Experian

news release

Preliminary results for the year ended 31 March 2012

10 May 2012 – Experian, the global information services company, today issues its financial results for the year ended 31 March 2012.

Highlights

- Total revenue from continuing activities up 16%. At constant exchange rates, revenue from continuing activities up 15%. Organic revenue growth was 10% (excluding discontinued operations). Total Group revenue of US$4.5bn (2011: US$3.9bn).
- Good margin progression. EBIT margin from continuing activities up 50 basis points to 26.2%.
- Total EBIT from continuing operations of US$1,175m up 19%. At constant exchange rates, EBIT from continuing activities up 18%.
- Profit before tax from continuing operations of US$689m (2011: US$656m). Benchmark profit before tax of US$1,128m, up 23%.
- Basic EPS from continuing operations of 66.8 US cents (2011: 49.4 US cents). Benchmark EPS of 78.9 US cents, up 18%.
- Net debt of US$1,818m at 31 March 2012.
- 96% conversion of EBIT into operating cash flow.
- Second interim dividend of 21.75 US cents per ordinary share, to give full-year dividend of 32.00 US cents per ordinary share, up 14%.

In these results, the comparison shopping and lead generation businesses that are held for sale have been treated as discontinued operations and have therefore been excluded (please refer to separate divestment announcement). See Appendix 7 for a comparison of revenue and EBIT growth rates.

Sir John Peace, Chairman, commented:

"In the five years since demerger Experian has delivered significant shareholder value. The business today is strongly positioned, more diverse by geography and by industry vertical and is pursuing numerous growth initiatives. Looking ahead, I am confident Experian can build on this success for all its stakeholders."

Don Robert, Chief Executive Officer, commented:

"Experian delivered premium growth in FY12. We met or exceeded our financial objectives, our growth programme is gaining pace and, through the agreement to divest certain non-core activities, we have further sharpened our strategic focus on data and analytics. For the year ahead, we expect to continue to deliver high quality growth, consistent with our core financial objectives to deliver mid-high single-digit organic revenue growth, maintain or improve margin and deliver cash flow conversion of over 90%."

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

Experian will update on first quarter trading on 13 July 2012, when it will issue an Interim Management Statement.

See Appendix 2 for definition of non-GAAP measures used throughout this announcement.

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

Forward looking statements
Certain statements made in this announcement are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward looking statements.

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

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

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended 31 March 2012 was US$4.5 billion. Experian employs approximately 17,000 people in 44 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

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

Chief Executive Officer's review

This was a year of significant achievement for Experian. We delivered another year of strong financial performance and we took a series of strategic steps which will sustain growth into the future. Total revenue growth from continuing activities was 15%, at constant currency, and organic revenue growth was 10% (H1 9%, H2 10%). We delivered an increase in EBIT from continuing activities of 18% at constant currency, and further enhanced our EBIT margin, up 50 basis points to 26.2%. We delivered strong growth in Benchmark EPS, up 18% to 78.9 US cents per share and have raised the full-year dividend by 14% to 32.00 US cents per share.

- We delivered good growth across all regions, with organic revenue growth of 23% in Latin America, 8% in the UK and Ireland, 7% in EMEA/Asia Pacific and 6% in North America.
- We delivered good growth across our four global business lines, with organic revenue growth of 12% in Credit Services, 9% in Marketing Services, 8% in Decision Analytics and 7% in Interactive.
- We met or exceeded each of our financial objectives, namely to deliver mid-high single digit organic revenue growth, maintain or improve margin and deliver cash flow conversion of over 90%.
- We executed well on our global growth programme, positioning us strongly for the future.

I would like to thank the people of Experian whose inspiration, creativity and dedication make these achievements possible.

Impact of agreement to divest non-core activities
Over the past four years, our strategic focus has been on extending our global lead in credit information and analytics, digital marketing services and direct-to-consumer services. We have signed an agreement to divest our comparison shopping and North America lead generation businesses, which were non-core to Experian. We expect to complete the transaction within the first half of this fiscal year, subject to successful completion of various conditions and events. For the purposes of these results, these businesses have been treated as discontinued operations. On a like-for-like basis, including these businesses, revenue was US$4.8bn, with organic revenue growth of 7% (H1 6%, H2 8%), EBIT was US$1,195m, up 14%, EBIT margin was 25.1% and Benchmark EPS was 80.0 US cents per share. See Appendix 7 for a comparison of growth rates.

Our core Consumer Direct activities are not affected by the agreed divestment. In view of this, we will change the name of the Interactive business segment to Consumer Services, to more appropriately reflect the continuing operations of the business segment. We will adopt the new segment name in our financial reporting for the year ending 31 March 2013.

Financial and strategic highlights
In North America, we saw good performances in Credit Services and Decision Analytics. There was steady recovery in lending and we started to benefit from investments made in recent years. This is driving volume increases in consumer information, as well as demand for our new sources of data, analytics and software. We are also delighted by the progress that we are making across business information, automotive and healthcare payments, all of which delivered strong growth in the year and are well-positioned for future expansion. Medical Present Value, the acquisition which extends our presence in the US healthcare payments vertical, is performing strongly. While the external environment for Marketing Services was tepid, we have continued to benefit from extending our presence in the digital marketing space. Consumer Direct grew as we successfully migrate into our new brands. More recently, we have made good progress towards expanding the white label (affinity) channel, which will benefit our prospects in the latter part of FY13 and beyond.

We made excellent progress in Latin America during the year, with the region now accounting for over 20% of Group revenue. Our business in Brazil delivered very strong organic growth, as we invested in new sources of data, broadened our product range and further penetrated new customer segments. We continue to see significant prospects for growth in Brazil as we leverage our scale and the full extent of the Experian portfolio. We also made good strategic progress in Marketing Services, with the acquisition of the leading email marketing business in the country. This provides us with an important new platform for driving growth in targeted digital marketing in Brazil.

Also in Latin America, we were delighted to complete the acquisition of Computec in November, which has extended our credit bureau footprint to Colombia, Peru and Venezuela. Computec has performed strongly since acquisition, in line with the acquisition buy plan. On an underlying basis, revenue growth was approximately 20% for the year. We are in the process of integrating back office functions and we are developing plans to launch Experian's full product range into these new markets.

We were pleased to deliver a good performance in the UK and Ireland. Credit Services returned to growth and Decision Analytics performed strongly. We have benefited from new client engagements in the financial services sector and have extended further into non-financial verticals. We also completed two bolt-on acquisitions, which extend our presence in the high growth fraud prevention sector and bolster our position in the small and medium enterprise market. Weak economic conditions had some impact on Marketing Services, where growth was fairly modest. Interactive by contrast performed very strongly, helped by a good reception for our bundled consumer product. We also took an important step to expand further into consumer identity protection with the acquisition of Garlik.

EMEA/Asia Pacific performed well despite difficult trading conditions in some European markets. A strong reception for digital marketing platforms drove exceptionally strong growth in Marketing Services, our largest revenue contributor within EMEA/Asia Pacific, with resilience in Credit Services. Decision Analytics was adversely affected by project deferrals in Continental Europe. We are in the process of realigning our regional sales structure for Decision Analytics in EMEA to improve operational efficiency and return that business to growth.

Strategy
We made further progress during the year against our five strategic goals to:

- Extend our global lead in credit information and analytics,
- Build successful businesses in new customer segments,
- Build large-scale operations in major emerging consumer economies,
- Become the global leader in digital marketing services, and
- Become the most trusted consumer brand for credit information and identity protection services.

During the year we continued to invest in our global growth programme, aimed at delivering these goals. We made good progress and, collectively, the programme contributed approximately 4% to organic revenue growth, ahead of our previous expectations.

Our growth programme has enabled us to further deliver against our strategic metrics, with 35% of Group revenue now arising from outside the US and UK (2011: 32%), 68% from non-financial verticals (2011: 66%) and, in line with last year, over 10% generated from product innovations in the past five years (2011: also greater than 10%).

Investment to support growth during FY12 included approximately 200 basis points of margin, net capital expenditure of US$453m and acquisition expenditure of US$787m. For FY13, we anticipate continued investment through the income statement, and capital expenditure in the range of US$470-490m.

Cash flow and net debt

EBIT conversion into operating cash flow was 96%, exceeding our target of 90% conversion. Net debt increased by US$317m to US$1,818m at 31 March 2012, reflecting acquisitions made in the year. At 31 March 2012, the adjusted net debt to EBITDA gearing ratio was 2.0 times, including the current value of the Serasa put option of US$1,092m. This compares to our target net debt range of 1.75 to 2.0 times.

Experian seeks to diversify its sources of funding and to spread debt maturities. We have a £334m bond which matures at the end of calendar 2013 and in order to refinance this we expect to undertake a new bond issue during calendar year 2012. Including this item and an anticipated increase in average net interest rates, we expect the net interest expense will be in the range of US$50-60m for the year ending 31 March 2013.

Capital strategy

In setting our capital strategy, we aim for an appropriate balance between investing in the business for growth while maintaining a prudent but efficient balance sheet. For the coming year, we have taken into account current leverage, anticipated free cash flow and the current acquisition pipeline, including the value of the Serasa put option and the opening up of the exercise window. In view of these items, we have decided not to initiate a further share buyback programme this year. We do however, expect to repurchase shares in respect of employee share plans that vest, at an anticipated cost in the region of US$130m.

Dividend

For the year ended 31 March 2012, we are announcing a second interim dividend of 21.75 US cents per share. This gives a full-year dividend of 32.00 US cents per share, up 14%. The second interim dividend will be paid on 20 July 2012 to shareholders on the register at the close of business on 22 June 2012.

People

It was with great sadness that we announced the death of Paul Brooks, Chief Financial Officer, in January. Paul was a truly inspirational leader and contributed a great deal to the success of Experian over the past decade. His legacy lives on in the form of an extremely strong global finance function. Paul has been succeeded by Brian Cassin, who joined us in April from Greenhill & Co. International. I would like to welcome Brian to Experian and I am confident that he too will make an immensely positive contribution towards our future development. We have confirmed that, in order to provide continuity following Paul’s death, David Tyler will remain on the Board as a non-executive director until 31 December 2012, when he will retire.

We have recently announced the appointment of two new independent non-executive directors, Deirdre Mahlan and George Rose, both of whom will join us on 1 September 2012. Deirdre is the Chief Financial Officer of Diageo plc, while George is a non-executive director, and chairs the Audit Committees of National Grid plc, Genal Energy plc and Laing O’Rourke plc, and is a member of the Industrial Development Advisory Board, which provides advice to the UK’s Secretary of State for Business on applications for financial assistance. He was previously Group Finance Director of BAE Systems plc. I would like to welcome both Deirdre and George to Experian.

Group financial results

Revenue by geography

Year ended 31 March	2012 US$m	2011 US$m[1]	Growth % Total at actual rates[2]	Growth % Total at constant rates[3]	Growth % Organic[3]
North America					
Credit Services	791	716		10	7
Decision Analytics	129	113		14	14
Marketing Services	395	367		8	8
Interactive	777	709		10	3
Total continuing activities	**2,092**	**1,905**	**10**	**10**	**6**
Discontinuing activities	-	-			
Total North America	**2,092**	**1,905**			
Latin America					
Credit Services	891	687		28	23
Decision Analytics	20	12		70	70
Marketing Services	50	23		114	8
Total continuing activities	**961**	**722**	**33**	**31**	**23**
Discontinuing activities	-	-			
Total Latin America	**961**	**722**			
UK and Ireland					
Credit Services	240	225		4	1
Decision Analytics	198	175		11	10
Marketing Services	234	218		5	1
Interactive	152	113		31	30
Total continuing activities	**824**	**731**	**13**	**10**	**8**
Discontinuing activities[4]	1	11			
Total UK and Ireland	**825**	**742**			
EMEA/Asia Pacific					
Credit Services	211	184		11	3
Decision Analytics	129	134		(7)	(7)
Marketing Services	268	183		40	22
Total continuing activities	**608**	**501**	**21**	**17**	**7**
Discontinuing activities[4]	1	15			
Total EMEA/Asia Pacific	**609**	**516**			
Total revenue - continuing activities	**4,485**	**3,859**	**16**	**15**	**10**
Total revenue - discontinuing activities[3]	2	26			
Total revenue – continuing operations	**4,487**	**3,885**			

1. 2011 restated to exclude comparison shopping and lead generation businesses in North America and UK and Ireland; these have been classified as discontinued operations.
2. Actual exchange rates.
3. Constant exchange rates.
4. Discontinuing activities include UK account processing, some UK hosted database activities, UK mortgage software activities and other smaller discontinuing activities (principally in EMEA/Asia Pacific).

See Appendix 1 for analysis of revenue and EBIT by business segment.

Income statement, earnings and margin analysis

Year ended 31 March	2012 US$m	2011 US$m[1]	Total growth % constant[2]	Total growth % actual[3]
EBIT by geography				
North America	658	556	18	
Latin America	320	235	34	
UK and Ireland	227	214	4	
EMEA/Asia Pacific	44	52	(16)	
EBIT before Central Activities	**1,249**	**1,057**	**17**	
Central Activities[4]	(74)	(66)		
EBIT - continuing activities	**1,175**	**991**	**18**	
UK and Ireland discontinuing activities[5]	-	(1)		
EMEA/Asia Pacific discontinuing activities[5]	-	1		
Total discontinuing activities	-	-		
Total EBIT from continuing operations	**1,175**	**991**	**18**	**19**
Net interest	(47)	(71)		
Benchmark PBT	**1,128**	**920**		**23**
Exceptional items	12	(2)		
Amortisation of acquisition intangibles	(122)	(99)		
Acquisition expenses	(9)	(8)		
Adjustment to the fair value of contingent consideration	3	-		
Charges for demerger-related equity incentive plans	(5)	(13)		
Financing fair value remeasurements	(318)	(142)		
Profit before tax	**689**	**656**		
Group tax credit/(charge)	35	(118)		
Profit after tax from continuing operations	**724**	**538**		

Benchmark earnings (non-controlling interests)	(74)	(52)		
Benchmark earnings	**780**	**670**		**16**
Benchmark EPS (US cents)	**78.9**	**66.9**		**18**
Basic EPS for continuing operations (US cents)	66.8	49.4		
Weighted average number of ordinary shares (million)	989	1,002		

EBIT margin[6]		
North America	31.5%	29.2%
Latin America	33.3%	32.5%
UK and Ireland	27.5%	29.3%
EMEA/Asia Pacific	7.2%	10.4%
Total EBIT margin	**26.2%**	**25.7%**

1. 2011 restated to exclude comparison shopping and lead generation businesses in North America and UK and Ireland; these have been classified as discontinued operations.
2. EBIT growth at constant exchange rates.
3. Growth below EBIT is at actual exchange rates.
4. Central Activities comprise costs of central corporate functions.
5. Discontinuing activities include UK account processing, some UK hosted database activities, UK mortgage software activities and other smaller discontinuing activities (principally in EMEA/Asia Pacific).
6. EBIT margin is for continuing activities only.

See Appendix 1 for analysis of revenue and EBIT by business segment.
See Appendix 2 for definitions of non-GAAP measures.

Business review

North America

Total revenue from continuing activities in North America was US$2,092m, up 10%, with organic revenue growth of 6%. The difference relates primarily to the acquisitions of Mighty Net (acquired September 2010) and Medical Present Value (acquired June 2011).

Credit Services
Total revenue growth was 10% and organic revenue growth was 7%, our strongest performance in four years. In consumer information, we benefited from steady recovery in lending activity and from the introduction of new sources of data and products to monitor credit risk. Combined, this drove volume growth in prospecting, origination and customer management activities. Business information performed strongly, with further adoption of our recent product and technology introductions, which have been well-received in the marketplace. We further extended our position in new customer segments, with good growth in the automotive vertical, and we saw good progress in healthcare payments, as our clients adopt new analytical tools such as scoring and we secured major new wins amongst hospitals and physician practices.

Decision Analytics
We delivered strong growth in Decision Analytics as the buying cycle for new software and analytical tools continues to unfold in response to new regulatory requirements for lenders. Total and organic revenue growth was 14%, revenue benefited as we launched our next-generation software modules, and as we further expanded our fraud prevention range.

Marketing Services
Total and organic revenue growth was 8%. There was good growth across Experian's digital platforms during the year as marketers continue to shift spend to targeted digital marketing tools. Growth in the year primarily reflected higher email volumes and new business wins for the supply of contact data. There was also further development of our digital advertising services, which delivered very strong growth from a low base.

Interactive
Total revenue growth was 10%, with organic revenue growth of 3%. This reflected growth across our core credit reference and identity protection brands, improvement in retention rates and growth across the white-label (affinity) channel. Together, these helped to offset a decline in subscribers for the legacy brand, freecreditreport.com.

For continuing activities, North America EBIT was US$658m, up 18%. EBIT margin was 31.5%, an increase of 230 basis points year-on-year, reflecting positive operating leverage across all areas of activity.

Latin America
Performance in Latin America goes from strength to strength. Total revenue from continuing activities was US$961m, up 31% at constant exchange rates, with organic revenue growth of 23%. The difference relates to the acquisitions of Virid Interatividade Digital (Virid) (acquired July 2011) and Computec (completed November 2011).

Credit Services
Total revenue growth was 28%, at constant exchange rates, while organic revenue growth was 23%. Both consumer information and business information activities in Brazil performed strongly, benefiting from new data supply agreements, take-up of new premium products, further penetration of the small and medium enterprise sector and good progress across new customer segments such as telecommunications. Authentication revenue grew exceptionally strongly in the year, as the Brazilian government extended its programme for businesses to use digital certificates to identify themselves in business-to-government interactions.

Decision Analytics
We delivered good progress at Decision Analytics with total and organic revenue growth of 70%. Our business is benefiting as we leverage our credit bureau footprint in Brazil, with new contract wins from major Brazilian banks during the year. We also saw good progress in other Latin American markets, including Argentina and Mexico.

Marketing Services
At Marketing Services, total revenue more than doubled, including first-time contributions from the acquisition of the Virid email marketing business and Computec's marketing-related activities. Organic revenue growth was 8%.

For Latin America, EBIT grew 34% at constant exchange rates to US$320m. Margins increased by 80 basis points to 33.3%. Margins benefited from strong positive operating leverage in Credit Services in Brazil, offset by organic growth investments in other areas and adverse mix due to the first time contribution of Computec.

UK and Ireland
In the UK and Ireland, revenue from continuing activities was US$824m, up 10% at constant exchange rates. Organic revenue growth was 8%. The acquisition contribution relates to LM Group (acquired July 2011), 192business (completed February 2012), and Garlik (acquired December 2011).

Credit Services
Total revenue growth was 4% at constant exchange rates, while organic revenue growth was 1%. We were pleased to return to growth during the year, as we benefited from some stabilisation in lending activity, new client wins in the financial services sector and growth across non-financial verticals such as telecommunications and utilities.

Decision Analytics
Decision Analytics performed well, with total revenue growth at constant exchange rates of 11% and organic revenue growth of 10%. We benefited from the adoption of customer management tools by telecommunications and utilities clients, and further penetration of our authentication and fraud prevention tools within the public sector.

Marketing Services
Total revenue growth at constant exchange rates was 5%, while organic revenue growth was 1%. While there was good progress across digital marketing platforms such as email marketing, market conditions were fairly soft and demand for data services was relatively weak.

Interactive
We were delighted by growth at Interactive, where total revenue growth was 31% at constant exchange rates, with organic revenue growth of 30%. We benefited from a strong performance at CreditExpert, following strong market acceptance of our bundled product, which combines reports and scores. We also benefited from improved lifetime value, as we continue to focus on delivering more to the customer.

For the UK and Ireland, EBIT from continuing activities was US$227m, up 4% at constant exchange rates. The EBIT margin was 27.5% (2011 29.3%), affected by the low revenue growth environment for Credit Services and Marketing Services and adverse acquisition mix.

EMEA/Asia Pacific
Total revenue from continuing activities in EMEA/Asia Pacific was US$608m, up 17% at constant exchange rates, with organic revenue growth of 7%. The difference in part relates to the move to a majority holding in DP Information in Singapore (April 2011).

Credit Services
Total revenue growth was 11%, at constant exchange rates, with organic revenue growth of 3%. There was a robust performance across our credit bureaux, despite difficult market conditions in the region. There were also strong contributions from our business information bureaux in China and Singapore.

Decision Analytics
Total and organic revenue, at constant exchange rates, was down 7% amid weak conditions across the Eurozone which led to some project deferrals. Growth across Asia Pacific and emerging European countries helped to offset challenging conditions elsewhere in Europe.

Marketing Services
We delivered strong growth in Marketing Services, with total revenue growth at constant exchange rates of 40%, and organic revenue growth of 22%. The strength of our performance reflected new client wins for targeted digital marketing products, and exceptionally strong growth in email marketing volumes during the year.

For EMEA/Asia Pacific, EBIT from continuing activities was US$44m, down 16% at constant exchange rates. EBIT margin was 7.2% (2011: 10.4%). The decline in EBIT was due to increased investment in the Australian bureau development, negative operating leverage in Decision Analytics and a one-off charge in relation to investment in a new sales structure in EMEA.

Group financial review

Balance sheet
At 31 March 2012, net assets and total equity amounted to US$2,931m (2011: US$2,707m), equivalent to US$2.96 per share (2011: US$2.74). The increase in total equity of US$224m includes actuarial gains of US$7m in respect of defined benefit pension plans and is after currency translation losses of US$64m, mainly as a result of the weakening of the Brazilian real against the US dollar. These items are shown net of related tax in the Group statement of comprehensive income.

Cash flow, funding and net debt
Experian generated good cash flow in the year with operating cash flow of US$1,124m (2011: US$975m) and a cash flow conversion of 96% (2011: 98%). Cash flow conversion is defined as operating cash flow expressed as a percentage of EBIT from continuing operations and a reconciliation of cash generated from operations, as reported in the Group cash flow statement on page 22, to operating cash flow as reported in the cash flow summary table (Appendix 4) is given in note 17 to the financial statements.

As indicated in the cash flow summary table, free cash flow in the year ended 31 March 2012 was US$889m (2011: US$742m). The net cash outflow in the year of US$182m (2011: inflow of US$458m) is after acquisition spend of US$787m (2011: US$301m) and equity dividends of US$290m (2011: US$251m).

During the course of the year, new bilateral borrowing facilities of US$617m were arranged, with a spread of maturity dates.

At 31 March 2012, net debt was US$1,818m (2011: US$1,501m) and undrawn committed borrowing facilities totalled US$2,147m (2011: US$1,700m). At 31 March 2012, the adjusted net debt/EBITDA ratio, including the value of the Serasa put option at that date of US$1,092m, was 2.0 times.

Exceptional items - continuing operations

Year ended 31 March	**2012 US$m**	2011 US$m
Gain/(loss) on disposal of businesses	**8**	(21)
Interest income on legacy tax balances	**4**	-
Gain in respect of defined benefit pension plan	**-**	29
Restructuring costs	**-**	(10)
Total exceptional items	**12**	(2)

The gain on disposal of businesses in the year related to a number of small disposals of businesses, principally the disposal of an investment classified as available for sale at 31 March 2011.

Net interest expense
In the year ended 31 March 2012, the net interest expense was US$47m (2011: US$71m), after crediting US$11m (2011: US$6m) in respect of the difference between the expected return on pension assets and interest recognised on pension liabilities. We have continued to benefit from the environment of low global interest rates and our strong cash flow performance.

Tax
The effective rate of tax for the year based on Benchmark PBT was 24.3% (2011: 21.5%). This rate is defined as the total tax charge reported in the Group income statement, adjusted for the tax impact of non-Benchmark items, divided by Benchmark PBT. The increase reflects a larger portion of Benchmark PBT from higher tax rate jurisdictions. In the year ended 31 March 2012, a one-off tax credit of US$268m has been recognised on the determination of certain liabilities in respect of historic positions and the further utilisation of tax losses. In the year ended 31 March 2011, a one-off tax credit of US$37m was recognised in respect of the utilisation of tax losses. These amounts have been excluded from the calculation of the effective rate of tax based on Benchmark PBT in view of their size and nature.

Earnings per share
Basic earnings per share were 66.2 US cents (2011: 57.9 US cents). Basic earnings for the year included a loss per share of 0.6 US cents (2011: earnings of 8.5 US cents) in respect of discontinued operations. Benchmark earnings per share increased to 78.9 US cents from 66.9 US cents last year.

At 31 March 2012, Experian had some 1,029m shares in issue of which some 40m were held by employee trusts and in treasury. Accordingly the number of shares to be used for the purposes of calculating basic earnings per share from 31 March 2012 is 989m. Any issues and purchases of shares after 31 March 2012 will result in an amendment to that figure.

Foreign exchange
The principal exchange rates used to translate revenue and EBIT in the year are.

	2012	2011	Strengthened against the US dollar
Sterling : US dollar	1.60	1.55	3.2%
US dollar : Brazilian real	1.70	1.73	1.7%
Euro : US dollar	1.38	1.32	4.5%

The effect of these exchange rate changes on the results for the year is to increase reported revenue by US$60m and EBIT by US$9m.

The principal exchange rates used to translate assets and liabilities at the year end are:

	2012	2011
Sterling : US dollar	1.60	1.60
US dollar : Brazilian real	1.82	1.63
Euro : US dollar	1.33	1.42

Comparative financial information
As a consequence of the agreement to dispose of the Group's comparison shopping and lead generation businesses, these activities are now classified as discontinued in accordance with the definition of discontinued operations set out in IFRS 5 and the comparative information given within this report has been re-presented as appropriate.

Appendices

1. Revenue and EBIT by business segment

Year ended 31 March	2012 US$m	2011[1] US$m	Total growth[2] %	Organic growth[2] %
Revenue				
Credit Services	2,133	1,812	16	12
Decision Analytics	476	434	8	8
Marketing Services	947	791	17	9
Interactive	929	822	13	7
Total - continuing activities	**4,485**	**3,859**	**15**	**10**
Discontinuing activities[3]	2	26	n/a	
Total	**4,487**	**3,885**	**14**	
EBIT				
Credit Services	728	609	18	
Decision Analytics	107	116	(10)	
Marketing Services	146	126	15	
Interactive	268	206	31	
Total business segments	**1,249**	**1,057**	**17**	
Central Activities	(74)	(66)	n/a	
Total - continuing activities	**1,175**	**991**	**18**	
Discontinuing activities[3]	-	-	n/a	
Total	**1,175**	**991**	**18**	
EBIT margin[4]				
Credit Services	34.1%	33.6%		
Decision Analytics	22.5%	26.7%		
Marketing Services	15.4%	15.9%		
Interactive	28.8%	25.1%		
Total EBIT margin[4]	**26.2%**	**25.7%**		

1. 2011 restated to exclude comparison shopping and lead generation businesses in Interactive; these have been classified as discontinued operations.
2. Growth at constant exchange rates.
3. Discontinuing activities include UK account processing, some UK hosted database activities, UK mortgage software activities and other smaller discontinuing activities (principally in EMEA/Asia Pacific).
4. EBIT margin is for continuing activities only.

2. Use of non-GAAP financial information

Experian has identified certain measures that it believes will assist understanding of the performance of the Group. As these measures are not defined under IFRS, they may not be directly comparable with other companies' adjusted measures. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance but management has included them as these are considered to be important comparables and key measures used within the business for assessing performance. Such non-GAAP measures that are included within the Group's statutory financial statements are detailed in note 4 to the financial statements. Further non-GAAP measures and reconciliations of those measures are set out below.

Earnings before interest, tax, depreciation and amortisation ('EBITDA'): EBITDA is defined as profit before amortisation of acquisition intangibles, acquisition expenses, goodwill impairments, adjustments to contingent consideration, charges in respect of the demerger-related equity incentive plans, exceptional items, net finance costs, tax, discontinued operations, depreciation and other amortisation. It includes the Group's share of continuing associates' pre-tax results.

Discontinuing activities: Experian defines discontinuing activities as businesses sold, closed or identified for closure during a financial year. These are treated as discontinuing activities for both revenue and EBIT purposes. Prior periods, where shown, are restated to disclose separately the results of discontinuing activities. This financial measure differs from the definition of discontinued operations set out in IFRS 5, which defines a discontinued operation as a component of an entity that has either been disposed of, or is classified as held for sale, and is: (i) a separate major line of business or geographical area of operations; (ii) part of a single plan to dispose of a major line of business or geographical area of operations; or (iii) a subsidiary acquired exclusively with a view to resale.

Continuing activities: Businesses trading at 31 March 2012 that have not been disclosed as discontinuing activities are treated as continuing activities.

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

Organic growth: This is the year-on-year change in the revenue of continuing activities, at constant transactional and translation exchange rates, excluding acquisitions (other than affiliate credit bureaux) until the first anniversary date of consolidation.

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

Free cash flow: Free cash flow is derived from operating cash flow by excluding net interest and tax paid together with dividends paid to non-controlling interests. Operating cash flow is defined in note 4 to the financial statements.

3. Income statement analysis – continuing operations						
Year ended 31 March	**2012**			**2011**		
	Benchmark	**Non-benchmark[1]**	**Total**	**Benchmark**	**Non-benchmark[1]**	**Total**
	US$m	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**
Revenue	**4,487**	**-**	**4,487**	**3,885**	**-**	**3,885**
Labour costs	(1,694)	(5)	(1,699)	(1,486)	10	(1,476)
Data and information technology costs	(400)	-	(400)	(308)	(1)	(309)
Depreciation and amortisation	(312)	(122)	(434)	(283)	(102)	(385)
Marketing and customer acquisition costs	(405)	-	(405)	(369)	-	(369)
Other operating charges	(499)	2	(497)	(446)	(29)	(475)
Total operating expenses	(3,310)	(125)	(3,435)	(2,892)	(122)	(3,014)
Operating profit/(loss)	**1,177**	**(125)**	**1,052**	**993**	**(122)**	**871**
Share of losses of associates	(2)	-	(2)	(2)	-	(2)
EBIT from continuing operations	**1,175**			**991**		
Non-benchmark items		**(125)**			**(122)**	
Profit/(loss) before net finance costs and tax	**1,175**	**(125)**	**1,050**	**991**	**(122)**	**869**
Net finance costs	(47)	(314)	(361)	(71)	(142)	(213)
Profit/(loss) before tax	**1,128**	**(439)**	**689**	**920**	**(264)**	**656**
Tax credit/(charge)	(274)	309	35	(198)	80	(118)
Profit/(loss) after tax from continuing operations	**854**	**(130)**	**724**	**722**	**(184)**	**538**
Attributable to:						
Owners of Experian plc	780	(119)	661	670	(174)	496
Non-controlling interests	74	(11)	63	52	(10)	42
Profit/(loss) after tax from continuing operations	**854**	**(130)**	**724**	**722**	**(184)**	**538**
	US cents	**US cents**	**US cents**	**US cents**	**US cents**	**US cents**
Earnings/(loss) per share – basic	**78.9**	**(12.1)**	**66.8**	**66.9**	**(17.5)**	**49.4**
	%	**%**	**%**	**%**	**%**	**%**
Effective rate of tax	**24.3**	**70.4**	**(5.1)**	**21.5**	**30.3**	**18.0**

1. These include a credit for exceptional items of US$12m (2011: charge US$2m) and charges of US$451m (2011: US$262m) for total adjustments made to derive Benchmark PBT, full details of which are included in note 8 to the Group financial statements.

4. Cash flow summary		
Year ended 31 March	**2012 US$m**	**2011 US$m**
EBIT from continuing operations	1,175	991
Depreciation and amortisation	312	283
Loss on sale of fixed assets	4	5
Capital expenditure	(453)	(369)
Sale of property, plant and equipment	3	7
Decrease in working capital	20	4
Loss retained in associate	3	3
Charge in respect of equity incentive plans within Benchmark PBT	60	51
Operating cash flow	**1,124**	**975**
Net interest paid	(57)	(92)
Tax paid	(107)	(85)
Dividends paid to non-controlling interests	(71)	(56)
Free cash flow	**889**	**742**
Net cash outflow from exceptional items	(5)	(20)
Acquisitions	(787)	(301)
Purchase of investments	(1)	(3)
Disposal of investment in FARES – discontinued operations	-	279
Disposal of available for sale financial assets	12	-
Disposal of businesses – continuing operations	-	12
Equity dividends paid	(290)	(251)
Net cash (outflow)/inflow	**(182)**	**458**
Net share purchases	(167)	(349)
New borrowings and other financing related cash flows	187	72
Net (decrease)/increase in cash and cash equivalents – continuing operations	**(162)**	**181**
Net (decrease)/increase in cash and cash equivalents - discontinued operations	(1)	52
Net (decrease)/increase in cash and cash equivalents	**(163)**	**233**
Cash and cash equivalents at 1 April	408	163
Foreign exchange movements on cash and cash equivalents	9	12
Cash and cash equivalents at 31 March	**254**	**408**

5. Reconciliation of net debt		
Year ended 31 March	**2012 US$m**	**2011 US$m**
At 1 April	**1,501**	**1,627**
Net cash outflow/(inflow) – as reported in the cash flow summary	182	(458)
Net share purchases	167	349
Foreign exchange and other	(32)	(17)
At 31 March	**1,818**	**1,501**

6. Reconciliation of depreciation and amortisation		
Year ended 31 March	**2012 US$m**	**2011 US$m**
As reported in the Group income statement	434	385
Less: amortisation of acquisition intangibles	(122)	(99)
Less: exceptional asset write-off	-	(3)
As reported in the cash flow summary	**312**	**283**

7. Growth rates before and after comparison shopping and lead generation exclusion						
	As reported, growth %			**Pre exclusion, growth %**		
Year ended 31 March 2012	**Total at actual rates**	**Total at constant rates**	**Organic growth**	**Total at actual rates**	**Total at constant rates**	**Organic growth**
Revenue						
North America Interactive		10	3		-	(4)
UK Interactive		31	30		26	25
Global Interactive		13	7		3	(1)
North America continuing activities	10	10	6	5	5	2
UK & Ireland continuing activities	13	10	8	12	9	7
Global continuing activities	**16**	**15**	**10**	**13**	**12**	**7**
EBIT						
Global Interactive		31			11	
North America continuing activities		18			11	
UK & Ireland continuing activities		4			5	
Global continuing activities		**18**			**14**	
Benchmark PBT	**23**			**18**		
Benchmark EPS	**18**			**14**		