Regulatory Story

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Half-yearly financial report

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news release

Half-yearly financial report

6 November 2014 — Experian, the global information services company, today issues its half-yearly financial report for the six months ended 30 September 2014.

General highlights

- Good progress in the first half with total revenue growth from continuing activities of 5%, Benchmark EPS growth of 6%, operating cash flow growth of 17% and first interim dividend up 7%.
- New agreement with FICO, the score most recognised by consumers in the US,to create highly compelling offers under the Experian.com brand - an important step in our strategy to position Experian.com as the flagship brand for US consumers.
- Encouraging performances in parts of the portfolio. Good growth in North America Credit Services. Sequential improvement in Brazil, returning to growth in Q2 after World Cup.
- Passport and 41st Parameter acquisitions growing strongly.
- Deleveraging faster than anticipated given strong operating cash flow performance.

Financial highlights

- At constant exchange rates, total revenue growth from continuing activities was 4%. There was no change in organic revenue. Total revenue from continuing activities up 5% at actual exchange rates. Total revenue of US$2.4bn (2013: US$2.3bn).
- Total EBIT from continuing activities of US$627m, up 3% at constant exchange rates. Total EBIT from continuing operations was also US$627m up 3% at actual exchange rates.
- EBIT margin from continuing activities of 26.2%, up 60 basis points before the impact of foreign exchange movements and acquisition investment, down 40 basis points year-on-year.
- Benchmark profit before tax of US$590m, up 3% at actual rates. Profit before tax of US$534m (2013: US$480m).

- Benchmark EPS of 45.1 US cents, up 6% at actual rates. Basic EPS of 41.8 US cents (2013: 34.2 US cents).
- Strong cash flow with 95% conversion of EBIT into operating cash flow (2013: 84%), and growth in operating cash flow of 17%.
- First interim dividend of 12.25 US cents per ordinary share, up 7%.

Brian Cassin, Chief Executive Officer, commented:

"We have delivered a good earnings result for the first half, driven by strength in North America Credit Services, a return to growth in Brazil and a good all-round performance in the UK. Our cash performance was particularly strong which has allowed us to reduce debt ahead of schedule and we are pleased to announce an increase in our first interim dividend of 7%.

"For the second half, we see near term organic revenue growth as subdued, improving as we exit the year. For the year, we expect to maintain margins (at constant currency), to deliver further good progress in Benchmark earnings (at constant currency) and we now expect to exceed 95% cash flow conversion.

"We have shared our five key strategic priorities today for sustaining attractive rates of earnings growth and superior returns. Taken together, we believe that these actions will allow us to build an even more successful business in the years to come and to deliver significant value to our shareholders."

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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 dial-in facility on +44 (0)20 3037 9164. The supporting slides and an indexed replay will be available on the website later in the day.

Experian will update on third quarter trading on 15 January 2015, when it will issue an Interim Management Statement.

See Appendix 1 and note 5 to the Group financial statements for definitions of non-GAAP measures used throughout this announcement.

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

Forward looking statements
Certain statements made in this announcement are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward looking statements. See pages 17 and 18 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 leading global information services company, providing data and analytical tools to clients around the world. The Group helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended 31 March 2014 was US$4.8 billion. Experian employs approximately 16,000 people in 39 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

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

Chief Executive Officer's review

In this first set of results as Chief Executive Officer of Experian, I'll update on current trading and outline our initial thinking on our future priorities.

First half highlights

We have made good progress in the first half, with many positive developments across the business.

- Total revenue growth from continuing activities was 5% at actual rates, up 4% at constant exchange rates, while, in line with our earlier expectations, organic revenue growth was unchanged.
- We saw generally stable or improving trends sequentially through the half, with highlights being North America Credit Services and Latin America. This was offset by North America Consumer Services as we undertake the brand transition.
- EBIT of US$627m represented growth at both constant currency and at actual exchange rates. EBIT margin increased by 60 basis points before the impact of foreign exchange movements and acquisition investment, decreasing 40 basis points at actual exchange rates.

Regional highlights

In North America, the business environment for consumer and business lending is robust, helping drive good growth in our core bureau operations. We also see our larger clients taking action against the growing prevalence of fraud and turning to Experian to help with their fraud prevention strategies. Our investments in newer high-growth segments are progressing well, with good contributions from our healthcare and automotive verticals during the half. While there was some softness in our marketing business, this belies encouraging developments in cross-channel marketing, where we are seeing rapid adoption of our new platform. Of 46 new client wins globally in the half for cross-channel, 22 were in North America.

Earlier this year we outlined plans to make Experian.com our principal brand for consumers in North America and this transition is progressing to plan. While revenue for the business line as a whole declined, Experian.com revenue grew by 15%. In the early stages of the transition, we've focused on raising consumer awareness of Experian.com through advertising and promotional activity, and response rates are good.

We have reached an agreement with FICO to distribute the FICO credit score through our direct-to-consumer services. The new agreement is part of a longer term plan to enhance Experian.com and position the brand strongly in the marketplace. With this agreement, we will create new products incorporating the FICO score, marketed under the Experian brand. FICO is the score most recognised by consumers in the US and is the score most commonly used by lenders. In this way, we are bringing together the premier data content, superior customer service and marketing firepower of Experian with the FICO score to create highly compelling propositions for consumers.

Performance in the affinity channel was lower than expected in the half. We've been winning new customer contracts and have rolled out a pilot with the top 5 retail banking partner we secured last year. This pilot programme materialised later than originally anticipated but is expected to move to full national roll out over the course of the next few months. The drag on growth is from our core base of affinity partners who are marketing less actively for new subscribers as they contend with their regulatory compliance requirements, a trend that we expect to reverse in due course. Overall for North America Consumer Services, we expect similar revenue trends in H2 as in H1, and for the benefit of the actions we're taking in product development and marketing to become visible as we move through FY16.

In Latin America, our operations in Brazil improved throughout the second quarter, returning to modest growth as business activity recovered after the World Cup. While the macroeconomic environment in Brazil is fairly subdued, it is generally stable. We see significant opportunity to grow in Brazil, and we are implementing a series of measures to address a range of opportunities. We are investing in promising new growth areas like fraud and identity management, transforming our sales model to enable us to address new vertical market segments, and we're putting a big emphasis on Decision Analytics to drive more integrated, value-added products. We're also re-engineering our operations to drive maximum efficiency. We believe these measures will position us strongly for future growth. Meanwhile we continue to develop our bureaux in other Latin American markets, where we're investing in an array of new innovations to sustain strong rates of growth.

Our performance in the UK and Ireland was good, with growth across all business lines. Lenders are increasingly focused on enhancing their core lending offers and are prioritising spend in the areas of regulatory compliance and fraud prevention, all areas in which Experian is well placed to support. At the same time, we're expanding in other industry segments, such as insurance, automotive and telecommunications. During the half, there was an outstanding performance in Marketing Services from our cross-channel marketing platform, as we

secured new client wins and expanded our position with existing clients. We also delivered further growth in Consumer Services, albeit at slower rates as the business scales.

We've made a lot of progress in EMEA/Asia Pacific, following the efforts in the past two years to reposition these two areas. In Asia Pacific we have focused our operations in a smaller number of markets, and we delivered strong growth in the half, and EMEA growth was stable in underlying terms. We expect progress to become more visible later in the financial year as we annualise a large one-off item in EMEA, as we have previously disclosed.

Progress of acquisitions

We made good progress across both Passport and 41st Parameter, the two acquisitions we made last year respectively in the North America healthcare services and global fraud detection sectors.

For Passport, pro forma revenue growth was over 20%. We're executing well against our original investment case and we're developing a new pipeline of opportunities which will further expand our position in the US healthcare services industry. Market dynamics are highly favourable, as rising costs and regulatory complexity for our customers drives real need for greater efficiency and the automated systems which deliver it. In this environment, the comprehensive offer we've created by combining Passport and Experian healthcare is resonating with clients and we're winning new and larger contracts as a result. We see strong growth potential in this market for many years to come.

For 41st Parameter, pro forma revenue growth was also over 20%. Over the past year our primary focus has been on rapidly globalising the business in order to capture exceptionally strong market demand. As a result, we have successfully built a strong pipeline of opportunities across all regions, and have secured a series of major new client wins across a diverse range of customers, including financial services, insurance and retail brokerage. We are making good progress towards integrating 41st Parameter as part of our broader fraud detection suite, which should provide us with significant opportunities for future growth.

Interest and tax

Net interest in the half was US$37m (2013: US$35m) as additional debt relating to the acquisitions was offset by lower rates following the refinancing. The Benchmark tax rate was 25.1%. For the full year ending 31 March 2015, we now expect net interest to be in the range US$75m to US$80m and the Benchmark tax rate to be approximately 25%.

Cash flow and net debt

Cash generation in the first half of the year was strong, in what is usually the weaker half of the year for cash flow. EBIT conversion into operating cash flow was 95% (2013: 84%) and net debt decreased by US$97m to US$3,712m. At 30 September 2014, net debt was 2.17 times EBITDA for the last twelve months and we remain on track to be firmly within our target leverage range of 1.75 to 2 times net debt to EBITDA by the end of the financial year.

Dividend and share purchases

We are announcing a first interim dividend of 12.25 US cents per share, up 7%. This dividend will be paid on 30 January 2015 to shareholders on the register at the close of business on 5 January 2015. Net share purchases during the half, which related to the cost of satisfying vesting employee plans, amounted to US$130m.

Strategy

In taking up my new role, I'll make the following points about our priority areas.

Experian is an exceptionally robust and successful business with a strong track record of profitable growth. We hold leading positions in most of our markets and we have a number of high quality growth opportunities. That said we have some areas to improve, since growth has moderated in some of our businesses for a number of reasons. In part, this is because of some cyclical headwinds, such as in Brazil, and in part it's due to changing market dynamics, which require us to evolve our business to capture available growth.

Our objective is to deliver attractive rates of earnings growth and superior returns through a strategy focused on five key priorities:

1. Focus on our key strengths
2. Deliver performance improvements
3. Seize attractive growth opportunities
4. Drive organisational efficiency and productivity

5. Rigorously optimise capital

Focus on our key strengths

The first item on our agenda is focus. We will concentrate on our biggest and most differentiated opportunities and we will avoid spreading our capital and resources too thinly.

We drive the greatest success and competitive differentiation where we successfully combine specialist data with an array of analytical tools to interpret the data and with our proprietary platforms. That combination drives a range of strategies for our customers, making us an integral part of the way they do business. When these components are combined as an integrated customer proposition we deliver exceptional value to clients and consumers and we build competitive differentiation. Our most successful businesses exhibit these qualities, for example our credit bureaux when combined with Decision Analytics, or our most successful growth initiatives such as the automotive, telecommunications or public sector verticals. As we look ahead, we will prioritise business lines and territories where we can create and sustain differentiation and competitive advantage, and we will rationalise peripheral activities.

Deliver performance improvements

First, our Consumer Services business in North America is going through a period of change which we're addressing by upping the pace of development in the Experian.com brand. Our goal is to transform the way consumers interact with their credit and identity information by maximising the advantages we have as a content-owner. We'll do this by introducing a range of new unique features under the Experian.com brand, of which the FICO agreement is an important step. We'll also enhance usability, and we're working on plans that will extend the consumer experience beyond credit reports and scores. In the affinity market we'll continue to build scale in the financial services vertical and we'll go further by expanding beyond our traditional customer base into new verticals. With this, we expect we can return this business to overall growth.

Secondly, Marketing Services has been through considerable transformation over the past few years as we've transitioned from offline, product-driven silos to a digitally oriented business. However, its performance has been hampered by a decline in mature products and by execution issues. For some parts of the business, highly attractive secular trends are emerging which Experian is particularly well-equipped to address. These trends include the massive proliferation of first party client data, the need for marketers to manage communications across a plethora of channels and devices and the acute need for clients to ensure their data is accurate. Our goal is to improve performance of this business through more focused execution and by concentrating on the markets where we can win.

Thirdly, our entire industry is subject to a new regulatory environment as oversight bodies focus their attention on credit reference agencies and on data providers more generally. To meet new regulatory requirements we're reviewing operating standards and ensuring that we continue to place consumers at the heart of what we do. This will involve some expenditure, but ultimately we believe it will strengthen our organisation in front of both regulators and consumers, and we intend to mitigate the extra cost requirement by becoming more efficient in other parts of our organisation.

Seize attractive growth opportunities

We have a number of high quality growth opportunities within our existing portfolio and some of the biggest lie where we also have scope for the greatest differentiation. There are a number of trends which are evolving in ways that play to Experian's advantage, as the technology cycle creates demand for more sophisticated tools previously often reserved for only the largest clients. This is opening up growth opportunities within our existing core.

Our growth opportunities are to i) expand global platforms, ii) exploit new opportunities in existing markets, and iii) address higher growth markets.

i) Expand global platforms. We have big success where we create scalable platforms which we roll out globally. One example is in Decision Analytics, where our PowerCurve software has delivered significant contract wins since launch, and we're extending this range with an on-demand, software-as-a-service module which addresses smaller clients. This year we are also rolling out the Global Data Network in business information, which will expand our ability to address the needs of multi-national clients, a market we do not address meaningfully today.

ii) Exploit new opportunities in existing markets. We see a range of opportunities to expand our core areas of activity. This can be achieved by putting more tools on top of our data, for example in UK Credit Services, where we're in the process of introducing a series of new bureau products such as pre-qualification services, rental exchange and statement exchange. There is also a significant opportunity in the market for big data analytics. Right now, we are building bespoke solutions for clients through our data labs to help clients analyse massive new datasets. Our aim is to standardise these early ideas and turn them into mass-market products, scaled across our operations.

iii) Address higher growth markets. In the last two years we have created a strong platform in a small number of high growth markets. In US healthcare services, we see significant opportunity to continue to drive growth in revenue-cycle management, but we have opportunity to go much further by integrating more Experian products into our offer to bring more value to our healthcare clients. In fraud and identity management, which is an area of increased investment, we're combining our product capabilities to help our clients address the massive growth in the prevalence of fraud.

Drive organisational efficiency and productivity

We believe we have the potential to deliver efficiency gains by leveraging global systems, processes and platforms, with scope to eliminate duplicated activities, increase levels of automation and streamline overheads. This will ensure we can fund new growth initiatives, absorb areas of cost inflation, and still deliver good earnings growth. Our actions on costs to date have enabled us to fund significant initiatives in fraud and identity management, the North America Consumer Services brand transition, positive data collection in Brazil, as well as incremental regulatory costs as referred to above. With the efficiency and productivity improvements we're driving, we'll have scope to continue to fund such investments.

Rigorously optimise capital

We have a portfolio of high quality, cash generative businesses in attractive markets and a number of opportunities to build on leading positions within our existing footprint. We will rigorously scrutinise future investments, both organic and inorganic, to ensure that we prioritise the highest quality opportunities. We will also balance new investment requirements with returns to shareholders to maximise shareholder value creation. We'll provide more details on capital allocation framework in due course.

The past ten years have seen us build a powerful business with market leading positions in key businesses and geographies. We've focused for many years on building the world's premier information company and we'll continue to follow that course. Yet we're still early in our journey, and now is the time for us to evolve our strategy in order to concentrate on where we are strongest and to develop our most promising growth opportunities. With this, our ambition will be to drive further success at Experian, with a rigorous focus on shareholder value in everything we do.

Group financial results

Revenue by geography

Six months ended 30 September			Growth %		
	2014 US$m	2013[1] US$m	Total at actual rates	Total at constant rates	Organic at constant rates
North America					
Credit Services	547	447		22	6
Decision Analytics	88	77		15	4
Marketing Services	200	203		(1)	(2)
Consumer Services	372	423		(12)	(12)
Total continuing activities	**1,207**	**1,150**	**5**	**5**	**(2)**
Discontinuing activities	-	-			
Total North America	**1,207**	**1,150**			
Latin America					
Credit Services	416	432		1	1
Decision Analytics	22	26		(12)	(12)
Marketing Services	15	17		(2)	(2)
Total continuing activities	**453**	**475**	**(5)**	**-**	**-**
Discontinuing activities	-	18			
Total Latin America	**453**	**493**			
UK and Ireland					
Credit Services	137	119		6	3
Decision Analytics	107	97		3	2
Marketing Services	118	106		3	2
Consumer Services	136	113		11	11
Total continuing activities	**498**	**435**	**15**	**6**	**5**
Discontinuing activities	-	-			
Total UK and Ireland	**498**	**435**			
EMEA/Asia Pacific					

Credit Services	95	92		5	5
Decision Analytics	54	52		4	2
Marketing Services	86	85		(1)	(4)
Total continuing activities	**235**	**229**	**2**	**3**	**1**
Discontinuing activities	-	36			
Total EMEA/Asia Pacific	**235**	**265**			
Total revenue - continuing activities	**2,393**	**2,289**	**5**	**4**	**-**
Total revenue - discontinuing activities	-	54			
Total revenue	**2,393**	**2,343**			

1. 2013 restated for the divestment of the Colombia document outsourcing business in Latin America, and other discontinuing activities in EMEA/Asia Pacific.

See Appendix 2 (page 19) for analyses of revenue, EBIT and EBIT margin by business segment.

Income statement, earnings and EBIT margin analysis

Six months ended 30 September	2014 US$m	2013[1] US$m	Growth % Total at constant rates	Growth % Total at actual rates
EBIT by geography				
North America	363	351	3	
Latin America	160	176	(4)	
UK and Ireland	152	129	9	
EMEA/Asia Pacific	(10)	(8)	(2)	
EBIT before Central Activities	**665**	**648**	**3**	
Central Activities - central corporate costs	(38)	(38)		
Total EBIT from continuing activities	**627**	**610**	**3**	**3**
EBIT - discontinuing activities[2]	-	(2)		
Total EBIT from continuing operations	**627**	**608**	**4**	**3**
Net interest	(37)	(35)		
Benchmark PBT	**590**	**573**		**3**
Exceptional items	-	(29)		
Amortisation and impairment of acquisition intangibles	(70)	(64)		
Impairment of goodwill	-	(15)		
Acquisition expenses	(1)	(2)		
Financing fair value remeasurements	15	17		
Profit before tax	**534**	**480**		
Group tax charge	(125)	(144)		
Profit after tax	**409**	**336**		

Benchmark earnings			
Benchmark PBT	**590**	**573**	**3**
Benchmark tax charge	(148)	(154)	
Overall Benchmark earnings	**442**	**419**	
For owners of Experian plc	**441**	**418**	**6**
For non-controlling interests	1	1	

Benchmark EPS	**US45.1c**	**US42.5c**	**6**
Basic EPS from continuing operations	US41.8c	US34.2c	
Weighted average number of ordinary shares	977m	983m	

EBIT margin - continuing activities			
North America	30.1%	30.5%	
Latin America	35.3%	37.1%	
UK and Ireland	30.5%	29.7%	
EMEA/Asia Pacific	(4.3)%	(3.5)%	
Total EBIT margin - continuing activities	**26.2%**	**26.6%**	

1. 2013 restated for the movement of some small EMEA/Asia Pacific businesses to discontinuing activities.
2. EBIT from discontinuing activities arises in EMEA/Asia Pacific.

See Appendix 2 (page 19) for analyses of revenue, EBIT and EBIT margin by business segment.
See Appendix 1 (page 19) and note 5 to the Group financial statements for definitions of non-GAAP measures.

Business review

North America

Total revenue from continuing activities in North America was US$1,207m, up 5%, while organic revenue declined 2%. The difference relates to the acquisitions of Passport (completed November 2013) and 41st Parameter (October 2013).

Credit Services
Total revenue growth was 22% and organic revenue growth was 6%, with good progress across all business lines. A positive environment for consumer lending is driving good growth within the core consumer credit bureau as clients engage in more credit prospecting and origination activity. Growth in business information was much improved driven by new product launches and increased sales effectiveness. Growth in our legacy healthcare business reflected the addition of new hospital clients and expansion of existing customer relationships, and automotive performed strongly, reflecting growth in the car dealer, automotive lending and automotive manufacturer channels, driven by demand for vehicle history reports, credit checks and other products.

Decision Analytics
Total revenue growth was 15% and organic revenue growth was 4%. Against a strong prior year comparable, Decision Analytics performed well with growth driven by new wins for credit risk management software, strong growth in analytics, and continued progress in identity verification.

Marketing Services
Total revenue declined 1% and organic revenue declined 2%. Growth in digital targeted marketing, data quality and cross-channel marketing was offset by declines in some data activities and further reductions in the more traditional area of list processing. We secured significant new client wins in the period for our new cross-channel marketing platform, which we will now start to on-board.

Consumer Services
Total and organic revenue declined 12%. Consistent with our earlier expectations, our direct-to-consumer activities declined during the half as we continue the transition from the legacy 'free' brands towards Experian.com. Experian.com performed strongly, delivering revenue growth of 15%. There was further attrition in the legacy brands, which declined 30% over the same period. The affinity channel performed weakly, principally as our core base of affinity partners reduced new customer marketing activity in response to additional regulatory compliance requirements.

EBIT and EBIT margin
For continuing activities, North America EBIT was US$363m, up 3%. EBIT margin was 30.1%, (2013: 30.5%). There was good margin progress in Credit Services reflecting positive operating leverage. This was offset by additional legal and regulatory costs, margin dilution in Decision Analytics, as we increased sales and delivery investment in support of the 41st Parameter roll-out, and in Consumer Services as a consequence of the ongoing brand transition.

Latin America

Total revenue from continuing activities in Latin America was US$453m, which was unchanged on the previous year at constant exchange rates.

Credit Services
At constant exchange rates, total and organic revenue growth in Credit Services was 1%. In Brazil, trading activity was affected during the World Cup tournament, but recovered throughout the second quarter. While the macroeconomic environment remains subdued, we are benefiting from new product introductions which drove growth across our business information activities, including the small and medium enterprise channel. This offset weakness in consumer information. Growth in our other Latin American bureau markets was strong, helped by expansion into new segments such as the small and medium enterprise channel and low income lending.

Decision Analytics
Total and organic revenue declined 12% at constant exchange rates. The decline was principally driven by a strong comparable, reflecting a large non-recurring contract win in the previous year. In underlying terms, we secured a series of new deliveries for PowerCurve credit risk management software across the region and we see growing demand for fraud and identity management.

Marketing Services
Total and organic revenue at constant exchange rates declined 2%. Marketing Services was affected by the weak trading environment in Brazil, as our clients reduced new customer prospecting activity.

EBIT and EBIT margin

For Latin America, EBIT declined to US$160m (2013: $176m). EBIT margin was 35.3% (2013: 37.1%). The decline principally reflected, adverse foreign exchange movements, reduced revenues in Decision Analytics and Marketing Services during the half, partially offset by cost savings in Brazil.

UK and Ireland

In the UK and Ireland, revenue was US$498m, with total revenue growth of 6% and organic revenue growth of 5% at constant exchange rates. The difference related principally to the acquisitions of 41st Parameter and a small credit data pre-qualification business.

Credit Services
Total revenue growth at constant exchange rates was 6% and organic revenue growth was 3%. There was good growth in consumer information, which benefited from steadily improving market conditions, with good growth in financial services and notable progress in the insurance vertical. Business information also returned to growth, as clients respond positively to new value-added product introductions and as we expand our footprint in the small and medium enterprise channel. Partially offsetting these solid performances was a decline in the payments channel, due to the reduction in activity associated with new SEPA (Single Euro Payments Area) requirements last year.

Decision Analytics
Total revenue growth at constant exchange rates was 3% and organic revenue growth was 2%. We secured a number of major client wins for credit risk management software and there was further traction in identity management. Revenue contribution from 41st Parameter has continued to grow, reflecting the first time contribution of new client wins and we anticipate further strong growth as we incorporate 41st Parameter into our broader fraud and identity management bundle.

Marketing Services
At constant exchange rates, total revenue growth was 3% and organic revenue growth was 2%. Marketing Services continues to make steady progress as we revitalise our services and introduce our new platform which combines various elements to help clients handle more complex digital marketing campaigns. This helped deliver very strong growth in cross-channel marketing in the half, which offset reduced demand for traditional activities. We also see a robust and growing pipeline of opportunities for cross-channel marketing.

Consumer Services
Consumer Services performed well, with total and organic revenue growth of 11% at constant exchange rates. Growth reflected new member growth and improved retention rates in the direct-to-consumer channel and a small but growing contribution in the affinity channel.

EBIT and EBIT margin
For the UK and Ireland, EBIT from continuing activities was US$152m, up 9% at constant exchange rates. EBIT margin increased by 80 basis points to 30.5%, mainly reflecting positive operating leverage across most areas, net of investment in Decision Analytics in support of the 41st Parameter roll out.

EMEA/Asia Pacific

Total revenue from continuing activities in EMEA/Asia Pacific was US$235m, up 3% at constant exchange rates, with organic revenue growth of 1% at constant exchange rates. The difference relates principally to the acquisition of 41st Parameter.

Credit Services
Total and organic revenue growth at constant exchange rates was 5%. In EMEA, volumes across our credit bureaux have been generally stable, in a low growth macroeconomic environment. Growth in Asia Pacific was strong, with strong performances from our bureau in Singapore, business information in China, and growing contributions from our start-ups in India and Australia.

Decision Analytics
Total and organic revenue growth at constant exchange rates was 4% and 2% respectively. While revenue performance in the half was affected by phasing, new business win rates were strong, reflecting demand for PowerCurve credit risk management and collections software. Our actions to reposition our Decision Analytics operations in Asia Pacific have proceeded well and were reflected in good growth rates during the half.

Marketing Services
Total revenue at constant exchange rates declined 1%, while organic revenue declined 4%. The decline in Marketing Services was due to the wind down of a large email contract in EMEA, as we have previously announced. Excluding this item, there was good progression, particularly for our new cross-channel marketing platform which secured 14 new contract wins in EMEA in the half and where we have a strong pipeline. We also saw good growth in Asia Pacific.

EBIT and EBIT margin
In EMEA/Asia Pacific, EBIT from continuing activities was US$(10)m (2013: US$(8)m). The reduction in profitability was largely due to adverse foreign exchange movements, acquisition investment and the impact of

the wind down of the large email contract in EMEA Marketing Services.

Financial review

Key financials

Six months ended 30 September	2014	2013
Revenue	US$2,393m	US$2,343m
EBIT margin - continuing activities	26.2%	26.6%
Benchmark PBT	US$590m	US$573m
Benchmark tax rate	25.1%	26.9%
Benchmark EPS	US 45.1c	US 42.5c
Operating cash flow	US$598m	US$511m
Net debt	US$3,712m	US$3,156m

Income statement commentary

Revenue and profit performance
Group profit performance by geography is discussed within pages 3 to 12. A summary of performance by business segment is given in Appendix 2 on page 19 with an additional analysis of the income statement in Appendix 3 on page 20.

Profit before tax increased by US$54m from US$480m to US$534m. Benchmark PBT rose by US$17m to US$590m (2013: US$573m).

Exceptional items
There were no charges or credits in respect of exceptional items in the period under review. Details of the exceptional charge of US$29m in the period ended 30 September 2013 are given in note 8 to the condensed half-yearly financial statements.

Other adjustments made to derive Benchmark PBT
As shown in the table below, there was a charge of US$56m in the period (2013: US$64m) for other adjustments made to derive Benchmark PBT. An explanation of the reasons for the exclusion of such items from our definition of Benchmark PBT is given in note 5 to the condensed half-yearly financial statements.

Six months ended 30 September	2014 US$m	2013 US$m
Amortisation and impairment of acquisition intangibles	70	64
Impairment of goodwill	-	15
Acquisition expenses	1	2
Financing fair value remeasurements	(15)	(17)
Other adjustments made to derive Benchmark PBT	**56**	**64**

Further information in respect of these items is given in note 9 to the condensed half-yearly financial statements.

Net interest expense
The net interest expense for the period was US$37m (2013: US$35m) with the increase principally due to higher drawn debt following the acquisitions of Passport Health Communications and 41st Parameter in the US during the second half of the year ended 31 March 2014.

Experian remains strongly cash generative and both our interest expense and the related cash flows have continued to benefit from low interest rates globally.

Tax
The Benchmark tax rate was 25.1% (2013: 26.9%). The decrease reflects the Group's latest profit and funding profile following the acquisitions made in second half of the year ended 31 March 2014 as referenced above.

The tax charge for the six months ended 30 September 2014 was US$125m and the effective tax rate was 23.4%. This is lower than the Benchmark tax rate as the tax rate on other adjustments made to derive Benchmark PBT was 41.1%.

The tax charge for the six months ended 30 September 2013 was US$144m and the effective tax rate was 30.0%. This was higher than the Benchmark tax rate reflecting the impact of the enacted reduction in the main rate of UK corporation tax from 23% to 20%. The impact on the Group was to reduce deferred tax assets recognised in respect of tax losses. The tax charge that arose as a result was recognised in part in the six months ended 30 September 2013 with the balance recognised in the second half of the year ended 31 March 2014. The blended tax rate on exceptional items and other adjustments made to derive Benchmark PBT was 22.6%.

Earnings per share ('EPS')
Basic EPS were 41.8 US cents (2013: 34.2 US cents). Benchmark EPS were 45.1 US cents (2013: 42.5 US cents), an increase of 6%. Further information is given in note 13 to the condensed half-yearly financial statements.

At 30 September 2014, Experian had 1,032 million ordinary shares in issue of which 56 million shares were held by employee trusts and in treasury. Accordingly, the number of shares to be used for the purposes of calculating Basic EPS per share from 30 September 2014 is 976 million. Issues and purchases of shares after 30 September 2014 will result in an amendment to this figure.

Seasonality
In recent years, our EBIT performance has tended to be weighted towards the second half of the year reflecting revenue seasonality. This pattern is expected to continue during the year ending 31 March 2015.

Revenue seasonality is exhibited principally in Marketing Services activities in North America and in the UK and Ireland, which are seasonally weighted towards the second half of the financial year, reflecting some exposure to the retail sector.

Foreign exchange rates and sensitivity

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

	2014	2013	(Weakened)/ strengthened against the US$
US dollar : Brazilian real	2.25	2.18	(3.2%)
Sterling : US dollar	1.68	1.54	9.1%
Euro : US dollar	1.35	1.32	2.3%

Exchange rate movements from last year's first half have increased our reported revenue for the period by US$13m and decreased our EBIT by US$2m. The increase in revenue is primarily as a consequence of the strength of sterling offset in part by the weakness of the Brazilian real.

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

	30 September 2014	30 September 2013	31 March 2014
US dollar : Brazilian real	2.45	2.23	2.27
Sterling : US dollar	1.62	1.62	1.66
Euro : US dollar	1.26	1.35	1.38

Balance sheet commentary

Net assets
At 30 September 2014, net assets amounted to US$3,001m (2013: US$2,790m), equivalent to US$3.07 per share (2013: US$2.85). Capital employed, as defined in note 5 to the condensed half-yearly financial statements, was US$6,808m (2013: US$5,680m).

Total equity
There was a decrease in total equity of US$103m from US$3,104m at 31 March 2014 with movements detailed in the Group statement of changes in total equity on page 25.

Profit for the period of US$409m is offset by currency translation losses of US$158m, recognised within other comprehensive income, and remeasurement losses of US$2m in respect of defined benefit pension plans. Currency translation gains have arisen from the strengthening of sterling against the US dollar but are more than offset by further weakening in the Brazilian real against the US dollar. Total comprehensive income for the period was US$247m (2013: US$163m).

There is a reduction in total equity of US$350m from transactions with owners, including equity dividends of US$254m and the purchase of own shares, either by employee trusts or held as treasury shares, of US$146m.

Cash flow and net debt commentary

Cash flow summary

The Group generated a strong cash flow in the period with operating cash flow of US$598m (2013: US$511m) and a cash flow conversion of 95% (2013: 84%). Note 18 to the condensed half-yearly financial statements reconciles cash generated from operations as reported in the Group cash flow statement on page 26 to operating cash flow as reported in the cash flow summary table at Appendix 4 on page 21.

As the cash flow summary table shows, free cash flow in the period was US$499m (2013: US$400m). The net cash inflow in the period of US$222m (2013: US$61m) is after acquisition spend of US$29m (2013: US$87m) and equity dividend payments of US$254m (2013: US$236m).

Capital expenditure
Capital expenditure was US$176m (2013: US$182m) including data and software to support our future growth. We subject our capital expenditure to rigorous internal review processes on both a pre-investment and a post-investment view. We have reduced capital expenditure as a percentage of revenue from 7.8% in the prior period to 7.4% in the period under review.

Net debt
At 30 September 2014, net debt was US$3,712m (31 March 2014: US$3,809m) and a reconciliation of movements from the position at the year end is given in Appendix 5 on page 21. Net debt at 30 September 2013 was US$3,156m. The increase in net debt of US$653m in the second half of the year ended 31 March 2014 included an outflow of US$1,163m in connection with acquisitions.

Borrowings of US$589m classified as current liabilities in the Group balance sheet at 30 September 2013 included the £334m 5.625% Euronotes 2013 redeemed at maturity in December 2013.

Funding
At 30 September 2014, there were undrawn committed borrowing facilities of US$2,085m (31 March 2014: US$2,216m). In June 2014, we announced the signing of new five-year committed revolving credit facilities, totalling US$2,025m. The new facilities extended the maturity of our committed funding. They re-financed then existing facilities totalling US$2,160m, which were due to mature in 2015 and were accordingly cancelled.

Other items
As indicated in our 2014 annual report and financial statements, the Group has received a significant number of claims in Brazil, primarily in three states, relating to the disclosure and use of credit scores. The cases are mainly individual small claims and also include a small number of class actions. The Group has continued to receive a significant number of these individual small claims in the first half of the financial year. Similar proceedings have been commenced against other suppliers of credit scores in Brazil. The Superior Tribunal of Justice (the 'STJ'), the highest court in Brazil for such cases, has issued a stay on all proceedings relating to these claims while it determines the principal legal issues involved. We anticipate that the STJ will decide the merits of the case in the second half of this financial year. The Group does not believe the claims have merit under Brazilian law and will continue to vigorously defend them.

Risks and uncertainties
The principal risks and uncertainties faced by the Group in the remaining six months of the year remain largely unchanged from those explained in detail on pages 20 to 26 of our annual report and financial statements for the year ended 31 March 2014:

- Regulatory compliance;
- Data ownership and access;
- Product, service or technology obsolescence;
- Interruptions in business processes or systems;
- Dependence on recruitment and retention of highly skilled personnel;
- Loss or inappropriate use of data;
- Exposure to legislation or regulatory reforms and actions addressing consumer privacy; and
- Exposure to increasing competition.

There are a number of other potential risks and uncertainties which could have a material impact on the Group's performance:

- Exposure to materially adverse litigation;
- Acquiring businesses or entering into strategic partnerships may not produce the desired financial or operating results;
- Exposure to the unpredictability of financial markets (foreign exchange, interest rate and other financial risks);
- Adverse market conditions could affect operational results; and
- Exposure to country and regional political, financial, economic or social risks particularly in the US, Brazil and the UK.

The trends of increasing risk in the categories of regulatory compliance, loss or inappropriate use of data, exposure to legislation or regulatory reforms and actions addressing consumer privacy and now also consumer

protection, exposure to increasing competition and exposure to materially adverse litigation and exposure to the unpredictability of financial markets have continued during the first six months of the year.

From 1 April 2014 the UK Financial Conduct Authority has regulated credit bureaux in the UK. Experian currently operates under an interim permission and is in the process of obtaining its full permission. We continue to face increasing regulatory compliance risk related to, amongst other things consumer protection and privacy, as there is still no certainty as to the impact of the rule making, investigative and enforcement powers of the various global regulatory and administrative bodies on our Credit and Consumer Services businesses. We continue to refine our compliance strategies in response to the developing requirements of these agencies.

Risks and uncertainties (continued)

We continue to mitigate our exposure to the unpredictability of financial markets, including the impact of currency volatility through the application of currency hedging strategies. However we do not currently intend to undertake borrowings in Brazilian real. Further information on financial risk management is given in note 25 to the condensed half-yearly financial statements.

The Chief Executive Officer's, Business and Financial reviews on pages 3 to 16 include consideration of key uncertainties affecting Experian for the remainder of the current financial year. Whilst the Group's view of its principal risks and uncertainties remains substantially unchanged, there may however be additional risks unknown to Experian and other risks, currently believed to be immaterial, which could turn out to be material. These risks, whether they materialise individually or simultaneously, could significantly affect the Group's business and financial results.

Going concern

The directors of Experian plc formed a judgment, at the time of approving the condensed half-yearly financial statements, that there was a reasonable expectation that the Group had adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the directors took account of:

- current and anticipated trading performance which is the subject of detailed comment in the Chief Executive Officer's review and the Business review;
- current and anticipated levels of borrowings and the availability of the committed borrowing facilities described earlier; and
- exposures to and the management of financial risks.

For this reason, we continue to adopt the going concern basis in preparing the condensed half-yearly financial statements.

Appendices

1. Non-GAAP financial information

Experian has identified and defined certain measures that it believes assist understanding of 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 5 to the condensed half-yearly financial statements.

2. Revenue, EBIT and EBIT margin by business segment

Six months ended 30 September			Growth	
	2014 US$m	2013[1] US$m	Total at constant rates %	Organic at constant rates %
Revenue				
Credit Services	1,195	1,090	11	4
Decision Analytics	271	252	5	1
Marketing Services	419	411	-	(1)
Consumer Services	508	536	(7)	(7)
Total - continuing activities	**2,393**	**2,289**	**4**	**-**
Discontinuing activities[2]	-	54	n/a	
Total	**2,393**	**2,343**	**2**	
EBIT				
Credit Services	427	382	14	

Decision Analytics	37	44	(19)
Marketing Services	54	54	(1)
Consumer Services	147	168	(15)
Total business segments	**665**	**648**	**3**
Central Activities - central corporate costs	(38)	(38)	6
Total - continuing activities	**627**	**610**	**3**
Discontinuing activities[2]	-	(2)	n/a
Total	**627**	**608**	**4**
EBIT margin - continuing activities			
Credit Services	35.7%	35.0%	
Decision Analytics	13.7%	17.5%	
Marketing Services	12.9%	13.1%	
Consumer Services	28.9%	31.3%	
Total EBIT margin	**26.2%**	**26.6%**	

1. 2013 restated for the movement of some small Marketing Services businesses to discontinuing activities.
2. Discontinuing activities comprise small discontinuing Marketing Services businesses.

Appendices (continued)

3. Income statement analysis

Six months ended 30 September	2014			2013		
	Benchmark	Non-benchmark[1]	Total	Benchmark	Non-benchmark[1]	Total
	US$m	US$m	US$m	US$m	US$m	US$m
Revenue	**2,393**	**-**	**2,393**	**2,343**	**-**	**2,343**
Total operating expenses	(1,769)	(71)	(1,840)	(1,736)	(110)	(1,846)
Operating profit/(loss)	**624**	**(71)**	**553**	**607**	**(110)**	**497**
Share of profit of associates	3	-	3	1	-	1
EBIT	**627**			**608**		
Non-benchmark items		**(71)**			**(110)**	
Profit/(loss) before net finance costs and tax	**627**	**(71)**	**556**	**608**	**(110)**	**498**
Net finance (costs)/income	(37)	15	(22)	(35)	17	(18)
Profit/(loss) before tax	**590**	**(56)**	**534**	**573**	**(93)**	**480**
Tax (charge)/credit	(148)	23	(125)	(154)	10	(144)
Profit/(loss) after tax for the period	**442**	**(33)**	**409**	**419**	**(83)**	**336**
Attributable to:						
Owners of Experian plc	441	(33)	408	418	(82)	336
Non-controlling interests	1	-	1	1	(1)	-
Profit/(loss) after tax for the period	**442**	**(33)**	**409**	**419**	**(83)**	**336**
	US cents	US cents	US cents	US cents	US cents	US cents
Basic EPS	**45.1**	**(3.3)**	**41.8**	**42.5**	**(8.3)**	**34.2**
	%	%	%	%	%	%
Effective rate of tax	**25.1**	**41.1**	**23.4**	**26.9**	**10.8**	**30.0**

1. The loss before tax for non-benchmark items of US$56m (2013: US$93m) comprises charges for exceptional items of US$nil (2013: US$29m) and other adjustments made to derive Benchmark PBT of US$56m (2013: US$64m). Further information is given in notes 8 and 9 to the condensed half-yearly financial statements.

Appendices (continued)

4. Cash flow summary

Six months ended 30 September	2014 US$m	2013 US$m
EBIT	627	608
Amortisation and depreciation (see Appendix 6)	192	177
Loss on sale of fixed assets	-	1
Capital expenditure	(176)	(182)
Sale of property, plant and equipment	1	1
Increase in working capital	(82)	(127)
Profit retained in associates	-	(1)
Charge for share incentive plans	36	34
Operating cash flow	**598**	**511**
Net interest paid	(36)	(32)
Tax paid - continuing operations	(62)	(77)
Dividends paid to non-controlling interests	(1)	(2)
Free cash flow	**499**	**400**
Cash outflow for exceptional restructuring costs	(10)	(41)
Acquisitions	(29)	(87)
Disposal of businesses and investments	16	25
Equity dividends paid	(254)	(236)
Net cash inflow	**222**	**61**
Net share purchases	(130)	(322)
New borrowings and other financing related cash flows	(33)	466
Net increase in cash and cash equivalents - continuing operations	**59**	**205**
Net increase in cash and cash equivalents - discontinued operations	-	90
Net increase in cash and cash equivalents	**59**	**295**
Cash and cash equivalents at 1 April	208	226
Exchange and other movements on cash and cash equivalents	(20)	(3)
Cash and cash equivalents at 30 September	**247**	**518**

5. Reconciliation of net debt

Six months ended 30 September	2014 US$m	2013 US$m
At 1 April	3,809	2,938
Net cash inflow - as reported in the cash flow summary	(222)	(61)
Net share purchases	130	322
Exchange, discontinued operations and other movements in net debt	(5)	(43)
At 30 September	**3,712**	**3,156**

6. Reconciliation of amortisation and depreciation

Six months ended 30 September	2014 US$m	2013 US$m
As reported in the notes to the Group cash flow statement	262	238
Less: amortisation of acquisition intangibles	(70)	(55)
Less: exceptional asset write-off	-	(6)
As reported in the cash flow summary	**192**	**177**

Condensed half-yearly financial statements

Group income statement
for the six months ended 30 September 2014

	Notes	Six months ended 30 September	
		2014	2013
Continuing operations		**US$m**	US$m
Revenue	6(a)	**2,393**	2,343
Total operating expenses		**(1,840)**	(1,846)
Operating profit		**553**	497
Interest income		**16**	11
Finance expense		**(38)**	(29)
Net finance costs	10(a)	**(22)**	(18)
Share of post-tax profit of associates		**3**	1
Profit before tax	6(a)	**534**	480
Group tax charge	11(a)	**(125)**	(144)
Profit for the period		**409**	336

Attributable to:		
Owners of Experian plc	**408**	336
Non-controlling interests	**1**	-
Profit for the period	**409**	336

	Notes	**US cents**	US cents
Earnings per share			
Basic	13(a)	**41.8**	34.2
Diluted	13(a)	**41.4**	33.8
First interim dividend per share	14	**12.25**	11.50

Condensed half-yearly financial statements

Group statement of comprehensive income
for the six months ended 30 September 2014

	Six months ended 30 September	
	2014	2013
	US$m	US$m
Profit for the period	**409**	336
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations	**(3)**	(33)
Deferred tax credit	**1**	8
Items that will not be reclassified to profit or loss	**(2)**	(25)
Items that may be reclassified subsequently to profit or loss:		
Currency translation losses	**(158)**	(147)
Items that may be reclassified subsequently to profit or loss	**(158)**	(147)
Items reclassified to profit or loss:		
Reclassification of fair value gain on available-for-sale financial assets	**(2)**	-
Reclassification of cumulative currency translation gain in respect of divestments	**-**	(1)
Items reclassified to profit or loss	**(2)**	(1)
Other comprehensive income for the period	**(162)**	(173)
Total comprehensive income for the period	**247**	163
Attributable to:		
Owners of Experian plc	**248**	164
Non-controlling interests	**(1)**	(1)
Total comprehensive income for the period	**247**	163

Amounts reported within other comprehensive income are in respect of continuing operations and, except as reported above for post-employment benefit assets and obligations, there is no associated tax. Currency translation items are taken directly to the translation reserve within other reserves. Other items within other comprehensive income are taken directly to retained earnings.

Non-GAAP measures
Reconciliation of profit before tax to Benchmark PBT

for the six months ended 30 September 2014

	Notes	**Six months ended 30 September**	
		2014	2013
		US$m	US$m
Profit before tax	6(a)	**534**	480
Exceptional items	8	**-**	29
Amortisation and impairment of acquisition intangibles	9	**70**	64
Impairment of goodwill	9	**-**	15
Acquisition expenses	9	**1**	2
Financing fair value remeasurements	9	**(15)**	(17)
Benchmark PBT	6(a)	**590**	573

		US cents	US cents
Benchmark EPS			
Basic	13(a)	**45.1**	42.5
Diluted	13(a)	**44.8**	42.0

Condensed half-yearly financial statements

Group balance sheet
at 30 September 2014

	Notes	30 September 2014 US$m	30 September 2013 US$m	31 March 2014 US$m
Non-current assets				
Goodwill	3(c)	**4,737**	4,019	4,807
Other intangible assets		**1,783**	1,391	1,869
Property, plant and equipment		**433**	464	469
Investments in associates		**9**	12	13
Deferred tax assets		**380**	544	460
Post-employment benefit assets	16(a)	**70**	52	74
Trade and other receivables		**13**	9	9
Available-for-sale financial assets		**40**	43	46
Other financial assets		**206**	221	229
		7,671	6,755	7,976
Current assets				
Inventories		**3**	4	2
Trade and other receivables		**842**	821	942
Current tax assets		**29**	25	13
Other financial assets		**11**	44	27
Cash and cash equivalents	19(b)	**248**	507	212
		1,133	1,401	1,196
Assets classified as held for sale	24	**-**	59	-
		1,133	1,460	1,196
Current liabilities				
Trade and other payables		**(986)**	(971)	(1,168)
Borrowings	19(b)	**(549)**	(589)	(584)
Current tax liabilities		**(89)**	(91)	(91)
Provisions		**(42)**	(49)	(54)
Other financial liabilities		**(25)**	(44)	(5)
		(1,691)	(1,744)	(1,902)
Liabilities classified as held for sale	24	**-**	(28)	-
		(1,691)	(1,772)	(1,902)
Net current liabilities		**(558)**	(312)	(706)
Total assets less current liabilities		**7,113**	6,443	7,270
Non-current liabilities				
Trade and other payables		**(47)**	(33)	(52)
Borrowings	19(b)	**(3,526)**	(3,248)	(3,576)
Deferred tax liabilities		**(439)**	(240)	(412)
Post-employment benefit obligations	16(a)	**(60)**	(61)	(61)
Provisions		**-**	(1)	-
Other financial liabilities		**(40)**	(70)	(65)
		(4,112)	(3,653)	(4,166)
Net assets		**3,001**	2,790	3,104
Equity				
Called up share capital	21	**103**	102	103
Share capital				
Share premium account	21	**1,504**	1,491	1,492
Retained earnings		**18,248**	17,766	18,167
Other reserves		**(16,878)**	(16,597)	(16,680)
Attributable to owners of Experian plc		**2,977**	2,762	3,082
Non-controlling interests		**24**	28	22
Total equity		**3,001**	2,790	3,104

Condensed half-yearly financial statements

Group statement of changes in total equity for the six months ended 30 September 2014

	Called up share capital US$m	Share premium account US$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 2014	103	1,492	18,167	(16,680)	**3,082**	22	**3,104**
Comprehensive income:							
Profit for the period	-	-	408	-	**408**	1	**409**
Other comprehensive income	-	-	(4)	(156)	**(160)**	(2)	**(162)**
Total comprehensive income	-	-	404	(156)	**248**	(1)	**247**
Transactions with owners:							
Employee share incentive plans:							

- value of employee services	-	-	36	-	**36**	-	**36**
- shares issued on vesting	-	12	-	-	**12**	-	**12**
- other exercises of share awards and options	-	-	(94)	104	**10**	-	**10**
- related tax charge	-	-	(6)	-	**(6)**	-	**(6)**
- purchase of shares by employee trusts	-	-	-	(38)	**(38)**	-	**(38)**
- purchase of shares held as treasury shares	-	-	-	(108)	**(108)**	-	**(108)**
- other payments	-	-	(6)	-	**(6)**	-	**(6)**
Transactions in respect of non-controlling interests	-	-	1	-	**1**	4	**5**
Dividends paid	-	-	(254)	-	**(254)**	(1)	**(255)**
Transactions with owners	-	12	(323)	(42)	**(353)**	3	**(350)**
At 30 September 2014	**103**	**1,504**	**18,248**	**(16,878)**	**2,977**	**24**	**3,001**

Group statement of changes in total equity for the six months ended 30 September 2013

	Called up share capital US$m	Share premium account US$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 2013	102	1,480	17,849	(16,247)	**3,184**	40	**3,224**
Comprehensive income:							
Profit for the period	-	-	336	-	**336**	-	**336**
Other comprehensive income	-	-	(25)	(147)	**(172)**	(1)	**(173)**
Total comprehensive income	-	-	311	(147)	**164**	(1)	**163**
Transactions with owners:							
Employee share incentive plans:							
- value of employee services	-	-	34	-	**34**	-	**34**
- shares issued on vesting	-	11	-	-	**11**	-	**11**
- other exercises of share awards and options	-	-	(121)	70	**(51)**	-	**(51)**
- related tax charge	-	-	(10)	-	**(10)**	-	**(10)**
- purchase of shares by employee trusts	-	-	-	(120)	**(120)**	-	**(120)**
- commitment for future purchase of own shares	-	-	(38)	-	**(38)**	-	**(38)**
- other payments	-	-	(7)	-	**(7)**	-	**(7)**
Purchase of shares held as treasury shares	-	-	-	(153)	**(153)**	-	**(153)**
Transactions with non-controlling interests	-	-	(16)	-	**(16)**	(9)	**(25)**
Dividends paid	-	-	(236)	-	**(236)**	(2)	**(238)**
Transactions with owners	-	11	(394)	(203)	**(586)**	(11)	**(597)**
At 30 September 2013	**102**	**1,491**	**17,766**	**(16,597)**	**2,762**	**28**	**2,790**

Condensed half-yearly financial statements

Group cash flow statement
for the six months ended 30 September 2014

	Notes	Six months ended 30 September	
		2014	2013 (Re-presented) (Note 2)
		US$m	US$m
Cash flows from operating activities			
Cash generated from operations	17(a)	**759**	649
Interest paid		**(49)**	(41)
Interest received		**13**	9
Dividends received from associates		**3**	-
Tax paid	17(d)	**(62)**	(77)
Net cash inflow from operating activities - continuing operations		**664**	540
Net cash inflow from operating activities - discontinued operations	12	**-**	90
Net cash inflow from operating activities		**664**	630
Cash flows from investing activities			
Purchase of other intangible assets	17(e)	**(154)**	(148)
Purchase of property, plant and equipment		**(22)**	(34)
Sale of property, plant and equipment		**1**	1
Disposal of available-for-sale financial assets		**7**	-
Acquisition of subsidiaries, net of cash acquired	17(f)	**(30)**	(66)
Disposal of subsidiaries - continuing operations	8(b)	**17**	23
Disposal of subsidiaries - discontinued operations	12	**(8)**	2

Net cash flows used in investing activities		**(189)**	(222)
Cash flows from financing activities			
Cash inflow in respect of net share purchases	17(g)	**16**	11
Cash outflow in respect of net share purchases	17(g)	**(146)**	(333)
Other payments on vesting of share awards		**(6)**	(7)
Receipts/(payments) for transactions with non-controlling interests		**2**	(19)
New borrowings		**-**	742
Repayment of borrowings		**(30)**	(295)
Capital element of finance lease rental payments		**(2)**	(2)
Net receipts from derivative financial instruments held to manage currency profile		**3**	23
Net receipts from equity swaps		**2**	5
Dividends paid		**(255)**	(238)
Net cash flows used in financing activities		**(416)**	(113)
Net increase in cash and cash equivalents		**59**	295
Cash and cash equivalents at 1 April		**208**	226
Exchange and other movements in cash and cash equivalents		**(20)**	(3)
Cash and cash equivalents at 30 September	17(h)	**247**	518

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

1. Corporate information

Experian plc (the 'Company'), the ultimate parent company of the Experian group of companies ('Experian' or the 'Group'), is incorporated and registered in Jersey as a public company limited by shares and is resident in Ireland. The Company's registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX. The Company's ordinary shares are traded on the London Stock Exchange's Regulated Market (Premium Listing). Experian is the leading global information services group.

2. Basis of preparation

The condensed half-yearly financial statements are prepared:

- in accordance with 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'); and
- in accordance with the Disclosure and Transparency Rules of the UK Financial Conduct Authority and with International Accounting Standard ('IAS') 34 'Interim financial reporting' ('IAS 34').

The condensed half-yearly financial statements:

- comprise the consolidated results of the Group for the six months ended 30 September 2014 and 30 September 2013;
- were approved for issue on 5 November 2014 and no significant events impacting the Group, other than those disclosed in this document, have occurred between 30 September 2014 and that date;
- have not been audited but have been reviewed by the Company's auditors with their report set out on pages 48 and 49; and
- do not constitute the Group's statutory financial statements but should be read in conjunction with the Group's statutory financial statements for the year ended 31 March 2014.

The Group's statutory financial statements comprise the annual report and audited financial statements. The most recent such financial statements, for the year ended 31 March 2014, were approved by the directors on 6 May 2014 and subsequently delivered to the Jersey Registrar of Companies. The auditors' report was unqualified and did not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991. Copies of these financial statements are available on the Company's website, at www.experianplc.com/annualreport, and from the Company Secretary at Newenham House, Northern Cross, Malahide Road, Dublin 17, Ireland.

The financial information for the year ended 31 March 2014 included in the condensed half-yearly financial statements has been extracted from the Group's statutory financial statements for that year. The financial information has been prepared on a basis consistent with that adopted for the six months ended 30 September 2013. In the Group cash flow statement, a cash inflow of US$23m in the six months ended 30 September 2013 has been reclassified between the captions 'Net receipts from derivative financial instruments held to manage currency profile' and 'Exchange and other movements in cash and cash equivalents'. This inflow is now included within net cash flows used in financing activities for that period and excluded from exchange and other movements in cash and cash equivalents. This reclassification has been made to provide a consistent disclosure of such items. Except as detailed at note 3(b), the financial information has been prepared on a basis consistent with that adopted for the year ended 31 March 2014.

3. Accounting policies, estimates and judgments

(a) Introduction

These condensed half-yearly financial statements have been prepared applying the same accounting policies, significant judgments made by management in applying them, and key sources of estimation uncertainty applied by the Group that were used in the Group's statutory financial statements for the year ended 31 March 2014.

The preparation of the condensed half-yearly financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these condensed half-yearly financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. There have been no other significant changes in the bases upon which estimates have been determined, compared to those applied at 31 March 2014, and no change in estimate has had a material effect on the current period.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

3. Accounting policies, estimates and judgments (continued)

(b) Tax (note 11)

The tax charge recognised in the period is derived from the estimated tax rate for the full year, taking account of one-off tax charges and credits arising in the period and expected to arise in the full year and the tax effect of exceptional items and other adjustments made to derive Benchmark PBT.

(c) Goodwill

Goodwill held in the Group's balance sheet is tested annually for impairment at the year end and details of the methodology used are set out in the Group's statutory financial statements for the year ended 31 March 2014.

In light of performance, an impairment analysis was performed as at 30 September 2014 on the Asia Pacific cash generating unit ('CGU') but no impairment charge was required in the period. No such analysis was required to be performed on other CGUs as at 30 September 2014.

The Asia Pacific analysis as at 30 September 2014 confirmed that the recoverable amount of that CGU exceeded its carrying value by US$40m and that any decline in estimated value-in-use in excess of that amount would be liable to result in the recognition of an impairment charge. The sensitivities, which result in the recoverable amount being equal to the carrying value, can be summarised as follows:

- an absolute increase of 1.1% in the pre-tax weighted average cost of capital from 12.4% to 13.5%; or
- an absolute reduction of 1.3% in the long-term growth rate from 5.3% to 4.0%; or
- a reduction of 1.6% in the forecast terminal profit margin. This is forecast to improve to a low double-digit margin in the terminal period but is below management's expectations for a mature region. In addition a reduction in the annual margin improvement of approximately 0.3% per year over the five-year forecast period would also reduce the recoverable amount to the carrying value.

As reported in the statutory financial statements for the year ended 31 March 2014, the annual impairment review for the EMEA CGU as at 31 March 2014 indicated that the recoverable amount exceeded the carrying value by US$79m. The sensitivity which would have resulted in the recoverable amount being equal to the carrying value as at that date was an absolute increase of 2.0% in the pre-tax weighted average cost of capital from 12.6% to 14.6%. At 30 September 2014, the pre-tax weighted average cost of capital for the EMEA CGU remained unchanged.

During the six months ended 30 September 2013, a goodwill impairment charge of US$15m was required to be recognised in respect of goodwill on businesses whose assets and liabilities were classified as held for sale at 30 September 2013 (see note 24). No further impairment charge was required in the period then ended although in the light of their performance, further impairment analyses were performed as at 30 September 2013 on the EMEA CGU and the Asia Pacific CGU. No such analysis was required to be performed on other CGUs as at that date.

(d) Post-employment benefits (note 16)

The Group has updated the accounting valuation of its principal defined benefit pension plan, in the light of changes in the key actuarial assumptions, and this is recognised in the condensed half-yearly financial statements. The actuarial assumption with the most significant impact at 30 September 2014 is the discount rate of 4.0% (2013: 4.4%). The rate used in the year ended 31 March 2014 was 4.3%.

(e) Related party transactions

The Group had no material or unusual related party transactions during the six months ended 30 September 2014 and there have been no changes in the related parties disclosed in the Group's statutory financial statements for the year ended 31 March 2014.

4. Accounting developments

There have been no accounting standards, amendments and interpretations that are effective for the first time in the Group condensed half-yearly financial statements for the six months ended 30 September 2014 and which have had a material impact on those financial statements.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

4. Accounting developments (continued)

At 30 September 2014 there are a number of new standards and amendments to existing standards in issue but not yet effective, including two significant standards - IFRS 9 'Financial instruments', which was issued in final form in July 2014 following the completion of its phased release, and IFRS 15 'Revenue from contracts with customers'. IFRS 9 and IFRS 15 are effective for Experian for the years ending 31 March 2019 and 31 March 2018 respectively. We are currently assessing their impact and it is not practicable to quantify the effect at the date of approval of these condensed half-yearly financial statements.

There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material impact on the Group. The Group routinely reviews such developments and adapts its financial reporting systems as appropriate.

5. Use of non-GAAP measures in the condensed half-yearly 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 to assess performance.

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

Benchmark PBT is defined as profit before amortisation and impairment of acquisition intangibles, impairment of goodwill, acquisition expenses, adjustments to contingent consideration, exceptional items, financing fair value remeasurements, tax and discontinued operations. It includes the Group's share of continuing associates' pre-tax results.

An explanation of the basis on which Experian reports exceptional items is provided below. Other adjustments made to derive Benchmark PBT can be explained as follows:

- The Group has excluded charges for the amortisation and impairment of acquisition intangibles from its definition of Benchmark PBT because such charges are based on judgments about their value and economic life. Impairment of goodwill is similarly excluded from the definition of Benchmark PBT.
- Acquisition expenses are excluded from the definition of Benchmark PBT as they bear no relation to the underlying performance of the Group or to the performance of the acquired businesses. Adjustments to contingent consideration are similarly excluded from the definition of Benchmark PBT.
- An element of the Group's derivatives is ineligible for hedge accounting. Gains or losses on these derivatives arising from market movements, together with gains and losses on put options in respect of acquisitions, are credited or charged to financing fair value remeasurements within finance expense in the Group income statement and excluded from the definition of Benchmark PBT.

(b) Earnings before interest and tax ('EBIT')

EBIT is defined as profit before amortisation and impairment of acquisition intangibles, impairment of goodwill, acquisition expenses, adjustments to contingent consideration, exceptional items, net finance costs, tax and discontinued operations. It includes the Group's share of continuing associates' pre-tax results.

(c) Earnings before interest, tax, depreciation and amortisation ('EBITDA')

EBITDA is defined as EBIT before depreciation and amortisation charged therein.

(d) Discontinuing activities

Discontinuing activities are businesses sold, closed or identified for closure during a financial year. These are treated as discontinuing activities for both revenue and EBIT purposes. The results of discontinuing activities are disclosed separately with the results of the prior period re-presented as appropriate. This measure differs from the definition of discontinued operations set out in IFRS 5.

(e) Continuing activities

Businesses trading at 30 September 2014, which have not been disclosed as discontinuing activities, are treated as continuing activities.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

5. Use of non-GAAP measures in the condensed half-yearly financial statements (continued)

(f) Constant exchange rates

To highlight its organic performance, Experian discusses its results in terms of constant exchange rate growth, unless otherwise stated. This represents growth after translating both current period and prior period performance at the prior year average exchange rates.

(g) Total growth

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

(h) Organic growth

This is the year-on-year change in the revenue of continuing activities, translated at constant exchange rates, excluding acquisitions until the first anniversary date of their consolidation.

(i) Benchmark earnings

Benchmark earnings represents Benchmark PBT less attributable tax and non-controlling interests. Benchmark earnings attributable to non-controlling interests represents that portion of Benchmark earnings that relates to non-controlling interests. Benchmark PBT less attributable tax is designated as Overall benchmark earnings. 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 total adjustments made to derive Benchmark PBT.

(j) Benchmark earnings per share ('Benchmark EPS')

Benchmark EPS represents Benchmark earnings divided by a weighted average number of ordinary shares, and is disclosed to indicate the underlying profitability of the Group.

(k) Benchmark tax charge and rate

The Benchmark tax charge is defined as the total tax charge as reported in the Group income statement, adjusted for the tax impact of non-benchmark items. The related effective rate of tax is calculated by dividing the Benchmark tax charge by Benchmark PBT.

(l) Exceptional items

The separate reporting of non-recurring exceptional items gives an indication of the Group's underlying performance. Exceptional items are those arising from the profit or loss on disposal of businesses, closure costs of major business units and costs of significant restructuring programmes. All other restructuring costs are charged against EBIT, in the segments in which they are incurred.

(m) Operating and free cash flow

Operating cash flow is defined as EBIT from continuing operations, plus amortisation, depreciation and charges in respect of share-based incentive plans, less capital expenditure net of disposal proceeds and further adjusted for changes in working capital and the profit or loss retained in continuing associates. Operating cash flow is reconciled to cash generated from operations in note 18. Free cash flow is derived from operating cash flow by excluding net interest, tax paid in respect of continuing operations and dividends paid to non-controlling interests.

(n) Cash flow conversion

Cash flow conversion is defined as operating cash flow expressed as a percentage of EBIT.

(o) Net debt

Net debt is defined as borrowings (and the fair value of derivatives hedging borrowings) excluding accrued interest, less cash and cash equivalents reported in the Group balance sheet and other highly liquid bank deposits with original maturities greater than three months.

(p) Capital employed

Capital employed is defined as net assets less non-controlling interests, further adjusted to add or deduct the net tax asset or liability and to add net debt.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

6. Segment information

(a) Income statement

Six months ended 30 September 2014	North America	Latin America	UK & Ireland	EMEA/ Asia Pacific	**Total operating segments**	Central Activities	**Total continuing operations**
	US$m	US$m	US$m	US$m	**US$m**	US$m	**US$m**
Revenue from external customers							
Continuing activities	1,207	453	498	235	**2,393**	**-**	**2,393**
Discontinuing activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	1,207	453	498	235	**2,393**	**-**	**2,393**
Reconciliation from EBIT to profit/(loss) before tax							
EBIT							
Continuing activities	363	160	152	(10)	**665**	(38)	**627**
Discontinuing activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	363	160	152	(10)	**665**	(38)	**627**
Net interest (note 10(b))	**-**	**-**	**-**	**-**	**-**	(37)	**(37)**
Benchmark PBT	363	160	152	(10)	**665**	(75)	**590**
Amortisation of acquisition intangibles (note 9)	(38)	(21)	(7)	(4)	**(70)**	**-**	**(70)**
Acquisition expenses	**-**	**-**	(1)	**-**	**(1)**	**-**	**(1)**
Financing fair value remeasurements (note 10(c))	**-**	**-**	**-**	**-**	**-**	15	**15**
Profit/(loss) before tax	325	139	144	(14)	**594**	(60)	**534**

Six months ended 30 September 2013	North America	Latin America	UK & Ireland	EMEA/ Asia Pacific	**Total operating segments**	Central Activities	**Total continuing operations**

	US$m	US$m	US$m	US$m	**US$m**	US$m	**US$m**
Revenue from external customers							
Continuing activities	1,150	475	435	229	**2,289**	**-**	**2,289**
Discontinuing activities	**-**	18	**-**	36	**54**	**-**	**54**
Total	1,150	493	435	265	**2,343**	**-**	**2,343**
Reconciliation from EBIT to profit/(loss) before tax							
EBIT							
Continuing activities	351	176	129	(8)	**648**	(38)	**610**
Discontinuing activities	**-**	**-**	**-**	(2)	**(2)**	**-**	**(2)**
Total	351	176	129	(10)	**646**	(38)	**608**
Net interest (note 10(b))	**-**	**-**	**-**	**-**	**-**	(35)	**(35)**
Benchmark PBT	351	176	129	(10)	**646**	(73)	**573**
Exceptional items (note 8)	(17)	(9)	(4)	1	**(29)**	**-**	**(29)**
Amortisation and impairment of acquisition intangibles (note 9)	(17)	(25)	(8)	(14)	**(64)**	**-**	**(64)**
Impairment of goodwill (note 9)	**-**	**-**	**-**	(15)	**(15)**	**-**	**(15)**
Acquisition expenses	(2)	**-**	**-**	**-**	**(2)**	**-**	**(2)**
Financing fair value remeasurements (note 10(c))	**-**	**-**	**-**	**-**	**-**	17	**17**
Profit/(loss) before tax	315	142	117	(38)	**536**	(56)	**480**

(b) 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 'Operating segments' is given within note 7. This is supplemented by voluntary disclosure of the profitability of groups of service lines. For ease of reference, Experian continues to use the term 'business segments' when discussing the results of groups of service lines.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

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

Six months ended 30 September 2014	Credit Services	Decision Analytics	Marketing Services	Consumer Services	**Total business segments**	Central Activities	**Total continuing operations**
	US$m	US$m	US$m	US$m	**US$m**	US$m	**US$m**
Revenue from external customers							
Continuing activities	1,195	271	419	508	**2,393**	**-**	**2,393**
Discontinuing activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	1,195	271	419	508	**2,393**	**-**	**2,393**
Reconciliation from EBIT to profit/(loss) before tax							
EBIT							
Continuing activities	427	37	54	147	**665**	(38)	**627**
Discontinuing activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	427	37	54	147	**665**	(38)	**627**
Net interest (note 10(b))	**-**	**-**	**-**	**-**	**-**	(37)	**(37)**
Benchmark PBT	427	37	54	147	**665**	(75)	**590**
Amortisation of acquisition intangibles (note 9)	(48)	(7)	(8)	(7)	**(70)**	**-**	**(70)**
Acquisition expenses	**-**	**-**	(1)	**-**	**(1)**	**-**	**(1)**
Financing fair value remeasurements (note 10(c))	**-**	**-**	**-**	**-**	**-**	15	**15**
Profit/(loss) before tax	379	30	45	140	**594**	(60)	**534**

Six months ended 30 September 2013	Credit Services	Decision Analytics	Marketing Services	Consumer Services	**Total business segments**	Central Activities	**Total continuing operations**
	US$m	US$m	US$m	US$m	**US$m**	US$m	**US$m**
Revenue from external customers							
Continuing activities	1,090	252	411	536	**2,289**	**-**	**2,289**
Discontinuing activities	**-**	**-**	54	**-**	**54**	**-**	**54**
Total	1,090	252	465	536	**2,343**	**-**	**2,343**
Reconciliation from EBIT to profit/(loss) before tax							
EBIT							
Continuing activities	382	44	54	168	**648**	(38)	**610**
Discontinuing activities	**-**	**-**	(2)	**-**	**(2)**	**-**	**(2)**
Total	382	44	52	168	**646**	(38)	**608**
Net interest (note 10(b))	**-**	**-**	**-**	**-**	**-**	(35)	**(35)**
Benchmark PBT	382	44	52	168	**646**	(73)	**573**
Exceptional items (note 8)	(23)	(4)	2	(4)	**(29)**	**-**	**(29)**
Amortisation and impairment of acquisition intangibles (note 9)	(32)	(4)	(19)	(9)	**(64)**	**-**	**(64)**
Impairment of goodwill (note 9)	**-**	**-**	(15)	**-**	**(15)**	**-**	**(15)**
Acquisition expenses	**-**	(1)	(1)	**-**	**(2)**	**-**	**(2)**
Financing fair value remeasurements (note 10(c))	**-**	**-**	**-**	**-**	**-**	17	**17**
Profit/(loss) before tax	327	35	19	155	**536**	(56)	**480**

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

8. Exceptional items

	Six months ended 30 September	
	2014 US$m	2013 US$m
Restructuring costs:		
Redundancy costs	**-**	31
Asset write-offs	**-**	6
Restructuring costs	**-**	37
Gain on disposal of businesses	**-**	(8)
Total exceptional items - reported within total operating expenses	**-**	29

(a) Restructuring costs
The Group conducted a strategic review of its cost base during the year ended 31 March 2013 and recognised a charge in connection with this significant programme of US$54m in that year and US$68m in the year ended 31 March 2014, of which US$37 arose in the six months ended 30 September 2013. No further charge has been recognised in the six months ended 30 September 2014 and there have been no reversals of earlier provisions in the period. The cash outflow from the restructuring programme in the six months ended 30 September 2014 was US$10m (2013: US$41m) and a reconciliation of the charge to the cash outflow is given in note 17(c).

(b) Gain on disposal of businesses
The net gain on disposal of businesses in the six months ended 30 September 2013 related to the disposal of the market research services business of Sinotrust International Information & Consulting (Beijing) Co. (which traded as Sinotrust MRS in China) together with other small disposals. There was a cash inflow on the disposal of businesses in the six months ended 30 September 2013 of US$23m. The cash inflow on the disposal of businesses in the six months ended 30 September 2014 of US$17m principally related to the Sinotrust transaction.

9. Other adjustments made to derive Benchmark PBT

	Six months ended 30 September	
	2014 US$m	2013 US$m
Amortisation and impairment of acquisition intangibles:		
Amortisation	**70**	55
Impairment	**-**	9
Amortisation and impairment of acquisition intangibles	**70**	64
Impairment of goodwill	**-**	15
Acquisition expenses	**1**	2
Financing fair value remeasurements (note 10(c))	**(15)**	(17)
Other adjustments made to derive Benchmark PBT	**56**	64
By income statement caption:		
Within total operating expenses and charged within operating profit	**71**	81
Within net finance costs	**(15)**	(17)
Other adjustments made to derive Benchmark PBT	**56**	64

During the six months ended 30 September 2013, the Group recorded impairment charges of US$24m, comprising US$9m on acquisition intangibles (primarily customer relationships and other contractual relationships) and US$15m on goodwill, on a business in the EMEA/Asia Pacific region that was held for sale at 30 September 2013.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

10. Net finance costs

(a) Net finance costs included in Profit before tax

	Six months ended 30 September	
	2014 US$m	2013 US$m
Interest income:		
Bank deposits, short-term investments and loan notes	**(15)**	(10)
Interest on opening net retirement benefit assets	**(1)**	(1)
Interest income	**(16)**	(11)
Finance expense:		
Interest expense	**53**	46
Credit in respect of financing fair value remeasurements (note 10(c))	**(15)**	(17)

Finance expense	**38**	29
Net finance costs included in Profit before tax	**22**	18

(b) Net interest expense included in Benchmark PBT

	Six months ended 30 September	
	2014	2013
	US$m	US$m
Interest income	**(16)**	(11)
Interest expense	**53**	46
Net interest expense included in Benchmark PBT	**37**	35

(c) Analysis of credit in respect of financing fair value remeasurements

	Six months ended 30 September	
	2014	2013
	US$m	US$m
Decrease in fair value of options	**(8)**	(10)
Other financing fair value gains	**(7)**	(7)
Credit in respect of financing fair value remeasurements	**(15)**	(17)

Further information in respect of the valuation of put options is given in note 25.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

11. Tax

(a) Group tax charge and effective rate of tax

	Six months ended 30 September	
	2014	2013
	US$m	US$m
Group tax charge	**125**	144
Profit before tax	**534**	480
Effective rate of tax based on Profit before tax	**23.4%**	30.0%

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

	Six months ended 30 September	
	2014	2013
	US$m	US$m
Group tax charge	**125**	144
Tax attributable to exceptional items	**-**	2
Tax relief on other adjustments made to derive Benchmark PBT	**23**	19
Deferred tax charge arising on rate reduction	**-**	(11)
Benchmark tax charge	**148**	154
Benchmark PBT	**590**	573
Benchmark tax rate	**25.1%**	26.9%

In the six months ended 30 September 2013, a deferred tax charge of US$11m was recognised as a consequence of the enacted reduction in the main rate of UK corporation tax from 23% to 20% and the associated reduction in deferred tax assets recognised in respect of tax losses. This amount was excluded from the calculation of the Benchmark tax charge and rate in view of its size and nature. The impact of this change was spread over the year ended 31 March 2014 with a similar charge recognised in the second half of that financial year.

(c) Tax recognised in other comprehensive income and directly in equity
In the six months ended 30 September 2014, a tax credit of US$1m (2013: US$8m) has been recognised in other comprehensive income, principally relating to remeasurement losses on defined benefit pension plans of US$3m (2013: US$33m). There is no tax applicable to the currency translation items recognised in other comprehensive income.

In the six months ended 30 September 2014, a tax charge relating to employee share incentive plans of US$6m (2013: US$10m) has been recognised in equity and is separately reported within transactions with owners in the Group statement of changes in total equity.

12. Discontinued operations

Experian completed a transaction to divest the Group's comparison shopping and lead generation businesses in October 2012. No profits or losses or cash flows were required to be recognised in respect of these businesses in the six months ended 30 September 2014.The cash flows in the six months ended 30 September 2013 comprised:

- A cash inflow of US$90m, disclosed as discontinuedwithin net cash inflow from operating activities in the Group cash flow statement, being the amount recovered on the tax losses of these businesses.
- A net cash inflow arising on the disposal of these businesses of US$2m, disclosed within net cash flows used in investing activities in the Group cash flow statement, being consideration received of US$5m less transaction costs paid of 2013: US$3m.

The net cash outflow arising on the disposal of discontinued businesses in the six months ended 30 September 2014 of US$8m, disclosed within net cash flows used in investing activities in the Group cash flow statement, comprises costs paid in respect of an earlier transaction.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

13. Earnings per share disclosures

(a) Earnings per share ('EPS')

	Six months ended 30 September			
	Basic		Diluted	
	2014 US cents	2013 US cents	**2014 US cents**	2013 US cents
EPS	**41.8**	34.2	**41.4**	33.8
Add: loss per share from exceptional items and other adjustments made to derive Benchmark PBT, net of tax	**3.3**	8.3	**3.4**	8.2
Benchmark EPS (non-GAAP measure)	**45.1**	42.5	**44.8**	42.0

(b) Analysis of earnings
(i) Attributable to owners of Experian plc

	Six months ended 30 September	
	2014 US$m	2013 US$m
Profit for the period attributable to owners of Experian plc	**408**	336
Add: exceptional items and other adjustments made to derive Benchmark PBT, net of tax	**33**	82
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**441**	418

(ii) Attributable to non-controlling interests

	Six months ended 30 September	
	2014 US$m	2013 US$m
Profit for the period attributable to non-controlling interests	**1**	-
Add: amortisation of acquisition intangibles attributable to non-controlling interests, net of tax	**-**	1
Benchmark earnings attributable to non-controlling interests (non-GAAP measure)	**1**	1

(c) Reconciliation of Overall benchmark earnings to Profit for the period

	Six months ended 30 September	
	2014 US$m	2013 US$m
Overall benchmark earnings (non-GAAP measure)	**442**	419
Loss from exceptional items and other adjustments made to derive Benchmark PBT, net of tax	**(33)**	(83)
Profit for the period	**409**	336

(d) Weighted average number of ordinary shares used

	Six months ended 30 September	
	2014 million	2013 million
Weighted average number of ordinary shares	**977**	983
Add: dilutive effect of share incentive awards, options and share purchases	**8**	12
Diluted weighted average number of ordinary shares	**985**	995

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

14. Dividends

	Six months ended 30 September			
	2014 US cents per share	**2014 US$m**	2013 US cents per share	2013 US$m
Amounts recognised and paid:				
Second interim - paid in July 2014 (2013: July)	**26.00**	**254**	24.00	236
First interim - announced	**12.25**	**120**	11.50	113

A first interim dividend of 12.25 US cents per ordinary share will be paid on 30 January 2015 to shareholders on the register at the close of business on 5 January 2015 and is not included as a liability in these condensed half-yearly financial statements. The first interim dividend for the six months ended 30 September 2013 was 11.50 US cents per ordinary share and the total dividend per ordinary share for the year ended 31 March 2014 was 37.50 US cents with a total full year cost of US$367m.

15. Capital expenditure, disposals and capital commitments

(a) Additions
During the six months ended 30 September 2014, the Group incurred capital expenditure of US$176m (2013: US$182m).

(b) Disposals
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 six months ended 30 September 2014 was US$1m (2013: US$2m) and the amount realised was US$nil (2013: US$1m).

(c) Capital commitments
At 30 September 2014, the Group had capital commitments in respect of intangible assets and property, plant and equipment for which contracts had been placed of US$82m (2013: US$110m). Capital commitments at 30 September 2014 include commitments of US$59m not expected to be incurred before 30 September 2015. Capital commitments at 30 September 2013 included commitments of US$65m not then expected to be incurred before 30 September 2014.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

16. Post-employment benefit assets and obligations - defined benefit plans

(a) Amounts recognised in the Group balance sheet

	30 September	
	2014 US$m	2013 US$m
Retirement benefit assets - funded plans:		
Fair value of funded plans' assets	**1,115**	1,035
Present value of funded plans' obligations	**(1,045)**	(983)
Retirement benefit assets - surplus in funded plans	**70**	52
Retirement benefit obligations - unfunded plans:		
Present value of unfunded pension obligations	**(50)**	(49)
Present value of post-retirement healthcare obligations	**(10)**	(12)
Retirement benefit obligations - unfunded plans	**(60)**	(61)
Net retirement benefit assets/(obligations)	**10**	(9)

The net retirement benefit assets of US$13m at 1 April 2014 comprised assets of US$74m in respect of funded plans and obligations of US$61m in respect of unfunded plans. The retirement benefit assets and obligations are denominated primarily in sterling.

(b) Movements in net amount recognised in the Group balance sheet

	Six months ended 30 September	
	2014 US$m	2013 US$m
At 1 April	**13**	24
Income recognised in Group income statement:		
Within total operating expenses	**(6)**	(6)
Within net finance costs - interest income	**1**	1
Charge to Group income statement	**(5)**	(5)
Remeasurements recognised within other comprehensive income	**(3)**	(33)
Contributions paid by the Group	**5**	5
At 30 September	**10**	(9)

(c) Actuarial assumptions

	30 September	
	2014	2013
	%	%
Discount rate	**4.0**	4.4
Inflation rate - based on the UK Retail Prices Index (the 'RPI')	**3.1**	**3.3**
Inflation rate - based on the UK Consumer Prices Index (the 'CPI')	**2.1**	**2.3**
Increase in salaries	**3.6**	**3.8**
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 5%)	**1.6**	**2.3**
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**	**2.3**
Inflation in medical costs	**6.6**	**6.8**

The mortality and other demographic assumptions used at 30 September 2014 remain unchanged from those used at 31 March 2014 and disclosed in the Group's statutory financial statements for the year then ended.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

17. Notes to the Group cash flow statement

(a) Cash generated from operations

	Notes	Six months ended 30 September	
		2014	2013
		US$m	US$m
Profit before tax		**534**	480
Share of post-tax profit of associates		**(3)**	(1)
Net finance costs		**22**	18
Operating profit		**553**	497
Loss on disposal of fixed assets		**-**	1
Gain on disposal of businesses		**-**	(8)
Amortisation and depreciation		**262**	238
Impairment of acquisition intangibles	9	**-**	9
Impairment of goodwill	9	**-**	15
Charge in respect of share incentive plans		**36**	34
Increase in working capital	17(b)	**(82)**	(127)
Movement in exceptional items included in working capital		**(10)**	(10)
Cash generated from operations		**759**	649

(b) Increase in working capital

	Six months ended 30 September	
	2014	2013
	US$m	US$m
Inventories	**-**	1
Trade and other receivables	**66**	77
Trade and other payables	**(148)**	(205)
Increase in working capital	**(82)**	(127)

(c) Reconciliation of cash outflow in respect of restructuring programme

	Note	Six months ended 30 September	
		2014	2013
		US$m	US$m
Charge for restructuring costs	8	**-**	37
Working capital movements		**10**	10
Asset write-offs		**-**	(6)
Cash outflow in respect of restructuring programme		**10**	41

(d) Cash outflow/(inflow) in respect of tax

	Note	Six months ended 30 September	
		2014	2013
		US$m	US$m
Tax paid - continuing operations		**62**	77
Tax recovery on disposal transaction - discontinued operations	12	**-**	(90)
Cash outflow/(inflow) in respect of tax		**62**	(13)

(e) Purchase of other intangible assets

	Six months ended 30 September	
	2014	2013
	US$m	US$m
Databases	**104**	99
Internally generated software	**34**	31
Internal use software	**16**	18
Purchase of other intangible assets	**154**	148

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

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

(f) Cash outflow on acquisitions (non-GAAP measure)

	Notes	Six months ended 30 September	
		2014	2013
		US$m	US$m
Purchase of subsidiaries	23	**38**	71
Net cash acquired with subsidiaries		**(8)**	(5)
As reported in the Group cash flow statement		**30**	66
Acquisition expenses paid		**1**	2
(Receipts)/payments for transactions with non-controlling interests		**(2)**	19
Cash outflow for acquisitions (non-GAAP measure)		**29**	87

(g) Cash flows in respect of net share purchases (non-GAAP measure)

	Notes	Six months ended 30 September	
		2014	2013
		US$m	US$m
Issue of ordinary shares	21	**(12)**	(11)
Net cash (inflow)/outflow on exercise of share options and vesting of share awards		**(4)**	60
Purchase of own shares by employee trusts	22	**38**	120
Purchase of own shares held in treasury	22	**108**	153
Cash outflow in respect of net share purchases (non-GAAP measure)		**130**	322
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		**146**	333
		130	322

(h) Analysis of cash and cash equivalents

	Note	Six months ended 30 September	
		2014	2013
		US$m	US$m
Cash and cash equivalents in the Group balance sheet		**248**	507
Bank overdrafts		**(1)**	(1)
Cash and cash equivalents (net of overdrafts)		**247**	506
Cash and cash equivalents classified within assets held for sale	24	**-**	12
Cash and cash equivalents - as reported in the Group cash flow statement		**247**	518

Cash and cash equivalents at 1 April 2014 in the Group cash flow statement were reported net of overdrafts of US$4m (1 April 2013: US$3m).

18. Reconciliation of Cash generated from operations to Operating cash flow (non-GAAP measure)

	Notes	Six months ended 30 September	
		2014	2013
		US$m	US$m
Cash generated from operations	17(a)	**759**	649
Acquisition expenses paid		**1**	2
Purchase of other intangible assets	17(e)	**(154)**	(148)
Purchase of property, plant and equipment		**(22)**	(34)
Sale of property, plant and equipment		**1**	1
Dividends received from associates		**3**	-
Cash outflow in respect of restructuring programme	17(c)	**10**	41
Operating cash flow (non-GAAP measure)		**598**	511

Free cash flow for the six months ended 30 September 2014 was US$499m (2013: US$400m). Cash flow conversion for the six

months ended 30 September 2014 was 95% (2013: 84%).

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

19. Net debt (non-GAAP measure)

(a) Analysis of net debt by nature

	30 September	
	2014 US$m	2013 US$m
Cash and cash equivalents (net of overdrafts)	**247**	506
Debt due within one year - commercial paper	**(545)**	-
Debt due within one year - bonds and notes	**-**	(544)
Debt due within one year - finance lease obligations	**(3)**	(20)
Debt due after more than one year - bonds and notes	**(2,662)**	(2,046)
Debt due after more than one year - bank loans and finance lease obligations	**(811)**	(1,158)
Derivatives hedging loans and borrowings	**62**	106
	(3,712)	(3,156)

(b) Analysis of net debt by balance sheet caption

	30 September	
	2014 US$m	2013 US$m
Cash and cash equivalents in the Group balance sheet	**248**	507
Current borrowings in the Group balance sheet	**(549)**	(589)
Non-current borrowings in the Group balance sheet	**(3,526)**	(3,248)
Total reported in the Group balance sheet	**(3,827)**	(3,330)
Accrued interest reported within borrowings above but excluded from net debt	**53**	68
Derivatives reported within financial assets	**69**	106
Derivatives reported within financial liabilities	**(7)**	-
	(3,712)	(3,156)

Debt due within one year at 30 September 2013 included US$544m for the £334m 5.625% Euronotes 2014 which were redeemed in December 2013. At 31 March 2014, net debt was US$3,809m. There is no material difference between the carrying values of borrowings reported in the Group balance sheet and their fair values.

(c) Movement in net debt

	1 April 2014	Movements in the six months ended 30 September 2014				**30 September 2014**
	US$m	Cash flow US$m	Net share purchases US$m	Fair value gains/(losses) US$m	Exchange and other US$m	**US$m**
Cash and cash equivalents	212	188	(130)	-	(22)	**248**
Borrowings	(4,160)	44	-	(20)	61	**(4,075)**
Total reported in the Group balance sheet	(3,948)	232	(130)	(20)	39	**(3,827)**
Accrued interest excluded from net debt	10	(7)	-	-	50	**53**
Derivatives hedging loans and borrowings	129	(3)	-	28	(92)	**62**
	(3,809)	222	(130)	8	(3)	**(3,712)**

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

20. Borrowings

(a) Bank borrowing facilities

An analysis of undrawn committed bank borrowing facilities is set out in the table below.

	30 September	
	2014 US$m	2013 US$m
Facilities expiring in:		
One to two years	**60**	68
Two to three years	**-**	2,017
Four to five years	**2,025**	-
	2,085	2,085

At 31 March 2014, there were undrawn committed borrowing facilities of US$2,216m.

(b) Covenants and gearing ratio

There is one financial covenant in connection with the borrowing facilities. EBIT must exceed three times net interest

expense before financing fair value remeasurements. The Group monitors this and the net debt to EBITDA gearing ratio and has been compliant with this covenant throughout the period.

21. 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 2013	1,030.1	102	1,480
Shares issued under employee share incentive plans	1.3	-	11
At 30 September 2013	1,031.4	102	1,491
Shares issued under employee share incentive plans	0.2	1	1
At 31 March 2014	1,031.6	103	1,492
Shares issued under employee share incentive plans	1.0	-	12
At 30 September 2014	**1,032.6**	**103**	**1,504**

22. Own shares held

	Number of shares million	Cost of shares US$m
At 1 April 2013	42	565
Purchase of shares by employee trusts	7	120
Purchase of shares held in treasury	8	153
Exercise of share awards and options	(5)	(70)
At 30 September 2013	52	768
Purchase of shares by employee trusts	-	6
Purchase of shares held in treasury	3	50
Exercise of share awards and options	(1)	(15)
At 31 March 2014	54	809
Purchase of shares by employee trusts	2	38
Purchase of shares held in treasury	6	108
Exercise of share awards and options	(6)	(104)
At 30 September 2014	**56**	**851**

Own shares held at 30 September 2014 include 14 million (2013: 24 million) shares held in employee trusts and 42 million (2013: 28 million) shares held in treasury. Own shares held at 31 March 2014 included 16 million shares (31 March 2013: 22 million shares) held in employee trusts and 38 million shares held in treasury (31 March 2013: 20 million shares). There was a transfer of 7 million shares from trust to treasury in the year ended 31 March 2014.

The total cost of own shares held at 30 September 2014 of US$851m (2013: US$768m) is deducted from other reserves in the Group balance sheet. The cost at 31 March 2014 of US$809m (31 March 2013: US$565m) was similarly deducted.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

23. Acquisitions

The Group made two acquisitions during the six months ended 30 September 2014, in connection with which provisional goodwill of US$35m was recognised based on the provisional fair values of the net assets acquired of US$18m. The consideration was US$53m and, of this amount, US$38m was settled in cash. Neither of the acquisitions in the period was individually material.

The provisional fair values contain amounts which will be finalised no later than one year after the date of acquisition. Goodwill represents the assembled workforce and future growth potential of the businesses acquired. The provisional goodwill arising in the period of US$35m is not currently deductible for tax purposes.

There have been no material gains, losses, error corrections or other adjustments recognised in the period ended 30 September 2014 that relate to acquisitions in the current or previous years.

There was a cash outflow of US$66m reported in the Group cash flow statement in the six months ended 30 September 2013, after a deduction of US$5m for net cash acquired with subsidiaries. There was no deferred consideration settled in that period on earlier acquisitions.

24. Assets and liabilities classified as held for sale at 30 September 2013

During the period ended 30 September 2013, approval was given for the disposal of small non-core businesses in Latin America and EMEA/Asia Pacific and accordingly the assets and liabilities of these businesses were classified as held for sale at 30 September 2013. Disposal transactions were completed by 31 March 2014.

The assets and liabilities of these businesses at 30 September 2013 are analysed in the table below and are reported after impairment charges of US$24m in the six months then ended (see note 9).

	US$m
Assets classified as held for sale:	
Goodwill	4
Other intangible assets	16
Property, plant and equipment	1
Investment in associates	10

Inventories	2
Trade receivables	10
Other prepayments and accrued income	4
Cash and cash equivalents	12
Assets classified as held for sale	59

Liabilities classified as held for sale:	
Trade payables	11
Accruals and deferred income	7
Other payables	5
Current tax liabilities	1
Deferred tax liabilities	4
Liabilities classified as held for sale	28

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

25. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks - market risk, including foreign exchange risk and interest rate risk, credit risk and liquidity risk. These risks and the policies adopted by way of mitigation are unchanged from those reported in the annual report and financial statements for the year ended 31 March 2014. Full information and disclosures were contained in that document.

(b) Analysis by valuation method for items measured at fair value
(i) As at 30 September 2014

	Level 1 US$m	Level 2 US$m	Level 3 US$m	**Total US$m**
Financial assets:				
Derivatives used for hedging	-	110	-	**110**
Financial assets at fair value through profit and loss	-	29	-	**29**
Amounts reported as other financial assets	-	139	-	**139**
Available-for-sale	37	-	3	**40**
	37	139	3	**179**
Financial liabilities:				
Derivatives used for hedging	-	-	-	**-**
Financial liabilities at fair value through profit and loss	-	31	34	**65**
	-	31	34	**65**
Net financial assets/(liabilities)	37	108	(31)	**114**

(ii) As at 30 September 2013

	Level 1 US$m	Level 2 US$m	Level 3 US$m	**Total US$m**
Financial assets:				
Derivatives used for hedging	-	163	-	**163**
Financial assets at fair value through profit and loss	-	26	-	**26**
Amounts reported as other financial assets	-	189	-	**189**
Available-for-sale	40	-	3	**43**
	40	189	3	**232**
Financial liabilities:				
Derivatives used for hedging	-	-	-	**-**
Financial liabilities at fair value through profit and loss	-	31	45	**76**
Commitment for future purchase of own shares	38	-	-	**38**
	38	31	45	**114**
Net financial assets/(liabilities)	2	158	(42)	**118**

In accounting for items measured at fair value, Experian follows EU-IFRS including IFRS 13 'Fair value measurement'. The fair values of derivative financial instruments and other financial assets and liabilities are determined by using market data and established estimation techniques such as discounted cash flow and option valuation models. The fair value of foreign exchange contracts is based on a comparison of the contractual and period end exchange rates. The fair values of other derivative financial instruments are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the period end. There have been no changes in valuation techniques during the period under review.

The levels used in the above tables are defined in IFRS 13.

- Assets and liabilities whose valuations are based on unadjusted quoted prices in active markets for identical assets and liabilities are classified as Level 1.
- Assets and liabilities which are not traded in an active market and whose valuations are derived from available market data that is observable for the asset or liability are classified as Level 2.

- Assets and liabilities whose valuations are derived from inputs not based on observable market data are classified as Level 3.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

25. Financial risk management (continued)

For Experian Level 3 items principally comprise put and call options associated with corporate transactions. The inputs used in determining valuations are a mix of earnings and asset valuations reflecting different contractual arrangements as appropriate. There would be no material effect on the amounts stated from any reasonably possible change in such inputs at 30 September 2014.

There have been no transfers between levels during the current or prior period.

(c) Analysis of movements in Level 3 net financial assets/(liabilities)

(i) Six months ended 30 September 2014

	Available-for-sale US$m	Other US$m	**Total US$m**
At 1 April 2014	3	(44)	**(41)**
Fair value gains recognised in Group income statement (note 10(c))	-	8	**8**
Currency translation gains recognised directly in other comprehensive income	-	2	**2**
At 30 September 2014	**3**	**(34)**	**(31)**

(ii) Six months ended 30 September 2013

	Available-for-sale US$m	Other US$m	**Total US$m**
At 1 April 2013	3	(55)	**(52)**
Fair value gains recognised in Group income statement (note 10(c))	-	10	**10**
At 30 September 2013	**3**	**(45)**	**(42)**

(d) Other financial assets and liabilities
There are no material differences between the carrying value of the Group's other financial assets and liabilities and their estimated fair values. The following assumptions and methods are used to estimate the fair values of financial assets and liabilities not measured at fair value:

- The fair value of receivables, payables and cash and cash equivalents is considered to approximate to the carrying amounts;
- The fair value of short-term borrowings is considered to approximate to the carrying amounts due to the short maturity terms of such instruments; and
- The fair value of long-term borrowings are based on quoted market prices in the case of that portion fixed rate borrowings not carried at fair value and are considered to approximate to the carrying amount in the case of floating rate bank loans and finance lease obligations.

(e) Carrying value of financial assets and liabilities
There have been no unusual changes in economic or business circumstances that have affected the carrying value of the Group's financial assets and liabilities at 30 September 2014.

26. Contingencies

(a) Brazilian credit scores
As indicated in our 2014 annual report and financial statements, the Group has received a significant number of claims in Brazil, primarily in three states, relating to the disclosure and use of credit scores. The cases are mainly individual small claims and also include a small number of class actions. The Group has continued to receive a significant number of these individual small claims in the first half of the financial year. Similar proceedings have been commenced against other suppliers of credit scores in Brazil. The Superior Tribunal of Justice (the 'STJ'), the highest court in Brazil for such cases, has issued a stay on all proceedings relating to these claims while it determines the principal legal issues involved. We anticipate that the STJ will decide the merits of the case in the second half of this financial year. The Group does not believe the claims have merit under Brazilian law and will continue to vigorously defend them. Accordingly, no provision has been made for the ultimate outcome. Given the number of possible outcomes, the wide range of potential costs and the different courses of action which may be available to the Group, it cannot reliably quantify the possible exposure.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2014

26. Contingencies (continued)

(b) Brazilian tax
As previously indicated, Serasa has been advised that the Brazilian tax authorities are challenging the deduction for tax purposes of goodwill amortisation arising from its acquisition by Experian in 2007. The possibility of this resulting in a liability to the Group is believed to be remote, on the basis of the advice of external legal counsel and other factors in respect of the claim.

(c) Other litigation and claims
There continue 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.

27. Post balance sheet events

(a) First interim dividend
Details of the first interim dividend approved by the board on 5 November 2014 are given in note 14.

(b) Acquisitions and divestments
There have been no individually material acquisitions or divestments since the balance sheet date.

28. Seasonality

The Group's results are subject to certain seasonal fluctuations and effects, as described in the commentary on page 14.

29. Company website

The Company has a website which contains up-to-date information on Group activities and published financial results. The directors are responsible for the maintenance and integrity of statutory and audited information on this website. As indicated on page 49, the work carried out by the auditors does not involve consideration of these matters. Jersey legislation and UK regulation governing the preparation and dissemination of financial information may differ from requirements in other jurisdictions.

Statement of directors' responsibilities

The directors are responsible for preparing the half-yearly financial report for the six months ended 30 September 2014 in accordance with applicable law, regulations and accounting standards. In preparing the condensed half-yearly financial statements the directors are responsible for ensuring that they give a true and fair view of the state of affairs of the Group at the end of the period and the profit or loss of the Group for that period.

The directors confirm that these condensed half-yearly financial statements have been prepared in accordance with IAS 34 'Interim financial reporting' as adopted by the EU, and that, to the best of their knowledge, the interim management report herein includes a fair review of the information required by the UK Financial Conduct Authority Disclosure and Transparency Rules 4.2.7 and 4.2.8.

The names and biographical details of the directors of Experian plc as at 6 May 2014 were listed in the Group's statutory financial statements for the year ended 31 March 2014. A number of changes to the board had been announced by that date and these have now taken effect. Accordingly in the period from 6 May 2014 to the date of this report:

- Sir John Peace stood down as Chairman and retired as a director after the conclusion of the 2014 Annual General Meeting on 16 July 2014.
- Don Robert, formerly Chief Executive Officer, was appointed as Chairman with effect from 16 July 2014.
- Brian Cassin, formerly Chief Financial Officer, was appointed as Chief Executive Officer with effect from 16 July 2014.
- Chris Callero stood down as President and Chief Operating Officer and retired as a director after the conclusion of the 2014 Annual General Meeting on 16 July 2014.
- Kerry Williams was appointed as Chief Operating Officer and as a director with effect from 16 July 2014.
- Sir Alan Rudge stood down as Deputy Chairman/Senior Independent Director and retired as a director after the conclusion of the 2014 Annual General Meeting on 16 July 2014.
- George Rose, a non-executive director, was appointed Deputy Chairman/Senior Independent Director with effect from 16 July 2014.
- Lloyd Pitchford was appointed as Chief Financial Officer and as a director with effect from 1 October 2014.

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

By order of the board

Charles Brown
Company Secretary

5 November 2014

Independent review report to Experian plc

Report on the condensed half-yearly financial statements

Our conclusion
We have reviewed the condensed half-yearly financial statements, defined below, in the half-yearly financial report of Experian plc for the six months ended 30 September 2014. Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

What we have reviewed

The condensed half-yearly financial statements, which are prepared by Experian plc, comprise:

- the Group income statement and Group statement of comprehensive income for the period then ended 30 September 2014;
- the Group balance sheet as at 30 September 2014;
- the Group statement of changes in equity for the period then ended;
- the Group cash flow statement for the period then ended; and
- the notes to the condensed half-yearly financial statements.

As disclosed in note 2, the financial reporting framework that has been applied in the preparation of the annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed half-yearly financial statements included in the half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim financial reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed half-yearly financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of interim financial Information performed by the independent auditor of the entity' issued by the United Kingdom's Auditing Practices Board. A review of half-yearly financial
information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed half-yearly financial statements.

Independent review report to Experian plc (continued)

Responsibilities for the condensed half-yearly financial statements and the review

Our responsibilities and those of the directors

The half-yearly financial report, including the condensed half-yearly financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the Company a conclusion on the condensed half-yearly financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

PricewaterhouseCoopers LLP
Chartered Accountants
London, United Kingdom

5 November 2014

Notes:

(a) The maintenance and integrity of the Experian plc corporate website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the half-yearly financial report since it was initially presented on the website.

(b) Legislation in Jersey and the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Shareholder information

Company website
A full range of investor information is available at www.experianplc.com.

Electronic shareholder communication
Shareholders may register for Share Portal, an electronic communication service provided by Capita Registrars (Jersey) Limited, via the Company website at www.experianplc.com/shares.

The service enables shareholders to access a comprehensive range of shareholder services online, including dividend payment information, the ability to check shareholdings, amend address or bank details and submit AGM proxy voting instructions.

When registering for Share Portal, shareholders can select their preferred communication method - email or post. Shareholders will receive a written notification of the availability on the Company's website of shareholder documents, such as the annual report, unless they have elected to either (i) receive such notification via email or (ii) receive paper copies of shareholder documents where such documents are available in that format.

Dividend information

Dividends for the year ended 31 March 2015

A first interim dividend in respect of the year ended 31 March 2015 of 12.25 US cents per ordinary share will be paid on 30 January 2015 to shareholders on the register at the close of business on 5 January 2015. Unless shareholders elect by 5 January 2015 to receive US dollars, their dividends will be paid in sterling at a rate per share calculated on the basis of the exchange rate from US dollars to sterling on 12 January 2015.

Income Access Share arrangements

As its ordinary shares are listed on the London Stock Exchange, the Company has a large number of UK resident shareholders. In order that shareholders may receive Experian dividends from a UK source, should they wish, the Income Access Share Arrangements (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 shares on the first dividend record date after they become shareholders, unless they elect otherwise, will be deemed to have elected to receive their dividends under the IAS Arrangements.

Shareholders who hold more than 50,000 shares and who wish to receive their dividends from a UK source must make an election to receive dividends via the IAS Arrangements. All elections remain in force indefinitely unless revoked.

Unless shareholders have made an election to receive dividends via the IAS Arrangements, or are deemed to have made such an election, dividends will be received from an Irish source and will be taxed accordingly.

Dividend Reinvestment Plan ('DRIP')

The DRIP enables those shareholders who receive their dividends under the IAS arrangements to use their cash dividends to purchase Experian shares. Shareholders who wish to participate in the DRIP for the first time, in respect of the first interim dividend for the year ending 31 March 2015 to be paid on 30 January 2015, should return a completed and signed DRIP mandate form to be received by the registrars by no later than 5 January 2015. Shareholders should contact the registrars for further details.

Shareholder information (continued)

American Depositary Receipts ('ADR')
Experian has a sponsored Level 1 ADR programme, for which Bank of New York Mellon acts as Depositary. The Level 1 ADR programme is not listed on a stock exchange in the US and trades in the over-the-counter market on the OTCQX platform under the symbol EXPGY. Each ADR represents one Experian plc ordinary share. Further information can be obtained by contacting:

Shareholder Relations
BNY Mellon Depositary Receipts
PO Box 30170
College Station
TX 77842-3170
United States

T +1 201 680 6825 (from the US: 1-888-BNY-ADRS)
E shrrelations@cpushareownerservices.com
W www.mybnymdr.com

Financial calendar

First interim dividend record date	5 January 2015

Interim management statement, third quarter	15 January 2015
First interim dividend to be paid	30 January 2015
Preliminary announcement of results	12 May 2015
Interim management statement, first quarter	16 July 2015
Annual General Meeting	22 July 2015

Contacts

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Capita Registrars (Jersey) Limited
PO Box 532
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E experian@capitaregistrars.com
Text phone facility +44 (0) 208 639 2062 (or 0871 664 0532 from the UK)

*Call charges apply on these numbers.Lines are open from 9.00am to 5.30pm (UK time), Monday to Friday.

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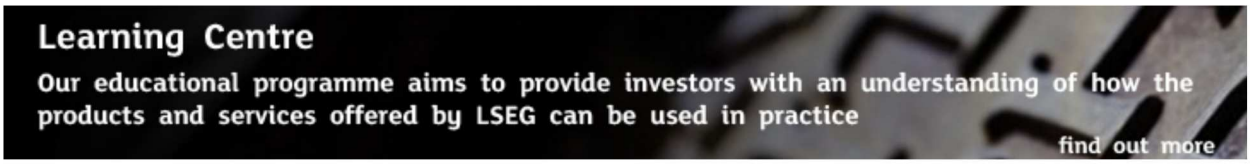

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