news release

Preliminary results for the year ended 31 March 2018

7am, 17 May 2018 – Experian plc, the global information services company, today issues its financial report for the year ended 31 March 2018.

- **A strong finish to the year**.
  - Q4 total revenue growth of 12% and Q4 organic revenue growth of 8%.
  - North America Consumer Services returned to growth in Q4 and UK trends continued to improve.
- **FY18: good progress, with momentum in B2B* and improving trends in Consumer Services.**
  - 8% total revenue growth, 8% total Benchmark EBIT growth, 11% Benchmark EPS growth.
  - 5% organic revenue growth, 8% B2B organic revenue growth.
  - Benchmark EBIT margin of 27.7%, in line with prior year at constant rates, up 10 basis points at actual rates.
  - Strong cash conversion of 93% and Return on Capital Employed of 15.7%.
- **Significant progress on our strategy**.
  - Key investments to add new sources of data, e.g. low income lending, mobile phone, affordability.
  - Strong client reception for product introductions such as Experian Ascend, PowerCurve Collections, CrossCore, and a strong pipeline of future initiatives underway.
  - Good initial market reception for consumer identity protection offers and significant steps taken to advance position in consumer credit comparison.
  - Proposed acquisition of ClearScore will extend services to UK consumers.
- **Continuing commitment to shareholder returns and disciplined capital allocation:**
  - $305m acquisitions and investments completed.
  - Over US$950m returned to shareholders in the year, by dividends and share repurchases.
  - Second interim dividend up 10% to 31.25 US cents per ordinary share; total dividend for FY18 up 8% to 44.75 US cents per share.
  - New net share repurchase programme of up to US$400m.

Statutory financial highlights

	2018 US$m	2017 US$m	Total Growth %
Revenue	4,662	4,335	8
Operating profit	1,095	1,075	2
Profit before tax	994	1,071	(7)
Profit after tax from cont. operations	845	812	4
Basic EPS (Continuing)	US92.1c	US86.5c	6
Basic EPS[4]	US88.9c	US92.1c	(3)

Benchmark financial highlights[1]

	2018 US$m	2017[2] US$m	Actual rates growth %	Constant rates growth %
Revenue[1]	4,657	4,330	8	7
Benchmark EBIT[3]	1,290	1,197	8	7
Benchmark PBT	1,206	1,124	7	6
Benchmark Earnings	897	831	8	7
Benchmark EPS	US97.8c	US88.4c	11	10
Total dividend	US44.75c	US41.5c	8	n/a

1 Revenue from ongoing activities. See Appendix 1 on page 15 and note 4 to the financial statements on pages 26-27 for definitions of non-GAAP measures.
2 Results for 2017 are restated for exited business activities, comprised of our Experian Public Records business, divested in March 2018.
3 See page 7 for reconciliation of Benchmark EBIT from ongoing activities to Profit before tax.
4 Basic EPS has reduced to 88.9 US cents from 92.1 US cents (2017). The decrease reflects higher non-cash costs for financing fair value remeasurements (see Note 7a) and a loss from discontinued operations (see Note 10a).
* B2B = business-to-business activities consists of Credit Services (7% organic revenue growth), Decision Analytics (12%) and Marketing Services (7%) business lines.

Brian Cassin, Chief Executive Officer, commented:
"We delivered a strong performance in FY18 as we execute on our innovation agenda and our One Experian approach. Growth was particularly strong across B2B and we have made significant progress in Consumer Services, which returned to growth in North America in the fourth quarter.

"The investments we have made will continue to power our performance. We begin the year with momentum in the business, and we expect another year of strong performance, with EBIT growth at or above revenue growth and further strong progress in Benchmark earnings per share."

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There will be a presentation today at 9.30am (UK time) to analysts and investors at the Bank of America Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. The presentation can be viewed live via the link from the Experian website at www.experianplc.com and can also be accessed live via a telephone dial-in facility: 0800 783 0906 (UK primary) or 01296 480 100 (UK direct) or +44 1296 480 100 (International direct), using access code 774 306 59. The supporting slides and an indexed replay will be available on the website later in the day.

Experian will update on first quarter trading for FY19 on 13 July 2018.

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

Forward looking statements
Certain statements made in this announcement are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements. See Note 26 for further information on risks and uncertainties facing Experian.

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

About Experian
Experian is the world's leading global information services company. During life's big moments – from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers – we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organisations to prevent identity fraud and crime.

We have 16,500 people operating across 39 countries and every day we're investing in new technologies, talented people and innovation to help all our clients maximise every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

Learn more at www.experianplc.com or visit our global content hub at our global news blog for the latest news and insights from the Group.

Chief Executive Officer's review

We made great progress over the course of this year, financially, operationally and strategically. The pace and range of new product innovation has increased dramatically across the business. This, plus the investments we have made in technology and our One Experian approach, position us strongly for the future.

We delivered a strong financial performance, with:

- Total revenue growth of 8%, total revenue growth at constant currency of 7%, organic revenue growth of 5%. B2B delivered organic revenue up 8% for the year and in Consumer Services the rate of organic revenue decline moderated to (5%) overall and was flat in the fourth quarter.

- Growth accelerated as the year progressed, with organic revenue growth of 4% in H1 and of 6% in H2.

- Benchmark EBIT growth was 8%, with EBIT margins of 27.7%.

- Double-digit growth in Benchmark earnings per share, which grew 11%.

- Cash conversion of 93% of Benchmark EBIT into operating cash flow.

We are executing well against our strategy, and have invested in a series of initiatives to sustain growth in the future. These include:

- New sources of data. We acquired Clarity Services, Inc. ('Clarity'), which adds non-traditional credit data assets in the US, improving visibility of over 60m consumers with traditional lenders, and extending the superiority of our datasets.

- New products. We launched Experian Ascend, our next-generation analytical sandbox, which has had a very strong reception since launch in the US.

- New agreements across multiple territories for major Experian platforms, including for PowerCurve, our decisioning platform, and for CrossCore our fraud prevention platform which signed 51 client agreements in the year, and we have a pipeline of new product introductions which will launch during the forthcoming year.

- New and extended client engagements which exploit the breadth of our capabilities as One Experian. These included major new data and decisioning contracts in the US, the UK and Brazil with large financial institutions.

- We launched the new identity protection proposition in the US, we substantially developed our credit comparison services and we have agreed the acquisition of ClearScore, subject to UK regulatory approval, which will add a complementary credit comparison brand in the UK.

- We have made significant additional investments in information security in order to maintain strong defences and continue to provide a secure environment for data.

With regards to capital allocation and uses of cash:

- We invested organically across a broad range of initiatives during the year in support of our strategy. We also made inorganic investments through acquisitions, minority investments and venture investments totalling US$305m.

- We are announcing a second interim dividend of 31.25 US cents per share, up 10% on the prior year to bring the total for FY18 to 44.75 US cents per share, up 8% on the prior year. This dividend will be paid on 20 July 2018 to shareholders on the register at the close of business on 22 June 2018.

- We completed a US$566m share repurchase programme. We also expect to execute a new net share repurchase programme of up to US$400m.

- We maintained tight discipline on capital allocation, ending the year with net debt of US$3,408m, which places us at 2.1 times EBITDA by the end of the year, compared to our target leverage range of 2 to 2.5 times net debt to EBITDA.

- Return on capital continues to be strong at 15.7%, up 20 basis points on the prior year (2017: 15.5%).

Regional highlights
Organic revenue growth was strong across three of our four regions, with double-digit growth in EMEA/Asia Pacific. Organic revenue was flat in the UK and Ireland.

North America

Total revenue growth in North America was 8% and organic revenue growth was 6%, reflecting a strong performance across B2B of 9%, partially offset by Consumer Services decline of 2%.

Our B2B business is performing very well driven by successful new product introductions and major One Experian client wins. The Experian Ascend Sandbox tool, which gives clients access to current and historic credit data for the development of analytical models and strategies, has grown quickly, and since launch we have signed contracts with 11 of the top financial institutions, with a strong pipeline of future prospects. We have seen early momentum in our strategy to introduce new sources of data to the credit bureau, and the Clarity Services acquisition has exceeded our expectations. Since completion of the acquisition in October, synergies realised include the roll out of Clarity Services products to our traditional bureau clients with the introduction of our first new product which will combine data from both Clarity and our credit bureau to enhance credit risk decisions. Credit Services' performance also benefited from the new Fannie Mae trended data agreement, which was implemented in Q4. There was also strength in business information, health and Decision Analytics which each delivered double-digit organic revenue growth.

Consumer Services returned to growth during Q4. We have diversified our revenue streams in this business towards high growth market segments, helping to offset an overall decline for the year. Our identity protection offer is growing rapidly, and we have now enrolled approximately 200,000 paying members. We are extending the product offer with good take-up rates for premium plans and new free services such as triple dark web scan. We are developing our credit comparison service which, while still at a relatively early stage, is growing strongly. We are also highly focused on enhancing the experience for both consumers and lenders by using our capabilities to drive relevance and approval rates. Partner Solutions, which accounts for c. 40% of North America Consumer Services revenue, is also well positioned as we secure new clients, provide new products for existing client programmes and as we fully benefit from the client wins secured this year.

Latin America

Latin America delivered a good performance, with 6% organic revenue growth, reflecting strength across Credit Services, Decision Analytics and Marketing Services.

In Brazil, we have placed significant strategic emphasis on expanding the services we provide to our larger clients and on developing more extensive services for smaller businesses and for consumers. We see significant potential as the macroeconomic environment in Brazil improves and as we grow our presence across the Latin American region.

We are expanding our position with larger clients in Brazil, moving beyond pure credit data services to offer alternative data sources, analytics, software, consultancy services and client access to our data labs. We see good prospects for Experian software platforms such as PowerCurve and CrossCore, as well as for new product innovations such as mobile credit-prequalification services, recently launched with major Brazilian retailers and where we are establishing a decent pipeline. We are also developing new services for smaller businesses in Brazil, to help them better manage and gain access to relevant credit offers.

This was an important year for the development of services to consumers in Brazil. By the end of the year we had enrolled over 22m people into Serasa Consumidor. We have introduced a new credit comparison service (eCred), which we will seek to expand over the coming year. Our debt resolution service Limpa Nome is also expanding rapidly. We have converted this into a digital service which helps millions of consumers to negotiate and settle debts with lenders. We see significant potential for Serasa Consumidor in Brazil, and are investing to extend our product range and to scale our existing offers over the coming year.

UK and Ireland

In the UK and Ireland, organic revenue was flat as growth in B2B of 5% was offset by a decline in Consumer Services of 16%.

We saw good momentum across our B2B portfolio in the UK and Ireland. Across our core, we have secured new client wins driven by demand for unique Experian capabilities such as ExPIN (our proprietary data pinning technology), PowerCurve and CrossCore. Regulatory changes such as the Open Banking directive are also opening up new opportunities, with both existing and new clients. Our strategy is to automate key processes to enable better consumer experiences in areas such as affordability assessment, which is mandatory for mortgage and in debt management services. We have developed new capabilities built on Runpath and Experian technology to address this opportunity. We also continue to expand our position in new market segments such as the price comparison sector, background checking and within industry verticals such as telecommunications.

In Consumer Services, we now address an audience of nearly 4m consumers through our free services. We made considerable progress in credit comparison, and CreditMatcher saw a big step up in both traffic and revenue over the year. We are enabling lenders to be more precise in which offers they make to which individuals, leading to greater use of data and analytics in the credit comparison process. The proposed acquisition of ClearScore will allow us to address more of this growing market through two complementary brands and to generate significant synergies. Subscription-based credit monitoring services have continued to contract, a trend which we expect to persist, although we have seen the rate of decline start to ease as we have introduced new product features and as we drive greater engagement with our paying membership base.

EMEA/Asia Pacific

EMEA/Asia Pacific performed strongly, with organic growth of 11%, with positive contributions across Credit Services, Decision Analytics and Marketing Services.

Our operations in EMEA/Asia Pacific are growing well. Our business is shifting from providing point solutions to providing more One Experian, integrated solutions. This is leading to a change in perceptions of Experian as we become more of a strategic partner to our clients. It also improves the size and scale of our client engagements and builds recurring revenue streams. We are also making significant investments to access the considerable opportunities we see in these markets, driven by the growth of population and wealth, and the need for new sources of data to assess credit risk. For example, we are developing propositions which use mobile data to conduct credit risk assessment, we are investing in a new innovation hub in Singapore and we are assessing opportunities to expand services to consumers in key bureau markets.

Update to financial reporting format

Change to segmental reporting
Experian has maintained the same segmental reporting structure since the demerger from GUS plc in 2006. During that time the shape of the business has evolved and a significant proportion of Experian's business-to-business products and services are now bundled. Following a review, we plan to change our business segments. Our regional operating segments, which are our statutory segments for reporting purposes, will remain the same.

For the financial year ending 31 March 2019, the three business segments of Credit Services, Decision Analytics and Marketing Services will be consolidated into a single 'Business-to-Business' segment. Consumer Services will remain as a separate segment. In total, there will be two business segments. A reconciliation of revenue reporting under the new reporting structure for the year ended 31 March 2018 is provided on page 14.

IFRS-15 reporting
As previously noted, we will be restating our results for the introduction of IFRS 15 'Revenue from contracts with customers'. From the first quarter of the year ending 31 March 2019 we will restate for the new IFRS 15 reporting standard. For further information please see Note 3 to the financial statements.

Group financial results

Revenue by region

Year ended 31 March	2018 US$m	2017[1] US$m	Growth % Total at actual rates	Total at constant rates	Organic at constant rates
North America					
Credit Services	1,484	1,336		11	9
Decision Analytics	178	162		10	10
Marketing Services	229	215		6	6
Consumer Services	755	739		2	(2)
Total ongoing activities	**2,646**	**2,452**	**8**	**8**	**6**
Exited business activities[1]	5	5			
Total North America	**2,651**	**2,457**			
Latin America					
Credit Services	696	658		4	4
Decision Analytics	61	48		25	25
Marketing Services	31	24		29	29
Total ongoing activities	**788**	**730**	**8**	**6**	**6**
Exited business activities	-	-			
Total Latin America	**788**	**730**			
UK and Ireland					
Credit Services	270	246		7	4
Decision Analytics	234	214		6	6
Marketing Services	155	145		4	4
Consumer Services	171	202		(16)	(16)
Total ongoing activities	**830**	**807**	**3**	**1**	**-**
Exited business activities	-	-			
Total UK and Ireland	**830**	**807**			
EMEA/Asia Pacific					
Credit Services	156	144		3	3
Decision Analytics	195	160		18	18
Marketing Services	42	37		12	12
Total ongoing activities	**393**	**341**	**16**	**11**	**11**
Exited business activities	-	-			
Total EMEA/Asia Pacific	**393**	**341**			
Total revenue - ongoing activities	**4,657**	**4,330**	**8**	**7**	**5**
Total revenue - exited business activities	5	5			
Revenue	**4,662**	**4,335**	**8**	**7**	

1 Results for 2017 are restated for exited business activities which comprise our Experian Public Records business, divested in March 2018.

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

Income statement, earnings and EBIT margin analysis

Year ended 31 March	2018 US$m	2017[1] US$m	Growth % Total at actual rates	Growth % Total at constant rates
Benchmark EBIT by geography				
North America	833	779		7
Latin America	267	251		5
UK and Ireland	260	246		2
EMEA/Asia Pacific	9	(3)		n/a
Benchmark EBIT before Central Activities	**1,369**	**1,273**		**6**
Central Activities – central corporate costs	(79)	(76)		
Benchmark EBIT from ongoing activities	**1,290**	**1,197**	**8**	**7**
EBIT – exited business activities[1]	1	2		
Benchmark EBIT	**1,291**	**1,199**	**8**	**7**
Net interest	(85)	(75)		
Benchmark PBT	**1,206**	**1,124**	**7**	**6**
Amortisation of acquisition intangibles	(112)	(104)		
Acquisition and disposal expenses	(20)	(16)		
Adjustment to fair value of contingent consideration	(3)	-		
Fair value gain on step acquisition	4	-		
Non-Benchmark financing remeasurements	(24)	67		
Exceptional items	(57)	-		
Profit before tax	**994**	**1,071**		
Group tax charge	(149)	(259)		
Profit after tax	**845**	**812**		
Benchmark earnings				
Benchmark PBT	**1,206**	**1,124**	**7**	**6**
Benchmark tax charge	(309)	(294)		
Total Benchmark earnings	**897**	**830**		
For owners of Experian plc	**897**	**831**	**8**	**7**
For non-controlling interests	-	(1)		
Benchmark EPS	**US97.8c**	**US88.4c**	**11**	**10**
Basic EPS	US92.1c	US86.5c		
Weighted average number of ordinary shares	917m	940m		
Benchmark EBIT margin – ongoing activities				
North America	31.5%	31.8%		
Latin America	33.9%	34.4%		
UK and Ireland	31.3%	30.5%		
EMEA/Asia Pacific	2.3%	(0.9%)		
Benchmark EBIT margin	**27.7%**	**27.6%**		

1 Results for 2017 are restated for exited business activities which comprise our Experian Public Records business, divested in March 2018.

See Appendix 1 (page 15) and note 4 to the financial statements for definitions of non-GAAP measures.

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

Business review

North America

Total revenue from ongoing activities in North America was US$2,646m, with total revenue growth of 8% and organic revenue growth of 6%. The difference relates mainly to the contribution from the acquired CSIdentity Corp (CSIdentity) and Clarity Services businesses.

Credit Services
Total revenue growth was 11%, reflecting the acquisition of Clarity Services, with organic revenue growth of 9%. We delivered positive organic revenue growth across all business units. In consumer information, we saw good growth in credit marketing, origination and account management volumes. Mortgage performed strongly following the implementation of the new Fannie Mae trended data contract, and there was a first-time contribution from licence fees related to the Experian Ascend platform. Business information performed well as we expand our API hub. In health, there was further growth in new client bookings and we continue to extend our position with existing clients as we cross-sell our services such as the Universal Patient Identifier.

Decision Analytics
Total and organic revenue was up 10%, reflecting a series of new client wins, with good demand across decisioning software, fraud prevention tools and analytics.

Marketing Services
Total and organic revenue increased 6%, as we continue to gain traction with digital advertisers.

Consumer Services
Total revenue growth was 2%, reflecting the acquisition of CSIdentity, with organic revenue of (2)%. Across our direct-to-consumer activities, we delivered growth in identity protection subscriptions and price comparison services, offset by a decline in the revenue from subscription based credit monitoring services. Partner solutions benefited from new client wins and as we expand our position with existing clients.

Benchmark EBIT and EBIT margin
North America Benchmark EBIT from ongoing activities was US$833m, up 7%. The Benchmark EBIT margin from ongoing activities was 31.5%, down 30 basis points year-on-year reflecting strong operating leverage in B2B, offset by investment to support the launch of new consumer offers.

Latin America

Total revenue from ongoing activities in Latin America was US$788m, with total and organic revenue growth of 6% at constant exchange rates.

Credit Services
At constant exchange rates, total and organic revenue growth was 4%. There was strong growth in Brazil reflecting higher core volumes and new contract wins secured with the major Brazilian banks. This was slightly offset by a headwind from countercyclical products and a softer performance in Spanish Latin America.

Decision Analytics
Total and organic revenue growth was 25% at constant exchange rates reflecting strong demand across the region for decisioning software, analytics and scoring.

Marketing Services
Total and organic revenue at constant exchange rates increased 29%. We made good progress in Marketing Services with a strong contribution from digital marketing and data insights.

Benchmark EBIT and EBIT margin
Latin America Benchmark EBIT from ongoing activities was US$267m, up 5% at constant exchange rates. Benchmark EBIT margin from ongoing activities was 33.9% (2017: 34.4%) as operating leverage and productivity enhancements were offset by adverse mix effects and margin contraction in Spanish Latin America.

UK and Ireland

In the UK and Ireland, total revenue from ongoing activities was US$830m, with total revenue growth of 1% and flat organic revenue at constant exchange rates. The difference is due to the contribution from the acquired Runpath business.

Credit Services
Total revenue at constant exchange rates increased 7% and organic revenue growth was 4%. There was good growth in credit reference and background checking volumes, as well as across credit pre-qualification services. We also expanded our position with clients across the banking, telecommunications and price comparison sectors and secured new agreements for Verdus, our new affordability Open Banking platform.

Decision Analytics
At constant exchange rates, both total and organic revenue increased 6%. Growth was driven by strong demand for origination and customer management. We also secured new agreements for fraud prevention and identity verification services.

Marketing Services
Total and organic revenue growth at constant exchange rates was 4%, driven by strong growth across digital marketing tools.

Consumer Services
At constant exchange rates, total and organic revenue declined by 16%. Revenue declined by 18% in the first half, and by 14% in the second half. There was very strong growth in referral fees through CreditMatcher, offset by attrition in subscription-based credit monitoring revenues.

Benchmark EBIT and EBIT margin
Benchmark EBIT from ongoing activities was US$260m, up 2% at constant exchange rates. Benchmark EBIT margin from ongoing activities was 31.3% (2017: 30.5%). The improvement reflected operating leverage across B2B which offset ongoing investment in Consumer Services.

EMEA/Asia Pacific

Total revenue from ongoing activities in EMEA/Asia Pacific was US$393m, with total and organic revenue growth of 11% at constant exchange rates.

Credit Services
Total and organic revenue at constant exchange rates was up 3%. Declines in the Nordics were offset by strong volumes in Italy and Spain, and we saw good growth in Southeast Asia and India.

Decision Analytics
At constant exchange rates total and organic revenue growth was 18%, as we secured multiple new agreements for PowerCurve decisioning software and for our fraud and identity management solutions.

Marketing Services
Total and organic revenue growth at constant exchange rates was 12%, with strong growth across data quality and targeting services.

Benchmark EBIT and EBIT margin
Benchmark EBIT was US$9m (2017: US$(3)m). Benchmark EBIT margin from ongoing activities improved 320 basis points at 2.3% as the business gains in scale.

Group financial review

Key financials

Year ended 31 March	2018	2017
Profitability performance measures:		
Benchmark EBIT	**US$1,291m**	US$1,199m
Benchmark EBIT growth at constant currency	**7%**	6%
Benchmark EBIT margin from ongoing activities	**27.7%**	27.6%
Benchmark PBT	**US$1,206**	US$1,124m
Benchmark PBT growth at constant currency	**6%**	6%
Benchmark EPS	**97.8 USc**	88.4 USc
Benchmark EPS growth at constant currency	**10%**	5%
Benchmark tax rate	**25.6%**	26.2%
Key statutory measures:		
Revenue	**US$4,662m**	US$4,335m
Operating profit	**US$1,095m**	US$1,075m
Profit before tax	**US$994m**	US$1,071m
Effective rate of tax based on profit before tax	**15.0%**	24.2%
Net cash inflow from operating activities - continuing operations	**US$1,255m**	US$1,314m
Basic EPS	**88.9USc**	92.1USc
Other performance measures:		
Benchmark operating cash flow	**US$1,196 m**	US$1,149m
Cash flow conversion	**93%**	96%
Total investment (see Appendix 6)	**US$678m**	US$825m
Net share repurchases	**US$566m**	US$353m
Net debt	**US$3,408m**	US$3,173m

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

Summary
We made good strategic and financial progress during the year, with 7% revenue growth from ongoing activities and a 10% increase in Benchmark EPS, both at constant currency. Benchmark EBIT margin from ongoing activities was 27.7%, up ten basis points.

We report our financial results in US dollars and therefore the strengthening of our other trading currencies, primarily the pound sterling, against the US dollar during the year increased total revenue by US$50m and Benchmark EBIT by US$14m, and improved our Benchmark EBIT margin from ongoing activities by ten basis points. Details of the principal exchange rates used are given on page 13.

Our Benchmark PBT was US$1,206m (2017: US$1,124m). Benchmark EPS of 97.8 US cents (2017: 88.4 US cents) increased by 11 % at actual exchange rates and 10% at constant currency. There has been upward pressure on interest rates over the year increasing the net interest expense included in Benchmark PBT to US$85m (2017: US$75m). The Benchmark tax rate was 25.6% (2017: 26.2%).

We continued to generate strong cash flows, with a 93% conversion of Benchmark EBIT to Benchmark operating cash flow (2017: 96%). Cash conversion reflects the changing mix of our business, as our B2B revenue has a longer cash cycle than that observed in our Consumer Services business. Investment activity in the year has been undertaken within the capital allocation framework previously outlined and includes the acquisition of Clarity Services, Inc. for US$113m and Runpath Group Limited for US$66m.

Cash inflow from discontinued operations was US$215m (2017: US$20m) primarily from the divestment of our email/cross-channel marketing business (‘CCM’).

Shareholder returns
For the year ended 31 March 2018 net share repurchases totalled US$566m, of which US$1m was settled in April 2018, (2017: US$353m).

The second interim dividend is 31.25 (2017: 28.5) US cents per share giving a total dividend for the year of 44.75 (2017: 41.50) US cents per share, an increase of 8% on the prior year reflecting the underlying strength of the business.

Ordinary dividends paid in the year amounted to US$388m (2017: US$381m). The Group has significant distributable reserves of US$3.49bn in the UK entity responsible for distributing the Group's dividend.

Taking the total dividend and share repurchases together, during the year we returned a total of US$954m to shareholders.

Growing the business
We continued to deliver good growth during the year, with organic revenue growth within our mid-single-digit target range.

Total revenue growth in the year from ongoing activities was 7% at constant exchange rates and 8% at actual rates. This year, Benchmark EBIT from ongoing activities was US$1,290m, growing at 8% at actual exchange rates and 7% at constant currency.

Investment in innovation is providing new growth opportunities as we increase our product offering. Performance across our B2B operations was very strong as clients engage with us to access new superior sources of data and there is an improving outlook in our Consumer Services business.

Generating value
The table at Appendix 3 on page 16 provides a reconciliation of our underlying profitability, as measured by Benchmark EBIT, to our statutory profit before tax.

Our net interest expense and the related cash flows have benefited from the strong cash generation and from low interest rates globally, though there has been upward pressure on rates over the year. At 31 March 2018, the interest on 60% of our net funding was at fixed rates (2017: 63%).

Our effective tax rate on Benchmark PBT was 25.6%, reflecting the mix of profits and prevailing tax rates by territory.

Our total tax charge for the year was impacted by some one-time movements. In particular, we recognised a credit of US$116m as our US net deferred tax liabilities were revalued following the US Tax Cuts and Jobs Act in December 2017, which reduced the US federal corporate tax rate from 35% to 21% from 1 January 2018.

We believe the Group's effective tax rate in the year ending 31 March 2019 will be broadly unchanged, notwithstanding US tax reform impacts.

The equivalent cash tax rate remains below our Benchmark tax rate and a reconciliation is provided in the table at Appendix 7. It is currently anticipated that our cash tax rate will increase and move closer to our Benchmark tax rate over time, as tax amortisation of goodwill on earlier acquisitions and prior tax losses are utilised.

Basic EPS was 88.9 US cents (2017: 92.1 US cents). Basic EPS for the year ended 31 March 2018 is reduced by 8.9 (2017: increased by 3.7) US cents in respect of discontinued operations and other adjustments made to derive Benchmark EPS. Benchmark EPS was 97.8 US cents (2017: 88.4 US cents), an increase of 11% at actual exchange rates 10% constant exchange rates. Further information is given in note 11 to the financial statements.

At 31 March 2018, we had 980 million shares in issue of which some 74 million were held by employee trusts and as treasury shares. Accordingly, the number of shares to be used for the purposes of calculating basic EPS from 31 March 2018 is 906 million. Issues and purchases of shares after 31 March 2018 will result in amendments to this figure.

The total dividend per share for the year is covered 2.2 times by Benchmark EPS (2017: 2.1 times) in accordance with our previously declared policy. Ordinary dividends paid in the year amounted to US$388m (2017: US$381m).

Cash and liquidity management
As shown in the Cash flow and net debt summary table at Appendix 5 on page 17, we generated good Benchmark operating and free cash flows in the year. The continued strength of our operating cash flow performance reflects the nature of our business and financial model and our focus on working capital management.

Net debt at 31 March 2018 was US$3,408m (2017: US$3,173m), with undrawn committed borrowing facilities of US$2,325m (2017: US$2,375m). Our net debt at 31 March 2018 was 2.1 times Benchmark EBITDA (2017: 2.1 times), compared to our target range of 2.0 to 2.5 times.

Investment activity in the year has been undertaken within the capital allocation framework previously outlined and includes the acquisition of Clarity Services, Inc. for US$113m. Total investment was US$678m (2017: US$825m) and comprised cash flows for net capital expenditure, acquisitions and investments. Our capital expenditure of US$431m (2017: US$399m) was 9% (2017: 9%) of total revenue.

Key statutory measures

Revenue for the year ended 31 March 2018 was US$4,662m (2017: US$4,335m) reflecting an improved underlying performance of ongoing activities offset by the impact of exited businesses.

Operating profit for the year ended 31 March 2018 was US$1,095m (2017: US$1,075m).

Cash generated from continuing operations was US$1,255m (2017: US$1,314m) reflecting movements in working capital and higher tax payments of US$47m.

Basic EPS was 88.9 US cents (2017: 92.1 US cents). Earnings in the prior year benefited from a gain of US$67m in non-cash financing fair value remeasurements within net finance costs. This year there was a small charge of US$4m.

The effective rate of tax based on profit before tax has improved from 24.2% in the year ended 31 March 2017 to 15.0% in the current financial year. This is largely due to a credit arising on the restatement of deferred tax balances in North America following US tax reform and the recognition of previously unrecognised tax losses.

At 31 March 2018, net assets amounted to US$2,624m (2017: US$2,651m). Capital employed, as defined in note 4(r) to the financial statements, was US$6,342m (2017: US$6,149m).

There was a decrease in equity of US$27m from US$2,651m at 31 March 2017 with movements detailed in the Group statement of changes in equity on page 21.

Key movements in equity during the year included:

• Profit for the year of US$815m.

• Currency translation gains of US$28m.

• Remeasurement gains of US$28m in respect of defined benefit pension plans.

• Ordinary dividends of US$388m of which US$370m (2017:US$358m) was paid by a UK subsidiary undertaking which has distributable reserves of US$3,485.5m (2017: US$5,152.1m).

• A movement of US$566m in connection with net share purchases.

Foreign exchange rates
Foreign exchange – average rates

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

	2018	2017	Movement against the US dollar
US dollar : Brazilian real	3.22	3.30	2%
Pound sterling : US dollar	1.33	1.30	(2%)
Euro : US dollar	1.17	1.10	(6%)
US dollar : Colombian peso	2,935	2,969	1%

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

	2018	2017
US dollar : Brazilian real	3.31	3.17
Pound sterling : US dollar	1.41	1.25
Euro : US dollar	1.23	1.07
US dollar : Colombian peso	2,794	2,894

Risks and uncertainties
The ten principal risks and uncertainties faced by the Group are summarised in note 26 to the financial statements.

Change to business segments

Following a review, our regional operating segments (our statutory reporting segments) for reporting purposes will remain the same. We will continue to organise and group these into the four segments of North America, Latin America, UK and Ireland, and EMEA/Asia Pacific for reporting purposes.

Going forward, for the financial year ending 31 March 2019, the three business segments of Credit Services, Decision Analytics and Marketing Services will be consolidated into a single 'Business-to-Business' (B2B) segment. Consumer Services will remain as a separate segment. In total, there will be two business segments.

Within B2B there will be two sub-divisions: Data and Decisioning. Data will include: Credit Services; and Targeting (from Marketing Services). Decisioning will include: Decision Analytics; Data Quality (from Marketing Services); and Health (from Credit Services) given the nature of solutions it provides.

Year ended 31 March 2018 – Revenue reconciliation	US$m
Data	
Old Credit Services	2,606
plus Targeting from old Marketing Services	296
less Health	(342)
less Other	(9)
Total Data	**2,551**
Decisioning	
Old Decision Analytics	668
plus Data Quality from old Marketing Services	161
plus Health	342
plus Other	9
Total Decisioning	**1,180**
Total Business-to-Business	**3,731**
Consumer Services	**926**
Total revenue – ongoing activities	**4,657**

1 Business-to-Business disclosures will be of revenue, Benchmark EBIT and Benchmark EBIT margin.
2 Disclosures for the Data and Decisioning sub-divisions will be on a revenue-only basis.

Appendices

1. Non-GAAP financial information

We have identified and defined certain measures that we believe assist in understanding the performance of the Group. These measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance but management has included them as these are considered to be key measures used within the business for assessing performance. Information on certain of our non-GAAP measures is set out below in the further appendices. Definitions of all our non-GAAP measures are given in note 4 to the financial statements.

2. Revenue, Benchmark EBIT and Benchmark EBIT margin by business segment

Year ended 31 March			Growth %	
	2018 US$m	2017 US$m	Total at constant rates	Organic at constant rates
Revenue				
Credit Services	2,606	2,384	8	7
Decision Analytics	668	584	12	12
Marketing Services	457	421	7	7
Consumer Services	926	941	(2)	(5)
Total - Ongoing activities	**4,657**	**4,330**	**7**	**5**
Exited business activities	5	5	-	-
Total	**4,662**	**4,335**	**7**	**5**
Benchmark EBIT				
Credit Services	898	815	9	
Decision Analytics	144	120	15	
Marketing Services	133	95	39	
Consumer Services	194	243	(20)	
Total business segments	**1,369**	**1,273**	**6**	
Central Activities – central corporate costs	(79)	(76)	3	
Total - Ongoing activities	**1,290**	**1,197**	**7**	
Exited business activities	1	2	n/a	
Total	**1,291**	**1,199**	**7**	
Benchmark EBIT margin – ongoing activities				
Credit Services	34.5%	34.2%		
Decision Analytics	21.6%	20.5%		
Marketing Services	29.1%	22.6%		
Consumer Services	21.0%	25.8%		
EBIT margin	**27.7%**	**27.6%**		

3. Reconciliation of Benchmark EBIT to statutory profit before tax

Year ended 31 March	2018 US$m	2017 US$m
Benchmark EBIT from ongoing activities	**1,290**	**1,197**
Exited business activities	1	2
Benchmark EBIT	**1,291**	**1,199**
Net interest expense	(85)	(75)
Benchmark PBT	**1,206**	**1,124**
Exceptional items (Appendix 4)	(57)	-
Other adjustments made to derive Benchmark PBT (Appendix 4)	(155)	(53)
Profit before tax	**994**	**1,071**

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

Year ended 31 March	2018 US$m	2017 US$m
Exceptional items:		
Canadian legal settlement	32	-
Legal provisions movements	25	-
Exceptional items	**57**	**-**
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	112	104
Acquisition expenses	20	16
Adjustment to the fair value of contingent consideration	3	-
Interest on uncertain tax provisions	20	-
Fair value gain on step acquisition	(4)	-
Financing fair value remeasurements	4	(67)
Other adjustments made to derive Benchmark PBT	**155**	**53**
Charge for Exceptional items and Other adjustments made to derive Benchmark PBT	**212**	**53**

An explanation of the reasons for the exclusion of such items from our definition of Benchmark PBT is given in note 4 to the financial statements.

5. Cash flow and net debt summary

Year ended 31 March	2018 US$m	2017 US$m
Benchmark EBIT	1,291	1,199
Amortisation and depreciation charged to Benchmark PBT	326	322
Net capital expenditure (Appendix 6)	(422)	(393)
Increase in working capital	(70)	(39)
Profit retained in associates	(5)	(1)
Charge for share incentive plans	76	61
Benchmark operating cash flow	**1,196**	**1,149**
Net interest paid	(86)	(70)
Tax paid – continuing operations	(191)	(144)
Dividends paid to non-controlling interests	(4)	(2)
Benchmark free cash flow	**915**	**933**
Acquisitions	(169)	(385)
Purchase of investments	(87)	(47)
Disposal of businesses and investments	2	(4)
Exceptional items other than disposal of businesses	(54)	8
Ordinary dividends paid	(388)	(381)
Net cash inflow – continuing operations	**219**	**124**
Net debt at 1 April	(3,173)	(3,023)
Net share repurchases	(565)	(353)
Discontinued operations	215	20
Exchange and other movements	(104)	59
Net debt at 31 March	**(3,408)**	**(3,173)**

6. Reconciliation of total investment

Year ended 31 March	2018 US$m	2017 US$m
Capital expenditure as reported in the Group cash flow statement	431	399
Disposal of property, plant and equipment	(26)	(15)
Profit on disposal of fixed assets	17	9
Net capital expenditure as reported in the Cash flow and net debt summary	**422**	**393**
Acquisitions	169	385
Purchase of investments	87	47
Total investment	**678**	**825**

7. Cash tax reconciliation

Year ended 31 March	2018 %	2017 %
Tax charge on Benchmark PBT	25.6	26.2
Tax relief on intangible assets	(4.8)	(6.6)
Benefit of brought forward tax losses	(1.1)	(3.9)
Other	(3.8)	(2.9)
Tax paid as a percentage of Benchmark PBT	**15.9**	**12.8**

Group income statement

for the year ended 31 March 2018

	2018			2017		
	Benchmark[1]	Non-benchmark[2]	**Statutory Total**	Benchmark[1]	Non-benchmark[2]	**Statutory Total**
	US$m	US$m	**US$m**	US$m	US$m	**US$m**
Revenue (note 5(a))	4,662	-	**4,662**	4,335	-	**4,335**
Labour costs	(1,716)	(7)	**(1,723)**	(1,609)	(6)	**(1,615)**
Data and information technology costs	(608)	-	**(608)**	(521)	-	**(521)**
Amortisation and depreciation charges	(326)	(112)	**(438)**	(322)	(104)	**(426)**
Marketing and customer acquisition costs	(328)	-	**(328)**	(322)	-	**(322)**
Other operating charges	(401)	(69)	**(470)**	(366)	(10)	**(376)**
Total operating expenses	(3,379)	(188)	**(3,567)**	(3,140)	(120)	**(3,260)**
Operating profit/(loss)	1,283	(188)	**1,095**	1,195	(120)	**1,075**
Interest income	15	-	**15**	14	-	**14**
Finance expense	(100)	(24)	**(124)**	(89)	67	**(22)**
Net finance (costs)/income (note 8(a))	(85)	(24)	**(109)**	(75)	67	**(8)**
Share of post-tax profit of associates	8	-	**8**	4	-	**4**
Profit/(loss) before tax (note 5(a))	1,206	(212)	**994**	1,124	(53)	**1,071**
Group tax (charge)/credit (note 9(a))	(309)	160	**(149)**	(294)	35	**(259)**
Profit/(loss) for the financial year from continuing operations	897	(52)	**845**	830	(18)	**812**
(Loss)/profit for the financial year from discontinued operations (note 10(a))	-	(30)	**(30)**	-	53	**53**
Profit/(loss) for the financial year	897	(82)	**815**	830	35	**865**
Attributable to:						
Owners of Experian plc	897	(82)	**815**	831	35	**866**
Non-controlling interests	-	-	**-**	(1)	-	**(1)**
Profit/(loss) for the financial year	897	(82)	**815**	830	35	**865**
Total Benchmark EBIT[1]	1,291	-	**1,291**	1,199	-	**1,199**
	US cents	US cents	**US cents**	US cents	US cents	**US cents**
Earnings per share (note 11(a))						
Basic	97.8	(8.9)	**88.9**	88.4	3.7	**92.1**
Diluted	96.9	(8.9)	**88.0**	87.7	3.7	**91.4**
Earnings per share from continuing operations (note 11(a))						
Basic	97.8	(5.7)	**92.1**	88.4	(1.9)	**86.5**
Diluted	96.9	(5.7)	**91.2**	87.7	(1.9)	**85.8**
Benchmark PBT per share[1,3]	131.5			119.6		
Full year dividend per share[1]			**44.75**			**41.50**

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

2. The loss before tax for non-benchmark items of US$212m (2017: US$53m) comprises a charge for exceptional items of US$57m (2017: US$nil) and charges for Other adjustments made to derive Benchmark PBT of US$155m (2017: US$53m). Further information is given in note 7 to the financial statements.

3. Benchmark PBT per share is calculated by dividing Benchmark PBT of US$1,206m by the weighted average number of ordinary shares of 917 million. The amount is stated in US cents per share.

The segmental disclosures in notes 5 and 6 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 2018

	2018	2017
	US$m	US$m
Profit for the financial year	**815**	865
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations (note 14(b))	**28**	(13)
Deferred tax (charge)/credit	**(6)**	2
Items that will not be reclassified to profit or loss	**22**	(11)
Items that may be reclassified subsequently to profit or loss:		
Fair value gains recognised on available-for-sale financial assets	**-**	3
Currency translation gains	**28**	18
Items that may be reclassified subsequently to profit or loss	**28**	21
Other comprehensive income for the financial year[1]	**50**	10
Total comprehensive income for the financial year	**865**	875
Attributable to:		
Continuing operations	**895**	823
Discontinued operations[2]	**(30)**	53
Owners of Experian plc	**865**	876
Non-controlling interests	**-**	(1)
Total comprehensive income for the financial year	**865**	875

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.

2. The tax charge recognised in respect of discontinued operations in the year was US$53m (2017: credit of US$45m).

Group balance sheet
at 31 March 2018

	Notes	2018 US$m	2017 US$m
Non-current assets			
Goodwill		**4,452**	4,245
Other intangible assets	13	**1,538**	1,461
Property, plant and equipment	13	**335**	329
Investments in associates		**125**	42
Deferred tax assets		**140**	83
Post-employment benefit assets	14(a)	**47**	14
Trade and other receivables		**11**	6
Available-for-sale financial assets		**84**	57
Other financial assets		**194**	57
		6,926	6,294
Current assets			
Trade and other receivables		**1,112**	910
Current tax assets		**27**	26
Other financial assets		**4**	20
Cash and cash equivalents	15(e)	**156**	83
		1,299	1,039
Assets classified as held-for-sale		**-**	358
		1,299	1,397
Current liabilities			
Trade and other payables		**(1,294)**	(1,109)
Borrowings		**(956)**	(759)
Current tax liabilities		**(278)**	(150)
Provisions		**(70)**	(50)
Other financial liabilities		**(86)**	(15)
		(2,684)	(2,083)
Liabilities classified as held-for-sale		**-**	(58)
		(2,684)	(2,141)
Net current liabilities		**(1,385)**	(744)
Total assets less current liabilities		**5,541**	5,550
Non-current liabilities			
Trade and other payables		**(44)**	(15)
Borrowings		**(2,558)**	(2,285)
Deferred tax liabilities		**(206)**	(296)
Post-employment benefit obligations	14(a)	**(58)**	(54)
Other financial liabilities		**(51)**	(249)
		(2,917)	(2,899)
Net assets		**2,624**	2,651
Equity			
Called up share capital	18	**97**	100
Share premium account	18	**1,546**	1,530
Retained earnings		**18,745**	18,813
Other reserves		**(17,771)**	(17,804)
Attributable to owners of Experian plc		**2,617**	2,639
Non-controlling interests		**7**	12
Total equity		**2,624**	2,651

Group statement of changes in total equity

for the year ended 31 March 2018

	Called up share capital (Note 18) US$m	**Share premium account (Note 18) US$m**	**Retained earnings US$m**	**Other reserves US$m**	**Attributable to owners of Experian plc US$m**	**Non-controlling interests US$m**	**Total equity US$m**
At 1 April 2017	100	1,530	18,813	(17,804)	**2,639**	12	**2,651**
Profit for the financial year	-	-	815	-	**815**	-	**815**
Other comprehensive income for the financial year	-	-	22	28	**50**	-	**50**
Total comprehensive income for the financial year	-	-	837	28	**865**	-	**865**
Transactions with owners:							
Employee share incentive plans:							
- value of employee services	-	-	76	-	**76**	-	**76**
- shares issued on vesting	-	16	-	-	**16**	-	**16**
- other exercises of share awards and options	-	-	(32)	42	**10**	-	**10**
- purchase of shares by employee trusts	-	-	-	(37)	**(37)**	-	**(37)**
- other payments	-	-	(2)	-	**(2)**	-	**(2)**
Purchase and cancellation of own shares	(3)	-	(542)	-	**(545)**	-	**(545)**
Transactions in respect of non-controlling interests	-	-	(17)	-	**(17)**	(1)	**(18)**
Dividends paid	-	-	(388)	-	**(388)**	(4)	**(392)**
Transactions with owners	(3)	16	(905)	5	**(887)**	(5)	**(892)**
At 31 March 2018	97	1,546	18,745	(17,771)	**2,617**	7	**2,624**

for the year ended 31 March 2017

	Called up share capital (Note 18) US$m	Share premium account (Note 18) US$m	Retained earnings US$m	Other reserves US$m	Attributable to owners of Experian plc US$m	Non-controlling interests US$m	Total equity US$m
At 1 April 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**

Group cash flow statement

for the year ended 31 March 2018

	Notes	2018 US$m	2017 US$m
Cash flows from operating activities			
Cash generated from operations	15(a)	**1,529**	1,525
Interest paid		**(98)**	(85)
Interest received		**12**	15
Dividends received from associates		**3**	3
Tax paid		**(191)**	(144)
Net cash inflow from operating activities – continuing operations		**1,255**	1,314
Net cash (outflow)/inflow from operating activities – discontinued operations	10(b)	**(63)**	41
Net cash inflow from operating activities		**1,192**	1,355
Cash flows from investing activities			
Purchase of other intangible assets		**(360)**	(319)
Purchase of property, plant and equipment		**(71)**	(80)
Sale of property, plant and equipment		**26**	15
Purchase of other financial assets		**(31)**	(14)
Acquisition of subsidiaries, net of cash acquired	15(c)	**(146)**	(363)
Purchase of investments in associates		**(56)**	(33)
Disposal of subsidiaries – continuing operations		**2**	(4)
Net cash flows used in investing activities – continuing operations		**(636)**	(798)
Net cash flows from/(used in) investing activities - discontinued operations	10(b)	**278**	(21)
Net cash flows used in investing activities		**(358)**	(819)
Cash flows from financing activities			
Cash inflow in respect of shares issued	15(d)	**16**	11
Cash outflow in respect of share purchases	15(d)	**(581)**	(364)
Other payments on vesting of share awards		**(2)**	(3)
Payments to acquire non-controlling interests	15(c)	**(8)**	(9)
New borrowings		**864**	159
Repayment of borrowings		**(653)**	(3)
Net payments for cross currency swaps and foreign exchange contracts		**(13)**	(23)
Receipts from equity swaps		**1**	2
Dividends paid		**(392)**	(383)
Net cash flows used in financing activities		**(768)**	(613)
Net increase/(decrease) in cash and cash equivalents		**66**	(77)
Cash and cash equivalents at 1 April		**81**	151
Exchange movements on cash and cash equivalents		**(10)**	7
Cash and cash equivalents at 31 March	15(e)	**137**	81

Notes to the financial statements

for the year ended 31 March 2018

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 ordinary shares are traded on the London Stock Exchange’s Regulated Market and have a Premium Listing.

2. Basis of preparation

The financial information set out in this preliminary announcement does not constitute the Group’s statutory financial statements, which comprise the annual report and audited financial statements, for the years ended 31 March 2018 or 31 March 2017 but is derived from the statutory financial statements for the year ended 31 March 2018. The Group’s statutory financial statements for the year ended 31 March 2018 will be made available to shareholders in June 2018 and delivered to the Jersey Registrar of Companies in due course. The auditor has reported on those financial statements and have given an unqualified report which does not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991. The Group’s statutory financial statements for the year ended 31 March 2017 have been delivered to the Jersey Registrar of Companies. The auditor reported on those financial statements and gave an unqualified report which did not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991.

The Group’s statutory financial statements for the year ended 31 March 2018 have been:

- prepared in accordance with the Companies (Jersey) Law 1991 and International Financial Reporting Standards (‘IFRS’ or ‘IFRSs’) as adopted for use in the European Union (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 on page 13; and
- designed to voluntarily include disclosures in line with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS.

Other than those disclosed in this preliminary announcement, no significant events impacting the Group have occurred between 31 March 2018 and 16 May 2018 when this preliminary announcement was approved for issue.

This preliminary announcement has been prepared in accordance with the Listing Rules of the UK Financial Conduct Authority, using the accounting policies applied in the preparation of the Group’s statutory financial statements for the year ended 31 March 2018. Those policies were published in full in the Group’s statutory financial statements for the year ended 31 March 2017 and are available on a corporate website, at www.experianplc.com/annualreport.

Notes to the financial statements (continued)

for the year ended 31 March 2018

3. Recent accounting developments

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

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

- IFRS 9 'Financial Instruments';
- IFRS 15 'Revenue from contracts with customers'; and
- IFRS 16 'Leases'.

IFRS 9 and IFRS 15 are endorsed and effective for us for the year ending 31 March 2019 with IFRS 16 effective for us for the year ending 31 March 2020.

IFRS 9

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

Most of the financial assets we hold are measured at amortised cost or 'fair value through the profit and loss account' ('FVTPL') and no material change is expected for these assets. Those investments in the IAS 39 category of 'available for sale assets' will be designated as measured at 'fair value through other comprehensive income' ('FVOCI'), retaining the same financial statement effect as under IAS 39.

IFRS 9 replaces the 'incurred loss' impairment model in IAS 39 with a forward-looking 'expected credit loss' ('ECL') model. We will apply the hedge accounting requirements of IFRS 9. No material changes are expected to our hedge accounting relationships.

The Group will apply the classification and impairment changes retrospectively, however we will take advantage of the exemption allowing no restatement of comparative information for prior periods. IFRS 9 will require new disclosures, in particular regarding hedge accounting, credit risk and ECLs which we are currently assessing.

IFRS 15

IFRS 15 'Revenue from Contracts with Customers' establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 replaces all existing revenue requirements in EU-IFRS and applies to all sales contracts with customers, unless the contracts are in the scope of the accounting standards on leases, insurance contracts and financial instruments.

The Group has undertaken a detailed review of its contracts and revenue recognition procedures to implement the new standard and is now evaluating the additional disclosure requirements that IFRS 15 introduces. In accordance with the IFRS 15 transition guidance, we will restate our financial results for the year ended 31 March 2018 upon application of the new standard. While the Group sees a mix of revenue acceleration on some contracts and revenue deferral on other contracts, growth rates are not expected to materially change and there is no effect on cash flow.

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 primary effect is in relation to certain contracts which are predominantly in the Decision Analytics and Credit Services business segments. The contracts affected represent less than 15% of Group revenue, with the effect being a change in the period in which multi-year revenue is recognised.

The key change for the Group under IFRS 15 is the introduction of the concept of separately identifiable performance obligations and recognising revenue when these have been met and the customer takes control. It will therefore result in fewer of our services being separated/unbundled. We see the largest impacts in the following areas:

- Software licence and delivery services will primarily be accounted for as a single performance obligation, with revenue recognised when the combined offering is delivered to the customer. We will see a new distinction in treatment between Experian-hosted solutions (revenue spread over the contract term) and on-premise software licence arrangements (revenue recognised on delivery completion). For these contracts we will generally see a delay in when delivery revenue is recognised compared to current accounting.

3. Recent accounting developments (continued)

- Batch data arrangements which include an ongoing update service will be apportioned across each delivery to the customer, rather than apportioned on Experian delivery hours.
- Platform set-up fees across a range of business units will be recognised over the contractual life of the wider service provided to the customer, compared to the current approach of recognition as the set-up is delivered.
- There are a small number of arrangements where we previously concluded that the Group is acting as Principal (recognising revenue and costs on a gross basis) and under IFRS 15 guidance we now determine that we are acting as an Agent (only the fee which we are entitled to for arranging the promised goods/services is recognised as revenue). These presentational changes have no effect on our reported Benchmark EBIT.
- Certain costs will be deferred as Contract Assets and expensed over the period in which the related revenue stream is recognised. These costs include sales commissions and labour costs directly relating to an implementation service.

Our provisional findings are that the effect of adopting IFRS 15 is not considered material to the Group. The estimated adjustment to total equity at 1 April 2018 is a decrease of US$134m. For the financial year ended 31 March 2018, the restatement to an IFRS 15 basis is expected to result in our revenue and profit after tax for the financial year being US$78m and US$31m lower respectively than under the previous accounting standards. Our Benchmark operating cash flow will not be affected by this restatement and on a full-year basis we do not expect a material effect on our future growth rates.

IFRS 16

IFRS 16 ‘Leases’ introduces a new on-balance sheet approach for all lease payables. A range of transition options are available, these and potential disclosures are currently being assessed by the Group. It is expected that the discounted value of operating commitments as disclosed will be brought onto the balance sheet in the form of a material right-of-use asset and lease liability. This change is not expected to have a material effect on the net assets or profit of the Group once implemented.

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

Notes to the financial statements (continued)

for the year ended 31 March 2018

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

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

(a) Benchmark profit before tax ('Benchmark PBT') (note 5(a))

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 interest thereon) and discontinued operations. It includes the Group's share of continuing associates' post-tax results.

An explanation of the basis on which we report 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 calculation 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 5(a))

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.

(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 2018, which are not disclosed as exited business activities, are reported as ongoing activities.

(f) Constant exchange rates

To highlight our organic performance, we discuss our 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.

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

(g) Total growth (note 5(d))

This is the year-on-year change in the performance of our activities at actual exchange rates. Total growth at constant exchange rates removes the translational foreign exchange effects arising on the consolidation of our activities and comprises one of our measures of performance at constant exchange rates.

(h) Organic revenue growth (note 5(d))

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 11)

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 11(a))

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 9(b))

The Benchmark tax charge is the tax charge applicable to Benchmark PBT. It differs from the Group tax charge by tax attributable to exceptional items and other adjustments made to derive Benchmark PBT, and exceptional tax charges. A reconciliation is provided in note 9(b) to these financial statements. The Benchmark effective rate of tax is calculated by dividing the Benchmark tax charge by Benchmark PBT.

(m) Exceptional items (note 7(a))

The separate reporting of 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 12)

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 16)

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')

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.

Notes to the financial statements (continued)

for the year ended 31 March 2018

5. Segment information

IFRS 8 disclosures

(a) Income statement

Year ended 31 March 2018	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific[1] US$m	Total operating segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers							
Ongoing activities	**2,646**	**788**	**830**	**393**	**4,657**	**-**	**4,657**
Exited business activities	**5**	**-**	**-**	**-**	**5**	**-**	**5**
Total	**2,651**	**788**	**830**	**393**	**4,662**	**-**	**4,662**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	**833**	**267**	**260**	**9**	**1,369**	**(79)**	**1,290**
Exited business activities	**1**	**-**	**-**	**-**	**1**	**-**	**1**
Total	**834**	**267**	**260**	**9**	**1,370**	**(79)**	**1,291**
Net interest expense included in Benchmark PBT (note 8(b))	**-**	**-**	**-**	**-**	**-**	**(85)**	**(85)**
Benchmark PBT	**834**	**267**	**260**	**9**	**1,370**	**(164)**	**1,206**
Exceptional items (note 7(a))	**(57)**	**-**	**-**	**-**	**(57)**	**-**	**(57)**
Amortisation of acquisition intangibles	**(79)**	**(20)**	**(9)**	**(4)**	**(112)**	**-**	**(112)**
Acquisition expenses	**(13)**	**-**	**(5)**	**(2)**	**(20)**	**-**	**(20)**
Adjustment to the fair value of contingent consideration	**-**	**-**	**(3)**	**-**	**(3)**	**-**	**(3)**
Fair value gain on step acquisition	**-**	**-**	**4**	**-**	**4**	**-**	**4**
Interest on uncertain tax provision	**-**	**-**	**-**	**-**	**-**	**(20)**	**(20)**
Financing fair value remeasurements	**-**	**-**	**-**	**-**	**-**	**(4)**	**(4)**
Profit/(loss) before tax	**685**	**247**	**247**	**3**	**1,182**	**(188)**	**994**

Year ended 31 March 2017	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific[1] US$m	Total operating segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers							
Ongoing activities	2,452	730	807	341	4,330	-	4,330
Exited business activities	5	-	-	-	5	-	5
Total	2,457	730	807	341	4,335	-	4,335
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	779	251	246	(3)	1,273	(76)	1,197
Exited business activities	2	-	-	--	2	-	2
Total	781	251	246	(3)	1,275	(76)	1,199
Net interest (note 8(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	-	-	-	-	-	67	67
Profit/(loss) before tax	699	228	237	(9)	1,155	(84)	1,071

1. EMEA/Asia Pacific represents all other operating segments.
2. Revenue and Benchmark EBIT by operating segment for the year ended 31 March 2017 have been re-analysed between ongoing and exited business activities, following the disposal of our Experian Public Records business in March 2018.

Additional information by operating segment, including that on total and organic growth at constant exchange rates, is provided within pages 3 to 9.

Notes to the financial statements (continued)

for the year ended 31 March 2018

5. Segment information (continued)

(b) Revenue by country- continuing operations

	2018 US$m	2017 US$m
USA	**2,646**	2,449
UK	**823**	800
Brazil	**707**	649
Colombia	**63**	62
Other	**423**	375
	4,662	4,335

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% (2017: 90%) of Group revenue.

(c) Revenue by business segment

The additional analysis of revenue from external customers provided to the chief operating decision-maker and accordingly reportable under IFRS 8 is given within note 6. This is supplemented by voluntary disclosure of the profitability of groups of service lines. For ease of reference, we continue to use the term 'business segments' when discussing the results of groups of service lines.

(d) 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 2017	2,452	730	807	341	**4,330**
Adjustment to constant exchange rates	-	(3)	(3)	1	**(5)**
Revenue at constant exchange rates for the year ended 31 March 2017	2,452	727	804	342	**4,325**
Organic revenue growth	139	46	(2)	36	**219**
Revenue from acquisitions	55	-	8	-	**63**
Revenue at constant exchange rates for the year ended 31 March 2018	2,646	773	810	378	**4,607**
Adjustments to actual exchange rates	-	15	20	15	**50**
Revenue for the year ended 31 March 2018	**2,646**	**788**	**830**	**393**	**4,657**
Organic revenue growth at constant rates	6%	6%	-	11%	**5%**
Total revenue growth at constant rates	8%	6%	1%	11%	**7%**

The above table demonstrates the application of the methodology set out in note 4 in determining organic and total revenue growth at constant exchange rates. Revenue at constant exchange rates for both years is reported using the average exchange rates applicable for the year ended 31 March 2017.

Notes to the financial statements (continued)

for the year ended 31 March 2018

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

Year ended 31 March 2018	**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	2,606	668	457	926	**4,657**	-	**4,657**
Exited business activities	5	-	-	-	**5**	-	**5**
Total	2,611	668	457	926	**4,662**	-	**4,662**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	898	144	133	194	**1,369**	(79)	**1,290**
Exited business activities	1	-	-	-	**1**	-	**1**
Total	899	144	133	194	**1,370**	(79)	**1,291**
Net interest expense included in Benchmark PBT (note 8(b))	-	-	-	-	**-**	(85)	**(85)**
Benchmark PBT	899	144	133	194	**1,370**	(164)	**1,206**
Exceptional items (note 7(a))	(29)	(28)	-	-	**(57)**	-	**(57)**
Amortisation of acquisition intangibles	(80)	(9)	(4)	(19)	**(112)**	-	**(112)**
Acquisition expenses	(12)	-	-	(8)	**(20)**	-	**(20)**
Adjustment to the fair value of contingent consideration	(3)	-	-	-	**(3)**	-	**(3)**
Fair value gain on step acquisitions	4	-	-	-	**4**	-	**4**
Interest on uncertain tax provision	-	-	-	-	**-**	(20)	**(20)**
Financing fair value remeasurements	-	-	-	-	**-**	(4)	**(4)**
Profit/(loss) before tax	779	107	129	167	**1,182**	(188)	**994**

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							
Ongoing activities	2,384	584	421	941	4,330	-	4,330
Exited business activities	5	-	-	-	5	-	5
Total	2,389	584	421	941	4,335	-	4,335
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	815	120	95	243	1,273	(76)	1,197
Exited business activities	2	-	-	-	2	-	2
Total	817	120	95	243	1,275	(76)	1,199
Net interest (note 8(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	-	-	-	-	-	67	67
Profit/(loss) before tax	734	111	91	219	1,155	(84)	1,071

1. Additional information by business segment, including that on total and organic growth at constant exchange rates, is provided within pages 3 to 9 and within Appendix 2 on page 15.

2. Revenue and Benchmark EBIT by business segment for the year ended 31 March 2017 have been re-analysed between ongoing and exited business activities, following the disposal of our Experian Public Records of business in March 2018.

Notes to the financial statements (continued)

for the year ended 31 March 2018

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

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

	2018 US$m	2017 US$m
Exceptional items:		
Canadian legal settlement (note 7(b))	**32**	-
Legal provisions movements (note 7(c))	**25**	-
Charge for exceptional items	**57**	-
Other adjustments made to derive Benchmark PBT		
Amortisation of acquisition intangibles	**112**	104
Acquisition expenses	**20**	16
Adjustment to the fair value of contingent consideration	**3**	-
Interest on uncertain tax provisions	**20**	-
Fair value gain on step acquisition	**(4)**	-
Financing fair value remeasurements	**4**	(67)
Charge for Other adjustments made to derive Benchmark PBT	**155**	53
Charge for Exceptional items and Other adjustments made to derive Benchmark PBT	**212**	53
By income statement caption:		
Labour costs	**7**	6
Amortisation and depreciation charges	**112**	104
Other operating charges	**69**	10
Within operating profit	**188**	120
Finance expense (note 8(a))	**24**	(67)
Charge for Exceptional items and Other adjustments made to derive Benchmark PBT	**212**	53

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.

(b) Canadian legal settlement

On 6 March 2018 the Group settled a contractual dispute in Canada that arose following a 2008 sales process in our now divested BakerHill business. All costs relating to the dispute have been paid in the year.

(c) Legal provisions movements

During the year ended 31 March 2018, we paid US$7m of legal fees and increased provisions by a further net US$18m in respect of a number of related legal claims. We may benefit from applicable insurance recoveries in future years.

8. Net finance costs

(a) Net finance costs included in profit before tax

	2018 US$m	2017 US$m
Interest income:		
Bank deposits, short-term investments and loan notes	**(15)**	(14)
Interest income	**(15)**	(14)
Finance expense:		
Interest expense	**100**	89
Charge/(credit) in respect of financing fair value remeasurements	**4**	(67)
Interest on uncertain tax provisions	**20**	-
Finance expense	**124**	22
Net finance costs included in profit before tax	**109**	8

8. Net finance costs (continued)

(b) Net interest expense included in Benchmark PBT

	2018 US$m	2017 US$m
Interest income	**(15)**	(14)
Interest expense	**100**	89
Net interest expense included in Benchmark PBT	**85**	75

9. Tax – continuing operations

(a) Group tax charge and effective rate of tax

	2018 US$m	2017 US$m
Group tax charge	**149**	259
Profit before tax	**994**	1,071
Effective rate of tax based on profit before tax	**15.0%**	24.2%

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 2018 the Group held current provisions of US$301m (2017: 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 resolution of these tax matters make take many years. The Group does not expect to materially increase its uncertain tax provision in the next 12 months, however if an opportunity arose to resolve the matters for less than the amounts provided, a settlement may be made with a corresponding reduction in the provision.

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

	2018 US$m	2017 US$m
Group tax charge	**149**	259
Tax relief on Exceptional items and Other adjustments made to derive Benchmark PBT	**53**	35
Exceptional tax items	**107**	-
Benchmark tax charge	**309**	294
Benchmark PBT	**1,206**	1,124
Benchmark tax rate	**25.6%**	26.2%

Exceptional tax items include the credit on restatement of deferred tax balances in North America, the recognition of previously unrecognised tax losses and an increase in the Group's uncertain tax provisions.

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

In the year ended 31 March 2018, the credit of US$52m (2017: US$10m) in respect of other comprehensive income is after a deferred tax charge of US$6m (2017: credit of US$2m), relating to remeasurement losses on post-employment benefit assets and obligations.

In the year ended 31 March 2017, a tax credit relating to employee share incentive plans of US$7m was recognised in equity and reported as appropriate within transactions with owners. This amount comprised a current tax credit of US$2m and a deferred tax credit of US$5m.

Notes to the financial statements (continued)

for the year ended 31 March 2018

10. Discontinued operations

On 31 May 2017, the Group completed the divestment of its email/cross-channel marketing business ('CCM'), and the results and cash flows of this business are accordingly classified as discontinued. We completed a transaction to divest our comparison shopping and historic lead generation businesses in October 2012, and their results and cash flows are classified as discontinued.

(a) Results for discontinued operations

The loss for the financial year from discontinued operations of US$30m (2017: profit of US$53m) comprises a loss of US$30m (2017: profit of US$66m) in respect of CCM. In the prior year a loss of US$13m was recognised in respect of the comparison shopping and lead generation businesses. This disposal has now been finalised. This disposal has now been finalised with receipt of US$15m in respect of the loan note outstanding.

The results of CCM were:

	2018 US$m	2017 US$m
Revenue	**48**	308
Labour costs	**(28)**	(153)
Data and information technology costs	**(8)**	(27)
Depreciation and amortisation charges	**-**	(27)
Marketing and customer acquisition costs	**(1)**	(3)
Other operating charges	**(14)**	(50)
Total operating expenses	**(51)**	(260)
Separation and transaction related charges	**(28)**	(18)
(Loss)/profit before tax	**(31)**	30
Tax credit	**8**	36
(Loss)/profit after tax of discontinued operations	**(23)**	66
Profit on disposal of discontinued operations (note 21(a))	**54**	-
Tax charge in respect of disposal	**(61)**	-
(Loss)/profit for the financial year from discontinued operations	**(30)**	66

Depreciation and amortisation includes amortisation of acquisition intangibles of US$nil (2017: US$7m). The operating loss for the year ended 31 March 2018 includes certain restructuring and one-off costs of separation. A deferred tax credit on the disposal of US$45m was recognised in the year ended 31 March 2017.

The results of the comparison shopping and lead generation businesses were:

	2018 US$m	2017 US$m
Loss on disposal of discontinued operations	**-**	(22)
Tax credit in respect of disposal	**-**	9
Loss for the financial year from discontinued operations	**-**	(13)

The loss on disposal in the prior year arose from the reduction in the carrying value of the loan note receivable issued as part of the disposal. The remaining carrying value of the loan note (US$15m) was received during the year.

(b) Cash flows for discontinued operations	**2018 US$m**	2017 US$m
Cash (outflow)/inflow from operating activities	**(63)**	41
Cash flow from/(used in) investing activities	**278**	(21)
Net cash inflow from discontinued operations	**215**	20

The cash outflow from operating activities of US$63m (2017: inflow of US$41m) relates to CCM and is stated after tax paid of US$22m (2017: US$9m).

Cash flow from investing activities of US$278m (2017: used in investing activities US$21m) comprises an inflow of US$263m (2017: outflow of US$24m) relating to the email/cross-channel marketing business, and a cash inflow of US$15m (2017: US$3m) on the redemption of the loan note which arose on the disposal of the comparison shopping and lead generation businesses.

Notes to the financial statements (continued)

for the year ended 31 March 2018

11. Earnings per share disclosures

(a) Earnings per share

	Basic		Diluted	
	2018 US cents	2017 US cents	**2018 US cents**	2017 US cents
Continuing and discontinued operations	**88.9**	92.1	**88.0**	91.4
Add/(less): discontinued operations loss/(profit)	**3.2**	(5.6)	**3.2**	(5.6)
Continuing operations	**92.1**	86.5	**91.2**	85.8
Add: other adjustments made to derive Benchmark PBT, net of related tax	**5.7**	1.9	**5.7**	1.9
Benchmark EPS (non-GAAP measure)	**97.8**	88.4	**96.9**	87.7

(b) Analysis of earnings

(i) Attributable to owners of Experian plc

	2018 US$m	2017 US$m
Continuing and discontinued operations	**815**	866
Add/(less): discontinued operations loss/(profit)	**30**	(53)
Continuing operations	**845**	813
Add: other adjustments made to derive Benchmark PBT, net of related tax	**52**	18
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**897**	831

(ii) Attributable to non-controlling interests

	2018 US$m	2017 US$m
Continuing and discontinued operations	**-**	(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)

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

	2018 US$m	2017 US$m
Total Benchmark earnings (non-GAAP measure)	**897**	830
(Loss)/profit from discontinued operations	**(30)**	53
Loss from other adjustments made to derive Benchmark PBT, net of related tax	**(52)**	(18)
Profit for the financial year	**815**	865

(d) Weighted average number of ordinary shares

	2018 million	2017 million
Weighted average number of ordinary shares	**917**	940
Add: dilutive effect of share incentive awards, options and share purchases	**9**	8
Diluted weighted average number of ordinary shares	**926**	948

Notes to the financial statements (continued)

for the year ended 31 March 2018

12. Dividends

(a) Dividend information

	2018		2017	
	US cents per share	**US$m**	US cents per share	US$m
Amounts recognised and paid during the financial year:				
First interim – paid in February 2018 (2017: January 2017)	**13.50**	**124**	13.00	121
Second interim – paid in July 2017 (2017: July 2016)	**28.50**	**264**	27.50	260
Dividends paid on ordinary shares	**42.00**	**388**	40.50	381
Full year dividend for the financial year	**44.75**	**407**	41.50	386

A second interim dividend in respect of the year ended 31 March 2018 of 31.25 US cents per ordinary share will be paid on 20 July 2018, to shareholders on the register at the close of business on 22 June 2018. This dividend is not included as a liability in these financial statements. This second interim dividend and the first interim dividend paid in February 2018 comprise the full-year dividend for the financial year of 44.75 US cents per ordinary share.

In the year ended 31 March 2018, the employee trusts waived their entitlements to dividends of US$5m (2017: US$5m). There is no entitlement to dividend in respect of own shares held as treasury shares.

(b) Income Access Share ('IAS') arrangements

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

Shareholders who hold 50,000 or fewer Experian plc 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.

13. Capital expenditure, disposals and capital commitments

During year ended 31 March 2018, the Group incurred capital expenditure of US$431m (2017: US$399m) in continuing operations.

Excluding any amounts in connection with the disposal of businesses, the book value of other intangible fixed assets and property, plant and equipment disposed of in the year ended 31 March 2018 was US$9m (2017: US$6m) and the amount realised was US$26m (2017: US$15m).

At 31 March 2018, the Group had capital commitments in respect of property, plant and equipment and intangible assets and for which contracts had been placed of US$27m (2017: US$33m). These include commitments of US$8m not expected to be incurred before 31 March 2019. Commitments as at 31 March 2017 included commitments of US$13m not then expected to be incurred before 31 March 2018.

Notes to the financial statements (continued)

for the year ended 31 March 2018

14. Post-employment benefits – IAS19 Information

(a) Balance sheet assets/(obligations)

	2018 US$m	2017 US$m
Retirement benefit assets/(obligations) - funded plans:		
Fair value of funded plans' assets	**1,180**	1,041
Present value of funded plans' obligations	**(1,133)**	(1,027)
Assets in the Group balance sheet for funded defined benefit pensions	**47**	14
Obligations for unfunded post-employment benefits:		
Present value of defined benefit pensions - unfunded plans	**(53)**	(49)
Present value of post-employment medical benefits	**(5)**	(5)
Liabilities in the Group balance sheet	**(58)**	(54)
Net post-employment benefit obligations	**(11)**	(40)

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 or refunds of surplus.

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

	2018 US$m	2017 US$m
At 1 April	**(40)**	(29)
Differences on exchange	**(1)**	2
Charge to Group income statement	**(10)**	(8)
Remeasurement gains/(losses) recognised within other comprehensive income	**28**	(13)
Contributions paid by the Group and employees	**12**	8
At 31 March	**(11)**	(40)

(c) Income statement charge

	2018 US$m	2017 US$m
By nature of expense:		
Current service cost	**6**	5
Administration expenses	**2**	2
Charge within labour costs	**8**	7
Charge within operating profit	**8**	7
Interest expense	**2**	1
Total charge to income statement	**10**	8

(d) Financial actuarial assumptions

	2018 %	2017 %
Discount rate	**2.4**	2.5
Inflation rate – based on the UK Retail Prices Index (the 'RPI')	**3.1**	3.2
Inflation rate – based on the UK Consumer Prices Index (the 'CPI')	**2.1**	2.2
Increase in salaries	**3.6**	3.7
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**2.9**	3.0
Increase for pensions in payment – element based on the CPI (where cap is 2.5%)	**1.7**	1.7
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.8**	1.9
Increase for pensions in deferment	**2.1**	2.2
Inflation in medical costs	**6.1**	6.2

The mortality and other demographic assumptions used at 31 March 2018 remain broadly unchanged from those used at 31 March 2017 and disclosed in the Group's statutory financial statements for the year then ended.

Notes to the financial statements (continued)

for the year ended 31 March 2018

15. Notes to the Group cash flow statement

(a) Cash generated from operations

	Notes	**2018 US$m**	2017 US$m
Profit before tax		**994**	1,071
Share of post-tax profit of associates		**(8)**	(4)
Net finance costs		**109**	8
Operating profit		**1,095**	1,075
Profit on disposals of fixed assets		**(17)**	(9)
Depreciation and amortisation[1]		**438**	426
Charge in respect of share incentive plans		**76**	61
Increase in working capital	15(b)	**(70)**	(39)
Acquisition expenses – difference between income statement charge and amount paid		**5**	3
Adjustment to the fair value of contingent consideration		**3**	-
Fair value gain on revaluation of step acquisition		**(4)**	-
Movement in exceptional items included in working capital		**3**	8
Cash generated from operations		**1,529**	1,525

1. Depreciation and amortisation includes amortisation of acquisition intangibles of US$112m (2017: US$104m) which is excluded from Benchmark PBT.

(b) Increase in working capital

	2018 US$m	2017 US$m
Inventories	**-**	1
Trade and other receivables	**(142)**	(59)
Trade and other payables	**72**	19
Increase in working capital	**(70)**	(39)

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

	Note	**2018 US$m**	2017 US$m
Purchase of subsidiaries	20(a)	**147**	380
Net cash acquired with subsidiaries	20(a)	**(6)**	(22)
Deferred consideration settled		**5**	5
As reported in the Group cash flow statement		**146**	363
Acquisition expenses paid		**15**	13
Payments to acquire non-controlling interests		**8**	9
Cash outflow for acquisitions (non-GAAP measure)		**169**	385

Notes to the financial statements (continued)

for the year ended 31 March 2018

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

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

	Note	2018 US$m	2017 US$m
Issue of ordinary shares		**(16)**	(11)
Purchase of shares by employee trusts		**37**	28
Purchase and cancellation of own shares		**544**	336
Cash outflow in respect of net share purchases (non-GAAP measure)		**565**	353
As reported in the Group cash flow statement:			
Cash inflow in respect of net share purchases		**(16)**	(11)
Cash outflow in respect of net share purchases		**581**	364
		565	353

(e) Analysis of cash and cash equivalents

	2018 US$m	2017 US$m
Cash and cash equivalents in the Group balance sheet	**156**	83
Bank overdrafts	**(19)**	(2)
Cash and cash equivalents in the Group cash flow statement	**137**	81

(f) Reconciliation of Cash generated from operations to Benchmark operating cash flow (non-GAAP measure)

	Note	2018 US$m	2017 US$m
Cash generated from operations	15(a)	**1,529**	1,525
Purchase of other intangible assets		**(360)**	(319)
Purchase of property, plant and equipment		**(71)**	(80)
Sale of property, plant and equipment		**26**	15
Acquisition expenses paid		**15**	13
Dividends received from associates		**3**	3
Cash outflow in respect of exceptional items		**54**	(8)
Benchmark operating cash flow (non-GAAP measure)		**1,196**	1,149

Benchmark free cash flow for the year ended 31 March 2018 was US$915m (2017: US$933m). Cash flow conversion for the year ended 31 March 2018 was 93% (2017: 96%).

Notes to the financial statements (continued)

for the year ended 31 March 2018

16. Net debt (non-GAAP measure)

(a) Analysis by nature

	2018 US$m	2017 US$m
Cash and cash equivalents (net of overdrafts)	**137**	81
Debt due within one year – commercial paper	**(353)**	(152)
Debt due within one year – bonds and notes	**(572)**	(600)
Debt due within one year – finance lease obligations	**(3)**	(1)
Debt due after more than one year – bonds and notes	**(1,837)**	(1,618)
Debt due after more than one year – bank loans and finance lease obligations	**(706)**	(651)
Derivatives hedging loans and borrowings	**(74)**	(232)
	(3,408)	(3,173)

(b) Analysis by balance sheet caption

	2018 US$m	2017 US$m
Cash and cash equivalents	**156**	83
Current borrowings	**(956)**	(759)
Non-current borrowings	**(2,558)**	(2,285)
Total reported in the Group balance sheet	**(3,358)**	(2,961)
Accrued interest reported within borrowings above but excluded from Net debt	**24**	20
Derivatives reported within financial assets	**50**	15
Derivatives reported within financial liabilities	**(124)**	(247)
	(3,408)	(3,173)

(c) Analysis of movements in Net debt

	Net debt at 1 April 2017	Movements in the year ended 31 March 2018				**Net debt at 31 March 2018**
		Net cash inflow	Net share purchases	Fair value gains/(losses)	Exchange and other movements	
	US$m	US$m	US$m	US$m	US$m	**US$m**
Borrowings*	(3,044)	(213)	-	46	(303)	**(3,514)**
Derivatives hedging loans and borrowings	(232)	13	-	(72)	217	**(74)**
Total financing liabilities	(3,276)	(200)	-	(26)	(86)	**(3,588)**
Cash and cash equivalents*	83	630	(565)	-	8	**156**
Accrued interest	20	4	-	-	-	**24**
	(3,173)	**434**	**(565)**	**(26)**	**(78)**	**(3,408)**

* Total reported in the balance sheet.

17. Undrawn committed bank borrowing facilities

	2018 US$m	2017 US$m
Facilities expiring in:		
One to two years	**150**	200
Two to three years	**375**	150
Three to four years	**1,800**	225
Four to five years	**-**	1,800
	2,325	2,375

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.

Notes to the financial statements (continued)

for the year ended 31 March 2018

18. Called up share capital and share premium account

	Number of shares million	Called up share capital US$m	Share premium account US$m
At 1 April 2016	1,023.0	102	1,519
Shares issued under employee share incentive plans	0.8	-	11
Purchase and cancellation of own shares	(18.2)	(2)	-
At 31 March 2017	1,005.6	100	1,530
Shares issued under employee share incentive plans	1.1	-	16
Purchase and cancellation of own shares	(26.6)	(3)	-
At 31 March 2018	**980.1**	**97**	**1,546**

19. Own shares held

	Number of shares million	Cost of shares US$m
At 1 April 2016	77	1,240
Purchase of shares by employee trusts	1	28
Exercise of share options and awards	(3)	(36)
At 31 March 2017	75	1,232
Purchase of shares by employee trusts	2	37
Exercise of share options and awards	(3)	(42)
At 31 March 2018	**74**	**1,227**

Own shares held at 31 March 2018 include 62 million shares held as treasury shares and 12 million shares held by employee trusts. Own shares held at 31 March 2017 include 62 million shares held as treasury shares and 13 million shares held by employee trusts. The total cost of own shares held at 31 March 2018 of US$1,227m (2017: US$1,232m) is deducted from other reserves in the Group balance sheet.

Notes to the financial statements (continued)

for the year ended 31 March 2018

20. Acquisitions

(a) Acquisitions in the year

The Group made three acquisitions during the year ended 31 March 2018, in connection with which provisional goodwill of US$133m was recognised based on the fair value of the net assets acquired of US$58m.

These transactions included:

The Group acquired the whole of the issued share capital of Clarity Services, Inc. (‘Clarity’), a leading credit bureau servicing the sub-prime market, based in the USA, on 6 October 2017 for a purchase consideration of US$109m, net of cash acquired. Clarity’s products are highly complementary to Experian’s and include unique credit data and insights into over 60m individuals. The acquisition reinforces our position as the leading national credit bureau, striving to support 100% of US consumers.

Net assets acquired, goodwill and acquisition consideration are analysed below.

	Clarity Services, Inc. US$m	Other US$m	Total US$m
Intangible assets:			
Customer and other relationships	21	17	38
Software development	24	11	35
Marketing-related assets	4	1	5
Intangible assets	49	29	78
Property, plant and equipment	1	-	1
Trade and other receivables	6	6	12
Deferred tax assets	1	-	1
Cash and cash equivalents	4	2	6
Trade and other payables	(11)	(7)	(18)
Loans and borrowings	-	(2)	(2)
Deferred tax liabilities	(14)	(6)	(20)
Total identifiable net assets	36	22	58
Goodwill	77	56	133
Total	113	78	191
Satisfied by:			
Cash	104	43	147
Fair value 25% associate stake	-	17	17
Deferred and contingent consideration	9	18	27
Total	113	78	191

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 2018 as a consequence of the timing and complexity of the acquisitions. Goodwill represents the synergies, assembled workforces and future growth potential of the businesses. None of the goodwill arising in the year of US$133m is currently deductible for tax purposes.

The contingent consideration arrangement in respect of Clarity Services, Inc. and one of the immaterial acquisitions requires payments to the former owners based on the achievement of revenue targets. For the contingent consideration in respect of Clarity Services, Inc. the payments are due at the end of each year for three years following acquisition and the potential amount that the Group could be required to pay under this arrangement is between US$nil and US$32m. For the other acquisition, payments are due at the end of each of the first three years following acquisition, and the potential amount that the Group could be required to make under this arrangement is between US$nil and US$21m. The fair value of this consideration has been estimated during the year and an increase of US$3m has been recognised in the Group income statement based on the latest forecasts of business performance. Fair value measurements of contingent consideration are categorised as Level 3 as defined in IFRS 13 ‘Fair Value Measurement’.

There have been no other material gains, losses, error corrections or other adjustments recognised in the year ended 31 March 2018 that relate to acquisitions in the current or prior years.

Notes to the financial statements (continued)

for the year ended 31 March 2018

20. Acquisitions

(b) Additional information

(i) Current year acquisitions

	Clarity Services, Inc. US$m	Other US$m	Total US$m
Increase in book value from fair value adjustments:			
Intangible assets	49	29	78
Net deferred tax liabilities	(14)	(6)	(20)
Increase in book value from fair value adjustments	35	23	58
Gross contractual amounts receivable in respect of trade and other receivables	5	6	11
Pro forma revenue from 1 April 2017 to date of acquisition	23	3	26
Revenue from date of acquisition to 31 March 2018	23	10	33
Profit before tax from date of acquisition to 31 March 2018	1	1	2

At the dates of acquisition, the gross contractual amounts receivable in respect of trade and other receivables of US$11m were expected to be collected in full.

If the transactions had occurred on the first day of the financial year, then estimated additional contribution to Group revenues would have been US$26m and the profit before tax would have been US$1m.

(ii) Prior year acquisitions

The Group acquired the whole of the issued share capital of CSIdentity Corporation during the year ended 31 March 2017 and a cash outflow of US$358m was reported in the Group cash flow statement for that year, after deduction of US$22m in respect of net cash acquired.

There was also deferred consideration settled of US$5m on acquisitions made prior to 31 March 2015.

There have been no material gains, losses, error corrections or other adjustments recognised in the year ended 31 March 2018 that relate to acquisitions made prior to 31 March 2016.

(iii) Future acquisitions

On the 15 March 2018, we agreed to acquire 100% of the share capital of ClearScore (Credit Laser Holdings Limited) for US$385m. The transaction is expected to complete during the year ended 31 March 2019, subject to UK regulatory approval.

Notes to the financial statements (continued)

for the year ended 31 March 2018

21. Disposals

(a) Profit on disposal

Disposal of the email/cross-channel marketing business:

	US$m
Net assets disposed of – book value at date of disposal:	
Goodwill	**214**
Other intangible assets	**50**
Property, plant and equipment	**17**
Trade and other receivables	**73**
Deferred tax assets	**2**
Trade and other payables	**(10)**
Accruals and deferred income	**(13)**
Current tax liabilities	**(3)**
Deferred tax liabilities	**(17)**
Net assets disposed of	**313**
Disposal proceeds:	
Net cash proceeds after consideration of working capital adjustments and mutual transaction costs	**270**
Promissory Note	**75**
Share of divested business	**31**
Transaction costs and provisions	**(9)**
Total net proceeds	**367**
Profit on disposal	**54**

(b) Cash inflow from disposals

Disposal of the email/cross-channel marketing business:

	CCM US$m	Comparison shopping and lead generation businesses US$m	Other US$m	Total US$m
Proceeds received in cash	270	-	2	**272**
Transaction costs	(7)	-	-	**(7)**
Proceeds from loan note	-	15	-	**15**
Net cash Inflow from disposals	263	15	2	**280**

As indicated in note 10, in the year ended 31 March 2018, we divested CCM and received the remaining value of the loan note receivable in relation to the disposal of the comparison shopping and lead generation businesses. In addition, we divested a small North America based business, the proceeds of which were US$2m.

Notes to the financial statements (continued)

for the year ended 31 March 2018

22. Related party transactions

The Group's related parties were disclosed in the Group's statutory financial statements for the year ended 31 March 2017. During the year an additional associate undertaking was created following the divestment of CCM disclosed in note 10. As a result of this transaction the Group now owns 25% of the issued share capital of Vector CM Holdings (Cayman), L.P. ('Vector'), a partnership incorporated in Cayman Islands.

During the year ended 31 March 2018 the Group entered into the following transactions with Vector and its subsidiaries:

	Transaction amount		Balance owed to Experian	
	To 31 March 2018 US$m	To 31 March 2017 US$m	**At 31 March 2018 US$m**	At 31 March 2017 US$m
Promissory note	**78**	-	**78**	-
Interest on promissory note	**2**	-	**2**	-
Transitional Services Arrangement ('TSA') fees	**15**	-	**1**	-
Net amounts exchanged and due under the TSA	**3**	-	**2**	-
	98	-	**83**	-

The promissory note is due and payable to Experian on 31 May 2024 with interest also payable on this date. A Transitional Services Arrangement ('TSA') is in place between the Group and Vector to provide services to the partnership for a period of twelve months unless terminated earlier or an agreement to extend is executed. During the year ended 31 March 2018 and until the conclusion of the TSA, we process transactions on behalf of Vector. We receive a pre-agreed fee for the execution of the TSA and do not receive any margin on individual transactions. Details of amounts arising from the TSA are shown in the table below.

	Transaction amount		Balance owed to Vector	
	To 31 March 2018 US$m	To 31 March 2017 US$m	**At 31 March 2018 US$m**	At 31 March 2017 US$m
Cash received on behalf of Vector	**77**	-	**6**	-

	Transaction amount		Balance owed to Experian	
	To 31 March 2018 US$m	To 31 March 2017 US$m	**At 31 March 2018 US$m**	At 31 March 2017 US$m
Cash paid on behalf of Vector	**80**	-	**8**	-

The Group also acquired a 25% stake in London & Country Mortgages Limited. No material transactions have been entered into with the associate since the date of investment.

Notes to the financial statements (continued)

for the year ended 31 March 2018

23. 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. We 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 costs of directly responding to this incident were reflected in a US$20m income statement charge in the year ended 31 March 2016.

We have received a number of class actions and other related claims in respect of the incident and are 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 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. In August 2017, the Brazilian courts ultimately upheld Experian's position in respect of the tax years from 2007 to 2010 with no further right of appeal. The Brazilian tax authorities have raised a similar assessment in respect of the 2011 and 2012 tax years, in which approximately US$50m was claimed, and may raise similar claims in respect of other years. 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, success in the first case and other factors in respect of the claim.

(c) Other litigations and claims

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

24. Events occurring after the end of the reporting period

Details of the second interim dividend announced since the end of the reporting period are given in note 12(a).

25. Company website

A full range of investor information is available at <<www.experianplc.com>>. Details of the 2018 Annual General Meeting ('AGM'), to be held at The Shelbourne Hotel, 27 St. Stephen's Green, Dublin 2, D02 H529, Ireland at 9.30am on Wednesday,18 July 2018, are given on the website and in the notice of meeting. Information on the Company's share price is available on the website.

26. Risks and uncertainties

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

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.

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

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

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

Description

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

Potential impact

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

Examples of control mitigation

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

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

Description

We hold and manage sensitive consumer information and must therefore comply with a range of privacy and consumer protection laws, regulations and contractual obligations.

Potential impact

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.

Examples of control mitigation

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

26. Risks and uncertainties (continued)

(c) Risk area - Business conduct risk

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.

Potential impact

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

Examples of control mitigation

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

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

Description

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

Potential impact

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

Examples of control mitigation

- We maintain a significant level of resiliency in our operations, designed to avoid material and sustained disruptions 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.

26. Risks and uncertainties

(e) Risk area - Undesirable investment outcomes

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.

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.

Examples of control mitigation

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

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

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, UK or Brazil could reduce our financial performance and growth potential in those countries.
- We present our financial statements in US dollars. However, we transact business in a number of currencies. Changes in other currencies relative to the US dollar could 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. This includes the conclusion of legal arguments between the European Commission and the UK government over whether part of the UK’s tax regime is contrary to the European Union State Aid provisions. 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.

Potential impact

- The USA, UK and Brazil markets are significant contributors to 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, pounds sterling and euros. As this debt matures, we may need to replace it with borrowings at higher rates.
- Earnings could be reduced and tax payments increased as a result of settling historical tax positions or increases in our effective tax rates.

Examples of control mitigation

- We have a diverse portfolio by geography, product, sector and client.
- We provide counter-cyclical products and services.
- We convert cash balances 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.

26. Risks and uncertainties

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

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.

Potential impact

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

Examples of control mitigation

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

(h) Risk area - Increasing competition

Description

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

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.

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.

Notes to the financial statements (continued)

for the year ended 31 March 2018

26. Risks and uncertainties (continued)

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

Description

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

Potential impact

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

Examples of control mitigation

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

(j) Risk area - Dependency on highly skilled personnel

Description

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

Potential impact

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

Examples of control mitigation

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

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the financial statements are prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole; and the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face, which is included in note 26.

The names and functions of the directors in office as at 17 May 2017 were listed in the Experian annual report 2017. In the period from 17 May 2017 to the date of this report:

- Mike Rogers was appointed to the Board as a non-executive director on 1 July 2017; and

- Dr Ruba Borno was appointed to the Board as a non-executive director on 1 April 2018.

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

By order of the Board

Charles Brown

Company Secretary

16 May 2018