experian

Annual Report 2017

Year ended 31 March 2017

Creating a better tomorrow

The challenges we're here to help solve

We live in a world built on data: it is everywhere, continually growing in power, value and influence.

At Experian we have always believed that data has the potential to transform lives and societies to create a better tomorrow.

The sheer amount of data and information available today might seem overwhelming. But we're making sense of it in powerful new ways that others can't.

Every day we gather, analyse and process data that helps people and businesses to achieve more; individuals to access the financial services they need; people to protect their identities and lives; and economies and societies to flourish.

The challenge

Unlocking the potential of data to help people and businesses achieve even more.

DATA AND ANALYTICS

Every time you check your mobile banking app, pay a bill or click through a website, you add to the vast amount of data that exists in the world. Too much of this data goes unanalysed, meaning people and businesses are missing opportunities and taking unnecessary risks.

See how we're...

- 23 Building a partnership with Banco Original
- 28 Helping big companies by getting them to act like small ones
- 35 Building credit histories to help people afford their first home

The challenge

Helping more people get the financial services they need.

FINANCIAL ACCESS

Just a little mistake, like missing a bill payment or maxing out a credit card, can lower your credit score. This makes it harder to borrow the money you need, with lenders making the cost of borrowing very high, or even not lending anything at all.

See how we're...

- 30 Bringing people's businesses together to help them flourish
- 39 Helping people get affordable loans in Vietnam
- 47 Going the extra 13 miles to support a client of ours

The challenge

Protecting people's identities and their lives.

IDENTITY AND FRAUD PROTECTION

Just checking your account balance on your mobile banking app, or taking out some cash to do some shopping, can put your money, your identity and your business at risk.

See how we're...

- 37 Helping keep people safe with more accurate data
- 51 Helping hospitals prevent medical identity theft to protect patients from fraud
- 62 Playing a part in helping auto companies fight fraud

The challenge

Making a difference to our communities and society.

SOCIETAL IMPACTS

There are people living in poverty with no home and no food, people struggling to find jobs, and parents who can't afford to give their children the education they need.

See how we're...

- 33 Helping patients focus on getting better instead of worrying about bills
- 57 Using alternative data to help millennials get credit
- 59 Helping people clear their debts
- 61 Keeping things cool in our data centres

At a glance

Contents

p03 To help you get the most from this report, we have used this page reference symbol to indicate where additional information can be found.

Roundings
Certain financial data has been rounded in this report. As a result, the totals of data presented may vary slightly from the actual arithmetic totals of the data.

Exchange rates
Principal exchange rates used are given in note 10 to the Group financial statements. The average sterling to US dollar rate is 1.30 (2016: 1.51).

Revenue* (US$)
4,335m
(2016: US$4,237m)
+2%

Operating profit* (US$)
1,075m
(2016: US$1,057m)
+2%

Profit before tax* (US$)
1,071m
(2016: US$966m)
+11%

Basic EPS* (USc)
92.1
(2016: 78.6USc)
+17%

Benchmark EBIT (US$)[1]
1,199m
(2016: US$1,145m)
+6%

Benchmark EPS (USc)[1]
88.4
(2016: 84.4USc)
+5%

* Statutory financial highlights.

[1] The results of our email/cross-channel marketing business ('CCM') have been treated as discontinued and prior year comparatives have been restated to reflect the transaction. Growth rates are calculated at constant currency and exclude CCM. See note 7 to the Group financial statements for definitions of non-GAAP measures.

Financial results are discussed in the Strategic report on pages 24 to 46.

Our business model

We aim to place clients and consumers at the heart of everything we do.

We help them to make the most of their data and realise their ambitions by enabling quicker, smarter decisions using our analytics and software.

Underpinning our business is a set of competitive advantages and five guiding beliefs that shape the way we work, what we do, and our ambitions.

Our strengths help us better serve clients and consumers...

Integrated approach

We are transforming the way that we work together through a 'One Experian' approach. We're better connecting our expertise across our business activities and using our data, analytics and software to help consumers, businesses and organisations solve their challenges and realise their goals. Integration allows us to serve clients better, create more innovative products and joined-up solutions, and reduce costs.

Global reach

Operating in major economies around the world allows us to support and serve both local and global clients, and share best practice, technology and innovation across our regions. This means that we can take the lessons from helping consumers and clients in one market into other markets, helping them solve similar problems quickly and more effectively.

We operate within a strict data security and risk management framework with policies,

We believe that...

- Data is central to how we all live. It has the potential to transform all our lives for the better.
- We can unlock the power of data to realise opportunities for people and organisations.
- It is how we can help that sets us apart. We place the power of data and our expertise in the hands of our clients.
- By helping people make the most of their data we can make a difference to society and our communities.
- How we work is as important as what we do: we treat everyone fairly and their data with respect; we work with integrity, always.

We unlock the power of data...

The breadth, depth and accuracy of data, combined with analytics, help to drive informed and trusted decisions for our clients. We hold and manage powerful data sets, including credit data on 989 million people and 111 million businesses.

The data we hold varies, for example from how you have repaid credit in the past, to whether a car has been in an accident, to your eligibility for healthcare services in the USA, to how you like to respond to online advertising.

Our industry experts collaborate with our data analysts and scientists to create innovative analytics and software to help solve our clients' challenges, such as when:

- A large lender wants to extend credit to people who apply online
- A new homeowner wants to improve their Experian credit score
- A small business owner opens a new business and wants to manage their customer base
- Businesses seek to better understand and communicate with their customers
- Local governments choose the best place to locate care services for older people

And make a real difference for...

Our clients and consumers

We help millions of consumers to:

- better access financial services;
- understand and improve their financial position;
- protect their identity; and
- know that their data is correct.

We help thousands of businesses and organisations to:

- manage credit risk;
- prevent fraud;
- better understand their customers; and
- better understand their markets and allocate resources.

We unlock opportunities for individuals, families, small and medium-sized businesses, large financial institutions, retailers, hospitals, physicians, the automotive industry, the public sector, and telecommunications and utility providers.

Our people

We provide jobs for 16,300 people in 37 countries. The way we work together is key to what we do, and we continue to nurture and foster our people's passion and talent with career progression, recognition, support and training.

Our communities

As people become financially empowered, they can improve their lives. As businesses do better, they can employ more people. Our communities benefit directly from this, as well as indirectly through the value that we create for other stakeholders.

We support charitable causes and social innovation all around the world, from building new products that help to improve financial inclusion, to donating funds directly into the community, to encouraging our employees to volunteer within their communities. We ensure we make a difference to society, and to the communities in which we live and work.

Our shareholders

We invest to create value for our shareholders, who benefit from our track record of sustainable growth and favourable prospects.

Unrivalled scale

Through greater management and development of products centrally, with local deployment, we can reduce costs, standardise products, and improve time to market. Our clients benefit from faster access to more data, higher quality tools and flexible propositions that can be integrated across their operations.

Innovative culture

We embed innovation into our culture through investment in our employees and new technologies. Innovation lays the foundation for developing new products that help meet the changing needs of consumers and our clients, providing them with greater advantages. This will continue to be a key area of focus for us.

Robust financials

We are a highly cash-generative business with low capital intensity. We carefully manage our productivity and performance, reinvesting savings back into the business to support our innovation and infrastructure. This allows us to generate and preserve value for our shareholders.

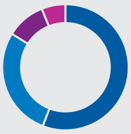
processes and controls, monitoring and testing. We continually invest in information security.

Our business activities

Credit Services

55%
Contribution to Group revenue

Revenue by region



North America	56%
Latin America	28%
UK and Ireland	10%
EMEA/Asia Pacific	6%

We help organisations lend responsibly and protect themselves and their customers from risk. From our 17 consumer and 11 business information bureaux, we provide millions of credit reports every day, enabling lending decisions to be made fairly, responsibly and quickly for people and businesses.

We collect data from thousands of sources in order to analyse the credit histories of people and businesses – sorting through information about the credit they applied for, whether or not their applications were successful, and how they repaid the credit. We turn this information into a credit report.

These credit reports are used by businesses such as banks, automotive dealers, healthcare providers and retailers to help calculate credit scores and make decisions about lending and the terms on which to lend. These organisations can quickly check whether a loan that a customer has asked for is suitable for them and whether they can afford to repay it.

This helps to ensure that customers are treated more fairly when applying for credit. It also widens access to credit across society, by providing an unbiased assessment of a customer. This means millions of people and businesses are closer to getting the loan they need, at a rate they can afford.

Market position – we're the number one or two operator in our key markets.

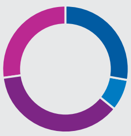
Competitors – include Equifax, TransUnion and Dun & Bradstreet.

Financial characteristics – primarily transactional, pricing is volume-tiered, per report delivered.

Decision Analytics

13%
Contribution to Group revenue

Revenue by region



North America	28%
Latin America	8%
UK and Ireland	37%
EMEA/Asia Pacific	27%

We help our customers to lend effectively and to minimise the risk of fraud by developing advanced software and models to analyse data.

We help our clients minimise risk to their organisation while delivering the customer experience that people expect. We help them to lend effectively, to detect and minimise fraud and to comply with legal requirements. We help them identify new opportunities, including more efficient ways to run their business, meet customer needs and find better ways to cross-sell their products.

We do this by combining our own data with data from our clients and third parties. We then use advanced software and analytics to access, organise and analyse this data, turning it into meaningful information our customers can act on.

For example, our software automates and drives the process when a person applies online for a bank loan. This includes checking the person's credit status and their ability to repay the loan, applying the bank's lending criteria, checking that applicants are who they say they are and replying with an answer - all within a matter of seconds for a process that previously took days.

Our industry experts and data scientists work collaboratively with our clients, identifying problems together and then helping to solve them using advanced technologies such as machine learning.

Market position – we hold leading positions in our key markets.

Competitors – include Fair Isaac, IBM, SAS and smaller niche providers.

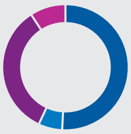
Financial characteristics – scores and checks are sold on a transactional, volume-tiered basis. Software and system sales include implementation fees, recurring licence fees and transactional charges.

We manage our business by region and the performance of these is set out in the North America, Latin America, UK and Ireland, and EMEA/Asia Pacific sections. p32

Marketing Services

10%
Contribution to Group revenue

Revenue by region



North America	51%
Latin America	6%
UK and Ireland	34%
EMEA/Asia Pacific	9%

We help businesses to understand their customers. We use our strengths in data management and analytics to give our clients a clear picture of who each individual is and of their needs, so they can target relevant offers and communications to each individual.

We use our strengths in data management and analytics to create a picture of what people want. This picture helps our clients understand what their customers are interested in, what they're not interested in, and what they need from their business.

Using this information, our clients can plan, build and deliver their marketing campaigns. They can increase customer retention by rewarding loyalty, find new customers to interact with, build relationships with them, and measure how customers respond.

People and their preferences are always changing, and that's why we're constantly checking and updating data, linking records at the customer account level and enhancing customer records by combining their data with ours. We update millions of customer profiles for our clients every year. This way our clients can be sure their data is as accurate, up-to-date and relevant as possible.

Market position – we hold leading positions in targeting and data quality in our key markets.

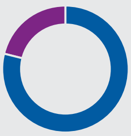
Competitors – include Acxiom, Epsilon, GB Group, Oracle and Trillium.

Financial characteristics – transactional, data licences and subscription fees.

Consumer Services

22%
Contribution to Group revenue

Revenue by region



North America	79%
UK and Ireland	21%

We empower people to take control of their credit – helping them to understand and better manage their financial position, while protecting themselves from identity theft and fraud.

Millions of people in the USA, the UK and Brazil can view their Experian credit report and Experian score online. This, along with our online tools and call centre experts, can help people understand their data, so they can use it to get access to credit which suits their needs. In Brazil, our portal makes it easier for consumers to see all their debts and click through to obtain a service which will help to resolve outstanding debts.

We believe the more people learn and understand about credit, the more power they have to manage it and make themselves eligible for better credit deals. We can also show consumers pre-approved credit card and personal loan offers, ranked in the order that best matches their needs.

Helping to protect identities
We constantly monitor the information in people's credit reports for suspected fraud patterns. We're also protecting people's identities by scouring the internet in real time, monitoring websites, blogs and chat rooms to identify the illegal trading of personal information, so we can notify people to take immediate action. If people do become victims of fraud, we're on hand to help – working with them to contact banks and organisations, and even freezing their credit until we've helped them reclaim their identity.

We also 'white label' our services for businesses, allowing them to use these products to provide additional services to their customer base, helping them to obtain new customers and reduce churn.

Market position – we hold leading positions in our key markets.

Competitors – include CallCredit, Credit Karma, Equifax, Fair Isaac, TransUnion and other niche providers.

Financial characteristics – subscription and transaction fees from consumers, revenue or profit share on white-label partnerships, and commissions for pre-approved credit offers from financial services providers.

Our strategy - putting ambition into action

We aim to be a trusted partner for consumers, businesses and other organisations, helping them to achieve their goals by providing them with the best tools to manage credit risk and protect against fraud. We do this by combining data with analytics and software. Our strategic ambition is to grow our presence across a number of industry segments and geographies by investing in these foundations.

Consumers

Wish to understand and monitor their credit status and to protect against identity fraud. They want a seamless digital experience which balances personal privacy concerns with convenience.

Data and services
We help to enable consumers to make the most of their data by creating flexible tools so they may achieve their goals.

Data
By contributing data to Experian, consumers may enhance their likelihood of being accepted for the credit products best suited to them.

One Experian

Our vision is to be the trusted exchange between consumers and businesses, a dynamic, positive force in consumers' lives and first for client excellence.

Data
Businesses and other organisations contribute data to Experian. We combine this data with additional data to create a range of innovative services.

Data and services
We enhance the data and provide easy-to-use services which help our clients better serve their customers.

Businesses and other organisations

Have new ways of delivering their services which require speed and agility. They seek new sources of data and want to control costs and automate processes.

Our vision for future data contribution

We've made significant progress implementing our strategy and investing back into the business:

- A more focused organisation
- Investing in growth
- Improving performance
- Driving efficiencies
- Optimising capital

p26 Read more in the Chief Executive's review.

Key growth initiatives in our plans include:

Increasing engagement

We aim to enhance our relationships with consumers by:

- introducing a broader, enhanced range of products such as identity protection, fraud detection, pre-qualified credit offers and price comparison tools;
- building new features which will offer both free and premium services; and
- introducing new, easy-to-use features and mobile apps.

Accelerating innovation

We're investing in a wide array of new services:

- introducing capabilities to reduce friction in the lending process so that decision making can be faster, resulting in an improved consumer experience;
- rolling out our fraud detection platform;
- scaling our price comparison services for consumers; and
- introducing new mobile credit pre-qualification services.

Broadening our impact

We'll scale our presence in selected markets:

- small and medium-sized businesses;
- healthcare in the USA;
- automotive; and
- geographies where we have an existing presence.

Our data assets and sophisticated analytics are at the core of what we do:

Enhancing our assets and working as One Experian

- We're investing in new, unique and complementary data assets, including alternative data and consumer-contributed data.
- We're investing in technology so we may deliver our products in easy-to-consume, more flexible modules.
- We're embedding a culture of innovation across the Group.
- We're combining our assets from across the whole of Experian to create products unrivalled in the marketplace.

We continue to invest in the foundations that underpin our success:

Strengthening our foundations

- Our people and culture
- Great client service
- Cutting-edge technology
- Innovative products
- A powerful brand
- Disciplined allocation of resources

Key performance indicators

We assess our global performance and success in creating value for our shareholders through financial, employee-related and environmental measures. We track the progress we make towards our goals and assess the scope for improvement.

Organic revenue growth (%)

Aim: To consistently deliver mid single-digit organic revenue growth

5%

'17	**5%**
'16	5%
'15	1%
'14	5%
'13	8%

We continue to grow our business by putting consumers and our clients at the heart of what we do. Organic revenue growth reflects our ability to innovate, give consumers and our clients what they need and deploy more of our products into different industries and regions. This year organic revenue growth was 5%, which is within our target range.

p26 See the Chief Executive's and regional reviews for further information on our organic revenue performance.

See note 9 to the Group financial statements for a reconciliation of revenue from ongoing activities, including disclosure of organic revenue growth for the year ended 31 March 2017.

Benchmark EBIT (US$m) and Benchmark EBIT margin (%)

Aim: To operate our business efficiently and cost effectively

US$ 1,199m **27.7%**

	Benchmark EBIT (US$m)	Benchmark EBIT margin (%)
'17	**1,199**	**27.7%**
'16 restated	1,130	27.1%
'15	1,271	27.3%
'14	1,309	27.4%
'13	1,244	27.1%

Managing our business efficiently and cost effectively means we have funds to reinvest in the business, drive further growth, and generate returns for our shareholders. Benchmark EBIT and Benchmark EBIT margin measure how well we turn our revenue into profits. This year, Benchmark EBIT was US$1,199m, up 6% at actual exchange rates and up 7% at constant rates. Benchmark EBIT margin was 27.7%, up 30 basis points before the impact of foreign exchange rates, and up 60 basis points overall.

Benchmark EBIT and Benchmark EBIT margin relate to ongoing activities only. As shown in note 3 to the Group financial statements, the 2016 results have been restated to reflect the email/cross-channel marketing business ('CCM') reclassification as a discontinued operation.

Return on capital employed ('ROCE') (%)

Aim: To generate good returns and deliver long-term value for shareholders

15.5%

'17	**15.5%**
'16	15.4%
'15	14.9%
'14	15.6%
'13	15.5%

We want to make a real difference for our shareholders and to generate long-term value. We use ROCE as a measure because it shows the percentage return generated from the investments we've made, indicating how effectively we've deployed our resources. This year ROCE was 15.5%, up 10 basis points on the prior year.

p84 ROCE is a directors' remuneration measure.

See note 7 to the Group financial statements for definitions of these non-GAAP measures: Organic revenue growth, Benchmark EBIT, ROCE, Benchmark PBT per share, and Benchmark operating cash flow and cash flow conversion. Further information is given in the Financial review.

Benchmark PBT per share (US cents)

Aim: To deliver profit growth while balancing investment in the business with shareholder returns

USc 119.6

'17	**119.6**
'16 restated	111.8
'15	126.0
'14	125.7
'13	120.3

Our success at creating profits and generating value for our shareholders can be measured by Benchmark PBT per share. This shows the dollar value we generate for every share invested in the Group, which, after paying tax, we either return to shareholders via dividends or share repurchases, or reinvest in the business. This year, Benchmark PBT per share was 119.6 cents, up 7% at actual exchange rates and up 8% at constant rates.

p84 Benchmark PBT per share from ongoing activities at constant rates is a directors' remuneration measure.

As shown in note 3 to the Group financial statements, the 2016 results have been restated to reflect the CCM reclassification as a discontinued operation.

Includes the performance of CCM.

Revenue by customer segment*

Financial services	33%	Telecoms and utilities	5%
Direct-to-consumer	19%	Insurance	4%
Healthcare	7%	Media and technology	3%
Retail	5%	Government and public sector	2%
Automotive	5%	Other	17%

* Based on revenue of US$4.3bn.

Benchmark operating cash flow (US$m) and cash flow conversion (%)

Aim: To convert at least 90% of Benchmark EBIT into Benchmark operating cash flow

US$ 1,149m | **96%**

'17	**1,149**	**96%**
'16 restated	1,210	106%
'15	1,359	104%
'14	1,321	101%
'13	1,175	94%

p84 Cumulative Benchmark operating cash flow is a directors' remuneration measure.

Cash flow is important to us as it gives us capacity to operate, reinvest in the business and return funds to shareholders.

The efficiency with which we convert profits into cash flow is measured through cash flow conversion. At 96% conversion we exceeded our stated target, resulting in strong Benchmark operating cash flow of US$1,149m.

Employee engagement (%)

Aim: To ensure Experian is a great place to work, attracting and retaining the best people

78%*

One of the ways in which we measure how our people feel about working at Experian is through an all-employee people survey. This measures engagement levels and gathers feedback, which we can respond to at a regional and global level.

We are evolving our people listening strategy this year with a new provider and a broader programme. The next survey is due to run in May 2017 and the results will be available only after this report is published. Our last survey* showed that employee engagement was 78%, which was broadly in line with the previous survey.

p48 Please refer to the Our people section for further information on how we're attracting and retaining talent.

*From the 2016 survey.

Greenhouse gas emissions (000s CO_2e tonnes[1])

Aim: To minimise as far as possible our impact on the environment

Buildings 38.9 | **Travel 15.3**

	Buildings	Travel	CO_2e emission per US$1,000 of revenue (kilogrammes)	CO_2e emission per full-time equivalent employee (tonnes)
'17[2]	**38.9**	**15.3**	**11.7**	**3.0**
'16	39.8	14.7	12.0	3.3
'15	42.9	15.0	12.0	3.5
'14	49.1	20.9	14.5	4.2
'13	48.8	21.2	14.8	4.1

Total CO_2e emission (000s tonnes): Buildings, Travel

We care about the environment and want to minimise our impact on it as much as possible. Our impact is largely due to energy used at offices and data centres, and from employee travel. We measure energy use through carbon dioxide emissions, which we're committed to steadily reducing. We have a 2018 target to reduce our CO_2e emissions per US$1,000 of revenue by 5% when compared with 2016. This year we reduced our total carbon footprint by 1% to 54,200 tonnes of CO_2e, which was predominantly due to energy savings initiatives in data centres and consolidation of offices.

For further information please refer to the Corporate Responsibility report at www.experianplc.com/crreport.

1 CO_2 equivalent tonnes.
2 The 2017 calculation includes CCM which has been reclassified as a discontinued operation.

Includes the performance of CCM.

Principal risks – identifying and managing risk

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.

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

Our risk and control governance

Board

The Board sets our overarching risk appetite and ensures that we appropriately manage risks across the Group. The Board delegates oversight of certain risk management activities to the Audit Committee.

Audit Committee

The Audit Committee regularly monitors the principal risks and uncertainties identified by our risk assessment processes, along with the strategies we've developed and the actions we've taken, where possible, to mitigate them. It also continually reviews the effectiveness of our system of risk management and internal controls, which supports our risk identification, assessment and reporting.

Executive committees

The Executive Risk Management Committee ('ERMC') comprises senior Group executives, including the executive directors and the Company Secretary. It oversees how we manage global risks. The Security and Continuity Steering Committee ('SCSC') is a sub-committee of the ERMC. The primary responsibility of the SCSC is to oversee management of global information security, physical security, and business continuity risks. The Assurance Steering Committee ('ASC') is also a sub-committee of the ERMC and oversees the development and implementation of the Group's enterprise risk management framework. Regional risk management committees oversee management of regional risks and feed up to the ERMC. The Tax and Treasury Committee oversees management of financial risks, including tax, credit, liquidity, funding, market and currency risks. Each committee is responsible for ensuring these risks remain consistent with our risk appetite, strategies and objectives.

The Group Operating Committee is made up of our most senior executives. Its remit includes identifying, debating and achieving consensus on issues involving strategy, risk, growth, people and culture and operational efficiency. It also ensures strong communication and co-operative working relationships within the executive team. Its meetings tend to be focused on key issues facing the Group.

The global and regional strategic project committees include our most senior global and regional executives. They ensure that we appropriately resource all our strategic projects, and that they are risk assessed and commercially, financially and technically appraised. Depending on the outcome of their discussions, the committees' conclusions are then considered by the Board or relevant Group Principal Operating Subsidiary for approval.

Executive management

Our executive management takes day-to-day responsibility for implementing the Board's policies on risk management and internal control. In doing so, it designates who is responsible and accountable through its design and implementation of necessary systems of internal control, including policies, standards and guidance.

Risk and control governance structure

Our risk management framework

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.

We've built the risk management framework to identify, analyse, evaluate, mitigate and monitor the risks that threaten our ability to achieve our business strategy and objectives, within our risk appetite. More detail regarding the specific actions and processes underlying each element of the risk management process can be found in the Corporate governance report.

Risks are owned and managed within the business, and reviewed by our businesses at least quarterly. This is our first line of defence. Global governance teams form a second line of defence. These teams review risks and controls, including those relating to information security, regulatory compliance and business continuity. Internal Audit is the third line of defence, as it independently and objectively assesses our risks and controls. The results of these reviews feed into our quarterly reporting cycle.

Our risk identification processes follow a dual approach:

- A bottom-up approach at a business unit or country level. This identifies the risks that threaten an individual business unit activity and which the business unit manages. To give us visibility of wider issues within the business, we consolidate these risks at the regional and global level, and escalate higher rated risks to the regional and executive risk management committees.
- A top-down approach at the global level. This identifies the principal risks that threaten the delivery of our strategy and objectives. The diagram below summarises our principal risk profile.

We use a global issue tracking system to consolidate the monitoring and reporting of active risk remediation action plans across the Group. We use standard criteria to prioritise, monitor, report and escalate action items.

Principal risks – identifying and managing risk continued

Risk appetite

We assess the level of risk and our associated risk appetite to ensure we focus appropriately on the risks we face. We target risks for assessment based on gross risk and measure them based on net risk using a scoring methodology. We then prioritise risks for mitigation by considering these scores against our risk tolerance and appetite. The Board and Audit Committee review the principal risks, of which there are currently ten, on an ongoing basis, and the ERMC monitors these risks. The Board has defined risk appetite statements for certain principal risks that Experian faces during the normal course of business. We use a variety of information sources to show whether we're working within our tolerance for these risks and whether any require additional executive attention.

Our risk culture

The Board is committed to maintaining a strong risk culture that emphasises the importance of managing risk and encourages transparent and timely risk reporting across the Group. We therefore work to align employees' behaviours, attitudes and incentives with our risk appetite and other governance and risk management policies. Our risk governance process reinforces and facilitates appropriate ownership, accountability, escalation and management of our principal risks. This process includes: well-defined roles and responsibilities across our Three Lines of Defence model; assigning accountability for risk taking when making key business decisions; documenting clear boundaries and behavioural expectations in policies and standards; and creating an environment that reinforces adherence and accountability.

Future developments

We continue to refine our risk management framework to further improve our risk monitoring capabilities, such as advancing our Three Lines of Defence model. Refinements include more rigorous testing and evaluation of control effectiveness across our critical business processes. This will further strengthen our business so that we continue to deliver competitive, consistent and quality solutions to our clients. We've deployed a global software solution to support this capability and give managers an enhanced tool for monitoring their risks. The tool also provides better live data reporting across the Group and supports our global governance teams in their second line of defence risk assessment and reporting. We continue to develop this software solution, as we broaden its support capabilities across various risk management activities.

Our risk landscape continues to change as both the business and regulatory environments evolve. The pace of change and the need for greater visibility across the organisation continue to grow and we're developing our risk function and practices to meet these challenges.

Principal risks and uncertainties

The table on the following pages sets out what the Board believes to be the principal risks and uncertainties facing Experian, the mitigating actions for each and the trends in the risk environment during the year ended 31 March 2017. The list is not exhaustive and may change during the next financial year, as some risks may assume greater importance and others may become less significant.

For the purposes of assessing the Group's viability, the directors focused on three principal risks which are critical to our success. These risks are summarised below and further discussed in the Viability statement.

- Loss or inappropriate use of data or systems leading to serious reputational and brand damage, legal penalties and class action litigation.
- Adverse and unpredictable financial markets or fiscal developments in one of our major countries of operation, resulting in significant economic deterioration, currency weakness or restriction.
- New legislation or changes in regulatory enforcement, changing how we operate our business.

Loss or inappropriate use of data and systems

1 2 3 4 5 V

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.

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 coverage, where feasible and appropriate.

Potential impact

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

Changes from 2016

The trend of external cyber security threats to companies continues to increase, as shown by the reported number and scale of cyber-attacks. However, we continue to accelerate and improve our security capabilities to meet this evolving threat.

Over the past year, we increased our focus on upgrading our cyber security culture and awareness, and better aligning our security personnel across our Three Lines of Defence model. We continued to enhance our protection, detection and response capabilities by strengthening our cyber security practices and policies and ensuring we apply them consistently across our regions and business units. We intend to continue to invest in the tools, resources and initiatives necessary to strengthen our global information security programme.

Key

Our strategy:

1 Increasing engagement
2 Accelerating innovation
3 Broadening our impact
4 Enhancing our assets and working as One Experian
5 Strengthening our foundations

V Considered as part of the viability assessment

Principal risks – identifying and managing risk continued

Failure to comply with laws and regulations

1 2 3

Description	Examples of control mitigation
We hold and manage sensitive consumer information and must therefore comply with a range of privacy and consumer protection laws, regulations and contractual obligations.	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 using data in new and 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.

Potential impact	Changes from 2016
Non-compliance may result in material litigation, including class actions, as well as regulatory actions. These could result in civil or criminal liability or penalties, as well as damage to our reputation.	While we face existing regulatory and government investigations in a number of jurisdictions, and over the past year the number of individual and US class action lawsuits has increased, the risk of non-compliance has stabilised as a result of our mitigating controls. While we continue to manage the effects associated with these investigations and lawsuits, the cost of defending individual consumer litigation continues to rise.

Non-resilient IT/business environment

1 2 3 4 5

Description	Examples of control mitigation
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 disruption in the event of systems or operational failures.	We maintain a significant level of resilience in our operations, designed to avoid material and sustained desruption to our businesses, clients and consumers. We design applications to be resilient and with a balance between longevity, sustainability and speed. We maintain a global integrated business continuity framework that includes industry-appropriate policies, procedures and controls for all our systems and related processes, as well as ongoing review, monitoring and escalation activities. We duplicate information in our databases and maintain backup data centres.

Potential impact	Changes from 2016
A significant failure or interruption could have a materially adverse effect on our business, financial performance, financial condition and/or our reputation.	Throughout the year we experienced isolated events, including weather and power disruptions that tested our plans and processes. We believe that the overall risk of non-resilient systems is decreasing due in large part to continued enhancements to our global integrated business continuity framework and advancements in our application architecture framework. We continue to perform periodic exercises to validate, where possible, that our documented global business continuity procedures are accurate and suitable for each environment. We have designed our applications using a 'build anywhere, deploy anywhere' strategy, to support portability and maximum resilience. Our approach to asset lifecycle management helps ensure that we retire and replace our technology in a timely fashion.

Business conduct risk

1 2 3 4 5

Description

Our business model is designed 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.

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, Anti-Corruption Policy and Gifts and Hospitality Policy. If we believe employees or suppliers are not following our conduct standards, we will investigate thoroughly and take disciplinary action where appropriate.

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.

Changes from 2016

While regulators have continued to put public trust and consumer and investor protection at the centre of their mission statements and promote prudent conduct risk management, we believe our mitigation efforts have stabilised the overall risk to Experian.

Dependence on highly skilled personnel

1 4 5

Description

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

Examples of control mitigation

In every region, we have ongoing recruitment, personal and career development, and talent identification and development programmes.

We periodically carry out our Global People Survey 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.

Potential impact

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

Changes from 2016

We have taken steps to effectively manage our ability to attract, develop and retain employee talent and believe our mitigation efforts have reduced the overall risk to Experian.

We continue to monitor employee engagement through a variety of channels, and have been implementing the action plans from our last Global People Survey. Our next global survey will be launched in May 2017, and we will introduce regular sentiment-tracking capability to increase our visibility of employee engagement.

Voluntary attrition rates have decreased over the past year, but continue to be a focus for us as the labour market in the USA is tightening. In the UK, the impact on free movement of labour resulting from Brexit may pose a risk, but the impact remains unclear at this stage. We have deployed a Brexit Response programme and Steering Committee; and as more information on the impact of Brexit for both Experian and our employees becomes available, we will consider what action we need to take to address those impacts.

Talent, succession planning and reward remain key initiatives, and our Global Talent Acquisition team is working hard to enhance recruitment practices and outcomes across the business. For further information on our succession and retention programmes please refer to the Our people section of the Strategic report.

Principal risks – identifying and managing risk continued

Adverse and unpredictable financial markets or fiscal developments

2 3 4 V

Description

We operate globally and our results could be affected by global or regional changes in fiscal or monetary policies.

A substantial change in credit markets in the USA, the UK or Brazil could reduce our financial performance and growth potential in those countries.

We present our Group financial statements in US dollars. However, we transact business in a number of currencies. Changes in other currencies relative to the US dollar could affect 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 change significantly. These changes may increase our effective tax rates in the future. Uncertainty about the application of these laws may also result in different outcomes from the amounts we provide.

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 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.

Potential impact

The USA, UK and Brazil markets are significant contributors to our revenue. A reduction in one or more of these consumer and business credit services markets could reduce our revenue and profit.

We benefit from the strengthening of currencies relative to the US dollar and are adversely affected by currencies weakening relative to it.

We have outstanding debt denominated principally in US dollars, sterling and euros. As this debt matures, we may need to replace it with borrowings at higher interest rates.

Earnings could be reduced and tax payments increased either as a result of settling historical tax positions or increases in our effective tax rates.

Changes from 2016

Global and regional economic trends and forecasts continue to influence our capital allocation and calculated returns, whilst heightened uncertainty in future tax legislation in response to geopolitical change in our key markets means the overall risk to Experian has increased.

The Brazilian real remains weak and volatile by historic standards, creating a drag on Group revenue. General weakness in the Brazilian economy, coupled with increasing inflation, could impede our business results in Brazil and may lead to unhelpful legislative and fiscal measures. The UK may experience recessionary pressures as a result of Brexit and sterling may come under further pressure as the implications of Brexit become clearer.

Experian has a number of outstanding tax matters and resolving them could have a substantial impact on our financial statements, cash and reputation. Tax authorities are adopting longer and more formal processes to agree significant outstanding matters and in some cases are challenging or overturning previously agreed positions.

Following conclusion of the Organisation for Economic Co-operation and Development ('OECD') G20 Base Erosion and Profit Shifting ('BEPS') initiatives and the publication of the BEPS actions, governments are reviewing tax laws and tax treatment in many jurisdictions where we do business. The new US administration is also considering wide-scale corporate tax reform. Changes to tax laws or interpretations may result in significant increases in our overall effective tax rate and cash tax payments or impact our historical tax positions. Adverse publicity around tax could damage our reputation.

New legislation or changes in regulatory enforcement

1 2 3 V

Description

We operate in an increasingly complex 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. 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 Consumer Services' clients or how we market services to clients or consumers.

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 our Compliance Management Programme, which directs the structure, documentation, tools and training requirements to support compliance on an ongoing basis.

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.

Changes from 2016

New laws, new interpretations of existing laws, changes to existing regulations and regulatory scrutiny continue to increase.

Increasing regulation by the UK Financial Conduct Authority ('FCA') and the US Consumer Financial Protection Bureau ('CFPB'), and various federal and state legislative actions in Brazil, may affect our access to data, increase our costs, and require us to modify our products or reduce our revenue. While we are pleased that the FCA approved our application for full authorisation as a credit reference agency, the FCA has broad authority that includes rule-making and investigative and enforcement powers, as well as the ability to make determinations on matters such as fairness in consumer outcomes.

In Brazil, federal and state public prosecutors continue to bring actions that emphasise their regulatory focus in areas such as use of marketing and enquiry data, and restrictions on utility default data. We also continue to manage the effects of regulatory requirements to use return receipt letters before we can add negative consumer credit information to our database. The long-term continuation and proliferation of this type of legislation at the state and federal levels could affect our business and the businesses of our clients.

In the USA, the CFPB proposed a rule that would prohibit the use of arbitration clauses in consumer financial contracts, potentially exposing our Consumer Services business to increased litigation.

Key

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V Considered as part of the viability assessment

Principal risks – identifying and managing risk continued

Increasing competition

1 2 3 4 5

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 disruptions or that our products and services will fail to meet changing client and consumer preferences.

Examples of control mitigation

We continue to research and invest 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 in 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.

Potential impact

Price reductions may reduce our margins and financial results. Increased competition may reduce our market share, harm our ability to obtain new clients or retain existing ones, affect our ability to recruit talent and can influence our investment decisions. We might also be unable to support changes in the way our businesses and clients use and purchase information, affecting our operating results.

Changes from 2016

While the competitive risk to our business remains high, we believe our mitigation efforts have stabilised the overall risk to Experian. We remain proactive in our efforts to evaluate competitors and markets, and pursue investments and enhancements to our data, analytics and technology where appropriate.

During the past year our established competitors have been strengthening their data assets and underlying technology, including pursuing acquisitions of non-traditional data sources to round out their offerings and provide new insights to clients. We have responded by establishing working groups to understand emerging business models in our core markets and build specific plans to respond. We have also strengthened our competitive intelligence and strategy capabilities, and enhanced our efforts to identify investment opportunities in early-stage industry and technology companies.

Our Consumer Services business in the USA continues to face stiff competition from alternative 'freemium' and lead-generation business models. We are also seeing a similar trend emerge in the UK. Alternative scoring models for consumer and commercial credit eligibility are beginning to enter the market through 'FinTech' companies and others.

Finally, we continue to monitor the group of major banks in Brazil that are building a new 'credit intelligence bureau' that will include positive data. This entity will partner with RELX Group-LexisNexis, to provide technology infrastructure and support to the bureau.

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Data ownership, access and integrity

1 2 3 5

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.

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.

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.

Changes from 2016

The overall trend in data collection, aggregation and use restrictions remains stable.

Consumer advocates and regulators in various jurisdictions are focused on driving changes and restrictions on data collection, aggregation and use based on consumer privacy concerns, including providing greater transparency and control options for consumers. In the USA, the CFPB continues to focus on policies, procedures and processes related to data accuracy, and there continues to be negative press surrounding the accuracy of credit bureau data. In some instances, data providers are looking to further monetise the data they provide. Momentum towards reporting positive data continues in some countries and we continue to advance the importance and value of positive data in countries such as Brazil, India and Australia.

Undesirable investment outcomes

1 2 3 4 5

Description

We critically evaluate and may invest in acquisitions and other growth opportunities, including internal performance improvement programmes, any of which may not produce the desired financial or operating results.

Examples of control mitigation

We analyse competitive threats to our business model and markets.

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.

We design our incentive programmes to optimise shareholder value through delivery of balanced, sustainable returns and a sound risk profile over the long term.

Potential impact

Failure to successfully implement our key business strategies could have a materially adverse effect on our ability to achieve our 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.

Changes from 2016

We believe our mitigation efforts have stabilised the overall risk to Experian of undesirable investment outcomes.

During the past year, we implemented a new economic return framework for both organic and inorganic investments, which focuses on risk-adjusted investment hurdles. We are also implementing policies and standards that will apply minimum requirements to our acquisition and integration processes, including enhanced information security requirements. We continue to analyse competitive threats to our business model and markets, and will take advantage of strategic partnerships and invest in new technologies where appropriate.

Viability statement

Assessment of prospects

The context for the assessment

Our business model and strategy are central to understanding our prospects, and details can be found in those sections of the Strategic report. We have a regular cycle of strategic planning, budgeting, and forecasting of current year business performance and future prospects. This considers the Group's revenue, Benchmark EBIT, cash flows, dividend cover, committed and forecast funding and liquidity positions and other key financial ratios, including those relevant to maintaining our investment-grade credit ratings. Over the last three years, we have generated Benchmark free cash flow of US$3.1bn which we have principally used to fund dividends of US$1.1bn, net share purchases of US$1.1bn, and acquisitions of US$0.5bn.

Our strategic aims are to focus on our core areas of competitive strength and develop growth opportunities in our key markets. Our plans for the Group's core operations therefore include organic strategic initiatives and inorganic opportunities.

The assessment process and key assumptions

We assess our prospects through our planning process and review our growth expectations and the external environment annually, as part of the strategic planning process. The Board participates in this process, using the January strategy meeting each year to focus on the Group's strategy. We then develop our annual budget and a further two-year financial plan.

The key assumptions in the latest financial forecasts, presented to the March 2017 Board meeting, reflect the approved strategy and include:

- mid single-digit organic revenue and Benchmark EBIT growth at constant exchange rates;
- cash flow conversion in excess of 95%;
- gearing ratio (Net debt/Benchmark EBITDA) in the range of 2.0 to 2.5;
- broadly stable effective tax rates over the medium term; and
- use of excess cash for acquisitions and shareholder returns.

The table of principal risks in the Strategic report summarises the risks that could prevent the Group from executing its strategy. As explained below, we have considered a number of these risks as part of our assessment of the Group's viability.

Assessment of viability

The directors have concluded that the most relevant time period for this assessment is the three-year period of our normal strategic planning cycle, the period over which analysis of business conditions and market factors can be reasonably assessed. In making their assessment, the directors have taken account of the strongly cash-generative nature of our business, our robust capital solvency position, our ability to raise new finance in most market conditions, and our key potential mitigating actions of restricting acquisitions, capital investment and, in considering scenarios affecting viability, reducing dividend payments.

Although the strategic plan reflects the directors' best estimate of the Group's future prospects, they have also tested the potential impact of a number of scenarios over and above those included in the plan, by quantifying their financial impact and overlaying this on the plan's detailed financial forecasts.

These scenarios, which are based on aspects of the principal risks highlighted above, represent 'severe but plausible' circumstances that we could experience.

The scenarios tested included:

- loss or inappropriate use of data or systems leading to serious reputational and brand damage, legal penalties and class action litigation;
- adverse and unpredictable financial markets or fiscal developments in one of our major countries of operation resulting in significant economic deterioration, currency weakness or restriction; and
- new legislation or changes in regulatory enforcement, changing how we operate our business.

The results of this stress testing showed that, due to the Group's diversified nature, the resilience of the core business, its substantial free cash flows and a strong investment-grade rating, the Group would be able to withstand the impact of these scenarios occurring during the period of the financial forecasts, by adjusting its operating plans within the normal course of business.

Viability statement

Based on their assessment of prospects and viability, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 March 2020. The directors have considered whether they are aware of any specific relevant factors beyond the three-year horizon and have confirmed that they are aware of none.

Our stories – DATA AND ANALYTICS

Building a partnership with Banco Original

"I've been working with Rodrigo at Banco Original for as long as I've been at Serasa Experian. Our two companies work really closely together – and I remember when it started to feel like a partnership.

We had a meeting at their offices – it's a very cool building, very modern. I was actually in the middle of moving to a new house at the time, and I spotted a lampshade in the meeting room that would be perfect in my new dining room.

Anyway, Rodrigo told us he wanted a tool to help him make better decisions about which customers to lend to. He'd asked other companies for this tool, but they'd all said 'no' – they wouldn't do it the way, and for the price, he needed.

We didn't say 'no', but we didn't say 'yes' either. Instead, we showed him that the product he wanted wasn't what would help him most. It would work for a year or so, but then he'd need something new. We had a plan that would work for him for more like five years – building tools to help him make decisions fast, to find new customers, and lend to more of the right people. And it was cheaper than what he was asking for. We'd had some tough in-house negotiations to get to that point.

He was shocked, and really pleased. He said he was grateful that, instead of focusing on the money, or the tool he asked for, we'd kind of mapped out everything he needed and worked out what would really help. We were working in partnership. He always says that, without these tools and this partnership, Banco Original would never have got to where they wanted to be.

I was really happy – when you do something for others where you're not thinking about yourself, you get something back.

For me, that something wasn't just a great feeling, but a lampshade, too. The Banco Original team sent me an email after the meeting saying 'Here's where we bought that lampshade you like'. That was funny. Working with Banco Original is like building a partnership and a friendship."

Nicole Sabbag
Pre-sales consultant,
Serasa Experian

Without these tools and this partnership, **Banco Original** would never have got to where they wanted to be.

Chairman's statement

"This was another strong year for Experian, and we continued to successfully implement our strategy and deliver consistent growth, despite political and economic volatility in some of our largest markets. Organic revenue growth was 5% and Benchmark EBIT rose by 6%, allowing the Board to increase the full-year dividend by 4% to 41.5 US cents per share."

Don Robert, Chairman

Highlights 2017

US$4.3bn
Revenue

USc41.5
Full-year dividend per share

US$1.1bn
Benchmark operating cash flow

US$734m
Total shareholder returns

2.5%
CO_2e reduction per $1,000 of revenue

39,000
Volunteering hours by employees

Transforming outcomes by unlocking the power of data

Organisations and individuals around the world are generating increasingly vast quantities of raw data. Our mission is to transform this data into insights that benefit consumers and our clients. In doing so, we help consumers to understand and improve their financial status, and enable organisations to connect with their customers, identify trends, predict business outcomes and plan for the future.

In North America, we made significant progress as we invested in new data sources, introduced sophisticated decisioning tools and expanded further into new industry segments, including the healthcare market. We went from strength to strength in Latin America, as we greatly expanded our position with large banks and retailers, and as we introduced additional new services for small and medium-sized enterprises. This enabled us to prosper, despite the recession in Brazil.

The breadth of our offering in the UK and Ireland was a major advantage in serving traditional clients and in opening up new industry segments, such as energy, the price comparison sector and the emerging financial technology space. In EMEA/Asia Pacific, we made further progress towards becoming the leading provider of credit decisioning and fraud prevention services in our chosen markets.

We are also transforming our direct-to-consumer businesses and further strengthening our consumer relationships. We now offer consumers in the UK, Brazil and the USA free access to their credit scores and have launched services matching individuals to the most suitable loans, credit cards and mortgages. In Brazil, we have helped to increase the transparency of credit decisions by offering Serasa Score, the first-ever free credit score for Brazilian consumers, based on both positive and negative data.

Over the past two years, we have focused our portfolio on those businesses which have a clear strategic fit. This allows us to target resources and investment and to create the most value for all our stakeholders. In April 2017, we announced the sale of a controlling interest in our email/cross-channel marketing business ('CCM'). This has been a great investment for Experian and, under a new specialist owner, it is well placed for the future.

Our tribute to Dr Simon Ramo

It was with much sadness that we commemorated the passing of Dr Simon Ramo, at the age of 103. Si Ramo was one of our original founders and his vision was to revolutionise the credit industry in the USA.

His legacy lives on in Experian. In November 2016, we awarded the now-annual Si Ramo Prize to a team which developed new ways for consumers to access instant credit through their smartphones. Exciting innovations like this are central to our future, and this ability to break new ground was again recognised by Forbes magazine, which named us among the world's 100 most innovative companies for the third straight year.

Embracing our role in society

Corporate responsibility is inherent to Experian. We help millions of people to access essential services by making the most of their data. In turn, we make a valuable difference to society and our communities. We do this in many ways, such as providing free credit reports to non-governmental organisations, delivering financial education to community groups or helping individuals to tackle debt. You will find examples of our work throughout this Annual Report.

Our centrally funded Social Innovation programme uses the exceptional power of our product development to support consumers and small businesses. Notable examples include our programme in USA Health, which identifies charitable funding for consumers who need help with their medical bills. In Colombia, our financial education programme will enable more than 500,000 people to build a score, so they are eligible for government housing subsidies. And in Vietnam, we are helping to link 1.3 million low- to middle-income consumers with the right offers from banks and telecommunications companies.

1.3m

In Vietnam, we are helping to link 1.3 million people with offers from banks and telecommunications companies.

Board and senior management

This year, we welcomed Caroline Donahue as a non-executive director and said goodbye to Judith Sprieser who served with great effectiveness on our Board for six years.

Caroline brings extensive international markets and technology experience, and knowledge of consumer sales and marketing, innovation and consumer-centricity, all of which are valuable attributes for Experian.

Joy Griffiths retired from Experian in March 2017, having worked to transform our prospects in Decision Analytics and in Asia Pacific. PowerCurve is now the world's leading decisioning platform and Joy's legacy will enable Experian to extend its lead in this market and to capture the opportunity in fraud prevention and management.

Recognising the achievements of our people

Our 16,300 employees are vital for our continued success and I am proud that we are recognised as a leading employer and developer of talent. Over the past year, we have been certified by the Top Employers Institute in the UK, labelled a 'Top Workplace' in the USA and recognised by the UN for our good practices for employees with disabilities in Brazil.

We continue to seek new ways to nurture talent and widen access to opportunities. When recruiting, we look across a multitude of industries and non-traditional talent pools, and insist on a diverse shortlist of candidates. Our ethos was recognised in Brazil when Serasa Experian received the Empregueafro Award for Valuing Ethnic-Racial Diversity in December 2016. We have also launched Women in Experian, to create more opportunities for women and help them achieve their potential.

Looking forward

Experian has a clear strategy and our performance shows we are executing it successfully. We continue to benefit people, businesses and society wherever we operate, resulting in rewards for consumers, client organisations, employees and shareholders. I would like to thank everyone at Experian for their hard work over the past year and for their ongoing support, as we look forward with confidence.

Chief Executive's review

"We have made considerable progress over the past year executing against our strategy and this is translating into good financial and operating results. We delivered total revenue growth of 6% at constant currency, organic revenue growth of 5%, consistent with our mid single-digit target range, and we are well placed to capture further opportunities to sustain momentum."

Brian Cassin, Chief Executive Officer

Highlights 2017

5%
Organic revenue growth

27.7%
Benchmark EBIT margin, up 60 bps

US$600m
Share repurchase programme for 2018

Highlights this year include:

- We made strong progress against our five strategic priorities:
  - Our portfolio is sharper and more focused following the agreed sale of CCM and we are driving growth from the strong synergies that exist across our portfolio.
  - Our business-to-business ('B2B') activities performed well, with strong organic revenue growth across Credit Services, Decision Analytics and Marketing Services.
  - Transformation of Consumer Services is gathering pace. We now have millions of consumers signed up for free membership offers. This gives us a large and fast-growing audience of consumers to engage with our new credit and identity offers.
  - We have increased investment in new sources of data, advanced analytics and decisioning products and in innovative new solutions in order to address significant market opportunities and we enter 2018 with a range of new products to sustain momentum.
  - We returned US$734m in total to shareholders through dividends and net share repurchases, and have announced a US$600m repurchase programme to be executed during 2018.
- Our actions have resulted in a strong performance for the year, with organic revenue growth of 5%, total growth of 6% and growth at actual foreign exchange rates of 4%. We have expanded margins, which have increased to 27.7%, up by 60 basis points at actual rates and up 30 basis points at constant exchange rates, to deliver Benchmark EBIT growth of 7% at constant exchange rates (all on an ongoing activities basis);
- Before the restatement for CCM, Group organic revenue growth was 4% for the year and the EBIT margin was flat at constant currency, in line with our previous guidance.

Regional highlights

North America

We delivered a solid performance in North America, with total revenue growth of 7% and organic revenue growth of 5%, reflecting strength in B2B partially offset by the transition we are undertaking in Consumer Services.

We saw good progress across our B2B activities, reflecting generally stable conditions for consumer and business lending as well as a good reception by clients for some of our newly introduced services.

These include new propositions which help lenders to target and acquire customers more efficiently in the digital sphere; new decisioning services which greatly accelerate the speed at which risk and fraud prevention analysis can be conducted; and we are introducing additional functionality to help our clients address the credit needs of a broader spectrum of consumers and businesses.

Our strategy to expand in newer market segments continues to produce results, with strong growth in health fuelled by new deals with healthcare providers and we are securing further growth from existing clients through cross-selling. For the year as a whole we delivered further growth in automotive, with some tightening of credit standards evident towards the latter part of the year.

Revenue and Benchmark EBIT by region, Benchmark EBIT margin

	2017 US$m	2016[1] US$m	Total growth[2] %	Organic growth[2] %
Revenue				
North America	2,457	2,294	7	5
Latin America	730	631	9	9
UK and Ireland	807	924	1	1
EMEA/Asia Pacific	341	315	9	9
Total – ongoing activities	**4,335**	**4,164**	**6**	**5**
Revenue – exited business activities[3]	–	73		
Total	**4,335**	**4,237**		
Benchmark EBIT by region				
North America	781	704	11	
Latin America	251	226	3	
UK and Ireland	246	297	(4)	
EMEA/Asia Pacific	(3)	(15)	47	
Sub-total	**1,275**	**1,212**	**7**	
Central Activities – central corporate costs	(76)	(82)	n/a	
Benchmark EBIT from ongoing activities	**1,199**	**1,130**	**7**	
EBIT – exited business activities[3]	**–**	**15**	**n/a**	
Total Benchmark EBIT	**1,199**	**1,145**	**6**	
Benchmark EBIT margin – ongoing activities	**27.7%**	**27.1%**		

1 2016 restated – see Note 3 to the Group financial statements for further information.

2 At constant exchange rates.

3 Exited business activities comprise businesses divested during 2016 in North America, UK and Ireland, and EMEA/Asia Pacific.

See the Financial review for analysis of revenue, Benchmark EBIT and Benchmark EBIT margin by business segment and note 7 to the Group financial statements for definitions of non-GAAP measures.

In Consumer Services, we are growing a substantial audience of consumers by offering free access to credit monitoring and scores. Free memberships reached 9 million at the end of the year, out of a total of approximately 11 million members, and up from 3 million free members in the previous year. We have recently launched a major marketing campaign to introduce a new premium identity protection service called IdentityWorks, which is based on the CSIdentity ('CSID') platform we acquired earlier in the year.

We are also starting to scale LendingWorks, by adding more lenders, more loan and card offers and new features to help consumers easily compare prices for credit offers. While organic revenue declined modestly as a whole, referral fees have started to grow rapidly from a small base.

"It has been a good year for Experian. We have made considerable progress strategically, operationally and financially."

Our stories – DATA AND ANALYTICS

Helping big companies by getting them to act like small ones

"I'm pretty excited about this project, and not just because I've seen the DataLab being built from scratch over the last two years. But because now our experts work there side by side with Santander's experts, answering today's complex data questions.

When I first spoke to Alexandre from Santander, he told me he wanted to understand what new technologies, new unstructured data, and new algorithms like machine learning can do – to help his bank reduce debt, and model risk. Basically, he wanted to prepare the bank for the new world.

But it's tricky for a huge bank to test out new things. They have a very tight commitment to deliver results, especially when it comes to managing customers' debt portfolios. The margin for error is very, very thin. It's kind of the opposite for start-ups and FinTechs, who are always taking risks by trying new things. Start-ups can offer customers a more friendly way to evaluate credit or to get financial services. And of course start-ups can get these things to the market first.

We needed a way to help this big bank act like a start-up, so it could try new things before deciding whether to use them. So that's what we did. We invited the Santander experts in, and we got to work.

We have a DataLab in São Paulo. It's a separate, independent environment. And that's what gives us the freedom to take risks, to test big data technology, algorithms, new business models and so on.

So we're there everyday with Juliano, Alexandre and Eduardo – business, technical and modelling experts from Santander. And we're working fast, like a start-up, with our 10-10-10 approach: 10 hours to set up the team, 10 days to work on the problem, and 10 weeks to deliver a product.

The results we're getting are great, even though we're only halfway through. Alexandre's happy he'll be able to explain to Santander's leaders how unstructured data and machine learning can transform things for the business. That's exactly what he wanted to do.

It's a great opportunity for Experian – it's a real collaboration, because we want to answer these questions, too. We're sharing expertise but we're also growing our own – it's a win-win project, it's like we're all one team."

Marcelo Pimenta
Head of Latin America DataLabs, Serasa Experian

Chief Executive's review continued

Latin America

We delivered another year of strong progress in Latin America, with organic revenue growth of 9%. The performance of our business in Brazil has been outstanding, delivering good growth despite a very difficult market. At the same time we have undertaken a significant programme of investment in Brazil, to position ourselves for economic recovery by building on our leadership position in B2B while establishing new services for consumers. Growth in the year was driven by a number of factors, including counter-cyclical products such as delinquency notifications, expansion of our position with a number of the largest Brazilian banks and the introduction of additional services for small and medium-sized enterprises. We also launched free services to help consumers better manage their credit, including the Serasa Score which helps to educate consumers about the benefits of positive data and improve consumer access to credit.

Regulatory changes are being discussed in Brazil which could accelerate the adoption of positive data by dropping the requirement for consumers to opt in and instead allowing consumers to opt out of the positive data collection process. We believe this would benefit Brazilian consumers and would provide new opportunities for better credit risk assessment through more widespread use of data. In anticipation of this regulatory change, we are accelerating development of products which incorporate positive data.

UK and Ireland

In the UK and Ireland, organic revenue increased 1%, reflecting a robust performance in B2B which offset a decline in direct-to-consumer.

The breadth of our offer in B2B is a major advantage, expanding our position within our traditional client base in financial services and opening up new opportunities for growth in areas such as energy, price comparison, wealth and pensions and financial technology services (FinTech). During the year we introduced services which help lenders to pre-qualify consumers for credit, credit software which assists with account opening and customer management and with new fraud prevention products. We also secured our first client wins for CrossCore, our new fraud detection and prevention platform. We benefited from strong take up of new digital marketing tools which use data and analytics to help clients advertise more effectively across social media and other digital platforms.

We took a number of important steps during the year to reposition Consumer Services. We are using the power of the Experian brand to drive consumer interest and engagement in our free score offer. We have attracted 1.7 million free customers since launch which is helping to drive awareness and usage of CreditMatcher, our price comparison service.

Having initially launched CreditMatcher, which helps consumers to compare credit card offers, we have recently introduced an energy switching service as an extension to our offer. Early signs are encouraging, although the scale of our new offers is not yet sufficient to offset declines in our traditional credit monitoring subscription services and we expect this part of our business to decline during the coming year, with the rate of decline expected to moderate somewhat in the second half.

EMEA/Asia Pacific

EMEA/Asia Pacific performed strongly, delivering organic growth of 9%.

Strategically we have placed considerable emphasis on tightening the focus of our activities. Having divested a number of businesses over the past two years we are now concentrated on fewer scalable markets. This more focused approach is yielding good results and we secured many significant wins during the year, ending the year with good momentum across both EMEA and Asia Pacific. This has given rise to strong revenue growth and significant progress towards profitability, even as we continue to invest to secure longer term opportunities in markets such as India and South East Asia.

Our stories – FINANCIAL ACCESS

Bringing people's businesses together to help them flourish

"I've been building a platform that brings buyers and suppliers together, and I never thought it'd give me so many opportunities to help make people's lives easier and better.

I remember visiting a drinks company and meeting their finance team. I asked, 'When it comes to your suppliers, what kinds of difficulties do you have?'. They told me about the delivery company they relied on to get their drinks to the shops. One day the delivery company turned around and said they were bankrupt. They couldn't deliver anymore. The drinks company was stuck. They said if they'd known the delivery company was in such trouble, they could have helped them or found a new supplier.

My colleagues and I visited lots of companies, from construction to manufacturing, from retailers to wholesalers, to hear their problems. We used what they told us to create this platform, Serasa Conecta. It gives buyers and suppliers really comprehensive reports on the companies they want to do business with. Those reports are information on companies' credit and finances, and how they treat the environment and other issues. So businesses can find other businesses they can rely on.

We launched the platform and that's when I got another opportunity to help. A supplier from a retail company called me. They said 'Alex, I have a problem. I've seen my report and it shows I have a lot of debt that I didn't know I had. No one will want to buy from me.'

So what we did was create a 15-day window vendors have before sending their reports to buyers. And in that time, we can help them clear their debt. At the beginning of March, we actually ran a big webinar workshop – around 300 people from different companies tuned in. We talked them through how to get a better credit score, how to find new buyers on the platform, and what buyers look for in vendors.

Afterwards, I heard from some of the people who tuned in. They said they really liked the webinar – it's helped them improve their company, and do better business.

To have the opportunity to design something to help companies flourish is a great feeling for me. Now they're telling us what they want next, and that's very exciting."

Alexandre Reis
Product Manager,
Serasa Experian

300
At the beginning of March, we actually ran a big webinar workshop – around 300 people tuned in.

Chief Executive's review continued

Strategy update

Having successfully executed on many aspects of our strategy, our portfolio is stronger and is growing faster with improved profitability. As we look ahead, we are evolving our focus in order to capture new opportunities.

We are aligning our strategy ever more closely to emerging client needs to deliver better digital customer experiences, to manage risks as effectively as possible and to protect against fraud, while also helping consumers to protect and manage their financial lives. These needs mean our customers seek new ways to combine, integrate and analyse data, which plays to Experian's strengths.

As part of our strategy we are:

- broadening and deepening our data assets through a range of data investments and partnerships;
- investing to extend our lead in enhanced analytics and advanced decisioning technologies to greatly enhance client experiences by providing quicker, more frictionless decision making;
- transforming our relationships with consumers by enhancing the user experience and introducing new offers with a greater choice of products which fit their individual needs;
- accelerating the rate and the pace at which we innovate, and will plan to introduce a wide range of new and enhanced products over the coming 12–18 months;
- continuing to add scale in selected verticals and targeted geographies; and
- continuing to invest in the foundations of our business including agile technology, client service excellence, our brand, talent and our One Experian approach.

The combination of our strategic priorities and the strength of our business foundations will help us to realise our ambition to deliver premium earnings growth and to deliver further value to all our stakeholders.

Benchmark EBIT margin

We continue to deliver growth in profitability alongside organic investment and our Benchmark EBIT margin from ongoing activities was 27.7%, up 60 basis points for the year, of which 30 basis points was attributable to a positive foreign exchange translation.

Cash generation and uses of cash

We have delivered another strong year of cash generation, with Benchmark EBIT conversion into Benchmark operating cash flow of 96%. Consistent with our capital allocation strategy, use of cash was balanced between organic investment, acquisitions and returns to shareholders. Benchmark operating cash flow was US$1,149m, with US$393m allocated to net organic capital investment. Acquisitions and investments represented US$432m, net share repurchases amounted to US$353m and equity dividends were US$381m.

We ended the year with Net debt of US$3,173m, up US$150m, representing 2.1 times Benchmark EBITDA. This is at the lower end of our target leverage range of 2.0 to 2.5 times.

Return on capital employed

Return on capital employed for the year was 15.5% (2016: 15.4%). This represented organic improvement of 80 basis points, offset by a 50 basis point headwind from acquisitions and a 20 basis point headwind due to foreign exchange and other factors.

Dividend

We are announcing a second interim dividend of 28.5 US cents per share, up 4% on the prior year to bring the total for 2017 to 41.5 US cents per share, also up 4% on the prior year. This dividend will be paid on 21 July 2017 to shareholders on the register at the close of business on 23 June 2017. We also expect to execute share repurchases of US$600m in the forthcoming year.

North America

"We delivered solid growth this year. We are changing the way we engage with consumers so they may improve their financial circumstances and protect their identities, and we are re-imagining data and technology to help our clients deliver better business outcomes."

Craig Boundy
CEO, North America

Total revenue from ongoing activities in North America was US$2,457m, with total revenue growth of 7% and organic revenue growth of 5%.

Credit Services

Total and organic revenue growth was 8% with growth across all business lines. In consumer information, we saw good growth in volumes in credit prospecting, origination, account management and mortgage. Business information also delivered good growth as we introduce new products. In health, we saw strong growth in new client bookings and good levels of cross selling of additional services to our existing client base including consumer authentication and collection services. Automotive delivered growth, although at more moderate rates, reflecting some tightening of lending standards across automotive lenders and less buoyant automotive sales.

Decision Analytics

Total and organic revenue was flat, with significant new business wins in financial services and strength in analytics, offset by the non-renewal of a customer contract.

Marketing Services

Total and organic revenue increased 8% during the year with strong growth in targeting data driven by demand from digital advertisers and good growth in data quality services.

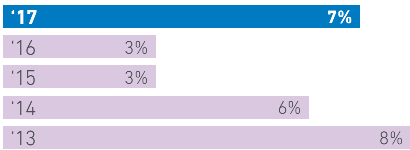
Consumer Services

Total revenue growth was 6%, reflecting the acquisition of CSID, with organic revenue down 2%. We saw growth in affinity partnerships and data breach services. Referral fees from price comparison services are also growing strongly, from a small base. This was offset by churn in the legacy membership base.

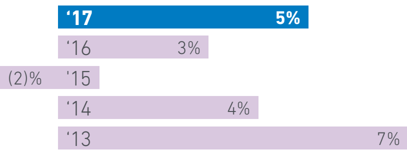
Benchmark EBIT and EBIT margin

North America Benchmark EBIT from ongoing activities was US$781m, up 11%. The Benchmark EBIT margin from ongoing activities was 31.8%, up 110 basis points year-on-year reflecting positive operating leverage and the timing of product launches in Consumer Services.

Total revenue growth (%)

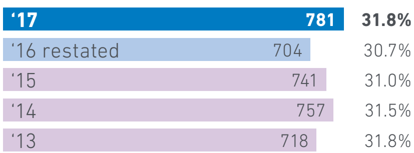


Organic revenue growth (%)



Revenue by activity

Benchmark EBIT (US$m) and Benchmark EBIT margin (%)



Includes the performance of CCM.

Revenue, Benchmark EBIT and Benchmark EBIT margin

Year ended 31 March	2017 US$m	2016[1] US$m	Total growth %	Organic growth %
Revenue				
Credit Services	**1,341**	1,237	8	8
Decision Analytics	**162**	161	–	–
Marketing Services	**215**	200	8	8
Consumer Services	**739**	696	6	(2)
Total – ongoing activities	**2,457**	2,294	7	5
Exited business activities[2]	**–**	43		
Total North America	**2,457**	2,337		
Benchmark EBIT				
Ongoing activities	**781**	704	11	
Exited business activities[2]	**–**	11		
Total North America	**781**	715		
Benchmark EBIT margin[3]	**31.8%**	30.7%		

1 The results of CCM have been treated as discontinued and 2016 has been restated to reflect the transaction.

2 Exited business activities includes Baker Hill, Footfall and Consumer Insights.

3 Benchmark EBIT margin is for ongoing activities.

See the Financial review for analysis of revenue, Benchmark EBIT and Benchmark EBIT margin by business segment and note 7 to the Group financial statements for definitions of non-GAAP measures.

Highlights 2017

56%
Contribution to Group revenue

5%
Organic revenue growth

2.5bn
Revenue (US$)

781m
EBIT (US$) with 31.8% margin

Our stories – SOCIETAL IMPACTS

Helping patients focus on getting better instead of worrying about bills

"For most people in the USA, the cost of healthcare can be devastating. They have to pay large amounts of out-of-pocket costs even if they have insurance. There are many people who have a good income but, when they are hit with out-of-pocket healthcare expenses, the bills can rise fast. This could lead to defaulting on credit card payments, or struggling to pay rent or a mortgage simply because they are trying to pay their medical bills. And it even places some people into bankruptcy.

So Experian Health provides a financial assistance tool to help enrol patients in Medicaid, charity care or other assistance programmes. This tool is called Patient Financial Clearance. It allows healthcare organisations to provide empathetic, supportive financial counselling while giving patient advocates up-to-date charity information to connect patients with the financial assistance programmes they qualify for.

With the stress of a hospitalisation and mounting medical bills, many patients do not realise there are assistance programmes available. When an organisation shares this information with a patient proactively, it allows the patient to focus on healing instead of bills.

It's really exciting to take our successful financial assistance screening tool that works for those in need, and make it work for the patients who need help.

There are over 700 hospitals using the product, so when we think about how many tens of millions of patients that must touch every year – it's great. It must be such a relief to hear 'Don't worry about your bill, just focus on your health' – it makes such a difference."

Liz Serie
Patient Financial Clearance and Identity Verification Products, Experian Health

700
There are over 700 hospitals using the product, reaching tens of millions of patients every year.

Latin America

"We are very pleased with our performance. We are helping small and medium-sized enterprises reduce risk and grow their businesses, we're enabling larger lenders to better manage their loan portfolios, and we're helping consumers to learn more about positive data and improve their access to credit."

José Luiz Rossi
Managing Director, Latin America

Total revenue from ongoing activities in Latin America was US$730m, with total growth and organic revenue growth of 9% at constant exchange rates.

Credit Services

At constant exchange rates, total and organic revenue growth was 6%. In Brazil, growth reflected strategic new business wins, growth across counter-cyclical products, including delinquency notifications services, and good growth in the SME channel. Spanish Latin America delivered another outstanding performance.

Decision Analytics

Total and organic revenue growth was 34% at constant exchange rates as we expand across the region and secured new contract wins and strong performances across software, analytics and fraud prevention services.

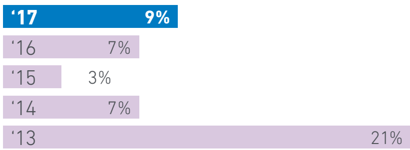
Marketing Services

Total and organic revenue at constant exchange rates increased by 39%. We made good progress in Marketing Services with particular strength in targeting, driven by our digital advertising initiatives and good demand for data quality services.

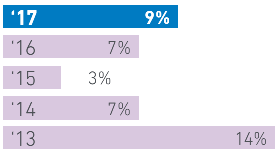
Benchmark EBIT and EBIT margin

Latin America Benchmark EBIT from ongoing activities was US$251m, up 3% at constant exchange rates. Benchmark EBIT margin from ongoing activities was 34.4% (2016: 35.8%) reflecting investment in new consumer offers in Brazil and dual running costs as we transferred some operations to our new facility in São Carlos. There was also a mix impact relating to growth in lower margin counter-cyclical products.

Total revenue growth (%)

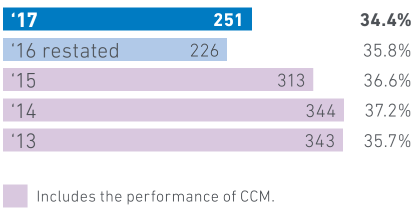


Organic revenue growth (%)



Revenue by activity

Benchmark EBIT (US$m) and Benchmark EBIT margin (%)



Revenue, Benchmark EBIT and Benchmark EBIT margin

Year ended 31 March	2017 US$m	2016[1] US$m	Total growth[2] %	Organic growth[2] %
Revenue				
Credit Services	**658**	579	6	6
Decision Analytics	**48**	36	34	34
Marketing Services	**24**	16	39	39
Total Latin America	**730**	631	9	9
Benchmark EBIT				
Total Latin America	**251**	226	3	
Benchmark EBIT margin	**34.4%**	35.8%		

1 The results of CCM have been treated as discontinued and 2016 has been restated to reflect the transaction.

2 Growth at constant exchange rates.

See the Financial review for analysis of revenue, Benchmark EBIT and Benchmark EBIT margin by business segment and note 7 to the Group financial statements for definitions of non-GAAP measures.

Highlights 2017

17%
Contribution to Group revenue

9%
Organic revenue growth

730m
Revenue (US$)

251m
EBIT (US$) with 34.4% margin

Our stories – DATA AND ANALYTICS

Building credit histories to help people afford their first home

"Building credit histories is the sort of thing we do every day at Experian. Over the years, Experian has innovated with analysing traditional and alternative data sources, such as public records and magazine subscriptions, to create the most accurate and realistic picture of someone's credit.

By unlocking the power of this data, we are able to identify the data sets that can help lenders make better decisions when making loans, especially to people with thin credit files.

About a year ago, my colleague Natalia invited me to join her in a new opportunity to help the Ministry of Housing in Colombia.

The Ministry had created a new programme called Mi Casa Ya – which means in English 'My Own Home Now' – to help people in Colombia own their first homes.

Excited and eager to lend a hand, Natalia and I introduced ourselves to Alejandro, the Director of the National Housing Fund at the Ministry of Housing. Alejandro told us how an unexpected roadblock threatened the programme.

He had created Mi Casa Ya so that even the poorest people in the country could get a government subsidy to purchase a home. To get the subsidy, they just needed to qualify for a mortgage from a local bank.

But that was the problem. In order to get the bank loan, applicants needed a strong credit history. Yet most of the people looking to take advantage of the subsidy through Mi Casa Ya, he explained, were considered 'credit invisible'.

That is, they had no viable credit history, thin or un-scoreable credit files, or they simply had bad credit. So banks had no choice but to reject them.

Natalia and I heard the frustration in Alejandro's voice, and we knew just how we could help. We told Alejandro that if the Ministry could determine which individuals were being rejected by the banks, we could come in and build credit scores for them using Experian's data.

Building credit histories is the sort of thing we do every day at Experian.

Working with Natalia and Alejandro for Mi Casa Ya over the past year has been incredibly rewarding – and our work here isn't done! Since I work in the legal department at Experian, I am now involved in reaching an agreement with the Ministry of Housing to help advance this project.

The details are tricky and the process is tedious, but when I think about the people whose lives we have the ability to transform, I just get excited.

Because of our work, many more families in Colombia will be able to fulfill their dream of owning their own homes – that's huge."

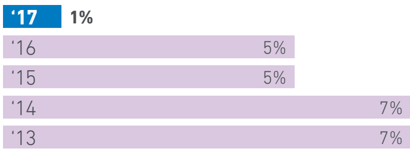
Nicole Moulin Correal
Corporate Legal Director,
Experian Colombia

UK and Ireland

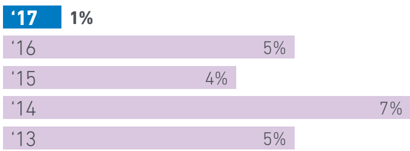
"Our business-to-business operations delivered robust growth, as we help clients pre-qualify their customers more seamlessly, better manage customer accounts, improve digital marketing and prevent fraud. And with our Consumer Services' new CreditMatcher, we are helping consumers to take more control of their credit."

Charles Butterworth
Managing Director,
UK and Ireland, and EMEA

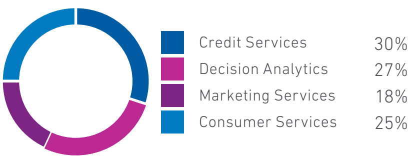
Total revenue growth (%)



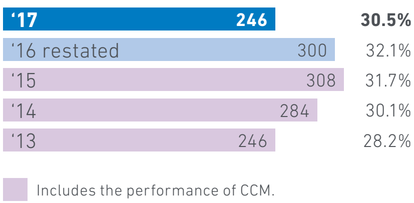
Organic revenue growth (%)



Revenue by activity



Benchmark EBIT (US$m) and Benchmark EBIT margin (%)



In the UK and Ireland, total revenue from ongoing activities was US$807m, with total and organic revenue growth of 1% at constant exchange rates.

Credit Services

Total and organic revenue at constant exchange rates increased by 3%, driven by growth in credit reference volumes, credit pre-qualification services and background checking which drove growth across the banking, telecoms and utilities and other verticals, as well as further expansion in business information within the SME channel.

Decision Analytics

At constant exchange rates, both total and organic revenue increased by 5%. Growth reflected strong demand for origination software as banks invest in infrastructure to enhance onboarding of customers through digital channels.

Marketing Services

Total and organic revenue at constant exchange rates increased by 5%. We saw good growth from new wins in targeting data across both traditional and newer digital marketing activities.

Consumer Services

At constant exchange rates, total and organic revenue declined by 9% as we continued to execute our strategy to diversify our sources of revenue. There was strong progress in the affinity channel, reflecting good take-up of scores-on-statements and strong growth in referral fees from newly introduced price comparison services. This was offset by attrition in the legacy subscription membership base.

Benchmark EBIT and EBIT margin

Benchmark EBIT from ongoing activities was US$246m, down 4% at constant exchange rates. Benchmark EBIT margin from ongoing activities was 30.5% (2016: 32.1%), reflecting organic growth investments, the transition of the Consumer Services business and increased legal and regulatory costs.

Revenue, Benchmark EBIT and Benchmark EBIT margin

Year ended 31 March	2017 US$m	2016[1] US$m	Total growth[2] %	Organic growth[2] %
Revenue				
Credit Services	**246**	275	3	3
Decision Analytics	**214**	234	5	5
Marketing Services	**145**	160	5	5
Consumer Services	**202**	255	(9)	(9)
Total – ongoing activities	**807**	924	1	1
Exited business activities[3]	**–**	15		
Total UK and Ireland	**807**	939		
Benchmark EBIT				
Ongoing activities	**246**	297	(4)	
Exited business activities[3]	**–**	3		
Total UK and Ireland	**246**	300		
Benchmark EBIT margin[4]	**30.5%**	32.1%		

1 The results of CCM have been treated as discontinued and 2016 has been restated to reflect the transaction.
2 Growth at constant exchange rates.
3 Exited business activities includes Footfall and Consumer Insights.
4 Benchmark EBIT margin is for ongoing activities.

See the Financial review for analysis of revenue, Benchmark EBIT and Benchmark EBIT margin by business segment and note 7 to the Group financial statements for definitions of non-GAAP measures.

Highlights 2017

19% Contribution to Group revenue

1% Organic revenue growth

807m Revenue (US$)

246m EBIT (US$) with 30.5% margin

Our stories – IDENTITY AND FRAUD PROTECTION

Helping keep people safe with more accurate data

"Jon from Experian came in to talk to us about data quality. I was sitting with lots of IT people thinking I wouldn't understand a thing – I'm terrible with IT. But I left thinking 'That's a fantastic idea – why did nobody else think about that!'

If you're taking an emergency call (999 in the UK), it's easy to spell a name wrong. And sometimes people reporting a crime won't give you their name at all. So, after 13 years, we'd collected thousands of duplicate or incorrect records. That might seem trivial, but linking data with the right person can be crucial to a case. You might speak to a vulnerable person and miss that they're a repeat victim of crime. The bottom line is that, to keep people safe, we needed better data.

I asked Jon if he could help. He certainly could. I applied for Home Office funding for the project and, after three nerve-wracking months, we actually won it. Then it was, 'Alright, how's this going to work?'.

Experian set up a system for us called Pandora. It took our data, cleansed it using Experian data – filling in gaps, adding data streams so that, using our own matching criteria, we managed to merge thousands of records. The result was data that's as clean and accurate as we could possibly get it – we call it our Golden Nominal database.

The difference is phenomenal. Now, incoming calls prompt one or two records instead of hundreds, giving us a clear view of the caller. If someone's calling about domestic violence, we'll see whether they're a repeat victim, and get them help fast. And frontline officers can run instant checks on a suspect from a phone, seeing how big a risk they pose and whether to call for support.

We've got a way to go, but we're already creating a thousand fewer records a week.

And it's all down to Experian's work behind the scenes.

We presented our project plans at last year's National Police Chiefs Council. Now I'm presenting 'a year on'. And I'm absolutely delighted I'll be saying it's delivering exactly what we wanted."

Maria Hopper
Data Protection Manager,
Cleveland Police, UK

The result was data that's as clean and accurate as we could possibly get it – we call it our **Golden Nominal database.**

EMEA/Asia Pacific

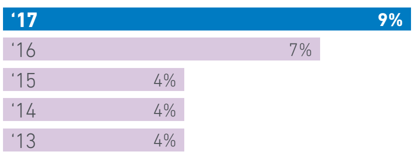
"By acting together as One Experian we are helping meet client needs to better assess and control risk, as well as to prevent fraud."

Charles Butterworth
Managing Director,
UK and Ireland, and EMEA

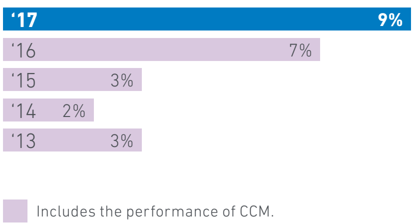
"Asia Pacific is moving at pace with a rapidly emerging middle class, but also a vast unbanked population - we are helping clients to navigate this evolving landscape."

Ben Elliot
CEO, Asia Pacific

Total revenue growth (%)



Organic revenue growth (%)



Total revenue from ongoing activities in EMEA/Asia Pacific was US$341m, with total and organic revenue growth of 9% at constant exchange rates.

Credit Services

Total and organic revenue at constant exchange rates was 3% lower. Good growth in Spain, Italy and Southeast Asia was offset by weakness in bureaux in South Africa and Denmark. Our bureaux in India and Australia continue to deliver strong growth from a small base, benefiting from the strategic investments we have made.

Decision Analytics

At constant exchange rates total and organic revenue growth was 21%, with significant new wins for credit decisioning software, fraud prevention and analytics during the year.

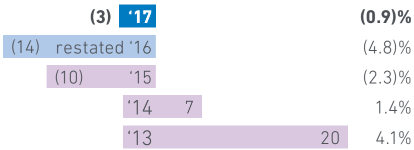
Marketing Services

Total and organic revenue growth at constant exchange rates was 16%, with strong growth across data quality and targeting services.

Benchmark EBIT and EBIT margin

Benchmark EBIT from ongoing activities moderated to a loss of US$(3)m (2016: US$(15)m). Benchmark EBIT margin from ongoing activities improved 390 basis points to (0.9)%. This primarily reflects improving profitability trends in Asia Pacific and currency translation movements.

Benchmark EBIT (US$m) and Benchmark EBIT margin (%)



Revenue by activity

Revenue, Benchmark EBIT and Benchmark EBIT margin

Year ended 31 March	2017 US$m	2016[1] US$m	Total growth[2] %	Organic growth[2] %
Revenue				
Credit Services	**144**	149	(3)	(3)
Decision Analytics	**160**	135	21	21
Marketing Services	**37**	31	16	16
Total – ongoing activities	**341**	315	9	9
Exited business activities[3]	**–**	15		
Total EMEA/Asia Pacific	**341**	330		
Benchmark EBIT				
Ongoing activities	**(3)**	(15)	47	
Exited business activities[3]	**–**	1		
Total EMEA/Asia Pacific	**(3)**	(14)		
Benchmark EBIT margin[4]	**(0.9)%**	(4.8)%		

1 The results of CCM have been treated as discontinued and 2016 has been restated to reflect the transaction.
2 Growth at constant exchange rates.
3 Exited business activities includes FootFall, Consumer Insights and other smaller businesses.
4 Benchmark EBIT margin is for ongoing activities.

See the Financial review for analysis of revenue, Benchmark EBIT and Benchmark EBIT margin by business segment and note 7 to the Group financial statements for definitions of non-GAAP measures.

Highlights 2017

8%
Contribution to Group revenue

9%
Organic revenue growth

341m
Revenue (US$)

(3)m
EBIT (US$) with (0.9)% margin

Our stories – FINANCIAL ACCESS

Helping people get affordable loans in Vietnam

"I knew our data and analytics could make a big difference to people's lives.

Last year, I went to a sportswear factory outside of Ho Chi Minh City in Vietnam to meet the workers and understand their financial situations. There were about 90,000 people working there – people who make lots of the clothes and shoes that you buy. These workers only earn around US$150 a month. They can't afford much.

I wanted to find out how Experian might be able to help. Our new data monetisation project helps people get loans, so they can get things they'd otherwise go without. And we've partnered with iCare Benefits in Vietnam to do it – they're a bit like an employee benefits programme. They help people buy things they couldn't otherwise afford, like fridges or phones, and pay back what they owe over three to six months without interest. It means people have the security of an affordable loan – they don't have to turn to unlicensed moneylenders that would put them under huge financial stress.

But we wanted to do even more. We're analysing iCare Benefits' data, looking at how much each employee buys and how they pay back what they owe. Essentially, we'll be building up their credit profiles with this new, alternative data, so that banks and lenders have more information and can consider those employees for bigger, longer-term loans.

It's more than saving US$2 on cooking oil – it's having the money to buy a car or a home. I met a group of women in the factory who were each using a nine-month loan to spend US$200 on a cervical cancer vaccination. They said having more time to pay it off made all the difference – it's how they could afford it.

It's so fulfilling to see how this project will give people a better future. It makes me think that Experian's not just a data company – it's solving real world problems."

Amaresh Ramachandran
Market Development Director,
Experian Asia Pacific

Our **new data monetisation project** helps people get loans, so they can get things they'd otherwise go without.

Financial review

"Experian made good strategic and financial progress during the year, with 6% revenue growth, a 5% increase in Benchmark EPS, both at constant currency, and strong Benchmark operating cash flow."

Lloyd Pitchford
Chief Financial Officer

Highlights 2017

US$4.3bn
Revenue

6% Total revenue growth

5% Organic revenue growth

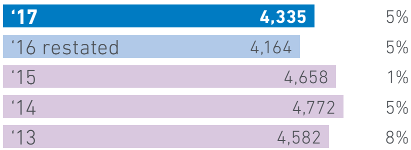
88.4
Benchmark EPS (USc)

US$734m
Total shareholder returns

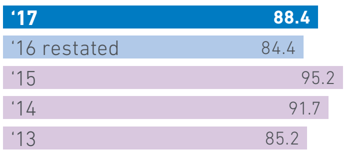
On 31 March 2017, the Group signed a definitive agreement to sell a 75% interest in CCM, subject to customary closing conditions. For 2017 and 2016, CCM has been treated as a discontinued operation and its results fall outside our non-GAAP measures. The results for 2013 to 2015 are shown in the charts below as originally presented.

The Group has identified and defined certain non-GAAP measures, as they are the key measures used within the business by management to assess the underlying performance of the Group's ongoing businesses. A summary of these measures is shown later in this section with a fuller explanation provided in note 7 to the Group financial statements.

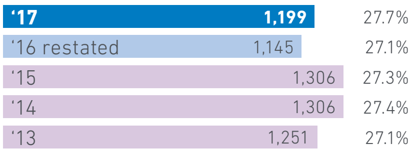
Revenue from ongoing activities (US$m) and Organic revenue growth (%)



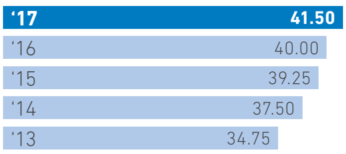
Benchmark EPS (USc)



Benchmark EBIT (US$m) and Benchmark EBIT margin (%)



Dividend per share (USc)



Includes the performance of CCM.

Summary

Experian made good strategic and financial progress during the year, with 6% revenue growth from ongoing activities, a 5% increase in Benchmark EPS, both at constant currency, and strong Benchmark operating cash flow. Benchmark EBIT margin from ongoing activities was 27.7%, up 60 basis points, reflecting phasing of investment in our strategic growth initiatives, and exchange rate changes.

Statutory financial highlights

	2017 US$m	2016 US$m	Growth %
Revenue	**4,335**	4,237	2
Operating profit	**1,075**	1,057	2
Profit before tax	**1,071**	966	11
Basic EPS	**USc92.1**	USc78.6	17

Benchmark financial highlights[1]

	2017 US$m	2016 US$m	Constant rates growth % Excl. CCM
Revenue[2]	**4,335**	4,164	6
Benchmark EBIT	**1,199**	1,145	6
Benchmark PBT	**1,124**	1,071	6
Benchmark EPS	**USc88.4**	USc84.4	5

1 The results of CCM have been treated as discontinued and prior year comparatives have been restated to reflect the transaction.

2 Revenue from ongoing activities. See note 7 to the Group financial statements for definitions of non-GAAP measures.

Summaries of our key financial metrics are shown in the tables above, including five-year summaries showing the progression of Revenue, Benchmark EPS, Benchmark EBIT and Benchmark EBIT margin and Dividend per share. The results for 2016 have been restated to reflect the divestment of CCM. Earlier years are as previously reported.

The Group reports its financial results in US dollars and therefore the weakness of the Group's other trading currencies (primarily sterling following its depreciation in June 2016) against the US dollar during the year decreased our total revenue by US$82m and Benchmark EBIT by US$10m, with a favourable impact on Benchmark EBIT margin from ongoing activities of 30 basis points. Details of the principal exchange rates used and currency exposures are given in note 10 to the Group financial statements.

Commentary on revenue and Benchmark EBIT performance by region is provided earlier in the Strategic report, within the Chief Executive's and Regional reviews. The table opposite summarises our performance by business segment. This review also includes a further reconciliation of our underlying profitability to our statutory profit before tax.

The Group reported Benchmark PBT of US$1,124m (2016: US$1,071m). Benchmark EPS of 88.4 US cents (2016: 84.4 US cents) represents an increase of 5% at both constant currency and actual exchange rates. The net interest expense included in Benchmark PBT was US$75m (2016: US$74m).

The Group continued to deliver strong cash generation, with a 96% conversion of Benchmark EBIT to Benchmark operating cash flow (2016: 106%). Investment activity in the year has been undertaken within the capital allocation framework previously outlined and includes the acquisition of CSID for US$380m (including US$22m of cash acquired).

Financial performance reporting

This Financial review reports underlying financial results excluding disposals, certain remeasurements and impairments, as the exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing businesses.

Revenue, Benchmark EBIT and Benchmark EBIT margin by business segment

			Growth %	
Year ended 31 March	2017 US$m	2016[1] US$m	Total at constant rates	Organic at constant rates
Revenue				
Credit Services	**2,389**	2,240	6	6
Decision Analytics	**584**	566	9	9
Marketing Services	**421**	407	8	8
Consumer Services	**941**	951	2	(4)
Ongoing activities	**4,335**	**4,164**	**6**	**5**
Exited business activities[2]	**–**	73	n/a	–
Total	**4,335**	4,237	4	–
Benchmark EBIT – ongoing activities				
Credit Services	**817**	791	2	
Decision Analytics	**120**	104	27	
Marketing Services	**95**	76	32	
Consumer Services	**243**	241	4	
Business segments	**1,275**	1,212	7	
Central Activities – central corporate costs	**(76)**	(82)	(2)	
Ongoing activities	**1,199**	**1,130**	**7**	
Exited business activities[2]	**–**	15	n/a	
Benchmark EBIT	**1,199**	1,145	6	
Benchmark EBIT margin – ongoing activities				
Credit Services	**34.2%**	35.3%		
Decision Analytics	**20.5%**	18.4%		
Marketing Services	**22.6%**	18.7%		
Consumer Services	**25.8%**	25.3%		
Benchmark EBIT margin	**27.7%**	27.1%		

1 The results of CCM are treated as discontinued and prior year comparatives have been restated to reflect the transaction.

2 Exited business activities comprise discontinuing Credit Services, Decision Analytics and Marketing Services businesses.

Shareholder returns

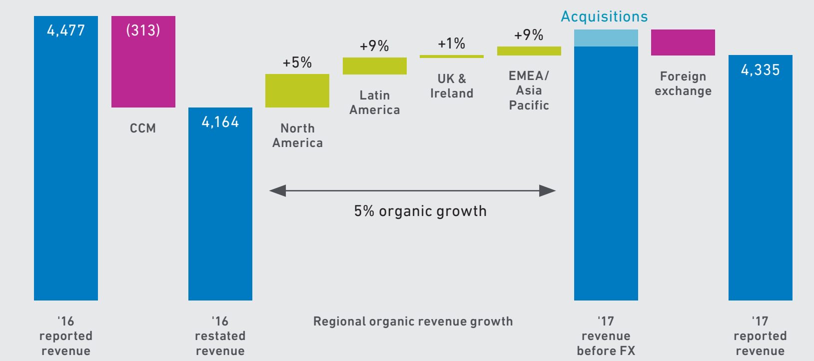
For the year ended 31 March 2017 net share repurchases totalled US$353m. We expect to execute share repurchases of US$600m in the forthcoming year.

The Board has announced a second interim dividend of 28.5 (2016: 27.5) US cents per share giving a total dividend for the year of 41.5 (2016: 40.0) US cents per share, an increase of 4% on the prior year. This reflects the underlying strength of the business, notwithstanding the foreign exchange headwinds.

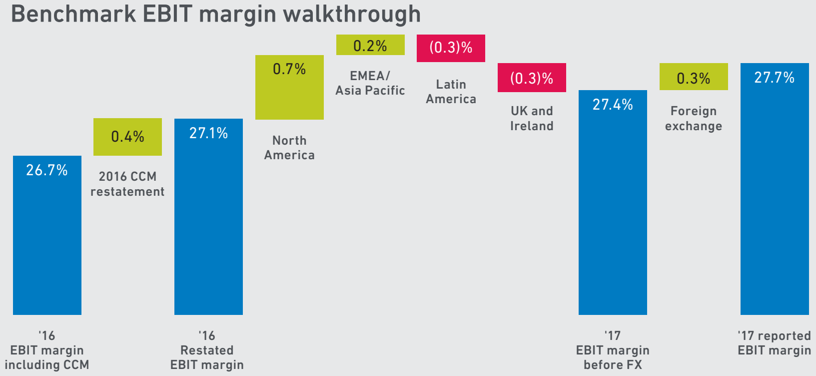
Taking the total dividend and share purchases together, during the year the Group returned a total of US$734m to shareholders.

Financial review continued

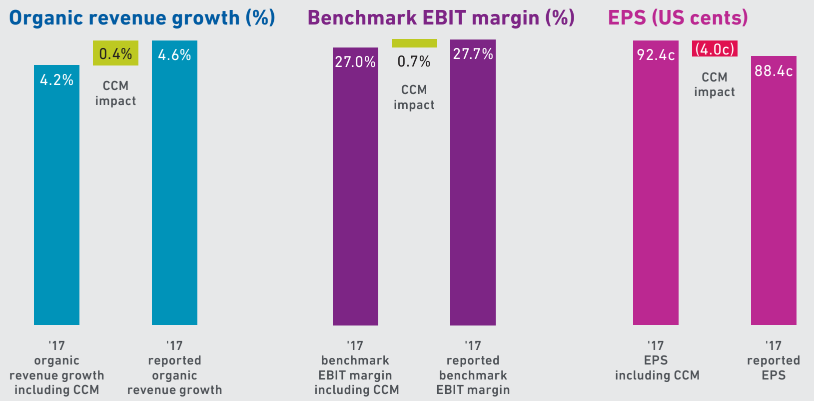
Ongoing activities revenue (US$m)



Benchmark EBIT margin walkthrough



Impact of CCM divestment on key metrics



Impact of agreed divestment of CCM

Year ended 31 March	As reported	CCM	2017 including CCM
Revenue (US$m)	**4,335**	308	4,643
Total revenue growth (%)	**6**		6
Organic revenue growth (%)	**5**		4
Benchmark EBIT (US$m)	**1,199**	54	1,253
Benchmark EBIT margin (%)	**27.7**		27.0
Benchmark EPS (US cents)	**88.4**	4.0	92.4

Growing the business

The Group continued to deliver good growth during the year, with organic revenue growth within its mid single-digit target range.

Total revenue growth from ongoing activities was 6% at constant exchange rates in the year ended 31 March 2017, representing 4% at actual rates. The divestment of CCM increased revenue growth by 0.4%. The development of revenue from the prior year is shown in the chart opposite. Growth at constant currency was observed across all four regions.

A summary of the movement in Benchmark EBIT margin from ongoing activities between the prior and the current year is shown in the chart opposite.

This year, Benchmark EBIT was US$1,199m, growing at 6% at actual exchange rates and 7% at constant currency on an ongoing activities basis. We have increased the rate at which we invest organically in new sources of data, advanced analytics and in innovative new products in order to address significant new market opportunities. We also invested in restructuring and productivity initiatives and incurred additional regulatory and compliance expenditure.

Benchmark EBIT margin from ongoing activities was 27.7%, which included a 30 basis point benefit from foreign exchange movements.

Divestment of CCM

The Group has continued to focus its portfolio, and we have agreed to divest a 75% stake in CCM. The impact of the divestment is shown in the table opposite. Whilst revenue and continuing EBIT are reduced as a result of the sale, Benchmark EBIT margin from ongoing activities improves by 70 basis points.

Generating value

The table opposite provides a reconciliation of our underlying profitability, as measured by Benchmark EBIT, to our statutory profit before tax.

Our net interest expense reflects a decrease in interest income, offset by a decrease in interest expense as a result of lower average debt and exchange rate movements. At 31 March 2017, the interest on 63% of our Net funding was at fixed rates (2016: 91%). Our fixed rate funding has decreased as a result of interest rate fixing swaps maturing during the year.

Our effective tax rate on Benchmark PBT was 26.2% (2016: 24.6%), 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 opposite. 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 five years, as tax amortisation of goodwill on earlier acquisitions and prior tax losses are utilised. For 2018 the cash tax rate is expected to be in a range from 15% to 18%.

As a result of the OECD Base Erosion and Profit Shifting ('BEPS') initiatives there have been recent changes to international tax rules in a number of countries. Uncertainty remains over the potential impact of the roll-out of the OECD's proposals into other markets together with other possible changes such as USA tax reform. In such an uncertain international tax environment we believe our Benchmark tax rate may be subject to additional volatility, particularly where there may be a lack of co-ordination amongst major nations introducing such changes resulting in increased risk of double taxation and a consequent increase in the Group's effective tax rate.

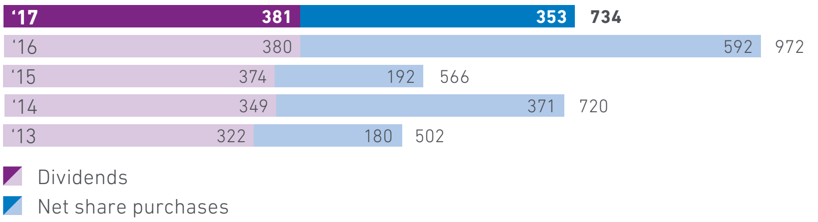
Reconciliation of Benchmark EBIT to statutory profit before tax

Year ended 31 March	2017 US$m	2016 US$m
Benchmark EBIT from ongoing activities	**1,199**	1,130
Exited business activities	**–**	15
Benchmark EBIT	**1,199**	1,145
Net interest expense	**(75)**	(74)
Benchmark PBT	**1,124**	1,071
Exceptional items	**–**	37
Other adjustments made to derive Benchmark PBT	**(53)**	(142)
Profit before tax	**1,071**	966

Cash tax reconciliation

Year ended 31 March	2017 %	2016 %
Tax charge on Benchmark PBT	**26.2**	24.6
Tax relief on intangible assets	**(6.6)**	(7.0)
Benefit of brought forward tax losses	**(3.9)**	(4.9)
Other	**(2.9)**	(1.3)
Tax paid as a percentage of Benchmark PBT	**12.8**	11.4

Total returns to shareholders (US$m)



Basic EPS was 92.1 US cents (2016: 78.6 US cents). Basic EPS included earnings of 3.7 (2016: losses of 5.8) US cents per share in respect of discontinued operations and other adjustments made to derive Benchmark EPS. Benchmark EPS was 88.4 US cents (2016: 84.4 US cents), an increase of 5% at actual and also at constant currency exchange rates. Further information is given in note 18 to the Group financial statements.

The total dividend in respect of the financial year is 41.5 US cents (2016: 40.0 US cents), an increase of 4%. The Group has adopted a progressive dividend policy which aims to increase the dividend over time broadly in line with the underlying growth in Benchmark EPS. This aligns shareholder returns with the underlying profitability of the Group. The total dividend per share for the year is covered 2.1 times by Benchmark EPS (2016: 2.1 times). Ordinary dividends paid in the year amounted to US$381m (2016: US$380m).

The table above summarises returns to our shareholders by way of net share purchases and dividends over a five-year period.

Financial review continued

Cash and liquidity management

As shown in the Cash flow and Net debt summary table opposite, we generated strong operating and free cash flows in the year.

Total investment of US$825m (2016: US$325m) comprised cash flows for net capital expenditure, acquisitions and investments.

A five-year summary showing the progression of our Benchmark operating cash flow performance is shown in the chart below. The continued strength of our Benchmark 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 2017 was US$3,173m (2016: US$3,023m), with undrawn committed borrowing facilities of US$2,375m (2016: US$2,175m). Our Net debt at 31 March 2017 was 2.1 times Benchmark EBITDA (2016: 2.0 times), compared to our target range of 2.0 to 2.5 times. We did not breach any covenants given on borrowings in either the year under review or the prior year and have no undue concentration of repayment obligations in respect of borrowings.

Our capital expenditure of US$399m (2016: US$315m) was 9% (2016: 7%) of total revenue, returning to our target range of 8% to 9%. Net capital expenditure was US$393m (2016: US$301m). Acquisition expenditure in the year totalled US$385m (2016: US$22m) and included the acquisition of CSID for US$358m.

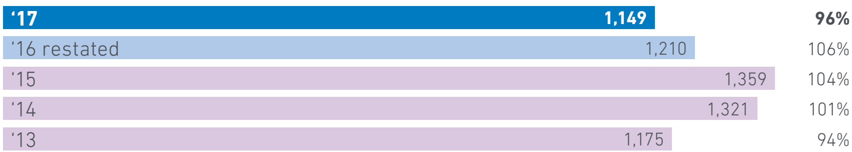
Financial risk management

The key financial risks that are specific to our business are set out in the Principal risks section. Detailed narrative disclosures are contained in note 8 to the Group financial statements with further numeric disclosures for foreign exchange, interest rate and credit risk given in notes 10, 15 and 24, respectively.

Cash flow and Net debt summary

Year ended 31 March	2017 US$m	2016 US$m
Benchmark EBIT	**1,199**	1,145
Amortisation and depreciation charged to Benchmark PBT	**322**	334
Net capital expenditure	**(393)**	(301)
Increase in working capital	**(39)**	(21)
Profit retained in associates	**(1)**	(1)
Charge for share incentive plans	**61**	54
Benchmark operating cash flow	**1,149**	1,210
Net interest paid	**(70)**	(66)
Tax paid – continuing operations	**(144)**	(122)
Dividends paid to non-controlling interests	**(2)**	(3)
Benchmark free cash flow	**933**	1,019
Acquisitions	**(385)**	(22)
Purchase of investments	**(47)**	(2)
Disposal of businesses and investments	**(4)**	150
Exceptional items other than disposal of businesses	**8**	(20)
Ordinary dividends paid	**(381)**	(380)
Net cash inflow – ongoing activities	**124**	745
Net debt at 1 April	**(3,023)**	(3,217)
Net share purchases	**(353)**	(592)
Discontinued operations	**20**	59
Exchange, discontinued operations and other movements	**59**	(18)
Net debt at 31 March	**(3,173)**	(3,023)

Benchmark operating cash flow (US$m) and cash flow conversion (%)



Includes the performance of CCM.

Reconciliation of net capital expenditure

Year ended 31 March	2017 US$m	2016 US$m
Capital expenditure as reported in the Group cash flow statement	**399**	315
Disposal of property, plant and equipment	**(15)**	(13)
Profit/(loss) on disposals of fixed assets	**9**	(1)
Net capital expenditure as reported in the Cash flow and Net debt summary	**393**	301

Disciplined capital management

The table opposite summarises our net assets and ROCE over the past three years.

Our capital allocation framework is based on balancing a number of competing priorities, notably operating and capital investment, dividends, acquisitions and share repurchases, whilst targeting Net debt within the range of 2.0 to 2.5 times EBITDA. The mix between these categories will vary over time. Acquisition opportunities are assessed against a range of metrics, including economic valuations and the earnings enhancement that they bring relative to share repurchases.

During the year ended 31 March 2017 the net spend on share repurchases totalled US$353m (at an average price of 1431p) and the number of shares in circulation was reduced by 16m (1.7%). During the year the average number of shares was 940m and the closing number of shares at 31 March 2017 was 930m. We expect to execute share repurchases of US$600m in the forthcoming year.

The chart opposite shows a five-year summary of the trend of ROCE. ROCE for the year ended 31 March 2017 was 15.5% (2016: 15.4%). ROCE is a post-tax measure and we use our Benchmark tax rate for ease of calculation.

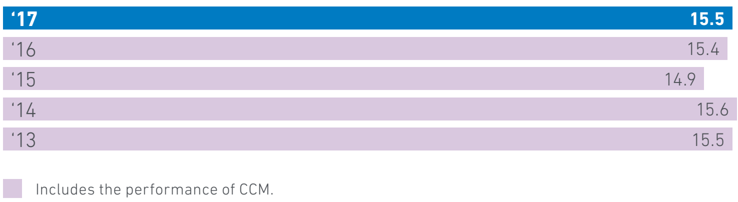
Each of our regions has balance sheet and income statement responsibility. Further information on net assets by region is given in note 9 to the Group financial statements. There have been significant exchange effects on balance sheet line items at 31 March 2017, with details on a Group basis provided in the notes to the Group financial statements where appropriate.

We continue to execute our medium-term financial framework. On 31 March 2017 we signed a definitive agreement to sell a 75% interest in CCM, which is subject to customary closing conditions.

Net assets and ROCE summary

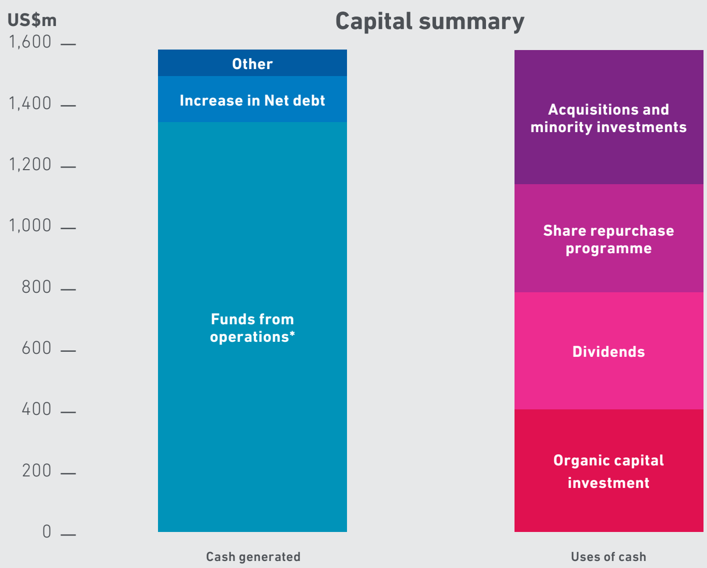
Year ended 31 March	2017 US$m	2016 US$m	2015 US$m
Goodwill	**4,245**	4,198	4,393
Other intangible assets	**1,461**	1,431	1,624
Other segment assets	**1,196**	1,165	1,210
Total segment assets	**6,902**	6,794	7,227
Segment liabilities	**(1,161)**	(1,147)	(1,188)
Operating segments – net assets	**5,741**	5,647	6,039
Central Activities – net assets	**120**	111	162
Net assets classified as held for sale	**300**	–	–
Deduct: non-controlling interest	**(12)**	(14)	(15)
Capital employed	**6,149**	5,744	6,186
Net debt	**(3,173)**	(3,023)	(3,217)
Tax	**(337)**	(297)	(183)
Add: non-controlling interests	**12**	14	15
Net assets	**2,651**	2,438	2,801
Average capital employed	**5,704**	5,921	6,638
ROCE	**15.5%**	15.4%	14.9%

ROCE (%)



Capital allocation framework – 2017

This chart shows our capital framework as executed during the year ended 31 March 2017.



* Funds from operations is defined as Benchmark free cash flow plus organic capital investment (capital expenditure).

Financial review continued

Exceptional items and Other adjustments made to derive Benchmark PBT

The Group makes certain adjustments to derive Benchmark PBT which are summarised in the table opposite. Note 7 to the Group financial statements explains the reasons for the exclusion from our definition of Benchmark PBT of Exceptional items and Other adjustments made to derive Benchmark PBT.

Non-GAAP measures

The Group has identified and defined certain non-GAAP measures, shown below, as they are the key measures used within the business by management to assess the underlying performance of the Group's ongoing businesses. A summary of these is shown in the table below with a fuller explanation provided in note 7 to the Group financial statements.

Exceptional items and Other adjustments made to derive Benchmark PBT

Year ended 31 March	2017 US$m	2016 US$m
Exceptional items:		
Profit on disposal of businesses	**–**	(57)
North America security incident-related costs	**–**	20
Credit for exceptional items	**–**	(37)
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	**104**	115
Acquisition expenses	**16**	4
Adjustment to the fair value of contingent consideration	**–**	2
Financing fair value remeasurements	**(67)**	21
Other adjustments made to derive Benchmark PBT	**53**	142
Net charge for Exceptional items and Other adjustments made to derive Benchmark PBT	**53**	105

Summarised non-GAAP measures

Benchmark PBT	Profit before amortisation and impairment charges, acquisition expenses, exceptional items, financing fair value remeasurements, tax and discontinued operations.
Benchmark EBIT	Benchmark PBT before net interest expense.
Benchmark EBITDA	Benchmark EBIT before depreciation and amortisation.
Exited business activities	The results of businesses sold, closed or identified for closure during a financial year.
Ongoing activities	The results of businesses which are not disclosed as exited business activities.
Constant exchange rates	Results and growth calculated after translating both years' performance at the prior year's average exchange rates.
Total growth	This is the year-on-year change in the performance of Experian's activities at actual exchange rates.
Organic revenue growth	This is the year-on-year change in the revenue of ongoing activities, translated at constant exchange rates.
Benchmark earnings	Benchmark PBT less attributable tax and non-controlling interests.
Total Benchmark earnings	Benchmark PBT less attributable tax.
Return on capital employed ('ROCE')	Benchmark EBIT less tax at the Benchmark rate divided by average capital employed. Capital employed is net assets less non-controlling interests, plus Net debt and plus/minus the net tax liability or asset, adjusted for the average capital employed in discontinued operations.

Our stories – FINANCIAL ACCESS

Going the extra 13 miles to support a client of ours

"When my colleague Jon and I were working on a new agreement for our client, Kohl's, we never thought we'd be able to get as involved with them as we did.

One of our contacts, Troy, was telling us about a charity he's really passionate about, Junior Achievement. He said people at Kohl's run a half marathon every year to raise money for it. Jon and I are kind of runners ourselves, so we pretty much signed ourselves up. We just thought, what a great way to be part of a special Kohl's event.

It's for a great cause, too. Junior Achievement teaches high schoolers about credit and being responsible. So the first half marathon we ran with Troy was in San Diego. There were about 40 to 50 of us running for Junior Achievement, from Kohl's and from local companies in the Milwaukee area. It was great weather, and there was an incredible crowd, with so many supportive people. We ran together and we had these bright green shirts, so people knew 'Here comes Junior Achievement from Kohl's'. We had a great time, and I know it meant a lot to Troy and Kohl's that we joined them.

We've had a great partnership with Kohl's for the last 13 years, and getting involved in events with them outside the office helps us build an even stronger partnership. Inside the office, we're helping them make the best decisions and continue to grow. Kohl's is one of the largest retailers in the USA, and they have a really big loyalty programme.

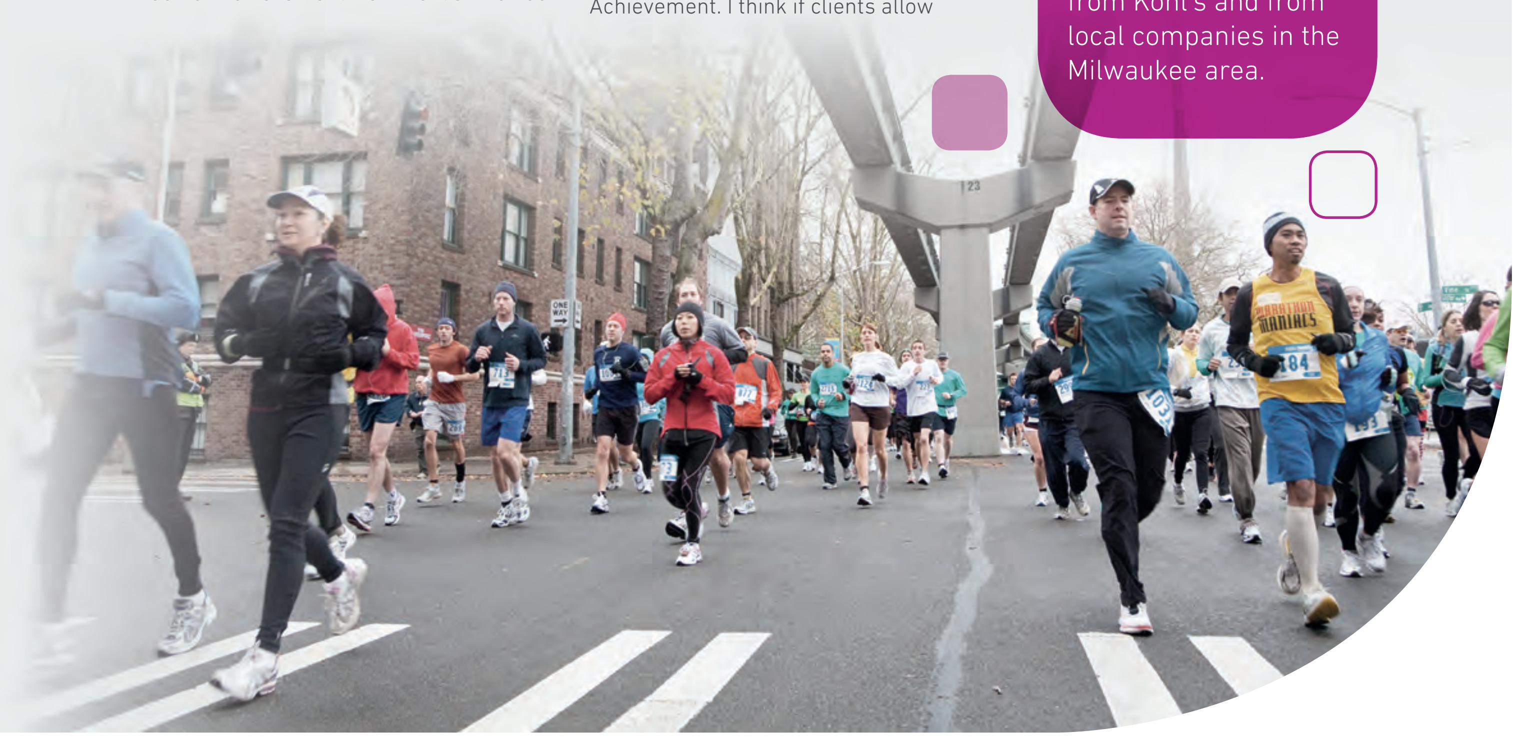
One of the Experian tools they use today means they can decide instantly whether a customer qualifies for a Kohl's private label retail card, instead of the customer having to fill out loads of forms. It helps them give their customers a great experience.

The next year we ran another half marathon with Troy in Seattle for Junior Achievement. I think if clients allow you the opportunity to step out of the business-to-business environment, it means a lot. The extra things we've been able to do have helped us show we really care about their business and their causes. It's helped us build this incredible partnership."

Amos Ayala
Senior Account Director,
Experian North America

Jon Bailey
Regional Vice President Sales,
Experian North America

40 to 50
of us were running for Junior Achievement, from Kohl's and from local companies in the Milwaukee area.



Our people - creating a world of opportunity

Every day, our people help to unlock the power of data for consumers and businesses. We recognise that our work carries great responsibility and that how we work is as important as what we do. We are therefore focused on engaging our people, sustaining a positive culture, and attracting and retaining great talent. We want to create a great place for our people to work in support of delivering sustainable growth.

Culture – aligning our culture with our brand

We have always believed that data has the potential to transform lives. This financial year, we communicated this through a new brand proposition of 'powering opportunities and helping to create a better tomorrow'. Our brand articulates why we exist, what we believe in and how we make a difference for consumers, customers, communities and our own employees.

To ensure our culture aligns with our brand, we aim to do the following for our people:

- create a trusting environment that empowers them;
- reward quality, commitment and performance;
- encourage innovation and smart ideas;
- inspire each other, fostering collaboration and meaningful relationships; and
- provide global opportunities to help our people grow and achieve their full potential.

Employee engagement – the power of our Brand Pioneers

As we consulted widely on the development of our new brand, we were keen to harness the talents and enthusiasm of our frontline managers. Our belief was that if we could excite our 3,000 people leaders across the globe, they would play a lead role in inspiring all our employees with our new purpose and brand intent. We did this by 'hiring' 150 Brand Pioneers from all regions. They co-created toolkits and communication materials with us, to engage their fellow managers and then all employees with the brand. They helped us to develop 'The Experian Way'.

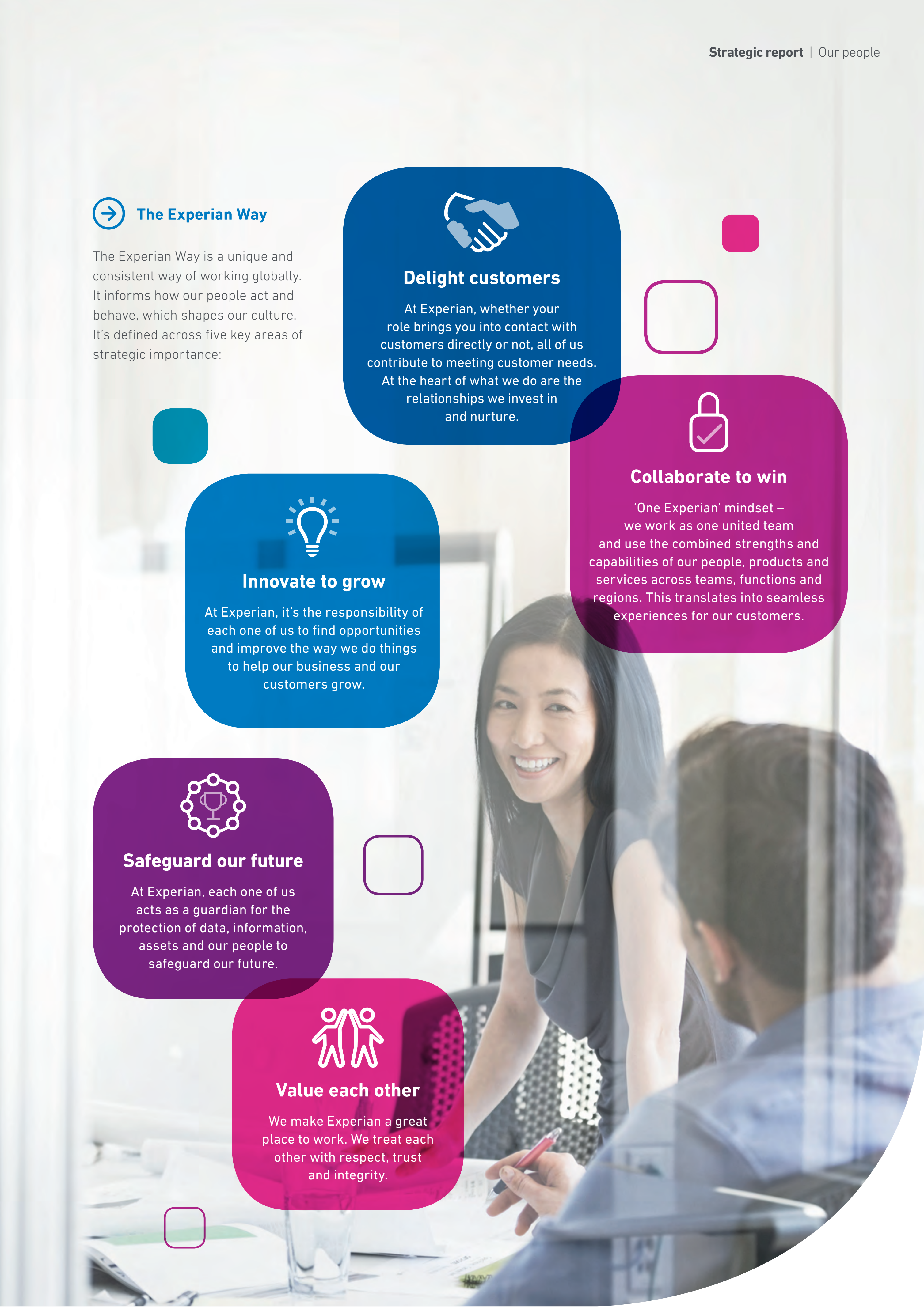
We are now embedding The Experian Way into our core people processes. In January, we launched a new 'One Experian' global recognition programme. This allows our people to recognise and celebrate each other, in the moment and publicly, on an internal social networking site. The recognition categories are built around The Experian Way.

We will also integrate The Experian Way into our global performance management process – Performance for Growth – so that it becomes part of how we assess, develop and promote our people. This will be live for our 2018 performance cycle. Finally, we are embedding the new brand into our hiring and onboarding processes, so that we can present it fully to prospective and new employees.

In December 2016, we launched the new brand externally. To support this activity internally, we again engaged our Brand Pioneers to help us develop what we called a Brand and Culture café concept. Our intention was to continue the interactive and informal tone we'd set in all our employee communications about the brand and how it translates into our culture. We set up 67 cafés across many of our office sites and in all regions, and invited employees to come along, have drinks and cake, talk to Brand Pioneers and other leaders, take away a branded gift, and even take a group photo or selfie. We erected a Brand and Culture wall in all cafés, where people could leave a reflection or comment. Feedback on the cafés has been fantastic and below are a few photographs to bring it to life.







The Experian Way

The Experian Way is a unique and consistent way of working globally. It informs how our people act and behave, which shapes our culture. It's defined across five key areas of strategic importance:

Delight customers

At Experian, whether your role brings you into contact with customers directly or not, all of us contribute to meeting customer needs. At the heart of what we do are the relationships we invest in and nurture.

Collaborate to win

'One Experian' mindset – we work as one united team and use the combined strengths and capabilities of our people, products and services across teams, functions and regions. This translates into seamless experiences for our customers.

Innovate to grow

At Experian, it's the responsibility of each one of us to find opportunities and improve the way we do things to help our business and our customers grow.

Safeguard our future

At Experian, each one of us acts as a guardian for the protection of data, information, assets and our people to safeguard our future.

Value each other

We make Experian a great place to work. We treat each other with respect, trust and integrity.

Our people continued

Global People Survey – part of an evolving employee listening strategy

In 2017, we moved to a new supplier for our Global People Survey and streamlined our questions. This move has enabled us to provide a more agile approach to connecting with our people, and to utilise mobile-enabled technology. The new annual survey will also be part of a more comprehensive employee listening strategy, which will include ongoing sentiment tracking, and new joiner, onboarding and exit surveys. We are keen to have a continuous feedback loop with employees, through all key stages of the employee lifecycle, so we can proactively respond to their needs. Our next main survey will run from the end of May 2017.

Talent – strengthening and diversifying our talent pool

Our talent strategy aims to drive the attraction, growth and retention of a deep pool of talented employees, who reflect our global reach, our clients, and our belief in the value of diversity. It then focuses on releasing the talent of every employee, to deliver our performance goals. Our talent strategy and our diversity and inclusion ('D&I') agenda are just two of the many ways in which we aim to achieve this for all our people. We also continue to invest in targeted leadership development, as part of strengthening our leadership pipeline.

Continued emphasis on D&I

Our objective is to create an environment in which everyone can flourish, irrespective of their gender, ethnicity, thinking style, experience, age, sexual orientation, physical ability or economic background. This aligns to our talent strategy and the sense of inclusiveness and belonging embodied in our culture. Each region has agreed D&I action plans based on our global framework and we track progress as part of our Global Talent Review. In building their D&I plans, the regions and core business activities differentiate their focus so they respond to local needs and hotspots, while maintaining global consistency across some core themes. Our Group Operating Committee also pays close attention to progress in this area.

We have a significant millennial employee base (53% globally) and experience greater attrition across this group than for other generational groups. We recognise that our millennial group has different aspirations and we have been working to ensure we respond to their agile approach to working. We continue to use our in-house predictive analytics tool to help us predict which individuals are at risk of leaving. This enables us to manage the voluntary attrition of this group, which has fallen in the last 12 months from 20.3% to 16.8%.

As at December 2016, 45% of our global employee base was female (8,042) and 55% was male (9,911). In terms of ethnicity, 26% (4,742) of employees classified themselves as white and 15% (2,639) as non-white. The remaining 59% (10,572) were not classified, either because local legislation does not allow us to request this data or because employees elected not to disclose it. The average age of our workforce is 38.

To continue as a high-performing group, we need to have rich diversity at the senior levels that are responsible for our strategic thinking and decision making. However, like many organisations, we experience a disproportionate decline in the number of women employed beyond middle management levels. At the leadership level, the split of women to men is 25:74. While this compares positively with our FTSE 100 peer group, we have a number of actions in place to improve this.

This year, alongside our continued commitment to Everywoman, the online self-development platform, we have introduced the 'Women in Experian' group. Made up of senior female ambassadors from across the business, this network is committed to accelerating the development of women by provision of learning support through our Everywoman portal, with networking opportunities and policy development that enhances gender diversity, e.g. enhanced parental leave in North America.

We have established global goals for women in leadership positions and have a strategy and plans to support their achievement including executive sponsorship of top female talent, gender-balanced shortlists, training in inclusive leadership and identifying flight risks through our in-house predictive analytics tool. While we currently have a focus on gender diversity, we intend to extend our learnings across other diversity groups.

The current picture, and our progress at the leadership level, are shown in the table below. Details of our Board diversity can be found in the Corporate governance report.

Senior leader diversity mix

	September 2008	September 2009	September 2010	September 2011	September 2012	September 2013	December 2014	December 2015	December 2016[1]
Total no. of senior leaders*	87	87	90	85	89	92	91	94	99
Gender: Female senior leaders (%)	11 (13%)	14 (16%)	16 (18%)	16 (19%)	17 (20%)	20 (22%)	23 (25%)	23 (24%)	25 (25%)
Ethnic origin (Number and % non-white)	6 (7%)	4 (5%)	6 (7%)	8 (9%)	8 (9%)	9 (10%)	11 (12%)	11 (12%)	6 (6%)

* Numbers exclude vacancies.

1 This includes employees from CCM.

For more information on how these figures are calculated, see the 2017 Reporting Principles and Methodologies document at www.experianplc.com/responsibility.

Our stories – IDENTITY AND FRAUD PROTECTION

Helping hospitals prevent medical identity theft to protect patients from fraud

"I'm a Senior Vice President of Sales, responsible for leading Experian Health's teams as they assist hospitals, physicians, labs and pharmacies across the USA.

We provide technology to help keep the costs and payment processing component of healthcare easy and transparent. The part of my work I am most passionate about, however, is our effort to decrease identity theft in healthcare.

Medical identity theft is one of the fastest growing areas of identity fraud in the world. With everything moving online at a fast pace, healthcare providers may not always keep up with the protections needed with new technologies.

Unfortunately, that means hackers can sometimes acquire a patient's personal information – name, Social Security Number, health insurance number – to illegally obtain medical services or devices, insurance reimbursements or prescription drugs.

One of the biggest issues with this type of fraud is that it leaves its victims with little or no recourse for recovery. They often experience financial repercussions and discover that faulty information has been added to their personal medical files as a result.

To address this issue, my team and I partnered with Experian's Decision Analytics team to create a new tool that protects patients' online portals in much the same way that banks have protected their online clients for years.

Additionally, our team is in the process of launching a Universal Identity Matching solution – a unique PIN which acts like the Social Security Number for your healthcare information.

As more healthcare companies begin to adopt it, this PIN will be the one thing you will need to carry with you, as it will be your unique identifier for all your healthcare experiences.

A lot of processes in hospitals today are still manual, but I want to change that.

I want to automate systems so hospital staff can focus on where they are most needed. I am proud to work at a company that's at the forefront of solving the major problems in healthcare IT.

Being able to provide technological solutions in an industry where you can directly see the benefit is both personally and professionally rewarding."

Nicole Rogas
Senior Vice President Sales,
Experian Health

Medical identity theft is one of the fastest growing areas of identity fraud in the world.

Our people continued

Gender split of employees

45% Global employees are female

55% Global employees are male

Generational diversity

38 Average age of our workforce

53% Workforce classed as millennial

Employees by region*

39% North America

20% Latin America

23% UK and Ireland

18% EMEA/ Asia Pacific

* As at 31 March 2017 – excluding CCM.

Global talent and leadership development programmes

Building a strong and diverse talent and leadership pipeline is a significant part of our talent agenda and we have a suite of global programmes to accelerate our employees' development. We revisit these programmes regularly, to ensure they deliver the maximum impact, and continue to add new programmes to drive our agenda forward. Our programmes are designed to ensure we have a talent development response at key leadership transitions.

High Performance Master Class
Launched in 2016, this externally facilitated year-long programme is for talented senior leaders in our most critical roles globally. It aims to help leaders create a high-performance environment, drive significantly enhanced outcomes over the course of the programme, and take these lessons to help Experian reach its full potential. The huge success of the 2016 programme has led us to look to extend it across the organisation. As well as launching a second programme with a new cohort of leaders in critical roles, we have developed an abbreviated version which we will roll out to 200 additional leaders by September 2017.

CEO Forum
This development forum exposes senior talent to the CEO and other senior executives and is designed to maximise attendees' potential. It is closely linked to the High Performance Master Class and we select members from the leadership succession talent pool. Of the 28 people who attended the CEO Forum in the last two years, seven (25%) have been promoted, which is ahead of the average for Experian. Three of those promoted were women. In the last two years, ten women (36%) have participated in our CEO Forum.

Experian Business Network ('EBN')
We launched this development network for high-potential and diverse emerging talent in October 2008. In total, 644 employees have been or are currently part of the EBN.

Talent and succession planning review (December 2016)

97%
of senior leadership roles have successors ready to provide emergency cover.

53%
have at least two successors who are 'ready now' or 'ready within two years'.

77%
have at least one successor 'ready now' or 'ready within two years'.

Given the numbers of participants and the length of time that the programme has been running, in 2014 we started to track promotion rates for participants attending in the previous two years. Of the 142 people who attended EBN in the last two years, 26 have been promoted, which is ahead of the average for Experian. Twelve of those promoted were women.

Emerging Talent Network
In 2015, we launched a similar development programme to the EBN for talent earlier in their careers. This is our entry-level talent programme and invites our junior talent to take their first step in learning about their leadership style and capabilities. It is running in three of our regions and is soon to be launched in our remaining business operations.

Talent and succession planning
Succession planning is also integral to our talent strategy, ensuring we have the leadership resources to achieve our strategic objectives. The executive leadership and the Board's Nomination and Corporate Governance Committee regularly review our senior leadership succession plans.

The most recent review, as at 31 December 2016, highlighted that:

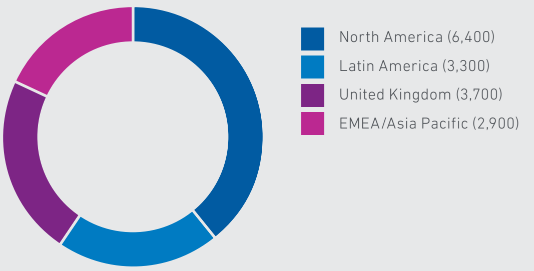
- 97% of senior leadership roles have successors ready to provide emergency cover;
- 53% have at least two successors who are 'ready now' or 'ready within two years'; and
- 77% have at least one successor 'ready now' or 'ready within two years'.

Our focus continues to be on developing the strength and depth of our talent pipeline. As well as reviewing our most senior people and our progress against our talent management plans, we also assess whether we have our most capable people in our most critical roles.

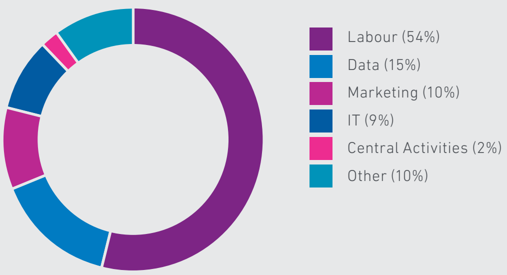
We pay close attention to the succession into these roles, ensuring that we have detailed development plans for these leaders so that they are 'next role ready'. These development actions take many different forms, including leadership profiling, secondments, formal mentors, sponsors and coaches. We also pay close attention to the depth of talent in our regions and business areas, to ensure we have strength in depth for these roles.

Talent mobility also remains a key focus, as building global capability is crucial to our sustained success. We are continuing to see an increase in cross-border moves at more junior levels. Of the 108 new cross-border moves made in 2016, over half were below executive grade. We are also offering our people opportunities to work outside of their local markets for short periods of time, thus allowing them to benefit from significant stretch assignments.

Employees by region*



Global cost profile*



*As at 31 March 2017 - excluding CCM.

Unless otherwise stated, the data in the Our people section includes employees from the email/cross-channel marketing business ('CCM') (now classified as discontinued operations).

Corporate responsibility

We're unlocking the power of data to make a difference in society and help create a better tomorrow for consumers, clients, our people and our communities.

Data is central to how we all live. It has the potential to transform our lives for the better. Our innovative products, services and use of data and technology enable people and businesses to make the right decisions – whether it's securing the lowest interest rate on a loan, getting credit to buy a home, or simplifying the process of healthcare payments.

As the world's largest credit bureaux operator, we have an important role to play in enabling access to finance for millions of people who could otherwise be excluded from mainstream credit and services. We help people and businesses make the most of their data to borrow within their means, get services at affordable rates, and defend against fraud and identity theft.

We work with partners to develop new products designed to create social benefits, while generating revenue for our business too. Our social innovation programme has helped almost 9 million people access essential services and earned almost US$6 million for our business since 2014.

How we work is just as important as what we do. We're committed to always acting with integrity. That includes treating data, people and the environment with respect.

How we make a difference

Scientists and researchers at Experian DataLabs are using big data to help organisations solve strategic challenges. Data on all aspects of modern life can offer valuable insights into how to solve some of society's biggest challenges.

But we don't just use our data and expertise to look at the big picture. We use it to help individuals make the most of their data – to help them pay for healthcare, buy their first home, build their business or get a loan. We also help people build and protect their financial identity and get out of debt.

This makes a big difference to millions of people around the world.

Helping people gain access to essential services

Our Credit Services business, which represents over half of our global revenue, enables organisations and lenders to make fast, fair decisions on credit, helping people get access to essential services. We produce over 5.5 million credit reports a day, which help clients make more informed decisions about the services they offer their customers.

A financial identity is critical to assure lenders that people and small businesses can make repayments and get benefits and access to other services from their government. Without a full and accurate profile, people cannot get loans or can only access them at very high interest rates. Banks, utility providers and other clients can rapidly check someone's identity with products like Prove-ID.

Sometimes the most basic element of identity – simply proving that you are who you say you are – can be the biggest barrier to accessing credit. This is often the case in parts of the world where personal documentation is sparse. It is a big issue for those caught up in the current refugee crisis, which has displaced millions of people from their homes. In 2017, we took part in the multi-stakeholder Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, to find ways to help refugees rebuild their identities.

9 million

Our social innovation programme has helped nearly 9 million people access essential services since launch.

US$6^{m}

Almost US$6m has been earned from our social innovation programme for our business since 2014.

Corporate responsibility continued

Our volunteers helped almost

26,000

people with financial education in Brazil during 2017.

Our data and expertise are helping people around the world to transform their financial profiles from 'thin' files – with little to no payment records – to 'thick' files that provide a fuller reflection of their financial behaviour. The thicker a person's credit profile is, the more likely they are to get loans at affordable interest rates or gain access to other services. In Colombia, many poor residents cannot get a government subsidy on a mortgage, despite being eligible for one, because their credit history is too thin. In 2018, we will work with the Colombian government to help residents build a sufficient credit score and provide them with tips on how to manage that credit score in the future.

Alternative data, such as utility and rental payments, has the power to fill credit profiles with years of repayment history. In 2017, over 15 million tenants in the USA had their rental payments recorded on Experian RentBureau, and rental payments of over 1 million private and social housing tenants in the UK are held on our Rental Exchange. Using this data can help people build their credit profiles.

We also help small enterprises improve their credit profiles through our Credit Services business, empowering them to get the loans they need to grow their businesses. In the USA, small businesses create nearly two-thirds of new jobs, but they often struggle to access loans.

We offer a range of products and services to help them overcome this challenge, such as our Commercial Credit Score Simulator. We provide financial education and business management training to support entrepreneurs. In 2017, we supported 134 micro-entrepreneurs in Brazil through our established Real Dreams programme, 140 small business owners through our business hubs in South Africa and 1,000 women through financial education in Vietnam.

Health is one of the most important factors in anyone's life. We use data to connect people with the potentially life-saving healthcare services they need. In the USA, more than 60% of hospitals and thousands of clinics, labs, pharmacies and healthcare providers rely on Experian Health. Our growing Experian Health business has introduced new solutions to help patients understand and manage the costs of healthcare services. We will also begin offering financial education support for people facing large medical bills and we have launched Experian Health Cares to connect them with new sources of charitable funds, using our Financial Assistance Manager product.

As well as enabling people to make the most of their data, we help them to protect it and support victims of fraud and identity theft. Services like CreditExpert and CreditTracker alert customers to suspicious behaviour and our consumer websites educate people on how to ward off fraudsters. We are providing additional support for groups that are particularly vulnerable to fraud, from young people in the USA to the elderly in the UK. We have reached over 3,300 people directly in the UK through education and in the USA we are helping to prevent identity theft by donating credit reports to foster care agencies. Thanks to access to our credit reports, those agencies can easily spot if someone is fraudulently using the identity of young people in their care.

Our stories – SOCIETAL IMPACTS

Using alternative data to help millennials get credit

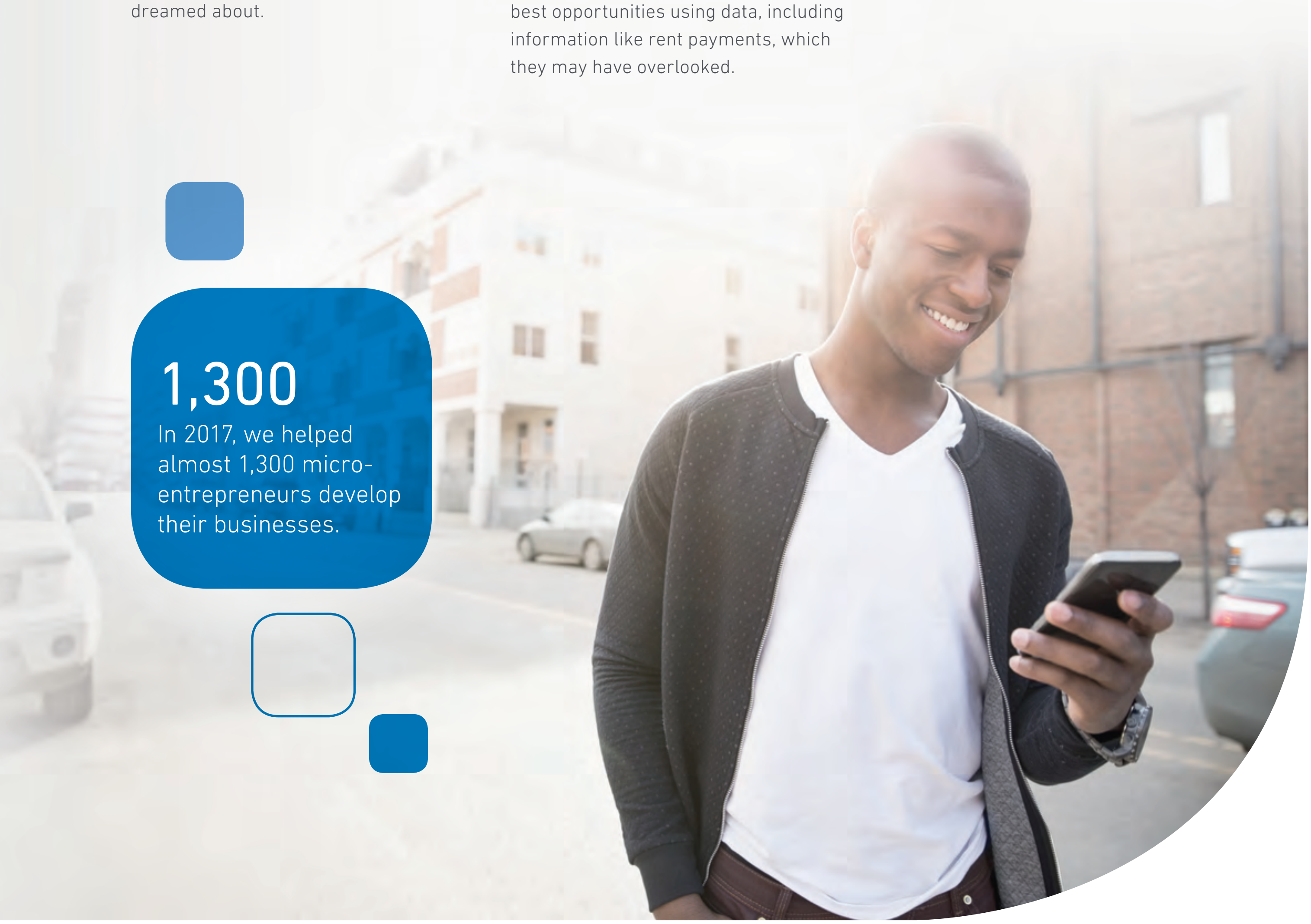
"I'm an Account Executive at Experian. I'm also a millennial. Most millennials don't have a traditional credit history to prove we can be trusted to repay loans or credit. Using data, I'm working to change that, while also helping small enterprises by enabling them to do business with my generation.

At Experian, we look at alternative data sets – like paying rent and utilities – that can show how a millennial is actually a low-risk candidate for credit, even if his or her credit score doesn't reflect that. Through our data, we're providing opportunities for people who wouldn't ordinarily have access to credit so they can buy their first house, get a car or start that business they've always dreamed about.

I see my role as a bridge between millennials and an older generation, connecting young consumers with the resources experienced lenders can provide. A lot of my clients are small-business lenders with strict underwriting criteria. My lenders need to improve their underwriting to win lifelong customers, but they're understandably afraid of risk. We can help them identify their best opportunities using data, including information like rent payments, which they may have overlooked.

I'm proud to be helping to create a new generation of customers for small businesses while giving my fellow millennials the financial access they need."

Alex Robbins
Account Executive, Credit Services, Experian North America



1,300

In 2017, we helped almost 1,300 micro-entrepreneurs develop their businesses.

Corporate responsibility continued

Alternative data

15m

In 2017, over 15 million tenants in the USA had their rental payments recorded by Experian.

Community spend

US$8m

We invested over US$8m into our communities during 2017.

Hours of volunteering

39,000

Time volunteered by our people to support financial education and community initiatives.

Reduced emissions

2.5%

Since 2016, we have cut the carbon intensity of our business by 2.5% to 11.7 tonnes of CO_2e per US$1,000 of revenue.

Helping people to understand and manage their finances

By educating people to understand their credit profiles, we're empowering them to improve their profiles and manage their finances better.

We work with partners to support financial education programmes around the world. In 2017, we replicated our Values, Money and Me financial education programme in the UK and Ireland with a programme in public schools in Brazil. Through an interactive website, children learn the basics of managing money and how to make informed decisions when they grow up.

Our experts trained around 2,500 people in Turkey to help university students and entrepreneurs understand how to borrow responsibly and manage financial risks. We also provided support for 40 refugees to help them open bank accounts and build credit histories in their new homes in Bulgaria and Germany. With mentoring from our volunteers 13 refugees got into new jobs and two opened their own businesses.

Financial awareness can help people stay out of debt, but sometimes debt becomes unmanageable. We offer advice and support to help people take control and turn their lives around. In Brazil, over 11 million people are enrolled in our Online Recovery Portal, which connects them with their lenders to renegotiate debts. The portal has helped people repay over 2.9 million individual debts, worth over US$3bn. Our Debt Advice Centre in Nottingham, UK, has provided financial education and debt assistance to more than 1,200 people since its launch in 2015, helping to build their financial confidence and resilience.

Engaging our people

In 2017, our employees volunteered almost 39,000 hours to support our community and financial education programmes. In Brazil, volunteers committed more than 350 hours to teaching 584 young students about financial education through games. We volunteered over 1,000 hours organising and delivering donated gifts and food during the holiday season in the USA and almost 120 employees celebrated Mandela Day by supporting their local communities in South Africa. In Australia, we supported 600 students with financial education sessions. These are just some of the ways our people are making a difference.

Community investment*

Year ended 31 March	2017 US$'000	2016 US$'000
Funds from Experian plc	**3,359**	3,272
Financial donations and investments from Experian subsidiaries	**2,237**	1,594
Employee time volunteered	**1,243**	1,296
Gifts in kind	**648**	620
Management costs	**907**	957
Total from Experian	**8,394**	7,739
As % of Benchmark PBT	**0.75%**	0.68%
Employee fundraising	**656**	937
Value of out of work volunteering enabled by Experian	**229**	304
Total value of all giving	**9,279**	8,980
As % of Benchmark PBT	**0.83%**	0.79%

* For more information on how these figures are calculated, see the 2017 Reporting Principles and Methodology at www.experianplc.com/responsibility.

Our stories – SOCIETAL IMPACTS

Helping people clear their debts

"We developed the online recovery portal to help people manage and clear their debts. It's especially important in Brazil because, if you have debts, we say you have a 'nome sujo'. Literally translated, it means 'dirty name'. And if you have this negative name, it's impossible to get credit for anything – for a car, a house, for anything.

That's what it was like for Fabio. His debt had been building up for six months or so, and it was getting more and more unmanageable until there was no chance that he could repay it. He thought he'd have to spend hours in a bank or a collection agency, speaking to them and getting them to negotiate with the lender for him.

Fabio enrolled on our website, where he could view the debt he owed to the lender as well as proposals to make a settlement of dispute with the bank.

The bank made a special condition for him – instead of paying R$1,000 in one month, he could pay R$70 a month until he'd paid it all back. In ten minutes, it was sorted – he had a clear name. That's what 'Limpa Nome' means."

Lucas Lopes
Product Manager of Limpa Nome,
Serasa Experian

2.9m

We have helped almost 2.9 million people clear their debts through Limpa Nome.

Corporate responsibility continued

Working with integrity and respecting human rights

Our Global Code of Conduct sets out our business practices and values – the behaviour we expect from our employees in everything they do. Alongside the Code, we have specific policies that cover ethical and human rights risks related to anti-bribery and corruption, human resources, health and safety, and labour practices in the supply chain.

We are committed to respecting human rights in our business and beyond. We align our policies with the principles of the UN's Universal Declaration of Human Rights. Our statement on slavery and human trafficking outlines our commitment to preventing modern slavery in our supply chain. We plan to increase our employees' awareness of the risks and develop risk-based monitoring or assurance programmes where appropriate.

The right to privacy is an increasing focus for business and human rights groups. Protecting data privacy is therefore a priority for our business. We use data responsibly and balance the right to privacy with the benefits that data and analytics can bring for people, business and society.

Safeguarding data and privacy

Safeguarding the vast amount of data we hold is essential to maintain our licences to operate and earn consumer trust. The threat of cyber-attacks is constantly evolving and we make significant investments to protect our data.

All employees must complete annual training on information security and data protection. Our Global Information Values set clear guidelines for how we manage and use data in compliance with regulations.

People value their privacy, but they need to share some personal information with lenders and other organisations so they can access credit and services at fair and affordable rates. We aim to find the right balance between giving our clients the data they need to do that, while protecting personal privacy.

Our dedicated teams check for inaccuracies in the information we receive and alert data providers to help them improve the quality of their data. This helps to make sure that individual credit profiles are as accurate and up-to-date as possible, so lenders and other organisations can make informed decisions when assessing applications for loans or other services.

Minimising our environmental footprint

The biggest environmental impact of our business is the carbon footprint from our data centres, office buildings and business travel.

Our total carbon footprint was 54,190 tonnes of CO_2e in 2017: this is a 0.6% reduction from the previous year. Since 2016, we've cut the carbon intensity of our business by 2.5% to 11.7 tonnes of CO_2e per US$1,000 of revenue and we aim to achieve a 5% reduction by 2018.

Our focus on energy efficiency measures in buildings and data centres has continued to help us achieve these reductions, as well as consolidation of our offices.

We're investing in measures to optimise energy use in our buildings. We also prioritised energy efficiency and other environmental considerations in the design of our new facility in São Carlos, Brazil, which is working to achieve certification to the Leadership in Energy and Environmental Design ('LEED') sustainable buildings standard.

In March 2017, we celebrated Earth Hour by supporting a carbon offsetting project that will offset 320 tonnes of CO_2e emissions through the Brazilian Amazon Verified Carbon Standard verified by the Reduced Deforestation project. In addition, Experian volunteers in Nottingham and Dublin will plant one tree for each tonne of CO_2e offset. From Costa Rica to South Africa, our employees around the world marked Earth Hour by switching off their lights as a symbol of their commitment to protecting our planet.

Our carbon footprint

Emissions from:		Year ended 31 March 2017	2016
Scope 1	Thousand tonnes of CO_2e	**4.4**	4.4
Location-based Scope 2	Thousand tonnes of CO_2e	**37.0**	38.0
Market-based Scope 2	Thousand tonnes of CO_2e	**34.2**	36.6
Scope 1 and Scope 2 normalised by revenue (using location-based emissions)	Kilograms of CO_2e per US$1,000	**8.9**	9.3

We have reported on all the emission sources within our total carbon footprint which includes scope 1, 2 and 3 (falling within our Group financial statements) in line with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. There are no material exclusions from this data. The data has been prepared in accordance with the UK Government's Environmental Reporting Guidance (2013 version). Detailed information on Experian's environmental performance and the 2017 Reporting Principles and Methodologies document are available at www.experianplc.com/responsibility.

Strategic report

This Strategic report was approved by a duly authorised committee of the Board of directors on 17 May 2017 and signed on its behalf by:

Charles Brown
Company Secretary
17 May 2017

Our stories – SOCIETAL IMPACTS

Keeping things cool in our data centres

"When you tell people you want to put holes in the roof of a bullet-proof building, you really have to have thought it through. That's how our free air cooling project started at our data centre in Nottingham.

It supports 37 countries. That's a lot of data, a lot of IT equipment, and that means a lot of heat. Like a big fridge, it takes a lot of energy to cool it down. We spend about £1.5 million a year in electricity just on the UK data centres.

That's why we did this free air cooling project. It's the biggest environmental project we've done, but it's common sense really. Why not just take the air from outside the data centre, suck it in, filter it and blow it across the floor to reduce the cooling costs.

It's the biggest single energy saving project we have made. It paid for itself in two years and now it saves us money. We use about 20% less energy now on cooling, even though we've actually doubled the amount of equipment we have inside."

Barry Westbury
VP, IT Operations and Compliance, Experian, Global

20%
Free air cooling has helped us use 20% less energy on cooling.

Our stories – IDENTITY AND FRAUD PROTECTION

Playing a part in helping auto companies fight fraud

"The guys I'm working with go above and beyond when it comes to protecting people from fraud. Jesús Salafranca Cabieces from Volkswagen, and people from lots of other auto companies – they take fraud so seriously, I'm proud to be helping them.

A classic case of car fraud is where someone goes from one car distributor to another getting car loans. It becomes fraud when they change their data, like their name, for each loan they take out. The only way these auto companies can tell this is happening is if they communicate with each other. And that's what we're helping them do. They're using our technology and working together in their fraud-operating group, constantly helping each other. It's really impressive.

I had a great chance to see for myself how seriously the guys take their fraud roles when Jesús took me with him to the police station to file a report. We met one morning outside the headquarters of the traffic police. It's a really big building, the whole central unit.

We went in, and everyone knew Jesús really well – he's clearly putting in loads of extra hours to file each and every report for his customers and company. We did things the Spanish way – we went to the bar, had a nice coffee and some ham, bread and tomato. And we were chatting with the officers in the traffic unit.

We talked to a sergeant about our whole collaboration – how it works with our Hunter tool, and how we could work with the police, too. The sergeant was really interested so we were there for a couple of hours discussing it.

And so what came out of this, which is really nice, is we agreed to investigate opening a channel where the police would send us information about suspicious activity, and we'd share it with the auto companies on Hunter. It's extra intelligence, which means better defence against fraud.

It really goes beyond just data sharing, and so far beyond regular project plans, papers and Excel spreadsheets. It's a real partnership, and one that has a real impact – I can see it happening and feel the importance of it."

Alexandros Triantafyllou
Head of Fraud and Identity,
Experian Spain and Portugal

It really goes beyond just data sharing... it's a real partnership and one that has real impact.

Chairman's introduction

"The Board is accountable to our stakeholders, including our customers, shareholders and employees, for ensuring good corporate governance is at the heart of our business."

Don Robert, Chairman

On behalf of the Board, I'm pleased to present the Corporate governance report for the year ended 31 March 2017. The Board remains committed to maintaining the highest standards of corporate governance, which it achieves by ensuring the Group's governance framework is appropriate and effective. This report describes that framework and the Board's approach to achieving good corporate governance during the year.

A key component of Experian's strategic direction is effective corporate governance, which the Board is responsible for overseeing, under my leadership. By having a sound corporate governance framework, we can ensure effective and efficient decision making, and the right balance of skills, experience and diversity to monitor and manage the risks we face. As Chairman, I ensure that the Board is empowered and resourced to do these things. The Board is committed to operating openly and with integrity, and these principles are embedded in the boardroom and in how the Board operates. An effective Board must also maintain a level of independence and objectivity.

This year, in line with the UK Corporate Governance Code (the 'Code') and best practice, our Board evaluation was facilitated by an independent external consultant, Condign Board Consulting. The evaluation provided the Board with greater insights into its performance, and it confirmed that the Board operates in a fully functional way which is effective, purposeful and challenging. The evaluation also identified opportunities for the Board to further improve its effectiveness. The Board reviewed and discussed the evaluation report in February 2017, while the Nomination and Corporate Governance Committee and the Board later considered areas of focus for the coming year. You will read later about the results of the evaluation and the areas of focus that we've agreed.

I work closely with the Chief Executive Officer, Brian Cassin, and the Company Secretary, Charles Brown, to plan the agenda for each Board meeting. This ensures the right balance between strategic planning and performance updates, corporate development and governance matters. We plan for an appropriate mix of standing items and subjects that may, in the context of events or challenges, be directly relevant at the time. This process, together with visits to the business and presentations on relevant issues, means that the Board is focused on the important areas.

The Nomination and Corporate Governance Committee, under the chairmanship of George Rose, the Deputy Chairman and Senior Independent Director, continues to regularly review Board composition and executive succession. During the year, Caroline Donahue joined the Board, bringing extensive international markets and technology experience, and knowledge of consumer sales and marketing, innovation and consumer-centricity, all of which are valuable attributes for Experian. These skills will be instrumental, as we shape our vision to place consumers at the centre of what we do. Following her appointment, Caroline commenced a comprehensive induction programme, which included presentations on all key aspects of Experian's operations, with further induction in May 2017. We provide more detail on Board induction, training and ongoing interaction with the business later in this report. Judith Sprieser retired as a director of the Company following the 2016 AGM. The Committee continues to focus on Board succession and on ensuring the correct balance of skills and experience on the Board.

Roger Davis was appointed to the Board on 1 January 2007 and, while the Board continues to consider Roger to be wholly independent, it is intended to appoint a new independent non-executive director to succeed Roger as Chairman of the Remuneration Committee after he or she has been a member of that Committee for at least one year. Whilst we do not publish specific diversity targets, we recognise the significant benefits of a diverse Board and, when recruiting, will continue to seek to address diversity gaps on our Board.

Conclusion

The Board considers that the Company has applied the principles and complied with the provisions of the Code, published in April 2016, throughout the year ended 31 March 2017.

The Corporate governance report, together with the Report on directors' remuneration, explains how we have applied the Code's main principles and complied with its provisions during the year. The information required by the UK FCA Disclosure Guidance and Transparency Rule ('DTR') 7.2 is set out on these pages and the Corporate governance report, other than that required by DTR 7.2.6R, which is set out in the Directors' report.

Board of directors

Don Robert ■ (58)
Chairman

Appointed to the Board on 6 July 2006, and as Chairman on 16 July 2014.

Key/other roles: Member of Court at the Bank of England, and a non-executive director (and Senior Independent Director) at Compass Group PLC.

Skills and experience: Prior to appointment as Chairman, Don was Experian's Chief Executive Officer and previously Chief Executive Officer of Experian North America, giving him a deep insight into the Experian business. Don has extensive international business expertise, as well as more recent regulatory knowledge gained with his Bank of England role, and he ensures that the Experian Board culture is one of robust debate, openness and transparency. He previously held senior roles at The First American Corporation and was President of Credco, Inc., former chairman of the US Consumer Data Industry Association, trustee of Sage Hill School, California and a director and trustee of the National Education and Employer Partnership Taskforce.

Brian Cassin (49)
Chief Executive Officer

Appointed to the Board as Chief Financial Officer on 30 April 2012, and as Chief Executive Officer on 16 July 2014.

Key/other roles: Brian is a non-executive director of J Sainsbury plc.

Skills and experience: Brian brings strong leadership, a clear view of strategic objectives and decisive management skills to this role. He also has strong financial and commercial acumen, and a broad range of operational competencies. Brian was previously the Chief Financial Officer of Experian and, before that, Managing Director at Greenhill & Co. He has also held various senior roles at Baring Brothers International and at the London Stock Exchange.

Lloyd Pitchford (45)
Chief Financial Officer

Appointed to the Board on 1 October 2014.

Key/other roles: Lloyd is a non-executive director (and chairs the Audit Committee) of Bunzl plc.

Skills and experience: Lloyd is a qualified accountant holding an MBA, and has deep financial knowledge and experience, built up through a career working in complex, change-oriented, multinational organisations. Before joining Experian, Lloyd held a wide portfolio of finance and operational responsibilities, including as Chief Financial Officer of Intertek Group plc, senior finance positions (including Group Financial Controller) at BG Group plc, and financial and commercial roles at Mobil Oil.

Kerry Williams (55)
Chief Operating Officer

Appointed to the Board on 16 July 2014.

Key/other roles: A Board member at Pacific LifeCorp, and the US Institute for Intergovernmental Research.

Skills and experience: Kerry holds an MBA qualification and has built up a significant and deep knowledge of Experian's global business and operations, through the leadership roles he has held, including as deputy Chief Operating Officer, President of Credit Services, President of Experian Latin America, and Group President of Credit Services and Decision Analytics, Experian North America. Kerry also brings to Experian and the Board a wide range of skills from his broad background in the financial services industry, including as President at ERisk Holdings Incorporated, Senior Vice President/General Manager at Bank of America and senior management positions at Wells Fargo Bank.

Roger Davis ● ▲ ■ (60)
Non-executive director

Appointed to the Board on 1 January 2007.

Key/other roles: Roger is Chairman of our Remuneration Committee, and the non-executive Chairman of Experian Limited, the Group's regulated UK subsidiary. He is also Chairman of Gem Diamonds Limited, Sainsbury's Bank, Global RadioData Communications and Future for Heroes, and a non-executive director at Bupa.

Skills and experience: Roger spent over 20 years' leading and managing change at large global businesses, including as Chief Executive Officer of Barclays UK banking operation. Roger was also a Board member of Barclays plc and Chairman of Cabot Credit Management, and the Experian Board benefits greatly from this experience. Before Barclays, Roger spent a number of years in investment banking in London and Asia with Flemings and BZW.

Caroline Donahue ● ▲ ■ (56)
Non-executive director

Appointed to the Board on 1 January 2017.

Skills and experience: Caroline brings extensive international markets and technology experience and knowledge of consumer sales and marketing, innovation and consumer-centricity. The Board also benefits from her insight and extensive experience in mass-market, digital, multi-channel and business-to-consumer distribution, marketing, and brand and sales management. Caroline previously held roles at Intuit – Executive Vice President, Chief Marketing and Sales Officer; Senior Vice President, Sales and Channel Marketing; Vice President and Director of Sales – and sales and channel management roles at Knowledge Adventure, NeXT Computer and Apple, Inc.

Luiz Fleury ●▲■ (60)
Non-executive director

Appointed to the Board on 8 September 2015.

Key/other roles: Luiz is a Board member of FHMV Holdings Ltda.

Skills and experience: Luiz has spent the majority of his career in financial services, and has extensive insight and deep local knowledge of the Brazilian financial market. He has held Chief Executive roles at Cetip S.A., Banco Ibi and Redecard, together with senior finance and investment positions at Banco Citibank S.A., Banco Marka S.A. and C&A Brennkinkmeyer Brasil. Luiz was President and a member of the Executive Board at Cetip S.A., and a Board member of Grupo Sequóia de Logística, Eneva S.A., Discount Malls do Brasil and Banco Ibi, and this considerable boardroom experience adds to the strength, depth and effectiveness of our Board.

Deirdre Mahlan ●▲■ (54)
Non-executive director

Appointed to the Board on 1 September 2012.

Key/other roles: Deirdre chairs our Audit Committee, and is President of Diageo North America.

Skills and experience: Deirdre is a qualified accountant with an MBA, with many years' experience in senior finance roles such as Chief Financial Officer, Deputy Chief Financial Officer, Head of Tax and Treasury at Diageo plc, Senior Vice President, Chief Financial Officer at Diageo North America, and Vice President of Finance at Diageo Guinness USA, as well as various senior finance roles in Joseph Seagram and Sons, Inc. and PricewaterhouseCoopers. This financial expertise and experience ensures effective leadership of our Audit Committee. Deirdre also brings her previous Board experience with Diageo plc to Experian.

George Rose ●▲■ (65)
Deputy Chairman and Senior Independent Director

Appointed to the Board on 1 September 2012 and as Deputy Chairman and Senior Independent Director on 16 July 2014.

Key/other roles: George is Chairman of the Nomination and Corporate Governance Committee. He is also Senior Independent Director (and Audit Committee Chairman) of Genel Energy plc, and a non-executive director of EXPO 2020 LLC.

Skills and experience: George is a qualified accountant, whose career has included high-level finance positions such as Group Finance Director, and Director of Finance and Treasury, at BAE Systems plc (where he was a Board member), and senior finance positions at Leyland DAF plc and Rover Group. He adds to the collective strength of the Board from the numerous non-executive positions he has held with leading companies such as National Grid plc, SAAB AB, Orange plc and Laing O'Rourke plc (where he also chaired the Audit Committee). He has also been a member of the UK Industrial Development Advisory Board.

Paul Walker ●▲■ (59)
Non-executive director

Appointed to the Board on 1 June 2010.

Key/other roles: Paul is the non-executive Chairman of Perform Group plc and Halma plc. He is also Chair of the Newcastle Science City Partnership, and a director of Sophos Ltd.

Skills and experience: Paul spent 16 years as Chief Executive Officer of The Sage Group plc, giving him a great understanding of the challenges of running a global business. He is an economics graduate and qualified accountant, with a strong financial background and high-level non-executive experience, which adds to the Board's strength. Paul's roles at Sage included Chief Executive Officer, Finance Director and Financial Controller. He has also been non-executive Chairman of WANdisco plc, and a non-executive director at Diageo plc and MyTravel Group plc.

● Audit Committee

▲ Remuneration Committee

■ Nomination and Corporate Governance Committee

Company Secretary:
Charles Brown FCIS

Independent Auditor:
KPMG LLP,
Chartered Accountants and
Recognized Auditor

Corporate governance report

Governance framework

Group Operating Committee

The Committee comprises the most senior executives from the Group. Its remit includes identifying, debating and achieving consensus on issues involving strategy, growth, people and culture, and operational efficiency. It also focuses on ensuring strong communication and co-operative working relationships among the top team. Its meetings tend to be issues oriented and focus on selected Group issues worthy of debate.

Strategic project committees (global and regional)

These committees comprise the most senior global and regional executives. Their remit is to oversee a process to ensure that all strategic projects are appropriately resourced, risk assessed and commercially, financially and technically appraised. Depending on the outcome of the discussions, the committees' conclusions are then considered by the board of the relevant Group company for approval.

Risk management committees (executive and regional)

The Executive Risk Management Committee ('ERMC') comprises senior Group executives, including the executive directors and the Company Secretary. Its primary responsibility is to oversee the management of global risks. The regional risk management committees oversee the management of regional risks, consistent with Experian's risk appetite, strategies and objectives, and are comprised of senior regional leaders.

The Security & Continuity Steering Committee ('SCSC') is a sub-committee of the ERMC. The SCSC's primary responsibility is to oversee management of global information security, physical security, and business continuity risks, consistent with Experian's risk appetite, strategies and objectives.

The Assurance Steering Committee ('ASC') is also a sub-committee of the ERMC and oversees the development and implementation of Experian's risk management framework.

Internal Audit

Internal Audit conducts a range of independent audit reviews throughout the Group during the year and is represented at each Audit Committee meeting. Internal Audit's plans, results and key findings are presented to and discussed with the Audit Committee. The internal audit programme and methodology are aligned to the risk categories and risk assessment parameters established by the global risk management function. Internal Audit also makes use of risk assessment information at a business level, in planning and conducting its audits.

Delegated authority flow

Board

See Board section opposite.

Principal subsidiaries

These are Group companies to which the Board has delegated certain decision-making powers, for example implementing decisions agreed in principle by the Board; executive management of the operations of the Group within the strategy and budget approved by the Board; acquisitions and disposals with a value up to US$20m, and capital expenditure projects.

Executive management team

Operating businesses

Board committees

Nomination and Corporate Governance Committee

See Nomination and Corporate Governance Committee report.

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Audit Committee

See Audit Committee report.

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Remuneration Committee

See Remuneration Committee report.

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Global Delegated Authorities Matrix

This key document comprises the schedule of matters reserved to the Board, the Board committees' terms of reference and the authority levels for the Group's principal subsidiaries, directors and senior executives. For matters not reserved to the Board, the matrix prescribes the cascade of authorities delegated throughout the Group by respective Group companies, together with their monetary limits. The matrix is reviewed and refreshed regularly and the Board monitors the exercise of delegations to the Group's principal subsidiaries, which are reported to it at each Board meeting. Regional matrices are also in place.

Board

Composition

The Board currently comprises the Chairman, three executive directors and six independent non-executive directors, including a Deputy Chairman. The directors' biographical details are set out earlier.

Role

The Board's principal role is to lead the Company and oversee its conduct and affairs, to create sustainable value for our stakeholders. The Board has collective responsibility for setting the Group's strategy and ensuring we have the necessary financial and human resources to achieve our goals. In January each year, senior management presents the proposed strategy for the following financial year to the Board. This takes place over two days and allows the Board to critically review the proposed strategy with management, before considering it for approval. The budget discussions in March ensure that we have the right resources to deliver the agreed strategy. The discussions also include detailed focus on both regional and global business budgets.

The Board also monitors management and financial performance against the Group's objectives. To enable it to do this, the Board receives operational and financial updates at every scheduled Board meeting, as well as between meetings. The Board also conducts post-investment reviews, on an agreed timeline, for any acquisitions it has previously approved.

The Board should not be involved in managing the Group's day-to-day activities but it is accountable to shareholders for delivering financial performance and long-term shareholder value. To achieve this, the Board has put in place a framework of controls and delegated authorities, which enables the Group to appraise and manage risk effectively, through clear and robust procedures and delegated authorities. In addition, the Board has reserved certain key activities to itself for decision, including:

Strategy and management – approving and overseeing Experian's long-term objectives and commercial strategy, ensuring that we have the financial and human resources to meet our objectives.

Management oversight – reviewing operating, financial and risk performance.

Regulatory and statutory activity – including approving the Group's results, key stakeholder documents and dividends.

Finance and treasury – approving the framework for the Group's finance, banking and capital structure arrangements.

Appointments – approving appointments to the Board, on the recommendation of the Nomination and Corporate Governance Committee.

Approval of certain Group policies – including, for example, an Anti-Corruption Policy, a Share Dealing Policy, a Gifts and Hospitality Policy, a Global Code of Conduct, a Global Compliance Policy and a Tax Policy.

Board meetings

The Board meets regularly and has additional meetings when required. Each scheduled meeting is normally held over two or three days, with Board committee meetings also taking place during this time. This structure enhances the effectiveness of the Board and its committees.

The Board met overseas twice this year, which allowed management across the Group to present to the Board and to meet the directors informally. In September 2016, the Board spent three days in Washington DC, and held Board and committee meetings during the visit. In March 2017, the Board spent time in Singapore and Kuala Lumpur for site visits and business presentations, as well as Board and committee meetings.

Attendance at Board and principal committee meetings

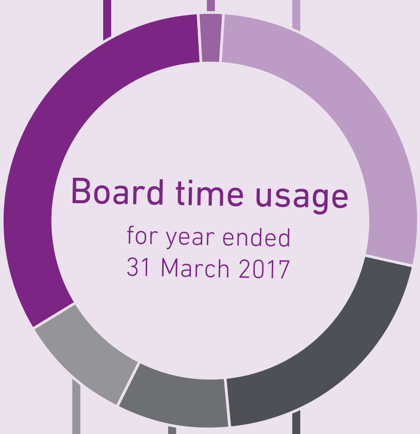
	Board	Nomination and Corporate Governance Committee	Remuneration Committee	Audit Committee
Current directors				
Don Robert	6/6 – 100% (1)	6/6 – 100%	n/a	n/a
Brian Cassin	6/6 – 100% (1)	n/a	n/a	n/a
Lloyd Pitchford	6/6 – 100% (1)	n/a	n/a	n/a
Kerry Williams	6/6 – 100% (1)	n/a	n/a	n/a
Roger Davis	6/6 – 100% (–)	6/6 – 100%	4/4 – 100%	3/4 – 75%
Caroline Donahue (from 1 January 2017)	2/2 – 100% (n/a)	2/2 – 100%	2/2 – 100%	1/1 – 100%
Luiz Fleury	6/6 – 100% (1)	6/6 – 100%	4/4 – 100%	4/4 – 100%
Deirdre Mahlan	6/6 – 100% (1)	6/6 – 100%	4/4 – 100%	4/4 – 100%
George Rose	6/6 – 100% (1)	6/6 – 100%	4/4 – 100%	4/4 – 100%
Paul Walker	5/6 – 83% (–)	4/6 – 66%	3/4 – 75%	4/4 – 100%
Past directors				
Judith Sprieser (to 20 July 2016)	2/2 – 100% (–)	2/2 – (100%)	1/1 – (100%)	n/a

Includes, in brackets, attendance at one ad-hoc Board meeting held during the year. Percentage calculations do not include attendance at the ad-hoc Board meeting.

Corporate governance report continued

What did the Board do during the year?

The Board's key activities during the year are set out below. These include activities related to the Group's strategy, which the Board decided on in light of its risk appetite and risk management processes.



Operational and financial performance, including monitoring

- Reviewed operational and financial updates from the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer at each scheduled Board meeting and received brand updates.
- Reviewed monthly reports, including details of performance against budget and the Group's financial position.
- Approved the Group's Annual Report and full- and half-year financial results, and made recommendations regarding dividend payments.
- Approved the entry into an additional bilateral borrowing facility.
- Considered and approved a new Viability statement for inclusion in the Annual Report.
- Discussed and approved the Group's budget presentation for 2018 and received updates on Group insurance and pension arrangements.

Other

Corporate development

- Approved the acquisition of the US company CSIdentity Corporation and its UK subsidiary.
- Reviewed and discussed the corporate development pipeline at each Board meeting.
- Reviewed and considered the divestment of CCM.
- Conducted post-investment reviews on the 2014 acquisitions of HD Decisions Limited and X88 Software Limited.

Investor relations

- Received an investor relations and media update at each Board meeting.
- Reviewed and discussed draft full- and half-year financial results presentations, for analysts and institutional shareholders.
- Through the Remuneration Committee, engaged with shareholders on proposed remuneration arrangements for 2017; and in respect of the approval of the Group's remuneration policy, scheduled for the 2017 AGM.

Strategy

- Reviewed and discussed presentations at the annual two-day strategy sessions, including a review of the Group's financial framework and capital allocation, DataLabs, Operations, Productivity and Technology, Decision Analytics and Fraud, Consumer Services, CSIdentity and Health.
- Approved the Group's strategy for 2018.

Governance and risk

- Reviewed and discussed regulatory matters with the Group General Counsel, including updates on material matters, potential impacts and plans.
- Reviewed risk reports, the appropriateness of preparing the financial statements on the going concern basis and the Audit Committee's advice on making a 'fair, balanced and understandable' statement in the Annual Report.
- Reviewed and approved risk appetite statements for the Group.
- Received regular updates on corporate responsibility issues, the annual environmental and health and safety updates and briefings on the EU Market Abuse Regulation.
- Reviewed Board evaluation findings and agreed areas of focus, authorised Board members' potential conflicts of interest and approved the annual election/re-election of Board members.
- Received details of Board members' external appointments and share dealings.

Board, committee and director effectiveness review

The Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors, and that the Board evaluation should be externally facilitated at least every three years. This year was the first in the Board's three-year review cycle, which is as follows:

- Year 1 a full external evaluation;
- Year 2 an internal review, against the detailed Year 1 review; and
- Year 3 a questionnaire-based internal evaluation.

Year 1 (2017)	→	Year 2 (2018)	→	Year 3 (2019)
Evaluation by external facilitator		Internal review against detailed Year 1 review		Questionnaire-based, internal evaluation

The external evaluation was carried out by Condign Board Consulting ('Condign') (who have no other connection with the Group) to provide the Board with greater insights into its performance and to identify opportunities to further increase and improve its overall effectiveness.

All Board members (and the Company Secretary) were sent a discussion guide in advance of individual meetings with Condign. The principal of Condign also attended a Board meeting and an Audit Committee meeting during the year, to provide further insight. An evaluation report was prepared and presented to the Board at its February 2017 meeting, and was discussed by the Board. The report included an analysis of the key themes which had emerged in the individual meetings or were observed at the Board/Audit Committee meetings, and suggested recommendations for areas to focus on in the coming year. The Board and the Nomination and Corporate Governance Committee then agreed the particular areas of focus for the coming year. The evaluation process also included a review of the focus areas from the prior year.

Overall, the Condign review found that the Board operates in a fully functional way which is effective, purposeful and challenging, on behalf of shareholders.

The key Board 'defaults', its response to challenging events, and commitment to act on previous areas of focus, were all judged to be good. In particular, in relation to the Board's use of time and focus, the balance of controls oversight and more entrepreneurial leadership was judged to have been appropriate to the needs of the business in the last year. Overall, the Board was considered to have acted to 'do what it said it would do' since its last evaluation.

Specific progress against the agreed 2016 areas of focus can be summarised as follows:

Area	Specific focus	Progress during the year
Competition	Further development of the Board's understanding of the Group's performance relative to its main competitors and the potential impact of new entrants, ensuring that competitive considerations continue to be appropriately included in strategic thinking.	The Board's knowledge and coverage of competitive issues has improved this year through regular reporting, as has its engagement with management in this area during Board meetings and business reviews.
Risk	Building on the development of risk appetite statements, ensure that the risk reporting to the Board and Audit Committee remains appropriate to enable them to continue to maintain effective oversight of the Group's principal risks.	Risk reporting has become more concise and focused, while aspects such as regulation, which previously were dealt with separately, have now been brought together in a more holistic way.
Board composition	Continue to review Board structure and composition, ensuring critical skills and experience are appropriately refreshed.	The Nomination and Corporate Governance Committee keeps Board structure and composition under continuous review, and a further in-depth review was held in March 2017. This process helps to identify the key skills and experience required, and the recent appointment of Caroline Donahue was made in this context. Remuneration Committee Chairman succession and other rotation points continue to be progressed.
Board development	Continue an effective programme of Board education and understanding of topics important to the ongoing development of the business, including from internal and external subject matter experts.	A focus remains the development of sources of external input for the Board to draw upon and, as noted in the Induction and training section, the Board received focused updates from external speakers during the year.

Corporate governance report continued

The Board has agreed the following areas of focus for the coming year:

Area	Focus
Board succession	The Nomination and Corporate Governance Committee will execute the forward plan for Board and committee succession, to ensure orderly succession to key posts, effective recruitment and smooth onboarding of new Board members (including any required transition).
Board discussions	Continued focus on strategic priorities and deep dives into certain areas, as well as tackling more general topics, through additional time at or adjacent to Board meetings, as appropriate.
Board's use of time, and agenda formation	To assist in agenda formation and appropriate focus and challenge in the right areas, the standing forward agenda planner will be used as a prompt for thought on wider issues, in particular by the non-executive directors in their private meetings.
Board engagement with strategy	The Board will receive progress updates, at appropriate points in the year, on key strategic objectives to provide opportunities for feedback on progress, and to solicit its ongoing input into the annual strategic planning process.
Risk and assurance	The Board will continue to monitor, and seek to further enhance, the risk and assurance processes in the Group, in the context of the structure and culture of the Group.

In addition to the external evaluation, during February/March 2017 each director (except Caroline Donahue, who had just been appointed) met with the Chairman in relation to his/her individual performance, and to consider training requirements. Condign provided input from the external evaluation process which helped to frame these discussions. The Deputy Chairman and Senior Independent Director evaluated the performance of the Chairman, taking account of input from the Chief Executive Officer and other directors.

Each principal Board committee also evaluated its own performance, by setting aside time on their agendas during the year to discuss performance and any areas of improvement. To assist the committees in their performance evaluation, the Group Corporate Secretariat reviewed the duties and responsibilities of each committee contained in its terms of reference, and prepared an analysis of the way in which the activity of each committee supported those duties and responsibilities. Each of the principal Board committees concluded that it was operating effectively.

Board support

The Group Corporate Secretariat, under the leadership of Charles Brown, the Company Secretary, provides administrative and logistical support to the Board. The Company Secretary is also responsible for:

- corporate governance, statutory and listing, prospectus and disclosure guidance and transparency rules compliance and reporting;
- shareholder services; and
- corporate responsibility.

He is secretary to the Board, its principal committees and the Global Strategic Projects Committee, and is a member (and secretary) of the Group Operating Committee.

All directors receive financial and operational information each month, to help them discharge their duties. Board papers are circulated at least a week ahead of each Board meeting, to ensure directors have time to review them before meetings.

Directors have access to independent professional advice at the Company's expense, if they consider it appropriate. No director obtained any such advice during the year ended 31 March 2017.

Induction and training

There is an induction programme for all new non-executive directors. Caroline Donahue's induction programme comprised the following corporate and business/operational sessions:

Corporate – this included briefings on: strategy and organisation; a financial overview, budget and capital strategy; strategic planning, corporate development and competition; technology and information security; and people, talent and culture.

Business/operations – this included a global sales overview; a customer service briefing; a North America financial overview; and Credit Services, Decision Analytics, Consumer Services and Health overviews and product demonstrations.

The Board also received the following training and business updates during the year:

Washington DC – alongside the Board and committee meetings in September 2016, the Board received a comprehensive update on the Group's North America businesses from senior leaders and received updates from external subject matter experts on a number of important areas, including: the changing competitive environment for Experian in the USA; risk and regulatory issues facing the Group; and customer needs and expectations, including updates on regulation.

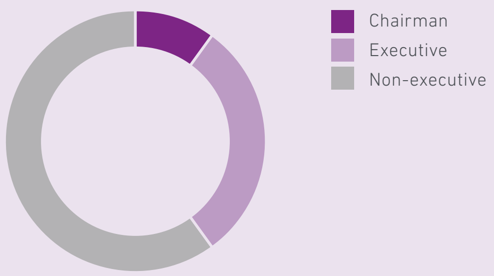
Singapore and Kuala Lumpur – in March 2017, the Board visited our Singapore office and received a business update, a deep dive on strategy and a presentation on employee engagement in the Asia Pacific region. The Board then travelled to our Global Finance/Shared Services Centre in Kuala Lumpur, and also received comprehensive updates on Experian's technology services and the evolution of the Global Decision Analytics business.

Conflicts of interest

The Company's articles of association allow the Board to authorise actual or potential conflicts of interest. The authorisation procedure involves Group Corporate Secretariat issuing guidance and a questionnaire each August, asking directors to identify any conflicts or potential conflicts, which the Board then considers at its September meeting. In addition, directors are expected to advise the Company Secretary of any actual or potential conflicts as soon as they arise, so the Board can consider them at the next available opportunity. In the Board's view, this procedure operated effectively during the year under review.

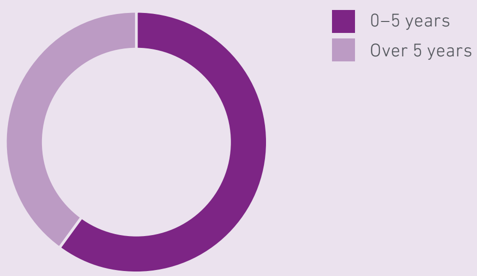
Balance of executive and non-executive directors

at 31 March 2017



Length of tenure of directors

at 31 March 2017



Corporate governance report continued

Chairman and Chief Executive Officer

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer. These responsibilities, which we have formalised in writing, can be found on the Company's website, www.experianplc.com, and are summarised below.

The Chairman, Don Robert, is primarily responsible for the Board's leadership and governance, ensuring its effectiveness, setting agendas, ensuring that directors receive accurate, timely and clear information, and that there is effective communication with shareholders. He facilitates the non-executive directors' effective contribution to the Board, and ensures constructive relationships between the executive and non-executive directors.

The Chief Executive Officer, Brian Cassin, is responsible for the Group's day-to-day business, in line with the strategy, risk profile, objectives and policies set by the Board and its committees. He is accountable to the Board for the Group's development and its operations.

Chairman's responsibilities include:	Chief Executive Officer's responsibilities include:
Running the Board effectively and ensuring that the Board as a whole plays a full and constructive part in developing and determining the Group's strategy and overall commercial objectives.	Running the Group's business and developing the Group's strategy and overall commercial objectives.
Promoting the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board level.	Implementing, with the executive team, the decisions of the Board, its committees and the principal subsidiaries.
Ensuring that the Board receives accurate, timely and clear information on the Group's performance and its issues, challenges and opportunities.	Maintaining a dialogue with the Chairman on the important and strategic issues facing the Group, and alerting the Chairman to forthcoming complex, contentious or sensitive issues.
Ensuring effective communication with the Company's shareholders, including by the Chief Executive Officer, the Chief Financial Officer and other executive management, and ensuring that members of the Board develop an understanding of the views of the Company's major investors.	Leading the communication programme with shareholders.

Senior Independent Director

The Deputy Chairman, George Rose, is also the Senior Independent Director. He is responsible for providing support and guidance to the Chairman and for serving as a trusted intermediary for the other directors. He is available to meet shareholders who have concerns that cannot be resolved through discussion with the Chairman, the Chief Executive Officer or the Chief Financial Officer, or where such contact is inappropriate.

Non-executive directors

Appointment

Non-executive directors are initially appointed for three years which may, subject to satisfactory performance and election or re-election by the shareholders, be extended by mutual agreement. They normally serve for a maximum of nine years, through three terms of three years each.

Meetings of non-executive directors

In addition to attending Board and committee meetings, the non-executive directors meet without the executive directors at the end of each scheduled Board meeting. The non-executive directors met a number of times this year with the Deputy Chairman, and without the Chairman present, and discussed matters including the Chairman's performance.

Independence

The Board considers each of the non-executive directors to be independent in character and judgment and that there are no relationships or circumstances that are likely to affect (or could appear to affect) each director's judgment.

Relations with shareholders and others

Set out below are some of the ways in which the Company interacts with investors and others, and keeps abreast of their views:

Board – an investor relations and media report is circulated before every Board meeting and contains a commentary on the investment community's perception of the Company, media reports, share price performance and analysis.

Engagement with investors – this year, Roger Davis, as Chairman of the Remuneration Committee, consulted major investors and governance bodies in relation to changes to our executive pay arrangements and the Group's remuneration policy.

Investors and analysts – the executive team has an ongoing programme of dialogue and meetings with institutional investors and analysts, at which they discuss a wide range of issues including strategy, performance, management and governance, within the constraints of information already made public. The announcements of the full- and half-year results and trading updates provide opportunities for the Company to answer questions from analysts, covering a wide range of topics. Investor roadshows took place during the year in Dublin, London, Edinburgh, San Francisco, Paris and New York.

Annual General Meeting – the AGM provides a valuable opportunity for the Board to communicate with shareholders and to meet them informally before the main business of the meeting. All directors attended the 2016 AGM, including the Audit, Remuneration, and Nomination and Corporate Governance Committee chairpersons.

The 2017 AGM will take place on Thursday 20 July 2017 in Dublin. Shareholders are encouraged to attend and to use the opportunity to ask questions. However, if it is not practical for shareholders to attend, we encourage them to use proxy voting on the resolutions put forward, all of which (with the exception of procedural resolutions) are taken by a poll. In 2016, voting levels at the AGM were 72% of the Company's issued share capital, compared with 69% in 2015.

Private shareholders – the Company Secretary, Charles Brown, oversees communication with private shareholders, and ensures direct responses as appropriate in respect of any matters raised by shareholders. The Company issues a 'Shareholder Questions' card each year with the AGM documentation. Mr Brown ensures that the Company responds to shareholders directly, as appropriate, either at or following the meeting.

Website – our website is an important channel for communicating with shareholders. All material information reported to the regulatory news services is published there, together with copies of full- and half-year results announcements and trading updates.

Investor relations app – this contains information on our financial performance, together with reports, presentations and news of upcoming events.

Experian website

The Experian website (www.experianplc.com) contains additional information on our corporate governance, including:

- The schedule of matters reserved to the Board
- Terms of reference of the principal Board committees
- The Company's memorandum and articles of association
- Details of AGM proxy voting by shareholders, including votes withheld

Corporate governance report continued

Risk management and internal control

The Board is responsible for establishing, maintaining and reviewing sound risk management and internal control systems. There is an ongoing process for identifying, evaluating and managing the principal risks we face. This process was in place for the financial year and up to the date of approval of this Annual Report. Full details of our risk management and internal control systems and processes can be found in the Principal risks section of the Annual Report. The specific processes underlying the elements of the Group's risk framework are set out below.

Identify	• Assess the potential effect of each strategic, operational and financial risk on the achievement of our business objectives, and the Group's corresponding risk appetite • Identify and escalate new, emerging or changing risks, significant incidents, significant control gaps and risk acceptance • Consider external factors arising from our operating environment and internal risks arising from the nature of our business, our controls and processes, and our management decisions
Analyse	• Produce Board- and Group-level finance reports, including financial summaries, results, forecasts and revenue trends, investor relations analysis and detailed business trading summaries • Conduct regional-level detailed performance reviews • Report to regional risk committees, the Executive Risk Management Committee and the Audit Committee on the status of principal and emerging risks, the progress of strategic projects and acquisitions, and escalation of significant accepted risks • Report to the Audit Committee by Group Internal Audit on assurance testing and confidential helpline investigation results • Report to the Audit Committee by Group Compliance on fraud management
Evaluate	• Evaluate compliance with policies and standards addressing risk management, compliance, accounting, treasury management, fraud, information security and business continuity • Follow formal review and approval procedures for major transactions, capital expenditure and revenue expenditure • Monitor budgetary and performance reviews tied to KPIs and achievement of objectives • Apply a risk scoring system, based on our assessment of the probability of a risk materialising, and the impact (including speed) if it does • Require executive management confirmations of compliance with our corporate governance process
Mitigate	• Apply active risk remediation strategies, including internal controls, formal exception processes, insurance and specialised treasury instruments • Use formal review and approval procedures for significant accepted risks
Monitor	• Maintain comprehensive risk registers representing the current risk and control environment, using a software solution to provide enhanced monitoring • Review of controls and follow-ups by management, Group Internal Audit and third parties • Use Group Internal Audit to independently assess the adequacy and effectiveness of the system of internal controls • Report on risk to the Audit Committee, addressing material and emerging risks, material litigation, information security, business continuity and regulatory compliance • Utilise the Audit Committee to monitor the Group's risk management and internal control systems • Review by the Audit Committee of the effectiveness of our systems of risk management and internal control; receive an annual report on the controls over relevant risks; and ongoing review of principal risks identified by the Group's risk assessment processes

Risk management is an essential element of running a global, innovation-driven business like Experian. It helps to create long-term shareholder value and to protect our business, people, assets, capital and reputation. It operates at all levels throughout the organisation, across regions, business activities and operational support functions. Our approach to risk management encourages clear decisions about which risks we take and how we manage them, based on an understanding of their potential strategic, commercial, financial, compliance, legal and reputational implications.

As risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, they can provide reasonable, but not absolute, assurance against material financial misstatement or loss. For certain joint arrangements, the Board relies on the systems of internal control operating within the partners' infrastructure and the obligations of the partners' boards relating to the effectiveness of their own systems.

The UK Corporate Governance Code (the 'Code') requires companies to review the effectiveness of their risk management and internal control systems on an ongoing basis. As shown below, the Audit Committee performs this review under delegated authority from the Board. Following the review, the Board considers that the information enabled it to review the effectiveness of the Group's system of internal control in accordance with the UK Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting', and that the system has no significant failings or weaknesses.

In addition, and in line with the Code, the Audit Committee monitors our risk management and internal control systems and robustly assesses the principal risks identified by our risk assessment processes (including those that would threaten our business model, future performance, solvency or liquidity), and monitors actions taken, where possible, to mitigate them.

Independent assessment	• Group Internal Audit reports • Group Internal Audit confidential helpline reports • External auditor's report • Corporate responsibility independent assurance report • Review by relevant regulatory bodies (e.g. US Consumer Financial Protection Bureau) • Evaluation of external auditor • Evaluation of Group Internal Audit	Through a combination of ongoing and annual reviews, the Board is able to review the ongoing effectiveness of the Group's risk management and internal control systems
Management assurance	• Annual executive certification of compliance with UK Financial Reporting Council guidance and control adequacy • Risk management reports, including material litigation • Compliance reports • Information security reports • Impairment, going concern and viability reviews • Annual Report and half-yearly financial report review • Management representation letters	
Board/Audit Committee approved	• Annual Group Internal Audit plan • External auditor's engagement letter • External auditor's annual audit plan • Treasury policy review • Tax policy review • Compliance policy review • Global Delegated Authorities Matrix, which defines internal approval procedures	

Additional financial reporting internal controls

We have detailed policies and procedures to ensure the accuracy and reliability of our financial reporting and the preparation of Group financial statements. This includes our comprehensive Group Accounting Manual ('GAM'), which contains the detailed requirements of International Financial Reporting Standards ('IFRS').

The Group's finance team owns the GAM and we have rolled it out across the Group, obliging all of our companies to follow its requirements. The GAM's aims are to: guide on accounting issues; enable consistent and well-defined information for IFRS reporting; provide uniform quantitative and qualitative measures of Group performance; and increase the efficiency of the Group's reporting process.

Corporate governance report continued

Nomination and Corporate Governance Committee report

George Rose, Chairman

Current members

George Rose (Chairman)
Don Robert
Roger Davis
Caroline Donahue
Luiz Fleury
Deirdre Mahlan
Paul Walker

The Committee's terms of reference can be found at www.experianplc.com/about-us/corporate-governance/board-committees/.

I'm pleased to present the Committee's report for the year ended 31 March 2017, and outline how the Committee discharged its duties during the year.

The Committee's key role is to monitor the Board's balance of skills, knowledge, experience and diversity, and recommend any required changes to the Board. We spent time during the year considering the recruitment of a new non-executive director, and the key attributes that the Board would require, considering Experian's current opportunities and challenges. Given the importance of our vision to place consumers at the centre of what we do, we were delighted to recommend to the Board the appointment of Caroline Donahue as an independent non-executive director, and as a member of the Audit, Remuneration and Nomination and Corporate Governance Committees.

The Committee also continued to focus on the executive talent pool and our senior management succession plans, reflecting the Board's responsibility to ensure appropriate plans are in place. In March 2017, the Committee received a comprehensive executive succession and talent management update from the Group Human Resources Director and the Global Talent Director.

We met six times during the year ended 31 March 2017. Of the seven Committee members, the Board considers six (including me as Committee Chairman) to be independent non-executive directors, in accordance with the UK Corporate Governance Code. The Group Human Resources Director and the Chief Communications Officer are invited to attend certain meetings, as is the Chief Executive Officer, Brian Cassin, who provides valuable contributions.

Committee's key roles and responsibilities

The Board strongly believes that good governance and strong, responsible, balanced leadership by the Board are critical to business success and creating long-term shareholder value. As a Committee, our responsibilities include:

- Ensuring we have appropriate procedures for nominating, selecting, training and evaluating directors, and that adequate succession plans are in place.
- Reviewing the Board's structure, size, composition and succession needs, considering the balance of membership and the Board's required balance of skills, experience, independence, knowledge and diversity.
- Identifying and nominating, for the Board's approval, suitable candidates to fill vacancies for non-executive directors and, with the Chief Executive Officer's assistance, executive directors. Board appointments are made on merit and against objective criteria, to ensure the Board maintains its balance of skills, experience, independence, knowledge and diversity.
- Reviewing legislative, regulatory and corporate governance developments and making recommendations to the Board, and ensuring that the Company observes the standards and disclosures recommended by the Code.

Committee activities during the year

During the year ended 31 March 2017, the Committee:

- Reviewed Board effectiveness, Board governance and non-executive director succession.
- Deliberated on the appointment of a new non-executive director and recommended Caroline Donahue's appointment to the Board, and also considered the structure, size and composition of the Board and each principal committee.
- Reviewed the proposed areas of focus from this year's external Board evaluation.
- Considered an AGM briefing from the Company Secretary, including voting results and shareholder feedback.
- Recommended to the Board that all directors retire and be considered for election or re-election at the 2017 AGM.
- Considered the re-appointment of Roger Davis as an independent non-executive director, with any continued appointment to be reviewed annually. As part of its considerations, the Committee reviewed a comprehensive briefing paper regarding independence – the requirements, potential concerns and factors that support a determination of independence, including the ability to provide objective criticism and impartiality. Having reflected on the briefing and discussed the re-appointment, the Committee recommended Mr Davis' re-appointment to the Board as an independent non-executive director.
- Commenced the search process in respect of the appointment of a new independent non-executive director to succeed Roger Davis as Chairman of the Remuneration Committee.
- Reviewed and discussed an update on the global executive succession and talent management programme, comprising an update on executive succession plans, progress against the Group's talent and diversity and inclusion plans, and future focus areas.
- Reviewed the Committee's performance against its terms of reference, as outlined earlier.
- Considered the annual company law and governance update from the Company Secretary, and other updates on the UK Corporate Governance Code, corporate culture, a green paper on corporate governance reform, and gender and ethnic diversity.

The Board's diversity policy

This policy is unchanged. We strongly believe that diversity throughout the Group and at Board level is a driver of business success. We respect, value and welcome diversity, including gender diversity, and seek to reflect the diversity of our client, investor and general employee bases in our Board. We recruit talented and diverse Board members, who have the appropriate mix of skills, capabilities and market knowledge to ensure the Board is effective. When recruiting, we look across all sectors and non-traditional talent pools, and we require diversity of candidates on our shortlists.

Process for Board appointments

When making Board appointments, the Committee reviews and approves an outline brief and role specification and appoints a search agent for the assignment. We disclose the name of the search agent and any other connection with Experian in the next Annual Report.

The Committee then meets the search agent, to discuss the specification and the search, following which the agent prepares an initial longlist of candidates. The Committee then considers a shortlist and holds interviews. Ultimately, the Committee makes a recommendation to the Board for its consideration. Following Board approval, the appointment is announced in line with the requirements of the UK Financial Conduct Authority's Listing Rules and, in due course, a tailored induction programme is developed for the new director.

We used Russell Reynolds as the specialist search company involved with the search for the appointment of Caroline Donahue during the year. Russell Reynolds also provides other executive search services to the Group.

Corporate governance report continued

Audit Committee report

Deirdre Mahlan, Chairman

Current members
Deirdre Mahlan (Chairman)
Roger Davis
Caroline Donahue
Luiz Fleury
George Rose
Paul Walker

All Committee members are considered to be appropriately experienced, but Deirdre Mahlan and George Rose are considered to have significant, recent and relevant financial experience, in line with the UK Corporate Governance Code.

The Committee's terms of reference can be found at www.experianplc.com/about-us/corporate-governance/board-committees/.

As Chairman of the Audit Committee, I'm pleased to present our report on how the Committee has undertaken its roles in the past year.

The Committee's principal roles are to: monitor the integrity of, and review, the Group's financial reporting, ensuring that any judgments made are appropriate; ensure the external auditor is independent and effective in its role, and recommend the appointment of the external auditor; and ensure that the Group has an effective internal control framework, including the risk management system. The Committee members' collective international and financial experience enables them to act effectively in these areas.

This report also contains details of the significant issues we considered in relation to the financial statements and how these were addressed, and our process for concluding that this Annual Report was fair, balanced and understandable.

The Committee was in place throughout the year ended 31 March 2017. We met four times during the year, with each meeting timed to coincide with key dates in the Group's financial reporting and audit cycle. The list of Committee members appears above, and the Board considers all of them to be independent non-executive directors, in line with the UK Corporate Governance Code. In addition to the Committee members, the Chairman and other Board members also attend Committee meetings by invitation. The Group General Counsel, Head of Group Internal Audit and representatives from the external auditor also attend Committee meetings. We also meet, as a Committee, with the external auditor and the Head of Group Internal Audit without management present.

Committee's key roles and responsibilities

- Monitoring the integrity of the financial statements and reviewing significant financial reporting judgments contained in them.
- Reviewing internal financial controls and the Group's internal control and risk management systems.
- Reviewing the effectiveness of the audit process and the independence and objectivity of the external auditor.
- Monitoring and reviewing the effectiveness of the internal audit function.
- Developing and implementing policy on engaging the external auditor to supply non-audit services, taking into account relevant guidance.
- Approving the external auditor's remuneration and terms of engagement, and making recommendations about its re-appointment.

Committee activities

The Committee's key activities during the year ended 31 March 2017 included:

- Reviewing the preliminary and half-year results announcements and the Annual Report; year-end accounting papers; papers supporting the preparation of financial statements on the going concern basis; and papers supporting the making of a viability statement recommendation to the Board. For more information on the matters considered in relation to the going concern assessment, please see note 2 to the Group financial statements.
- Reviewing the Annual Report to ensure it was fair, balanced and understandable and provided information necessary to assess Experian's position and performance, business model and strategy.
- Overseeing the transition to the new external auditor, KPMG LLP ('KPMG'), and receiving regular updates from KPMG and management on the progress of the transition.
- Discussing the 2017 audit plan with KPMG, and concluding on it. The plan included the external auditor's response to developments in the business during the year, developments in the audit process, the Group's risk assessment and the scope and coverage of the audit.
- Considering updates from KPMG on the audit process, namely details of the audit's status, key matters arising from the audit and assessments of management's judgments on them, reviewing the content of the independence letter and the management representation letter, as well as engagement terms.
- Reviewing and discussing an update from the Head of Group Internal Audit at each Committee meeting, including progress on any overdue audit actions. The Committee received details of the internal audit strategy, and reviewed and approved the annual internal audit plan.
- Evaluating the performance of the Group Internal Audit function. The evaluation operates on a four-year cycle, with a full external quality assessment every four years, and follow-up interim external quality assessments and internal reviews in the intervening period. EY conducted an interim assessment this year, which comprised interviews with key stakeholders, meetings with the Group Internal Audit team, documentation review, review of recent audit reports and a high-level capability assessment. The Committee observed the good progress made against recommendations made by EY in its last full assessment in 2014.
- Reviewing the effectiveness of the Group's system of risk management and internal control, including financial, operational, compliance and risk management.
- Reviewing reports on risk management (including details of material litigation), information security and business continuity at every scheduled meeting.
- Reviewing fraud and confidential helpline updates, in September 2016 and March 2017.
- Debating and approving the Group's treasury policy, tax policy, an update to the Group's non-audit fee policy and updated terms of reference for the Group's compliance function.
- Approving the Committee's annual meeting schedule and reviewing the Committee's performance against its terms of reference, as outlined earlier; and reviewing updates to the Code and the UK Financial Reporting Council's Guidance on Audit Committees.

Corporate governance report continued

Significant issues

The table below summarises the significant matters considered by the Committee in relation to the Group and Company financial statements and the manner in which they were concluded. These matters, together with any other significant considerations of the Committee, are reported to the Board. The minutes of each Audit Committee meeting are also circulated to all members of the Board.

Matter considered	Conclusion
Tax	
The Committee received a regular update from management on the adequacy of provisions in respect of significant open tax matters. The review included details of ongoing correspondence with tax authorities in the UK, the USA and Brazil and the principal areas of tax challenge.	The Committee agreed that the assessment of the uncertain tax positions was appropriate and that the judgment taken in respect of the year-end provision in the Group financial statements was reasonable. The Committee noted the evolving and complex tax laws that applied to the Group, and the uncertainty that these might bring. It concluded that the Group tax risk disclosures were appropriate.
Litigation and regulatory matters	
The Committee received an analysis of the open litigation and regulatory matters affecting the Group, including the North America contractual dispute, and the associated financial reporting considerations.	The Committee concluded that these matters had been appropriately provided for at 31 March 2017. The Committee considered and concurred with the proposed contingent liability disclosures included in the notes to the Group financial statements.
Impairment review - goodwill and other intangible assets	
A summary of the impairment analysis and underlying process was provided to the Committee. The Committee scrutinised the methodology applied by management. The analysis indicated that the estimated recoverable amounts of the assets of all segments continued to sufficiently exceed their carrying amounts, with the excess (the 'headroom') in respect of the Asia Pacific cash generating unit ('CGU') having increased during the year, whilst that in respect of EMEA had decreased.	The Committee concurred with management's conclusion that no impairment of goodwill was required. The Committee noted the headroom and the sensitivity to changes in assumptions and concurred with the proposed disclosure of these in note 20 to the Group financial statements.
CCM disposal	
The Committee received an update on reporting aspects of the disposal agreed during the year. The business will be reported as a discontinued operation for the purposes of IFRS 5, and its assets and liabilities reclassified as held-for-sale.	The Committee agreed that treatment as a discontinued operation, a business held-for-sale, and the recommended disclosures were appropriate.
Alternative performance measures	
A summary of the latest guidance was shared with the Committee including proposals to update the Group's reporting.	The Committee agreed with the updates and proposed disclosures.

'Fair, balanced and understandable' – what did we do?

Each year, the Committee is asked to consider, in line with the UK Corporate Governance Code and the Audit Committee's terms of reference, whether, in its opinion, the Annual Report is fair, balanced and understandable ('FBU') and whether it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. There is an established process to support the Committee in making this assessment, and we use a similar process for the Group's half-yearly financial report. The main elements of the process are set out below:

- A list of key 'areas to focus on' (see below) has been circulated to the management team, who were asked to consider these areas in their drafting.
- Ahead of its March 2017 meeting, the Committee received: drafts of a large number of the Strategic report components of the Annual Report; draft governance material; papers on the appropriateness of accounting policies and impairment reviews; and a paper from the external auditor.
- An internal FBU committee then considered the Annual Report. A wide range of functions are represented on this committee, including executives from finance, communications, investor relations, legal and corporate secretariat. The external auditor also supports the committee.
- In advance of its May 2017 meeting, the Committee received a near-final draft of the Annual Report, together with a reminder of the areas to focus on. The FBU committee's observations and conclusions were also relayed to the Committee.
- Following its review this year, the Audit Committee concluded that it was appropriate to confirm to the Board that the Annual Report 2017 was fair, balanced and understandable, and provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The FBU statement appears in the Directors' report.

The key areas to focus on include ensuring that:

- The overall message of the narrative reporting is consistent with the primary financial statements.
- The overall message of the narrative reporting is appropriate, in the context of the industry as a whole and the wider economic environment.
- The Annual Report is consistent with messages already communicated to investors, analysts and other stakeholders.
- The Annual Report taken as a whole is fair, balanced and understandable.
- The Chairman and Chief Executive Officer's statements include a balanced view of the Group's performance and prospects, and of the industry and market as a whole.
- Any summaries or highlights capture the big picture of the Group appropriately.
- Case studies or examples are of strategic importance and do not over-emphasise immaterial matters.

Corporate governance report continued

External auditor

Tenure and tendering

As previously disclosed, in the prior financial year we put the external audit out to tender, in line with UK competition regulation and the UK Corporate Governance Code's recommendations. The tender process concluded when shareholders approved KPMG's appointment as the new external auditor at the AGM in July 2016. As such, KPMG's tenure as at the date of the Annual Report is less than one year.

There are currently no contractual obligations restricting our choice of external auditor, and we confirm that we have complied on a voluntary basis (as a non UK-incorporated company) with the provisions of the UK Competition and Markets Authority Order (Mandatory Use of Competitive Tender Processes and Audit Committee responsibilities) for the financial year under review.

Effectiveness, independence and appointment

At its September 2016 meeting, the Audit Committee reviewed and discussed KPMG's audit strategy for the year ended 31 March 2017. Then, in March and May 2017, the Committee received detailed updates on the audit's progress, which included details of KPMG's actions, such as the audit procedures undertaken, the audit's coverage, the segregation of duties and the status of any significant findings. These updates give the Committee an insight into the audit process.

The Committee reviews the effectiveness of the external auditor at its September meeting. Given the recent transition to the new external auditor (who had not yet concluded the audit), it was not appropriate to perform that evaluation in this financial year. We intend to return to the normal evaluation cycle in the coming year.

Independence is an important element of the external audit. To ensure auditor objectivity and independence, the Committee reviews potential threats to independence and the associated safeguards. The safeguards that KPMG had in place during the year to maintain independence included annual confirmation by KPMG staff of compliance with ethics and independence policies and procedures. KPMG also has in place underlying safeguards to maintain independence through instilling professional values; communications; internal accountability; risk management, and independent reviews. It also ensures that there is appropriate pre-approval for non-audit services, which are only provided if permissible under relevant ethical standards. The Committee concluded that KPMG had maintained its independence throughout the year.

Non-audit services

KPMG provides other services to Experian. To ensure auditor objectivity and independence, we have a policy relating to providing such services. The policy includes financial limits above which any proposed non-audit services must be pre-approved, depending on the amount proposed to be spent.

The Committee receives half-yearly reports detailing non-audit assignments carried out by the external auditor, together with the related fees. Under the policy, non-audit fees paid to KPMG are capped at 50% of the fees for audit services (excluding audit-related assurance services), except in exceptional circumstances. Pre-approval by the Audit Committee or Audit Committee Chairman is required in that situation. An analysis of fees paid to the external auditor for the year ended 31 March 2017 is set out in note 13 to the Group financial statements.

Provision of non-audit services

Background

The Audit Committee reviews the policy on the provision of non-audit services annually and the latest review took place in March 2017. The policy recognises the importance of the external auditor's independence and objectivity.

Policy

The external auditor may provide services, provided that decisions to award work are taken on the basis of demonstrable competence and cost effectiveness. However, the external auditor is specifically prohibited from the following areas of work:

- Tax services
- Services that involve playing any part in management or decision making
- Work relating to accounting records and financial statements
- Payroll services
- Design of and implementing internal control and risk management procedures and design of and implementing financial systems
- Valuation services
- Legal services (general counsel, negotiations and advocacy)
- Internal audit services
- Services linked to financing, capital structure and investment strategy (unless audit-related assurance in nature)
- Promoting, dealing in, or underwriting shares in the audited entity
- Human resources services for hiring or reference checking key management and finance resource, organisational design and cost control

Immaterial services in some of the above areas may be acceptable, if written permission is obtained in advance from the Chairman of the Audit Committee (via the Group Financial Controller). The appointment of the external auditor for any non-audit work up to US$50,000 must be approved by the Group Financial Controller. The appointment of the external auditor for any non-audit work where the expected fees are over US$50,000 and up to US$100,000 requires the approval, in advance, of the Group Chief Financial Officer. Where the expected fees are over US$100,000, the approval of the Chairman of the Audit Committee is required in advance.

Where cumulative annual fees exceed the 50% annual limit, all expenditure must be approved by the Chairman of the Audit Committee (via the Group Financial Controller), up to 55%. Where cumulative annual fees exceed the 55% annual limit, all expenditure has to be approved by the Audit Committee.

All expenditure is subject to a tender process, unless express permission is provided by the Chairman of the Audit Committee, the Chief Financial Officer or the Group Financial Controller based on the above approval limits. Any expenditure below US$100,000 not subject to a tender will be notified to the Chairman of the Audit Committee.

Commercial agreements where Experian provides services to the auditor must be approved by the Group Financial Controller and not exceed the lower of 5% of the local Experian entity's total revenue and US$250,000, and all transactions should be undertaken on an arm's length basis. Transactions in excess of this limit require approval of the Chairman of the Audit Committee in advance.

The Committee will receive half-yearly reports providing details of assignments and related fees carried out by the external auditor in addition to their normal work.

Report on directors' remuneration

Remuneration Committee report

Roger Davis, Chairman of the Remuneration Committee

Current members
Roger Davis (Chairman)
Deirdre Mahlan
Caroline Donahue
George Rose
Luiz Fleury
Paul Walker

INTRODUCTION FROM THE CHAIRMAN

On behalf of the Remuneration Committee (the 'Committee'), I'm pleased to present the Report on directors' remuneration (the 'Report') for the year ended 31 March 2017. Three years ago, we introduced our Directors' remuneration policy (the 'Policy') which was approved by shareholders and applies until 2017. During the year, the Committee has reviewed this Policy and made minor amendments in order to aid transparency and in the context of evolving market practice. The Committee has actively tested the policy with shareholders along the way, and it will be put to a binding shareholder vote at the 2017 AGM. Further details around this proposed new policy are set out below.

Over the course of the year, we've also reflected on and approved pay outcomes for our executive directors. We've done this in the light of our financial and wider business performance, details of which I've set out in the following section.

Pay and performance in the last financial year

How did we perform in the year?

Overall, 2017 has been a good year for Experian. Whilst there have been challenges in some of our businesses, others have shown incredibly robust performance. For example the significant shifts that have taken place in the marketplace have meant that we have had to take a number of important steps to reposition our UK and Ireland Consumer Services business. On the other hand, our Latin America region has made exceptionally strong progress, delivering Organic revenue growth of 9% over the year.

Overall, we successfully grew Organic revenue by 5%, in line with our target range of mid single-digit, and also grew our Benchmark EBIT margin to 27.7%. We delivered Benchmark PBT of US$1,124m, up 6% on the prior year, and returned US$734m to our shareholders through dividends and share repurchases.

Our robust financial performance also translated into market sentiment, as our share price enjoyed growth of more than 30% over the course of the year.

Furthermore, with the recent announcement of the definitive agreement to sell our CCM business, the management team has taken steps to ensure that our portfolio is now sharper and more focused. This leaves us in good shape to sustain our momentum as we continue to look forward.

How was our performance reflected in our pay?

Salary

During the year, the Committee approved salary increases for the executive directors of between 2.6% and 2.8%. These increases were in line with those awarded to the wider employee population across the Group.

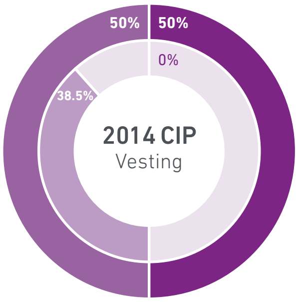
Annual bonus

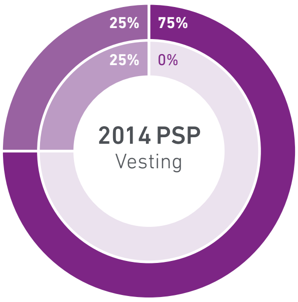
Of the maximum Benchmark PBT target set at the start of the year, 89% was achieved, and this resulted in bonus payouts equivalent to 177% of each of the executive directors' salaries. Before approving these awards, the Committee reviewed this outcome in the context of the business performance outlined above, and was satisfied that this level of payout was warranted by Experian's wider financial and business performance.

Further details of the annual bonus outcomes are set out in the Annual report on remuneration. p97

Long-term incentives

The Performance Share Plan ('PSP') and Co-investment Plan ('CIP') awards granted in 2014 will vest on 19 May 2017. As shown in the diagram below, the vesting of the CIP awards was based equally on Benchmark PBT growth and Cumulative Benchmark operating cash flow targets, whilst vesting of the PSP awards was based on Benchmark PBT growth (75% of the award) and relative total shareholder return ('TSR') targets (25% of the award):





2014 CIP	Benchmark PBT	Cumulative Benchmark operating cash flow	Total
Maximum	50%	50%	100%
Actual	0%	38.5%	38.5%

2014 PSP	Benchmark PBT	Relative TSR	Total*
Maximum	75%	25%	100%
Actual	0%	25%	25%

* Also subject to return on capital employed underpin, which was met.

As shown in the charts above, 38.5% of the 2014 CIP awards and 25% of the 2014 PSP awards vested. Given the business performance set out in the Annual report on remuneration, the Committee considered this level of vesting to be appropriate. p97

Looking ahead – proposed Directors' remuneration policy

The last three years have seen a number of changes in our executive leadership team, shifts in our business environment – particularly in the UK and USA – and challenging economic environments in some of our key markets, such as Brazil. Over this period our Directors' remuneration policy has worked well to ensure that, in spite of these changes and challenges, our business has continued to grow, delivering good financial performance and making progress both strategically and operationally.

As a result of the Policy's continued support for the business, and the fact that our incentive plans were reapproved in 2015 with strong shareholder support, we're not recommending any wholesale changes to the Policy. However, as we move forward, we must always look to improve and enhance our pay practices. The renewal of the Policy has allowed us to understand the views of our major shareholders, and to step back and assess how we compare to evolving market practice. As a result, we're proposing the following minor updates to our Policy, both of which relate to our annual bonus:

- **The formal inclusion of a threshold level of payout in our annual bonus**

Last year, the Committee made a commitment to fully disclose our annual bonus targets on a retrospective basis. Unlike many organisations, our current bonus structure has not historically included a threshold level of payout. Introducing a threshold would reduce the need for the Committee to use its judgment and make outcomes more formulaic, ensuring a simpler and clearer process. The threshold level of payout being proposed is 25% of maximum.

We'll continue to ensure that all performance targets we set are robust and stretching. We will, of course, be fully accountable for these targets once they're published in our Report on directors' remuneration, when shareholders will be able to judge their appropriateness.

- **The potential to include a non-financial measure into our annual bonus**

Our second proposed change is to amend the Policy to provide the flexibility for us to introduce a non-financial performance element to supplement the financial performance metric in the annual bonus.

Whilst we're not intending to introduce such a measure at this stage, we would like to 'future proof' our Policy as it's possible that the business may evolve over the next three years in ways that would make it desirable to introduce one. We propose that, under any circumstances, at least 70% of the bonus opportunity will remain linked to financial performance measures. Shareholders will note that all long-term incentive plans will continue to be linked to financial measures.

Other than these changes, we've only made minor 'housekeeping' updates, such as updating the normal salary review date following our decision last year to align salary review dates across the Group, and formally including our malus and clawback provisions which were introduced in 2015.

Report on directors' remuneration continued

As mentioned above, in determining the proposed updates to the Policy, we engaged actively with our major shareholders, as well as with leading institutional investor bodies, and I'm pleased to say that the response to this was positive. Nevertheless, the Committee is aware that some shareholders prefer time horizons longer than our existing three years. We've long held the view that our current structures create a high degree of alignment between the long-term interests of management and our shareholders through:

- a history of executive directors choosing to defer 100% of their bonuses into Experian shares under the CIP in each year since their appointment to the Board;
- shareholding guidelines, which are in line with best practice and are exceeded by each of our executive directors; and
- executive directors holding vested shares from both the PSP and CIP in order to reach their shareholding guidelines as quickly as possible.

Our policy for our senior management team is consistent with that for our executive directors. We have an executive director and several senior executives based in the USA, where cliff vesting periods of even three years are considered to be long. In this context, we believe that our current three-year vesting periods strike an appropriate balance between incentivising long-term, strategic thinking and locking in key senior talent.

We also note that, since our current policy was approved in 2014, share matching plans have become less common in the UK market. I wanted to briefly set out why the Committee believes that the CIP is an important component of our overall remuneration package. We believe that:

- it aligns executive director and shareholder interests, by providing executives with the opportunity to use their own money to purchase Experian shares, which must be held for three years. The fact that our executive directors have chosen to invest the maximum possible every year speaks volumes about their confidence in the Group's prospects; and
- it ensures that executives are incentivised to produce strong short- and long-term performance since performance outcomes are dependent on a 'double trigger': a maximum outcome is only payable where the stretching annual bonus PBT targets are met in full, and the subsequent long-term Cumulative Benchmark operating cash flow and Benchmark PBT per share targets under the CIP matching award are also met in full. As a result, the last time that this was achieved was in 2013, when the 2013 CIP awards, which were based on 2010 bonus outcomes, vested in full.

We've also noted many shareholders' recent shift away from a 'one-size-fits-all' approach to remuneration and this was reflected in the strong level of support that the CIP received at the 2015 AGM, when 84% of our shareholders voted to renew it, along with the Group's other long-term incentive plans.

Summary

I hope this introduction provides you with an overview of the Committee's work during the year and insight into some of the key decisions we've made. Further details on the Committee's activities are set out in the Annual remuneration report. On the following page, you'll find an Our executive remuneration at a glance section, which summarises on one page the outcomes of these key decisions against our financial and business performance.

Lastly, I'd like to thank my fellow Committee members and those who have supported the Committee over the year for their continued commitment and guidance, in a year where much work has been done in reviewing and updating our Directors' remuneration policy. I look forward to receiving your support for the Directors' remuneration policy, as well as the Annual report on remuneration, at the 2017 AGM.

Our executive remuneration at a glance

Performance snapshot

6%
Benchmark PBT growth*

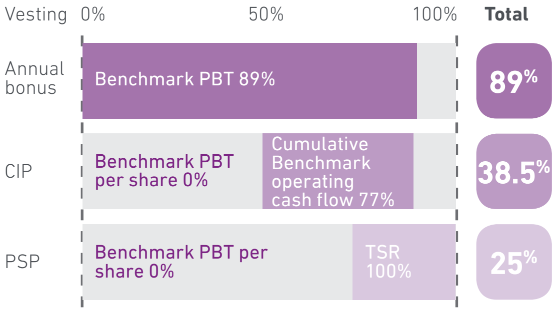
5%
3-year average Benchmark PBT per share growth*

28.5%
3-year TSR outperformance of the FTSE 100

US$4.1bn
3-year Cumulative Benchmark operating cash flow*

* On a constant currency basis

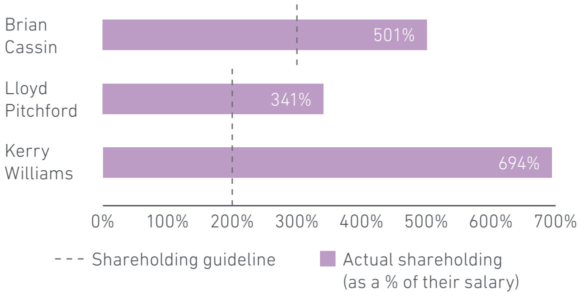
How was performance reflected in our incentives?



What did we pay our executive directors?

	Brian Cassin £'000	Lloyd Pitchford £'000	Kerry Williams US$'000
Salary	896	553	948
Benefits	22	29	29
Pension	179	111	11
Annual bonus	1,586	978	1,674
Share-based incentives	944	981	1,192
Total	**3,627**	**2,652**	**3,854**

What level of shareholding do our executive directors have?



Remuneration arrangements for the coming year

Element	Details
Salary	**Increases** of between 2.6% and 2.8% for executive directors, in line with those in the wider workforce. **Salaries** effective 1 June 2017 are Brian Cassin: £925,000, Lloyd Pitchford: £570,000 and Kerry Williams: US$975,000
Bonus	**Opportunity:** 100% of salary at target; 200% of salary at maximum. **Performance metric:** Benchmark PBT growth. **Deferral:** Between 50% and 100% of bonus may be deferred into the CIP
CIP	**Opportunity:** Matching shares awarded on up to a two-for-one basis. **Performance metrics:** Benchmark PBT per share (50%) and Cumulative Benchmark operating cash flow (50%)
PSP	**Opportunity:** Up to 200% of salary. **Performance metrics:** Benchmark PBT per share (75%) and TSR relative to the FTSE 100 index (25%)
Malus & clawback	Applied to all variable incentive awards made in the year

Our executive remuneration structure and how it compares to the wider employee population

Salary **Pension & benefits**	**Fixed pay** Provides a competitive and cost-effective base pay package
Annual bonus **CIP** **PSP**	**Variable pay** Incentivises specific financial objectives, encourages long-term commitment to the Group and provides alignment with shareholder interests

	Executive directors	Key senior executives	Senior management	Other employees
	3	c.40	c.800	c.15,500
Salary	✓	✓	✓	✓
Pension & benefits	✓	✓	✓	✓
Bonus/commission	✓	✓	✓	✓
CIP	✓	✓		
PSP	✓	✓		
Restricted shares			✓	

Directors' remuneration policy

Shareholders approved the current remuneration policy at the 2014 AGM and it took effect from that date. The remuneration policy set out below will take effect from the date of the 2017 AGM, subject to shareholder approval, and will apply until the 2020 AGM at the latest. Changes to the previous policy are detailed in the Introduction from the Chairman section of this Report. p84

Shareholders approved the Company's long-term incentive plans at the 2015 AGM for a ten-year period from that date.

Experian's executive director remuneration philosophy and principles

Experian's remuneration philosophy for executive directors is geared towards driving long-term, sustainable business performance. We aim to have remuneration principles that:

- are fully consistent with Experian's business objectives and strategy;
- drive accountability and transparency, and align executive remuneration with shareholders' interests;
- provide a balanced portfolio of incentives, aligning both short- and longer-term performance, to incentivise the delivery of sustainable growth and value for our shareholders;
- apply demanding performance conditions to deliver sustained growth across the Group;
- allow remuneration packages to be set which are appropriate for the role, given an individual's performance and experience, and the remuneration arrangements throughout the Group;
- deliver competitive benefits, to complement the other components of the remuneration package;
- take into account both affordability and Experian's risk appetite, ensuring that our incentive plans do not encourage any undue risk taking, and strive to avoid any undue complexity; and
- strengthen directors' alignment with shareholders, through significant share ownership guidelines that apply to both executive and non-executive directors.

This philosophy has underpinned our remuneration policy since we became an independent company in 2006 and the Committee considers that it has stood the test of time well. The Committee remains confident that the policy will continue to serve the interests of all of our stakeholders, through the strong performance and reward culture that we promote throughout our workforce.

Policy table

This section of the report sets out our remuneration policy for executive directors and non-executive directors. If approved, it will apply to payments made from the date of the 2017 AGM. The current policy will continue to apply until this date.

Element and link to strategy	Operation	Maximum potential value and payment at target	Performance metrics and weightings
Base salary			
To help with attracting and retaining executive directors of the right calibre. Provides a base level of pay and reflects the competitive market salary for the role. Base salary level takes account of personal contribution and performance against Group strategy.	Base salary is paid in equal instalments during the year. Salaries are reviewed annually, with any increases generally taking effect from 1 June. Salary levels and increases take into account a number of factors, including the approach to employee remuneration throughout the Group, prevailing economic conditions, best practice and positioning against the market.	Annual executive director salary increases will, in normal circumstances, be limited to the increases awarded across the Group as a whole. Higher increases may be made in exceptional circumstances including, but not limited to, a change in role or responsibility, and will take account of market practice in relation to the new role.	When the Committee considers salary increases, it takes into account individual performance over the preceding financial year.

Element and link to strategy	Operation	Maximum potential value and payment at target	Performance metrics and weightings
Benefits			
Benefits are provided as part of a competitive and cost-effective overall remuneration package. Certain benefits may also be provided to support expatriates, where they have relocated.	The Group provides a range of market-competitive benefits that include, but are not limited to, healthcare, death in service provision, company car or allowance and financial and tax advice. Executive directors can also participate in any of the Group's all-employee share plans, for example the Sharesave plan, on the same basis as other eligible employees. In the USA, eligible executive directors may participate in a deferred compensation plan, which is standard market practice in the USA. For expatriate assignments, we retain the flexibility to tailor benefits to the circumstances of the assignment. Additional benefits may include relocation expenses at the beginning and end of each assignment, housing allowance and school fees.	The cost of providing such benefits may vary from year to year, reflecting the cost to the Company. The Committee sets benefits at a level it considers appropriate against relevant market practice, the role and particular circumstances (for example, in the case of expatriate benefits, where the individual is required to relocate).	None.
Pension			
Provides a market-aligned retirement provision.	Pension arrangements are in line with local market practice. In the UK, the Group operates a defined contribution plan, with company contributions set as a percentage of base salary. If impacted by HMRC pension limits, an individual may elect to receive a cash allowance instead. In the USA, executive directors are eligible to join a defined contribution plan.	In the UK, the cash payment or pension contribution for executive directors is normally equal to 20% of annual gross base salary. In the USA, the contribution rate is up to 4% of earnings, up to an annual compensation limit set by the Internal Revenue Service. If required, pension arrangements in other jurisdictions would be in line with local market practice.	None.
Annual bonus			
Motivates and rewards the achievement of specific annual objectives, linked to Experian's business strategy.	The Committee sets appropriate performance targets at the start of each financial year. At the end of the financial year, the Committee determines the extent to which these have been satisfied, based on audited results, and agrees the level of bonus to be paid. Payment is made as soon as practicable after the financial year-end, unless the executive director elects to defer some or all of their bonus into the CIP. Malus and clawback provisions apply, under which annual bonus payments may be reduced or recovered in certain circumstances. Further details about our clawback and malus policy are set out in the Which clawback provisions apply? section of the Report. p92	Threshold performance results in a bonus payout equivalent to 25% of the maximum. No bonus is payable for below-threshold performance. Achieving target performance results in a bonus payout equivalent to 50% of the maximum. Achieving maximum performance results in full bonus payout of 200% of salary.	The annual bonus may be based entirely on financial performance or on a combination of financial, strategic and/or operational objectives. However, the financial element will comprise at least 70% of the bonus. The Committee retains the ability to exercise its judgment to vary the level of payout if it considers that the formulaic payout determined by measuring performance is inconsistent with the Group's actual underlying financial and operational performance.

Directors' remuneration policy continued

Element and link to strategy	Operation	Maximum potential value and payment at target	Performance metrics and weightings
Co-Investment Plan ('CIP')			
Aligns with shareholder interests through voluntary investment of personal capital, delivery of Experian shares and the long-term time horizons. Use of stretching financial metrics incentivises performance. Encourages participants' long-term commitment to the Group through personal investment.	Participants are invited to invest between 50% and 100% of their annual bonus into Experian shares. A conditional award of matching shares or nil-cost options is granted on a two-for-one basis on the gross bonus deferred, and vests over a three-year period subject to achieving performance targets. Dividend equivalents accrue on all awards of shares. Malus and clawback provisions apply, under which CIP awards may be reduced or recovered in certain circumstances. Further details about our clawback and malus policy are set out in the Which clawback provisions apply? section of the Report. p92	There is no vesting for below-target performance. Achieving target performance results in matching shares vesting on a one-for-one basis. Achieving maximum performance results in matching shares vesting on a two-for-one basis.	Awards vest based on financial performance and subject to the Committee being satisfied that the vesting is not based on materially misstated financial results. The Committee retains the discretion to exercise its judgment to vary the level of vesting if it considers the formulaic vesting level determined by measuring performance to be inconsistent with the Group's actual underlying financial and operational performance.
Performance Share Plan ('PSP')			
Use of stretching financial metrics incentivises performance. Aligns with shareholder interests through delivery of shares and the long-term time horizons.	Participants receive an annual award of conditional shares or nil-cost options, which vest over a three-year period subject to achieving performance targets. Dividend equivalents accrue on all awards of shares. Malus and clawback provisions apply, under which PSP awards may be reduced or recovered in certain circumstances. Further details about our clawback and malus policy are set out in the Which clawback provisions apply? section of the Report. p92	Normal maximum award levels are 200% of salary. Awards of up to 400% of salary may be made in exceptional circumstances such as on recruitment. There is no vesting for below-target performance. Achieving target performance results in 25% of the shares vesting. Achieving maximum performance results in full vesting of the shares.	Vesting of up to 25% of the awards is based on a share-based metric, with the balance based on financial performance. Awards are also subject to a financial underpin. The Committee retains the ability to vary the level of vesting if it considers the formulaic vesting level determined by measuring performance to be inconsistent with the Group's actual underlying financial and operational performance.

Element and link to strategy	Operation	Maximum potential value and payment at target	Performance metrics and weightings
Chairman and non-executive director ('NED') fees			
To attract individuals with a broad range of experience and skills, to oversee the implementation of our strategy.	The Chairman is paid an annual fee in equal monthly instalments. The Group may provide the Chairman with a limited range of benefits such as healthcare, tax advice or use of a car. The NEDs are paid a basic fee plus additional fees for chairing a Board Committee and for the role of Deputy Chairman or Senior Independent Director. NED fees are paid in equal quarterly instalments during the year. NEDs receive an additional fee where attendance at Board meetings involves intercontinental travel from their home location. The Company may settle any tax due on travel expenses incurred by the Chairman and NEDs.	The Committee sets the Chairman's fees, whilst NED fees are set by the Board. Both are set based on a number of factors, including the time commitment required and positioning against the market. Fees are normally reviewed every two years.	No performance-related arrangements are in place for the Chairman or the NEDs.
Share Option Plan ('SOP')			
Provides focus on increasing Experian's share price over the medium to longer term.	Options are granted with an exercise price equivalent to the market value of an Experian share at the date of grant. These vest subject to achieving performance targets that are tested over a three-year period and are exercisable for seven years thereafter. **No option grants have been made since 2009 and the Committee has agreed that no further awards will be made, unless warranted by exceptional circumstances such as recruitment.** Malus and clawback provisions apply, under which SOP awards may be reduced or recovered in certain circumstances. Further details about our clawback and malus policy are set out in the Which clawback provisions apply? section of the Report. p92	Normal maximum award levels are 200% of salary. Grants of up to 400% of salary may be made in exceptional circumstances such as on recruitment. There is no vesting for below-target performance. Achieving target performance results in 25% of the options vesting. Achieving maximum performance results in full vesting of the options.	The vesting of options is based on financial performance targets.

Legacy arrangements

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out in this report where the entitlement to the payment arose (i) before the 2014 AGM; (ii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company; or (iii) under a remuneration policy previously approved by the Company's shareholders. For these purposes entitlements arising under the Company's current remuneration policy (as approved by shareholders at the 2014 AGM) will be incorporated into this policy and 'payments' includes the Committee satisfying awards of variable remuneration, and an entitlement under an award over shares arises at the time the award is granted.

Directors' remuneration policy continued

How does our executive remuneration differ from pay of employees across the Group?

Salary

- Since 2016, the salary review date for executive directors has been aligned with the salary review date for all of our employees: 1 June each year.
- Although increases may vary, executive director increases are aligned with typical increases awarded across the Group, under normal circumstances.

Benefits and pension

- Benefits and pension arrangements are determined based on local market practice for all of our employees across the Group, including executive directors.

Annual bonus

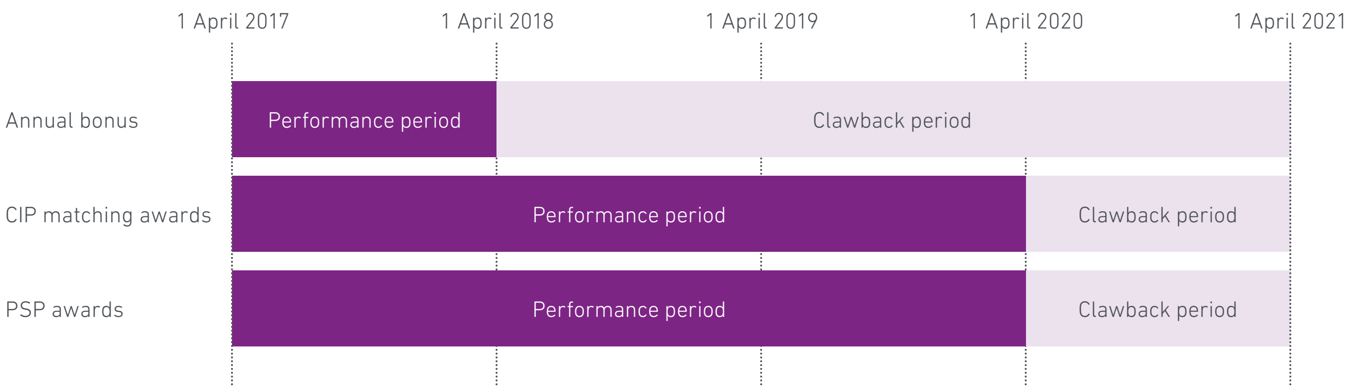
- All of our contracted employees participate in either an annual bonus plan or commission scheme.
- For the annual bonus, the opportunity and performance measures vary depending on grade, location and business unit, however the structure is broadly consistent for all employees.

Long-term incentives

- Pay for senior management is primarily differentiated through the use of our long-term incentive plans. Executive directors and around 850 senior managers participate in either the PSP and CIP, or receive Restricted share awards. As such, their pay is contingent on the achievement of performance targets and/or delivered in shares. This makes outcomes conditional on successfully delivering our business strategy and, in doing so, incentivises the delivery of long-term shareholder returns.

Which clawback provisions apply?

Clawback applies to the Company's incentive plans, as shown below:



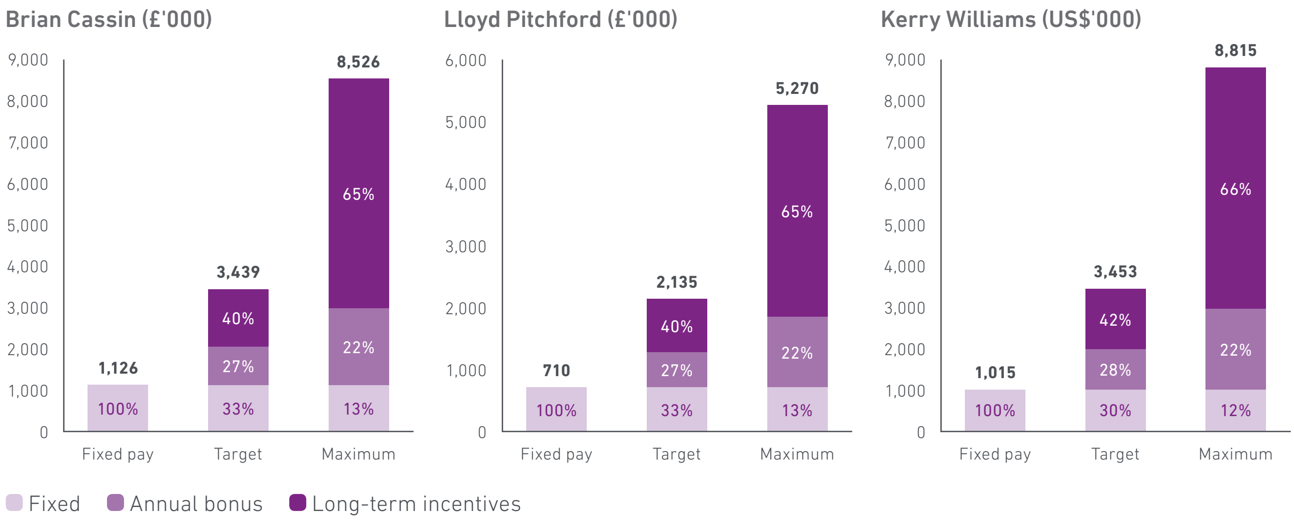
Under these provisions, the Committee may apply malus and/or clawback in circumstances which have:

- resulted in a level of vesting or payment which is higher than would otherwise have been, because of a material misstatement of the Group's financial results; or
- led to a material financial or reputational loss for the Group, due to serious individual misconduct.

Under our malus and clawback policy, should a trigger event be identified, a Clawback Committee would be appointed by the Remuneration Committee to investigate the issue. The Clawback Committee would report back with recommendations on whether malus and/or clawback should be applied, which individuals this should affect, which remuneration should be subject to malus and/or clawback and the value that should be impacted. The Remuneration Committee would then have final sign-off on any decision to operate clawback or malus.

What does total remuneration look like under various performance scenarios?

The charts below show the total remuneration that could be paid to each executive director under this remuneration policy in the first year in which the policy applies. We have illustrated three different performance scenarios.



Notes

The scenarios in the graph above are as follows:

- Fixed pay is base salary for the year ending 31 March 2018 plus the value of pension and benefits, as disclosed in the single total figure of remuneration for 2017.
- Target performance is fixed pay plus the level of performance required to deliver 50% of the maximum annual bonus, and 25% and 50% of the maximum PSP and CIP awards respectively, with the CIP matching award being based on 100% deferral of a target annual bonus.
- Maximum performance is fixed pay plus the maximum annual bonus payment and full vesting of the CIP and PSP awards, with the CIP matching award being based on 100% deferral of a maximum annual bonus.
- All scenarios ignore share price growth and dividend equivalents.

How we select performance measures and set targets

The performance measures we currently use in our annual bonus and long-term incentive plans are all financial or share-based. Our performance management process, which we use throughout Experian, assesses executives against both financial and non-financial objectives. The executive directors' performance against their individual objectives ultimately supports our financial performance, so we believe it's appropriate that financial metrics remain the key incentive plan measures. These seek to ensure that the executive directors deliver the underlying financial performance of the business, whilst clearly aligning the interests of shareholders and executive directors. However, we're mindful that specific circumstances could arise during the life of the policy which would make it desirable to introduce a strategic non-financial measure or measures into the annual bonus. If this is the case, we'll ensure that this metric is robust, measurable and clearly linked to Experian's business strategy.

For all elements of variable pay, we take a number of factors into account when setting targets, including both internal and external expectations. These include brokers' earnings estimates, competitors' earnings estimates, wider economic expectations, the latest internal projections for the current year, the budget and the strategic plan. The Committee spends a great deal of time considering targets at three separate meetings between January and May each year before we finalise them. Targets are structured as a sliding scale, with maximum awards only payable for the achievement of significant levels of performance.

We disclose the targets for our long-term incentive plan awards prospectively, whilst annual bonus targets will be disclosed one year after the end of the relevant financial year. Further details of our target setting process are set out in the Annual report on remuneration.

Directors' remuneration policy continued

Our approach to pay on recruitment of executive directors

As a global organisation, Experian competes for market share and executive talent in 37 countries. We're a leader in the information industry, where demand for talented leaders often outstrips supply. From time to time, it may be necessary to appoint high-calibre executives to the Board, either by recruiting externally or by promoting from within the Group. However, we don't believe in paying more than required to secure the talent necessary to take our business forward.

In developing a remuneration package for a newly appointed executive director, we'd generally set a base salary which takes into account factors such as the individual's skills and experience, the role they'll be taking up, internal relativities, the marketplace they'll operate in and their current remuneration package. The incentive arrangements and benefits we offer, including any relocation arrangements, would be in line with the remuneration policy set out in this report.

Maximum level of variable remuneration

We've set the usual maximum level of variable remuneration on recruitment at 800% of base salary. This is in line with the normal levels under our variable remuneration structure, and covers the maximum annual bonus, the maximum face value of a matching award under the CIP and the normal maximum face value of an award under the PSP.

When recruiting an executive director, the Committee would always seek to apply the normal maximum limits. However we may, in exceptional circumstances, make use of one or more of the following higher limits if we felt this was necessary in order to secure the appointment of a particular individual:

	Percent of base salary	
Incentive plan	**Normal maximum**	**Exceptional maximum**
Annual bonus plan	200%	200%
CIP	400%	400%
PSP	200%	400%
SOP	–	400%

In the case of an internal promotion to the Board, any existing variable pay element or benefit may be allowed to continue on the same terms.

Buyout awards

For an external appointment to the Board, the Committee may offer further one-off cash and/or share-based remuneration, to compensate the individual for forfeiting any incentive awards made to them by their former employer. We'd aim to make this equivalent in value, by taking into account the likelihood of vesting, after assessing the conditions attached to any such awards. As far as possible, we would also replicate the form (i.e. whether cash or share-based) and the timeframe in which vesting was scheduled to occur. These awards may be granted under the terms of UK Listing Rule 9.4.2.

Directors' service contracts and policy on payments for loss of office

Current contracts

Brian Cassin and Lloyd Pitchford have service agreements which are terminable by 12 months' notice from Experian Limited or six months' notice from them. The agreement provides for payment in lieu of notice in respect of base salary only.

Kerry Williams has a service agreement with Experian Services Corporation ('ESC') that is terminable by 12 months' notice from ESC or six months' notice from him. The agreement provides for payment in lieu of notice in respect of base salary only.

Non-executive directors don't have service contracts but each has a letter of appointment with no provision for any termination payment. Each appointment is for a renewable three-year term, subject to election or re-election by shareholders, but may be terminated by either party on one month's written notice (six months' notice in the case of the Chairman). Upon termination a non-executive director will be entitled to receive fees and benefits up to the date of termination.

Policy for new hires

Our policy for new hires is that service contracts will generally require no more than 12 months' notice of termination of employment and will follow the UK Corporate Governance Code (the 'Code') guidelines. We believe that this is in line with best practice, remains market competitive and allows Experian to recruit people who we identify as critical to our future performance.

Policy on payments for loss of office

The table below sets out our policy for how we treat executive directors leaving the Group (subject to the current contractual commitments described above).

We reserve the right to make additional exit payments if we need to discharge an existing legal obligation (or pay damages for breaching an obligation). We also reserve the right to make an exit payment by way of settlement or compromise of any claim arising in connection with terminating a director's office or employment.

	Voluntary resignation or termination for misconduct or poor performance	Other circumstances such as death, ill health, retirement, disability or redundancy or any other reason as defined by the Committee
Base salary, pension and benefits	Paid up to the date of termination and for any holidays not taken as at that date.	Paid up to the date of death or leaving and for any holidays not taken as at that date. If, in the judgment of the Committee, exceptional circumstances apply, such as in the case of death, the Committee may agree to a different approach from that outlined above, for example not applying pro-rating to a payment.
Annual bonus	Normally no annual bonus is paid in respect of a financial year if an individual has left employment or is under notice prior to the bonus payment date. In the exceptional event any bonus is paid, any election already made to defer annual bonus under the CIP will not apply.	Annual bonus will usually be paid on the normal bonus payment date, in line with performance achieved, pro-rated for the proportion of the financial year worked. If the Committee judges that exceptional circumstances apply, for example in the case of death, the Committee may agree that it is not appropriate to time pro-rate the annual bonus payment. Any election already made to defer annual bonus under the CIP will not apply.
CIP invested/ deferred shares	Invested or deferred shares will be transferred to the individual.	Invested or deferred shares will be transferred to the individual.
CIP matching shares and PSP awards	Unvested awards will lapse. Any vested awards structured as nil-cost options which have not been exercised may be exercised up to the normal lapse date.	In the case of death, performance conditions will cease to apply and unvested awards will vest immediately. In all other cases, subject to the Committee's discretion, unvested awards will vest at the end of the performance period and remain subject to the relevant performance conditions. In all circumstances, the number of shares vesting will normally be reduced pro-rata, to reflect the number of months from the start of the performance period to the date of cessation of employment as a proportion of the performance period. If the Committee judges that exceptional circumstances apply, for example in the case of death, the Committee may agree that it is not appropriate to time pro-rate the number of shares vesting. Vested awards structured as nil-cost options which have not been exercised may be exercised up to the normal lapse date.

Directors' remuneration policy continued

	Voluntary resignation or termination for misconduct or poor performance	Other circumstances such as death, ill health, retirement, disability or redundancy or any other reason as defined by the Committee
Executive share options	Unvested share options will lapse. Vested options will not lapse and will remain exercisable for six months, unless the reason for leaving is dismissal for misconduct, in which case, subject to Committee discretion, the options will lapse on the date of cessation of employment.	In the case of death, unvested share options will vest immediately and will remain exercisable for 12 months. Any vested share options will also remain exercisable for 12 months. In all other cases, any vested options will remain exercisable for six months following cessation of employment. Unvested options, subject to the Committee's discretion, will vest at the end of the performance period and remain subject to the relevant performance conditions. The number of options vesting will normally be reduced pro-rata, to reflect the number of months from the start of the performance period to the date of cessation of employment as a proportion of the performance period. These options will be exercisable for six months following vesting.
Awards under all-employee plans	In accordance with the relevant tax regulations or plan rules.	In accordance with the relevant tax regulations or plan rules.
Other	None	At the Committee's discretion, leavers may receive disbursements such as legal fees and outplacement as well as repatriation costs and continuation of assignment benefits for a limited period of time, where relevant.

For executive directors who leave the Group in other circumstances, the treatment will normally fall between the two described above. In any event, the overall treatment will be subject to the Committee's judgment.

If there's a change of control, executive directors may exchange their incentive awards (other than CIP invested shares) for awards in the acquiring company. CIP invested shares will be transferred to the individual. Alternatively, incentive awards may vest to the extent that the performance condition has been satisfied. In this circumstance, CIP matching shares and PSP shares will be pro-rated to reflect the number of months from the start of the performance period to the date of the change of control as a proportion of the performance period.

Statement of consideration of employee and shareholder views

Whilst the Committee's primary focus is the executive directors' remuneration, we also approve the remuneration structure for other senior executives and work closely with the Global Reward team to ensure a consistent approach is taken to remuneration more widely across the Company. When setting the remuneration policy for the executive directors, we also take into account the pay, employment conditions and remuneration trends across the Group, particularly in determining annual salary increases. Although we don't directly consult employees on executive directors' pay or expressly include employees' views in our deliberations, we're mindful of the results of our periodic Global People Survey which focuses, in part, on remuneration, reward and performance.

Before the AGM, the Chairman of the Committee writes to our largest shareholders and investor representative bodies, such as the Investment Association and Institutional Shareholder Services Inc. ('ISS'), to seek their input on any proposed changes to our remuneration structure. We then engage in further discussion and clarification, to help them make an informed voting decision as required. Any major concerns are discussed with the Committee Chairman first, and the rest of the Committee as appropriate.

At the Committee's first meeting following each AGM, we consider all the shareholder feedback received in relation to the AGM. We also consider this feedback, and any other feedback received during meetings or from any correspondence, as part of our annual review of remuneration policy, which normally takes place at our meetings in November and January.

Annual report on remuneration

Set out below is the Annual report on remuneration, which will be put to shareholders for an advisory vote at the AGM on 20 July 2017. The Remuneration Committee has prepared this report on behalf of the Board in line with the UK Companies Act 2006, Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Listing Rules of the UK FCA. Unless noted otherwise, all of the sections below are audited by the Company's external auditor, KPMG.

What did we pay our executive directors in the year? (audited)

The following table shows the single total figure of remuneration for the executive directors, for the years ended 31 March 2017 and 31 March 2016. Further explanatory information is set out below.

	Brian Cassin		Lloyd Pitchford		Kerry Williams	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000	**2017 US$'000**	2016 US$'000
Salary[1]	**896**	875	**553**	540	**948**	924
Benefits	**22**	18	**29**	19	**29**	29
Pension	**179**	175	**111**	108	**11**	12
Annual bonus	**1,586**	1,750	**978**	1,080	**1,674**	1,850
Share-based incentives	**944**	860	**981**	784	**1,192**	1,132
Total	**3,627**	3,678	**2,652**	2,531	**3,854**	3,947

1 From the year ended 31 March 2017, salary increases are effective 1 June (having previously taken effect from 1 April). Kerry Williams' annual salary for the year ended 31 March 2016 was US$925,000. The actual payment made during the course of the year reflects the timing of US payroll payments.

How has the single figure been calculated? (audited)

Salary

This figure represents the salary we paid to executive directors during the year.

Last year, we aligned the pay review dates across the Group, with all salary increases taking effect from 1 June 2016. The Committee approved salary increases for executive directors of between 2.7% and 2.9% with effect from this date:

	1 June 2016 '000	1 April 2015 '000	% increase
Brian Cassin	£900	£875	2.9%
Lloyd Pitchford	£555	£540	2.8%
Kerry Williams	US$950	US$925	2.7%

In awarding these increases, we considered a number of factors, including the approach to employee remuneration throughout the Group, the prevailing economic conditions and positioning against the market. The salary review budget in the USA and the UK was 3%.

Benefits and pension

Taxable benefits include life insurance, private healthcare and a company car.

Brian Cassin and Lloyd Pitchford are eligible to participate in a defined contribution pension plan but elected not to do so during the year ended 31 March 2017, due to the HMRC pension limits. In 2017, Brian Cassin received a cash supplement of £179,167 (2016: £175,000), and Lloyd Pitchford received a cash supplement of £110,500 (2016: £108,000), in lieu of their pension contributions.

Kerry Williams participates in a defined contribution plan (401k) and the Company contribution to this during the year was US$10,869 (2016: US$12,254).

No executive director has a prospective right to a defined benefit pension.

Annual report on remuneration continued

Annual bonus

Performance metrics

Annual bonus outcomes depend on Benchmark PBT growth at constant currency, relative to stretching targets we set at the start of the financial year. We use Benchmark PBT because:

- it's aligned to Experian's business strategy, as it incentivises executives to generate returns for the business;
- as a profit growth metric, it reflects one of Experian's key performance indicators; and
- it's simple to understand and to measure.

For the purposes of the annual bonus, performance is measured on a constant currency basis to strip out the effects of exchange rate fluctuations. This is consistent with our approach for long-term incentive plans.

The target setting process

Each year we undertake a rigorous exercise to ensure that we set sufficiently stretching targets. Before finalising them, we consider the strategic context and the targets at three meetings between January and May each year. We also take a number of factors into account when setting the targets:

Internal expectations	External expectations
• Strategic plan	• Brokers' earnings estimates
• Budget for the coming year	• Wider economic expectations
• Current year performance	• Competitors' earnings estimates

We structure targets as a sliding scale, and only pay maximum awards for significant performance.

Annual bonus outcomes

The table below sets out our growth in Benchmark PBT for bonus purposes relative to our targets, and the resulting annual bonus outcomes for the executive directors for the year ended 31 March 2017.

	Benchmark PBT growth	Achievement % of maximum	Bonus payout '000	Bonus payout % of salary	% of bonus deferred under the CIP
Brian Cassin	6%	89%	£1,586	177%	100%
Lloyd Pitchford			£978	177%	100%
Kerry Williams			US$1,674	177%	100%

In determining the outcome of the annual bonus, we considered whether the payout adequately reflected the Group's wider business performance over the course of the year. After careful consideration, we are satisfied that business performance has been strong and that the level of payout is justified. Details of our performance are set out in the Introduction from the Chairman section of this Report.

The executive directors have elected to defer their full bonus into Experian shares under the CIP for a three-year period. Deferred bonus shares are not subject to any further conditions but may be matched, subject to the conditions set out in the CIP awards section below.

Performance target disclosure

As disclosed in last year's Report, the Committee decided that from the start of the current financial year, annual bonus targets would be disclosed one year following the completion of the relevant performance period, when we consider the commercial sensitivity of these targets would be reduced. As such, the actual Benchmark PBT targets for this award will be fully disclosed in next year's Report.

Share-based incentives

The share-based incentive amount included in the single total figure of remuneration is the combined value of the CIP and PSP awards vesting in respect of the relevant financial year. For 2016, these relate to the awards granted on 7 June 2013 and for 2017 they relate to the awards granted on 19 May 2014. Vesting in 2017 for both the CIP and PSP awards depended on performance over the three years ended 31 March 2017 as well as continued service.

The following tables show the performance achieved against the targets for CIP and PSP awards granted in May 2014:

CIP awards

Performance measure	Weighting	Vesting[1] No match	1:1 match	2:1 match	Actual	Percentage vesting[2]
Benchmark PBT (annual growth)	50%	Below 7%	7%	14%	5.0%	0%
Cumulative Benchmark operating cash flow[3]	50%	Below US$4.0bn	US$4.0bn	US$4.3bn	US$4.1bn	77%
Total						38.5%

PSP awards

Performance measure	Weighting	Vesting[1] 0%	25%	100%	Actual	Percentage vesting[4]
Benchmark PBT (annual growth)	75%	Below 7%	7%	14%	5.0%	0%
TSR of Experian vs TSR of FTSE 100 Index	25%	Below Index	Equal to Index	25% above Index	28.5% above Index	100%
Total						25%

1 Straight-line vesting between the points shown.

2 The maximum opportunity was a two-for-one match on the bonus deferred.

3 As per the approach taken last year, the Cumulative Benchmark operating cash flow targets shown above have been adjusted compared to those originally set to take into account the impact of acquisitions and disposals made over the performance period. The actual Cumulative Benchmark operating cash flow over the performance period, of US$4,134m, is determined on a constant currency basis. This is in line with our approach for all performance metrics, to ensure that awards are measured on a consistent basis.

4 The maximum opportunity was the original award with a face value of 200% of salary. Vesting of these awards was also subject to the Committee agreeing that the return on capital employed (ROCE) performance over the period was satisfactory. Year-end ROCE was 15.5%, and so the Committee was comfortable that the payout determined by applying the performance criteria was appropriate in the context of this level of performance.

As these awards had not vested at the date this report was finalised, we based the reported value of the awards on the average share price in the last three months of the financial year, which was £15.90. The value of the awards included in the single total figure of remuneration is as follows:

	CIP		PSP				
	Shares awarded	Shares vesting	Shares awarded	Shares vesting	Value of shares vesting '000	Value of dividend equivalent payments '000	Total value of shares vesting '000
Brian Cassin	90,024	34,659	87,319	21,829	£898	£46	£944
Lloyd Pitchford[1]	–	–	179,375	44,844	£713	£36	£749
Kerry Williams	82,650	31,820	101,135	25,283	US$1,125	US$67	US$1,192

1 Lloyd Pitchford joined Experian on 1 October 2014 and, as such, did not participate in the CIP in 2014.

The value of Kerry Williams' shares has been converted into US dollars at a rate of £1:US$1.24, which is the average rate during the last three months of the financial year.

Dividend equivalents of 118.25 US cents per share will be paid on vested shares. These represent the value of the dividends that would have been paid to the owner of one share between the date of grant and the date of vesting.

Annual report on remuneration continued

Buyout awards for Lloyd Pitchford

As previously disclosed, we granted Lloyd Pitchford a number of replacement share incentive awards (buyout awards) when he joined Experian in 2014, to compensate him for the long-term incentive awards he forfeited when he left his previous employer.

Whilst the Committee aimed to replicate as closely as possible the structure and vesting dates of the share awards forfeited, it was also mindful of shareholders' views that vesting periods should be a minimum 12 months and that performance conditions should be applied to awards. As such, a portion of these awards were made to Lloyd Pitchford as part of the 2014 PSP grant, and are included in the table above.

Of the other buyout awards made, the final tranche vested during the year and details of these are set out in the table below:

Shares awarded	Shares vesting	Vesting date	Share price on vesting	Value on vesting £'000	Value of dividend equivalent payments £'000[1]	Total value of shares vesting £'000
13,705	13,705	10 March 2017	£16.27	223	9	232

1 Dividend equivalents of 92.25 US cents per share were payable on these awards. These represent the value of the dividends that would have been paid to the owner of one share between the date of grant and the date of vesting.

The vesting of these awards was subject to satisfactory financial and business performance over the vesting period and the achievement of personal objectives. Prior to approving the vesting of these awards, the Committee considered Lloyd Pitchford's performance in relation to his personal objectives since appointment, as well as the Group's financial and business performance, and determined that these conditions had been met. We therefore considered that full vesting of these awards was appropriate.

The amount shown for Share-based incentives for Lloyd Pitchford in the single figure table is the sum of the PSP awards vested in respect of the year and the buyout awards, as shown in the tables above.

Update to 2016 disclosure

We originally calculated the value of the share awards realised by Brian Cassin and Kerry Williams in 2016 using the average share price from 1 January 2016 to 31 March 2016, in line with the prescribed single figure methodology. This has now been revised to reflect the actual share price on vesting, as follows:

	Three-month average share price to 31 March 2016	Estimated value of long-term incentive awards	Share price on vesting	Actual value of long-term incentive awards
Brian Cassin	£11.67	£0.774m	£13.04	£0.860m
Kerry Williams		US$1.011m		US$1.132m

What share-based incentive awards did we make in the year? (audited)

On 7 June 2016, awards were granted to the executive directors under the CIP and PSP. The face value of awards made to Brian Cassin and Lloyd Pitchford is given in sterling, and the face value of awards made to Kerry Williams is in US dollars. The number of shares awarded to Kerry Williams has been calculated using the average exchange rate for the three days prior to grant of £1:US$1.24. All awards have been calculated using a three-day average share price.

In line with the CIP rules, invested shares for Brian Cassin and Lloyd Pitchford were purchased with their bonuses net of tax. In line with the rules of The Experian North America Co-Investment Plan, invested shares for Kerry Williams were calculated with reference to his gross bonus. The matching awards are based on the gross value of the bonus deferred.

Details of these awards are set out in the following table:

	Type of interest in shares	Basis of award	Face value '000	Number of shares	Vesting at threshold performance	Vesting date
Brian Cassin						
CIP invested shares	Deferred shares	100% of net bonus	£927	70,456	n/a	7 June 2019
CIP matching shares[1]	Nil-cost options	200% of value of gross bonus deferral	£3,500	265,872	1:1 match	7 June 2019
PSP[2]	Conditional shares	200% of salary	£1,800	138,497	25%	7 June 2019
Lloyd Pitchford						
CIP invested shares	Deferred shares	100% of net bonus	£572	43,481	n/a	7 June 2019
CIP matching shares[1]	Nil-cost options	200% of value of gross bonus deferral	£2,160	164,081	1:1 match	7 June 2019
PSP[2]	Conditional shares	200% of salary	£1,110	85,406	25%	7 June 2019
Kerry Williams						
CIP invested shares	Deferred shares	100% of gross bonus	US$1,852	97,342	n/a	7 June 2019
CIP matching shares[1]	Conditional shares	200% of value of gross bonus deferral	US$3,704	194,684	1:1 match	7 June 2019
PSP[2]	Conditional shares	200% of salary	US$1,902	101,261	25%	7 June 2019

1 The number of shares awarded to executive directors under the CIP was based on the share price at which invested shares were purchased in the market. This price was £13.16.

2 The number of shares awarded to executive directors under the PSP was based on the average share price for the three days prior to grant, which was £13.00.

These awards will vest subject to the following performance conditions:

CIP awards

		Vesting[1]		
Performance measure	**Weighting**	**No match**	**1:1 match**	**2:1 match**
Benchmark PBT per share (average annual growth)	50%	Below 4%	4%	8%
Cumulative Benchmark operating cash flow	50%	Below US$3.6bn	US$3.6bn	US$4.0bn

PSP awards

		Vesting[1]		
Performance measure	**Weighting**	**0%**	**25%**	**100%**
Benchmark PBT per share (average annual growth)	75%	Below 4%	4%	8%
TSR of Experian vs TSR of FTSE 100 Index	25%	Below Index	Equal to Index	25% above Index

1 Straight-line vesting between the points shown.

Vesting of CIP and PSP awards is subject to the Committee being satisfied that the vesting is not based on materially misstated financial results. We also have the discretion to vary the level of vesting if we consider that the level of vesting determined by measuring performance is inconsistent with the Group's underlying financial and operational performance. The vesting of PSP awards is also subject to the Committee agreeing that ROCE performance over the performance period is satisfactory.

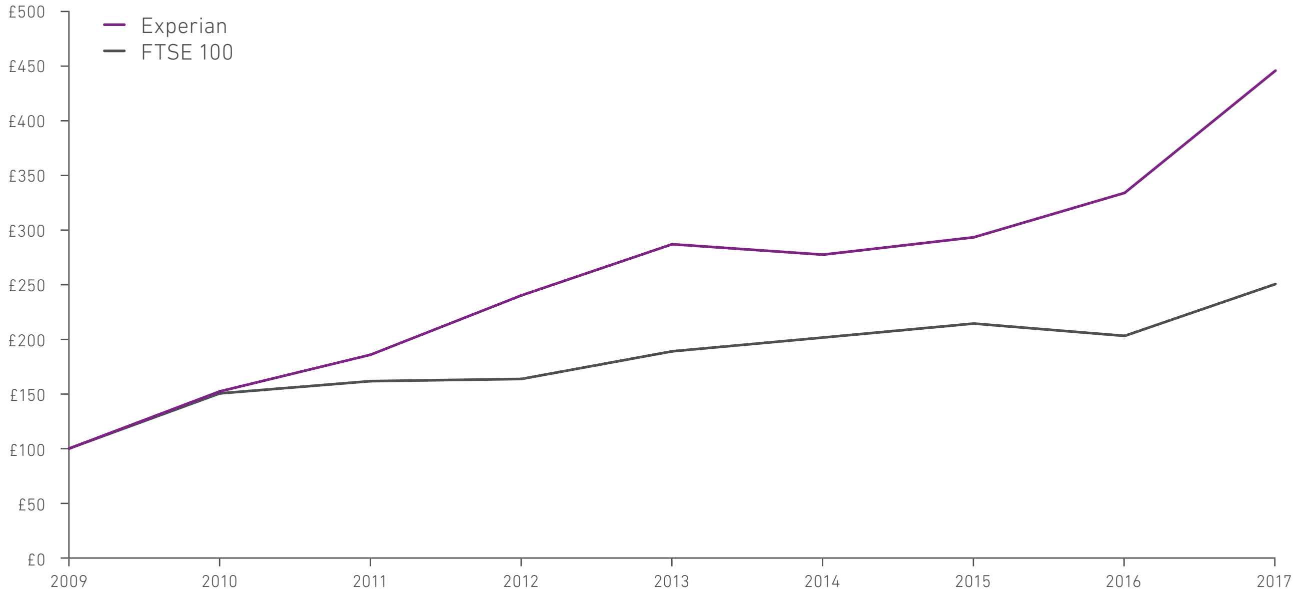
We selected Benchmark PBT per share, Cumulative Benchmark operating cash flow and ROCE as performance metrics for our long-term incentive plans, as they reflect three of our key performance indicators. Using these metrics therefore directly links to Experian's strategic aims and business objectives. Using relative TSR recognises the importance of creating value for shareholders. As such, we believe these measures to be the most appropriate measures of the Company's success.

Annual report on remuneration continued

How is the CEO's pay linked to Experian's performance?

The chart below shows Experian's annual TSR performance against the FTSE 100 Index over the last eight years. The FTSE 100 Index is the most appropriate index against which TSR should be measured, as it is widely used and understood and Experian is a constituent of the index.

Value of £100 invested in Experian and the FTSE 100 on 31 March 2009



The table below sets out the CEO's pay for the last eight financial years:

	2010	2011	2012	2013	2014	2015	2016	2017
CEO total single figure of remuneration ('000)[1]								
Don Robert	US$6,729	US$5,714	US$23,206	US$22,974	US$16,290	US$620	–	**–**
Brian Cassin	–	–	–	–	–	£1,976	£3,678	**£3,627**
Annual bonus paid against maximum opportunity (%)								
Don Robert	100%	98%	100%	75%	50%	–	–	**–**
Brian Cassin	–	–	–	–	–	38%	100%	**89%**
LTIP vesting against maximum opportunity (%)								
Don Robert	70%	n/a[2]	100%	100%	94%	69%	–	**–**
Brian Cassin	–	–	–	–	–	40%	33%	**32%**

1 Prior year numbers have been updated to reflect actual long-term incentive plan outcomes.

2 No long-term incentive plan awards vested in respect of performance periods ending in 2011.

What did we pay our non-executive directors during the year? (audited)

The following table shows a single total figure of remuneration for the Chairman and non-executive directors in respect of the years ended 31 March 2017 and 31 March 2016:

	Fees '000		Benefits '000		Share-based incentives '000		Total '000	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Don Robert[1]	**£600**	£600	**£20**	£16	**£1,153**	£1,770	**£1,773**	£2,386
Roger Davis[2]	**€255**	€192	**–**	–	**–**	–	**€255**	€192
Caroline Donahue[3]	**€42**	–	**–**	–	**–**	–	**€42**	–
Luiz Fleury[4]	**€243**	€119	**–**	–	**–**	–	**€243**	€119
Deirdre Mahlan	**€216**	€197	**–**	–	**–**	–	**€216**	€197
George Rose	**€235**	€233	**–**	–	**–**	–	**€235**	€233
Judith Spreiser[5]	**€61**	€168	**–**	–	**–**	–	**€61**	€168
Paul Walker	**€149**	€150	**–**	–	**–**	–	**€149**	€150

1 The share-based incentive data for Don Robert shows the value of PSP and CIP awards made to him whilst serving as Chief Executive Officer. The 2016 figure consists of awards which vested after the 2016 report was published and, as such, the value shown for share-based incentives in that report was based on the average share price during the last three months of the financial year, of £11.67, in line with the prescribed methodology. The share price on the vesting date was £13.04, and the share-based incentive figure shown in the table above has been updated accordingly.

In addition, Don Robert receives an unfunded pension payment from the Group of £467,311 per annum.

2 Roger Davis acted as independent Chairman of Experian Limited, which is regulated by the UK FCA. His remuneration comprises an annual non-executive director's fee (including a fee for his role as Chairman of the Remuneration Committee) as well as a fee for his role as independent Chairman of Experian Limited.

3 Caroline Donahue joined the Board on 1 January 2017.

4 Luiz Fleury acted as an independent adviser to Serasa S.A., our Brazilian business. His remuneration includes a fee for this role, along with an annual non-executive director's fee.

5 Judith Spreiser stepped down from the Board on 20 July 2016.

Non-executive director fees are currently reviewed every two years. As their fees were last increased with effect from 1 October 2015, they will be reviewed later in 2017. The current fee levels are shown below:

	Annual fee
Base fee	€142,500
Audit Committee Chairman fee	€43,000
Remuneration Committee Chairman fee	€34,500
Deputy Chairman/Senior Independent Director fee	€86,000

Non-executive directors required to undertake intercontinental travel to attend Board meetings receive a supplementary payment of €6,000 per trip, in addition to any travel expenses. This amount is unchanged since October 2009.

Don Robert's fee was set at £600,000 on his appointment as Chairman in July 2014. This fee was due to be reviewed on 1 April 2016, however that review did not take place at Don Robert's request. The first review of Don Robert's fee was carried out with effect from 1 April 2017, when the Committee approved a fee increase of £25,000, taking his fee to £625,000.

Annual report on remuneration continued

How has the CEO's pay changed compared to the wider workforce?

The following table sets out the percentage change in the CEO's salary, benefits and annual bonus between 2016 and 2017, and how this compares to the average percentage change for our UK and Ireland employees. Consistent with our approach in previous years, we've selected this group of employees because Experian operates in 37 countries and, as such, has widely varying approaches to pay across different regions. This also avoids the complexities involved in collating and comparing remuneration data across different geographic populations, including the impact of foreign exchange rate movements.

The figures for UK and Ireland employees reflect average salaries and average employee numbers each year. The annual bonus figure includes payments from sales incentive plans.

	Base salary	Taxable benefits	Annual bonus
CEO	2.9%	23%	(9.4%)
UK and Ireland employees	2.6%	(2.1%)	(7.0%)

How do we intend to implement the remuneration policy next year?

Salary and fees

The following salary increase for our executive directors will take effect from 1 June 2017:

	1 June 2017	1 June 2016	% increase
Brian Cassin	£925,000	£900,000	2.8%
Lloyd Pitchford	£570,000	£555,000	2.7%
Kerry Williams	US$975,000	US$950,000	2.6%

The increases we awarded to our executive directors are in line with the increases awarded to the wider employee population across the Group (c.3%).

Annual bonus

The Committee's approach to operating the annual bonus plan for the year ending 31 March 2018 will be unchanged from 2017, other than the introduction of a threshold level of payout as discussed in the Introduction from the Chairman section of this Report. p84 We will disclose the targets for this award in the 2019 Annual remuneration report.

Annual bonus awards will all be subject to clawback provisions, allowing the Company to recover all or part of any bonus paid for a period of three years from the end of the performance period.

Share-based incentives

The executive directors have elected to defer 100% of their bonuses into the CIP. We expect to grant matching shares in the first quarter of the year ending 31 March 2018, on a two-for-one basis. We also expect to grant PSP awards equivalent to 200% of salary at the same time. Both CIP and PSP awards will vest subject to meeting the following performance conditions, measured over three years:

CIP awards

		Vesting[1]		
Performance measure	**Weighting**	**No match**	**1:1 match**	**2:1 match**
Benchmark PBT per share (average annual growth)[2]	50%	Below 4%	4%	8%
Cumulative Benchmark operating cash flow	50%	Below US$3.6bn	US$3.6bn	US$4.0bn

PSP awards

		Vesting[1]		
Performance measure	**Weighting**	**0%**	**25%**	**100%**
Benchmark PBT per share (average annual growth)[2]	75%	Below 4%	4%	8%
TSR of Experian vs TSR of FTSE 100 Index	25%	Below Index	Equal to Index	25% above Index

1 Straight-line vesting between the points shown.

2 Measured on an ongoing activities and constant currency basis.

The cash flow target remains unchanged from the prior year as the growth in the business has been offset by the negative impact on cash flow of disposals and foreign exchange movements. The target range therefore remains of a similar level of stretch to that in prior years.

Vesting of CIP and PSP awards will be subject to the Committee being satisfied that the vesting is not based on materially misstated financial results. We also have the discretion to vary the level of vesting if we consider that the level of vesting determined by measuring performance is inconsistent with the Group's underlying financial and operational performance. The vesting of PSP awards will also be subject to the Committee agreeing that ROCE performance over the period is satisfactory.

These awards will all be subject to clawback provisions, allowing the Company to recover all or part of any vested award during the 12 months after the end of the performance period.

Annual report on remuneration continued

Additional disclosures

Directors' shareholdings and share interests (audited)

We believe it's important that executive directors build up a significant holding in Experian shares, to align their interests with those of shareholders. Under our guidelines, the CEO should hold the equivalent of three times his base salary in Experian shares and other executive directors should hold the equivalent of two times their base salary. These guidelines include invested or deferred shares held under the CIP, but not matching shares. Until the shareholding guideline is met, we expect executive directors to retain at least 50% of any shares vesting (net of tax) under a share award. Unvested shares don't count towards the guideline.

We also have guidelines for the non-executive directors to build up a holding in Experian's shares equal to their annual fee. Each financial year, the first quarter's net fee is used to purchase Experian shares until the non-executive director reaches this holding.

All executive and non-executive directors hold shares in excess of the relevant shareholding guidelines. The interests of the directors (and their connected persons) in the Company's ordinary shares are shown below and there have been no changes between 31 March 2017 and the date of this report:

	Shares held in Experian plc at 31 March 2017	Shareholding guidelines			Share awards subject to performance conditions		
		Guideline (% of salary/fee)	Shareholding (% of salary)[1]	Guideline met?	CIP matching awards[2]	PSP awards	Share options[3]
Brian Cassin[4]	284,572	300%	501%	Yes	444,492	366,831	–
Lloyd Pitchford[4]	119,458	200%	341%	Yes	250,901	351,807	1,470
Kerry Williams[5]	333,316	200%	694%	Yes	347,240	298,195	–
Don Robert[5]	1,288,052	100%	3,335%	Yes	179,234	–	–
Roger Davis	60,000	100%	644%	Yes	–	–	–
Deirdre Mahlan	15,000	100%	154%	Yes	–	–	–
George Rose	20,000	100%	166%	Yes	–	–	–
Paul Walker	15,000	100%	200%	Yes	–	–	–
Luiz Fleury	9,650	100%	129%	Yes	–	–	–
Caroline Donahue	10,000	100%	133%	Yes	–	–	–
Judith Spreiser[6]	14,402	100%	192%	Yes	–	–	–

1 Shareholding guidelines have been calculated using the closing share price on 31 March 2017, which was £16.28, and exchange rates at 31 March 2017 of £1:US$1.25 and £1:€1.17.

2 Matching shares granted to Brian Cassin and Lloyd Pitchford are in the form of nil-cost options, which are unvested at 31 March 2017. Those granted to Kerry Williams are conditional share awards.

3 Share options have been granted under the all-employee Sharesave plan.

4 The number of Experian shares held by Brian Cassin and Lloyd Pitchford at 31 March 2017 includes 117,790 and 66,488 invested shares in the CIP respectively.

5 The number of Experian shares held by Kerry Williams at 31 March 2017 includes 173,620 shares, and for Don Robert includes 89,617 shares, awarded to them under the North America Co-Investment Plan as a result of their annual bonus deferral elections, in addition to their personal beneficial shareholding. They have an unconditional right to receive these Experian shares at the end of the relevant three-year deferral period. These shares do not carry dividend or voting rights prior to receipt.

6 Judith Spreiser stepped down from the Board during the year, and the shareholding shown is as at 31 March 2016.

Payments made to former directors (audited)

Chris Callero

Chris Callero stepped down from the Board on 16 July 2014, and remained an employee of the Group until 31 March 2015. On 7 June 2016, a number of CIP and PSP awards made to him in 2013 vested, based on performance over the three years ended 31 March 2016.

In line with the prescribed methodology, we originally estimated the value of these shares as US$1.058m, using the average share price from 1 January 2016 to 31 March 2016 of £11.67. The actual share price on the vesting date was £13.04, and the updated value is US$1.184m based on the exchange rate at the date of vesting of £1:US$1.44.

Pensions

Three former directors of Experian Finance plc (formerly GUS plc) received unfunded pensions from the Group. Two of the former directors are now paid under the Secured Unfunded Retirement Benefit Scheme, which provides security for the unfunded pensions of executives affected by the HMRC earnings cap. The total unfunded pensions paid to the former directors was £436,725 in the year ended 31 March 2017.

Payments for loss of office (audited)

No payments for loss of office were made in the year (2016: nil).

Executive directors' non-executive directorships

We recognise the value of external non-executive directorships in enabling executive directors to broaden their experience and development, which we believe ultimately benefits Experian. In line with the Code's recommendations, the executive directors may accept one external non-executive directorship, although they may not serve as the chairman of a FTSE 100 company. We allow the executive directors to keep their fees for non-executive directorship roles.

Brian Cassin was a non-executive director of J Sainsbury plc throughout the year. Lloyd Pitchford was appointed as a non-executive director of Bunzl plc with effect from 1 March 2017.

Relative importance of spend on pay

The table below illustrates the relative importance of spend on pay for all employees, compared to the financial distributions to shareholders, through dividends and earnings-enhancing share repurchases:

	2017 US$m	2016 US$m	% change
Employee remuneration costs	**1,768**	1,712	3.3%
Dividends paid on ordinary shares	**381**	380	0.3%
Estimated value of earnings-enhancing share repurchases	**299**	487	(38.6)%

Annual report on remuneration continued

The Remuneration Committee

All of our non-executive directors are members of the Committee and met four times during the year ended 31 March 2017 to discuss remuneration. Each of the Committee's members is considered to be independent in accordance with the UK Corporate Governance Code.

The Committee's terms of reference can be found at www.experianplc.com/about-us/corporate-governance/board-committees/.

The Committee's roles and responsibilities

The Committee is responsible for:

- Recommending to the Board senior management remuneration policy and the Chairman's remuneration.
- Determining individual remuneration packages for executive directors and certain senior executives.
- Communicating with shareholders on remuneration policy.
- Making recommendations to the Board on the design of the Group's short- and long-term incentive plans.
- Overseeing the Group's executive pension arrangements.

Committee activities

During the year, the Committee:

- Reviewed drafts of the Report on directors' remuneration
- Considered an initial draft of the 2017 Directors' remuneration policy. The Chairman of the Committee also participated in a consultation exercise in regards to the Policy to take into account the views of our key shareholders and major investor representative bodies such as the Investment Association and ISS
- Approved the proposed remuneration arrangements for executive directors and key senior executives
- Received updates on the Company's long-term incentive plans, including in respect of performance conditions
- Considered and approved the vesting of the final tranche of buyout awards for the Chief Financial Officer, mentioned earlier in the report
- Agreed the 2016 bonus outcomes, 2017 bonus targets, and targets for long-term incentive awards made in the year as well as the participants for certain long-term incentive plans
- Received an update on current trends in the executive remuneration environment, focusing on the key regions in which we operate
- Considered remuneration matters in respect of senior hires and departures
- Initiated the invitation to employees to participate in the 2016 Sharesave plan, and received an update on take-up and outcomes of previous grants
- Reviewed the Committee's performance and terms of reference.

Advice provided to the Committee

In making its decisions, the Committee consults the Chairman, the Chief Executive Officer and the Group Human Resources Director where required. We also invite members of the Global Reward team to attend Committee meetings as appropriate. We normally consult the Chief Financial Officer about performance conditions applying to short- and long-term incentive arrangements. No executives are present when their own remuneration arrangements are being discussed.

The Committee has access to independent consultants to ensure that it receives objective advice. We reviewed our external advisers in 2013 and appointed Towers Watson Ltd ('Willis Towers Watson'), who remained our external advisers throughout the year ended 31 March 2017. Willis Towers Watson provides other services to Experian globally, which comprise advice on benefits and provision of market data.

In addition, Kepler (a brand of Mercer) provided incentive plan award valuations and remuneration data, as well as supporting data for the target calibration process. Kepler does not provide any other services to the Group, although Mercer, Kepler's parent company, does provide unrelated services to the Group.

Willis Towers Watson and Kepler are members of the Remuneration Consultants Group and voluntarily operate under the Code of Conduct in relation to executive remuneration consulting in the UK. We were satisfied that their advice was objective and independent.

The fees paid to these advisers for services to the Committee in the year ended 31 March 2017 are set out in the following table, and are based on hours spent:

Adviser	Fees paid in 2017
Willis Towers Watson	£47,056
Kepler	£23,870

Statement of voting at the 2016 AGM

The voting to approve last year's Annual report on remuneration at the AGM held on 20 July 2016, and the Directors' remuneration policy, approved at the AGM held on 16 July 2014, is set out in the following table:

	Votes for (including discretionary votes) % Number	Votes against % Number	Total number of votes cast	Number of votes withheld
Annual report on remuneration (2016 AGM)	82.9% 563,276,137	17.1% 116,027,752	679,303,889	7,072,687
Directors' remuneration policy report (2014 AGM)	87.4% 589,190,713	12.6% 85,081,251	674,271,964	12,209,840

In advance of the 2016 AGM, the Committee consulted with our largest shareholders and investor representative bodies such as the Investment Association and ISS, to understand their views on the way we intended to operate our remuneration policy over the year, and to discuss any concerns or clarify their understanding to assist them in making an informed voting decision. The key point raised by shareholders was the disclosure of our annual bonus targets and, as a result of shareholders' opinions on the matter, we have committed to disclosing targets on a retrospective basis in the future.

On behalf of the Remuneration Committee

Charles Brown
Company Secretary

17 May 2017

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2017. The report has been prepared in line with the UK Companies Act 2006, and the Corporate governance report and the Shareholder and corporate information section form part of this Directors' report. The Strategic report contains certain information equivalent to that required in a report of the directors.

Financial and operational information

Results and dividend

The Group income statement shows a profit for the year ended 31 March 2017 of US$865m (2016: US$752m). The directors have announced the payment of a second interim dividend, in lieu of a final dividend, of 28.5 US cents per ordinary share (2016: 27.5 US cents) to be paid on 21 July 2017 to shareholders on the register of members on 23 June 2017. A first interim dividend of 13.0 US cents per ordinary share was paid on 27 January 2017, giving a total dividend for the year of 41.5 US cents per ordinary share (2016: 40.0 US cents).

Research and development

Research and development plays a key role in supporting Experian's activities. Details of such activities are given in the Strategic report.

Acquisitions and disposals

Information in respect of acquisitions and disposals made during the year is contained in note 40 and note 41 respectively to the Group financial statements.

Registered branch

The Company has a branch registered in Ireland under branch number 905565.

Post balance sheet events

Details of events occurring after the end of the reporting period are contained in note 45 to the Group financial statements.

Share capital

Details of the Company's share capital and changes during the year ended 31 March 2017 are set out in note O to the Company financial statements.

Financial risk management, objectives and policies

Descriptions of the use of financial instruments and Experian's treasury and risk management objectives and policies are set out in the Financial review within the Strategic report and also in note 8 to the Group financial statements.

Political donations

Experian did not make any political donations during the year ended 31 March 2017.

Going concern

Details of the adoption of the going concern basis in preparing the Group financial statements are set out in note 2 of the Group financial statements and are incorporated into this report by reference.

Directors

Information on directors holding office in the year

The directors' names, biographical details and skills and experience are shown in the Board of directors section. Caroline Donahue was appointed as a non-executive director on 1 January 2017. Judith Sprieser retired as a non-executive director on 20 July 2016.

Particulars of directors' remuneration, service contracts and interests in the Company's ordinary shares are shown in the Report on directors' remuneration. There were no changes in the directors' interests in the ordinary shares between the end of the financial year and 17 May 2017.

In line with the UK Corporate Governance Code, all directors, being eligible, will offer themselves for election or re-election at the 2017 AGM. An evaluation of the performance of the Board, its committees and individual directors was carried out during the financial year.

The Board is satisfied that all directors contribute effectively and demonstrate commitment to their roles. The Corporate governance report contains further details of the evaluation process.

Insurance and third-party indemnification

During the year and up to the date of approval of this Annual Report, the Company maintained liability insurance and third-party indemnification provisions for its directors and officers.

Appointment and removal of directors

Both the Company, by ordinary resolution, and the directors may elect any person to be a director. The number of directors shall not exceed the maximum number fixed by the Company's articles of association. Any person appointed by the directors shall only hold office until the next AGM and shall then be eligible for election. The office of a director shall be vacated on the occurrence of any of the events listed in article 92 of the Company's articles of association. The Company may, in accordance with its articles of association, remove any director from office and elect another person in their place.

Annual General Meeting

The Company's 2017 AGM will be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, D02 KF79, Ireland, at 9.30am on Thursday 20 July 2017. Shareholders who are unable to attend may submit questions beforehand via email to agmquestions@experianplc.com or on the prepaid card sent to shareholders with the notice of meeting. The questions will be addressed at the meeting, via the Company's website at www.experianplc.com or individually as appropriate. The notice of meeting has been circulated to shareholders and can also be viewed on the Company's website.

Share capital information

Rights and obligations

The rights and obligations attaching to the ordinary and deferred shares are set out in note O to the Company financial statements and in the Company's articles of association, a copy of which can be obtained from the Experian website, www.experianplc.com. The Company's articles of association may be amended by passing a special resolution.

ADR programme

The Company has a Level 1 American Depositary Receipt (ADR) programme in the USA, for which Bank of New York Mellon acts as depositary. The ADRs are traded on the highest tier of the USA over-the-counter market, OTCQX, with each ADR representing one Experian plc ordinary share. Further details are given in the Shareholder and corporate information section.

Substantial shareholdings

The Company's articles of association oblige shareholders to comply with the notification obligations contained in the UK Disclosure Guidance and Transparency Rules. As at 17 May 2017, the Company had been notified of the indirect interests below in its issued ordinary share capital or voting rights.

Restrictions on transfers of shares and/or voting rights

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights and, apart from the matters described below, there are no restrictions on the transfer of the Company's ordinary shares and/or voting rights:

- Certain restrictions on transfers of shares may from time to time be imposed by, for example, insider dealing regulations. In certain situations, directors and certain employees are required to seek the Company's approval to deal in its shares.
- Some of Experian's share-based employee incentive plans include restrictions on the transfer of shares, whilst the shares are subject to the plan.
- As described in the Report on directors' remuneration, non-executive directors receive a proportion of their fees in shares, until the value of their shareholding equals their annual fee. These shares may not normally be transferred during their period of office.
- Where participants in a share-based employee incentive plan operated by Experian are the beneficial owners of the shares but not the registered owner, the voting rights are normally exercised by the registered owner at the direction of the participants.
- Shares carry no voting rights while they are held in treasury.
- The deferred shares in the Company carry no voting rights.
- Unless the directors determine otherwise, members are not entitled to vote personally or by proxy at a shareholders' meeting, or to exercise any other member's right in relation to shareholders' meetings, in respect of any share for which any call or other sum payable to the Company remains unpaid.
- Unless the directors determine otherwise, members are not entitled to vote personally or by proxy at a shareholders' meeting, or to exercise any other member's right in relation to shareholders' meetings, if the member fails to provide the Company with the required information concerning interests in those shares, within the prescribed period after being served with a notice under the Company's articles of association.
- The Company's articles of association state that, except for certain limited circumstances, if the number of shares in the Company beneficially owned by residents of the USA exceeds a defined permitted maximum and the directors give notice to the holder(s) of such shares, the shares do not give their holder(s) the right to receive notice of, attend or vote at the Company's general meetings.

Details of deadlines in respect of voting for the 2017 AGM are contained in the notice of meeting that has been circulated to shareholders and which can also be viewed on the Company's website.

Substantial shareholdings

Date of notification	Shareholder	Number of ordinary shares/voting rights	Percentage of issued share capital/voting rights
22 April 2016	Aberdeen Asset Managers Limited	47,945,271	4.99%
18 July 2016	BlackRock, Inc.	48,209,700	5.03%

Directors' report continued

Purchase, cancellation and holdings of own shares

The existing authority for the Company to purchase its own shares was given at the AGM held on 20 July 2016. It permits the Company to purchase 95,985,092 of its own shares in the market.

On 11 May 2016, the Company announced its intention to repurchase shares, through a US$400m share repurchase programme. During the year ended 31 March 2017, the Company purchased 18,221,921 of its own shares, at a cost of US$336m (with 2,804,506 shares purchased before the 2016 AGM). 350,000 shares have been purchased by the Company since 31 March 2017. All shares purchased under this programme were cancelled.

On 3 June 2016 and 1 November 2016, 720,794 and 84,723 ordinary shares respectively in the Company were transferred from treasury to Global Shares Ireland Limited, the administrator of Experian's share plans, for nil consideration, to be used to meet obligations under employee share plans.

As at the date of approval of this Annual Report, the Company (1) holds 62,358,805 (2016: 63,164,322) of its own shares as treasury shares, and (2) had an unexpired authority to purchase up to 80,217,677 of its own shares.

Details of the new authority being requested at the 2017 AGM are contained in the circular to shareholders, which either accompanies this Annual Report and/or is available on the Company's website at www.experianplc.com.

Details of the shares in the Company purchased by and held under The Experian plc Employee Share Trust and The Experian UK Approved All-Employee Share Plan are set out in note P to the Company financial statements.

Significant agreements – change of control

The Group is party to a number of agreements that take effect, alter, terminate, or have the potential to do so, upon a change of control of the Company following a takeover bid. These agreements are as follows:

- The Group's banking facilities contain provisions which, in the event of a change of control, could result in their renegotiation or withdrawal.
- The Group's Senior Notes and Euronotes allow holders to require repayment of the notes, if a rating agency re-rates the notes to below investment grade, following a change of control.
- All of Experian's share-based employee incentive plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable, subject to satisfaction of any performance conditions at that time.
- The Group is party to a limited number of operational arrangements which can be terminated or altered upon a change of control of the Company, but these are not considered to be individually significant to the Group's business as a whole. In certain cases, it is considered that their disclosure would be seriously prejudicial to the Company.
- The provisions in directors' service contracts relating to a change of control of the Company are described in the Report on directors' remuneration.

Employment information

Employment of people with disabilities

People with disabilities have equal opportunities when applying for vacancies. In addition to complying with legislative requirements, the Group has procedures to ensure that it treats disabled employees fairly and carefully manages their training and career development needs. The policies are considered to operate effectively. The Group supports employees who become disabled during the course of their employment, by offering re-training or re-deployment, to enable them to remain with the Group whenever possible.

Employee involvement

Experian is committed to employee involvement throughout the business. The Group is intent on motivating staff, keeping them informed on matters that concern them in the context of their employment, and involving them through local consultative procedures. Where there are recognition agreements with trade unions, the consultation process is established through national and local trade union representatives and through joint consultation committees.

Employees are kept well informed on matters of interest and the financial and economic factors affecting the Group's performance. This is done through management channels, conferences, meetings, publications and intranet sites. More detail on employee engagement, together with information on diversity, succession planning and talent development, can be found in the Our people section of the Strategic report.

Experian supports employee share ownership by providing, whenever possible, employee share plan arrangements which are intended to align employees' interests with those of shareholders.

Auditor information

Relevant audit information

As at 17 May 2017, so far as each director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing the audit report, of which the auditor is unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent auditor

The auditor, KPMG LLP, has indicated its willingness to continue in office and a resolution that it be re-appointed as the Company's auditor will be proposed at the AGM.

Statement of directors' responsibilities

The directors are responsible for:

- preparing the Annual Report including the Group and Company financial statements and the Report on directors' remuneration, in accordance with applicable law and regulations;
- preparing financial statements which give a true and fair view of the state of affairs at the balance sheet date, and the profit or loss for the period then ended of (a) the Group (in accordance with IFRSs as adopted for use in the European Union), and (b) the Company (in accordance with UK Accounting Standards including FRS 101 'Reduced Disclosure Framework');
- keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the Group and the Company and enable them to ensure that the Group financial statements comply with applicable law;
- taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group, and to prevent and detect fraud and other irregularities; and
- the maintenance and integrity of the statutory and audited information on the Company's website. Jersey legislation and UK regulation governing the preparation and dissemination of financial statements may differ from requirements in other jurisdictions.

In addition, the directors consider that, in preparing the financial statements:

- suitable accounting policies have been selected and applied consistently;
- judgments and estimates made have been reasonable and prudent;
- the Group financial statements comply with IFRSs as adopted for use in the European Union;
- the Company financial statements comply with UK accounting standards including FRS 101 'Reduced Disclosure Framework'; and
- it is appropriate that the Group and Company financial statements have been prepared on the going concern basis.

The directors also 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 of the Company and the Group taken as a whole; and the Strategic report contains a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks that they face.

In addition, each of the directors considers that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Charles Brown
Company Secretary

17 May 2017

Corporate headquarters:
Newenham House
Northern Cross
Malahide Road
Dublin 17
D17 AY61
Ireland

Registered office:
22 Grenville Street
St Helier
Jersey
JE4 8PX
Channel Islands

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KPMG

Independent auditor's report

to the members of Experian plc only

OPINIONS AND CONCLUSIONS ARISING FROM OUR AUDIT

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Experian plc for the year ended 31 March 2017 set out on pages 120 to 204.
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2017 and of the Group's profit and cash flows and parent company's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with UK Accounting Standards, including FRS 101 'Reduced Disclosure Framework' and;
- the financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Overview	
Materiality Group financial statements as a whole	US$53m 5% of Group profit before tax (continuing operations)
Coverage	90% of Group revenue 81% of Group profit before tax 92% of Group total assets

Risks of material misstatement	
Recurring risks	Provisions for taxation Provisions for litigation and contingent liabilities Impairment of goodwill

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were as follows:

	The risk	Our response
Tax - uncertain tax provisions and tax planning (US$213m) Refer to the Audit committee report within the Corporate governance report and the Group financial statements notes 5, 6, 16, 35 and 43(c).	**Dispute outcome** Experian operates in a number of territories worldwide with complex local and international tax legislation. Uncertainties arise over ongoing tax matters in the UK, the USA and Brazil. Tax provisioning for uncertain tax positions is judgmental and requires estimates to be made in relation to existing and potential tax matters.	Our procedures included: – **Our tax expertise**: Use of our own international and local tax specialists to assess the Group's tax positions, from correspondence with the relevant tax authorities, discussions with the Group's external advisers, analysis and challenge of the assumptions used to determine tax provisions based on our knowledge and experiences of the application of the international and local legislation by the relevant authorities and courts; – **Assessing transparency**: Assessing the adequacy of the Group's disclosures in respect of tax and uncertain tax positions.
Litigation and contingent liabilities (US$21m; 2016: US$nil) Refer to the Audit committee report within the Corporate governance report and the Group financial statements notes 6, 36 and 43.	**Dispute outcome** The Group operates in an industry with continuously increasing levels of regulation, including the Financial Conduct Authority ('FCA') in the UK, and the Consumer Finance Protection Bureau ('CFPB') in the USA, which increase the potential for regulatory breaches and penalties. High levels of consumer litigation continue in the USA and Brazil, particularly in relation to consumer credit scores in Brazil. Furthermore, in March 2017 there was an unexpected adverse ruling in Canada relating to a 2010 contractual dispute, which Experian will continue to challenge. The outcome of such litigation is uncertain and any position taken by management will involve significant judgment and estimation.	Our procedures included: – **Enquiry of lawyers**: On all significant legal cases, assessment of correspondence with the Group's external lawyers in order to corroborate our understanding of these matters, accompanied by discussions with both internal and external counsel; – **Assessing transparency**: Assessing whether the Group's disclosures detailing significant legal proceedings adequately disclose the potential liabilities of the Group.
Goodwill impairment assessment in respect of EMEA and Asia Pacific cash generating units ('CGUs') (US$200m; 2016: US$313m) Refer to the Audit committee report within the Corporate governance report and the Group financial statements notes 5, 6 and 20.	**Forecast-based valuation** The carrying value of goodwill as at 31 March 2017 is US$4,245m. Of this, US$4,045m relates to CGUs where there is significant headroom between the value-in-use and the carrying value of net assets. The remaining balance of US$200m relates to the EMEA and Asia Pacific CGUs. The estimated recoverable amount of these CGUs shows relatively low headroom and the models are particularly sensitive to changes in assumptions. Key inputs in the impairment models are inherently judgmental, which increases the potential risk of error. Any decline in current or forecast trading could have a material impact on the carrying value of associated goodwill.	Our procedures included: – **Assessing methodology**: Assessing that the principles and integrity of the cash flow models are in accordance with the relevant accounting standards; – **Challenging growth assumptions**: Challenging management's assumptions and obtaining support, such as Board-approved strategy plans and customer contracts, for the growth initiatives used in the cash flow models; – **Our sector experience**: Reviewing the appropriateness of discount rates through the use of our valuations specialists; – **Sensitivity analysis**: Performing breakeven analysis on the key assumptions noted above; – **Historical comparisons**: Evaluating the track record of historical assumptions used against actual results achieved; – **Assessing transparency**: Assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill.

KPMG

Independent auditor's report continued

3. Our application of materiality and an overview of the scope of our audit

Materiality:

Materiality for the Group financial statements as a whole was set at US$53m, determined with reference to a benchmark of consolidated profit before tax on continuing operations of which it represents 5%.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding US$2.6m (5% of materiality), in addition to any other identified misstatements that warranted reporting on qualitative grounds. For balance sheet reclassification adjustments which did not impact profit, we reported to the Audit Committee any corrected and uncorrected identified misstatements exceeding US$10m.

Scoping:

The Group is structured into five geographical regions, being North America, Latin America, UK and Ireland, EMEA and Asia Pacific. Each of these regions is made up of a number of reporting units. We have identified three reporting units that require audits for Group reporting due to their size and/or risk profiles. These are Experian Holdings Inc. (the majority of the North America region), Serasa S.A. (in the Latin America region) and Experian Limited (in the UK and Ireland region). These audits were performed by component audit teams.

Detailed audit procedures have been conducted centrally over the treasury function, tax provisions, goodwill impairment, post-employment benefits obligations, acquisitions and disposals, share incentive plans and earnings per share.

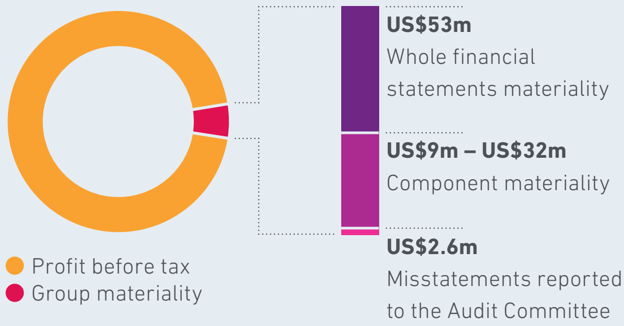
The three components and the work performed by the Group audit team account for coverage of 90% of Group revenue, 81% of Group profit before tax and 92% of Group total assets.

The Group operates five shared service centres globally, the outputs of which are included in the financial information of the reporting components they service and therefore they are not separate reporting components. Each of the shared service centres is subject to specified audit procedures, predominantly the testing of transaction processing and review of controls. Additional audit procedures are performed by reporting components to address the audit risks not covered by the work performed over the shared service centres.

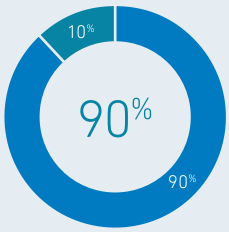
The remaining Group revenue, Group profit before tax and Group total assets of other components not in scope are represented by a significant number of other reporting components, none of which individually represents more than 2% of these benchmarks.

PBT (continuing operations)
US$1,071m

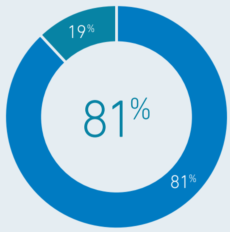
Materiality
US$53m



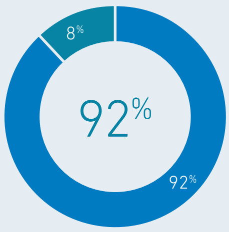
Group revenue



Group profit before tax



Group total assets



For these other components, we have performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatements within these.

The Group audit team visited the USA, the UK and Brazil during the year. In addition to these visits, the Group team also held telephone and online meetings as part of the audit planning phase to explain our audit instructions and discuss the component auditors' plans. The findings reported to the Group audit team were discussed in more detail with component auditors as necessary, and any further work required by the Group audit team was then performed by the component auditor. The Group team also reviewed the audit files of the in-scope components and attended their year-end meetings.

4. Our opinion on other matters under the terms of our engagement is unmodified

In addition to our audit of the financial statements, the directors have engaged us to audit the information in the Report on directors' remuneration that is described as having been audited, which the directors have decided to prepare as if the Company were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (S.I. 2008 No. 410) made under the UK Companies Act 2006.

In our opinion, the part of the Report on directors' remuneration to be audited has been properly prepared in accordance with the UK Companies Act 2006, as if it applied to the Company.

5. We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the directors' statement in the Viability statement, concerning the principal risks, their management and, based on that, the directors' assessment and expectations of the Group's continuing in operation over the three years to 31 March 2020; or
- the disclosure in note 2 of the Group financial statements concerning the use of the going concern basis of accounting.

6. We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the Audit Committee report does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies (Jersey) Law 1991 and the terms of our engagement we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review the part of the Corporate governance statement relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

In addition to our audit of the financial statements, the directors have engaged us to review certain other disclosures as if the Company were required to comply with the Listing Rules applicable to companies incorporated in the UK. Under the terms of our engagement we are required to review the directors' statement in the Directors' report in relation to going concern.

We have nothing to report in respect of the above responsibilities.

Respective responsibilities of directors and auditor

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

Scope of an audit of financial statements performed in accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

The purpose of our work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Korolkiewicz
Senior Statutory Auditor

for and on behalf of KPMG LLP
Chartered Accountants and Recognized Auditor
15 Canada Square, London E14 5GL

17 May 2017

Group income statement

for the year ended 31 March 2017

		2017			2016 (Re-presented) (Note 3)		
	Notes	Benchmark[1] US$m	Non-benchmark[2] US$m	Total US$m	Benchmark[1] US$m	Non-benchmark[2] US$m	Total US$m
Revenue	9	4,335	–	**4,335**	4,237	–	**4,237**
Labour costs	11(a)	(1,609)	(6)	**(1,615)**	(1,559)	–	**(1,559)**
Data and information technology costs		(521)	–	**(521)**	(480)	–	**(480)**
Amortisation and depreciation charges	12	(322)	(104)	**(426)**	(334)	(115)	**(449)**
Marketing and customer acquisition costs		(322)	–	**(322)**	(345)	–	**(345)**
Other operating charges		(366)	(10)	**(376)**	(378)	(26)	**(404)**
Total operating expenses		(3,140)	(120)	**(3,260)**	(3,096)	(141)	**(3,237)**
Profit on disposal of businesses	14(b)	–	–	**–**	–	57	**57**
Operating profit		1,195	(120)	**1,075**	1,141	(84)	**1,057**
Interest income		14	–	**14**	20	–	**20**
Finance expense		(89)	67	**(22)**	(94)	(21)	**(115)**
Net finance costs	15	(75)	67	**(8)**	(74)	(21)	**(95)**
Share of post-tax profit of associates		4	–	**4**	4	–	**4**
Profit before tax	9	1,124	(53)	**1,071**	1,071	(105)	**966**
Group tax charge	16	(294)	35	**(259)**	(263)	19	**(244)**
Profit for the financial year from continuing operations		830	(18)	**812**	808	(86)	**722**
Profit for the financial year from discontinued operations	17(a)	–	53	**53**	–	30	**30**
Profit for the financial year		830	35	**865**	808	(56)	**752**
Attributable to:							
Owners of Experian plc		831	35	**866**	809	(56)	**753**
Non-controlling interests		(1)	–	**(1)**	(1)	–	**(1)**
Profit for the financial year		830	35	**865**	808	(56)	**752**
Total Benchmark EBIT[1]		1,199	–	**1,199**	1,145	–	**1,145**

	Notes	US cents	US cents	**US cents**	US cents	US cents	**US cents**
Earnings per share							
Basic	18(a)	88.4	3.7	**92.1**	84.4	(5.8)	**78.6**
Diluted	18(a)	87.7	3.7	**91.4**	83.9	(5.8)	**78.1**
Earnings per share from continuing operations							
Basic	18(a)	88.4	(1.9)	**86.5**	84.4	(8.9)	**75.5**
Diluted	18(a)	87.7	(1.9)	**85.8**	83.9	(8.9)	**75.0**
Benchmark PBT per share[1]		119.6			111.8		
Full year dividend per share[1]	19			**41.5**			**40.0**

1. Total Benchmark EBIT, Benchmark PBT per share and Full year dividend per share are non-GAAP measures, defined where appropriate in note 7.
2. The loss before tax for non-benchmark items of US$53m (2016: US$105m) comprises a credit for exceptional items of US$nil (2016: US$37m) and charges for Other adjustments made to derive Benchmark PBT of US$53m (2016: US$142m). Further information is given in note 14.

The segmental disclosures in note 9 indicate the impact of business disposals on the comparative revenue and Total Benchmark EBIT figures.

Group statement of comprehensive income

for the year ended 31 March 2017

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Profit for the financial year	**865**	752
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations (note 34(a))	**(13)**	(30)
Deferred tax credit	**2**	6
Items that will not be reclassified to profit or loss	**(11)**	(24)
Items that may be reclassified subsequently to profit or loss:		
Fair value gains recognised on available-for-sale financial assets	**3**	1
Currency translation gains/(losses)	**18**	(151)
Items that may be reclassified subsequently to profit or loss	**21**	(150)
Items reclassified to profit or loss:		
Cumulative currency translation gain in respect of divestments	**–**	2
Other comprehensive income for the financial year[1]	**10**	(172)
Total comprehensive income for the financial year	**875**	580
Attributable to:		
Continuing operations	**823**	551
Discontinued operations	**53**	30
Owners of Experian plc	**876**	581
Non-controlling interests	**(1)**	(1)
Total comprehensive income for the financial year	**875**	580

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 recognised in the translation reserve within other reserves. Other items within Other comprehensive income are recognised in retained earnings.

Group balance sheet

at 31 March 2017

	Notes	2017 US$m	2016 US$m
Non-current assets			
Goodwill	20	**4,245**	4,198
Other intangible assets	21	**1,461**	1,431
Property, plant and equipment	22	**329**	352
Investments in associates	23	**42**	8
Deferred tax assets	35(a)	**83**	159
Post-employment benefit assets	34(a)	**14**	26
Trade and other receivables	24(a)	**6**	8
Available-for-sale financial assets	29(a)	**57**	43
Other financial assets	29(b)	**57**	53
		6,294	6,278
Current assets			
Inventories		**–**	1
Trade and other receivables	24(a)	**910**	902
Current tax assets	35(b)	**26**	24
Other financial assets	29(b)	**20**	46
Cash and cash equivalents	25(a)	**83**	156
		1,039	1,129
Assets classified as held for sale	41	**358**	–
		1,397	1,129
Current liabilities			
Trade and other payables	26(a)	**(1,109)**	(1,124)
Borrowings	27(a)	**(759)**	(52)
Current tax liabilities	35(b)	**(150)**	(128)
Provisions	36	**(50)**	(27)
Other financial liabilities	29(b)	**(15)**	(12)
		(2,083)	(1,343)
Liabilities classified as held for sale	41	**(58)**	–
		(2,141)	(1,343)
Net current liabilities		**(744)**	(214)
Total assets less current liabilities		**5,550**	6,064
Non-current liabilities			
Trade and other payables	26(a)	**(15)**	(24)
Borrowings	27(a)	**(2,285)**	(3,068)
Deferred tax liabilities	35(a)	**(296)**	(352)
Post-employment benefit obligations	34(a)	**(54)**	(55)
Other financial liabilities	29(b)	**(249)**	(127)
		(2,899)	(3,626)
Net assets		**2,651**	2,438
Equity			
Called up share capital	37	**100**	102
Share premium account	37	**1,530**	1,519
Retained earnings	38	**18,813**	18,633
Other reserves	38	**(17,804)**	(17,830)
Attributable to owners of Experian plc		**2,639**	2,424
Non-controlling interests		**12**	14
Total equity		**2,651**	2,438

These financial statements were approved by the Board on 17 May 2017 and were signed on its behalf by:

Don Robert
Director

Group statement of changes in total equity

for the year ended 31 March 2017

	Called up share capital (Note 37) US$m	Share premium account (Note 37) US$m	Retained earnings (Note 38) US$m	Other reserves (Note 38) US$m	Attributable to owners of Experian plc US$m	Non-controlling interests US$m	Total equity US$m
At 1 April 2016	102	1,519	18,633	(17,830)	2,424	14	2,438
Profit for the financial year	–	–	866	–	866	(1)	865
Other comprehensive income for the financial year	–	–	(8)	18	10	–	10
Total comprehensive income for the financial year	–	–	858	18	876	(1)	875
Transactions with owners:							
Employee share incentive plans:							
– value of employee services	–	–	61	–	61	–	61
– shares issued on vesting	–	11	–	–	11	–	11
– other exercises of share awards and options	–	–	(28)	36	8	–	8
– related tax credit	–	–	7	–	7	–	7
– purchase of shares by employee trusts	–	–	–	(28)	(28)	–	(28)
– other payments	–	–	(3)	–	(3)	–	(3)
Purchase and cancellation of own shares	(2)	–	(334)	–	(336)	–	(336)
Transactions in respect of non-controlling interests	–	–	–	–	–	1	1
Dividends paid	–	–	(381)	–	(381)	(2)	(383)
Transactions with owners	(2)	11	(678)	8	(661)	(1)	(662)
At 31 March 2017	100	1,530	18,813	(17,804)	2,639	12	2,651

	Called up share capital (Note 37) US$m	Share premium account (Note 37) US$m	Retained earnings (Note 38) US$m	Other reserves (Note 38) US$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

Group cash flow statement

for the year ended 31 March 2017

	Notes	2017 US$m	2016 (Re-presented) (Note 3) US$m
Cash flows from operating activities			
Cash generated from operations	39(a)	**1,525**	1,486
Interest paid		**(85)**	(86)
Interest received		**15**	20
Dividends received from associates		**3**	3
Tax paid		**(144)**	(122)
Net cash inflow from operating activities – continuing operations		**1,314**	1,301
Net cash inflow from operating activities – discontinued operations	17(b)	**41**	70
Net cash inflow from operating activities		**1,355**	1,371
Cash flows from investing activities			
Purchase of other intangible assets		**(319)**	(255)
Purchase of property, plant and equipment		**(80)**	(60)
Sale of property, plant and equipment		**15**	13
Purchase of other financial assets		**(14)**	(2)
Acquisition of subsidiaries, net of cash acquired	39(c)	**(363)**	(13)
Purchase of investments in associates		**(33)**	–
Disposal of subsidiaries – continuing operations		**(4)**	150
Net cash flows used in investing activities – continuing operations		**(798)**	(167)
Net cash flows used in investing activities – discontinued operations	17(b)	**(21)**	(11)
Net cash flows used in investing activities		**(819)**	(178)
Cash flows from financing activities			
Cash inflow in respect of shares issued	39(d)	**11**	13
Cash outflow in respect of share purchases	39(d)	**(364)**	(605)
Other payments on vesting of share awards		**(3)**	(5)
Payments to acquire non-controlling interests		**(9)**	(6)
New borrowings		**159**	204
Repayment of borrowings		**(3)**	(361)
Net payments for cross currency swaps and foreign exchange contracts		**(23)**	(29)
Receipts from equity swaps		**2**	1
Dividends paid		**(383)**	(383)
Net cash flows used in financing activities		**(613)**	(1,171)
Net (decrease)/increase in cash and cash equivalents		**(77)**	22
Cash and cash equivalents at 1 April		**151**	145
Exchange movements on cash and cash equivalents		**7**	(16)
Cash and cash equivalents at 31 March	39(e)	**81**	151

Notes to the Group financial statements

for the year ended 31 March 2017

1. Corporate information

Experian plc (the 'Company') is the ultimate parent company of the Experian group of companies ('Experian' or the 'Group'). Experian is the leading global information services group.

The Company is incorporated and registered in Jersey as a public company limited by shares and is resident in Ireland. The Company's registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands. The Company's ordinary shares are traded on the London Stock Exchange's Regulated Market and have a Premium Listing.

There has been no change in this information since the Annual Report for the year ended 31 March 2016.

2. Basis of preparation

The Group financial statements are:

- 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 (the 'EU') and IFRS Interpretations Committee interpretations (together 'EU-IFRS');
- prepared on the 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;
- prepared using the principal exchange rates set out in note 10; and
- designed to voluntarily include disclosures in line with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS.

The Company's own financial statements are prepared under UK accounting standards in accordance with FRS 101 'Reduced Disclosure Framework'.

There has been no change in the above information since the Annual Report for the year ended 31 March 2016.

The use of critical accounting estimates and management judgment is required in applying the accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the Group financial statements, are highlighted in note 6.

The going concern basis continues to be adopted in preparing these financial statements. The Board has assessed the principal risks and the other matters discussed in connection with the Viability statement, and the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3. Comparative information

On 31 March 2017 the Group signed a definitive agreement to sell a 75% interest in CCM, subject to customary closing conditions. It is anticipated that this transaction will be completed in the financial year ending 31 March 2018. In accordance with IFRS 5, the assets and liabilities of that business at 31 March 2017 are classified as held for sale and the results and cash flows of the business for the year ended 31 March 2016 have been reclassified as discontinued. The results of the Group's operating segments (shown within note 9 (a)) and the information on business segments (shown within note 9 (b)) have been re-presented accordingly.

Except as indicated above, the Group financial statements have been prepared on a basis consistent with that reported for the year ended 31 March 2016.

Notes to the Group financial statements continued

for the year ended 31 March 2017

4. Recent accounting developments

There have been no accounting standards, amendments and interpretations effective for the first time in these financial statements 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 (subject to EU endorsement) expected to be effective for the year ending 31 March 2020. It is not currently practicable to quantify their effect.

IFRS 15 is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principles-based five-step revenue recognition model to be applied to all sales contracts. In implementing IFRS 15, the anticipated principal effect will be in relation to certain contracts representing less than 15% of revenue, which require further review. These contracts are predominantly related to the Decision Analytics business segment.

There will be a revised assessment of performance obligations compared to the current accounting standards, resulting in the recognition of some revenue streams being deferred and other streams being accelerated. Certain services which are accounted for separately today will need to be considered as a bundled good or service under IFRS 15, such as set-up fees and the licensing and delivery of configured software solutions. We will also revisit the apportionment of revenue in certain batch data arrangements where ongoing updates are included.

Our assessment of the impact of the standard on the Group financial statements remains ongoing. At this stage, it is estimated that the total revenue recognised in any financial year would not materially change under IFRS 15, compared to current accounting standards.

Experian intends to adopt IFRS 15 on a partial retrospective basis and restate its results for the year ending 31 March 2018 as a prior year comparative. We are still evaluating which of the detailed practical expedients we will adopt for transition, as well as the additional disclosure requirements.

IFRS 9 is not expected to have a significant impact on the financial statements.

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.

5. Significant accounting policies

The significant accounting policies applied are summarised below. They have been applied consistently to both years presented. The explanations of these policies focus on areas where judgment is applied or which are particularly important in the financial statements. For ease of reference, the content within this note is arranged as follows:

- sections (a) to (d) – content that applies generally to the preparation of these financial statements;
- sections (e) to (o) – balance sheet policies, to be read in conjunction with specific notes as indicated;
- sections (p) to (w) – income statement policies, to be read in conjunction with specific notes as indicated; and
- section (x) – the policy and presentation principles adopted for disclosing segment information, in accordance with IFRS 8 'Operating segments'.

(a) Basis of consolidation

Experian follows EU-IFRS including:

- IFRS 3 'Business combinations';
- IFRS 5 'Non-current assets held for sale and discontinued operations'; and
- IFRS 10 'Consolidated financial statements'.

The Group financial statements incorporate the financial statements of the Company and its subsidiary undertakings.

Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that the Group no longer has control. All business combinations are accounted for using the acquisition method.

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of subsidiaries and segments are consistent with the policies adopted by the Group for the purposes of the Group's consolidation. The Group financial statements incorporate the financial statements of the Company and its subsidiary undertakings for the year ended 31 March 2017. A list of the significant subsidiaries is given in note 44(a) to these financial statements.

Associates

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Group financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Non-controlling interests

The non-controlling interests in the Group balance sheet represent the share of net assets of subsidiary undertakings held outside the Group. The movement in the year comprises the profit attributable to such interests together with any dividends paid, movements in respect of corporate transactions and related exchange differences.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Where put/call option agreements are in place in respect of shares held by non-controlling shareholders, the put element of the liability is stated at the net present value of the expected future payments. Such liabilities are shown as financial liabilities in the Group balance sheet. The change in the net present value of such options in the year is recognised in the Group income statement within net finance costs, whilst any change in that value attributable to exchange rate movements is recognised directly in other comprehensive income.

(b) Foreign currency translation

Experian follows EU-IFRS, including IAS 21 'The effects of changes in foreign exchange rates'.

Transactions and balances

Transactions in foreign currencies are recorded in the functional currency of the relevant Group undertaking at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the balance sheet date. Translation differences on monetary items are taken to the Group income statement except when recognised in other comprehensive income, as qualifying net investment hedges or cash flow hedges. Translation differences on non-monetary available-for-sale financial assets are reported as part of the fair value gains or losses in other comprehensive income.

Notes to the Group financial statements continued

for the year ended 31 March 2017

5. Significant accounting policies continued

Group undertakings

The results and financial position of Group undertakings whose functional currencies are not US dollars are translated into US dollars as follows:

- Income and expenses are generally translated at the average exchange rate for the year. Where this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, income and expenses are translated at the rates on the dates of the transactions.
- Assets and liabilities are translated at the closing exchange rate on the balance sheet date.
- All resulting exchange differences are recognised in other comprehensive income and as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in Group undertakings whose functional currencies are not US dollars, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income to the extent that such hedges are effective. Tax attributable to those exchange differences is taken directly to other comprehensive income. When such undertakings are sold, these exchange differences are recognised in the Group income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of such undertakings are treated as assets and liabilities of the entities and are translated into US dollars at the closing exchange rate.

(c) Fair value estimation

Experian follows EU-IFRS, including IFRS 13 'Fair value measurement'. The fair values of derivative financial instruments and other financial assets and liabilities are determined by using market data and established estimation techniques such as discounted cash flow and option valuation models. The fair value of foreign exchange contracts is based on a comparison of the contractual and year-end exchange rates. The fair values of other derivative financial instruments are estimated by discounting the future cash flows to net present values, using appropriate market rates prevailing at the year-end.

(d) Impairment of non-financial assets

Experian follows EU-IFRS, including IAS 36 'Impairment of assets'. Assets that are not subject to amortisation or depreciation are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment when there is an indication that the carrying amount may not be recoverable. An impairment charge is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell, and value-in-use. For the purposes of assessing impairment, assets are grouped into cash generating units ('CGUs'), determined by the lowest levels for which there are separately identifiable cash flows.

(e) Goodwill (note 20)

Experian follows EU-IFRS, including IAS 38 'Intangible assets'.

Goodwill is stated at cost less any accumulated impairment, where cost is the excess of the fair value of the consideration payable for an acquisition over the fair value at the date of acquisition of the Group's share of identifiable net assets of a subsidiary or associate acquired. Fair values are attributed to the identifiable assets, liabilities and contingent liabilities that existed at the date of acquisition, reflecting their condition at that date. Adjustments are made where necessary to align the accounting policies of acquired businesses with those of the Group. Goodwill is not amortised but is tested annually for impairment. An impairment charge is recognised for any amount by which the carrying value of the goodwill exceeds the recoverable amount.

Goodwill is allocated to CGUs and monitored for internal management purposes by operating segment. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. Where the recoverable amount of the CGU is less than its carrying amount, including goodwill, an impairment charge is recognised in the Group income statement.

Gains and losses on the disposal of an undertaking take account of the carrying amount of goodwill relating to the undertaking sold, allocated where necessary on the basis of relative fair value.

(f) Other intangible assets (note 21)

Acquisition intangibles

Intangible assets acquired as part of a business combination are capitalised on acquisition at fair value and separately from goodwill, if those assets are identifiable (separable or arising from legal rights) and their fair value can be measured reliably. Such assets are referred to as acquisition intangibles in these financial statements. Amortisation is charged on a straight-line basis as follows:

- Customer and other relationships – over three to 18 years, based on management's estimates of the average lives of such relationships, and reflecting their long-term nature.
- Acquired software development – over three to eight years, based on the asset's expected life.
- Marketing-related assets (trademarks and licences) – over their contractual lives, up to a maximum of 20 years.
- Marketing-related assets (trade names) – over three to 14 years, based on management's expected retention of trade names within the business.

Other intangibles

Other intangibles are capitalised at cost, in accordance with IAS 38. Certain costs incurred in the developmental phase of an internal project are capitalised provided that a number of criteria are satisfied. These include the technical feasibility of completing the asset so that it is available for use or sale, the availability of adequate resources to complete the development and to use or sell the asset, and how the asset will generate probable future economic benefit.

The cost of such assets with finite useful economic or contractual lives is amortised on a straight-line basis over those lives. The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If impaired, the carrying values are written down to the higher of fair value less costs to sell, and value-in-use which is determined by reference to projected future income streams using assumptions in respect of profitability and growth.

Further details on the capitalisation and amortisation policy for the key asset classifications within other intangibles are:

- Databases – capitalised databases, which comprise the data purchase and capture costs of internally developed databases, are amortised over three to seven years.
- Computer software (internal use) – computer software licences purchased for internal use are capitalised on the basis of the costs incurred to purchase and bring into use the specific software. These costs are amortised over three to ten years.
- Computer software (internally generated) – costs directly associated with producing identifiable and unique software products controlled by the Group, and that will generate economic benefits beyond one year, are recognised as intangible assets. These costs are amortised over three to ten years.

Research expenditure, together with other costs associated with developing or maintaining computer software programs, is recognised in the Group income statement as incurred.

(g) Property, plant and equipment (note 22)

Items of property, plant and equipment are held at cost less accumulated depreciation and any impairment in value, in accordance with IAS 16 'Property, plant and equipment'. Cost includes the original purchase price of the asset and amounts attributable to bringing the asset to its working condition for its intended use.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Such leases are capitalised at inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Depreciation is charged on a straight-line basis as follows:

- Freehold properties – over 50 years.
- Short leasehold properties – over the remaining period of the lease.
- Owned plant and equipment – over three to ten years, according to the asset's estimated life. Technology-based assets are typically depreciated over three to five years, with other infrastructure assets depreciated over five to ten years.
- Plant and equipment held under finance lease agreements – over the lower of the useful life of the equipment and period of the lease.

Notes to the Group financial statements continued

for the year ended 31 March 2017

5. Significant accounting policies continued

(h) Trade receivables (note 24)

Trade receivables are initially recognised at fair value and subsequently measured at this value less any provision for impairment. Where the time value of money is material, receivables are then carried at amortised cost using the effective interest rate method, less any provision for impairment.

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to their original terms. Such evidence is based primarily on the pattern of cash received, compared to the terms upon which the receivable is contracted. The amount of the provision is the difference between the carrying amount and the value of estimated future cash flows. Any charges or credits in respect of such provisions and irrecoverable trade receivables are recognised in the Group income statement, within other operating charges.

(i) Cash and cash equivalents (note 25)

Cash and cash equivalents include cash in hand, term and call deposits held with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Group balance sheet. For the purposes of the Group cash flow statement, cash and cash equivalents are reported net of bank overdrafts.

(j) Financial assets and derivative financial instruments (note 29)

The Group classifies its financial assets into four categories set out below, with the classification determined at initial recognition and dependent on the purpose for which such assets are acquired:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities more than one year after the balance sheet date which are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Derivatives used for hedging

Derivative financial assets used for hedging are included in current assets, except for maturities more than one year after the balance sheet date which are classified as non-current assets. Derivatives utilised by the Group include interest rate swaps, cross currency swaps, foreign exchange contracts and equity swaps.

Assets at fair value through profit and loss

Assets at fair value through profit and loss comprise non-hedging derivative financial instruments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or not classified in the other financial asset categories. They are carried at fair value and are included in non-current assets unless management intends to dispose of the assets within one year of the balance sheet date.

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates, interest rates and certain obligations relating to share incentive plans, including social security obligations. Instruments used include interest rate swaps, cross currency swaps, foreign exchange contracts and equity swaps. These are recognised as assets or liabilities as appropriate and are classified as non-current, unless they mature within one year of the balance sheet date.

Derivatives are initially recognised at their fair value on the date the contract is entered into, and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedge relationship.

The Group designates certain derivatives as fair value hedges, which are hedges of the fair value of a recognised asset or liability. The Group does not currently enter into cash flow or net investment hedges.

Hedging derivatives
The Group documents the relationship between hedging instrument and hedged item at the hedge inception, and its risk management objective and strategy for undertaking hedge transactions. The Group also documents its assessment of whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values of hedged items. This effectiveness testing is performed at every reporting date throughout the life of the hedge to confirm that the hedge remains, and will continue to remain, highly effective. Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated or exercised, or no longer qualifies for hedge accounting.

Amounts payable or receivable in respect of interest rate swaps are taken to net finance costs over the period of the contracts, together with the interest differentials reflected in foreign exchange contracts.

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recognised in the Group income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The ineffective portion of a fair value hedge is recognised in net finance costs in the Group income statement.

Non-hedging derivatives
Changes in the fair value of such derivative instruments are recognised immediately in the Group income statement. Cost and income amounts in respect of derivatives entered into in connection with social security obligations on employee share incentive plans, other than amounts of a financing nature, are charged or credited within labour costs. Other costs and changes in the fair value of such derivatives are charged or credited within financing fair value remeasurements in the Group income statement.

(k) Trade payables (note 26)
Trade payables are recognised initially at fair value. Where the time value of money is material, payables are then carried at amortised cost using the effective interest rate method.

(l) Borrowings (note 27)
Borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost, except where they are hedged by an effective fair value hedge, in which case the carrying value is adjusted to reflect the fair value movements associated with the hedged risk.

Borrowings are classified as non-current to the extent that the Group has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

(m) Post-employment benefit assets and obligations (note 34)
Defined benefit pension arrangements – funded plans
The post-employment benefit assets and obligations recognised in the Group balance sheet in respect of funded plans comprise the fair value of plan assets of funded plans less the present value of the related defined benefit obligation at that date. The defined benefit obligation is calculated annually by independent qualified actuaries, using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using market yields on high-quality corporate sterling bonds with maturity terms consistent with the estimated average term of the related pension liability.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised immediately in the Group statement of comprehensive income.

The pension cost recognised in the Group income statement comprises the cost of benefits accrued plus interest on the opening net defined benefit obligation. Service costs and financing income and expenses are recognised separately in the Group income statement. Plan expenses are deducted from the expected return on the plan assets over the year.

Defined benefit pension arrangements – unfunded plans
Unfunded pension obligations are determined and accounted for in accordance with the principles used in respect of the funded arrangements.

Notes to the Group financial statements continued

for the year ended 31 March 2017

5. Significant accounting policies continued

Defined contribution pension arrangements

The assets of defined contribution plans are held separately in independently administered funds. The pension cost recognised in the Group income statement represents the contributions payable by the Group to these funds, in respect of the year.

Post-retirement healthcare obligations

Obligations in respect of post-retirement healthcare plans are calculated annually by independent qualified actuaries, using an actuarial methodology similar to that for the funded defined benefit pension arrangements.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in the Group statement of comprehensive income. The cost recognised in the Group income statement comprises only interest on the obligation.

(n) Own shares (note 38)

The Group has a number of equity-settled, share-based employee incentive plans. In connection with these, shares in the Company are held by the Experian plc Employee Share Trust and the Experian UK Approved All-Employee Share Plan. The assets of these entities mainly comprise Experian shares, which are shown as a deduction from equity at cost.

Shares in the Company purchased and held as treasury shares, in connection with the above plans and any share purchase programme, are also shown as a deduction from equity at cost. The par value of shares in the Company that are purchased and cancelled, in connection with any share purchase programme, is accounted for as a reduction in called up share capital with any cost in excess of that amount being deducted from retained earnings.

(o) Assets and liabilities classified as held for sale (note 41)

Assets and liabilities are classified as held for sale when their carrying amounts are to be recovered or settled principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less costs to sell. No depreciation or amortisation is charged in respect of non-current assets classified as held for sale.

(p) Revenue recognition (note 9)

Revenue represents the fair value of consideration receivable on the provision of services, net of any sales taxes, rebates and discounts. This includes the provision and processing of data, subscriptions to services, software and database customisation and development, and the sale of software licences, maintenance and related consulting services.

Revenue in respect of the provision and processing of data is recognised in the period in which the service is provided. Subscription revenues, and revenues in respect of services to be provided by an indeterminate number of acts over a specified period of time, are recognised on a straight-line basis over those periods. Customisation, development and consulting revenues are recognised by reference to the stage of completion of the work, which is generally on the basis of costs incurred to date as a percentage of estimated total costs. Revenue from software licences is recognised upon delivery. Revenue from maintenance agreements is recognised on a straight-line basis over the term of the maintenance period.

Where a single arrangement comprises a number of elements which are capable of operating independently of one another, the total revenues are allocated amongst the elements, based on an estimate of the fair value of each element. Where the elements are not capable of operating independently, or reasonable measures of fair value for each element are not available, total revenues are recognised on a straight-line basis over the contract period, to reflect the timing of services performed.

Sales are typically invoiced in the geographic area in which the customer is located. As a result, the geographic location of the invoicing undertaking is used to attribute revenue to individual countries.

(q) Operating charges

Operating charges are reported by nature in the Group income statement, reflecting the Group's cost-management control structure.

Details of the types of charges within labour costs in respect of share incentive plans are set out in note (t) below. Those for post-employment benefits are set out in note (m) above.

Details of the Group's amortisation and depreciation policy are given in notes (f) and (g) above. The principles upon which impairment charges are recognised are set out in notes (d) and (e) above.

Payments made under operating leases are charged in the Group income statement on a straight-line basis over the lease period. Incentives from lessors are recognised as a systematic reduction of the charge over the lease period.

(r) Net finance costs (note 15)

Incremental transaction costs which are directly attributable to the issue of debt are capitalised and amortised over the expected life of the borrowing, using the effective interest rate method. All other borrowing costs are charged in the Group income statement in the year in which they are incurred.

Amounts payable or receivable in respect of interest rate swaps are taken to net finance costs over the periods of the contracts, together with the interest differentials reflected in foreign exchange contracts.

Details of the nature of movements in the fair value of derivatives which are reported as financial fair value remeasurements are included in note (j) above. The change in the year in the present value of put/call option agreements, in respect of shares held by non-controlling shareholders, is recognised as a financing fair value remeasurement within net finance costs.

(s) Tax (note 16)

The tax charge or credit for the year is recognised in the Group income statement, except for tax on items recognised in other comprehensive income or directly in equity.

Current tax is calculated on the basis of the tax laws substantively enacted at the balance sheet date, in the countries where the Group operates. Current tax assets and liabilities are offset where there is a legally enforceable right of offset.

Uncertain tax positions are considered on an individual basis. Where management considers it probable that an additional outflow will result from any given position, a provision is made. Such provisions are measured using management's best estimate of the most likely outcome. Further details are given in note 6.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. Deferred tax is not recognised on taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is not accounted for when it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply when the asset is realised or the liability settled, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date, in the countries where the Group operates.

Deferred tax assets are recognised in respect of tax losses carried forward and other temporary differences, to the extent that it is probable that the related tax benefit will be realised through future taxable profits. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where they relate to the same tax authority.

(t) Share incentive plans (note 32)

The fair value of share incentives granted in connection with the Group's equity-settled, share-based employee incentive plans is recognised as an expense on a straight-line basis over the vesting period. Fair value is measured using whichever of the Black-Scholes model, Monte Carlo model or closing market price is most appropriate. The Group takes into account the best estimate of the number of awards and options expected to vest and revises such estimates at each balance sheet date. Non-market performance conditions are included in the vesting estimates. Market-based performance conditions are included in the fair value measurement but are not revised for actual performance.

Notes to the Group financial statements continued

for the year ended 31 March 2017

5. Significant accounting policies continued

(u) Contingent consideration

Contingent consideration is recognised in accordance with EU-IFRS, including IFRS 3. The initially recorded cost of any acquisition includes a reasonable estimate of the fair value of any contingent amounts expected to be payable in the future. Any cost or benefit arising when such estimates are revised is recognised in the Group income statement (see note 14).

Where part or all of the amount of disposal consideration is contingent on future events, the disposal proceeds initially recorded include a reasonable estimate of the value of the contingent amounts expected to be receivable and payable in the future. The proceeds and profit or loss on disposal are adjusted when revised estimates are made, with corresponding adjustments made to receivables and payables as appropriate, until the ultimate outcome is known and the related consideration received.

(v) Discontinued operations (note 17)

A discontinued operation is a component of the Group's business that represents a separate geographic area of operation or a separate major line of business. Classification as a discontinued operation occurs upon disposal or earlier, if the operation meets the criteria to be classified as held for sale. Discontinued operations are presented in the income statement as a separate line and are shown net of tax.

When an operation is classified as a discontinued operation, the comparatives in the Group income statement and the Group statement of comprehensive income are re-presented as if the operation had been discontinued from the start of the comparative year.

(w) Earnings per share ('EPS') (note 18)

Earnings per share are reported in accordance with EU-IFRS, including IAS 33.

(x) Segment information policy and presentation principles (note 9)

Experian is organised into, and managed on a worldwide basis through, the following five operating segments, which are based on geographic areas and supported by central functions:

- North America;
- Latin America;
- UK and Ireland;
- Europe, Middle East and Africa ('EMEA'); and
- Asia Pacific.

The chief operating decision maker assesses the performance of these operating segments on the basis of Benchmark EBIT, as defined in note 7.

The 'All other segments' category required to be disclosed has been captioned as EMEA/Asia Pacific in these financial statements. This combines information in respect of the EMEA and Asia Pacific segments, as neither of these operating segments is individually reportable, on the basis of their share of the Group's revenue, reported profit or loss, and assets.

Experian separately presents information equivalent to segment disclosures in respect of the costs of its central functions, under the caption 'Central Activities', as management believes that this information is helpful to users of the financial statements. Costs reported for Central Activities include costs arising from finance, treasury and other global functions.

Inter-segment transactions are entered into under the normal commercial terms and conditions that would be available to third parties. Such transactions do not have a material impact on the Group's results.

Segment assets consist primarily of property, plant and equipment, intangible assets including goodwill, inventories, derivatives designated as hedges of future commercial transactions, and receivables. They exclude tax assets, cash and cash equivalents, and derivatives designated as hedges of borrowings. Segment liabilities comprise operating liabilities, including derivatives designated as hedges of future commercial transactions. They exclude tax liabilities, borrowings and related hedging derivatives. Net assets reported for Central Activities comprise corporate head office assets and liabilities, including certain post-employment benefit assets and obligations, and derivative assets and liabilities. Capital expenditure comprises additions to property, plant and equipment and intangible assets, other than additions through business combinations.

Information required to be presented also includes analysis of the Group's revenues by groups of service lines. This is supplemented by voluntary disclosure of the profitability of those 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. Experian's four business segments, details of which are given in the Strategic report section of this Annual Report, are:

- Credit Services;
- Decision Analytics;
- Marketing Services; and
- Consumer Services.

The North America and the UK and Ireland operating segments derive revenues from all of the Group's business segments. The EMEA and Asia Pacific segments currently do not derive revenue from the Consumer Services business segment and such revenue generated in the Latin America segment is not yet sufficiently material to be disclosed separately.

Reportable segment information for the full year provided to the chief operating decision maker is set out in note 9(a).

6. Critical accounting estimates, assumptions and judgments

(a) Critical accounting estimates and assumptions

In preparing these financial statements, management is required to make estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgment at the date of these financial statements, will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below. Revenue recognition is excluded from this summary on the grounds that the policy adopted in this area is sufficiently objective.

Tax (notes 16, 35, and 43(c))

The Group is subject to tax in numerous jurisdictions. The Group has a number of open tax returns with various tax authorities with whom it is in active dialogue. Liabilities relating to these open and judgmental matters are based on an assessment as to whether additional taxes will be due, after taking into account external advice where appropriate. Significant judgment is required in determining the related assets or provisions, as there are transactions in the ordinary course of business and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, the differences will affect the results for the year and the respective income tax and deferred tax assets or provisions in the year in which such determination is made. The Group recognises deferred tax assets based on forecasts of future profits against which those assets may be utilised.

Goodwill (note 20)

The Group tests goodwill for impairment annually, or more frequently if there is an indication that it may be impaired. The recoverable amount of each CGU is generally determined on the basis of value-in-use calculations, which require the use of cash flow projections based on financial budgets, looking forward up to five years. Management determines budgeted profit margin based on past performance and its expectations for the market's development. Cash flows are extrapolated using estimated growth rates beyond a five-year period. The growth rates used do not exceed the long-term average growth rate for the CGU's markets. The discount rates used reflect the Group's pre-tax weighted average cost of capital ('WACC'), as adjusted for region-specific risks and other factors.

Notes to the Group financial statements continued

for the year ended 31 March 2017

6. Critical accounting estimates, assumptions and judgments continued

(b) Critical judgments

In applying the Group's accounting policies, management has made judgments that have a significant effect on the amounts recognised in the Group financial statements and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The most significant of these judgments are in respect of intangible assets and contingencies:

Intangible assets

Certain costs incurred in the developmental phase of an internal project, which include the development of databases, internal use software and internally generated software, are capitalised as intangible assets if a number of criteria are met. Management has made judgments and assumptions when assessing whether a project meets these criteria, and on measuring the costs and the economic life attributed to such projects.

On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. These include items such as brand names and customer lists, to which value is first attributed at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on judgments about the value and economic life of such items.

The economic lives of intangible assets are estimated at between three and ten years for internal projects and between two and 20 years for acquisition intangibles. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Further details of the amounts of, and movements in, such assets are given in note 21.

Contingencies

In the case of pending and threatened litigation claims, management has formed a judgment as to the likelihood of ultimate liability. No liability has been recognised where the likelihood of any loss arising is possible rather than probable.

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

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

(a) Benchmark profit before tax ('Benchmark PBT') (note 9(a)(i))

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' post-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 calculation of Benchmark PBT because these charges are based on judgments about their value and economic life and bear no relation to the Group's underlying ongoing performance. Impairment of goodwill is similarly excluded from the calculation of Benchmark PBT.
- Acquisition and disposal expenses (representing the incidental costs of acquisitions and disposals, one-time integration costs and other corporate transaction 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 ongoing performance or to the performance of any acquired businesses. Adjustments to contingent consideration are similarly excluded from the definition of Benchmark PBT.

- 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) Benchmark earnings before interest and tax ('Benchmark EBIT') and margin ('Benchmark EBIT margin') (note 9(a)(i))

Benchmark EBIT is defined as Benchmark PBT before the net interest expense charged therein and accordingly excludes exceptional items as defined below. Benchmark EBIT margin is Benchmark EBIT from ongoing activities expressed as a percentage of revenue from ongoing activities.

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

Benchmark EBITDA is defined as Benchmark EBIT before the depreciation and amortisation charged therein (note 12).

(d) Exited business activities

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

(e) Ongoing activities

The results of businesses trading at 31 March 2017, which are not disclosed as exited business activities, are reported as ongoing activities.

(f) 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.

(g) Total growth (note 9(a)(ii))

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

(h) Organic revenue growth (note 9(a)(ii))

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

(i) Benchmark earnings and Total Benchmark earnings (note 18)

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 other adjustments made to derive Benchmark PBT. Benchmark PBT less attributable tax is designated as Total Benchmark earnings.

(j) Benchmark earnings per share ('Benchmark EPS') (note 18)

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

(k) 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.

(l) Benchmark tax charge and rate (note 16(b)(ii))

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 16(b)(ii) to these financial statements. The Benchmark effective rate of tax is calculated by dividing the Benchmark tax charge by Benchmark PBT.

Notes to the Group financial statements continued

for the year ended 31 March 2017

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

(m) Exceptional items (note 14(a))

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 financially significant one-off items. All other restructuring costs are charged against Benchmark EBIT, in the segments in which they are incurred.

(n) Full year dividend per share (note 19)

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

(o) Benchmark operating and Benchmark free cash flow

Benchmark operating cash flow is Benchmark 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. Benchmark free cash flow is derived from Benchmark operating cash flow by excluding net interest, tax paid in respect of continuing operations and dividends paid to non-controlling interests.

(p) Cash flow conversion

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

(q) Net debt and Net funding (note 28)

Net debt is borrowings (and the fair value of derivatives hedging borrowings) excluding accrued interest, less cash and cash equivalents and other highly liquid bank deposits with original maturities greater than three months. Net funding is borrowings (and the fair value of the effective portion of derivatives hedging borrowings) excluding accrued interest, less cash held in Group Treasury.

(r) Return on capital employed ('ROCE') (note 9(a)(iii))

ROCE is defined as Benchmark EBIT less tax at the Benchmark rate divided by a three-point average of capital employed over the year. Capital employed is net assets less non-controlling interests, further adjusted to add or deduct the net tax liability or asset and the average capital employed in discontinued operations, and to add Net debt.

8. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks. These are market risk, including foreign exchange risk and interest rate risk, credit risk, and liquidity risk. These risks are unchanged from those reported in the 2016 Annual Report. The numeric disclosures in respect of financial risks are included within later notes to the financial statements, to provide a more transparent link between financial risks and results.

Financial risks represent part of the Group's risks in relation to its strategy and business objectives. There is a full discussion of the most significant risks in the Principal risks section of this Annual Report. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Group's financial performance. The Group seeks to reduce its exposure to financial risks and uses derivative financial instruments to hedge certain risk exposures. However the Group does not, nor does it currently intend to, borrow in the Brazilian real or the Colombian peso.

The Group also ensures surplus funds are prudently managed and controlled.

Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk from future commercial transactions, recognised assets and liabilities and investments in, and loans between, Group undertakings with different functional currencies. The Group manages such risk, primarily within undertakings whose functional currencies are US dollars, by:

- entering into forward foreign exchange contracts in the relevant currencies in respect of investments in entities with functional currencies other than US dollars, whose net assets are exposed to foreign exchange translation risk;
- swapping the proceeds of certain bonds issued in sterling and euros into US dollars;
- denominating internal loans in relevant currencies, to match the currencies of assets and liabilities in entities with different functional currencies; and
- using forward foreign exchange contracts to hedge certain future commercial transactions.

The principal transaction exposures are to sterling and the euro. An indication of the sensitivity to foreign exchange risk is given in note 10.

Interest rate risk

The Group's interest rate risk arises principally from components of its Net debt that are at variable rates.

The Group has a policy of normally maintaining between 50% and 100% of Net funding at rates that are fixed for more than six months. The Group manages its interest rate exposure by:

- using fixed and floating rate borrowings, and interest rate swaps and cross currency interest rate swaps to adjust the balance between the two; and
- mixing the duration of borrowings and interest rate swaps to smooth the impact of interest rate fluctuations.

Further information in respect of the Group's net finance costs for the year and an indication of the sensitivity to interest rate risk is given in note 15.

Credit risk

In the case of derivative financial instruments, deposits and trade receivables, the Group is exposed to credit risk from the non-performance of contractual agreements by the contracted party.

Credit risk is managed by:

- only entering into contracts for derivative financial instruments and deposits with banks and financial institutions with strong credit ratings, within limits set for each organisation; and
- closely controlling dealing activity and regularly monitoring counterparty positions.

The credit risk on derivative financial instruments utilised and deposits held by the Group is therefore not considered to be significant. The Group does not anticipate that any losses will arise from non-performance by its chosen counterparties. Further information on the Group's derivative financial instruments at the balance sheet dates is given in note 29 and that in respect of amounts recognised in the Group income statement is given in note 15. Further information on the Group's deposits at the balance sheet dates is given in note 25.

To minimise credit risk for trade receivables, the Group has implemented policies that require appropriate credit checks on potential clients before granting credit. The maximum credit risk in respect of such financial assets is their carrying value. Further information in respect of the Group's trade receivables is given in note 24.

Notes to the Group financial statements continued

for the year ended 31 March 2017

8. Financial risk management continued

Liquidity risk

The Group manages liquidity risk by:

- issuing long maturity bonds and notes;
- entering into long-term committed bank borrowing facilities, to ensure the Group has sufficient funds available for operations and planned growth; and
- monitoring rolling cash flow forecasts, to ensure the Group has adequate borrowing facilities.

Details of such facilities are given in note 27. A maturity analysis of contractual undiscounted future cash flows for financial liabilities is given in note 31.

(b) Capital risk management

The Group's definition and management of capital focuses on capital employed:

- The Group's capital employed is reported in the net assets summary table set out in the Financial review and analysed by segment in note 9(a)(iii).
- As part of its internal reporting processes, the Group monitors capital employed by operating segment.

The Group's objectives in managing capital are to:

- safeguard its ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure and cost of capital.

The Group's policy is to have:

- a prudent but efficient balance sheet; and
- a target gearing ratio of 2.0 to 2.5 times Benchmark EBITDA, consistent with the intention to retain strong investment-grade credit ratings.

To maintain or adjust its capital structure, the Group may:

- adjust the amount of dividends paid to shareholders;
- return capital to shareholders;
- issue or purchase shares; or
- sell assets to reduce Net debt.

Dividend policy

The Group has a progressive dividend policy which aims to increase the dividend over time broadly in line with the underlying growth in Benchmark earnings per share. This aligns shareholder returns with the underlying profitability of the Group. In determining the level of dividend in any one year, in accordance with the policy, the Board also considers a number of other factors, including the outlook for the Group, the opportunities for organic investment, the opportunities to make acquisitions and disposals, the cash flow generated by the Group, and the level of dividend cover.

9. Segment information

(a) IFRS 8 disclosures

(i) Income statement

Year ended 31 March 2017	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers	**2,457**	**730**	**807**	**341**	**4,335**	**–**	**4,335**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT	**781**	**251**	**246**	**(3)**	**1,275**	**(76)**	**1,199**
Net interest (note 15(b))	**–**	**–**	**–**	**–**	**–**	**(75)**	**(75)**
Benchmark PBT	**781**	**251**	**246**	**(3)**	**1,275**	**(151)**	**1,124**
Amortisation of acquisition intangibles	**(70)**	**(22)**	**(8)**	**(4)**	**(104)**	**–**	**(104)**
Acquisition expenses	**(12)**	**(1)**	**(1)**	**(2)**	**(16)**	**–**	**(16)**
Financing fair value remeasurements (note 15(c))	**–**	**–**	**–**	**–**	**–**	**67**	**67**
Profit/(loss) before tax	**699**	**228**	**237**	**(9)**	**1,155**	**(84)**	**1,071**

Year ended 31 March 2016	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers							
Ongoing activities	2,294	631	924	315	4,164	–	4,164
Exited business activities	43	–	15	15	73	–	73
Total	2,337	631	939	330	4,237	–	4,237
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	704	226	297	(15)	1,212	(82)	1,130
Exited business activities	11	–	3	1	15	–	15
Total	715	226	300	(14)	1,227	(82)	1,145
Net interest (note 15(b))	–	–	–	–	–	(74)	(74)
Benchmark PBT	715	226	300	(14)	1,227	(156)	1,071
Exceptional items (note 14(a))	53	–	2	(18)	37	–	37
Amortisation of acquisition intangibles	(76)	(22)	(12)	(5)	(115)	–	(115)
Acquisition expenses	(4)	–	–	–	(4)	–	(4)
Adjustment to the fair value of contingent consideration	–	–	(2)	–	(2)	–	(2)
Financing fair value remeasurements (note 15(c))	–	–	–	–	–	(21)	(21)
Profit/(loss) before tax	688	204	288	(37)	1,143	(177)	966

The results for the year ended 31 March 2016 have been re-presented in respect of the email/cross-channel marketing business.

Notes to the Group financial statements continued

for the year ended 31 March 2017

9. Segment information continued

A profit before tax of US$8m (2016: US$41m) arose in the year in respect of discontinued operations. Further information on such operations which comprise the Group's email/cross-channel marketing business in the current year and the Group's comparison shopping and lead generation businesses in the prior year is given in note 17(a).

Additional information by operating segment, including that on total and organic growth at constant exchange rates, is provided in the Strategic report. Revenue and Benchmark EBIT by operating segment for the year ended 31 March 2016 have been re-analysed in the table on the preceding page between ongoing and exited business activities, following the disposal of a number of businesses during the year ended 31 March 2017.

(ii) Reconciliation of revenue from ongoing activities

	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total ongoing activities US$m
Revenue for the year ended 31 March 2016	**2,294**	**631**	**924**	**315**	**4,164**
Adjustment to constant exchange rates	**–**	**(6)**	**7**	**–**	**1**
Revenue at constant exchange rates for the year ended 31 March 2016	**2,294**	**625**	**931**	**315**	**4,165**
Organic revenue growth	**104**	**55**	**6**	**29**	**194**
Revenue from acquisitions	**59**	**–**	**–**	**–**	**59**
Revenue at constant exchange rates for the year ended 31 March 2017	**2,457**	**680**	**937**	**344**	**4,418**
Adjustment to actual exchange rates	**–**	**50**	**(130)**	**(3)**	**(83)**
Revenue for the year ended 31 March 2017	**2,457**	**730**	**807**	**341**	**4,335**
Organic revenue growth at constant rates	**5%**	**9%**	**1%**	**9%**	**5%**
Total revenue growth at constant rates	**7%**	**9%**	**1%**	**9%**	**6%**

(iii) Balance sheet

Net assets/(liabilities)

At 31 March 2017	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m	Central Activities and other US$m	Total Group US$m
Goodwill	**2,641**	**801**	**603**	**200**	**4,245**	**–**	**4,245**
Investments in associates	**22**	**–**	**13**	**7**	**42**	**–**	**42**
Other assets	**1,447**	**580**	**364**	**224**	**2,615**	**789**	**3,404**
Total assets	**4,110**	**1,381**	**980**	**431**	**6,902**	**789**	**7,691**
Total liabilities	**(603)**	**(147)**	**(276)**	**(135)**	**(1,161)**	**(3,879)**	**(5,040)**
Net assets/(liabilities)	**3,507**	**1,234**	**704**	**296**	**5,741**	**(3,090)**	**2,651**

At 31 March 2016	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m	Central Activities and other US$m	Total Group US$m
Goodwill	2,474	731	680	313	4,198	–	4,198
Investments in associates	3	–	–	5	8	–	8
Other assets	1,439	481	415	253	2,588	613	3,201
Total assets	3,916	1,212	1,095	571	6,794	613	7,407
Total liabilities	(553)	(135)	(309)	(150)	(1,147)	(3,822)	(4,969)
Net assets/(liabilities)	3,363	1,077	786	421	5,647	(3,209)	2,438

Central Activities and other comprises:

	2017			2016		
	Assets US$m	**Liabilities US$m**	**Net assets/ (liabilities) US$m**	Assets US$m	Liabilities US$m	Net assets/ (liabilities) US$m
Central Activities	**224**	**(104)**	**120**	258	(147)	111
Assets/(liabilities) classified as held for sale	**358**	**(58)**	**300**	–	–	–
Net debt	**98**	**(3,271)**	**(3,173)**	172	(3,195)	(3,023)
Tax	**109**	**(446)**	**(337)**	183	(480)	(297)
	789	**(3,879)**	**(3,090)**	613	(3,822)	(3,209)

The total tax liability for the Group at 31 March 2017 also includes a net liability of US$18m classified as held for sale (note 41).

Notes to the Group financial statements continued

for the year ended 31 March 2017

9. Segment information continued

Capital employed

	2017 US$m	2016 US$m
North America	**3,507**	3,363
Latin America	**1,234**	1,077
UK and Ireland	**704**	786
EMEA/Asia Pacific	**296**	421
Total operating segments	**5,741**	5,647
Central Activities	**120**	111
Assets and liabilities classified as held for sale (note 41)	**300**	–
Non-controlling interests	**(12)**	(14)
Capital employed attributable to owners	**6,149**	5,744

(iv) Capital expenditure, amortisation and depreciation

	Capital expenditure		Amortisation		Depreciation	
	2017 US$m	2016 (Re-presented) (Note 3) US$m	2017 US$m	2016 (Re-presented) (Note 3) US$m	2017 US$m	2016 (Re-presented) (Note 3) US$m
North America	**172**	136	**105**	112	**40**	41
Latin America	**120**	79	**63**	53	**9**	8
UK and Ireland	**59**	57	**31**	34	**13**	17
EMEA/Asia Pacific	**26**	31	**23**	29	**8**	8
Total operating segments	**377**	303	**222**	228	**70**	74
Central Activities	**22**	12	**28**	29	**2**	3
Total Group	**399**	315	**250**	257	**72**	77

Amortisation and depreciation above only include amounts charged to Benchmark PBT.

Capital expenditure of US$24m (2016: US$24m), amortisation of US$14m (2016: US$13m) and depreciation of US$6m (2016: US$6m) arose in respect of discontinued operations. Further information is given in note 17.

(v) Revenue by country – continuing operations

	2017 US$m	2016 (Re-presented) (Note 3) US$m
USA	**2,449**	2,326
UK	**800**	933
Brazil	**649**	556
Colombia	**62**	57
Other	**375**	365
	4,335	4,237

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, the UK and Brazil in aggregate comprises 90% (2016: 88%) of Group revenue.

(vi) Non-current assets by country

	2017 US$m	2016 US$m
USA	**3,643**	3,494
UK	**830**	928
Brazil	**951**	830
Colombia	**233**	227
Other	**352**	503
Segment non-current assets by country	**6,009**	5,982
Central Activities	**202**	137
Deferred tax	**83**	159
	6,294	6,278

To add clarity to the presentation of this information, non-current assets for Central Activities and deferred tax have been excluded from the analysis by country. The Group has no significant non-current assets located in Ireland.

(b) Information on business segments (including non-GAAP disclosures)

Year ended 31 March 2017	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	**2,389**	**584**	**421**	**941**	**4,335**	**–**	**4,335**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT	**817**	**120**	**95**	**243**	**1,275**	**(76)**	**1,199**
Net interest (note 15(b))	**–**	**–**	**–**	**–**	**–**	**(75)**	**(75)**
Benchmark PBT	**817**	**120**	**95**	**243**	**1,275**	**(151)**	**1,124**
Amortisation of acquisition intangibles	**(76)**	**(9)**	**(4)**	**(15)**	**(104)**	**–**	**(104)**
Acquisition expenses	**(7)**	**–**	**–**	**(9)**	**(16)**	**–**	**(16)**
Financing fair value remeasurements (note 15(c))	**–**	**–**	**–**	**–**	**–**	**67**	**67**
Profit/(loss) before tax	**734**	**111**	**91**	**219**	**1,155**	**(84)**	**1,071**

Notes to the Group financial statements continued

for the year ended 31 March 2017

9. Segment information continued

(b) Information on business segments (including non-GAAP disclosures) continued

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 US$m
Revenue from external customers							
Ongoing activities	2,240	566	407	951	4,164	–	4,164
Exited business activities	3	13	57	–	73	–	73
Total	2,243	579	464	951	4,237	–	4,237
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	791	104	76	241	1,212	(82)	1,130
Exited business activities	1	6	8	–	15	–	15
Total	792	110	84	241	1,227	(82)	1,145
Net interest (note 15(b))	–	–	–	–	–	(74)	(74)
Benchmark PBT	792	110	84	241	1,227	(156)	1,071
Exceptional items (note 14(a))	(5)	48	(6)	–	37	–	37
Amortisation of acquisition intangibles	(77)	(24)	(8)	(6)	(115)	–	(115)
Acquisition expenses	(1)	–	–	(3)	(4)	–	(4)
Adjustment to the fair value of contingent consideration	(2)	–	–	–	(2)	–	(2)
Financing fair value remeasurements (note 15(c))	–	–	–	–	–	(21)	(21)
Profit/(loss) before tax	707	134	70	232	1,143	(177)	966

A profit before tax of US$8m (2016: loss before tax of US$41m) arose in the year in respect of discontinued operations. Further information is given in note 17(a).

Revenue and Benchmark EBIT by business segment for the year ended 31 March 2016 have been re-analysed in the above table between ongoing and exited business activities, following the disposal of a number of businesses during the year ended 31 March 2017.

Additional information by business segment, including that on total and organic growth at constant exchange rates, is provided in the Strategic report.

10. Foreign currency

(a) Principal exchange rates used

	Average		Closing		
	2017	2016	**2017**	2016	2015
US dollar : Brazilian real	**3.30**	3.59	**3.17**	3.56	3.22
Sterling : US dollar	**1.30**	1.51	**1.25**	1.44	1.48
Euro : US dollar	**1.10**	1.10	**1.07**	1.14	1.07
US dollar : Colombian peso	**2,969**	2,942	**2,894**	2,997	2,596

(b) Foreign exchange risk

(i) Brazilian real intra-Group funding

In 2012, Brazilian real intra-Group funding was provided to Serasa S.A. in Brazil from a Group company whose functional currency was not the Brazilian real. As the funding was considered to be permanent, no foreign exchange volatility was recognised within financing fair value remeasurements in the Group income statement. In November 2014, the funding was partially repaid. The Group exchanged the repayment into US dollars and used it to repay debt. Following the partial repayment of the debt, the remaining funding was no longer regarded as permanent for the purposes of EU-IFRS. As a result of the weakening of 11% in the Brazilian real against the US dollar in the year ended 31 March 2016, a charge of US$33m was recognised within financing fair value remeasurements in that year (note 15(c)). In the year ended 31 March 2017 a further element of the funding was repaid. As a result of the strengthening of 11% in the Brazilian real against the US dollar in the year ended 31 March 2017, a gain of US$34m has been recognised within financing fair value remeasurements in the current year (note 15(c)).

The Group is similarly exposed to the impact of the Brazilian real strengthening or weakening against the US dollar in the future. A movement of 24% would result in a US$63m impact on profit before tax. There is no effect on total equity as a result of this exposure, since it arises on intra-Group funding and there would be a related equal but opposite foreign exchange movement recognised in the translation reserve within equity.

(ii) Other exposures

On the basis of the profile of foreign exchange exposures, and an assessment of reasonably possible changes in such exposures, there are no other material sensitivities to foreign exchange risk at the balance sheet dates. In making these assessments, actual data on movements in the principal currencies over the most recent three-year period has been considered together with exposures at the balance sheet dates. This methodology has been applied consistently.

11. Labour costs and employee numbers – continuing operations

(a) Labour costs (including executive directors)

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Wages and salaries	**1,192**	1,122
Social security costs	**176**	180
Share incentive plans (note 32(a))	**60**	57
Pension costs – defined benefit plans (note 34(a))	**8**	9
Pension costs – defined contribution plans	**48**	50
Employee benefit costs	**1,484**	1,418
Other labour costs	**131**	141
	1,615	1,559

Other labour costs includes those in respect of external contractors, outsourcing and the recruitment, development and training of employees. The definition of key management personnel, and an analysis of their remuneration, is given in note 44(d).

Notes to the Group financial statements continued

for the year ended 31 March 2017

11. Labour costs and employee numbers – continuing operations continued

(b) Average monthly number of employees (including executive directors)

	2017			2016 (Re-presented) (Note 3)		
	Full-time	Part-time	Full-time equivalent	Full-time	Part-time	Full-time equivalent
North America	**6,225**	**40**	**6,245**	5,844	44	5,867
Latin America	**3,130**	**113**	**3,187**	2,973	95	3,021
UK and Ireland	**3,500**	**264**	**3,632**	3,331	249	3,455
EMEA/Asia Pacific	**2,583**	**64**	**2,615**	2,608	94	2,655
Total operating segments	**15,438**	**481**	**15,679**	14,756	482	14,998
Central Activities	**149**	**20**	**159**	149	17	158
	15,587	**501**	**15,838**	14,905	499	15,156

12. Amortisation and depreciation charges

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Benchmark:		
Amortisation of other intangible assets	**250**	257
Depreciation of property, plant and equipment	**72**	77
	322	334
Non-benchmark:		
Amortisation of acquisition intangibles	**104**	115
	426	449

An analysis by segment of amounts charged within Benchmark PBT is given in note 9(a)(iv). Analyses by asset type are given in notes 21 and 22.

13. Fees payable to the Company's auditor

	2017 US$m	2016 US$m
Audit of the Company and Group financial statements	**0.5**	0.5
Audit of the financial statements of the Company's subsidiaries	**2.6**	3.2
Tax compliance services	**–**	0.5
Tax advisory services	**–**	2.0
Audit-related assurance services	**0.4**	0.4
Other assurance services	**0.1**	0.3
Other services	**0.5**	–
Total fees payable to the Company's auditor and its associates	**4.1**	6.9
Summary of fees by nature:		
Fees for audit services	**3.1**	3.7
Fees for audit related assurance services	**0.4**	0.4
Fees for other services	**0.6**	2.8
	4.1	6.9

Fees in respect of the year ended 31 March 2017 were payable to KPMG LLP, whilst those for the year ended 31 March 2016 were payable to PricewaterhouseCoopers LLP. Guidelines covering the use of the Company's auditor for non-audit services are set out in the Corporate governance report. Current policy, effective from 1 April 2016, is that such fees are capped at 50% of the fees for audit services. In the year ended 31 March 2017, fees payable for such services, other than fees for audit-related assurance services, were 19% of fees payable for audit services. Such fees are reported within Other operating charges.

14. Exceptional items and Other adjustments made to derive Benchmark PBT – continuing operations

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

	Notes	2017 US$m	2016 (Re-presented) (Note 3) US$m
Exceptional items:			
(Profit) on disposal of businesses	14(b)	–	(57)
North America security incident related costs	14(c)	–	20
(Credit)/charge for exceptional items		–	(37)
Other adjustments made to derive Benchmark PBT			
Amortisation of acquisition intangibles	21	**104**	115
Acquisition expenses		**16**	4
Adjustment to the fair value of contingent consideration		–	2
Financing fair value remeasurements	15(c)	**(67)**	21
Charge for other adjustments made to derive Benchmark PBT		**53**	142
Net charge for Exceptional items and Other adjustments made to derive Benchmark PBT		**53**	105
By income statement caption:			
Labour costs		**6**	–
Amortisation and depreciation charges		**104**	115
Other operating charges		**10**	26
Profit on disposal of businesses	14(b)	–	(57)
Within operating profit		**120**	84
Finance expense	15(c)	**(67)**	21
		53	105

Acquisition expenses comprise professional fees and expenses associated with completed, ongoing and terminated acquisition processes, as well as the integration costs associated with completed deals.

Notes to the Group financial statements continued

for the year ended 31 March 2017

14. Exceptional items and Other adjustments made to derive Benchmark PBT – continuing operations continued

(b) Profit on disposal of businesses

The net profit on disposal of businesses in the prior year and the related cash inflows are analysed in the table below.

	2016 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 currency translation 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 profit before tax on the disposal of businesses primarily related to the disposals of the FootFall and Baker Hill businesses and the consumer insights businesses, Hitwise and Simmons.

(c) North America security incident related costs

In September 2015, Experian North America suffered an unauthorised intrusion to its Decision Analytics computing environment, which 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.

During the year the Group received insurance recoveries of US$22m, which offset US$18m of additional legal and remediation expenses incurred in the year and a US$4m provision for future costs. In the year ended 31 March 2016, the costs to Experian of directly responding to this incident were reflected in a charge of US$20m.

15. Net finance costs

(a) Net finance costs included in profit before tax

	2017 US$m	2016 US$m
Interest income:		
Bank deposits, short-term investments and loan notes	**(14)**	(20)
Interest income	**(14)**	(20)
Finance expense:		
Eurobonds and notes	**86**	93
Bank loans, commercial paper, overdrafts and other	**13**	14
Commitment and facility fees	**5**	5
Interest expense on pension plan liabilities	**1**	–
Interest differentials on derivatives	**(16)**	(18)
Interest expense	**89**	94
(Credit)/charge in respect of financing fair value remeasurements (note 15(c))	**(67)**	21
Finance expense	**22**	115
Net finance costs included in profit before tax	**8**	95

(b) Net interest expense included in Benchmark PBT

	2017 US$m	2016 US$m
Interest income	**(14)**	(20)
Interest expense	**89**	94
Net interest expense included in Benchmark PBT	**75**	74

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

	2017 US$m	2016 US$m
Fair value gains on borrowings – attributable to interest rate risk	**(29)**	(16)
Fair value (gains)/losses on borrowings – attributable to currency risk	**(125)**	22
Losses/(gains) on interest rate swaps – fair value hedges	**1**	(2)
Losses/(gains) on cross currency swaps – fair value hedges	**160**	(10)
Fair value (gains)/losses on non-hedging derivatives	**(39)**	2
Foreign exchange (gains)/losses on Brazilian real intra-Group funding	**(34)**	33
Other foreign exchange (gains)/losses on financing activities	**(3)**	7
Gain in connection with commitments to purchase own shares	**–**	(2)
Increase/(decrease) in present value of put options	**2**	(13)
	(67)	21

Notes to the Group financial statements continued

for the year ended 31 March 2017

15. Net finance costs continued

(d) Interest rate risk

The following table shows the sensitivity to interest rate risk, on the basis of the profile of Net debt at the balance sheet dates and an assessment of reasonably possible changes in the principal interest rates, with all other variables held constant. In making this assessment, actual movements in relevant interest rates over the most recent three-year period have been considered and a consistent methodology applied. An indication of the primary cause of the reported sensitivity of profit for the financial year is included.

(Loss)/gain	2017 US$m	2016 US$m
Effect of an increase of 0.2% (2016: 0.1%) on US dollar-denominated Net debt:		
Due to fair value gains on interest rate swaps offset by higher interest on floating rate borrowings	**2**	3
Effect of an increase of 0.1% (2016: 0.1%) on sterling-denominated Net debt:		
Due to the revaluation of borrowings and related derivatives	**(1)**	(1)
Effect of an increase of 2.0% (2016: 2.3%) on Brazilian real-denominated Net debt:		
Due to higher interest income on cash and cash equivalents	**–**	2
Effect of an increase of 0.2% (2016: 0.2%) on euro-denominated Net debt:		
Due to fair value gains on interest rate swaps offset by higher interest on floating rate borrowings	**–**	–

16. Group tax charge

(a) Analysis of tax charge in the Group income statement

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Current tax:		
Tax on income for the year	**177**	209
Adjustments in respect of prior years	**(5)**	(26)
Total current tax charge	**172**	183
Deferred tax:		
Origination and reversal of temporary differences	**74**	56
Adjustments in respect of prior years	**13**	5
Total deferred tax charge	**87**	61
Group tax charge	**259**	244
The Group tax charge comprises:		
UK tax	**72**	116
Non-UK tax	**187**	128
	259	244

(b) Tax reconciliations

(i) Reconciliation of the Group tax charge

As the Group is subject to the tax rates of more than one country, it has chosen to present its reconciliation of the Group tax charge using the main rate of corporation tax in the UK. The effective rate of tax for each year based on profit before tax is higher than the main rate of corporation tax in the UK, with the differences explained in note (c) below.

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Profit before tax	**1,071**	966
Profit before tax multiplied by the main rate of UK corporation tax of 20% (2016: 20%)	**214**	193
Effects of:		
Adjustments in respect of prior years	**8**	(21)
Tax on exceptional items	**–**	18
Other income not taxable	**(12)**	(7)
Losses not recognised	**16**	16
Expenses not deductible	**61**	84
Different effective tax rates in non-UK businesses	**(28)**	(39)
Group tax charge	**259**	244
Effective rate of tax based on profit before tax	**24.2%**	25.3%

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

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Group tax charge	**259**	244
Tax charge on disposal of businesses	**–**	(34)
Tax relief on other exceptional items	**–**	8
Tax relief on other adjustments made to derive Benchmark PBT	**35**	45
Benchmark tax charge	**294**	263
Benchmark PBT	**1,124**	1,071
Benchmark tax rate	**26.2%**	24.6%

Notes to the Group financial statements continued

for the year ended 31 March 2017

16. Group tax charge continued

(c) Factors that affect the tax charge

Prior year adjustments reflect the net movement on historical tax positions, including adjustments for matters that have been substantively agreed with local tax authorities, and adjustments to deferred tax assets based on latest estimates and assumptions.

Tax on exceptional items principally relates to the disposal of businesses, with the high effective tax rate in the year ended 31 March 2016 reflecting the different locations of the disposals and the fact that the cost for tax purposes was lower than that for accounting purposes.

Expenses not deductible include charges in respect of uncertain tax positions, financing fair value remeasurements not allowable for tax purposes, and losses on the disposal of businesses which are not subject to tax relief.

The Group's tax rate reflects its internal financing arrangements that are in place to fund non-UK businesses.

In addition, in the normal course of business, the Group has a number of open tax returns with various tax authorities with whom it is in active dialogue. At 31 March 2017 the Group held current tax provisions of US$213m in respect of uncertain tax positions. Liabilities relating to these open and judgmental matters are based on an assessment as to whether additional taxes will be due, after taking into account external advice where appropriate. The Group does not consider there to be any major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of tax-related assets and liabilities within the next financial year.

(d) Other factors that affect the future tax charge

The Group's tax charge will continue to be influenced by the profile of profits earned in the different countries in which the Group's subsidiaries operate. The Group could be affected by changes in tax law in the future, as we expect countries to amend legislation in respect of international tax.

The main rate of UK corporation tax was reduced to 19% from 1 April 2017 and will be reduced further to 17% from 1 April 2020. These reductions had been substantively enacted at 31 March 2017 and their effects are recognised in these financial statements.

17. Discontinued operations

Experian has agreed to divest the Group's email/cross-channel marketing business ('CCM'), and the results and cash flows of this business are accordingly classified as discontinued with comparative figures re-presented. Experian completed a transaction to divest its comparison shopping and lead generation businesses in October 2012, and their results and cash flows are classified as discontinued.

(a) Results for discontinued operations

The profit for the financial year from discontinued operations of US$53m (2016: US$30m) comprises a profit of US$66m (2016: US$42m) in respect of the email/cross-channel marketing business and a loss of US$13m (2016: US$12m) in respect of the comparison shopping and lead generation businesses.

The results of the email/cross-channel marketing business were:

	2017 US$m	2016 US$m
Revenue	**308**	313
Labour costs	**(153)**	(153)
Data and information technology costs	**(27)**	(22)
Depreciation and amortisation charges	**(27)**	(23)
Marketing and customer acquisition costs	**(3)**	(4)
Other operating charges	**(50)**	(50)
Total operating expenses	**(260)**	(252)
Separation and transaction related charges	**(18)**	–
Profit before tax	**30**	61
Tax credit/(charge)	**36**	(19)
Profit for the financial year from discontinued operations	**66**	42

Depreciation and amortisation includes amortisation of acquisition intangibles of US$7m (2016: US$4m). The tax credit from discontinued operations includes a US$45m deferred tax credit as the Group now expects to realise certain temporary timing differences relating to its investment in a subsidiary undertaking as a result of the disposal of CCM.

The results of the comparison shopping and lead generation businesses were:

	2017 US$m	2016 US$m
Loss on disposal of discontinued operations	**(22)**	(20)
Tax credit in respect of disposal	**9**	8
Loss for the financial year from discontinued operations	**(13)**	(12)

The loss on disposal in both years arose from the reduction in the carrying value of the loan note receivable issued as part of the disposal.

(b) Cash flows for discontinued operations

	2017 US$m	2016 US$m
Cash inflow from operating activities	**41**	70
Cash flow used in investing activities	**(21)**	(11)
	20	59

Cash inflow from operating activities of US$41m (2016: US$70m) relates to the email/cross-channel marketing business and is stated after tax paid of US$9m (2016: US$14m).

Cash flow used in investing activities of US$21m (2016: US$11m) comprises an outflow of US$24m (2016: US$24m) relating to the email/cross-channel marketing business, and a cash inflow of US$3m (2016: US$13m) on the partial redemption of a loan note which arose on the disposal of the comparison shopping and lead generation businesses.

Notes to the Group financial statements continued

for the year ended 31 March 2017

18. Earnings per share disclosures

(a) Earnings per share

	Basic		Diluted	
	2017 US cents	2016 (Re-presented) (Note 3) US cents	2017 US cents	2016 (Re-presented) (Note 3) US cents
Continuing and discontinued operations	**92.1**	78.6	**91.4**	78.1
Deduct: discontinued operations	**(5.6)**	(3.1)	**(5.6)**	(3.1)
Continuing operations	**86.5**	75.5	**85.8**	75.0
Deduct: exceptional items, net of related tax	**–**	(1.2)	**–**	(1.2)
Add: other adjustments made to derive Benchmark PBT, net of related tax	**1.9**	10.1	**1.9**	10.1
Benchmark EPS (non-GAAP measure)	**88.4**	84.4	**87.7**	83.9

(b) Analysis of earnings

(i) Attributable to owners of Experian plc

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Continuing and discontinued operations	**866**	753
Deduct: discontinued operations	**(53)**	(30)
Continuing operations	**813**	723
Deduct: exceptional items, net of related tax	**–**	(11)
Add: other adjustments made to derive Benchmark PBT, net of related tax	**18**	97
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**831**	809

(ii) Attributable to non-controlling interests

	2017 US$m	2016 US$m
Continuing and discontinued operations	**(1)**	(1)
Add: amortisation of acquisition intangibles attributable to non-controlling interests, net of related tax	**–**	–
Benchmark earnings attributable to non-controlling interests (non-GAAP measure)	**(1)**	(1)

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

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Total Benchmark earnings (non-GAAP measure)	**830**	808
Profit from discontinued operations	**53**	30
Profit from exceptional items, net of related tax	**–**	11
Loss from other adjustments made to derive Benchmark PBT, net of related tax	**(18)**	(97)
Profit for the financial year	**865**	752

(d) Weighted average number of ordinary shares

	2017 million	2016 million
Weighted average number of ordinary shares	**940**	958
Add: dilutive effect of share incentive awards, options and share purchases	**8**	6
Diluted weighted average number of ordinary shares	**948**	964

19. Dividends

	2017		2016	
	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 2017 (2016: January 2016)	**13.0**	**121**	12.5	120
Second interim – paid in July 2016 (2016: July 2015)	**27.5**	**260**	27.0	260
Dividends paid on ordinary shares	**40.5**	**381**	39.5	380
Full year dividend for the financial year	**41.5**	**386**	40.0	380

A second interim dividend in respect of the year ended 31 March 2017 of 28.5 US cents per ordinary share will be paid on 21 July 2017, to shareholders on the register at the close of business on 23 June 2017. This dividend is not included as a liability in these financial statements. This second interim dividend and the first interim dividend paid in January 2017 comprise the full year dividend for the financial year of 41.5 US cents per ordinary share. Further administrative information on dividends is given in the Shareholder and corporate information section.

In the year ended 31 March 2017, the employee trusts waived their entitlements to dividends of US$5m (2016: US$5m). There is no entitlement to dividend in respect of own shares held as treasury shares.

20. Goodwill

(a) Movements in goodwill

	2017 US$m	2016 US$m
Cost and net book amount		
At 1 April	**4,198**	4,393
Differences on exchange	**(31)**	(110)
Additions through business combinations (note 40(a))	**292**	–
Disposals	**–**	(85)
Transfer in respect of assets held for sale (note 41)	**(214)**	–
At 31 March	**4,245**	4,198

(b) Goodwill by CGU

	2017 US$m	2016 US$m
North America	**2,641**	2,474
Latin America	**801**	731
UK and Ireland	**603**	680
EMEA	**123**	204
Asia Pacific	**77**	109
At 31 March	**4,245**	4,198

Notes to the Group financial statements continued

for the year ended 31 March 2017

20. Goodwill continued

(c) Key assumptions for value-in-use calculations by CGU

	2017		2016	
	Discount rate % pa	**Long-term growth rate % pa**	Discount rate % pa	Long-term growth rate % pa
North America	**12.9**	**2.3**	12.9	2.3
Latin America	**17.8**	**4.7**	17.0	4.7
UK and Ireland	**9.7**	**2.3**	9.5	2.3
EMEA	**12.8**	**2.9**	13.0	3.5
Asia Pacific	**11.0**	**5.3**	12.2	5.3

As indicated in note 6(a), value-in-use calculations are underpinned by financial budgets, looking forward up to five years. Management's key assumptions in setting the financial budgets for the initial five-year period were as follows:

- forecast revenue growth rates were based on past experience, adjusted for the strategic opportunities within each CGU; the forecasts typically used average nominal growth rates of up to 9%, with Asia Pacific having rates of up to 22%;
- Benchmark EBIT was forecast based on historic margins, which were expected to be broadly stable throughout the period in the mature CGUs, and improving to a low double-digit margin in EMEA and Asia Pacific; and
- forecast operating cash flow conversion rates were based on historic experience and performance expectations in a range of 70% to 100%.

During the year ended 31 March 2017 the Group's email/cross-channel marketing business met the definition of a CGU. Goodwill was allocated to this CGU and tested for impairment by comparison to the expected proceeds from its divestment. No impairment of goodwill was identified and the goodwill attributable to this CGU is classified as held for sale at 31 March 2017.

Further details of the principles used in determining the basis of allocation by CGU and annual impairment testing are given in note 6(a).

(d) Results of annual impairment review as at 31 March 2017

The review for the EMEA CGU indicated that the recoverable amount exceeded the carrying value by US$46m and that any decline in estimated value-in-use in excess of that amount would result in the recognition of an impairment charge. The sensitivities, which result in the recoverable amount being equal to the carrying value, can be summarised as follows:

- an absolute increase of 2.7 percentage points in the discount rate, from 12.8% to 15.5%; or
- an absolute reduction of 4.0 percentage points in the long-term growth rate, from a growth of 2.9% to a decline of 1.1%; or
- a reduction of 3.4 percentage points in the forecast terminal profit margin. This is forecast to improve to a low double-digit margin in the terminal period but is below management's expectations for a mature CGU. A reduction in the annual margin improvement of approximately 0.7 percentage points per year over the five-year forecast period would also reduce the recoverable amount to the carrying value.

The recoverable amount of the other CGUs significantly exceeded their carrying value, on the basis of the assumptions set out in the table in note 20(c) and any reasonably possible changes thereof.

21. Other intangible assets

	Acquisition intangibles						
	Customer and other relationships US$m	**Acquired software development US$m**	**Marketing-related assets US$m**	**Databases US$m**	**Internal use software US$m**	**Internally generated software US$m**	**Total US$m**
Cost							
At 1 April 2016	**1,021**	**209**	**96**	**1,131**	**308**	**461**	**3,226**
Differences on exchange	**8**	**–**	**4**	**26**	**4**	**(28)**	**14**
Additions through business combinations	**21**	**87**	**–**	**–**	**–**	**5**	**113**
Other additions	**–**	**–**	**–**	**187**	**41**	**108**	**336**
Other disposals	**(11)**	**(8)**	**(1)**	**(63)**	**(2)**	**(21)**	**(106)**
Transfer in respect of assets held for sale (note 41)	**(23)**	**(14)**	**(2)**	**–**	**(28)**	**(70)**	**(137)**
At 31 March 2017	**1,016**	**274**	**97**	**1,281**	**323**	**455**	**3,446**
Accumulated amortisation and impairment							
At 1 April 2016	**427**	**156**	**64**	**704**	**213**	**231**	**1,795**
Differences on exchange	**–**	**1**	**3**	**15**	**3**	**(14)**	**8**
Charge for the year	**78**	**24**	**9**	**158**	**46**	**60**	**375**
Other disposals	**(11)**	**(8)**	**(1)**	**(63)**	**(2)**	**(21)**	**(106)**
Transfer in respect of assets held for sale (note 41)	**(16)**	**(14)**	**(2)**	**–**	**(17)**	**(38)**	**(87)**
At 31 March 2017	**478**	**159**	**73**	**814**	**243**	**218**	**1,985**
Net book amount at 31 March 2016	**594**	**53**	**32**	**427**	**95**	**230**	**1,431**
Net book amount at 31 March 2017	**538**	**115**	**24**	**467**	**80**	**237**	**1,461**

	Acquisition intangibles						
	Customer and other relationships US$m	Acquired software development US$m	Marketing-related assets US$m	Databases US$m	Internal use software US$m	Internally generated software US$m	Total US$m
Cost							
At 1 April 2015	1,151	233	118	1,149	300	441	3,392
Differences on exchange	(33)	(7)	(5)	(40)	(9)	(5)	(99)
Additions	–	–	–	176	34	61	271
Disposal of businesses	(59)	(17)	(15)	(86)	(13)	(20)	(210)
Other disposals	(38)	–	(2)	(68)	(4)	(16)	(128)
At 31 March 2016	1,021	209	96	1,131	308	461	3,226
Accumulated amortisation and impairment							
At 1 April 2015	453	155	73	705	185	197	1,768
Differences on exchange	(16)	(7)	(4)	(30)	(5)	(3)	(65)
Charge for the year	85	25	9	160	49	61	389
Disposal of businesses	(57)	(17)	(12)	(63)	(12)	(9)	(170)
Other disposals	(38)	–	(2)	(68)	(4)	(15)	(127)
At 31 March 2016	427	156	64	704	213	231	1,795
Net book amount at 31 March 2015	698	78	45	444	115	244	1,624
Net book amount at 31 March 2016	594	53	32	427	95	230	1,431

The net book amount of assets held under finance lease agreements and capitalised in Other intangible assets is US$nil (2016: US$2m).

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22. Property, plant and equipment

	Freehold properties US$m	Short leasehold properties US$m	Plant and equipment US$m	Total US$m
Cost				
At 1 April 2016	**174**	**152**	**475**	**801**
Differences on exchange	**(12)**	**1**	**(15)**	**(26)**
Additions through business combinations (note 40(a))	**–**	**–**	**1**	**1**
Other additions	**9**	**2**	**76**	**87**
Disposals	**(13)**	**(2)**	**(8)**	**(23)**
Transfer in respect of assets held for sale (note 41)	**-**	**(8)**	**(51)**	**(59)**
At 31 March 2017	**158**	**145**	**478**	**781**
Accumulated depreciation				
At 1 April 2016	**57**	**74**	**318**	**449**
Differences on exchange	**(4)**	**–**	**(13)**	**(17)**
Charge for the year	**3**	**9**	**66**	**78**
Disposals	**(9)**	**(2)**	**(6)**	**(17)**
Transfer in respect of assets held for sale (note 41)	**–**	**(8)**	**(33)**	**(41)**
At 31 March 2017	**47**	**73**	**332**	**452**
Net book amount at 31 March 2016	**117**	**78**	**157**	**352**
Net book amount at 31 March 2017	**111**	**72**	**146**	**329**

	Freehold properties US$m	Short leasehold properties US$m	Plant and equipment US$m	Total US$m
Cost				
At 1 April 2015	195	151	483	829
Differences on exchange	(7)	–	(7)	(14)
Additions	3	3	62	68
Disposal of businesses	–	(1)	(16)	(17)
Other disposals	(17)	(1)	(47)	(65)
At 31 March 2016	174	152	475	801
Accumulated depreciation				
At 1 April 2015	63	65	311	439
Differences on exchange	(2)	–	(5)	(7)
Charge for the year	2	11	70	83
Disposal of businesses	–	(1)	(13)	(14)
Other disposals	(6)	(1)	(45)	(52)
At 31 March 2016	57	74	318	449
Net book amount at 31 March 2015	132	86	172	390
Net book amount at 31 March 2016	117	78	157	352

The net book amount of assets held under finance lease agreements and capitalised in plant and equipment is US$3m (2016: US$1m).

23. Investments in associates

	2017 US$m	2016 US$m
At 1 April	**8**	8
Differences on exchange	**–**	(1)
Additions	**33**	–
Share of profit after tax	**4**	4
Dividends received	**(3)**	(3)
At 31 March	**42**	8

The Group made two small investments in associates in the year.

24. Trade and other receivables

(a) Analysis by type and maturity

	2017 US$m	2016 US$m
Trade receivables	**619**	614
Credit note provision	**(16)**	(12)
Trade receivables – after credit note provision	**603**	602
Impairment provision	**(21)**	(21)
Trade receivables – net	**582**	581
VAT and equivalent taxes recoverable	**6**	2
Prepayments	**154**	164
Accrued income	**174**	163
	916	910
As reported in the Group balance sheet:		
Current trade and other receivables	**910**	902
Non-current trade and other receivables	**6**	8
	916	910

There is no material difference between the fair value and the book value stated above. The only impaired assets are within trade receivables. Non-current trade and other receivables comprise prepayments.

Trade receivables with financial institutions comprise 28% (2016: 29%) of such receivables in Brazil, 44% (2016: 33%) in the UK and 19% (2016: 23%) in the USA. Together these represent 23% (2016: 22%) of trade receivables, with other balances spread across a number of sectors and geographies.

(b) Analysis by nature

	2017 US$m	2016 US$m
Financial instruments	**621**	637
VAT and equivalent taxes recoverable	**6**	2
Amounts within prepayments and accrued income	**289**	271
Items other than financial instruments	**295**	273
	916	910

Notes to the Group financial statements continued

for the year ended 31 March 2017

24. Trade and other receivables continued

(c) Analysis by denomination of currency

	2017 US$m	2016 US$m
US dollar	**427**	440
Sterling	**160**	181
Brazilian real	**156**	125
Euro	**42**	58
Colombian peso	**29**	20
Other	**102**	86
	916	910

(d) Analysis of trade receivables – after credit note provision

	2017 US$m	2016 US$m
Neither past due nor impaired:		
New customers (of less than six months' standing)	**30**	42
Existing customers (of more than six months' standing)	**383**	365
Neither past due nor impaired	**413**	407
Past due but not considered impaired:		
Up to three months past due	**126**	141
Three to six months past due	**20**	17
Over six months past due	**18**	8
Past due but not considered impaired	**164**	166
Trade receivables not considered impaired	**577**	573
Trade receivables considered partially impaired (note 24(e))	**26**	29
	603	602

In the cases of trade receivables reported as not considered impaired, there is no evidence of impairment.

(e) Analysis of trade receivables considered partially impaired

	2017 US$m	2016 US$m
Up to three months past due	**8**	10
Three to six months past due	**2**	5
Over six months past due	**16**	14
Trade receivables considered partially impaired and provided for	**26**	29
Impairment provision (note 24(f))	**(21)**	(21)
Net impaired trade receivables	**5**	8

(f) Movements in the impairment provision

	2017 US$m	2016 US$m
At 1 April	**21**	25
Differences on exchange	**–**	(3)
Disposal of businesses	**–**	(1)
Provision for impairment	**21**	17
Provision utilised in respect of debts written off	**(7)**	(9)
Transfer in respect of assets held for sale	**(2)**	–
Unused amounts reversed	**(12)**	(8)
At 31 March	**21**	21

25. Cash and cash equivalents

(a) Analysis by nature

	2017 US$m	2016 US$m
Cash at bank and in hand	**56**	53
Short-term investments	**27**	103
	83	156

The effective interest rate for cash and cash equivalents held at 31 March 2017 is 4.4% (2016: 8.4%). There is no material difference between the fair value and the book value stated above.

(b) Analysis by external credit rating

	2017 US$m	2016 US$m
Counterparty holding of more than US$2m:		
A rated	**50**	67
B rated	**6**	72
Not rated	**3**	–
Counterparty holding of more than US$2m	**59**	139
Counterparty holding of less than US$2m	**24**	17
	83	156

Notes to the Group financial statements continued

for the year ended 31 March 2017

26. Trade and other payables

(a) Analysis by type and maturity

	2017		2016	
	Current US$m	Non-current US$m	Current US$m	Non-current US$m
Trade payables	**201**	**–**	163	–
VAT and other equivalent taxes payable	**30**	**–**	43	–
Social security costs	**71**	**–**	72	–
Accruals	**447**	**11**	473	14
Deferred income	**257**	**4**	259	5
Other payables	**103**	**–**	114	5
	1,109	**15**	1,124	24

There is no material difference between the fair value and the book value stated above. Other payables include employee benefits of US$73m (2016: US$68m) and deferred consideration of US$5m (2016: US$10m).

(b) Analysis by nature

	2017 US$m	2016 US$m
Financial instruments	**434**	431
VAT and other equivalent taxes payable	**30**	43
Social security costs	**71**	72
Amounts within accruals and deferred income	**589**	602
Items other than financial instruments	**690**	717
	1,124	1,148

Contractual undiscounted future cash flows in respect of financial instruments are shown in note 31.

27. Borrowings

(a) Analysis by carrying amounts and fair value

	Carrying amount		Fair value	
	2017 US$m	2016 US$m	**2017 US$m**	2016 US$m
Current:				
Bonds:				
US$600m 2.375% notes 2017	**604**	–	**601**	–
Commercial paper	**152**	44	**152**	44
Bank overdrafts	**2**	5	**2**	5
Finance lease obligations	**1**	3	**1**	3
	759	52	**756**	52
Non-current:				
Bonds:				
US$600m 2.375% notes 2017	**–**	603	**–**	601
£400m 4.75% Euronotes 2018	**529**	622	**530**	622
€500m 4.75% Euronotes 2020	**588**	646	**604**	660
£400m 3.50% Euronotes 2021	**517**	596	**548**	614
Bank loans	**650**	600	**650**	600
Finance lease obligations	**1**	1	**1**	1
	2,285	3,068	**2,333**	3,098
Total borrowings	**3,044**	3,120	**3,089**	3,150

The effective interest rates for bonds approximate to the coupon rates indicated above. Other than finance lease obligations, the borrowings are unsecured. Further information on the methodology used in determining fair values is given in note 30.

(b) Analysis by maturity

	2017 US$m	2016 US$m
Less than one year	**759**	52
One to two years	**1,080**	1,104
Two to three years	**688**	722
Three to four years	**–**	646
Four to five years	**517**	–
Over five years	**–**	596
	3,044	3,120

Notes to the Group financial statements continued

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27. Borrowings continued

(c) Analysis by currency

	2017 US$m	2016 US$m
US dollar	**2,400**	2,514
Sterling	**462**	443
Euro	**97**	100
Other	**85**	63
	3,044	3,120

The above analysis takes account of the effect of cross currency swaps and forward foreign exchange contracts and reflects the way in which the Group manages exposures.

(d) Undrawn committed bank borrowing facilities

	2017 US$m	2016 US$m
Facilities expiring in:		
One to two years	**200**	–
Two to three years	**150**	150
Three to four years	**225**	–
Four to five years	**1,800**	2,025
	2,375	2,175

These facilities are at variable interest rates and are in place for general corporate purposes, including the financing of acquisitions and the refinancing of other borrowings.

(e) Covenants and gearing ratio

There is one financial covenant in connection with the borrowing facilities. Benchmark EBIT must exceed three times net interest expense before financing fair value remeasurements. The Group monitors this, and the Net debt to Benchmark EBITDA gearing ratio, and has complied with this covenant throughout the year.

28. Net debt (non-GAAP measure)

(a) Analysis by nature

	2017 US$m	2016 US$m
Cash and cash equivalents (net of overdrafts)	**81**	151
Debt due within one year – commercial paper	**(152)**	(44)
Debt due within one year – bonds and notes	**(600)**	–
Debt due within one year – finance lease obligations	**(1)**	(3)
Debt due after more than one year – bonds and notes	**(1,618)**	(2,447)
Debt due after more than one year – bank loans and finance lease obligations	**(651)**	(601)
Derivatives hedging loans and borrowings	**(232)**	(79)
	(3,173)	(3,023)

(b) Analysis by balance sheet caption

	2017 US$m	2016 US$m
Cash and cash equivalents	**83**	156
Current borrowings	**(759)**	(52)
Non-current borrowings	**(2,285)**	(3,068)
Total reported in the Group balance sheet	**(2,961)**	(2,964)
Accrued interest reported within borrowings above but excluded from Net debt	**20**	20
Derivatives reported within financial assets	**15**	20
Derivatives reported within financial liabilities	**(247)**	(99)
	(3,173)	(3,023)

(c) Analysis of movements in Net debt

	Cash and cash equivalents US$m	Current borrowings US$m	Non-current borrowings US$m	Total reported in the balance sheet US$m	Accrued interest US$m	Derivatives hedging loans and borrowings US$m	Movement in Net debt US$m
At 1 April 2016	**156**	**(52)**	**(3,068)**	**(2,964)**	**20**	**(79)**	**(3,023)**
Cash inflow	**343**	**–**	**–**	**343**	**–**	**23**	**366**
Borrowings cash flow	**–**	**(106)**	**(50)**	**(156)**	**–**	**–**	**(156)**
Reclassification of borrowings	**–**	**(600)**	**600**	**–**	**–**	**–**	**–**
Net interest paid	**(70)**	**3**	**–**	**(67)**	**–**	**–**	**(67)**
Movement on accrued interest	**–**	**(4)**	**4**	**–**	**–**	**–**	**–**
Net cash inflow/(outflow)	**273**	**(707)**	**554**	**120**	**–**	**23**	**143**
Net share purchases	**(353)**	**–**	**–**	**(353)**	**–**	**–**	**(353)**
Fair value gains/(losses)	**–**	**–**	**29**	**29**	**–**	**(48)**	**(19)**
Exchange and other movements	**7**	**–**	**200**	**207**	**–**	**(128)**	**79**
At 31 March 2017	**83**	**(759)**	**(2,285)**	**(2,961)**	**20**	**(232)**	**(3,173)**

	Cash and cash equivalents US$m	Current borrowings US$m	Non-current borrowings US$m	Total reported in the balance sheet US$m	Accrued interest US$m	Derivatives hedging loans and borrowings US$m	Movement in Net debt US$m
At 1 April 2015	147	(146)	(3,146)	(3,145)	17	(89)	(3,217)
Cash inflow	840	–	–	840	–	29	869
Borrowings cash flow	(157)	96	61	–	–	–	–
Net interest paid	(66)	1	–	(65)	–	–	(65)
Movement on accrued interest	–	–	(3)	(3)	3	–	–
Net cash inflow	617	97	58	772	3	29	804
Net share purchases	(592)	–	–	(592)	–	–	(592)
Fair value gains/(losses)	–	–	16	16	–	(43)	(27)
Exchange and other movements	(16)	(3)	4	(15)	–	24	9
At 31 March 2016	156	(52)	(3,068)	(2,964)	20	(79)	(3,023)

Notes to the Group financial statements continued

for the year ended 31 March 2017

29. Financial assets and liabilities

(a) Available-for-sale financial assets

Assets of US$57m (2016: US$43m) include listed investments of US$36m (2016: US$33m) held in the UK to secure certain unfunded pension arrangements (note 33(b)) and trade investments overseas of US$21m (2016: US$10m).

(b) Other financial assets and liabilities

(i) Summary

	2017			2016		
Assets	Current US$m	Non-current US$m	Total US$m	Current US$m	Non-current US$m	Total US$m
Loans and receivables	**15**	**–**	**15**	41	–	41
Derivative financial instruments:						
Fair value hedge of borrowings (interest rate swaps)	**–**	**17**	**17**	–	21	21
Derivatives used for hedging	**–**	**17**	**17**	–	21	21
Non-hedging derivatives (equity swaps)	**1**	**1**	**2**	1	–	1
Non-hedging derivatives (foreign exchange contracts)	**3**	**–**	**3**	4	–	4
Non-hedging derivatives (interest rate swaps)	**1**	**39**	**40**	–	32	32
Assets at fair value through profit and loss	**5**	**40**	**45**	5	32	37
Derivative financial instruments – total	**5**	**57**	**62**	5	53	58
Total other financial assets	**20**	**57**	**77**	46	53	99

	2017			2016		
Liabilities	Current US$m	Non-current US$m	Total US$m	Current US$m	Non-current US$m	Total US$m
Derivative financial instruments:						
Fair value hedge of borrowings (cross currency swaps)	**–**	**238**	**238**	–	80	80
Derivatives used for hedging	**–**	**238**	**238**	–	80	80
Non-hedging derivatives (foreign exchange contracts)	**2**	**–**	**2**	10	–	10
Non-hedging derivatives (interest rate swaps)	**1**	**11**	**12**	2	37	39
Liabilities at fair value through profit and loss	**3**	**11**	**14**	12	37	49
Derivative financial instruments – total	**3**	**249**	**252**	12	117	129
Options in respect of non-controlling interests	**12**	**–**	**12**	–	10	10
Total other financial liabilities	**15**	**249**	**264**	12	127	139

Amounts recognised in the Group income statement in connection with the Group's hedging instruments are disclosed in note 15. There is no material difference between the fair values and the book values stated above.

Loans and receivables principally comprise amounts due following the disposal of businesses, including accrued interest, and the amount of US$15m at 31 March 2017 is stated after an impairment charge of US$22m (2016: US$20m). This charge is reported within the loss for the financial year from discontinued operations (note 17(a)).

(ii) Fair value and notional principal amounts of derivative financial instruments

	2017				2016			
	Assets		Liabilities		Assets		Liabilities	
	Fair value US$m	Notional US$m	Fair value US$m	Notional US$m	Fair value US$m	Notional US$m	Fair value US$m	Notional US$m
Cross currency swaps	–	–	238	1,347	–	–	80	1,347
Interest rate swaps	57	2,073	12	930	53	1,475	39	2,349
Equity swaps	2	12	–	–	1	12	–	–
Foreign exchange contracts	3	231	2	194	4	157	10	301
	62	2,316	252	2,471	58	1,644	129	3,997

Notional principal amounts are the amount of principal underlying the contract at the reporting dates.

(iii) Offsetting derivative financial assets and liabilities

	Assets		Liabilities	
	2017 US$m	2016 US$m	2017 US$m	2016 US$m
Reported in the Group balance sheet	62	58	252	129
Related amounts not offset in the Group balance sheet	(30)	(39)	(30)	(39)
Net amount	32	19	222	90

There are no amounts offset within the assets and liabilities reported in the Group balance sheet.

(c) Analysis by valuation method for items measured at fair value

	2017				2016			
	Level 1 US$m	Level 2 US$m	Level 3 US$m	Total US$m	Level 1 US$m	Level 2 US$m	Level 3 US$m	Total US$m
Financial assets:								
Derivatives used for hedging	–	17	–	17	–	21	–	21
Assets at fair value through profit and loss	–	45	–	45	–	37	–	37
Amounts reported as other financial assets (note 29(b))	–	62	–	62	–	58	–	58
Available-for-sale (note 29(a))	36	–	21	57	33	–	10	43
	36	62	21	119	33	58	10	101
Financial liabilities:								
Derivatives used for hedging	–	(238)	–	(238)	–	(80)	–	(80)
Liabilities at fair value through profit and loss	–	(14)	(14)	(28)	–	(49)	(17)	(66)
	–	(252)	(14)	(266)	–	(129)	(17)	(146)
Net financial assets/(liabilities)	36	(190)	7	(147)	33	(71)	(7)	(45)

Notes to the Group financial statements continued

for the year ended 31 March 2017

29. Financial assets and liabilities continued

(c) Analysis by valuation method for items measured at fair value continued

The analysis by level is a requirement of IFRS 13 and the definitions are summarised here for completeness:

- assets and liabilities whose valuations are based on unadjusted quoted prices in active markets for identical assets and liabilities are classified as Level 1;
- assets and liabilities which are not traded in an active market, and whose valuations are derived from available market data that is observable for the asset or liability, are classified as Level 2; and
- assets and liabilities whose valuations are derived from inputs not based on observable market data are classified as Level 3.

Level 3 items principally comprise minority shareholdings in unlisted businesses, trade investments, contingent consideration and put and call options associated with corporate transactions. The inputs used in determining valuations are a mix of earnings and asset valuations, reflecting different contractual arrangements. There would be no material effect on the amounts stated from any reasonably possible change in such inputs at 31 March 2017.

(d) Analysis of movements in Level 3 assets/(liabilities)

	Year ended 31 March 2017				Year ended 31 March 2016			
	Available-for-sale US$m	**Contingent consideration US$m**	**Other US$m**	**Total US$m**	Available-for-sale US$m	Contingent consideration US$m	Other US$m	Total US$m
At 1 April	**10**	**(7)**	**(10)**	**(7)**	5	(11)	(22)	(28)
Additions	**15**	**–**	**–**	**15**	2	–	–	2
Settlement of contingent consideration	**–**	**5**	**–**	**5**	–	2	–	2
Adjustment to the fair value of contingent consideration	**–**	**–**	**–**	**–**	–	2	–	2
Valuation (losses)/gains recognised in Group income statement	**–**	**–**	**(2)**	**(2)**	–	–	13	13
Disposals	**(2)**	**–**	**–**	**(2)**	–	–	–	–
Currency translation gains/(losses) recognised directly in other comprehensive income	**–**	**–**	**–**	**–**	1	–	(1)	–
Other	**(2)**	**–**	**–**	**(2)**	2	–	–	2
At 31 March	**21**	**(2)**	**(12)**	**7**	10	(7)	(10)	(7)

30. Fair value methodology

Information in respect of the fair value of borrowings is included in note 27(a). There are no material differences between the carrying value of the Group's other financial assets and liabilities not measured at fair value and their estimated fair values. The following assumptions and methods are used to estimate the fair values:

- the fair values of receivables, payables and cash and cash equivalents are considered to approximate to the carrying amounts;
- the fair values of short-term borrowings, other than bonds, are considered to approximate to the carrying amounts due to the short maturity terms of such instruments;
- the fair value of that portion of bonds carried at amortised cost is based on quoted market prices, employing a valuation falling within Level 1 of the IFRS 13 fair value hierarchy;
- the fair values of long-term variable rate bank loans and finance lease obligations are considered to approximate to the carrying amount; and
- the fair values of other financial assets and liabilities are calculated based on a discounted cash flow analysis, using a valuation methodology falling within Level 2 of the IFRS 13 fair value hierarchy.

31. Contractual undiscounted future cash flows for financial liabilities

At 31 March 2017	Less than one year US$m	One to two years US$m	Two to three years US$m	Three to four years US$m	Four to five years US$m	Over five years US$m	Total US$m
Borrowings	**829**	**1,116**	**677**	**17**	**516**	**–**	**3,155**
Net settled derivative financial instruments – interest rate swaps	**7**	**7**	**1**	**–**	**–**	**–**	**15**
Gross settled derivative financial instruments:							
Outflows for derivative contracts	**231**	**672**	**726**	**–**	**–**	**–**	**1,629**
Inflows for derivative contracts	**(243)**	**(547)**	**(559)**	**–**	**–**	**–**	**(1,349)**
Gross settled derivative financial instruments	**(12)**	**125**	**167**	**–**	**–**	**–**	**280**
Options in respect of non-controlling interests	**12**	**–**	**–**	**–**	**–**	**–**	**12**
Trade and other payables (note 26(b))	**421**	**4**	**2**	**1**	**1**	**5**	**434**
Cash outflows	**1,257**	**1,252**	**847**	**18**	**517**	**5**	**3,896**

At 31 March 2016	Less than one year US$m	One to two years US$m	Two to three years US$m	Three to four years US$m	Four to five years US$m	Over five years US$m	Total US$m
Borrowings	141	1,183	749	617	20	595	3,305
Net settled derivative financial instruments – interest rate swaps	18	15	14	5	2	–	54
Gross settled derivative financial instruments:							
Outflows for derivative contracts	340	30	667	723	–	–	1,760
Inflows for derivative contracts	(355)	(54)	(629)	(597)	–	–	(1,635)
Gross settled derivative financial instruments	(15)	(24)	38	126	–	–	125
Options in respect of non-controlling interests	10	–	–	–	–	–	10
Trade and other payables (note 26(b))	411	10	3	2	1	4	431
Cash outflows	565	1,184	804	750	23	599	3,925

The table above analyses financial liabilities into maturity groupings, based on the period from the balance sheet date to the contractual maturity date. As the amounts disclosed are the contractual undiscounted cash flows, they differ from the carrying values and fair values. Contractual undiscounted future cash outflows for derivative financial liabilities in total amount to US$295m (2016: US$179m).

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for the year ended 31 March 2017

32. Share incentive plans

(a) Cost of share-based compensation

	2017 US$m	2016 US$m
Share awards	**58**	49
Share options	**3**	5
Expense recognised (all equity-settled)	**61**	54
(Credit)/charge for associated social security obligations	**(1)**	3
Total expense recognised in Group income statement	**60**	57

The Group has a number of equity-settled, share-based employee incentive plans. Further information on share award arrangements is given in note 32(b). As the numbers of options granted or outstanding under share option plans and the related charge to the Group income statement are not significant, no further disclosures are included in these financial statements.

(b) Share awards

(i) Summary of arrangements and performance conditions

There are three plans under which share awards are currently granted – the two Experian Co-Investment Plans (the 'CIPs') and the Experian Performance Share Plan (the 'PSP'). Awards take the form of a grant of free shares which vest over a service period of three years, with a maximum term generally of the same length, and are settled by share distribution. The assumption at grant date for employee departures prior to vesting is 20% for certain unconditional awards, which are only made under the PSP. Other details in respect of conditional awards are given below. These include an assumed outcome for Benchmark PBT per share growth, as that forms the basis of the Profit performance condition for awards made in the year ended 31 March 2017 and the year ended 31 March 2016. The Profit performance condition for awards made in the year ended 31 March 2015 was based on Benchmark PBT growth.

	Performance conditions for vesting	Assumed outcome at grant date
CIPs	50% – Profit performance assessed against specified targets	Benchmark PBT per share – 88% of target Benchmark PBT – 71% of target
	50% – Cumulative Benchmark operating cash flow	Cumulative Benchmark operating cash flow – 74% to 78% of target
PSP	75% – Profit performance assessed against specified targets	Benchmark PBT per share – 81% of target Benchmark PBT – 57% of target
	25% – Distribution percentage determined by ranking Total Shareholder Return ('TSR') relative to a comparator group	TSR – 45% to 50%

CIPs

For the purposes of IFRS 2, the grant date for these plans is the start of the financial year in which performance is assessed. This is before the number of shares to be awarded is determined but the underlying value of the award is known, subject to the outcome of the performance condition. The value of awarded shares reflects the performance outcome assumed at the date of their issue to participants and is recognised over a four-year period.

32. Share incentive plans continued

The range of performance conditions for awards under these plans is set out below. The Profit performance condition requires Benchmark PBT per share growth at the stated percentages over a three-year period, for awards made in the years ended 31 March 2017 and 31 March 2016, with Benchmark PBT growth at the stated percentages for awards made in the earlier year reported. The cumulative Benchmark operating cash flow performance condition (the 'Cash flow condition') is based on cumulative Benchmark operating cash flow over a three-year period. The period of assessment commences at the beginning of the financial year of grant. These are not market-based performance conditions as defined by IFRS 2.

	Profit performance condition		Cash flow condition	
Year of award	Target	Maximum	Target	Maximum
Year ended 31 March 2017	4% per annum	8% per annum	US$3.6bn	US$4.0bn
Year ended 31 March 2016	4% per annum	8% per annum	US$3.6bn	US$4.0bn
Year ended 31 March 2015	7% per annum	14% per annum	US$4.0bn	US$4.4bn

PSP

The range of Profit performance conditions for conditional awards under this plan is the same as those shown in the table immediately above for the CIPs, also measured over a three-year period.

The TSR performance condition is considered a market-based performance condition as defined by IFRS 2. In valuing the awarded shares, TSR is evaluated using a Monte Carlo simulation, with historic volatilities and correlations for comparator companies measured over the three-year period preceding valuation and an implied volatility for Experian plc ordinary shares.

(ii) Information on share grant valuations

Share grants are valued by reference to the market price on the day of award, with no modification for dividend distributions or other factors, as participants are entitled to dividend distributions on awarded shares. Market-based performance conditions are included in the fair value measurement on the grant date and are not revised for actual performance. Awards granted in the year ended 31 March 2017 had a weighted average fair value per share of £12.78 (2016: £11.84).

(iii) Share awards outstanding

	2017 million	2016 million
At 1 April	**12.2**	14.8
Grants	**6.2**	4.5
Forfeitures	**(0.7)**	(1.2)
Lapse of awards	**(2.0)**	(1.7)
Vesting	**(2.2)**	(4.2)
At 31 March	**13.5**	12.2
Analysis by plan:		
CIPs	**4.2**	3.8
PSP – conditional awards	**3.6**	3.4
PSP – unconditional awards	**5.7**	5.0
At 31 March	**13.5**	12.2

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33. Post-employment benefit plans and related risks

An overview of the Group's post-employment benefit plans and the related risks is given below. The additional information required by IAS 19, which relates only to the Group's defined benefit pension plans and post-employment medical benefits obligations, is set out in note 34.

(a) Funded pension plans

The Group's principal defined benefit plan is the Experian Pension Scheme, which provides benefits for certain UK employees but was closed to new entrants in 2009. This plan has rules which specify the benefits to be paid, with the level of pension benefit that an employee will receive on retirement dependent on age, length of service and salary. As at 31 March 2017, there were 163 active members of this plan, 1,578 deferred members and 2,843 pensioner members.

The Group provides a defined contribution plan, the Experian Retirement Savings Plan, to other eligible UK employees. Under this plan, employee and employer contributions are paid by the Group into an independently administered fund, which is used to fund member pensions at retirement. As at 31 March 2017, there were 3,538 active members of this plan (2016: 3,441).

Both UK plans are governed by trust deeds, which ensure that their finances and governance are independent from those of the Group. Trustees are responsible for overseeing the investments and funding of the plans and plan administration. The UK pensions environment is regulated by The Pensions Regulator whose statutory objectives and regulatory powers are described on its website at thepensionsregulator.gov.uk.

A full actuarial funding valuation of the Experian Pension Scheme is carried out every three years, with interim reviews in the intervening years. The latest full valuation was carried out as at 31 March 2016 by independent qualified actuaries Mercer Limited, using the projected unit credit method. There was a small funding deficit at the date of that valuation. The next full valuation will be carried out as at 31 March 2019.

Employees in the USA and Brazil have the option to join local defined contribution plans and, as at 31 March 2017, there were 4,473 active members in the USA (2016: 4,109) and 1,282 in Brazil (2016: 1,421). There are no other material funded pension arrangements.

(b) Unfunded pension arrangements

The Group's unfunded pension arrangements are designed to ensure that certain directors and senior managers who are affected by the earnings cap, which was introduced by the UK government some years ago to set a ceiling on the amount of benefits that could be paid by defined benefit pension plans, are placed in broadly the same position as those who are not. There are also unfunded arrangements for Don Robert, a current director of the Company, and certain former directors and employees of Experian Finance plc and Experian Limited. Don Robert began to receive his pension under this unfunded arrangement in the year ended 31 March 2015. Certain of these unfunded arrangements in the UK have been secured by the grant to an independent trustee of charges over an independently managed portfolio of marketable securities owned by the Group and reported as available-for-sale financial assets (note 29(a)).

(c) Post-employment medical benefits

The Group operates a plan which provides post-employment medical benefits to certain retired employees and their dependant relatives. This plan relates to former employees in the UK and, under it, the Group has undertaken to meet the cost of post-employment medical benefits for all eligible former employees who retired prior to 1 April 1994 and their dependants.

(d) Related risks

Through its defined benefit pension plans and post-employment medical benefits plan, the Group is exposed to a number of risks that are inherent in such plans and arrangements, which can be summarised as follows:

- asset value volatility, with the associated impact on the assets held in connection with the funding of pension obligations and the related cash flows;
- changes in bond yields, with any reduction resulting in an increase in the present value of pension obligations, mitigated by an increase in the value of plan assets;
- inflation, as pension obligations are generally linked to inflation and the prevailing rate of inflation experienced for medical benefits is typically higher than other inflation measures in the UK; and
- life expectancy, as pension and medical benefits are generally provided for the life of beneficiaries and their dependants.

There are no unusual, entity-specific or plan-specific risks, and no significant concentrations of risk.

34. Post-employment benefits – IAS 19 information

(a) Post-employment benefit amounts recognised in the Group financial statements

(i) Balance sheet assets/(obligations)

	2017 US$m	2016 US$m
Retirement benefit assets/(obligations) – funded plans:		
Fair value of funded plans' assets	**1,041**	1,023
Present value of funded plans' obligations	**(1,027)**	(997)
Assets in the Group balance sheet for funded defined benefit pensions	**14**	26
Obligations for unfunded post-employment benefits:		
Present value of defined benefit pensions – unfunded plans	**(49)**	(49)
Present value of post-employment medical benefits	**(5)**	(6)
Liabilities in the Group balance sheet	**(54)**	(55)
Net post-employment benefit obligations	**(40)**	(29)

Pension assets are deemed to be recoverable and there are no adjustments in respect of minimum funding requirements as, under the Experian Pension Scheme rules, future economic benefits are available to the Group in the form of reductions in future contributions.

(ii) Income statement charge

	2017 US$m	2016 US$m
By nature of expense:		
Current service cost	**5**	7
Administration expenses	**2**	2
Charge within labour costs	**7**	9
Curtailment gain on disposal of business	**–**	(1)
Charge within operating profit	**7**	8
Interest expense	**1**	–
Total charge to income statement	**8**	8
By type of plan:		
Defined benefit pensions	**8**	7
Post-employment medical benefits	**–**	1
Total charge to income statement	**8**	8

(iii) Remeasurement recognised in the statement of comprehensive income

	2017 US$m	2016 US$m
Defined benefit pensions	**(13)**	(31)
Post-employment medical benefits	**–**	1
	(13)	(30)

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34. Post-employment benefits – IAS 19 information continued

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

	Fair value of plan assets US$m	Present value of obligations: Defined benefit pensions – funded US$m	Defined benefit pensions – unfunded US$m	Post-employment medical benefits US$m	Total US$m	Movements in net position US$m
At 1 April 2016	**1,023**	**(997)**	**(49)**	**(6)**	**(1,052)**	**(29)**
Income statement (charge)/credit:						
Current service cost	**–**	**(5)**	**–**	**–**	**(5)**	**(5)**
Administration expenses	**–**	**(2)**	**–**	**–**	**(2)**	**(2)**
Interest income/(expense)	**31**	**(30)**	**(2)**	**–**	**(32)**	**(1)**
Total (charge)/credit to income statement	**31**	**(37)**	**(2)**	**–**	**(39)**	**(8)**
Remeasurements:						
Return on plan assets other than interest	**160**	**–**	**–**	**–**	**–**	**160**
Gains from change in demographic assumptions	**–**	**5**	**–**	**–**	**5**	**5**
Losses from change in financial assumptions	**–**	**(200)**	**(5)**	**–**	**(205)**	**(205)**
Experience gains	**–**	**27**	**–**	**–**	**27**	**27**
Remeasurement of post-employment benefit assets and obligations	**160**	**(168)**	**(5)**	**–**	**(173)**	**(13)**
Differences on exchange	**(143)**	**139**	**5**	**1**	**145**	**2**
Contributions paid by the Group and employees	**10**	**(2)**	**–**	**–**	**(2)**	**8**
Benefits paid	**(40)**	**38**	**2**	**–**	**40**	**–**
At 31 March 2017	**1,041**	**(1,027)**	**(49)**	**(5)**	**(1,081)**	**(40)**

	Fair value of plan assets US$m	Present value of obligations: Defined benefit pensions – funded US$m	Defined benefit pensions – unfunded US$m	Post-employment medical benefits US$m	Total US$m	Movements in net position US$m
At 1 April 2015	1,094	(1,036)	(52)	(8)	(1,096)	(2)
Income statement (charge)/credit:						
Current service cost	–	(7)	–	–	(7)	(7)
Administration expenses	–	(2)	–	–	(2)	(2)
Curtailment gain	–	1	–	–	1	1
Interest income/(expense)	37	(35)	(2)	–	(37)	–
Total (charge)/credit to income statement	37	(43)	(2)	–	(45)	(8)
Remeasurements:						
Return on plan assets other than interest	(50)	–	–	–	–	(50)
Gains from change in financial assumptions	–	17	1	–	18	18
Experience gains	–	–	1	1	2	2
Remeasurement of post-employment benefit assets and obligations	(50)	17	2	1	20	(30)
Differences on exchange	(27)	27	–	–	27	–
Contributions paid by the Group	10	–	–	1	1	11
Contributions paid by employees	2	(2)	–	–	(2)	–
Benefits paid	(43)	40	3	–	43	–
At 31 March 2016	1,023	(997)	(49)	(6)	(1,052)	(29)

(c) Actuarial assumptions and sensitivities

The accounting valuations at 31 March 2017 have been based on the most recent actuarial valuations, updated by Willis Towers Watson to take account of the requirements of IAS 19. The assumptions for the real discount rate, salary increases and mortality, used to calculate the present value of the defined benefit obligations, all have a significant effect on the accounting valuation.

Changes to these assumptions in the light of prevailing conditions may have a significant impact on future valuations. Indications of the sensitivity of the amounts reported at 31 March 2017 to changes in the real discount rate, life expectancy and medical costs are included below. The methods and types of assumptions used are consistent with those used in the prior year and the absolute sensitivity numbers are stated on a basis consistent with the methodology used in determining the accounting valuation as at 31 March 2017. The methodology evaluates the effect of a change in each assumption on the relevant obligations, whilst holding all other assumptions constant.

(i) Financial actuarial assumptions

	2017 %	2016 %
Discount rate	**2.5**	3.4
Inflation rate – based on the UK Retail Prices Index (the 'RPI')	**3.2**	2.9
Inflation rate – based on the UK Consumer Prices Index (the 'CPI')	**2.2**	1.9
Increase in salaries	**3.7**	3.4
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**3.0**	2.7
Increase for pensions in payment – element based on the CPI (where cap is 2.5%)	**1.7**	1.5
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.9**	1.7
Increase for pensions in deferment	**2.2**	1.9
Inflation in medical costs	**6.2**	5.9

The principal financial assumption is the real discount rate, which is the excess of the discount rate over the rate of inflation. The discount rate is based on the market yields on high-quality corporate bonds of a currency and term appropriate to the defined benefit obligations. In the case of the Experian Pension Scheme, the obligations are in sterling and have a maturity of 18 years. If the real discount rate increased/decreased by 0.1%, the defined benefit obligations at 31 March 2017 would decrease/increase by approximately US$20m and the annual current service cost would remain unchanged.

The rates of increase for pensions in payment reflect the separate arrangements applying to different groups of Experian's pensioners.

(ii) Mortality assumptions – average life expectancy on retirement at age 65 in normal health

	2017 years	2016 years
For a male currently aged 65	**22.8**	23.4
For a female currently aged 65	**25.0**	25.2
For a male currently aged 50	**23.8**	24.7
For a female currently aged 50	**26.1**	26.6

The accounting valuation assumes that mortality will be in line with standard tables adjusted to reflect the expected experience of the Experian Pension Scheme membership, based on analysis carried out for the 2016 actuarial valuation. A specific allowance for anticipated future improvements in life expectancy is also incorporated. An increase in assumed life expectancy of 0.1 years would increase the defined benefit obligations at 31 March 2017 by approximately US$5m.

Notes to the Group financial statements continued

for the year ended 31 March 2017

34. Post-employment benefits – IAS 19 information continued

(c) Actuarial assumptions and sensitivities continued

(iii) Post-employment medical benefits

The accounting valuation in respect of post-employment medical benefits assumes a rate of increase for medical costs. If this rate increased/decreased by 1.0% per annum, the obligation at 31 March 2017 and the finance expense would remain unchanged.

(iv) Increase in salaries

An increase of 0.1% to the salary increase rate would increase the obligation at 31 March 2017 by approximately US$1m, and the service charge would remain unchanged.

(d) Assets of the Group's defined benefit plans at fair value

	2017		2016 (Re-presented)	
	US$m	**%**	US$m	%
UK equities	**140**	**14**	128	13
Overseas equities	**357**	**34**	335	33
Index linked gilts	**288**	**28**	277	27
Global corporate bonds	**157**	**15**	178	17
Diversified growth fund	**96**	**9**	100	10
Other	**3**	**–**	5	–
	1,041	**100**	1,023	100

The assets of the Experian Pension Scheme are invested in a range of pooled, daily traded, unitised funds managed by BlackRock, largely on a passive management basis. The Trustee has put in place some triggers for de-risking the Scheme's investment strategy at opportune times, the full details of which are documented in a formal Statement of Investment Principles. The primary investment objectives are to limit the risk of assets failing to meet the liabilities over the long term as far as is practicable, while investing in assets, to generate income and capital growth, to meet current and future benefit payments.

The Group's defined benefit plans have no material holdings of unlisted assets and no holdings of ordinary shares or borrowings of the Company. The analysis of the Group's defined benefit plan assets at 31 March 2016 has been re-presented to provide additional information on the types of assets held.

(e) Future contributions

There was a small funding deficit at the date of the 2016 full actuarial valuation of the Experian Pension Scheme. To correct the shortfall the employer has agreed to pay deficit contributions of US$4m per annum over five years from 1 April 2017. Contributions, including deficit contributions, currently expected to be paid to this plan during the year ending 31 March 2018 are US$9m by the Group and US$2m by employees.

35. Deferred and current tax

(a) Deferred tax

(i) Net deferred tax assets/(liabilities)

	Notes	2017 US$m	2016 US$m
At 1 April		**(193)**	(121)
Differences on exchange		**6**	(17)
Tax charge in the Group income statement – continuing operations	16(a)	**(87)**	(61)
Tax credit in the Group income statement – discontinued operations	17(a)	**54**	8
Business combinations		**(17)**	–
Tax recognised within other comprehensive income		**2**	6
Tax recognised directly in equity on transactions with owners		**5**	(3)
Disposal of subsidiaries	14(b)	**–**	(5)
Transfer in respect of liabilities held for sale	41	**17**	–
At 31 March		**(213)**	(193)
Presented in the Group balance sheet as:			
Deferred tax assets		**83**	159
Deferred tax liabilities		**(296)**	(352)
		(213)	(193)

Tax recognised in Other comprehensive income is in respect of the remeasurement of post-employment benefit assets and obligations.

(ii) Movements in gross deferred tax assets and liabilities

Assets	Intangibles US$m	Tax losses US$m	Share incentive plans US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2016	**329**	**91**	**25**	**14**	**229**	**688**
Differences on exchange	**37**	**–**	**(1)**	**(2)**	**2**	**36**
Tax recognised in the Group income statement:						
– continuing operations	**(2)**	**(46)**	**(2)**	**(1)**	**(1)**	**(52)**
- discontinued operations	**–**	**45**	**–**	**–**	**9**	**54**
Business combinations (note 40(a))	**–**	**–**	**–**	**–**	**26**	**26**
Tax recognised within Other comprehensive income	**–**	**–**	**–**	**–**	**2**	**2**
Tax recognised directly in equity on transactions with owners	**–**	**–**	**5**	**–**	**–**	**5**
Transfers	**5**	**–**	**(1)**	**–**	**(10)**	**(6)**
At 31 March 2017	**369**	**90**	**26**	**11**	**257**	**753**

Notes to the Group financial statements continued

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35. Deferred and current tax continued

Assets	Intangibles US$m	Tax losses US$m	Share incentive plans US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2015	390	139	34	20	190	773
Differences on exchange	(39)	(1)	–	–	(4)	(44)
Tax recognised in the Group income statement:						
– continuing operations	(18)	(47)	(6)	(6)	18	(59)
– discontinued operations	–	–	–	–	8	8
Tax recognised within Other comprehensive income	–	–	–	–	6	6
Tax recognised directly in equity on transactions with owners	–	–	(3)	–	–	(3)
Disposal of subsidiaries	(3)	–	–	–	(2)	(5)
Transfers	(1)	–	–	–	13	12
At 31 March 2016	329	91	25	14	229	688

Liabilities	**Intangibles US$m**	**Accelerated depreciation US$m**	**Other US$m**	**Total US$m**
At 1 April 2016	**828**	**21**	**32**	**881**
Differences on exchange	**32**	**–**	**(2)**	**30**
Tax recognised in the Group income statement – continuing operations	**35**	**1**	**(1)**	**35**
Additions through business combinations (note 40(a))	**43**	**–**	**–**	**43**
Transfer in respect of liabilities held for sale (note 41)	**(16)**	**–**	**(1)**	**(17)**
Transfers	**13**	**3**	**(22)**	**(6)**
At 31 March 2017	**935**	**25**	**6**	**966**

Liabilities	Intangibles US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2015	842	28	24	894
Differences on exchange	(29)	–	2	(27)
Tax recognised in the Group income statement – continuing operations	16	(7)	(7)	2
Transfers	(1)	–	13	12
At 31 March 2016	828	21	32	881

These movements do not take into consideration the offsetting of assets and liabilities within the same tax jurisdiction. Items classified as Other assets in the above analyses predominantly relate to future tax benefits deferred in line with local tax laws.

(iii) Other information on deferred tax assets and liabilities

As set out in note 6, there are a number of critical judgments in assessing the recognition of deferred tax assets. The Group has not recognised assets of US$148m (2016: US$142m) in respect of losses that could be utilised against future taxable income and assets of US$7m (2016: US$10m) in respect of capital losses that could be utilised against future taxable gains. Whilst these losses are available indefinitely, they have arisen in undertakings in which it is not currently anticipated that future benefit will be available from their use. In addition, as a result of a probable disposal in the USA, an unrecognised deductible temporary difference of US$718m has arisen on certain investments in subsidiaries. The capital losses arising on the investments are available for use within five years, and future taxable profits against which the capital losses could be utilised are not currently anticipated.

There are retained earnings of US$13,666m (2016: US$13,322m) in subsidiary undertakings which would be subject to tax if remitted to Experian plc. No deferred tax liability has been recognised on these because the Group is in a position to control the timing of the reversal of the temporary difference and it is probable that such differences will not reverse in the foreseeable future. Given the mix of countries and tax rates, it is not practicable to determine the impact of such remittance.

The main rate of UK corporation tax was 20% during the current and prior year. It was reduced to 19% from 1 April 2017 and will be reduced further to 17% from 1 April 2020. These reductions had been substantively enacted at 31 March 2017.

(b) Net current tax assets/(liabilities)

	Notes	2017 US$m	2016 US$m
At 1 April		**(104)**	(62)
Exchange and other differences		**(1)**	(9)
Tax charge in the Group income statement – continuing operations	16(a)	**(172)**	(183)
Tax charge in the Group income statement - discontinued operations		**(9)**	(19)
Tax recognised directly in equity on transactions with owners		**2**	(9)
Additions through business combinations	40(a)	**6**	-
Tax paid on profit on disposal of subsidiaries	14(b)	**-**	42
Tax paid - discontinued operations		**9**	14
Other tax paid		**144**	122
Transfer in respect of liabilities held for sale	41	**1**	-
At 31 March		**(124)**	(104)
Presented in the Group balance sheet as:			
Current tax assets		**26**	24
Current tax liabilities		**(150)**	(128)
		(124)	(104)

Tax recognised directly in equity on transactions with owners relates to employee share incentive plans.

36. Provisions

	2017				2016		
	Legal claims US$m	North America security incident US$m	Other liabilities US$m	Total US$m	North America security incident US$m	Other liabilities US$m	Total US$m
At 1 April	**–**	**–**	**27**	**27**	–	31	31
Differences on exchange	**–**	**–**	**3**	**3**	–	(3)	(3)
Additions through business combinations (note 41)	**25**	**–**	**–**	**25**	–	–	–
Amount charged in the year	**–**	**4**	**11**	**15**	20	13	33
Utilised	**(8)**	**–**	**(12)**	**(20)**	(20)	(14)	(34)
At 31 March	**17**	**4**	**29**	**50**	–	27	27

Legal claims are in respect of CSIdentity Corporation related provisions and represent the estimated fair value of liabilities in respect of ongoing claims at acquisition, details of which are given in note 40(a). Details of the North America security incident and the related costs and contingent liabilities are given in notes 14(c) and 43(a).

Other liabilities principally comprise liabilities of Serasa S.A., in connection with local legal and tax issues, which were primarily recognised on its acquisition in 2007.

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37. Called up share capital and share premium account

At 31 March 2017, there were 1,005.6m shares in issue (2016: 1,023.0m). During the year then ended, 0.8m (2016: 1.0m) shares were issued and 18.2m (2016: 10.8m) shares were cancelled. Further information on share capital is contained in note O to the Company financial statements.

The difference between the amounts shown in the Group and Company financial statements in respect of called up share capital and the share premium account arose due to translation of sterling amounts into US dollars at different exchange rates on the different translation dates.

38. Retained earnings and other reserves

(a) Retained earnings

Retained earnings comprise net profits retained in the Group after the payment of equity dividends. There are no significant statutory, contractual or exchange control restrictions on distributions by Group undertakings.

(b) Other reserves

(i) Movements in reserves

	Merger reserve US$m	**Hedging reserve US$m**	**Translation reserve US$m**	**Own shares reserve US$m**	**Total other reserves US$m**
At 1 April 2016	**(15,682)**	**11**	**(919)**	**(1,240)**	**(17,830)**
Purchase of shares by employee trusts	**–**	**–**	**–**	**(28)**	**(28)**
Exercise of share awards and options	**–**	**–**	**–**	**36**	**36**
Currency translation gains	**–**	**–**	**18**	**–**	**18**
At 31 March 2017	**(15,682)**	**11**	**(901)**	**(1,232)**	**(17,804)**

	Merger reserve US$m	Hedging reserve US$m	Translation reserve US$m	Own shares reserve US$m	Total other reserves US$m
At 1 April 2015	(15,682)	11	(770)	(905)	(17,346)
Purchase of shares held as treasury shares	–	–	–	(344)	(344)
Purchase of shares by employee trusts	–	–	–	(71)	(71)
Exercise of share awards and options	–	–	–	80	80
Currency translation losses	–	–	(149)	–	(149)
At 31 March 2016	(15,682)	11	(919)	(1,240)	(17,830)

(ii) Nature of reserves

The merger reserve arose on the demerger in 2006 and is the difference between the share capital and share premium of GUS plc and the nominal value of the share capital of the Company before a share offer at that date.

Movements on the hedging reserve and the position at the balance sheet date reflect hedging transactions which are not charged or credited to the Group income statement, net of related tax.

Movements on the translation reserve and the position at the balance sheet date reflect foreign currency translations since 1 April 2004 which are not charged or credited to the Group income statement, net of related tax. The movement in the year ended 31 March 2017 comprises currency translation gains of US$18m (2016: losses of US$149m) recognised directly in Other comprehensive income, together with the reclassification of cumulative currency translation gains in respect of divestments of US$nil (2016: US$2m).

The balance on the own shares reserve is the cost of ordinary shares in the Company and further details are given in note 38(b)(iii). The difference between the amounts shown in the Group and Company financial statements in respect of this reserve arose due to translation of sterling amounts into US dollars at different exchange rates on different translation dates.

(iii) Movements in own shares held and own shares reserve

	Number of own shares held			**Cost of own shares held**		
	Treasury million	**Trusts million**	**Total million**	**Treasury US$m**	**Trusts US$m**	**Total US$m**
At 1 April 2016	**63**	**14**	**77**	**1,008**	**232**	**1,240**
Purchase of shares held as treasury shares	**–**	**1**	**1**	**–**	**28**	**28**
Exercise of share options and awards	**(1)**	**(2)**	**(3)**	**(11)**	**(25)**	**(36)**
At 31 March 2017	**62**	**13**	**75**	**997**	**235**	**1,232**

	Number of own shares held			Cost of own shares held		
	Treasury million	Trusts million	Total million	Treasury US$m	Trusts US$m	Total US$m
At 1 April 2015	46	13	59	692	213	905
Purchase of shares held as treasury shares	19	–	19	344	–	344
Purchase of shares by employee trusts	–	4	4	–	71	71
Exercise of share options and awards	(2)	(3)	(5)	(28)	(52)	(80)
At 31 March 2016	63	14	77	1,008	232	1,240

Notes to the Group financial statements continued

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39. Notes to the Group cash flow statement

(a) Cash generated from operations

	Notes	2017 US$m	2016 (Re-presented) (Note 3) US$m
Profit before tax		**1,071**	966
Share of post-tax profit of associates		**(4)**	(4)
Net finance costs		**8**	95
Operating profit		**1,075**	1,057
(Profit)/loss on disposals of fixed assets		**(9)**	1
Profit on disposal of businesses	14(b)	**–**	(57)
Depreciation and amortisation	12	**426**	449
Charge in respect of share incentive plans		**61**	54
Increase in working capital	39(b)	**(39)**	(21)
Acquisition expenses – difference between income statement charge and amount paid		**3**	1
Adjustment to the fair value of contingent consideration		**–**	2
Movement in exceptional items included in working capital		**8**	–
Cash generated from operations		**1,525**	1,486

Depreciation and amortisation includes amortisation of acquisition intangibles of US$104m (2016: US$115m) which is excluded from Benchmark PBT.

(b) Increase in working capital

	2017 US$m	2016 (Re-presented) (Note 3) US$m
Inventories	**1**	–
Trade and other receivables	**(59)**	(57)
Trade and other payables	**19**	36
Increase in working capital	**(39)**	(21)

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

	Note	2017 US$m	2016 US$m
Purchase of subsidiaries	40(a)	**380**	–
Net cash acquired with subsidiaries	40(a)	**(22)**	–
Deferred consideration settled		**5**	13
As reported in the Group cash flow statement		**363**	13
Acquisition expenses paid		**13**	3
Payments to acquire non-controlling interests		**9**	6
Cash outflow for acquisitions (non-GAAP measure)		**385**	22

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

	2017 US$m	2016 US$m
Issue of ordinary shares	**(11)**	(13)
Purchase of shares held as treasury shares	**–**	344
Purchase of shares by employee trusts	**28**	71
Purchase and cancellation of own shares	**336**	190
Cash outflow in respect of net share purchases (non-GAAP measure)	**353**	592
As reported in the Group cash flow statement:		
Cash inflow in respect of net share purchases	**(11)**	(13)
Cash outflow in respect of net share purchases	**364**	605
	353	592

(e) Analysis of cash and cash equivalents

	2017 US$m	2016 US$m
Cash and cash equivalents in the Group balance sheet	**83**	156
Bank overdrafts	**(2)**	(5)
Cash and cash equivalents in the Group cash flow statement	**81**	151

(f) Reconciliation of Cash generated from operations to Benchmark operating cash flow (non-GAAP measure)

	Note	2017 US$m	2016 (Re-presented) (Note 3) US$m
Cash generated from operations	39(a)	**1,525**	1,486
Purchase of other intangible assets		**(319)**	(255)
Purchase of property, plant and equipment		**(80)**	(60)
Sale of property, plant and equipment		**15**	13
Acquisition expenses paid		**13**	3
Dividends received from associates		**3**	3
Cash outflow in respect of security incident		**(8)**	20
Benchmark operating cash flow (non-GAAP measure)		**1,149**	1,210

Benchmark free cash flow for the year ended 31 March 2017, as set out in the Financial review within the Strategic report, was US$933m (2016: US$1,065m). Cash flow conversion for the year ended 31 March 2017 was 96% (2016: 106%).

40. Acquisitions

(a) Acquisitions in the year

The Group made one acquisition during the year ended 31 March 2017, in connection with which provisional goodwill of US$292m was recognised based on the fair value of the net assets acquired of US$88m.

This related to the acquisition on 12 August 2016 of the whole of the issued share capital of CSIdentity, a leading provider of consumer identity management and fraud detection services based in the USA, for a purchase consideration of US$358m. This acquisition accelerates execution of Experian's Consumer Services strategy and enables Experian to address a broader spectrum of the consumer market.

Notes to the Group financial statements continued

for the year ended 31 March 2017

40. Acquisitions continued

(a) Acquisitions in the year continued

Net assets acquired, goodwill and acquisition consideration are analysed below.

	CSIdentity US$m
Intangible assets:	
Customer and other relationships	21
Software development	87
Other non-acquisition intangibles	5
Intangible assets	113
Property, plant and equipment	1
Trade and other receivables	20
Deferred tax assets	26
Current tax assets	6
Cash and cash equivalents	22
Trade and other payables	(32)
Provisions	(25)
Deferred tax liabilities	(43)
Total identifiable net assets	88
Goodwill	292
Total satisfied by cash	380

These provisional fair values contain amounts which will be finalised no later than one year after the date of acquisition. Provisional amounts have been included at 31 March 2017 as a consequence of the timing and complexity of the acquisition. Goodwill represents the synergies, assembled workforce and future growth potential of the business. None of the goodwill arising in the year of US$292m is currently deductible for tax purposes.

There have been no other material gains, losses, error corrections or other adjustments recognised in the year ended 31 March 2017 that relate to acquisitions in the current or prior years.

(b) Additional information

(i) Current year acquisitions

	CSIdentity US$m
Increase in book value from fair value adjustments:	
Intangible assets	108
Provisions	(25)
Net deferred tax liabilities	(33)
Increase in book value from fair value adjustments	50
Gross contractual amounts receivable in respect of trade and other receivables	14
Pro forma revenue from 1 April 2016 to date of acquisition	39
Revenue from date of acquisition to 31 March 2017	59
Loss before tax from date of acquisition to 31 March 2017	(1)

At the date of acquisition, the gross contractual amounts receivable in respect of trade and other receivables of US$14m were expected to be collected in full.

If the transaction had occurred on the first day of the financial period, the estimated loss before tax would have been US$2m.

(ii) Prior year acquisitions

The Group completed no acquisitions during the year ended 31 March 2016 and the cash outflow of US$13m reported in the Group cash flow statement for that year arose in connection with acquisitions prior to 31 March 2015.

There have been no material gains, losses, error corrections or other adjustments recognised in the year ended 31 March 2017 that relate to acquisitions prior to 31 March 2015.

41. Assets and liabilities classified as held for sale

Experian has agreed to divest the Group's email/cross-channel marketing business and it is anticipated that this transaction will be completed in the year ending 31 March 2018. The assets and liabilities of this business, shown below, have been reclassified at 31 March 2017 as held for sale. Any gain or loss on disposal will be recognised in the year ending 31 March 2018.

	US$m
Assets classified as held for sale:	
Goodwill	**214**
Other intangible assets	**50**
Property, plant and equipment	**18**
Trade receivables	**54**
Other prepayments and accrued income	**20**
Current tax asset	**2**
Assets classified as held for sale	**358**
Liabilities classified as held for sale:	
Trade payables	**(7)**
Accruals and deferred income	**(24)**
Other payables	**(7)**
Current tax liability	**(3)**
Deferred tax liability	**(17)**
Liabilities classified as held for sale	**(58)**

42. Commitments

(a) Operating lease commitments

	2017 US$m	2016 US$m
Commitments under non-cancellable operating leases are payable:		
In less than one year	**57**	58
Between one and five years	**90**	114
In more than five years	**35**	48
	182	220

The Group leases offices, vehicles and technology under non-cancellable operating lease agreements with varying terms, escalation clauses and renewal rights. The charge for the year was US$60m (2016: US$64m).

Notes to the Group financial statements continued

for the year ended 31 March 2017

42. Commitments continued

(b) Capital commitments

	2017 US$m	2016 US$m
Capital expenditure for which contracts have been placed:		
Intangible assets	**19**	18
Property, plant and equipment	**14**	6
	33	24

Capital commitments at 31 March 2017 include commitments of US$13m not expected to be incurred before 31 March 2018. Commitments as at 31 March 2016 included US$13m not then expected to be incurred before 31 March 2017.

43. 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 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 were reflected in a US$20m income statement charge in the year ended 31 March 2016.

Experian has received a number of class actions and other related claims 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) Brazil 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 Court 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) Brazil 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. In October 2016 the First Chamber of the Tax Administrative Counsel ruled in favour of Serasa S.A.'s appeal in the proceedings in respect of the tax assessment, before interest and penalties, of US$58m for the years from 2007 to 2010. The tax authority has appealed this ruling.

(d) North America contractual dispute

In March 2017 Experian received an adverse ruling on a 2010 contractual dispute in Canada in respect of a software product no longer offered by the Group and damages were awarded of approximately US$30m. Experian believes it has good grounds for a favourable ruling on appeal and is vigorously defending its position. However, as is inherent in legal proceedings, there remains a risk of an outcome that may be unfavourable to the Group.

(e) Other litigation and claims

There continue to be a number of other claims and pending and threatened litigation 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.

44. Principal subsidiary undertakings and related party transactions

(a) Principal subsidiary undertakings at 31 March 2017

Company	Principal activity	Country of incorporation
Experian Finance plc	Holding company and administrative services	England and Wales
Experian Holdings Limited	Holding company	England and Wales
Experian Limited	Information services	England and Wales
Experian Technology Limited	Development of intellectual property	England and Wales
Serasa S.A.	Information services	Brazil
Experian Colombia S.A.	Information services	Colombia
Experian Holdings Ireland Limited	Holding company	Ireland
Experian Ireland Investments Limited	Holding company	Ireland
ConsumerInfo.com Inc.	Consumer services	USA
Experian Health, Inc.	Information services	USA
Experian Holdings, Inc.	Holding company	USA
Experian Information Solutions Inc.	Information services	USA
Experian Marketing Solutions Inc.	Marketing services	USA
Experian Services Corp.	Administrative services	USA

The above table shows the Company's significant subsidiary undertakings at 31 March 2017 and for the year then ended. The Company holds direct or indirect interests in the whole of the issued ordinary shares of these undertakings apart from Serasa S.A., in which its interest is 99.7%. A full list of the Company's related undertakings, including subsidiary undertakings, is given in note R to the Company financial statements. There are no significant non-controlling interests.

(b) Transactions with associates

A full list of associate undertakings is given in note R(iv) to the Company financial statements. There were no individually material associates during the current or prior year and accordingly no related party transactions are reported with such entities.

Notes to the Group financial statements continued

for the year ended 31 March 2017

44. Principal subsidiary undertakings and related party transactions continued

(c) Transactions with other related undertakings

The Group transacts with a number of related undertakings in connection with the operation of its share incentive plans, pension arrangements in the UK, USA and Brazil, and the provision of medical cover in the UK. These undertakings are listed in note R(v) to the Company financial statements. Transactional relationships can be summarised as follows:

- The assets, liabilities and expenses of the Experian UK Approved All-Employee Share Plan and The Experian plc Employee Share Trust are included in the financial statements.
- During the year ended 31 March 2017, US$47m (2016: US$52m) was paid by the Group to related undertakings, in connection with the provision of post-employment pensions benefits in the UK, USA and Brazil.
- During the year ended 31 March 2017, US$2m (2016: US$3m) was paid by the Group to Experian Medical Plan Limited, in connection with the provision of healthcare benefits.
- There were no other material transactions or balances with these related undertakings during the current or prior year.

(d) Remuneration of key management personnel

	2017 US$m	2016 US$m
Salaries and short-term employee benefits	**8**	10
Share incentive plans	**7**	6
	15	16

Key management personnel comprises the Company's executive directors and further details of their remuneration packages are given in the audited parts of the Report on directors' remuneration. There were no other material transactions with the Group in which the key management personnel had a personal interest, in either the current or prior year.

45. 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 19.

Company profit and loss account

for the year ended 31 March 2017

	Notes	2017 US$m	2016 US$m
Other operating income	F	**55.6**	62.4
Staff costs	G	**(3.0)**	(3.6)
Depreciation		**(0.2)**	(0.2)
Other operating expenses	F	**(70.4)**	(72.6)
Operating loss		**(18.0)**	(14.0)
Interest receivable and similar income	H	**0.3**	2.5
Interest payable and similar expenses	I	**(0.5)**	(0.8)
Dividend income from subsidiary undertakings	L	**1,718.3**	–
Impairment of investment in subsidiary undertakings on liquidation	L	**(1,543.2)**	–
Profit/(loss) before tax		**156.9**	(12.3)
Tax on profit/(loss)	J	**–**	–
Profit/(loss) after tax and for the financial year		**156.9**	(12.3)

Company statement of comprehensive income

for the year ended 31 March 2017

The Company has no recognised items of income and expenditure other than those included in the profit and loss account. Total comprehensive income for the financial year is therefore equal to the profit for the financial year.

Company balance sheet

at 31 March 2017

	Notes	2017 US$m	2016 US$m
Fixed assets			
Tangible assets		**–**	0.2
Investments – shares in Group undertakings	L	**5,713.2**	6,898.6
		5,713.2	6,898.8
Current assets			
Debtors – amounts falling due within one year	M	**12,587.8**	12,478.5
Cash at bank and in hand		**–**	0.1
		12,587.8	12,478.6
Current liabilities			
Creditors – amounts falling due within one year	N	**(3,909.5)**	(4,828.5)
Net current assets		**8,678.3**	7,650.1
Net assets		**14,391.5**	14,548.9
Equity			
Called up share capital	O	**76.6**	78.3
Share premium account	O	**1,200.1**	1,189.7
Profit and loss account reserve	P	**13,114.8**	13,280.9
Total shareholders' funds		**14,391.5**	14,548.9

These financial statements were approved by the Board on 17 May 2017 and were signed on its behalf by:

Don Robert
Director

Company statement of changes in total equity

for the year ended 31 March 2017

	Called up share capital (Note O) US$m	Share premium account (Note O) US$m	Profit and loss account reserve: Profit and loss account US$m	Profit and loss account reserve: Own shares reserve US$m	Profit and loss account reserve: Total (Note P) US$m	Total equity US$m
At 1 April 2016	**78.3**	**1,189.7**	**14,490.1**	**(1,209.2)**	**13,280.9**	**14,548.9**
Profit and Total comprehensive income for the financial year	**–**	**–**	**156.9**	**–**	**156.9**	**156.9**
Transactions with owners:						
Employee share incentive plans:						
– value of employee services	**–**	**–**	**61.1**	**–**	**61.1**	**61.1**
– shares issued on vesting	**0.1**	**10.4**	**–**	**–**	**–**	**10.5**
– other exercises of share awards and options	**–**	**–**	**(35.7)**	**36.2**	**0.5**	**0.5**
– purchase of shares by employee trusts	**–**	**–**	**–**	**(27.9)**	**(27.9)**	**(27.9)**
Purchase and cancellation of own shares	**(1.8)**	**–**	**(333.9)**	**–**	**(333.9)**	**(335.7)**
Dividends paid	**–**	**–**	**(22.8)**	**–**	**(22.8)**	**(22.8)**
Transactions with owners	**(1.7)**	**10.4**	**(331.3)**	**8.3**	**(323.0)**	**(314.3)**
At 31 March 2017	**76.6**	**1,200.1**	**14,315.7**	**(1,200.9)**	**13,114.8**	**14,391.5**

	Called up share capital (Note O) US$m	Share premium account (Note O) US$m	Profit and loss account reserve: Profit and loss account US$m	Profit and loss account reserve: Own shares reserve US$m	Profit and loss account reserve: Total (Note P) US$m	Total equity US$m
At 1 April 2015	79.3	1,177.0	14,746.7	(874.5)	13,872.2	15,128.5
Loss and Total comprehensive income for the financial year	–	–	(12.3)	–	(12.3)	(12.3)
Transactions with owners:						
Employee share incentive plans:						
– value of employee services	–	–	54.3	–	54.3	54.3
– shares issued on vesting	0.1	12.7	–	–	–	12.8
– other exercises of share awards and options	–	–	(79.1)	79.2	0.1	0.1
– purchase of shares by employee trusts	–	–	–	(71.4)	(71.4)	(71.4)
– other payments	–	–	(0.1)	–	(0.1)	(0.1)
Purchase of shares held as treasury shares	–	–	–	(342.8)	(342.8)	(342.8)
Purchase and cancellation of own shares	(1.1)	–	(189.2)	–	(189.2)	(190.3)
Fair value (gain)/loss on commitments to purchase own shares	–	–	(2.5)	0.3	(2.2)	(2.2)
Dividends paid	–	–	(27.7)	–	(27.7)	(27.7)
Transactions with owners	(1.0)	12.7	(244.3)	(334.7)	(579.0)	(567.3)
At 31 March 2016	78.3	1,189.7	14,490.1	(1,209.2)	13,280.9	14,548.9

Notes to the Company financial statements

for the year ended 31 March 2017

A. Corporate information

Corporate information for Experian plc (the 'Company') is set out in note 1 to the Group financial statements, with further information given in the Strategic report and the Corporate governance report.

B. Basis of preparation

The separate financial statements of the Company are presented voluntarily and are:

- prepared on the going concern basis under the historical cost convention and in accordance with UK accounting standards;
- presented in US dollars, the Company's functional currency; and
- designed to include disclosures in line with those required by those parts of the UK Companies Act 2006 applicable to companies reporting under UK accounting standards even though the Company is incorporated and registered in Jersey.

Following the requirements of Financial Reporting Standard ('FRS') 100 'Application of financial reporting requirements' coming into effect, the directors opted to prepare the financial statements for the year ended 31 March 2016 in accordance with FRS 101 'Reduced Disclosure Framework'. The Company intends to continue to use this accounting framework until further notice.

C. FRS 101 exemptions

FRS 101 allows certain exemptions from the requirements of IFRS to avoid the duplication of information provided in the Group financial statements and to provide more concise financial reporting in entity financial statements. The following exemptions have therefore been applied in the preparation of these financial statements:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based payment', so exempting the Company from providing details of share options and of how the fair value of services received was determined.
- IFRS 7 'Financial instruments: disclosures'.
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement', so exempting the Company from disclosing valuation techniques and inputs used for the measurement of assets and liabilities.
- Paragraph 38 of IAS 1 'Presentation of financial statements', so exempting the Company from disclosing comparative information required by:
  - paragraph 79(a)(iv) of IAS 1 – shares outstanding at the beginning and at the end of that period; and
  - paragraph 73(e) of IAS 16 'Property, plant and equipment' – reconciliations between the carrying amount at the beginning and end of that period.
- The following paragraphs of IAS 1:
  - paragraphs 10(d) and 111, so exempting the Company from providing a cash flow statement and information;
  - paragraph 16, so exempting the Company from providing a statement of compliance with all IFRS;
  - paragraph 38A, so exempting the Company from the requirement for a minimum of two of each primary statement and the related notes;
  - paragraphs 38B to D, so exempting the Company from the requirement to provide additional comparative information; and
  - paragraphs 134 to 136, so exempting the Company from presenting capital management disclosures.
- IAS 7 'Statement of cash flows'.
- Paragraph 17 of IAS 24 'Related party disclosures', so exempting the Company from disclosing details of key management compensation.
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions with wholly-owned members of the Group.

The use of critical accounting estimates and management judgment is required in applying the accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the Company financial statements, are highlighted in note E.

Notes to the Company financial statements continued

for the year ended 31 March 2017

D. Significant accounting policies

The significant accounting policies applied are summarised below. They have been consistently applied to both years presented. The explanations of these policies focus on areas where judgment is applied or which are particularly important in the financial statements. Content from accounting standards, amendments and interpretations is excluded where there is simply no policy choice under UK accounting standards.

(i) Foreign currency

The Company follows IAS 21 'The effects of changes in foreign exchange rates'. Transactions in foreign currencies are recorded at the rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. All differences are taken to the profit and loss account in the year in which they arise.

(ii) Investments – shares in Group undertakings

Investments in Group undertakings are stated at cost less any provisions for impairment. The Company follows IAS 36 'Impairment of assets'. The fair value of share incentives issued by the Company to employees of Group undertakings is accounted for as a capital contribution and recognised as an increase in the Company's investment in Group undertakings, with a corresponding increase in equity.

(iii) Debtors and creditors

Debtors are initially recognised at fair value and subsequently measured at this value. Where the time value of money is material, they are then carried at amortised cost using the effective interest rate method. Creditors are initially recognised at fair value. Where the time value of money is material, they are then carried at amortised cost using the effective interest rate method.

(iv) Cash at bank and in hand

Cash at bank includes deposits held at call with banks and other short-term highly liquid investments.

(v) Accounting for derivative financial instruments

The Company uses forward foreign exchange contracts to manage its exposures to fluctuations in foreign exchange rates. The interest differential reflected in forward foreign exchange contracts is taken to interest receivable and similar income or interest payable and similar expenses. Forward foreign exchange contracts are recognised at fair value, based on forward foreign exchange market rates at the balance sheet date. Gains or losses on forward foreign exchange contracts are taken to the profit and loss account in the year in which they arise.

(vi) Tax

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in Ireland, where the Company is resident.

Deferred tax is provided in respect of temporary differences that have originated but not reversed at the balance sheet date and is determined using the tax rates that are expected to apply when the temporary differences reverse. Deferred tax assets are recognised only to the extent that they are expected to be recoverable.

(vii) Own shares

The Group has a number of equity-settled, share-based employee incentive plans. In connection with these, shares in the Company are held by The Experian plc Employee Share Trust and the Experian UK Approved All-Employee Share Plan. The assets, liabilities and expenses of these separately administered trusts are included in the financial statements as if they were the Company's own. The trusts' assets mainly comprise Experian shares, which are shown as a deduction from total shareholders' funds at cost.

Experian shares purchased and held as treasury shares, in connection with the above plans and any share purchase programme, are also shown as a deduction from total shareholders' funds at cost. The par value of shares that are purchased and cancelled, in connection with any share purchase programme, is accounted for as a reduction in called up share capital with any cost in excess of that amount being deducted from the profit and loss account. The Company is not required to recognise the par value of cancelled shares in a capital redemption reserve.

Contractual obligations to purchase own shares are recognised at the net present value of expected future payments. Gains and losses in connection with such obligations are recognised in the profit and loss account. Gains and losses which arise on financial instruments created by advance instruuctions to trade in own shares are recognised directly in equity.

(viii) Profit and loss account format

Income and expenses, which are recognised on an accruals basis, are reported by nature in the profit and loss account, as this reflects the composition of the Company's income and cost base.

(ix) Dividend income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

E. Critical accounting estimates, assumptions and judgments

(i) Critical accounting estimates and assumptions

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amount of income, costs and charges, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgment at the date of the financial statements, will, by definition, seldom equal the related actual results.

The most significant of these estimates and assumptions for the Company that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is in respect of the carrying value of investments in subsidiary undertakings.

(ii) Critical judgments

In applying the Company's accounting policies, management may make judgments that have a significant effect on the amounts recognised in the Company financial statements. These judgments may include the classification of transactions between the Company profit and loss account and the Company balance sheet.

The most significant of these judgments for the Company is in respect of contingencies where, in the case of pending and threatened litigation claims, management has formed a judgment as to the likelihood of ultimate liability. No liability has been recognised where the likelihood of any loss arising is possible rather than probable.

F. Other operating income and expenses

Other operating income and expenses principally comprise charges to and from other Group undertakings in respect of Group management services provided during the year. Other operating expenses include a fee of US$0.4m (2016: US$0.4m) payable to the Company's auditor and its associates for the audit of the Group financial statements.

G. Staff costs

	2017 US$m	2016 US$m
Directors' fees	**1.8**	2.4
Wages and salaries	**1.0**	1.0
Social security costs	**0.1**	0.1
Other pension costs	**0.1**	0.1
	3.0	3.6

Executive directors of the Company are employed by other Group undertakings and details of their remuneration, together with that of the non-executive directors, are given in the audited part of the Report on directors' remuneration. The Company had two employees throughout both years.

Notes to the Company financial statements continued

for the year ended 31 March 2017

H. Interest receivable and similar income

	2017 US$m	2016 US$m
Interest income	**0.3**	–
Gain in connection with commitments to purchase own shares	**–**	2.5
	0.3	2.5

I . Interest payable and similar expenses

	2017 US$m	2016 US$m
Foreign exchange losses	**0.5**	0.5
Loss in connection with commitments to purchase own shares	**–**	0.3
	0.5	0.8

J. Tax on profit/(loss)

There is no current or deferred tax charge for the year ended 31 March 2017 or for the prior year. The tax charge for the year is therefore at a rate lower (2016: higher) than the main rate of Irish corporation tax of 25% (2016: 25%) with the difference explained below.

	2017 US$m	2016 US$m
Profit/(loss) before tax	**156.9**	(12.3)
Profit/(loss) before tax multiplied by the applicable rate of tax	**39.2**	(3.1)
Effects of:		
Income not taxable	**(44.4)**	(0.6)
Expenses not deductible	**0.9**	0.3
Tax losses not recognised	**4.3**	3.4
Tax charge for the year	**–**	–

The Company's tax charge will continue to be influenced by the nature of its income and expenditure and prevailing Irish and Jersey tax law. The Company has no recognised deferred tax (2016: US$nil) and has not recognised a deferred tax asset of US$65m (2016: US$61m) in respect of tax losses which can only be recovered against future profits.

K. Dividends

Total dividends of US$380.8m (2016: US$379.6m) were paid to Experian shareholders during the year. The Company paid interim dividends of US$22.8m (2016: US$27.7m) to those shareholders who did not elect to receive dividends under the Income Access Share arrangements. The balance of US$358.0m (2016: US$351.9m) was paid by a subsidiary undertaking, Experian (UK) Finance Limited ('EUKFL'), under the Income Access Share arrangements. The Company's profit and loss account reserve is available for distribution by way of dividend. At 31 March 2017, the distributable reserves of EUKFL as determined under UK company law are US$5,152.1m (2016: US$6,702.1m).

Since the balance sheet date, the directors have announced a second interim dividend of 28.5 US cents per ordinary share for the year ended 31 March 2017. No part of this dividend is included as a liability in these financial statements. Further details of payment arrangements, including the Income Access Share arrangements, are given in the Shareholder and corporate information section of the Annual Report.

L. Investments – shares in Group undertakings

Cost and net book amount	2017 US$m	2016 US$m
At 1 April	**6,898.6**	5,476.2
Additions – fair value of share incentives issued to Group employees	**61.1**	54.3
Additional investment in direct subsidiary undertakings	**121.6**	1,368.1
Investment in subsidiary through dividend in specie	**175.1**	–
Liquidation of subsidiary investments through dividend distribution	**(1,543.2)**	–
At 31 March	**5,713.2**	6,898.6

During the year ended 31 March 2017 Experian plc undertook a number of transactions as a result of group restructuring including:

- subscription for an additional US$121.6m of shares in an existing subsidiary undertaking;
- receipt of a dividend in specie in the form of an investment in a subsidiary valued at US$175.1m. This subsidiary was liquidated in the year and the value of the assets distributed through the liquidation dividend were equal to its carrying value; and
- receipt of the proceeds of a liquidation dividend in the form of a 33% equity investment in a Group undertaking valued at US$1,368.1m, which was subsequently redeemed by that Group undertaking.

A list of the Company's subsidiary undertakings is given in note R(i). The Company directly holds interests in the whole of the issued share capital of the following undertakings.

Company	Principal activity	Country of incorporation
Experian Holdings (UK) Limited	Holding company	England and Wales
Experian Finance Holdings Limited	Finance company	Ireland
Experian Group Services Limited	Administrative services	Ireland
Experian Holdings Ireland Limited	Holding company	Ireland
Experian Ireland Investments Limited	Holding company	Ireland

Notes to the Company financial statements continued

for the year ended 31 March 2017

M. Debtors – amounts falling due within one year

	2017 US$m	2016 US$m
Amounts owed by Group undertakings	**12,587.3**	12,478.4
Other debtors	**0.5**	0.1
	12,587.8	12,478.5

Amounts owed by Group undertakings are primarily unsecured, interest free and repayable on demand.

N. Creditors – amounts falling due within one year

	2017 US$m	2016 US$m
Amounts owed to Group undertakings	**3,908.5**	4,826.8
Accruals and deferred income	**1.0**	1.7
	3,909.5	4,828.5

Amounts owed to Group undertakings are primarily unsecured, interest free and repayable on demand.

O. Called up share capital and share premium account

Allotted and fully paid	2017 US$m	2016 US$m
1,005,576,373 (2016: 1,023,001,249) ordinary shares of 10 US cents	**76.6**	78.3
20 (2016: 20) deferred shares of 10 US cents	**–**	–
	76.6	78.3

At 31 March 2017 and 31 March 2016, the authorised share capital was US$200m, divided into 1,999,999,980 ordinary shares and 20 deferred shares, each of 10 US cents. The ordinary shares carry the rights to (i) dividend, (ii) to attend or vote at general meetings and (iii) to participate in the assets of the Company beyond repayment of the amounts paid up or credited as paid up on them. The deferred shares carry no such rights.

During the year ended 31 March 2017, the Company issued 797,045 ordinary shares for a consideration of US$9.8m. Issues of shares were made in connection with the Group's share incentive arrangements, details of which are given in note 32 to the Group financial statements. The difference between the consideration and the par value of the shares issued is recorded in the share premium account.

During the year ended 31 March 2017, 18,221,921 ordinary shares were cancelled after being purchased by the Company.

P. Profit and loss account reserve

The profit and loss account reserve is stated after deducting the balance on the own shares reserve from that on the profit and loss account. The balance on the profit and loss account comprises net profits retained in the Company, after the payment of equity dividends. The balance on the own shares reserve is the cost of ordinary shares in the Company and further details are given below.

	Number of shares held			Cost of shares held		
	Treasury million	Trusts million	Total million	Treasury US$m	Trusts US$m	Total US$m
At 1 April 2016	**63.2**	**13.4**	**76.6**	**1,007.4**	**201.8**	**1,209.2**
Purchase of shares by employee trusts	**–**	**1.5**	**1.5**	**–**	**27.9**	**27.9**
Exercise of share awards and options	**(0.8)**	**(1.9)**	**(2.7)**	**(10.7)**	**(25.5)**	**(36.2)**
At 31 March 2017	**62.4**	**13.0**	**75.4**	**996.7**	**204.2**	**1,200.9**

	Number of shares held			Cost of shares held		
	Treasury million	Trusts million	Total million	Treasury US$m	Trusts US$m	Total US$m
At 1 April 2015	46.2	13.1	59.3	691.8	182.7	874.5
Purchase of shares held in treasury	18.7	–	18.7	342.8	–	342.8
Purchase of shares by employee trusts	–	3.8	3.8	–	71.4	71.4
Exercise of share awards and options	(1.7)	(3.5)	(5.2)	(26.9)	(52.3)	(79.2)
Fair value loss on commitments to purchase own shares	–	–	–	(0.3)	–	(0.3)
At 31 March 2016	63.2	13.4	76.6	1,007.4	201.8	1,209.2

Q. Contingencies

The Company has guaranteed:

- borrowings of Group undertakings of US$3,247m (2016: US$3,166m);
- the liabilities of The Experian plc Employee Share Trust and the Experian UK Approved All-Employee Share Plan; and
- the retirement benefit obligations of Group undertakings that participate in the Experian Pension Scheme and of a Group undertaking that participates in a small UK defined benefit pension plan. An indication of the Company's contingent liability for the year ending 31 March 2018, in the event that the Group undertakings fail to pay their contributions, is given in note 34(e) to the Group financial statements.

The Company has also issued a small number of other guarantees in connection with the performance of business contracts by Group undertakings.

Notes to the Company financial statements continued

for the year ended 31 March 2017

R. Related undertakings at 31 March 2017

(i) Subsidiary undertakings

Company	Country of incorporation
Experian Strategic Solutions SA	Argentina
Experian Asia Pacific Pty Ltd	Australia
Experian Australia Credit Services Pty Ltd	Australia
Experian Australia Fraud Services Pty Ltd	Australia
Experian Australia Holdings Pty Ltd	Australia
Experian Australia Pty Ltd	Australia
Riverleen Finance Pty Ltd	Australia
Tallyman Australia Pty Limited	Australia
Experian Österreich GmbH	Austria
Experian Tecnologia Brasil Ltda	Brazil[1]
Serasa S.A.	Brazil[2]
Experian Bulgaria EAD	Bulgaria
Experian Canada Inc.	Canada
Experian Services Chile S.A.	Chile
Beijing Yiboruizhi Technology Co., Ltd	China[3]
Experian Business Information and Consulting (Beijing) Co. Ltd	China[4]
Experian Information Technology (Beijing) Company Limited	China[5]
Byington Colombia S.A.S.	Colombia
Experian Colombia S.A.	Colombia
Experian Services Costa Rica, S.A.	Costa Rica
Experian A/S	Denmark
192 business Ltd	England and Wales
Accolade Unlimited	England and Wales
Cardinal Finance Unlimited	England and Wales
CCN UK 2005 Limited	England and Wales
CCN UK Unlimited	England and Wales
Chatsworth Investments Limited	England and Wales
CSID International Limited	England and Wales
EHI 2005 Limited	England and Wales
EHI UK Unlimited	England and Wales
EIS 2005 Limited	England and Wales
EIS UK Unlimited	England and Wales
Experian (UK) Finance Limited	England and Wales
Experian (UK) Holdings 2006 Limited	England and Wales
Experian 2001 Unlimited	England and Wales
Experian 2006 Unlimited	England and Wales
Experian CIS Limited	England and Wales
Experian Europe Unlimited	England and Wales
Experian Finance 2012 Limited	England and Wales
Experian Finance plc	England and Wales
Experian Group Limited	England and Wales
Experian Holdings (UK) Limited	England and Wales
Experian Holdings Limited	England and Wales
Experian International Unlimited	England and Wales
Experian Investment Holdings Limited	England and Wales
Experian Latam Holdings Unlimited	England and Wales
Experian Limited	England and Wales
Experian NA Holdings Unlimited	England and Wales
Experian NA Unlimited	England and Wales

Company	Country of incorporation
Experian Nominees Limited	England and Wales
Experian SURBS Investments Limited	England and Wales
Experian Technology Limited	England and Wales
Experian US Holdings Unlimited	England and Wales
Experian US Unlimited	England and Wales
G.G.C. Leasing Limited	England and Wales
G.U.S. Property Management Limited	England and Wales
General Guarantee Corporation Unlimited	England and Wales
General Guarantee Finance Limited	England and Wales
GUS 1998 Unlimited	England and Wales
GUS 2000 Finance Limited	England and Wales
GUS 2000 UK Unlimited	England and Wales
GUS 2000 Unlimited	England and Wales
GUS 2002 Unlimited	England and Wales
GUS 2004 Limited	England and Wales
GUS 2005 Finance Unlimited	England and Wales
GUS Catalogues Limited	England and Wales
GUS Finance (2004) Limited	England and Wales
GUS Finance 2006 Unlimited	England and Wales
GUS Finance Holdings Unlimited	England and Wales
GUS Finance Luxembourg Limited	England and Wales
GUS Financial Services Unlimited	England and Wales
GUS Holdings (2004) Limited	England and Wales
GUS Holdings Unlimited	England and Wales
GUS International	England and Wales
GUS International Holdings SE	England and Wales
GUS Ireland Holdings SE	England and Wales
GUS NA Unlimited	England and Wales
GUS Netherlands Unlimited	England and Wales
GUS Overseas Holdings SE	England and Wales
GUS Overseas Investments SE	England and Wales
GUS Overseas Retailing Unlimited	England and Wales
GUS Overseas Unlimited	England and Wales
GUS Property Investments Limited	England and Wales
GUS Unlimited	England and Wales
GUS US Holdings SE	England and Wales
GUS US Holdings Unlimited	England and Wales
GUS US Unlimited	England and Wales
GUS Ventures Unlimited	England and Wales
HD Decisions Limited	England and Wales
Hugh Wyllie, Ltd	England and Wales
International Communication & Data Limited	England and Wales
Motorfile Limited	England and Wales
QAS Limited	England and Wales
Riverleen Finance Unlimited	England and Wales
Serasa Finance Limited	England and Wales
Tallyman Limited	England and Wales
Techlightenment Ltd	England and Wales

Company	Country of incorporation
The 41st Parameter, Ltd.	England and Wales
The Royal Exchange Company (Leeds) Unlimited	England and Wales
The Witney Mattress, Divan & Quilt Co. Unlimited	England and Wales
X88 Software Limited	England and Wales
Experian France S.A.S.	France
Experian Holding EURL	France
Experian Holding France SAS	France
Experian PH Sarl	France
CONET Corporate Communication Network GmbH	Germany
Experian Deutschland GmbH	Germany
Experian Hong Kong Holdings Limited	Hong Kong
Experian Hong Kong Limited	Hong Kong
Experian Credit Information Company of India Private Limited	India[6]
Experian Services India (Private Limited)	India[6]
W2 Software (India) Private Limited	India[7]
PT. Experian Decision Analytics Indonesia	Indonesia
Experian Finance Holdings Limited	Ireland
Experian Group Services Limited	Ireland
Experian Holdings Ireland Limited	Ireland
Experian Ireland Investments Limited	Ireland
Experian Ireland Limited	Ireland
Experian US Finance Limited	Ireland
GUS Finance Ireland Unlimited Company	Ireland
GUS Investments 2003 Unlimited Company	Ireland
Newenham Finance Unlimited Company	Ireland
Experian Holding Italia S.r.l.	Italy
Experian Italia S.p.A.	Italy
Experian Japan Co., Ltd	Japan
Experian Luxembourg Finance S.A.R.L.	Luxembourg
Experian U.S. Finance S.à.r.l.	Luxembourg
Experian (Malaysia) Sdn. Bhd.	Malaysia
Experian Marketing Services (Malaysia) Sdn Bhd	Malaysia
ESI Servicios S. de R.L. de C.V.	Mexico
Experian de Mexico S. de R.L. de C.V.	Mexico
Experian Soluciones de Informacion, S.A. de C.V.	Mexico
Experian Micro Analytics SAM	Monaco
Scorex SAM	Monaco
Experian New Zealand Limited	New Zealand
Experian Northern Ireland Limited	Northern Ireland
Experian AS	Norway
Credit Analyst International Corp.	Panama
Experian Perú S.A.C	Peru
Experian Polska spółka z ograniczoną odpowiedzialnością	Poland
DP Credit Bureau Pte Ltd	Singapore

Company	Country of incorporation
DP Information Network Pte Ltd	Singapore
DP Management Pte Ltd	Singapore
Experian Asia-Pacific Holdings Pte. Ltd.	Singapore
Experian Singapore Pte. Ltd	Singapore
Experian South Africa (Pty) Limited	South Africa
Great Universal Stores (South Africa) (Pty) Ltd	South Africa
Experian Bureau de Credito SA	Spain[8]
Experian Colombian Investments, Sociedad Limitada	Spain[8]
Experian Espana SLU	Spain[8]
Experian Holdings Espana S.A.	Spain[8]
Experian Latam España Inversiones, S.L	Spain[9]
Rexburg Spain, S.L	Spain[8]
Experian (Thailand) Co., Ltd	Thailand
Experian Micro Analytics B.V.	The Netherlands
Experian Nederland BV	The Netherlands
Experian Scorex Russia BV	The Netherlands
GUS Europe Holdings BV	The Netherlands
GUS Holdings BV	The Netherlands
GUS Treasury Services BV	The Netherlands
Experian Bilgi Hizmetleri Limited Şirketi	Turkey
ClarityBlue Inc	USA[10]
ConsumerInfo.com Inc	USA[11]
CSIdentity Corporation	USA[12]
Experian Credit Advisors, Inc.	USA[12]
Experian Data Corp	USA[12]
Experian Financial Services, Inc.	USA[12]
Experian Fraud Prevention Solutions, Inc.	USA[12]
Experian Health, Inc.	USA[12]
Experian Holdings, Inc.	USA[12]
Experian Information Solutions Inc	USA[13]
Experian Marketing Solutions, Inc.	USA[12]
Experian Marketing Solutions, LLC	USA[12]
Experian Services Corporation	USA[12]
GreenUmbrella.com, Inc.	USA[12]
Identitytruth, Inc.	USA[12]
Leadspend, Inc.	USA[12]
MyExperian, Inc.	USA[12]
Riverleen Finance, Inc.	USA[12]
SafetyWeb, Inc.	USA[12]
StatSchedules India, LLC	USA[12]
The 41st Parameter Inc	USA[12]
Experian Soluciones V, S.A.	Venezuela

Numeric superscripts refer to registered office addresses given in note R(ii)

Notes to the Company financial statements continued

for the year ended 31 March 2017

R. Related undertakings at 31 March 2017 continued

(ii) Addresses of registered offices of subsidiary undertakings

Country of incorporation	Address of registered office
Argentina	Carlos Pelligrini 587, 4th Floor, Ciudad Autonoma de Buenos Aires, Buenos Aires
Australia	Level 6, 549 St Kilda Road, Melbourne, VIC 3004
Austria	Strozzigasse 10/14, 1080 Vienna
Brazil[1]	Rua Matias Aires, 451, 5° andar, Cerqueira Cesar, São Paulo, 01309-020
Brazil[2]	Alameda dos Quinimuras, 187 – 3 andar, Planalto Paulista, São Paulo
Bulgaria	Sofia 1784, "Mladost" district, 115G "Tsarigradsko Shosse" 115G, Business center MEGAPARK, FL. 10–11
Canada	2, Bloor St E, Suite 3501, Toronto On M4W 1A8
Chile	Av. del Valle 515, Huechuraba, Santiago
China[3]	Room 604 6F, One Indigo, 20 Jiuxianqiao Road, Chaoyang District, Beijing, 100015
China[4]	Room 601-603 6F, One Indigo20 Jiuxianqiao Road, Chaoyang District, Beijing, 100015
China[5]	Room 607-608 6F, One Indigo20 Jiuxianqiao Road, Chaoyang District, Beijing, 100015
Colombia	Carrera 7, No. 76 – 35 Floor 10, Bogota
Costa Rica	San José, de la Estación de Ferrocarril al Pacífico
Denmark	Lyngbyvej 2, DK-2100, Copenhagen
England and Wales	The Sir John Peace Building, Experian Way, NG2 Business Park, Nottingham, NG80 1ZZ
France	Tour Ariane 5, place de la pyramide, La Défense 9, 92088 Paris La Défense cedex
Germany	Speditionstraße 1, 40221 , Düsseldorf
Hong Kong	Rooms 3906-08, 39th Floor, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay
India[6]	5th Floor, East Wing, Tower 3, Equinox Business Park, LBS Marg, Kurla (West), Mumbai, 400070
India[7]	1st Floor, Plot No. 6, Janakpuri Colony,Gunrock, Hyderabad, Telangana 500009
Indonesia	Gedung DBS Bank Tower Lantai 28, Ciputra World 1, Jl. Prof. Dr. Satrio Kav 3-5, Karet Kuningan, Setiabudi, Jakarta Selatan
Ireland	Newenham House, Northern Cross, Malahide Road, Dublin 17, D17 AY61
Italy	Piazza dell'Indipendenza No 11/B, 00185, Rome
Japan	Sl Bldg. Aoyama 6F, 1-3-6 Kita-Aoyama, Minato-ku, Tokyo, 107-0061
Luxembourg	99 Grand Rue, L-1611
Malaysia	10th Floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Wilayah Persekutuan
Mexico	Paseo de la Reforma No. 115, Desp. 1503, Col. Lomas de Chapultepec, México, D.F., C.P. 11000
Monaco	Athos Palace 2, rue de la Lujerneta, MC 98000, Monaco
The Netherlands	Grote Marktstraat 49, 2511BH 's-Gravenhage, Den Haag
New Zealand	Level 8, DLA Piper Tower, 205 Queen Street, Auckland, 1010
Northern Ireland	Murray house, Murray street, Belfast, BT1 6DN
Norway	Karenslyst Allé 8b, 0278 Oslo
Panama	Edificio AFRA, Ave. Samuel Lewis y Calle 54, Ciudad de Panamá, Apartado Postal 0816-06904
Peru	Av. Canaval y Moreyra N° 480, Piso 19, San Isidro, Lima
Poland	Plac Marsz. Józefa Piłsudskiego 3, 00-078 Warsaw
Singapore	10 Kallang Avenue, #14-18 Aperia Tower 2, Singapore, 339510
South Africa	Ballyoak Ofice Park, 35 Ballyclare Driv, Bryanston Ext 7, 2191
Spain[8]	C/Principe de Vergara 132, 1a Planta, 28002, Madrid
Spain[9]	Calle Aribau 171, 08036, Barcelona
Thailand	No. 399 Interchange 21, 32nd Floor, Room no. 3241-3243, Sukhumvit Road, North Klongtoey Sub-district, Wattana District, Bangkok
Turkey	River Plaza Büyükdere Cad.Bahar Sok.No:13 K:8 Levent 34394 İstanbul
USA[10]	475 Anton Boulevard, Costa Mesa, CA 92626
USA[11]	CT Corporation System, 818 West 7th Street, Los Angeles CA 90017
USA[12]	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801
USA[13]	CT Corporation System, 1300 East 9th Street, Cleveland OH 44114
Venezuela	Av. Francisco de Miranda, Torre Hewlett Packard, Piso 7, Oficina 7A. Urbanización Los Palos Grandes, Caracas, 1060

Numeric superscripts refer to subsidiary undertakings given in note R(i)

(iii) Additional information on subsidiary undertakings

Summary

The results of the undertakings listed at note R(i) are included in the Group financial statements. Except as indicated below, the Company has direct or indirect interests in the whole of the issued equity shares of these undertakings. Those undertakings which, in the opinion of the directors, comprise significant subsidiary undertakings at 31 March 2017 and for the year then ended are listed in note 44(a) to the Group financial statements. Undertakings which are direct subsidiaries of the Company are detailed in note L to these financial statements.

Since demerger from GUS plc in 2006, the Company has eliminated dormant and inactive companies through an ongoing internal programme.

Holdings comprising less than 100%

Interests of less than 100% of the issued equity of subsidiary undertakings are:
Experian Australia Credit Services Pty Limited – 74.1%
Serasa S.A. – 99.7%
Experian Colombia S.A. – 99.9%
Experian Credit Information Company of India Private Limited – 56.7%
Experian Italia S.p.A. – 95.0%
Experian Micro Analytics BV – 55.0%
Experian South Africa (Pty) Limited – 74.9%
Experian Bureau de Credito S.A. – 75.0%

The Company's equity interests comprise direct or indirect holdings of ordinary shares, common stock or common shares only, except for:

GUS 2004 Limited, Motorfile Limited and Experian Soluciones V, S.A. – A ordinary and B ordinary shares
GUS International and GUS Investments 2003 – B ordinary shares
GUS 2000 Unlimited – X ordinary and Y ordinary shares
Experian Holdings, Inc. – class A common stock
Experian Information Solutions Inc – common no par value shares
Riverleen Finance, Inc. – common stock shares
Opt-out Services, LLC – membership interests shares
Experian Services Corporation – ordinary no par value shares

Notes to the Company financial statements continued

for the year ended 31 March 2017

R. Related undertakings at 31 March 2017 continued

(iv) Associate undertakings

Company	Holding	Country of incorporation
Runpath Group Limited	25.0%	England and Wales
RAM Credit Information Sdn Bhd	31.9%	Malaysia
United Credit Bureau	25.0%	Russia
MCI-Experian Co, Ltd	49.0%	South Korea
Central Source LLC	33.3%	USA
Finicity Corporation	20.0%	USA
New Management Services, LLC	33.3%	USA
Online Data Exchange LLC	25.0%	USA
Opt-out Services, LLC	25.0%	USA
VantageScore Solutions, LLC	33.3%	USA

(v) Other undertakings

Undertaking	Country of incorporation or operation
Serasa Experian Pension Plan	Brazil
Brigstock Finance Limited	England and Wales
Experian Medical Plan Limited	England and Wales
Experian Pension Scheme	England and Wales
Experian Retirement Savings Plan	England and Wales
Experian Retirement Savings Trustees Limited	England and Wales
Experian Trustees Limited	England and Wales
Experian UK Approved All-Employee Share Plan	England and Wales
The Pension and Life Assurance Plan of Sanderson Systems Limited	England and Wales
The Experian plc Employee Share Trust	Jersey
The Experian Ireland Pension Plan	Ireland
Experian Personal Investment Plan	USA

These undertakings are not subsidiaries or associates. Brigstock Finance Limited is a finance company. The other undertakings operate in connection with the Group's share incentive plans, pension arrangements in the UK, Ireland and USA, and the provision of medical cover in the UK.

Shareholder and corporate information

Analysis of share register at 31 March 2017

By size of shareholding

	Number of shareholders	%	Number of shares	%
Over 1,000,000	149	0.6	840,800,915	83.6
100,001 to 1,000,000	358	1.5	117,262,628	11.7
10,001 to 100,000	705	3.0	23,400,594	2.3
5,001 to 10,000	677	2.8	4,600,641	0.5
2,001 to 5,000	2,483	10.4	7,486,262	0.7
1 to 2,000	19,453	81.7	12,025,333	1.2
Total	23,825	100.0	1,005,576,373	100.0

By nature of shareholding

	Number of shareholders	%	Number of shares	%
Corporates	3,199	13.4	917,594,644	91.3
Individuals	20,625	86.6	25,622,924	2.5
Treasury shares	1	–	62,358,805	6.2
Total	23,825	100.0	1,005,576,373	100.0

Company website

A full range of investor information is available at www.experianplc.com. Details of the 2017 Annual General Meeting ('AGM'), to be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, D02 KF79, Ireland at 9.30am on Thursday 20 July 2017, are given on the website and in the notice of meeting. Information on the Company's share price is available on the website.

Electronic shareholder communication

Shareholders may register for Share Portal, an electronic communication service provided by Capita Registrars (Jersey) Limited, via the Company website at www.experianplc.com/shares. The service is free and it facilitates the use of a comprehensive range of shareholder services online.

When registering for Share Portal, shareholders can select their preferred communication method – email or post. Shareholders will receive a written notification of the availability on the Company's website of shareholder documents, such as the Annual Report, unless they have elected to either (i) receive such notification by email, or (ii) receive paper copies of shareholder documents, where such documents are available in that format.

Dividend information

Dividends for the year ended 31 March 2017

A second interim dividend in respect of the year ended 31 March 2017 of 28.5 US cents per ordinary share will be paid on 21 July 2017, to shareholders on the register of members at the close of business on 23 June 2017. Unless shareholders elect by 23 June 2017 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 30 June 2017. A first interim dividend of 13.0 US cents per ordinary share was paid on 27 January 2017.

Income Access Share arrangements

As its ordinary shares are listed on the London Stock Exchange, the Company has a large number of UK resident shareholders. In order that shareholders may receive Experian dividends from a UK source, should they wish, the Income Access Share ('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.

Shareholder and corporate information continued

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.

Dividend Reinvestment Plan ('DRIP')

The DRIP enables those shareholders who receive their dividends under the IAS arrangements to use their cash dividends to buy more shares in the Company. Eligible shareholders, who wish to participate in the DRIP in respect of the second interim dividend for the year ended 31 March 2017, to be paid on 21 July 2017, should return a completed and signed DRIP application form, to be received by the registrars no later than 23 June 2017. Shareholders should contact the registrars for further details.

Capital Gains Tax ('CGT') base cost for UK shareholders

On 10 October 2006, GUS plc separated its Experian business from its Home Retail Group business by way of demerger. GUS plc shareholders were entitled to receive one share in Experian plc and one share in Home Retail Group plc for every share they held in GUS plc.

The base cost of any GUS plc shares held at demerger is apportioned for UK CGT purposes in the ratio 58.235% to Experian plc shares and 41.765% to Home Retail Group plc shares. This is based on the closing prices of the respective shares on their first day of trading after their admission to the Official List of the London Stock Exchange on 11 October 2006.

For GUS plc shares acquired prior to the demerger of Burberry on 13 December 2005, which are affected by both the Burberry demerger and the subsequent separation of Experian and Home Retail Group, the original CGT base cost is apportioned 50.604% to Experian plc shares, 36.293% to Home Retail Group plc shares and 13.103% to Burberry Group plc shares.

Shareholder security

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free reports about the Company. More detailed information on such matters can be found at www.moneyadviceservice.org.uk. Details of any share dealing facilities that the Company endorses will be included on the Company's website or in Company mailings.

The Unclaimed Assets Register

Experian owns and participates in The Unclaimed Assets Register, which provides a search facility for shareholdings and other financial assets that may have been forgotten. For further information, please contact The Unclaimed Assets Register, PO Box 9501, Nottingham, NG80 1WD, United Kingdom (T +44 (0) 844 481 8180, E uarenquiries@uk.experian.com) or visit www.uar.co.uk.

American Depositary Receipts ('ADR')

Experian has a sponsored Level 1 ADR programme, for which Bank of New York Mellon acts as depositary. This programme trades on the highest tier of the USA over-the-counter market, OTCQX, under the symbol EXPGY. Each ADR represents one Experian plc ordinary share. Further information can be obtained by contacting:

Shareholder Relations
BNY Mellon Depositary Receipts
PO Box 30170
College Station
TX 77842-3170
USA
T +1 201 680 6825 (from the US 1-888-BNY-ADRS)
E shrrelations@cpushareownerservices.com
W www.mybnymdr.com

Financial calendar

Second interim dividend record date	23 June 2017
Trading update, first quarter	18 July 2017
AGM	20 July 2017
Second interim dividend payment date	21 July 2017
Half-yearly financial report	15 November 2017
Trading update, third quarter	January 2018
Preliminary announcement of full-year results	May 2018

Contact information

Corporate headquarters

Experian plc
Newenham House
Northern Cross
Malahide Road
Dublin 17
D17 AY61
Ireland
T +353 (0) 1 846 9100
F +353 (0) 1 846 9150

Investor relations

E investors@experian.com

Registered office

Experian plc
22 Grenville Street
St Helier
Jersey
JE4 8PX
Channel Islands
Registered number – 93905

Registrars

Experian Shareholder Services
Capita Registrars (Jersey) Limited
PO Box 532
St Helier
Jersey
JE4 5UW
Channel Islands
T 0371 664 9245
T (for calls from outside the UK) +44 800 141 2952
E experian@capitaregistrars.com

Call are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 9.00am to 5.30pm (UK time) Monday to Friday other than on public holidays in England and Wales.

Stock exchange listing information

Exchange: London Stock Exchange, Premium Main Market
Index: FTSE 100
Symbol: EXPN

Shareholder and corporate information continued

Experian Share Portal

Manage your shareholding wherever, whenever, on the Experian Share Portal

The Experian Share Portal is a secure online site where you can

- **Sign up** for electronic communications
- **View** your holdings and get an indicative value
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- **Get** copies of your dividend tax vouchers
- **Choose** to receive your dividend direct to your bank account
- **Update** your address details
- **Buy** and sell shares
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It only takes a few minutes to register, just visit **www.experianplc.com/shares**. Remember to have your 11-digit Investor Code to hand.

Contact details

Visit the Experian Share Portal
www.experianplc.com/shares

By email
experian@capitaregistrars.com

By post
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Capita Registrars (Jersey) Limited,
PO Box 532, St Helier, Jersey, JE4 5UW, Channel Islands

By telephone
Call +44 800 141 2952 (or 0371 664 9245 for calls within the UK).
Calls are charged at the standard geographic rate and will vary by provider.
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