

EQUIFAX
CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,	
	2016	2015
	<i>(Unaudited)</i>	
<i>(In millions, except per share amounts)</i>		
Operating revenue	\$ 804.1	\$ 667.4
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	288.0	226.5
Selling, general and administrative expenses	233.4	217.2
Depreciation and amortization	70.6	49.4
Total operating expenses	592.0	493.1
Operating income	212.1	174.3
Interest expense	(24.3)	(15.8)
Other income, net	2.4	14.4
Consolidated income from operations before income taxes	190.2	172.9
Provision for income taxes	(55.3)	(53.2)
Consolidated net income	134.9	119.7
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(2.1)	(1.8)
Net income attributable to Equifax	\$ 132.8	\$ 117.9
Basic earnings per common share:		
Net income attributable to Equifax	\$ 1.11	\$ 1.00
Weighted-average shares used in computing basic earnings per share	119.5	118.4
Diluted earnings per common share:		
Net income attributable to Equifax	\$ 1.09	\$ 0.98
Weighted-average shares used in computing diluted earnings per share	121.3	120.6
Dividends per common share	\$ 0.33	\$ 0.29

EQUIFAX
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2016	December 31, 2015
	<i>(Unaudited)</i>	
<i>(In millions, except par values)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 111.5	\$ 93.3
Trade accounts receivable, net of allowance for doubtful accounts of \$9.5 and \$7.5 at September 30, 2016 and December 31, 2015, respectively	436.4	349.8
Prepaid expenses	64.4	39.3
Other current assets	49.5	79.2
Total current assets	<u>661.8</u>	<u>561.6</u>
Property and equipment:		
Capitalized internal-use software and system costs	287.4	212.5
Data processing equipment and furniture	265.3	247.8
Land, buildings and improvements	202.7	194.6
Total property and equipment	755.4	654.9
Less accumulated depreciation and amortization	(312.1)	(288.1)
Total property and equipment, net	<u>443.3</u>	<u>366.8</u>
Goodwill	4,071.5	2,571.0
Indefinite-lived intangible assets	94.9	94.7
Purchased intangible assets, net	1,406.4	827.9
Other assets, net	128.7	79.5
Total assets	<u>\$ 6,806.6</u>	<u>\$ 4,501.5</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 706.7	\$ 49.3
Accounts payable	46.0	40.6
Accrued expenses	136.6	112.7
Accrued salaries and bonuses	123.1	139.2
Deferred revenue	112.2	96.8
Other current liabilities	173.1	165.2
Total current liabilities	<u>1,297.7</u>	<u>603.8</u>
Long-term debt	2,136.3	1,138.4
Deferred income tax liabilities, net	358.2	205.5
Long-term pension and other postretirement benefit liabilities	141.2	146.4
Other long-term liabilities	85.8	57.0
Total liabilities	<u>4,019.2</u>	<u>2,151.1</u>
Equifax shareholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares - 10.0; Issued shares - none	—	—
Common stock, \$1.25 par value: Authorized shares - 300.0; Issued shares - 189.3 at September 30, 2016 and December 31, 2015; Outstanding shares - 119.6 and 118.7 at September 30, 2016 and December 31, 2015, respectively	236.6	236.6
Paid-in capital	1,304.4	1,260.5
Retained earnings	4,081.9	3,834.4
Accumulated other comprehensive loss	(363.3)	(484.8)
Treasury stock, at cost, 69.1 shares and 70.0 shares at September 30, 2016 and December 31, 2015, respectively	(2,507.6)	(2,529.9)
Stock held by employee benefit trusts, at cost, 0.6 shares at September 30, 2016 and December 31, 2015	(5.9)	(5.9)
Total Equifax shareholders' equity	<u>2,746.1</u>	<u>2,310.9</u>
Noncontrolling interests	41.3	39.5
Total equity	<u>2,787.4</u>	<u>2,350.4</u>
Total liabilities and equity	<u>\$ 6,806.6</u>	<u>\$ 4,501.5</u>

EQUIFAX
CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine months ended
September 30,

2016 2015

(Unaudited)

(In millions)

Operating activities:

Consolidated net income	\$ 370.3	\$ 321.8
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Impairment of cost method investment	—	14.8
Depreciation and amortization	195.4	150.4
Stock-based compensation expense	30.2	32.2
Excess tax benefits from stock-based compensation plans	(29.6)	(22.1)
Deferred income taxes	(10.4)	(24.3)
Changes in assets and liabilities, excluding effects of acquisitions:		
Accounts receivable, net	(54.5)	(29.0)
Prepaid expenses and other current assets	7.0	21.2
Other assets	(7.9)	3.9
Current liabilities, excluding debt	1.8	68.0
Other long-term liabilities, excluding debt	22.2	(0.1)
Cash provided by operating activities	524.5	536.8
Investing activities:		
Capital expenditures	(131.0)	(93.6)
Acquisitions, net of cash acquired	(1,792.4)	(4.4)
Cash received from divestitures	—	2.9
Economic hedges	(10.8)	—
Investment in unconsolidated affiliates, net	—	(0.1)
Cash used in investing activities	(1,934.2)	(95.2)
Financing activities:		
Net short-term borrowings (repayments)	194.2	(193.4)
Payments on long-term debt	(300.0)	—
Borrowings on long-term debt	1,574.7	—
Treasury stock purchases	—	(196.3)
Dividends paid to Equifax shareholders	(118.1)	(103.4)
Dividends paid to noncontrolling interests	(5.8)	(6.0)
Proceeds from exercise of stock options	26.8	26.0
Excess tax benefits from stock-based compensation plans	29.6	22.1
Purchase of redeemable noncontrolling interests	(3.6)	—
Debt issuance costs	(5.4)	—
Cash provided by (used in) financing activities	1,392.4	(451.0)
Effect of foreign currency exchange rates on cash and cash equivalents	35.5	(10.4)
Increase (decrease) in cash and cash equivalents	18.2	(19.8)
Cash and cash equivalents, beginning of period	93.3	128.3
Cash and cash equivalents, end of period	\$ 111.5	\$ 108.5