Independent auditors’ report
to the members of Experian plc

Report on the Group financial statements

Our opinion
In our opinion the Group financial statements, defined below:

• give a true and fair view of the state of the Group’s affairs as at 31 March 2014 and of the Group’s profit and cash flows for the year then ended;
• have been properly prepared in accordance with International Financial Reporting Standards (‘IFRSs’) as adopted by the European Union; and
• have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited
The Group financial statements, which are prepared by Experian plc, comprise:

• the Group balance sheet as at 31 March 2014;
• the Group income statement and Group statement of comprehensive income for the year then ended;
• the Group statement of changes in total equity and Group cash flow statement for the year then ended; and
• the notes to the Group financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and IFRSs as adopted by the European Union.

Certain disclosures required by the financial reporting framework have been presented elsewhere in the annual report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

What an audit of financial statements involves
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (‘ISAs (UK & Ireland)’). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

• whether the accounting policies are appropriate to the Group’s circumstances and have been consistently applied and adequately disclosed;
• the reasonableness of significant accounting estimates made by the directors; and
• the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited Group financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.
Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Using our professional judgement, we determined materiality for the Group financial statements as a whole to be US$52m, which represents 5% of profit before tax.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$5m as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of our audit

The Group is structured into five geographical regions, being North America, Latin America, UK and Ireland, Europe, Middle East and Africa (‘EMEA’) and Asia Pacific (‘APAC’). Each region comprises a number of reporting units. The Group financial statements comprise the financial information of these reporting units and the Group’s central functions.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the reporting units by us, as the Group engagement team, or component auditors within PwC UK and from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

Across these regions, we identified three reporting units (North America, Serasa SA and the United Kingdom) that required an audit of their complete financial information due to size alone. These three reporting units comprise 95% of the Group’s profit before tax and 83% of the Group’s revenue. Our audit work at these reporting units, together with procedures at the consolidated Group level, gave us the evidence we needed for our opinion on the consolidated financial statements taken as a whole.

Areas of particular audit focus

In preparing the financial statements, the directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We primarily focused our work in these areas by assessing the directors’ judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out in the corporate governance report.
### Area of focus

#### Tax – uncertain tax positions and tax planning

The Group is subject to several tax regimes owing to the geographical diversity of its businesses.

The directors are required to exercise significant judgement in determining the appropriate amount to provide in respect of potential tax exposures and uncertain tax positions. The most significant of these relate to Brazil and the UK.

(Refer also to notes 16 and 35 to the financial statements.)

We obtained an understanding of the Group’s tax strategy to identify tax risks relating to business and legislative developments.

We recalculated management’s valuations of tax provisions and determined whether the calculations were in line with the Group’s tax policies and had been applied consistently.

We challenged the key underlying assumptions, particularly in Brazil and the UK, and in territories with new cross-border tax structures, having due regard for ongoing correspondence between the Group and local tax authorities.

We also assessed the recoverability of deferred tax assets by evaluating forecasts of future profits.

#### Litigation

The Group is subject to a large number of claims and class actions relating to the disclosure and use of credit scores in Brazil which could have a significant impact on the results if the potential exposures were to materialise. The directors applied judgement when determining whether, and how much, to provide for these matters.

We focused on this area due to the magnitude of potential exposures, and the inherent complexity and judgement in whether to provide for or disclose certain exposures.

(Refer also to note 45 to the financial statements.)

We understood, assessed and tested management’s controls in respect of litigation at the Group and local level. We discussed the nature and status of these exposures with in-house and external legal counsel. We obtained letters from the Group’s external legal counsel to corroborate management’s position. We assessed the appropriateness of provisions recorded in the financial statements and the completeness of disclosures in respect of contingent liabilities.

#### Goodwill and intangible asset impairment assessment

We focused on this area because goodwill and intangible asset balances are material and there is significant judgement involved in the assumptions underpinning the cash flow forecasts used by the directors to support their carrying amounts.

(Refer also to note 20 to the financial statements.)

We tested and challenged the directors’ cash flow forecasts, and the process by which they were drawn up, including comparing them to the latest Board-approved plans from which forecasts are derived, and testing the underlying calculations.

We challenged:

- the directors’ key assumptions for long-term growth rates in the forecasts by comparing them to historical results and economic forecasts;
- the discount rate by assessing the cost of capital for the Group and comparable organisations; and
- the short-term forecasted profit margins for the EMEA and Asia Pacific regions.

We also performed sensitivity analysis around the key drivers of the cash flow forecasts. Having ascertained the extent of change in those assumptions that either individually or collectively would be required for the goodwill to be impaired, we considered the likelihood of such a movement in those key assumptions. We also assessed the appropriateness and completeness of disclosures in respect of these sensitivities.

#### Acquisition accounting

On 1 October 2013, the Group acquired The 41st Parameter, Inc. and on 21 November 2013 the Group acquired Passport Health Communications, Inc. There is judgement around the valuation of the intangible assets acquired, which directly impacts the valuation of the goodwill recognised.

We focused on this area because it required the directors to exercise a significant level of judgement.

(Refer also to note 40 to the financial statements.)

We tested the valuation of the assets and liabilities acquired, particularly those that are most reliant on judgement, notably intangible assets and related deferred tax. For the valuation exercise we examined the directors’ cash flow forecasts for the acquired businesses, comparing them to Board-approved plans and challenging the underlying assumptions (mainly being the discount rates used and the remaining useful economic lives applied to the intangible assets), and we compared the forecasts against historical performance of the acquired component businesses.
### Area of focus

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<th>Fraud in revenue recognition</th>
<th>How the scope of our audit addressed the area of focus</th>
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<td>ISAs (UK &amp; Ireland) presume there is a risk of fraud in revenue recognition because of pressure management may feel to achieve the planned results. Experian has multiple revenue streams with differing financial characteristics that result in different recognition criteria and audit procedures. We focused on the timing of the recognition of revenue especially around multi-element contracts, deferred revenue and other non-standard contract terms. (Refer also to note 5(p) to the financial statements.)</td>
<td>We evaluated the relevant systems and tested the internal controls over the accuracy, existence and timing of revenue recognised in the financial statements. We also tested journal entries posted to revenue accounts to identify unusual or irregular items and determine their compliance with Group revenue recognition policies. We read significant customer agreements and tested the accounting for contractual milestones against the analysis of contract positions that management maintains.</td>
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<th>Risk of management override of internal controls</th>
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<td>ISAs (UK &amp; Ireland) require that we consider this.</td>
<td>We assessed the overall control environment of the Group, including the arrangements for staff to ‘whistle-blow’ inappropriate actions, and interviewed senior management and the Group’s internal audit function. We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the directors that may represent a risk of material misstatement due to fraud. We also tested journal entries, including consolidation entries, and incorporated elements of unpredictability in the nature, timing and extent of our audit procedures.</td>
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### Going concern
The directors have voluntarily complied with Listing Rule 9.8.6(R)(3) of the UK Financial Conduct Authority and provided a statement in relation to going concern, set out in the directors’ report, required for UK registered companies with a premium listing on the London Stock Exchange.

The directors have requested that we review the statement on going concern as if the Company were a UK registered company. We have nothing to report having performed our review.

As noted in the directors’ statement, the directors have concluded that it is appropriate to prepare the Group’s financial statements using the going concern basis of accounting. The going concern basis presumes that the Group has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors’ use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group’s ability to continue as a going concern.

### Other matters on which we are required to report by exception

**Adequacy of information and explanations received**
Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

**Corporate governance report**
Under the Listing Rules of the UK Financial Conduct Authority we are required to review the part of the corporate governance report relating to the Company’s compliance with nine provisions of the UK Corporate Governance Code (‘the Code’). We have nothing to report having performed our review.
As required by the Code Provision C.1.1, the directors have stated that they consider the annual report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group’s performance, business model and strategy. As required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the directors is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the annual report
Under ISAs (UK & Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited Group financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit
Our responsibilities and those of the directors
As explained more fully in the directors’ responsibilities statement, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company’s members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matter
We have reported separately on the parent company financial statements of Experian plc for the year ended 31 March 2014 and on the information in the directors’ remuneration report that is described as having been audited.

Ranjan Sriskandan
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognized Auditor
London, United Kingdom
6 May 2014