	(75)
Benchmark PBT	**1,136**	**1,231**
Exceptional items (Appendix 4)	37	(2)
Other adjustments made to derive Benchmark PBT (Appendix 4)	(146)	(223)
Profit before tax	**1,027**	**1,006**

4. Exceptional items and Other adjustments made to derive Benchmark PBT

Year ended 31 March	2016 US$m	2015 US$m
Exceptional items:		
(Profit)/loss on disposal of businesses	(57)	2
North America security incident related costs	20	-
Exceptional items	**(37)**	**2**
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	119	134
Acquisition expenses	4	1
Adjustment to the fair value of contingent consideration	2	7
Financing fair value remeasurements	21	81
Other adjustments made to derive Benchmark PBT	**146**	**223**
Net charge for Exceptional items and Other adjustments made to derive Benchmark PBT	**109**	**225**

5. Cash flow and net debt summary

Year ended 31 March	2016 US$m	2015 US$m
Total EBIT	1,210	1,306
Amortisation and depreciation charged to Benchmark PBT	353	384
Net capital expenditure (Appendix 6)	(325)	(376)
Increase in working capital	(21)	(1)
Profit retained in associates	(1)	(1)
Charge for share incentive plans	54	47
Operating cash flow	**1,270**	**1,359**
Net interest paid	(66)	(74)
Tax paid – continuing operations	(136)	(145)
Dividends paid to non-controlling interests	(3)	(5)
Free cash flow	**1,065**	**1,135**
Acquisitions	(22)	(67)
Purchase of investments	(2)	-
Disposal of businesses and investments	163	16
Exceptional items other than disposal of businesses	(20)	(12)
Ordinary dividends paid	(380)	(374)
Net cash inflow – continuing operations	**804**	**698**
Net debt at 1 April	(3,217)	(3,809)
Net share purchases	(592)	(192)
Exchange, discontinued operations and other movements	(18)	86
Net debt at 31 March	**(3,023)**	**(3,217)**

Total investment of US$347m (2015: US$443m) comprises cash flows for net capital expenditure and acquisitions.

6. Reconciliation of net capital expenditure

Year ended 31 March	2016 US$m	2015 US$m
Capital expenditure as reported in the Group cash flow statement	339	380
Disposal of property, plant and equipment	(14)	(4)
Net capital expenditure as reported in the Cash flow and net debt summary	**325**	**376**

7. Cash tax reconciliation

Year ended 31 March	2016 %	2015 %
Tax charge on Benchmark PBT	24.9	24.4
Tax relief on intangible assets	(6.5)	(7.9)
Benefit of brought forward tax losses	(4.6)	(3.8)
Other	(1.8)	(0.9)
Tax paid as a percentage of Benchmark PBT	**12.0**	**11.8**

Group income statement

for the year ended 31 March 2016

	2016			2015		
	Benchmark[1]	Non-benchmark[2]	**Total**	Benchmark[1]	Non-benchmark[2]	**Total**
	US$m	US$m	**US$m**	US$m	US$m	**US$m**
Revenue (note 5(a))	4,550	-	**4,550**	4,810	-	**4,810**
Labour costs	(1,712)	-	**(1,712)**	(1,799)	-	**(1,799)**
Data and information technology costs	(502)	-	**(502)**	(470)	-	**(470)**
Amortisation and depreciation charges	(353)	(119)	**(472)**	(384)	(134)	**(518)**
Marketing and customer acquisition costs	(349)	-	**(349)**	(365)	-	**(365)**
Other operating charges	(428)	(26)	**(454)**	(491)	(10)	**(501)**
Total operating expenses	(3,344)	(145)	**(3,489)**	(3,509)	(144)	**(3,653)**
Profit on disposal of businesses (note 7(b))	-	57	**57**	-	-	**-**
Operating profit	1,206	(88)	1,118	1,301	(144)	**1,157**
Interest income	20	-	**20**	25	-	**25**
Finance expense	(94)	(21)	**(115)**	(100)	(81)	**(181)**
Net finance costs (note 8(a))	(74)	(21)	**(95)**	(75)	(81)	**(156)**
Share of post-tax profit of associates	4	-	**4**	5	-	**5**
Profit before tax (note 5(a))	1,136	(109)	**1,027**	1,231	(225)	**1,006**
Group tax charge (note 9(a))	(283)	20	**(263)**	(300)	45	**(255)**
Profit for the financial year from continuing operations	853	(89)	**764**	931	(180)	**751**
(Loss)/profit for the financial year from discontinued operations (note 10(a))	-	(12)	**(12)**	-	21	**21**
Profit for the financial year	853	(101)	**752**	931	(159)	**772**
Attributable to:						
Owners of Experian plc	854	(101)	**753**	930	(158)	**772**
Non-controlling interests	(1)	-	**(1)**	1	(1)	**-**
Profit for the financial year	853	(101)	**752**	931	(159)	**772**
Total EBIT[1]	1,210	-	**1,210**	1,306	-	**1,306**
	US cents	US cents	**US cents**	US cents	US cents	**US cents**
Earnings per share (note 11(a))						
Basic	89.1	(10.5)	**78.6**	95.2	(16.2)	**79.0**
Diluted	88.6	(10.5)	**78.1**	94.1	(16.0)	**78.1**
Earnings per share from continuing operations (note 11(a))						
Basic	89.1	(9.2)	**79.9**	95.2	(18.3)	**76.9**
Diluted	88.6	(9.2)	**79.4**	94.1	(18.1)	**76.0**
Benchmark PBT per share[1]	118.6			126.0		
Full year dividend per share[1]			**40.00**			**39.25**

1. Total EBIT, Benchmark items and full year dividend per share are non-GAAP measures, defined where appropriate in note 4 to the financial statements.

2. The loss before tax for non-benchmark items of US$109m (2015: US$225m) comprises a credit for exceptional items of US$37m (2015: charge of US$2m) and charges for other adjustments made to derive Benchmark PBT of US$146m (2015: US$223m). Further information is given in note 7 to the financial statements.

The segmental disclosures in notes 5 and 6 indicate the impact of business disposals on the comparative revenue and Total EBIT figures.

Group statement of comprehensive income

for the year ended 31 March 2016

	2016 US$m	2015 US$m
Profit for the financial year	**752**	772
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations (note (14(b))	**(30)**	(15)
Deferred tax credit	**6**	3
Items that will not be reclassified to profit or loss	**(24)**	(12)
Items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) recognised on available-for-sale financial assets	**1**	(1)
Currency translation losses	**(151)**	(571)
Items that may be reclassified subsequently to profit or loss	**(150)**	(572)
Items reclassified to profit or loss:		
Fair value gain on available-for-sale financial assets	**-**	(2)
Cumulative currency translation gain in respect of divestments	**2**	-
Items reclassified to profit or loss	**2**	(2)
Other comprehensive income for the financial year[1]	**(172)**	(586)
Total comprehensive income for the financial year	**580**	186
Attributable to:		
Continuing operations	**593**	166
Discontinued operations	**(12)**	21
Owners of Experian plc	**581**	187
Non-controlling interests	**(1)**	(1)
Total comprehensive income for the financial year	**580**	186

1. Amounts reported within other comprehensive income are in respect of continuing operations and, except as reported 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.

Group balance sheet

at 31 March 2016

	Notes	2016 US$m	2015 US$m
Non-current assets			
Goodwill		**4,198**	4,393
Other intangible assets	13	**1,431**	1,624
Property, plant and equipment	13	**352**	390
Investments in associates		**8**	8
Deferred tax assets		**159**	264
Post-employment benefit assets	14(a)	**26**	58
Trade and other receivables		**8**	10
Available-for-sale financial assets		**43**	40
Other financial assets		**53**	125
		6,278	6,912
Current assets			
Inventories		**1**	3
Trade and other receivables		**902**	878
Current tax assets		**24**	29
Other financial assets		**46**	8
Cash and cash equivalents	15(f)	**156**	147
		1,129	1,065
Current liabilities			
Trade and other payables		**(1,124)**	(1,122)
Borrowings	17(b)	**(52)**	(146)
Current tax liabilities		**(128)**	(91)
Provisions		**(27)**	(31)
Other financial liabilities		**(12)**	(14)
		(1,343)	(1,404)
Net current liabilities		**(214)**	(339)
Total assets less current liabilities		**6,064**	6,573
Non-current liabilities			
Trade and other payables		**(24)**	(33)
Borrowings	17(b)	**(3,068)**	(3,146)
Deferred tax liabilities		**(352)**	(385)
Post-employment benefit obligations	14(a)	**(55)**	(60)
Other financial liabilities		**(127)**	(148)
		(3,626)	(3,772)
Net assets		**2,438**	2,801
Equity			
Called up share capital	19	**102**	103
Share premium account	19	**1,519**	1,506
Retained earnings		**18,633**	18,523
Other reserves		**(17,830)**	(17,346)
Attributable to owners of Experian plc		**2,424**	2,786
Non-controlling interests		**14**	15
Total equity		**2,438**	2,801

Group statement of changes in total equity

for the year ended 31 March 2016

	Called up share capital (Note 19) US$m	Share premium account (Note 19) US$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 2015	103	1,506	18,523	(17,346)	**2,786**	15	**2,801**
Profit for the financial year	-	-	753	-	**753**	(1)	**752**
Other comprehensive income for the financial year	-	-	(23)	(149)	**(172)**	-	**(172)**
Total comprehensive income for the financial year	-	-	730	(149)	**581**	(1)	**580**
Transactions with owners:							
Employee share incentive plans:							
- value of employee services	-	-	54	-	**54**	-	**54**
- shares issued on vesting	-	13	-	-	**13**	-	**13**
- other exercises of share awards and options	-	-	(76)	80	**4**	-	**4**
- related tax charge	-	-	(12)	-	**(12)**	-	**(12)**
- purchase of shares by employee trusts	-	-	-	(71)	**(71)**	-	**(71)**
- other payments	-	-	(5)	-	**(5)**	-	**(5)**
Purchase of shares held as treasury shares	-	-	-	(344)	**(344)**	-	**(344)**
Purchase and cancellation of own shares	(1)	-	(189)	-	**(190)**	-	**(190)**
Transactions in respect of non-controlling interests	-	-	(10)	-	**(10)**	3	**(7)**
Fair value gain on commitments to purchase own shares	-	-	(2)	-	**(2)**	-	**(2)**
Dividends paid	-	-	(380)		**(380)**	(3)	**(383)**
Transactions with owners	(1)	13	(620)	(335)	**(943)**	-	**(943)**
At 31 March 2016	102	1,519	18,633	(17,830)	**2,424**	14	**2,438**

for the year ended 31 March 2015

	Called up share capital (Note 19) US$m	Share premium account (Note 19) US$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 2014	103	1,492	18,167	(16,680)	**3,082**	22	**3,104**
Profit for the financial year	-	-	772	-	**772**	-	**772**
Other comprehensive income for the financial year	-	-	(15)	(570)	**(585)**	(1)	**(586)**
Total comprehensive income for the financial year	-	-	757	(570)	**187**	(1)	**186**
Transactions with owners:							
Employee share incentive plans:							
- value of employee services	-	-	47	-	**47**	-	**47**
- shares issued on vesting	-	14	-	-	**14**	-	**14**
- other exercises of share awards	-	-	(104)	112	**8**	-	**8**
- related tax credit	-	-	30	-	**30**	-	**30**
- purchase of shares by employee trusts	-	-	-	(38)	**(38)**	-	**(38)**
- other payments	-	-	(6)	-	**(6)**	-	**(6)**
Purchase of shares held as treasury shares	-	-	-	(170)	**(170)**	-	**(170)**
Transactions in respect of non-controlling interests	-	-	6	-	**6**	(1)	**5**
Dividends paid	-	-	(374)	-	**(374)**	(5)	**(379)**
Transactions with owners	-	14	(401)	(96)	**(483)**	(6)	**(489)**
At 31 March 2015	**103**	**1,506**	**18,523**	**(17,346)**	2,786	**15**	2,801

Group cash flow statement

for the year ended 31 March 2016

	Notes	2016 US$m	2015 US$m
Cash flows from operating activities			
Cash generated from operations	15(a)	**1,570**	1,720
Interest paid		**(86)**	(96)
Interest received		**20**	22
Dividends received from associates		**3**	4
Tax paid	15(c)	**(136)**	(145)
Net cash inflow from operating activities – continuing operations		**1,371**	1,505
Net cash inflow from operating activities – discontinued operations	10(a)	**-**	32
Net cash inflow from operating activities		**1,371**	1,537
Cash flows from investing activities			
Purchase of other intangible assets		**(271)**	(316)
Purchase of property, plant and equipment		**(68)**	(64)
Sale of property, plant and equipment		**13**	2
(Purchase)/sale of other financial assets		**(2)**	7
Acquisition of subsidiaries, net of cash acquired	15(d)	**(13)**	(58)
Disposal of subsidiaries – continuing operations	7(b)	**150**	18
Disposal of subsidiaries – discontinued operations	10(b)	**13**	(9)
Net cash flows used in investing activities		**(178)**	(420)
Cash flows from financing activities			
Cash inflow in respect of net share purchases	15(e)	**13**	16
Cash outflow in respect of net share purchases	15(e)	**(605)**	(208)
Other payments on vesting of share awards		**(5)**	(6)
Payments to acquire non-controlling interests	15(d)	**(6)**	(8)
New borrowings		**204**	-
Repayment of borrowings		**(361)**	(539)
Net payments for derivative financial instruments held to manage currency profile		**(29)**	(2)
Net receipts from equity swaps		**1**	2
Dividends paid		**(383)**	(379)
Net cash flows used in financing activities		**(1,171)**	(1,124)
Net increase/(decrease) in cash and cash equivalents		**22**	(7)
Cash and cash equivalents at 1 April		**145**	208
Exchange movements on cash and cash equivalents		**(16)**	(56)
Cash and cash equivalents at 31 March	15(f)	**151**	145

Notes to the financial statements

for the year ended 31 March 2016

1. Corporate information

Experian plc (the ‘Company’) is the ultimate parent company of the Experian group of companies (‘Experian’ or the ‘Group’). The Company 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 2016 or 31 March 2015 but is derived from the statutory financial statements for the year ended 31 March 2016. The Group’s statutory financial statements for the year ended 31 March 2016 will be made available to shareholders in June 2016 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 2015 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 2016 have been:

- prepared in accordance with the Companies (Jersey) Law 1991 and International Financial Reporting Standards (‘IFRS’ or ‘IFRSs’) as adopted for use in the European Union (‘EU’) 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;
- 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 on page 13.

Other than those disclosed in this preliminary announcement, no significant events impacting the Group have occurred between 31 March 2016 and 10 May 2016 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 2016. Those policies were published in full in the Group’s statutory financial statements for the year ended 31 March 2015 and are available on a corporate website, at www.experianplc.com/annualreport.

3. Recent accounting developments

There have been no accounting standards, amendments and interpretations effective for the first time in these financial statements and which have had a material impact on the financial statements.

There are a number of new standards and amendments to existing standards currently in issue but not yet effective, including three significant standards:

- IFRS 9 ‘Financial instruments’;
- IFRS 15 ‘Revenue from contracts with customers’; and
- IFRS 16 ‘Leases’.

IFRS 9 and IFRS 15 are now expected to be effective for Experian for the year ending 31 March 2019 with IFRS 16 expected to be effective for the year ending 31 March 2020 (all subject to EU endorsement). It is not currently practicable to quantify their effect. IFRS 15 introduces a single, principles-based five-step revenue recognition model to be applied to all sales contracts. Our assessment of the impact of IFRS 15 on the Group financial statements has commenced; areas of potential change have been noted and are undergoing further review.

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. Such developments are routinely reviewed by the Group and its financial reporting systems are adapted as appropriate.

4. Use of non-GAAP measures in the 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 disclosed to indicate the Group's underlying profitability. It 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 are explained as follows:

- Charges for the amortisation and impairment of acquisition intangibles are excluded from the definition of Benchmark PBT because these charges are based on judgments about their value and economic life. Impairment of goodwill is similarly excluded.
- Acquisition expenses relating to successful, active or aborted acquisitions are excluded from the definition of Benchmark PBT as they bear no relation to the Group's underlying performance or to the performance of any acquired businesses. Adjustments to contingent consideration are similarly excluded.
- Charges and credits for financing fair value remeasurements within finance expense in the Group income statement are excluded from the definition of Benchmark PBT. These include that element of the Group's derivatives that is ineligible for hedge accounting together with gains and losses on put options in respect of acquisitions. Amounts recognised generally arise from market movements and accordingly bear no direct relation to the Group's underlying performance.

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

Total EBIT is defined as Benchmark PBT before the net interest expense charged therein. Total EBIT excluding the results of discontinuing activities is defined and reported as EBIT.

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

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

(d) Continuing activities and Discontinuing activities

Businesses trading at 31 March 2016, which are not disclosed as discontinuing activities, are treated as continuing 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) Constant exchange rates

To highlight its organic performance, Experian discusses its results in terms of growth at constant exchange rates, unless otherwise stated. This represents growth calculated after translating both years' performance at the prior year's average exchange rates.

(f) 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.

(g) Organic revenue 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 of their consolidation.

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

(h) Benchmark earnings and Total benchmark earnings

Benchmark earnings comprise Benchmark PBT less attributable tax and non-controlling interests. 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.

Benchmark PBT less attributable tax is designated as Total benchmark earnings.

(i) Benchmark earnings per share ('Benchmark EPS')

Benchmark EPS comprises Benchmark earnings divided by the weighted average number of issued ordinary shares, as adjusted for own shares held.

(j) Benchmark PBT per share

Benchmark PBT per share comprises Benchmark PBT divided by the weighted average number of issued ordinary shares, as adjusted for own shares held.

(k) Benchmark tax charge and rate

The Benchmark tax charge is the tax charge applicable to Benchmark PBT. It differs from the Group tax charge by tax attributable to exceptional items and other adjustments made to derive Benchmark PBT, and exceptional tax charges. A reconciliation is provided in note 9(b) to these financial statements. 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 include those arising from the profit or loss on disposal of businesses, closure costs of major business units, costs of significant restructuring programmes and other significant one-off items. All other restructuring costs are charged against Total EBIT, in the segments in which they are incurred.

(m) Full year dividend per share

Full year dividend per share comprises the total of dividends per share announced in respect of the financial year.

(n) Operating and free cash flow

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

(o) Cash flow conversion

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

(p) Net debt

Net debt is 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 2016

5. Segment information

(a) Income statement

Year ended 31 March 2016	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific[1] US$m	**Total operating segments US$m**	Central Activities US$m	**Total continuing operations[2] US$m**
Revenue from external customers							
Continuing activities	2,471	633	956	417	**4,477**	-	**4,477**
Discontinuing activities	43	-	15	15	**73**	-	**73**
Total	2,514	633	971	432	**4,550**	-	**4,550**
Reconciliation from Total EBIT to profit/(loss) before tax							
Total EBIT							
Continuing activities	755	226	300	(4)	**1,277**	(82)	**1,195**
Discontinuing activities	11	-	3	1	**15**	-	**15**
Total EBIT	766	226	303	(3)	**1,292**	(82)	**1,210**
Net interest (note 8(b))	-	-	-	-	**-**	(74)	**(74)**
Benchmark PBT	766	226	303	(3)	**1,292**	(156)	**1,136**
Exceptional items (note 7(a))	53	-	2	(18)	**37**	-	**37**
Amortisation of acquisition intangibles	(77)	(23)	(12)	(7)	**(119)**	-	**(119)**
Acquisition expenses	(4)	-	-	-	**(4)**	-	**(4)**
Adjustment to the fair value of contingent consideration	-	-	(2)	-	**(2)**	-	**(2)**
Financing fair value remeasurements	-	-	-	-	**-**	(21)	**(21)**
Profit/(loss) before tax	738	203	291	(28)	**1,204**	(177)	**1,027**

Year ended 31 March 2015	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific[1] US$m	**Total operating segments US$m**	Central Activities US$m	**Total continuing operations US$m**
Revenue from external customers							
Continuing activities	2,390	856	971	441	**4,658**	-	**4,658**
Discontinuing activities	78	1	28	45	**152**	-	**152**
Total	2,468	857	999	486	**4,810**	-	**4,810**
Reconciliation from Total EBIT to profit/(loss) before tax							
Total EBIT							
Continuing activities	741	313	308	(10)	**1,352**	(81)	**1,271**
Discontinuing activities	20	-	6	9	**35**	-	**35**
Total EBIT	761	313	314	(1)	**1,387**	(81)	**1,306**
Net interest (note 8(b))	-	-	-	-	**-**	(75)	**(75)**
Benchmark PBT	761	313	314	(1)	**1,387**	(156)	**1,231**
Exceptional items (note 7(a))	-	(2)	-	-	**(2)**	-	**(2)**
Amortisation of acquisition intangibles	(74)	(37)	(14)	(9)	**(134)**	-	**(134)**
Acquisition expenses	-	-	(1)	-	**(1)**	-	**(1)**
Adjustment to the fair value of contingent consideration	-	-	(7)	-	**(7)**	-	**(7)**
Financing fair value remeasurements	-	-	-	-	**-**	(81)	**(81)**
Profit/(loss) before tax	687	274	292	(10)	**1,243**	(237)	**1,006**

1. EMEA/Asia Pacific represents all other operating segments.
2. A loss before tax of US$20m arose in the year ended 31 March 2016 in respect of discontinued operations. Further information is given in note 10.

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 2016

5. Segment information (continued)

(b) Revenue by country

	2016 **US$m**	2015 US$m
USA	**2,503**	2,453
Brazil	**559**	763
UK	**964**	992
Colombia	**57**	73
Other	**467**	529
	4,550	4,810

Revenue is primarily attributable to countries other than Ireland. No single client accounted for 10% or more of revenue in the current or prior year. Revenue from the USA, Brazil and the UK in aggregate comprises 88% (2015: 87%) of Group revenue.

(c) Revenue by business segment

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 6. 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 2016

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

Year ended 31 March 2016	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[1] US$m**
Revenue from external customers							
Continuing activities	2,240	566	720	951	**4,477**	-	**4,477**
Discontinuing activities	3	13	57	-	**73**	-	**73**
Total	2,243	579	777	951	**4,550**	-	**4,550**
Reconciliation from Total EBIT to profit/(loss) before tax							
Total EBIT							
Continuing activities	791	104	141	241	**1,277**	(82)	**1,195**
Discontinuing activities	1	6	8	-	**15**	-	**15**
Total EBIT	792	110	149	241	**1,292**	(82)	**1,210**
Net interest (note 8(b))	-	-	-	-	**-**	(74)	**(74)**
Benchmark PBT	792	110	149	241	**1,292**	(156)	**1,136**
Exceptional items (note 7(a))	(5)	48	(6)	-	**37**	-	**37**
Amortisation of acquisition intangibles	(77)	(25)	(11)	(6)	**(119)**	-	**(119)**
Acquisition expenses	(1)	-	-	(3)	**(4)**	-	**(4)**
Adjustment to the fair value of contingent consideration	(2)	-	-	-	**(2)**	-	**(2)**
Financing fair value remeasurements	-	-	-	-	**-**	(21)	**(21)**
Profit/(loss) before tax	707	133	132	232	**1,204**	(177)	**1,027**

Year ended 31 March 2015	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	2,360	565	753	980	**4,658**	-	**4,658**
Discontinuing activities	6	29	117	-	**152**	-	**152**
Total	2,366	594	870	980	**4,810**	-	**4,810**
Reconciliation from Total EBIT to profit/(loss) before tax							
Total EBIT							
Continuing activities	845	101	129	277	**1,352**	(81)	**1,271**
Discontinuing activities	2	13	20	-	**35**	-	**35**
Total EBIT	847	114	149	277	**1,387**	(81)	**1,306**
Net interest (note 8(b))	-	-	-	-	**-**	(75)	**(75)**
Benchmark PBT	847	114	149	277	**1,387**	(156)	**1,231**
Exceptional items (note 7(a))	-	-	(2)	-	**(2)**	-	**(2)**
Amortisation of acquisition intangibles	(90)	(15)	(17)	(12)	**(134)**	-	**(134)**
Acquisition expenses	(1)	-	-	-	**(1)**	-	**(1)**
Adjustment to the fair value of contingent consideration	(7)	-	-	-	**(7)**	-	**(7)**
Financing fair value remeasurements	-	-	-	-	**-**	(81)	**(81)**
Profit/(loss) before tax	749	99	130	265	**1,243**	(237)	**1,006**

1. A loss before tax of US$20m arose in the year ended 31 March 2016 in respect of discontinued operations. Further information is given in note 10.

Additional information by business segment, including that on total and organic growth at constant exchange rates, is provided within pages 3 to 11 and within Appendix 2 on page 15. Revenue and Total EBIT by business segment for the year ended 31 March 2015 are now re-analysed in the above table between continuing and discontinuing activities, following the disposal of a number of businesses during the current year.

Notes to the financial statements (continued)

for the year ended 31 March 2016

7. Exceptional items and Other adjustments made to derive Benchmark PBT

(a) Net charge for Exceptional items and Other adjustments made to derive Benchmark PBT

	2016 US$m	2015 US$m
Exceptional items:		
(Profit)/loss on disposal of businesses (note 7(b))	**(57)**	2
North America security incident related costs (note 7(c))	**20**	-
(Credit)/charge for exceptional items	**(37)**	2
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	**119**	134
Acquisition expenses	**4**	1
Adjustment to the fair value of contingent consideration	**2**	7
Financing fair value remeasurements	**21**	81
Charge for other adjustments made to derive Benchmark PBT	**146**	223
Net charge for Exceptional items and Other adjustments made to derive Benchmark PBT	**109**	225
By income statement caption:		
Amortisation and depreciation charges	**119**	134
Other operating charges	**26**	10
Profit on disposal of businesses	**(57)**	-
Within operating profit	**88**	144
Finance expense	**21**	81
Net charge for Exceptional items and Other adjustments made to derive Benchmark PBT	**109**	225

(b) Profit/(loss) on disposal of businesses

The profit before tax on the disposal of businesses in the year ended 31 March 2016 primarily related to the disposals of the FootFall and Baker Hill businesses and the consumer insights businesses, Hitwise and Simmons. The net profit of US$57m and the related cash inflow in the year of US$150m are analysed in the table below.

	US$m
Goodwill	**85**
Other intangible assets	**40**
Property, plant and equipment	**3**
Deferred tax assets	**5**
Inventories	**2**
Trade and other receivables	**31**
Cash and cash equivalents	**4**
Trade and other payables	**(40)**
Net assets disposed	**130**
Disposal proceeds and costs:	
Proceeds	**213**
Transaction costs	**(24)**
Recycled cumulative exchange loss	**(2)**
Disposal proceeds, net of costs	**187**
Profit before tax on disposal	**57**
Cash inflow from disposal:	
Proceeds received in cash	**214**
Cash and cash equivalents sold with businesses	**(4)**
Tax paid on disposal	**(42)**
Other transaction costs paid	**(18)**
Net cash inflow	**150**

The loss on disposal of businesses of US$2m in the prior year related to small disposals with a cash inflow of US$18m.

7. Exceptional items and Other adjustments made to derive Benchmark PBT (continued)

(c) North America security incident related costs

In September 2015, Experian North America suffered an unauthorised intrusion to its Decision Analytics computing environment that allowed unauthorised acquisition of certain data belonging to a client, T-Mobile USA, Inc. Experian notified the individuals who may have been affected and offered free credit monitoring and identity theft resolution services. In addition, government agencies were notified as required by law.

The one-off costs to Experian of directly responding to this incident are reflected in a charge of US$20m in the year ended 31 March 2016.

8. Net finance costs

(a) Net finance costs included in profit before tax

	2016 US$m	2015 US$m
Interest income:		
Bank deposits, short-term investments and loan notes	**(20)**	(24)
Interest on opening retirement benefit assets	**-**	(1)
Interest income	**(20)**	(25)
Finance expense:		
Interest expense	**94**	100
Charge in respect of financing fair value remeasurements	**21**	81
Finance expense	**115**	181
Net finance costs included in profit before tax	**95**	156

(b) Net interest expense included in Benchmark PBT

	2016 US$m	2015 US$m
Interest income	**(20)**	(25)
Interest expense	**94**	100
Net interest expense included in Benchmark PBT	**74**	75

for the year ended 31 March 2016

9. Tax – continuing operations

(a) Group tax charge and effective rate of tax

	2016 US$m	2015 US$m
Group tax charge	**263**	255
Profit before tax	**1,027**	1,006
Effective rate of tax based on profit before tax	**25.6%**	25.3%

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

	2016 US$m	2015 US$m
Group tax charge	**263**	255
Tax charge on disposal of businesses	**(34)**	-
Tax relief on other exceptional items	**8**	-
Tax relief on other adjustments made to derive Benchmark PBT	**46**	45
Benchmark tax charge	**283**	300
Benchmark PBT	**1,136**	1,231
Benchmark tax rate	**24.9%**	24.4%

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

In the year ended 31 March 2016, the charge of US$172m (2015: US$586m) in respect of other comprehensive income is after a deferred tax credit of US$6m (2015: US$3m), relating to remeasurement losses on post-employment benefit assets and obligations.

In the year ended 31 March 2016, a tax charge relating to employee share incentive plans of US$12m (2015: credit of US$30m) has been recognised in equity and reported as appropriate within transactions with owners. This amount comprises a current tax charge of US$9m (2015: credit of US$35m) and a deferred tax charge of US$3m (2015: US$5m).

Notes to the financial statements (continued)

for the year ended 31 March 2016

10. Discontinued operations

(a) Comparison shopping and lead generation businesses

Experian completed a transaction to divest of these businesses in October 2012 and their results and cash flows are classified as discontinued.

The loss for the financial year from discontinued operations of US$12m for the year ended 31 March 2016 comprised a charge of US$20m, net of a US$8m tax credit, arising from the reduction in the carrying value of the loan note receivable issued as part of the disposal. The profit for the financial year from discontinued operations of US$21m for the year ended 31 March 2015 comprised a current tax credit for tax losses arising in respect of the disposal.

The cash inflow from operating activities of US$32m for the year ended 31 March 2015 comprised a tax recovery on the disposal transaction

(b) Cash flow on disposal of discontinued operations

	2016 US$m	2015 US$m
Comparison shopping and lead generation businesses:		
Partial redemption of loan note issued at disposal	**13**	-
Transaction costs paid	**-**	(1)
Comparison shopping and lead generation businesses	**13**	(1)
Cash flow for earlier disposal	**-**	(8)
Net cash inflow/(outflow)	**13**	(9)

The net cash inflow of US$13m on the disposal of the discontinued businesses (2015: outflow of US$9m) is disclosed in the Group cash flow statement within net cash flows used in investing activities. Contingent consideration is available to Experian, in respect of the comparison shopping and lead generation businesses, if defined profit targets are achieved over time, and in certain other circumstances, up to US$25m. This is in addition to the amount of US$61m receivable, of which US$41m is recognised in respect of the loan note.

Notes to the financial statements (continued)

for the year ended 31 March 2016

11. Earnings per share disclosures

(a) Earnings per share

	Basic		Diluted	
	2016 **US cents**	2015 US cents	**2016** **US cents**	2015 US cents
Continuing and discontinued operations	**78.6**	79.0	**78.1**	78.1
Add/(deduct): discontinued operations	**1.3**	(2.1)	**1.3**	(2.1)
Continuing operations	**79.9**	76.9	**79.4**	76.0
(Deduct)/add: exceptional items, net of related tax	**(1.2)**	0.2	**(1.2)**	0.2
Add: other adjustments made to derive Benchmark PBT, net of related tax	**10.4**	18.1	**10.4**	17.9
Benchmark earnings per share from continuing operations (non-GAAP measure)	**89.1**	95.2	**88.6**	94.1

(b) Analysis of earnings

(i) Attributable to owners of Experian plc

	2016 **US$m**	2015 US$m
Continuing and discontinued operations	**753**	772
Add/(deduct): discontinued operations	**12**	(21)
Continuing operations	**765**	751
(Deduct)/add: exceptional items, net of related tax	**(11)**	2
Add: other adjustments made to derive Benchmark PBT, net of related tax	**100**	177
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**854**	930

(ii) Attributable to non-controlling interests

	2016 **US$m**	2015 US$m
Continuing and discontinued operations	**(1)**	-
Add: amortisation of acquisition intangibles attributable to non-controlling interests, net of related tax	**-**	1
Benchmark earnings attributable to non-controlling interests (non-GAAP measure)	**(1)**	1

(c) Reconciliation of Total benchmark earnings to profit for the financial year

	2016 **US$m**	2015 US$m
Total benchmark earnings (non-GAAP measure)	**853**	931
(Loss)/profit from discontinued operations	**(12)**	21
Profit/(loss) from exceptional items, net of related tax	**11**	(2)
Loss from other adjustments made to derive Benchmark PBT, net of related tax	**(100)**	(178)
Profit for the financial year	**753**	772

(d) Weighted average number of ordinary shares used

	2016 **million**	2015 million
Weighted average number of ordinary shares	**958**	977
Add: dilutive effect of share incentive awards, options and share purchases	**6**	11
Diluted weighted average number of ordinary shares	**964**	988

Notes to the financial statements (continued)

for the year ended 31 March 2016

12. Dividends

(a) Dividend information

	2016		2015	
	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 2016 (2015: January 2015)	**12.50**	**120**	12.25	120
Second interim – paid in July 2015 (2015: July 2014)	**27.00**	**260**	26.00	254
Dividends paid on ordinary shares	**39.50**	**380**	38.25	374
Full year dividend for the financial year	**40.00**	**380**	39.25	383

A second interim dividend in respect of the year ended 31 March 2016 of 27.50 US cents per ordinary share will be paid on 22 July 2016 to shareholders on the register at the close of business on 24 June 2016. This dividend is not included as a liability in these financial statements. This second interim dividend and the first interim dividend paid in January 2016 comprise the full year dividend for the financial year of 40.00 US cents per ordinary share. Unless shareholders elect by 24 June 2016 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 1 July 2016.

(b) Income access share ('IAS') 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 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 2016 the employee trusts waived their entitlements to dividends of US$5m (2015: US$5m). There is no entitlement to dividend in respect of own shares held as treasury shares.

13. Capital expenditure, disposals and capital commitments

During year ended 31 March 2016, the Group incurred capital expenditure of US$339m (2015: US$380m) 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 2016 was US$14m (2015: US$4m) and the amount realised was US$13m (2015: US$2m).

At 31 March 2016, the Group had capital commitments in respect of property, plant and equipment and intangible assets and for which contracts had been placed of US$24m (2015: US$78m). These include commitments of US$13m not expected to be incurred before 31 March 2017. Commitments as at 31 March 2015 included commitments of US$45m not then expected to be incurred before 31 March 2016.

Notes to the financial statements (continued)

for the year ended 31 March 2016

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

(a) Balance sheet assets/(obligations)

	2016 US$m	2015 US$m
Retirement benefit assets/(obligations) - funded plans:		
Fair value of funded plans' assets	**1,023**	1,094
Present value of funded plans' obligations	**(997)**	(1,036)
Assets in the Group balance sheet for funded defined pension benefits	**26**	58
Obligations for unfunded post-employment benefits:		
Present value of defined pension benefits - unfunded plans	**(49)**	(52)
Present value of post-employment medical benefits	**(6)**	(8)
Liabilities in the Group balance sheet	**(55)**	(60)
Net post-employment benefit obligations	**(29)**	(2)

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

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

	2016 US$m	2015 US$m
At 1 April	**(2)**	13
Differences on exchange	**-**	(2)
Charge to Group income statement	**(8)**	(9)
Remeasurement losses recognised within other comprehensive income	**(30)**	(15)
Contributions paid by the Group	**11**	11
At 31 March	**(29)**	(2)

(c) Group income statement charge

	2016 US$m	2015 US$m
Current service cost	**7**	8
Curtailment gain on disposal of business (note 7(b))	**(1)**	-
Administration expenses	**2**	2
Charge within labour costs and operating profit	**8**	10
Interest income	**-**	(1)
Total charge to Group income statement	**8**	9

(d) Actuarial assumptions

	2016 %	2015 %
Discount rate	**3.4**	3.3
Inflation rate – based on the UK Retail Prices Index (the 'RPI')	**2.9**	2.9
Inflation rate – based on the UK Consumer Prices Index (the 'CPI')	**1.9**	1.9
Increase in salaries	**3.4**	3.4
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**2.7**	2.8
Increase for pensions in payment – element based on the CPI (where cap is 2.5%)	**1.5**	1.5
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.7**	1.7
Increase for pensions in deferment	**1.9**	1.9
Inflation in medical costs	**5.9**	5.9

The mortality and other demographic assumptions used at 31 March 2016 remain broadly unchanged from those used at 31 March 2015 and disclosed in the Group's statutory financial statements for the year then ended.

15. Notes to the Group cash flow statement

(a) Cash generated from operations

	Notes	2016 US$m	2015 US$m
Profit before tax		**1,027**	1,006
Share of post-tax profit of associates		**(4)**	(5)
Net finance costs		**95**	156
Operating profit		**1,118**	1,157
Loss on disposals of fixed assets		**1**	2
(Profit)/loss on disposal of businesses	7(b)	**(57)**	2
Depreciation and amortisation		**472**	518
Charge in respect of share incentive plans		**54**	47
Increase in working capital	15(b)	**(21)**	(1)
Acquisition expenses – difference between Group income statement charge and amount paid		**1**	-
Adjustment to the fair value of contingent consideration		**2**	7
Working capital movement in respect of restructuring programme		**-**	(12)
Cash generated from operations		**1,570**	1,720

(b) Increase in working capital

	2016 US$m	2015 US$m
Inventories	**-**	(1)
Trade and other receivables	**(61)**	(42)
Trade and other payables	**40**	42
Increase in working capital	**(21)**	(1)

(c) Cash outflow from operating activities in respect of tax

	Note	2016 US$m	2015 US$m
Tax paid – continuing operations		**136**	145
Tax recovery on disposal transaction – discontinued operations	10(a)	**-**	(32)
Cash outflow from operating activities in respect of tax		**136**	113

Notes to the financial statements (continued)

for the year ended 31 March 2016

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

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

	Note	2016 US$m	2015 US$m
Purchase of subsidiaries	21	**-**	61
Net cash acquired with subsidiaries		**-**	(3)
Deferred consideration settled		**13**	-
As reported in the Group cash flow statement		**13**	58
Acquisition expenses paid		**3**	1
Payments to acquire non-controlling interests		**6**	8
Cash outflow for acquisitions (non-GAAP measure)		**22**	67

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

	Note	2016 US$m	2015 US$m
Issue of ordinary shares	19	**(13)**	(14)
Net cash inflow on vesting of share awards and exercise of share options		**-**	(2)
Purchase of shares held as treasury shares		**344**	170
Purchase of shares by employee trusts		**71**	38
Purchase and cancellation of own shares		**190**	-
Cash outflow in respect of net share purchases (non-GAAP measure)		**592**	192
As reported in the Group cash flow statement:			
Cash inflow in respect of net share purchases		**(13)**	(16)
Cash outflow in respect of net share purchases		**605**	208
		592	192

(f) Analysis of cash and cash equivalents

	2016 US$m	2015 US$m
Cash and cash equivalents in the Group balance sheet	**156**	147
Bank overdrafts	**(5)**	(2)
Cash and cash equivalents in the Group cash flow statement	**151**	145

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

	Note	2016 US$m	2015 US$m
Cash generated from operations	15(a)	**1,570**	1,720
Purchase of other intangible assets		**(271)**	(316)
Purchase of property, plant and equipment		**(68)**	(64)
Sale of property, plant and equipment		**13**	2
Acquisition expenses paid		**3**	1
Dividends received from associates		**3**	4
Cash outflow in respect of security incident		**20**	-
Cash outflow in respect of restructuring programme		**-**	12
Operating cash flow (non-GAAP measure)		**1,270**	1,359

Free cash flow for the year ended 31 March 2016 was US$1,065m (2015: US$1,135m). Cash flow conversion for the year ended 31 March 2016 was 105% (2015: 104%).

Notes to the financial statements (continued)

for the year ended 31 March 2016

17. Net debt (non-GAAP measure)

(a) Analysis by nature

	2016 **US$m**	2015 US$m
Cash and cash equivalents (net of overdrafts)	**151**	145
Debt due within one year – bank loans	**-**	(100)
Debt due within one year – commercial paper	**(44)**	(40)
Debt due within one year – finance lease obligations	**(3)**	(4)
Debt due after more than one year – bonds and notes	**(2,447)**	(2,456)
Debt due after more than one year – bank loans and finance lease obligations	**(601)**	(673)
Derivatives hedging loans and borrowings	**(79)**	(89)
	(3,023)	(3,217)

(b) Analysis by balance sheet caption

	2016 **US$m**	2015 US$m
Cash and cash equivalents	**156**	147
Current borrowings	**(52)**	(146)
Non-current borrowings	**(3,068)**	(3,146)
Total reported in the Group balance sheet	**(2,964)**	(3,145)
Accrued interest reported within borrowings above but excluded from Net debt	**20**	17
Derivatives reported within financial assets	**20**	16
Derivatives reported within financial liabilities	**(99)**	(105)
	(3,023)	(3,217)

(c) Analysis of movements in Net debt

	Net debt at1 April 2015	Movements in the year ended 31 March 2016				**Net debt at 31 March 2016**
		Net cash inflow	Net share purchases	Fair value gains/(losses)	Exchange and other movements	
	US$m	US$m	US$m	US$m	US$m	**US$m**
Cash and cash equivalents	147	617	(592)	-	(16)	**156**
Borrowings	(3,292)	155	-	16	1	**(3,120)**
Total reported in the Group balance sheet	(3,145)	772	(592)	16	(15)	**(2,964)**
Accrued interest	17	3	-	-	-	**20**
Derivatives hedging loans and borrowings	(89)	29	-	(43)	24	**(79)**
	(3,217)	**804**	**(592)**	**(27)**	**9**	**(3,023)**

18. Undrawn committed bank borrowing facilities

	2016 **US$m**	2015 US$m
Facilities expiring in:		
Less than one year	**-**	60
Two to three years	**150**	-
Four to five years	**2,025**	2,025
	2,175	2,085

Notes to the financial statements (continued)

for the year ended 31 March 2016

19. 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 2014	1,031.6	103	1,492
Shares issued under employee share incentive plans	1.2	-	14
At 31 March 2015	1,032.8	103	1,506
Shares issued under employee share incentive plans	1.0	-	13
Purchase and cancellation of own shares	(10.8)	(1)	-
At 31 March 2016	**1,023.0**	**102**	**1,519**

20. Own shares held

	Number of shares million	Cost of shares US$m
At 1 April 2014	54	809
Purchase of shares held as treasury shares	10	170
Purchase of shares by employee trusts	2	38
Exercise of share options and awards	(7)	(112)
At 31 March 2015	59	905
Purchase of shares held as treasury shares	19	344
Purchase of shares by employee trusts	4	71
Exercise of share options and awards	(5)	(80)
At 31 March 2016	**77**	**1,240**

Own shares held at 31 March 2016 include 63 million shares held as treasury shares and 14 million shares held by employee trusts. Own shares held at 31 March 2015 include 46 million shares held as treasury shares and 13 million shares held by employee trusts. The total cost of own shares held at 31 March 2016 of US$1,240m (2015: US$905m) is deducted from other reserves in the Group balance sheet.

Notes to the financial statements (continued)

for the year ended 31 March 2016

21. Acquisitions

(a) Acquisitions in the year

The Group completed no acquisitions during the year ended 31 March 2016. The cash outflow of US$13m reported in the Group cash flow statement in the year ended 31 March 2016 arose in connection with earlier acquisitions.

(b) Prior year acquisitions

There was a cash outflow of US$58m reported in the Group cash flow statement in the year ended 31 March 2015, after a deduction of US$3m for net cash acquired with subsidiaries.

Other than an adjustment to the fair value of contingent consideration of US$2m recognised in the income statement in the year ended 31 March 2016, there have been no material gains, losses, error corrections or other adjustments recognised that relate to acquisitions in earlier years.

22. Contingencies

(a) North America security incident

In September 2015, Experian North America suffered an unauthorised intrusion to its Decision Analytics computing environment that allowed unauthorised acquisition of certain data belonging to a client, T-Mobile USA, Inc.

Experian has notified the individuals who may have been affected and is offering free credit monitoring and identity theft resolution services. In addition, government agencies have been notified as required by law.

The one-off costs to Experian of directly responding to this incident are reflected in a US$20m income statement charge in the year ended 31 March 2016.

Experian has received a number of class actions in respect of the incident and is working with regulators and government bodies as part of their investigations. It is currently not possible to predict the scope and effect on the Group of these various regulatory and government investigations and legal actions, including their timing and scale. In the event of unfavourable outcomes, the Group may benefit from applicable insurance recoveries.

(b) Brazilian credit scores

As indicated in our 2014 annual report, the Group had received a significant number of claims in Brazil, primarily in three states, relating to the disclosure and use of credit scores. In November 2014, The Superior Tribunal of Justice, the highest court in Brazil for such cases, determined the principal legal issues involved and ruled that the cases had no merit under Brazilian law. Whilst elements of the legal process have yet to be exhausted and additional related claims could be filed, the directors do not believe that the outcome of any such claims 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 may be unfavourable to the Group.

(c) Tax

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

(d) Other litigation and claims

There continue to be a number of pending and threatened litigation and other claims involving the Group across all its major geographies which are being vigorously defended. The directors do not believe that the outcome of any such claims will have a materially adverse effect on the Group’s financial position. However, as is inherent in legal, regulatory and administrative proceedings, there is a risk of outcomes that may be unfavourable to the Group. In the case of unfavourable outcomes the Group may benefit from applicable insurance recoveries.

Notes to the financial statements (continued)

for the year ended 31 March 2016

23. 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 12(a).

On 19 April 2016 the Group announced that it had signed a definitive agreement to acquire CSIdentity Corporation, a leading provider of consumer identity management and fraud detection services, for a cash consideration of US$360m, payable in full at closing. The transaction is subject to Hart-Scott-Rodino regulatory approval in the USA and other customary closing conditions. The fair value of goodwill, software development, customer relationships and other assets and liabilities will be reported in the Group's half-yearly financial statements for the six months ending 30 September 2016 and in the 2017 annual report.

24. 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.

25. Risks and uncertainties

Risk management is an essential element of how we run Experian, to help us deliver long-term shareholder value and to protect our business, people, assets, capital and reputation.

Successful management of existing and emerging risks is critical to the long-term success of our business and to achieving our strategic objectives. To seize the opportunities in front of us, we must accept risk to a reasonable degree and manage that risk appropriately. Risk management is therefore an integral component of our corporate governance.

The Board is responsible for maintaining and reviewing the effectiveness of our risk management activities from a financial, operational and strategic perspective. These activities are designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives or to successfully deliver our business strategy. Our risk management framework supports the successful running of the business, by identifying and where possible managing risks to an acceptable level and delivering assurance on these.

The risk management framework has been built to identify, evaluate, analyse, mitigate and monitor those risks that threaten the successful achievement of our business strategy and objectives, within our risk appetite.

(a) Risk area - Loss or inappropriate use of data and systems *(increasing risk)*

Description

We hold and manage sensitive consumer information that increases our exposure and susceptibility to cyber-attacks, either directly through our online systems or indirectly through our partners or third-party contractors.

Potential impact

Losing or misusing sensitive consumer data could create adverse effects for consumers and result in material loss of business, substantial legal liability, regulatory enforcement actions and/or significant harm to our reputation.

Examples of control mitigation

- We deploy physical and technological security measures, combined with monitoring and alerting for suspicious activities.
- We maintain an information security programme for identifying, protecting against, detecting, and responding to cyber security risks and recovering from cyber security incidents.
- We impose contractual security requirements on our partners and other third parties who use our data, complemented by periodic reviews of third-party controls.
- We maintain insurance cover, where feasible and appropriate.

(b) Risk area - Failure to comply with laws and regulations *(increasing risk)*

Description

We hold and manage sensitive consumer information that exposes us to a range of privacy and consumer protection laws, regulations and contractual obligations with which we are required to comply.

Potential impact

Non-compliance may result in material litigation and/or regulatory actions, including class actions, which could result in civil or criminal liability or penalties, as well as negative publicity that harms our reputation.

Examples of control mitigation

- We maintain a compliance management framework that includes defined policies, procedures and controls for Experian employees, business processes and third parties such as our data resellers.
- We assess the appropriateness of data usage for new and/or changing products and services.
- We vigorously defend all pending and threatened claims, employing internal and external counsel to effectively manage and conclude such proceedings.
- We analyse the causes of claims, to identify any potential changes we need to make to our business processes and policies. We maintain insurance coverage, where feasible and appropriate.

25. Risks and uncertainties (continued)

(c) Risk area - Business conduct risk *(increasing risk)*

Description

Our business model strives to create long-term value for people, businesses and society through our data assets and innovative analytics and software solutions. Inappropriate execution of our business strategies or activities could adversely affect our clients, consumers or counterparties.

Potential impact

Consumers or clients could receive inappropriate products or not have access to appropriate products, resulting in material loss of business, substantial legal liability, regulatory enforcement actions or significant harm to our reputation.

Examples of control mitigation

- We maintain appropriate governance and oversight that include policies, procedures and controls designed to safeguard personal data, avoid detriment to consumers, provide consumer-centric product design and delivery, and effectively respond to enquiries and complaints. These activities also support a robust conduct risk management framework.
- We enforce our Global Code of Conduct, and our Anti-Corruption and Gifts and Hospitality policies.

(d) Risk area - Non-resilient IT/business environment *(stable risk)*

Description

Delivery of our products and services depends on a number of key IT systems and processes that expose our clients, consumers and businesses to serious disruptions from systems or operational failures.

Potential impact

A significant failure or interruption could have a materially adverse effect on our business, financial performance, financial condition and/or reputation.

Examples of control mitigation

- We maintain a significant level of redundant operations, designed to avoid material and sustained disruptions to our businesses, clients and consumers.
- We design applications with a focus on resilience and a balance between longevity, sustainability and speed.
- We maintain a global integrated business continuity framework that includes policies, procedures and controls for Experian's systems and related processes.
- We duplicate information in our databases and maintain back-up data centres.

(e) Risk area - Undesirable investment outcomes *(stable risk)*

Description

We are investing in a number of high-quality growth opportunities (for example in health, fraud prevention, software and business credit) and executing performance improvement programmes (for example in Brazil and North America Consumer Services), any of which may not produce the desired financial or operating results.

Potential impact

- Failure to successfully implement our key business strategies could have a materially adverse effect on our ability to achieve our revenue or growth targets.
- Poorly executed business acquisitions or partnerships could result in material loss of business, increased costs, reduced revenue, substantial legal liability, regulatory enforcement actions and/or significant harm to our reputation.

Examples of control mitigation

- We design our incentive programmes to optimise shareholder value through delivery of balanced, sustainable returns and a sound risk profile over the long term.
- We carry out comprehensive business reviews.
- We perform due diligence and post-investment reviews on acquisitions and partnerships.
- We employ a rigorous capital allocation framework.
- We analyse competitive threats to our business model and markets.

25. Risks and uncertainties (continued)

(f) Risk area - Adverse and unpredictable financial markets or fiscal developments *(increasing risk)*

Description

We operate globally and as such, results could be affected by global or regional changes in fiscal or monetary policies:

- A substantial change in the USA, UK or Brazil credit markets could reduce our financial performance and growth potential in those countries.
- We present our financial statements in US dollars. However, we transact business in a number of currencies. Changes in other currencies relative to the US dollar could impact our financial results.
- A substantial rise in USA, EU or UK interest rates could increase our future cost of borrowings.
- We are subject to complex and evolving tax laws and interpretations, which may be subject to significant change. These changes may lead to increased effective tax rates in the future. Uncertainty in the application of these laws may also result in different outcomes from the amounts provided.

Potential impact

- The USA, UK and Brazil in aggregate contribute 88% of revenue. A reduction in one or more of these consumer and business credit services markets could impact revenue and Total EBIT.
- We benefit from the strengthening of currencies relative to the US dollar and are adversely affected by the weakening of currencies relative to it.
- We have US$3,120m in outstanding debt denominated principally in US dollars, sterling and euros. As this debt matures, we may need to replace it with borrowings at higher rates.
- Earnings could be reduced and tax payments increased as a result of settlement of historical tax positions or increases in our effective tax rates.

Examples of control mitigation

- We have a diverse portfolio by geography, product, sector and client.
- We provide counter-cyclical products and services.
- We convert cash balances which accumulate in foreign currencies into US dollars.
- We retain internal and external tax professionals, who regularly monitor developments in international tax and assess the impact of changes and differing outcomes.

(g) Risk area - New legislation or changes in regulatory enforcement *(increasing risk)*

Description

We operate in an increasingly complex external environment, in which many of our activities and services are subject to legal and regulatory influences. New laws, new interpretations of existing laws, changes to existing regulations and/or heightened regulatory scrutiny could affect how we operate our business. For example, future regulatory changes could impact how we collect and use consumer information for marketing, risk management and fraud detection. Regulatory changes could impact how we serve Experian Consumer Services' clients or how we are able to market services to clients or consumers.

Potential impact

We may suffer increased costs or reduced revenue resulting from modified business practices, adopting new procedures, self-regulation and/or litigation or regulatory actions resulting in liability or fines.

Examples of control mitigation

- We use internal and external resources to monitor planned and realised changes in legislation.
- We educate lawmakers, regulators, consumer and privacy advocates, industry trade groups, our clients and other stakeholders in the public policy debate.
- Our global compliance team has region-specific regulatory expertise and works with our businesses to identify and adopt balanced compliance strategies.
- We execute a Compliance Management Programme that directs the structure, documentation, tools and training requirements to support compliance on an ongoing basis.

25. Risks and uncertainties (continued)

(h) Risk area - Increasing competition *(increasing risk)*

Description

Our competitive landscape continues to evolve, with traditional players reinventing themselves, emerging players investing heavily and new entrants making large commitments in new technologies or new approaches to our markets, including marketing, consumer services, and business and consumer credit information. There is a risk that we will not respond adequately to such business disruptions or our products and services will fail to meet changing consumer demand and preferences.

Potential impact

Price reductions may reduce our margins, market share and results of operations, or harm our ability to obtain new clients or retain existing ones. We might also be unable to support changes in the way our businesses and clients use and purchase information, affecting our operating results.

Examples of control mitigation

- We are committed to continued research and investment in new data sources, people, technology and products to support our strategic plan.
- We carry out detailed competitive and market analyses.
- We continue to develop new products that leverage our scale and allow us to deploy capabilities into new and existing markets and geographies.
- We use rigorous processes to identify and select our development investments, so we can effectively introduce new products and services to the market.

(i) Risk area - Data ownership, access and integrity *(stable risk)*

Description

Our business model depends on our ability to collect, aggregate, analyse and use consumer and client information. There is a risk that we may not have access to data because of consumer privacy and data accuracy concerns, or data providers being unable or unwilling to provide their data to us or imposing a different fee structure for using their data.

Potential impact

Our ability to provide products and services to our clients could be affected, leading to a materially adverse impact on our business, reputation and/or operating results.

Examples of control mitigation

- We monitor legislative and regulatory initiatives, and educate lawmakers, regulators, consumer and privacy advocates, industry trade groups, clients 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 how we can use data and provide services.
- We analyse data to make sure we receive the best value and highest quality.

(j) Risk area - Dependency on highly skilled personnel *(stable risk)*

Description

Our success depends on the ability to attract, motivate and retain key talent and build future leadership.

Potential impact

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

Examples of control mitigation

- In every region, we have ongoing recruitment, personal and career development, and talent identification and development programmes.
- We carry out our Global People Survey approximately every 12 to 18 months and act on the feedback.
- We offer competitive compensation and benefits and review them regularly.
- We actively monitor attrition rates, with a focus on individuals designated as high talent or in strategically important roles.

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 25.

The names and functions of the directors in office as at 11 May 2015 were listed in the Experian annual report 2015. In in the period from 11 May 2015 to the date of this report:

- Alan Jebson retired from the Board on 22 July 2015 in accordance with his previously announced intention;
- Luiz Fernando Vendramini Fleury was appointed to the Board as a non-executive director on 8 September 2015;
- Jan Babiak resigned from the Board on 13 January 2016; and
- Fabiola Arredondo stepped down from the Board on 31 January 2016.

A list of current directors is maintained on the Company website at www.experianplc.com.

By order of the Board

Charles Brown

Company Secretary

10 May 2016