news release

Half-yearly financial report

7am, 13 November 2018 – Experian plc, the global information services company, today issues its half-yearly financial report for the six months ended 30 September 2018.

Brian Cassin, Chief Executive Officer, commented:
"We have started the year well, with first-half organic revenue growth of 8% as we expand our data assets, introduce new global products and gain momentum in Consumer Services.

"We now expect full-year organic revenue growth in line with the first half, and at the top of our previous guidance range. While foreign exchange translation remains a headwind, we expect EBIT growth at or above revenue growth and strong progress in Benchmark earnings per share, all at constant currency."

Benchmark and Statutory financial highlights

	2018 US$m	2017[3] US$m	Actual rates growth %	Constant rates growth %	Organic growth %
Benchmark[1]					
Revenue - ongoing activities	2,364	2,204	7	9	8
Benchmark EBIT[2,4]	649	608	7	10	n/a
Benchmark EPS	US48.7c	US45.2c	8	12	n/a
Total dividend	US14.0c	US13.5c	4	n/a	n/a
Statutory					
Revenue	2,364	2,207	7	9	n/a
Operating profit	580	546	6	n/a	n/a
Profit before tax	470	495	(5)	n/a	n/a
Basic EPS	US35.3c	US36.8c	(4)	n/a	n/a

1 See Appendix 1 on page 12 and note 6 to the condensed half-yearly financial statements on pages 24-26 for definitions of non-GAAP measures. 2 From ongoing activities.
3 Results for 2017 are restated for IFRS 15, Benchmark measures are also restated for exited business activities which comprise certain B2B businesses.
4 See page 8 for reconciliation of Benchmark EBIT from ongoing activities to Profit before tax.

- **A strong first half.**
  - 9% total revenue growth at constant currency, 8% organic revenue growth, 7% total revenue growth.
  - Benchmark EBIT margin of 27.5%, up 20 basis points at constant rates, down 10 basis points at actual rates, with 7% total Benchmark EBIT growth.
  - 12% Benchmark EPS growth at constant rates.

- **Further momentum in B2B and continued progress in Consumer Services.**
  - B2B organic revenue growth of 9%.
  - Consumer Services organic revenue growth of 5%, with strong progress across new products.

- **Operational highlights.**
  - Ascend big data analytics platform installed in 14 of our largest US clients; global roll-out underway.
  - Clarity Services acquisition exceeds buy-plan expectations; realising synergies.
  - Global B2B platforms scaling across our geographies; new opportunities secured for PowerCurve, CrossCore, Text for Credit and Verdus.
  - Strong performance in Experian health; double digit growth.
  - IdentityWorks memberships reach 280,000, up over 300% year-on-year.
  - Free consumer memberships reach over 45m combined across our three major markets.
  - New services for consumers introduced: Triple Scan, Child ID Scan and Experian Financial Profile.

- **Continuing commitment to shareholder returns and disciplined capital allocation.**
  - First interim dividend up 4% to 14.0 US cents per ordinary share.
  - Net share repurchases of US$107m, at 30 September 2018.

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There will be a presentation today at 9.30am (UK time) to analysts and investors at the Bank of America Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. The presentation can be viewed live via the link from the Experian website at www.experianplc.com and can also be accessed live via a telephone dial-in facility: 0800 783 0906 (UK primary) or 01296 480 100 (UK direct) or +44 1296 480 100 (International direct), using access code 898 553 59. The supporting slides and an indexed replay will be available on the website later in the day.

Experian will update on third quarter trading for FY19 on 17 January 2019.

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

Definitions
B2B - Business-to-Business.
B2B2C - business-to-business-to-consumer.

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 page 11 for further information on risks and uncertainties facing Experian.

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

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

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

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

Chief Executive Officer's review

We started the year strongly with growth across all regions, and we are excited about the momentum in our business. In the past few years we have invested in our technology, to accelerate the pace of innovation and to expand the scope and range of our data. This means we are well-placed to take advantage of the structural expansion of our addressable markets as data and the use of data grows, as our clients invest in advanced analytics and better decision-making capabilities, and as consumer expectations for fast and seamless digital experiences expand. We are harnessing these opportunities and in the first half our business performed strongly, driven by innovation-led revenue growth.

We delivered a strong financial performance, with:

- Total revenue growth at constant currency of 9%, total revenue growth at actual rates of 7%, and organic revenue growth of 8%.
- B2B delivered organic revenue up 9% for the half-year and Consumer Services was up 5%.
- All regions delivered organic revenue growth.
- Benchmark EBIT growth was up 10% at constant exchange rate, 7% at actual exchange rates.
- EBIT margin of 27.5%, was up 20 basis points at constant currency and down 10 basis points at actual exchange rates.
- Double-digit growth in Benchmark earnings per share, which grew 12% at constant exchange rates.
- Conversion of 74% of Benchmark EBIT into Benchmark operating cash flow.

We delivered strong growth globally across B2B, with total revenue and organic revenue up 11% and 9% respectively as:

- Our One Experian strategy drives further competitive differentiation, given the breadth of our capabilities across data, analytics and decisioning software.
- We sign deals for bigger product bundles, including the integration of Ascend analytics and PowerCurve.
- Momentum builds in our alternative data strategy with Clarity Services performing very well, and as we establish new services to provide alternative credit data assets and consumer-permissioned data.
- We see expanded opportunities in our global platforms which we are scaling across our geographies.
    - Ascend is now installed in 14 of our largest clients in North America (to 31 October 2018), we will shortly extend it to the US mid-market and we have introduced it in the UK and Ireland, and EMEA.
    - PowerCurve performed strongly in the half.
    - CrossCore bookings have accelerated, totalling 90 signed agreements at the half-year end.
    - Text for Credit has been rolled out to 5 of our markets.
    - We are engaging with many clients to introduce our open data platform, Verdus.
- We agreed an equity investment in C88 (parent of CekAja.com), one of Southeast Asia's fastest growing comparison sites in Indonesia and the Philippines, alongside a commercial agreement to supply Experian scores and decisioning tools.

Consumer Services delivered organic revenue growth of 5%, as we made further significant progress executing on our diversification strategy:

- IdentityWorks memberships in North America have now reached 280,000, up over 300% year-on-year, with annualised revenues now projected at c. US$60m in FY19.
- Our global free consumer membership base builds to over 45m, creating new opportunities to engage consumers in our major markets, and now is at 16m in the US, over 25m in Brazil and 4.7m the UK respectively.
- Credit marketplace (lead generation) revenues grow strongly, projected globally at over $45m for FY19.
- We are launching new products at significant pace and have a strong pipeline scheduled for the second half.

With regards to capital allocation and uses of cash:

- We invested organically across a broad range of initiatives in support of our strategy. We also made inorganic investments in the half through minority investments and venture investments totalling US$30m.
- We are announcing a first interim dividend of 14.0 US cents per share, up 4% year-on-year. This dividend will be paid on 1 February 2019 to shareholders on the register at the close of business on 4 January 2019.
- We completed US$107m net share repurchases in the half.

Regional highlights
We delivered organic revenue growth across all regions, with particular strength in North America and EMEA/Asia Pacific.

Year-on-year % change in organic revenue [1]						**EBIT margin**
	Data	*Decisioning*	**B2B[2]**	**Consumer Services**	**Total**	**Total**
North America	*12*	*10*	12	8	10	34.4%
Latin America	*0*	*31*	4	n/a	4	28.9%
UK and Ireland	*3*	*9*	5	(6)	3	26.0%
EMEA/Asia Pacific	*4*	*20*	13	n/a	13	(4.5%)
Total Global	*7*	*13*	9	5	8	27.5%

1 Ongoing activities only, at constant exchange rates.
2 B2B = Business-to-Business segment consists of Data and Decisioning business sub-divisions.
See Appendix 1 on page 12 and note 6 to the condensed half-yearly financial statements on pages 25-26 for definition of organic revenue growth.

North America

Total revenue in North America was US$1,430m, with total revenue growth of 13% and organic revenue growth of 10%. This reflected strength across both B2B and Consumer Services, with organic revenue growth of 12% and 8% respectively.

B2B performance was strong, reflecting growth in core profiles, trended data in mortgage and as we address new markets with our data, advanced analytics and decisioning software. Our strategy to supplement consumer bureau data with new alternative sources of data is also contributing to growth. We have significantly expanded our data assets, and we now have the broadest US credit active data coverage in our industry. Clarity Services, which we acquired in 2017, was an important step towards this, and is performing well-ahead of our expectations. We are now establishing new services to provide additional alternative data assets, allowing us to deliver more complete credit decisions on millions of people.

Since launch last year we have made considerable progress with Ascend. Ascend is our big data platform which provides access to historic credit data and can integrate both third party and alternative data sources. It enables users to analyse existing portfolios and build their own predictive models and credit strategies. Our first module, Ascend Sandbox, has now been adopted by our largest clients and in H2 we will launch the sandbox for the US mid-market. This will address a large prospective customer base and offer Ascend's powerful machine-learning and artificial intelligence tools to customers who currently lack the resources to use advanced analytics. We have also secured new wins for software, including CrossCore, our identity and fraud management platform, as well as for PowerCurve, our market-leading decision engine.

Experian health continued its track record of double-digit growth driven by cross-sell to existing clients and new wins with large physician practices and hospitals. Automotive also performed well, returning to high single-digit rates of growth.

Consumer Services delivered a second consecutive quarter of strong growth. Our identity offer has been a big success, with 280,000 consumers now signed up. Innovative features such as dark web scans, 'lock' and family protection services have resonated in the marketplace, and we have plans to introduce new features centred on the theme of control and protection. We now also generate audiences at scale across our consumer-facing ecosystem, with 16m free members signed up to our services at the end of H1. As a result, CreditMatch (formerly LendingWorks) is gathering momentum and delivered triple-digit growth. Because we have direct access to data, we can match consumers with credit offers that are most relevant to them, while at the same time providing lenders with pre-qualified new customers. This leads to a better experience for consumers and a more efficient service for lenders. Our market-leading credit, identity and comparison offers are also attractive in the B2B2C market, and we saw strong growth in the first half for partner solutions as we signed many new customers.

North America Benchmark EBIT increased by 20% to US$492m. There was good progress in the EBIT margin which increased by 200 basis points year-on-year to 34.4%, reflecting strong operating leverage, particularly across B2B.

Latin America

In Latin America, total revenue was US$339m, with total and organic revenue growth of 4% at constant rates.

Macroeconomic conditions in Brazil were subdued in the first-half amid considerable political uncertainty. Notwithstanding this, we delivered low-single digit growth in Brazil and continue to invest in new initiatives and prepare the business for recovery. We saw good growth across our largest clients as we signed multi-year agreements encompassing a wide range of services including scores, analytics and decisioning software, as well as our market-leading data. Growth was held back by some moderation in activity across mid-market accounts reflecting the uncertain economic environment.

The consumer initiative in Brazil goes from strength to strength, and we now have significant scale with over 25m free members. We have developed multiple offers which address a range of consumer needs depending on their specific circumstances. Limpa Nome helps consumers to negotiate and settle outstanding debts, eCred (a matching service) helps consumers gain better access to credit, while Antifraud is an identity protection offer. This targeted approach will generate new revenue streams for us, ranging from debt settlement commissions to lead generation referral fees.

Spanish Latin America performed strongly in the half. We have placed specific focus in Spanish Latin America on deepening our analytics capabilities and expanding consultancy services. As a result, we have won new mandates with large clients in Colombia and we are successfully deploying our decisioning software suite across the wider region.

Benchmark EBIT in Latin America was US$98m, down (2%) at constant exchange rates. Benchmark EBIT margin was 28.9% (2017: 31.3%) reflecting investment in the Consumer Services start-up and other growth initiatives.

UK and Ireland

Total revenue in the UK and Ireland was US$396m, with total and organic revenue growth of 3% at constant rates. Growth in B2B was 5%, and there was further moderation in the rate of decline in Consumer Services which was down (6%).

B2B performed well as we secured significant multi-product wins in the banking and utilities sectors for our traditional credit services and decisioning software. New technologies also performed well. Verdus, our open data platform based on Runpath and Experian technology, is gaining traction. This platform makes it easy to ingest and combine data from multiple different sources and bring it to life. It can combine our own credit data with external sources making it easier for our banking and price comparison clients to better match consumers to financial products. We have also introduced Experian Ascend to the UK, aimed initially at our largest clients, and a strong pipeline is building.

In Consumer Services, we continue to make steady progress towards returning the business to growth and now expect to cross into positive organic revenue growth during the second half. Our free membership base has reached 4.7m consumers, creating a sizeable audience for CreditMatcher, which grew revenue by 66% as we raise brand awareness, attract greater levels of traffic, match more offers and integrate more lenders into our ecosystem. Subscription-based credit monitoring services contracted in the half, but the rate of decline has moderated as we introduce new product features and drive higher engagement in paid memberships.

Benchmark EBIT was US$103m, down (14%) at constant exchange rates, following the Consumer Services revenue reduction, as well as elevated investment in new B2B product introductions and in Consumer Services. Benchmark EBIT margin was 26.0% (2017: 31.0%).

EMEA/Asia Pacific

EMEA/Asia Pacific performed strongly. Total revenue was US$199m, with total and organic growth of 13% at constant rates, including positive contributions across both Data and Decisioning.

Our One Experian approach of bundling propositions is proving successful, driving new business wins and elevating the size and scale of our client engagements. We see growing adoption of PowerCurve, have launched Ascend and plan introductions of our other global platforms. We have made very strong progress in India, Southeast Asia and South Africa as we develop these as full Experian markets, and we also signed substantial new agreements in Asia Pacific to power financial marketplaces.

Benchmark EBIT was US$(9)m (2017: US$(9)m). At constant exchange rates EBIT growth was 37%, while at actual exchange rates it was flat, due to adverse currency translation effects. Benchmark EBIT margin from ongoing activities improved 50 basis points at (4.5%) as our operations grow in scale.

Other financial developments

Our Benchmark PBT was US$593m, up 8% at constant currency and 4% at actual rates, after higher net interest expense of US$56m (2017: US$40m), reflecting recent upward pressure on interest rates. We expect net interest of c.US$110m for the full year.

The Benchmark tax rate was lower at 25.3% (2017: 26.7%), reflecting the mix of profits and the reduction in headline US tax rates. We expect Benchmark tax rate of c. 26% for the full year.

Our Benchmark EPS was 48.7 US cents, an increase of 12% at constant currency and 8% at actual rates, as the weighted average number of ordinary shares (WANOS) reduced to 907m (2017: 924m) as a result of our share repurchase programme.

We generated good cash flows in the half. Benchmark operating cash flow grew 22% at actual rates and our Benchmark operating cash flow conversion was 74% (2017: 65%).

Consistent with our capital allocation framework, uses of cash were balanced between growth investment and returns to shareholders. Net capital expenditure was US$181m, which represents 8% of total revenue. We expect this to be c. 9% for the full year. After acquisition and investment expenditure of US$30m, dividends paid of US$284m, and net share purchases of US$107m, we ended the first half with net debt of US$3,503m, placing us at 2.2 times EBITDA, within our target range of 2.0 to 2.5 times net debt to EBITDA.

Foreign exchange translation was a 4% headwind to EPS in the first half. This was predominantly due to the Brazilian real which weakened by 18% relative to the US dollar versus the prior year. Assuming current rates stay the same for the rest of the year, we now expect the full-year EBIT headwind to be c.5% compared to the full-year 4% headwind we expected at Q1.

Group financial results

Revenue by region

Six months ended 30 September	2018 US$m	2017[1] US$m	Growth % Total at actual rates	Total at constant rates	Organic at constant rates
North America					
Data	726	619		17	12
Decisioning	301	274		10	10
B2B	1,027	893		15	12
Consumer Services	403	375		8	8
Total ongoing activities	**1,430**	**1,268**	**13**	**13**	**10**
Exited business activities[1]	-	3			
Total North America	**1,430**	**1,271**			
Latin America					
Data	287	335		0	0
Decisioning	52	48		31	31
Total ongoing activities	**339**	**383**	**(11)**	**4**	**4**
Exited business activities	-	-			
Total Latin America	**339**	**383**			
UK and Ireland					
Data	184	173		4	3
Decisioning	129	115		9	9
B2B	313	288		6	5
Consumer Services	83	86		(6)	(6)
Total ongoing activities	**396**	**374**	**6**	**3**	**3**
Exited business activities	-	-			
Total UK and Ireland	**396**	**374**			
EMEA/Asia Pacific					
Data	86	82		4	4
Decisioning	113	97		20	20
Total ongoing activities	**199**	**179**	**11**	**13**	**13**
Exited business activities	-	-			
Total EMEA/Asia Pacific	**199**	**179**			
Total revenue - ongoing activities	**2,364**	**2,204**	**7**	**9**	**8**
Total revenue - exited business activities	-	3			
Revenue	**2,364**	**2,207**	**7**	**9**	

1 Results for 2017 are restated following the adoption of IFRS15, the introduction of new business segments and the reclassification to exited business activities of certain B2B businesses.
See Appendix 1 on page 12 and note 6 to the condensed half-yearly financial statements on pages 24-26 for definitions of non-GAAP measures.
See Appendix 2 (page 12) for analyses of revenue, Benchmark EBIT and Benchmark EBIT margin from ongoing activities by business segment.

Income statement, earnings and Benchmark EBIT margin analysis

Six months ended 30 September	2018 US$m	2017[1] US$m	Growth % Total at actual rates	Growth % Total at constant rates
Benchmark EBIT by geography				
North America	492	411		20
Latin America	98	120		(2)
UK and Ireland	103	116		(14)
EMEA/Asia Pacific	(9)	(9)		37
Benchmark EBIT before Central Activities	**684**	**638**		**10**
Central Activities – central corporate costs	(35)	(30)		
Benchmark EBIT from ongoing activities	**649**	**608**	**7**	**10**
Exited business activities[1]	-	1		
Benchmark EBIT	**649**	**609**	**7**	**10**
Net interest	(56)	(40)		
Benchmark PBT	**593**	**569**	**4**	**8**
Amortisation of acquisition intangibles	(56)	(53)		
Acquisition expenses	(6)	(9)		
Adjustment to fair value of contingent consideration	(3)	-		
Interest on uncertain tax provisions	(7)	-		
Financing fair value remeasurements	(51)	(12)		
Profit before tax	**470**	**495**		
Group tax charge	(149)	(129)		
Profit after tax	**321**	**366**		

Benchmark earnings				
Benchmark PBT	**593**	**569**	**4**	**8**
Benchmark tax charge	(150)	(152)		
Total Benchmark earnings	**443**	**417**		
Owners of Experian plc	**442**	**418**	**6**	**10**
Non-controlling interests	1	(1)		

Benchmark EPS	**US48.7c**	**US45.2c**	**8**	**12**
Basic EPS	US35.3c	US36.8c		
Weighted average number of ordinary shares	907m	924m		

Benchmark EBIT margin – ongoing activities				
North America	34.4%	32.4%		
Latin America	28.9%	31.3%		
UK and Ireland	26.0%	31.0%		
EMEA/Asia Pacific	(4.5%)	(5.0%)		
Benchmark EBIT margin	**27.5%**	**27.6%**		

1 Results for 2017 are restated for IFRS 15, and the reclassification to exited business activities of certain B2B businesses.
See Appendix 1 (page 12) and note 6 to the condensed half-yearly financial statements for definitions of non-GAAP measures.
See Appendix 2 (page 12) for analyses of revenue, Benchmark EBIT and Benchmark EBIT margin from ongoing activities by business segment.

Group financial review

Key statutory measures

Comparative information
Comparative information is restated following the adoption of IFRS 15 'Revenue from Contracts with Customers' and the introduction of new business segments.

Statutory revenue
We continued to make good progress during the period and revenue increased by 7% to US$2,364m (2017: US$2,207m). The improvement in statutory revenue reflects an improved underlying performance.

Statutory operating profit and profit before tax
Operating profit for the six months ended 30 September 2018 increased to US$580m from US$546m in the prior period, reflecting the underlying business growth. Profit before tax was US$470m (2017: US$495m), the reduction primarily results from an increase in foreign exchange losses on Brazilian real intra-Group funding of US$43m.

Statutory Basic EPS
Basic EPS was 35.3 US cents (2017: 36.8 US cents). Basic EPS from continuing operations was 35.3 US cents (2017: 39.7 US cents). The decrease in these statutory measures reflects a mix of factors with a higher tax charge, higher finance costs and a lower number of shares in issue as a consequence of our continuing share repurchase programme.

Statutory cash flow
Cash generated from operations was US$638m (2017: US$542m) reflecting movements in working capital. Cash outflow from discontinued operations was US$32m (2017: inflow US$229m) primarily from the divestment of the email/cross-channel marketing business ('CCM') in the prior period. Undrawn committed borrowing facilities were US$2,435m at 30 September 2018, an increase of US$110m from 31 March 2018.

Tax
The effective rate of tax based on profit before tax has increased from 26.1% in the period ended 30 September 2017 to 31.7% in the current period, driven by the profit and funding mix and the resolution of a historical tax dispute in North America recorded as an exceptional tax charge.

Balance sheet commentary

Net assets
At 30 September 2018, net assets amounted to US$2,288m (2017: US$2,298m). Capital employed, as defined in note 6(q) to the condensed half-yearly financial statements, was US$6,098m (2017: US$6,105m).

Equity
There was a decrease in equity of US$202m from US$2,490m at 31 March 2018 with movements detailed in the Group statement of changes in equity on page 17.

Key movements in equity during the half included:

- Profit for the period of US$321m.
- Currency translation losses of US$188m.
- Remeasurement gains of US$8m in respect of defined benefit pension plans.
- Dividends of US$284m and a movement of US$106m in connection with net share purchases.

Foreign exchange rates and sensitivity

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

	Period ended 30 September 2018	Period ended 30 September 2017	Year ended 31 March 2018
US dollar : Brazilian real	3.78	3.19	3.22
Pound sterling : US dollar	1.33	1.29	1.33
Euro : US dollar	1.18	1.14	1.17
US dollar : Colombian peso	2,902	2,949	2,935

The impact of currency movements on revenue from ongoing activities is set out in note 7(c).

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 2018	30 September 2017	31 March 2018
US dollar : Brazilian real	4.01	3.17	3.31
Pound sterling : US dollar	1.30	1.34	1.41
Euro : US dollar	1.16	1.18	1.23
US dollar : Colombian peso	2,981	2,935	2,794

Risks

As a continued fallout from data breaches at a competitor and other firms, we see heightened legislative and regulatory activity, particularly as it relates to privacy and information security matters. Except for these matters, the principal risks and uncertainties we face in the remaining six months of the year remain largely unchanged from those explained in detail on pages 51 to 59 of our Annual Report for the year ended 31 March 2018:

- Loss or inappropriate use of data and systems;
- Failure to comply with laws and regulations;
- Non-resilient IT/business environment;
- Business conduct risk;
- Dependence on highly skilled personnel;
- Adverse and unpredictable financial markets or fiscal developments;
- New legislation or changes in regulatory enforcement;
- Increasing competition;
- Data ownership, access and integrity; and
- Undesirable investment outcomes.

In the first half of the financial year, we note that new laws, new interpretations of existing laws, changes to existing regulations and regulatory scrutiny continue to increase, especially in the wake of data breaches at a competitor and other firms. Recent examples include the General Data Protection Regulation in the EU, California privacy law and the Brazilian Data Protection Act.

We continue to experience an increasing number of consumer and class actions in the US unrelated to the competitor's data breach issue.

We note uncertainty in the development of tax legislation in our key regions.

We also note an increasing trend in geopolitical risk given the approaching Brexit deadlines and prospective populist agendas across a number of regions.

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 Group financial reviews on pages 3 to 10 include consideration of key uncertainties affecting us for the remainder of the current financial year. There may however be additional risks unknown to us 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 our business and financial results.

Going concern

Having reassessed the principal risks at the time of approving these condensed half-yearly financial statements, the directors considered it appropriate to adopt the going concern basis of accounting.

Appendices

1. Non-GAAP financial information

We have identified and defined certain measures that we believe assist understanding of our performance. These measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. These non-GAAP measures are not intended to be a substitute for any IFRS measures of performance but we have included them as these are considered to be key measures used within the business for assessing the underlying performance of our ongoing businesses. 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 6 to the condensed half-yearly financial statements.

The reconciliation of revenue from ongoing activities is set out in note 7(c) on page 28, Benchmark EBIT and Benchmark PBT in Appendix 3 on page 13 and Benchmark EPS in note 13 on page 33.

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

Six months ended 30 September			**Growth**	
	2018 US$m	**2017[1] US$m**	**Total at constant rates %**	**Organic at constant rates %**
Revenue				
Data	1,283	1,209	9	7
Decisioning	595	534	13	13
B2B	1,878	1,743	11	9
Consumer Services	486	461	5	5
Total – ongoing activities	**2,364**	**2,204**	**9**	**8**
Exited business activities[2]	-	3	n/a	
Total	**2,364**	**2,207**	**9**	
Benchmark EBIT				
B2B	563	535	9	
Consumer Services	121	103	16	
Total business segments	**684**	**638**	**10**	
Central Activities – central corporate costs	(35)	(30)	13	
Total – ongoing activities	**649**	**608**	**10**	
Exited business activities[2]	-	1	n/a	
Total	**649**	**609**	**10**	
Benchmark EBIT margin – ongoing activities				
B2B	30.0%	30.7%		
Consumer Services	24.9%	22.3%		
Total Benchmark EBIT margin	**27.5%**	**27.6%**		

1. Comparative information is restated for IFRS 15, exited business activities and the introduction of new business segments.
2. Exited business activities comprise certain B2B businesses.

New segment and IFRS 15 reconciliation

Six months ended 30 September 2017	**Old structure US$m**	**New structure US$m**	**Impact of IFRS 15 US$m**	**2017 US$m**	
Revenue					
Credit Services	1,231				
Decision Analytics	288	1,189	20	1,209	Data
Marketing Services	208	538	(4)	534	Decisioning
B2B	1,727	1,727	16	1,743	B2B
Consumer Services	460	460	1	461	Consumer Services
Total – ongoing activities	**2,187**	**2,187**	**17**	**2,204**	**Total – ongoing activities**
Benchmark EBIT					
B2B	507	507	28	535	B2B
Consumer Services	103	103	-	103	Consumer Services
Total business segments	**610**	**610**	**28**	**638**	**Total business segments**
Central Activities	(30)	(30)	-	(30)	Central Activities
Total – ongoing activities	**580**	**580**	**28**	**608**	**Total – ongoing activities**

Appendices (continued)

3. Summary reconciliation of Benchmark EBIT to statutory profit before tax

Six months ended 30 September	**2018 US$m**	**2017[1] US$m**
Benchmark EBIT	649	609
Net interest expense	(56)	(40)
Benchmark PBT	**593**	**569**
Other adjustments made to derive Benchmark PBT[2]	(123)	(74)
Profit before tax	**470**	**495**

4. Cash flow and net debt summary

Six months ended 30 September	**2018 US$m**	**2017[1] US$m**
Benchmark EBIT	649	609
Amortisation and depreciation charged to Benchmark EBIT	159	159
Benchmark EBITDA	**808**	**768**
Net capital expenditure	(181)	(187)
Increase in working capital	(188)	(222)
Profit retained in associates	(2)	1
Charge for share incentive plans	41	33
Benchmark operating cash flow	**478**	**393**
Net interest paid	(55)	(37)
Tax paid – continuing operations	(84)	(66)
Dividends paid to non-controlling interests	-	(1)
Benchmark free cash flow	**339**	**289**
Acquisitions	(13)	(32)
Purchase of investments	(17)	-
Movement in other non-benchmark items	(8)	(13)
Dividends paid	(284)	(264)
Net cash outflow – continuing operations	**17**	**(20)**
Net cash (outflow)/inflow – discontinued operations	(32)	229
Net debt at 1 April	(3,408)	(3,173)
Net share purchases	(107)	(389)
Foreign exchange and other movements	27	(50)
Net debt at 30 September	**(3,503)**	**(3,403)**

5. Total investment

Six months ended 30 September	**2018 US$m**	**2017 US$m**
Capital expenditure	183	191
Disposal of property, plant and equipment	(2)	(4)
Net capital expenditure	**181**	**187**
Acquisitions	13	32
Purchase of investments	17	-
Total investment	**211**	**219**

1. Comparative information is restated following the adoption of IFRS 15 (note 3).
2. See note 9.

Condensed half-yearly financial statements

Group income statement

for the six months ended 30 September 2018

	Six months ended 30 September 2018			Six months ended 30 September 2017 (Restated) (Note 3)		
	Benchmark[1]	Non-benchmark[2]	**Statutory Total**	Benchmark[1]	Non-benchmark[2]	**Statutory Total**
	US$m	US$m	**US$m**	US$m	US$m	**US$m**
Revenue (note 7(a))	2,364	-	**2,364**	2,207	-	**2,207**
Total operating expenses (note 9)	(1,719)	(65)	**(1,784)**	(1,599)	(62)	**(1,661)**
Operating profit/(loss)	645	(65)	**580**	608	(62)	**546**
Interest income	5	-	**5**	8	-	**8**
Finance expense	(61)	(58)	**(119)**	(48)	(12)	**(60)**
Net finance costs (note 10(a))	(56)	(58)	**(114)**	(40)	(12)	**(52)**
Share of post-tax profit of associates	4	-	**4**	1	-	**1**
Profit/(loss) before tax (note 7(a))	593	(123)	**470**	569	(74)	**495**
Group tax (charge)/credit (note 11(a))	(150)	1	**(149)**	(152)	23	**(129)**
Profit/(loss) for the period from continuing operations	443	(122)	**321**	417	(51)	**366**
Loss for the period from discontinued operations (note 12)	-	-	**-**	-	(27)	**(27)**
Profit/(loss) for the period	443	(122)	**321**	417	(78)	**339**
Attributable to:						
Owners of Experian plc	442	(122)	**320**	418	(78)	**340**
Non-controlling interests	1	-	**1**	(1)	-	**(1)**
Profit/(loss) for the period	443	(122)	**321**	417	(78)	**339**
Total Benchmark EBIT[1]	649	-	**649**	609	-	**609**
	US cents	US cents	**US cents**	US cents	US cents	**US cents**
Earnings/(loss) per share (note 13(a))						
Basic	48.7	(13.4)	**35.3**	45.2	(8.4)	**36.8**
Diluted	48.3	(13.4)	**34.9**	44.8	(8.4)	**36.4**
Earnings/(loss) per share from continuing operations						
Basic	48.7	(13.4)	**35.3**	45.2	(5.5)	**39.7**
Diluted	48.3	(13.4)	**34.9**	44.8	(5.5)	**39.3**

1. Total Benchmark EBIT is a non-GAAP measure, defined in note 6 to the condensed half-yearly financial statements.

2. The loss before tax for non-benchmark items of US$123m (2017: US$74m) is analysed in note 9 to the condensed half-yearly financial statements.

Condensed half-yearly financial statements

Group statement of comprehensive income
for the six months ended 30 September 2018

	Six months ended 30 September	
	2018	2017 (Restated) (Note 3)
	US$m	US$m
Profit for the period	**321**	339
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations	**8**	22
Impairment of financial assets revalued through OCI	**(2)**	-
Items that will not be reclassified to profit or loss	**6**	22
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on financial assets revalued through OCI[2]	**-**	3
Currency translation (losses)/gains	**(188)**	24
Items that may be reclassified subsequently to profit or loss	**(188)**	27
Items reclassified to profit or loss:		
Reclassification of cumulative currency translation gain in respect of divestments	**-**	1
Items reclassified to profit or loss	**-**	1
Other comprehensive income for the period[1]	**(182)**	50
Total comprehensive income for the period	**139**	389
Attributable to:		
Continuing operations	**138**	416
Discontinued operations	**-**	(27)
Owners of Experian plc	**138**	389
Non-controlling interests	**1**	-
Total comprehensive income for the period	**139**	389

1. Amounts reported within Other comprehensive income ('OCI') are in respect of continuing operations and, except as reported for post-employment benefit assets and obligations, there is no associated tax. Currency translation items are recognised in the translation reserve within other reserves. Other items within Other comprehensive income are recognised in retained earnings.

2. Comparative information previously reported as fair value gain on available-for-sale financial assets is reclassified following the adoption of IFRS 9 (note 3).

Condensed half-yearly financial statements

Group balance sheet
at 30 September 2018

	Notes	30 September 2018	30 September 2017 (Restated) (Note 3)	31 March 2018 (Restated) (Note 3)
		US$m	US$m	US$m
Non-current assets				
Goodwill		**4,276**	4,305	4,452
Other intangible assets		**1,436**	1,467	1,538
Property, plant and equipment		**315**	323	335
Investments in associates		**126**	68	125
Deferred tax assets		**142**	57	140
Post-employment benefit assets	16(a)	**56**	41	47
Trade and other receivables		**94**	74	89
Financial assets revalued through OCI[1]		**94**	61	84
Other financial assets		**172**	157	194
		6,711	6,553	7,004
Current assets				
Trade and other receivables		**989**	959	1,115
Current tax assets		**30**	28	27
Other financial assets		**7**	8	4
Cash and cash equivalents	19(b)	**175**	114	156
		1,201	1,109	1,302
Current liabilities				
Trade and other payables		**(1,183)**	(1,080)	(1,494)
Borrowings	19(b)	**(550)**	(373)	(956)
Current tax liabilities		**(333)**	(166)	(278)
Provisions		**(67)**	(46)	(70)
Other financial liabilities		**(126)**	(19)	(86)
		(2,259)	(1,684)	(2,884)
Net current liabilities		**(1,058)**	(575)	(1,582)
Total assets less current liabilities		**5,653**	5,978	5,422
Non-current liabilities				
Trade and other payables		**(91)**	(76)	(103)
Borrowings	19(b)	**(2,965)**	(3,075)	(2,558)
Deferred tax liabilities		**(157)**	(334)	(162)
Post-employment benefit obligations	16(a)	**(55)**	(56)	(58)
Other financial liabilities		**(97)**	(139)	(51)
		(3,365)	(3,680)	(2,932)
Net assets		**2,288**	2,298	2,490
Equity				
Called-up share capital	21	**97**	98	97
Share premium account	21	**1,558**	1,543	1,546
Retained earnings		**18,530**	18,426	18,615
Other reserves		**(17,907)**	(17,779)	(17,775)
Attributable to owners of Experian plc		**2,278**	2,288	2,483
Non-controlling interests		**10**	10	7
Total equity		**2,288**	2,298	2,490

1. Comparative information previously reported as available-for-sale financial assets is reclassified following the adoption of IFRS 9 (note 3).

Condensed half-yearly financial statements

Group statement of changes in equity
for the six months ended 30 September 2018

	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 31 March 2018 as previously reported	97	1,546	18,745	(17,771)	**2,617**	7	**2,624**
Adjustment on adoption of IFRS 15	-	-	(130)	(4)	**(134)**	-	**(134)**
Restated at 1 April 2018	97	1,546	18,615	(17,775)	**2,483**	7	**2,490**
Comprehensive income:							
Total profit for the period	-	-	320	-	**320**	1	**321**
Other comprehensive income	-	-	6	(188)	**(182)**	-	**(182)**
Total comprehensive income	-	-	326	(188)	**138**	1	**139**
Transactions with owners:							
Employee share incentive plans:							
– value of employee services	-	-	41	-	**41**	-	**41**
– shares issued on vesting	-	12	-	-	**12**	-	**12**
– other exercises of share awards and options	-	-	(50)	56	**6**	-	**6**
– related tax charge	-	-	4	-	**4**	**-**	**4**
– other payments	-	-	(4)	-	**(4)**	-	**(4)**
Purchase and cancellation of own shares	-	-	(118)	-	**(118)**	-	**(118)**
Transactions in respect of non-controlling interests	-	-	-	-	**-**	2	**2**
Dividends paid	-	-	(284)	-	**(284)**	-	**(284)**
Transactions with owners	-	12	(411)	56	**(343)**	2	**(341)**
At 30 September 2018	**97**	**1,558**	**18,530**	**(17,907)**	**2,278**	**10**	**2,288**

Group statement of changes in equity
for the six months ended 30 September 2017

	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 2017 as previously reported	100	1,530	18,813	(17,804)	**2,639**	12	**2,651**
Adjustment on adoption of IFRS 15	-	-	(98)	-	**(98)**	-	**(98)**
Restated at 1 April 2017	100	1,530	18,715	(17,804)	**2,541**	12	**2,553**
Comprehensive income:							
Total profit/(loss) for the period[1]	-	-	340	-	**340**	(1)	**339**
Other comprehensive income[1]	-	-	25	24	**49**	1	**50**
Total comprehensive income[1]	-	-	365	24	**389**	-	**389**
Transactions with owners:							
Employee share incentive plans:							
– value of employee services	-	-	33	-	**33**	-	**33**
– shares issued on vesting	-	13	-	-	**13**	-	**13**
– other exercises of share awards and options	-	-	(28)	38	**10**	-	**10**
– related tax charge	-	-	(4)	-	**(4)**	**-**	**(4)**
– purchase of shares by employee trusts	-	-	-	(37)	**(37)**	-	**(37)**
– other payments	-	-	(2)	-	**(2)**	-	**(2)**
Purchase and cancellation of own shares	(2)	-	(372)	-	**(374)**	-	**(374)**
Transactions in respect of non-controlling interests	-	-	(17)	-	**(17)**	(1)	**(18)**
Dividends paid	-	-	(264)	-	**(264)**	(1)	**(265)**
Transactions with owners	(2)	13	(654)	1	**(642)**	(2)	**(644)**
At 30 September 2017	**98**	**1,543**	**18,426**	**(17,779)**	**2,288**	**10**	**2,298**

1. Comparative information is restated following the adoption of IFRS 15 (note 3).

Condensed half-yearly financial statements

Group cash flow statement
for the six months ended 30 September 2018

	Notes	Six months ended 30 September	
		2018	2017
		US$m	US$m
Cash flows from operating activities			
Cash generated from operations	17(a)	**638**	542
Interest paid		**(57)**	(45)
Interest received		**2**	8
Dividends received from associates		**2**	2
Tax paid		**(84)**	(66)
Net cash inflow from operating activities – continuing operations		**501**	441
Net cash outflow from operating activities – discontinued operations	12(b)	**(32)**	(48)
Net cash inflow from operating activities		**469**	393
Cash flows from investing activities			
Purchase of other intangible assets	17(c)	**(151)**	(167)
Purchase of property, plant and equipment		**(32)**	(24)
Sale of property, plant and equipment		**1**	18
Purchase of other financial assets		**(12)**	-
Acquisition of subsidiaries, net of cash acquired	17(d)	**(3)**	(15)
Purchase of investment in associates		**(5)**	-
Net cash flows used in investing activities – continuing operations		**(202)**	(188)
Net cash flows from investing activities – discontinued operations	12(b)	**-**	277
Net cash flows (used in)/from investing activities		**(202)**	89
Cash flows from financing activities			
Cash inflow in respect of shares issued	17(e)	**12**	14
Cash outflow in respect of net share purchases	17(e)	**(119)**	(403)
Other payments on vesting of share awards		**(4)**	(2)
Transactions in respect of non-controlling interests		**2**	(8)
New borrowings		**529**	881
Repayment of borrowings		**(356)**	(651)
Net payments for cross currency swaps and foreign exchange contracts		**-**	(11)
Net receipts from equity swaps		**3**	1
Dividends paid		**(284)**	(265)
Net cash flows used in financing activities		**(217)**	(444)
Net increase in cash and cash equivalents		**50**	38
Cash and cash equivalents at 1 April		**137**	81
Exchange movements on cash and cash equivalents		**(15)**	(6)
Cash and cash equivalents at 30 September	17(f)	**172**	113

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2018

1. Corporate information

Experian plc (the 'Company') is the ultimate parent company of the Experian group of companies ('Experian' or the 'Group'). Experian is the leading global information services group.

The Company is incorporated and registered in Jersey as a public company limited by shares and is resident in Ireland. The Company's registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands.

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

There has been no change in this information since the Annual Report for the year ended 31 March 2018.

2. Basis of preparation

The condensed half-yearly financial statements are prepared on the going concern basis and in accordance with International Accounting Standard ('IAS') 34 'Interim financial reporting' ('IAS 34') as adopted by the European Union (the 'EU').

The condensed half-yearly financial statements:

- comprise the consolidated results of the Group for the six months ended 30 September 2018 and 30 September 2017;
- were approved for issue on 12 November 2018;
- have not been audited but have been reviewed by the Company's auditor with their report set out on page 46; 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 2018.

No significant events impacting the Group, other than those disclosed in this document, have occurred between 30 September 2018 and 12 November 2018.

The Group's statutory financial statements comprise the Annual Report and audited financial statements which are prepared in accordance with International Financial Reporting Standards ('IFRS' or 'IFRSs') as adopted by the EU ('EU-IFRS'). The most recent such financial statements, for the year ended 31 March 2018, were approved by the directors on 16 May 2018 and subsequently delivered to the Jersey Registrar of Companies. The auditor's 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, and from the Company Secretary at Newenham House, Northern Cross, Malahide Road, Dublin 17, D17 AY61, Ireland.

The financial information for the year ended 31 March 2018 included in the condensed half-yearly financial statements is not the Company's statutory accounts for that financial year, but has been extracted from the Group's statutory financial statements.

As required by the UK Financial Conduct Authority Disclosure Guidance and Transparency Rules Sourcebook, these condensed financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's statutory financial statements for the year ended 31 March 2018, except for the changes to accounting standards set out in note 3 and the introduction of new business segments in note 8.

3. Changes in accounting standards

In the six months ended 30 September 2018, IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' were effective for us for the first time.

(a) IFRS 15

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognised. IFRS 15 replaces all existing revenue requirements in EU-IFRS. We have undertaken a detailed review of our contracts and revenue recognition procedures and have evaluated the additional disclosure requirements that IFRS 15 introduces.

In accordance with the IFRS 15 transition guidance we have adopted the new rules using the full retrospective approach and have restated our comparative financial results where appropriate. The nature of changes from the previous accounting policy are unchanged from those reported in the Annual Report and Group financial statements for the year ended 31 March 2018.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2018

3. Changes in accounting standards (continued)

(a) IFRS 15 (continued)

Impact of Adoption

The following tables summarise the adjustments to the Group balance sheet and the comparative income statements. Our Benchmark operating cash flow is not affected by the restatement and on a full-year basis we do not expect a material effect on our growth rates.

Group income statement	Six months ended 30 September 2017			Year ended 31 March 2018		
	As originally presented	IFRS 15 adjustment	**Restated**	As originally presented	IFRS 15 adjustment	**Restated**
	US$m	US$m	**US$m**	US$m	US$m	**US$m**
Revenue	2,190	17	**2,207**	4,662	(78)	**4,584**
Total operating expenses	(1,672)	11	**(1,661)**	(3,567)	34	**(3,533)**
Operating profit/(loss)	518	28	**546**	1,095	(44)	**1,051**
Interest income	8	-	**8**	15	-	**15**
Finance expense	(60)	-	**(60)**	(124)	-	**(124)**
Net finance costs	(52)	-	**(52)**	(109)	-	**(109)**
Share of post-tax profit of associates	1	-	**1**	8	-	**8**
Profit/(loss) before tax	467	28	**495**	994	(44)	**950**
Group tax (charge)/credit	(122)	(7)	**(129)**	(149)	13	**(136)**
Profit/(loss) for the period from continuing operations	345	21	**366**	845	(31)	**814**
Loss for the period from discontinued operations	(27)	-	**(27)**	(30)	(1)	**(31)**
Profit/(loss) for the period	318	21	**339**	815	(32)	**783**
Attributable to:						
Owners of Experian plc	319	21	**340**	815	(32)	**783**
Non-controlling interests	(1)	-	**(1)**	-	-	**-**
Profit/(loss) for the period	318	21	**339**	815	(32)	**783**
Total Benchmark EBIT[1]	581	28	**609**	1,291	(44)	**1,247**

1. Total Benchmark EBIT is a non-GAAP measure, defined in note 6 to the condensed half-yearly financial statements.

Group Balance Sheet (extract)	At 30 September 2017			At 31 March 2018		
	As originally presented	IFRS 15 adjustment	**Restated**	As originally presented	IFRS 15 adjustment	**Restated**
	US$m	US$m	**US$m**	US$m	US$m	**US$m**
Non-current assets						
Trade and other receivables	5	69	**74**	11	78	**89**
Current assets						
Trade and other receivables	947	12	**959**	1,112	3	**1,115**
Current liabilities						
Trade and other payables	(957)	(123)	**(1,080)**	(1,294)	(200)	**(1,494)**
Non-current liabilities						
Trade and other payables	(14)	(62)	**(76)**	(44)	(59)	**(103)**
Deferred tax liabilities	(358)	24	**(334)**	(206)	44	**(162)**
Other	2,755	-	**2,755**	3,045	-	**3,045**
Net assets	2,378	(80)	**2,298**	2,624	(134)	**2,490**
Equity						
Retained earnings	18,503	(77)	**18,426**	18,745	(130)	**18,615**
Other reserves[2]	(17,776)	(3)	**(17,779)**	(17,771)	(4)	**(17,775)**
Other	1,651	-	**1,651**	1,650	-	**1,650**
Total equity	**2,378**	**(80)**	**2,298**	**2,624**	**(134)**	**2,490**

2. IFRS 15 adjustments comprise currency translation reported within Other comprehensive income.

3. Changes in accounting standards (continued)

(b) IFRS 9

IFRS 9 replaces the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

We have performed an assessment to understand the requirements of IFRS 9 and how these differ from IAS 39 and have concluded that there is no significant financial impact from the date of adoption on the condensed half-yearly financial statements.

The new categories of financial assets as defined in IFRS 9 have been adopted and hence, the former available-for-sale financial asset category has been reclassified to 'Financial assets revalued through OCI'. There has been no consequent change to financial asset values.

For trade receivables and certain IFRS 15 contract assets, we have adopted the standard's simplified lifetime expected credit loss approach. Expected credit losses are determined using a combination of historical experience and forward-looking information. There is no significant impact to impairment provisions as a result of the change in impairment model.

Cross-currency swaps and interest rate swaps in hedge accounting relationships as at 31 March 2018 still qualify as fair value hedges under IFRS 9. The Group's risk management strategies and hedge documentation are aligned with the requirements of IFRS 9 and these relationships are therefore treated as continuing hedges.

4. Accounting policies, estimates and judgments

(a) Introduction

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, 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 significant changes in the bases upon which estimates have been determined, compared to those applied at 31 March 2018, and no change in estimate has had a material effect on the current period.

Except as described in note 3, the accounting policies applied in the condensed half-yearly financial statements are the same as those applied in the Annual Report and Group financial statements for the year ended 31 March 2018.

(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 and details of the methodology used are set out in the Group's statutory financial statements for the year ended 31 March 2018.

During the six months ended 30 September 2018 the annual tests were performed with no impairment identified.

(d) Post-employment benefits (note 16)

We have updated the accounting valuation of our principal defined benefit pension plan in 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 2018 is the discount rate of 2.7% (2017: 2.6%). The discount rate used in the year ended 31 March 2018 was 2.4%.

4. Accounting policies, estimates and judgments (continued)

(e) Revenue recognition

Revenue is stated net of any sales taxes, rebates and discounts.

Revenue is recognised to represent the transfer of promised services to customers in a way that reflects the consideration expected to be received in return. Total consideration from contracts with customers is allocated to the performance obligations identified based on their standalone selling price and is recognised when those performance obligations are satisfied and the control of goods or services is transferred to the customer, either over time or at a point in time.

- Revenue in respect of the provision and processing of transactional data is recognised in the period in which the service is provided.
- Revenue from batch data arrangements which include an ongoing update service are apportioned across each delivery to the customer.
- Subscription and membership fees are recognised on a straight-line basis over the period to which they relate.
- Software licence and delivery services are primarily accounted for as a single performance obligation, with revenue recognised when the combined offering is delivered to the customer. These services are distinguished between Experian-hosted solutions (where revenue is spread over the period that the service is available to the customer) and on-premise software licence arrangements (where revenue is recognised on delivery completion).
- The delivery of support and maintenance agreements is generally considered to be a separate performance obligation and revenue is recognised on a straight-line basis over the term of the maintenance period.
- Professional Services revenues which form a separate performance obligation are recognised as the services are delivered.

Sales are typically invoiced in the geographic area in which the customer is located. As a result, the geographic location of the invoicing undertaking is used to attribute revenue to individual countries.

Certain costs are deferred as Contract Assets and these are amortised on a systematic basis consistent with the pattern of transfer of the goods or services to which the asset relates.

- Costs to obtain a contract typically include sales commissions.
- Costs to fulfil a contract typically include labour costs directly relating to an implementation service.

(f) Financial assets and derivative financial instruments

We classify our financial assets into three categories as set out below, with the classification determined on initial recognition and dependent on the purpose for which such assets are acquired.

Directly attributable transaction costs are expensed where an asset is carried at ‘fair value through profit and loss’ (‘FVPL’) and included in the asset value otherwise.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely a payment of principal and interest.

4. Accounting policies, estimates and judgments (continued)

(f) Financial assets and derivative financial instruments (continued)

Debt Instruments
Measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows are solely repayments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss on derecognition, or impairment loss is recognised directly in the Group income statement.
- 'Fair value through Other comprehensive income' ('FVOCI'): Assets that are held both for the collection of contractual cash flows and for their sale, where the asset's cash flows solely represent payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, however recognition of impairment gains or losses, interest income and foreign exchange gains or losses are recognised in the Group income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the Group income statement and presented net within other gains or losses in the period in which it arises.

Equity Instruments
We measure all equity instruments at fair value. Where the Group's management has elected to present fair value gains or losses on equity investments in OCI, there is no subsequent reclassification of fair value gains or losses to the Group income statement following the derecognition of the investment. Dividends from such investments continue to be recognised as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains or losses in the Group income statement. Impairment losses (and reversals of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
The loss allowances for financial assets are based on assumptions about significant increases in credit risk and subsequent risk of default. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

For trade receivables, we apply the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

Derivatives used for hedging
Derivative financial assets used for hedging are included in current assets, except for maturities more than one year after the balance sheet date, which are classified as non-current assets. Derivatives utilised by the Group include interest rate swaps, cross-currency swaps, foreign exchange contracts and equity swaps.

Hedging derivatives
We document the relationship between hedging instruments and hedged items, and our risk management objective and strategy for undertaking hedge transactions, at the hedge inception. We also document our assessment of whether the derivatives used in hedging meet the hedge effectiveness criteria set out in IFRS 9. This assessment is performed at every reporting date throughout the life of the hedge to confirm that the hedge continues to meet the hedge effectiveness criteria. Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated or exercised, or no longer qualifies for hedge accounting.

Amounts payable or receivable in respect of interest rate swaps, together with the interest differentials reflected in foreign exchange contracts, are recognised in net finance costs over the period of the contract.

4. Accounting policies, estimates and judgments (continued)

(f) Financial assets and derivative financial instruments (continued)

Hedging derivatives (continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recognised in the Group income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The ineffective portion of a fair value hedge is recognised in net finance costs in the Group income statement.

Non-hedging derivatives

Changes in the fair value of such derivative instruments are recognised immediately in the Group income statement. Cost and income amounts in respect of derivatives entered into in connection with social security obligations on employee share incentive plans, other than amounts of a financing nature, are charged or credited within labour costs. Other costs and changes in the fair value of such derivatives are charged or credited within financing fair value remeasurements in the Group income statement.

5. Accounting developments

IFRS 16

At 30 September 2018 IFRS 16 'Leases' is in issue but is not yet effective. IFRS 16 removes the distinction between finance and operating leases, bringing the majority of leases onto the balance sheet for the first time. This standard is endorsed by the EU and is effective for us for the year ending 31 March 2020 ('FY20').

As a lessee, we will be required to recognise both a right-of-use asset and a lease liability on our balance sheet, increasing both assets and financial liabilities. An analysis of our operating lease commitments is shown in the Annual Report and Group financial statements for the year ended 31 March 2018.

Over the life of a lease, the total expense recognised in the Group income statement will remain unchanged. Upon implementation however, there will be a reduction in operating costs and an increase in net finance costs as operating lease costs are replaced with depreciation and lease interest expense. The lease interest expense is expected to be immaterial to the Group.

The total cash outflow for lease payments is not expected to change but certain lease payments will be presented within net cash flows used in financing activities, instead of the current treatment within cash flows from operating activities. This improves our cash flow from operating activities, and increases cash flows used in financing activities.

We intend to apply the modified retrospective approach which allows any initial difference between assets and liabilities recognised as an adjustment to opening retained earnings in FY20. Under this approach no restatement of comparative information is required.

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

6. 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 uses to understand and manage its performance. The measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. These non-GAAP measures are not intended to be a substitute for any IFRS measures of performance but management has included them as they consider them to be key measures used within the business for assessing the underlying performance of the Group's ongoing businesses.

(a) Benchmark profit before tax ('Benchmark PBT') (note 7(a) and note 8)

Benchmark PBT is disclosed to indicate the Group's underlying profitability. It is defined as profit before amortisation and impairment of acquisition intangibles, impairment of goodwill, acquisition expenses, adjustments to contingent consideration, Exceptional items, financing fair value remeasurements, tax (and interest thereon) and discontinued operations. It includes the Group's share of continuing associates' post-tax results.

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

(a) Benchmark profit before tax (‘Benchmark PBT’) (note 7(a) and note 8) (continued)

An explanation of the basis on which we report Exceptional items is provided below. Other adjustments made to derive Benchmark PBT are explained as follows:

- Charges for the amortisation and impairment of acquisition intangibles are excluded from the calculation of Benchmark PBT because these charges are based on judgments about their value and economic life and bear no relation to the Group’s underlying ongoing performance. Impairment of goodwill is similarly excluded from the calculation of Benchmark PBT.
- Acquisition and disposal expenses (representing the incidental costs of acquisitions and disposals, one-time integration costs and other corporate transaction expenses) relating to successful, active or aborted acquisitions are excluded from the definition of Benchmark PBT as they bear no relation to the Group’s underlying ongoing performance or to the performance of any acquired businesses. Adjustments to contingent consideration are similarly excluded from the definition of Benchmark PBT.
- Charges and credits for financing fair value remeasurements within finance expense in the Group income statement are excluded from the definition of Benchmark PBT. These include retranslation of intra-Group funding, and that element of the Group's derivatives that is ineligible for hedge accounting, together with gains and losses on put options in respect of acquisitions. Amounts recognised generally arise from market movements and accordingly bear no direct relation to the Group’s underlying performance.

(b) Benchmark earnings before interest and tax (‘Benchmark EBIT’) and margin (‘Benchmark EBIT margin’) (note 7(a))

Benchmark EBIT is defined as Benchmark PBT before the net interest expense charged therein and accordingly excludes Exceptional items as defined below. Benchmark EBIT margin is Benchmark EBIT from ongoing activities expressed as a percentage of revenue from ongoing activities.

(c) Benchmark earnings before interest, tax, depreciation and amortisation (‘Benchmark EBITDA’)

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

(d) Exited business activities

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

(e) Ongoing activities

The results of businesses trading at 30 September 2018, which are not disclosed as exited business activities, are reported as ongoing activities.

(f) Constant exchange rates

To highlight our organic performance, we discuss our results in terms of growth at constant exchange rates, unless otherwise stated. This represents growth calculated after translating both years’ performance at the prior year’s average exchange rates.

(g) Total growth (note 7(c))

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

(h) Organic revenue growth (note 7(c))

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

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

(i) Benchmark earnings and Total Benchmark earnings (note 13)

Benchmark earnings comprises Benchmark PBT less attributable tax and non-controlling interests. The attributable tax for this purpose excludes significant tax credits and charges arising in the year which, in view of their size or nature, are not comparable with previous years, together with tax arising on Exceptional items and on other adjustments made to derive Benchmark PBT. Benchmark PBT less attributable tax is designated as Total Benchmark earnings.

(j) Benchmark earnings per share ('Benchmark EPS') (note 13(a))

Benchmark EPS comprises Benchmark earnings divided by the weighted average number of issued ordinary shares, as adjusted for own shares held.

(k) Benchmark PBT per share

Benchmark PBT per share comprises Benchmark PBT divided by the weighted average number of issued ordinary shares, as adjusted for own shares held.

(l) Benchmark tax charge and rate (note 11(b))

The Benchmark tax charge is the tax charge applicable to Benchmark PBT. It differs from the Group tax charge by tax attributable to Exceptional items and other adjustments made to derive Benchmark PBT, and exceptional tax charges. A reconciliation is provided in note 11(b) to these condensed half-yearly financial statements. The Benchmark effective rate of tax is calculated by dividing the Benchmark tax charge by Benchmark PBT.

(m) Exceptional items

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

(n) Benchmark operating and Benchmark free cash flow

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

(o) Cash flow conversion

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

(p) Net debt and Net funding (note 19)

Net debt is borrowings (and the fair value of derivatives hedging borrowings) excluding accrued interest, less cash and cash equivalents and other highly liquid bank deposits with original maturities greater than three months. Net funding is borrowings (and the fair value of the effective portion of derivatives hedging borrowings) excluding accrued interest, less cash held in Group Treasury.

(q) Return on capital employed ('ROCE')

ROCE is defined as Benchmark EBIT less tax at the Benchmark rate divided by a three-point average of capital employed over the year. Capital employed is net assets less non-controlling interests, further adjusted to add or deduct the net tax liability or asset and the average capital employed in discontinued operations, and to add Net debt.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2018

7. Segment information

(a) Income statement

Six months ended 30 September 2018	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	**Total operating segments US$m**	Central Activities US$m	**Total continuing operations US$m**
Revenue from external customers	1,430	339	396	199	**2,364**	-	**2,364**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT	492	98	103	(9)	**684**	(35)	**649**
Net interest (note 10(b))	-	-	-	-	**-**	(56)	**(56)**
Benchmark PBT	492	98	103	(9)	**684**	(91)	**593**
Amortisation of acquisition intangibles	(40)	(9)	(5)	(2)	**(56)**	-	**(56)**
Acquisition expenses	(3)	-	(3)	-	**(6)**	-	**(6)**
Adjustment to the fair value of contingent consideration	(3)	-	-	-	**(3)**	-	**(3)**
Interest on uncertain tax provisions (note 10(a))	-	-	-	-	**-**	(7)	**(7)**
Financing fair value remeasurements (note 10(c))	-	-	-	-	**-**	(51)	**(51)**
Profit/(loss) before tax	446	89	95	(11)	**619**	(149)	**470**

Six months ended 30 September 2017	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	**Total operating segments US$m**	Central Activities US$m	**Total continuing operations US$m**
Revenue from external customers							
Ongoing activities	1,268	383	374	179	**2,204**	-	**2,204**
Exited business activities	3	-	-	-	**3**	-	**3**
Total	1,271	383	374	179	**2,207**	-	**2,207**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	411	120	116	(9)	**638**	(30)	**608**
Exited business activities	1	-	-	-	**1**	-	**1**
Total	412	120	116	(9)	**639**	(30)	**609**
Net interest (note 10(b))	-	-	-	-	**-**	(40)	**(40)**
Benchmark PBT	412	120	116	(9)	**639**	(70)	**569**
Amortisation of acquisition intangibles	(38)	(10)	(3)	(2)	**(53)**	-	**(53)**
Acquisition expenses	(7)	-	-	(2)	**(9)**	-	**(9)**
Financing fair value remeasurements (note 10(c))	-	-	-	-	**-**	(12)	**(12)**
Profit/(loss) before tax	367	110	113	(13)	**577**	(82)	**495**

The results for the six months ended 30 September 2017 have been restated following the adoption of IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

A profit before tax of US$22m arose in the prior period in respect of discontinued operations. Further information on such operations which comprise CCM is given in note 12.

Additional information by operating segment, including that on total and organic growth at constant exchange rates, is provided within pages 3 to 8.

7. Segment information (continued)

(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 8. This is supplemented by voluntary disclosure of the profitability of groups of service lines. For ease of reference, we continue to use the term 'business segments' when discussing the results of groups of service lines.

(c) Reconciliation of revenue from ongoing activities

	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	**Total ongoing activities US$m**
Revenue for the six months ended 30 September 2017	**1,268**	**383**	**374**	**179**	**2,204**
Adjustment to constant exchange rates	-	(5)	13	1	**9**
Revenue at constant rates for the six months ended 30 September 2017	**1,268**	**378**	**387**	**180**	**2,213**
Organic revenue growth	132	14	10	23	**179**
Revenue from acquisitions	30	-	1	-	**31**
Revenue at constant rates for the six months ended 30 September 2018	**1,430**	**392**	**398**	**203**	**2,423**
Adjustment to actual exchange rates	-	(53)	(2)	(4)	**(59)**
Revenue for the six months ended 30 September 2018	**1,430**	**339**	**396**	**199**	**2,364**
Organic revenue growth at constant rates	10%	4%	3%	13%	**8%**
Revenue growth at constant rates	13%	4%	3%	13%	**9%**

The above table demonstrates the application of the methodology set out in note 6 in determining organic and total revenue growth at constant exchange rates.

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

Six months ended 30 September 2018	B2B US$m	Consumer Services US$m	**Total business segments US$m**	Central Activities US$m	**Total continuing operations US$m**
Revenue from external customers	1,878	486	**2,364**	-	**2,364**
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT	563	121	**684**	(35)	**649**
Net interest (note 10(b))	-	-	**-**	(56)	**(56)**
Benchmark PBT	563	121	**684**	(91)	**593**
Amortisation of acquisition intangibles	(47)	(9)	**(56)**	-	**(56)**
Acquisition expenses	(5)	(1)	**(6)**	-	**(6)**
Adjustment to the fair value of contingent consideration	(3)	-	**(3)**	-	**(3)**
Interest on uncertain tax provisions (note 10(a))	-	-	**-**	(7)	**(7)**
Financing fair value remeasurements (note 10(c))	-	-	**-**	(51)	**(51)**
Profit/(loss) before tax	508	111	**619**	(149)	**470**

Six months ended 30 September 2017 (Restated) (Note 3)	B2B US$m	Consumer Services US$m	**Total business segments US$m**	Central Activities US$m	**Total continuing operations US$m**
Revenue from external customers					
Ongoing activities	1,743	461	**2,204**	-	**2,204**
Exited business activities	3	-	**3**	-	**3**
Total	1,746	461	**2,207**	-	**2,207**
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT					
Ongoing activities	535	103	**638**	(30)	**608**
Exited business activities	1	-	**1**	-	**1**
Total	536	103	**639**	(30)	**609**
Net interest (note 10(b))	-	-	**-**	(40)	**(40)**
Benchmark PBT	536	103	**639**	(70)	**569**
Amortisation of acquisition intangibles	(43)	(10)	**(53)**	-	**(53)**
Acquisition expenses	(5)	(4)	**(9)**	-	**(9)**
Financing fair value remeasurements (note 10(c))	-	-	**-**	(12)	**(12)**
Profit/(loss) before tax	488	89	**577**	(82)	**495**

The results for the six months ended 30 September 2017 have been restated following the adoption of IFRS 15, the introduction of new business segments and the reclassification to exited business activities of certain B2B businesses.

A profit before tax of US$22m arose in the prior period in respect of discontinued operations. Further information on such operations which comprise CCM is given in note 12.

9. Other adjustments made to derive Benchmark PBT

	Six months ended 30 September	
	2018	2017
	US$m	US$m
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	**56**	53
Acquisition expenses	**6**	9
Adjustment to the fair value of contingent consideration	**3**	-
Interest on uncertain tax provisions	**7**	-
Financing fair value remeasurements (note 10(c))	**51**	12
Charge for other adjustments made to derive Benchmark PBT	**123**	74
By income statement caption:		
Within total operating expenses	**65**	62
Within operating profit	**65**	62
Within net finance costs	**58**	12
Charge for other adjustments made to derive Benchmark PBT	**123**	74

10. Net finance costs

(a) Net finance costs included in Profit before tax

	Six months ended 30 September	
	2018	2017
	US$m	US$m
Interest income:		
Bank deposits, short-term investments and loan notes	**(5)**	(8)
Finance expense:		
Interest expense	**61**	48
Charge in respect of financing fair value remeasurements (note 10(c))	**51**	12
Interest on uncertain tax provisions	**7**	-
Finance expense	**119**	60
Net finance costs included in Profit before tax	**114**	52

(b) Net interest expense included in Benchmark PBT

	Six months ended 30 September	
	2018	2017
	US$m	US$m
Interest income	**(5)**	(8)
Interest expense	**61**	48
Net interest expense included in Benchmark PBT	**56**	40

10. Net finance costs (continued)

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

	Six months ended 30 September	
	2018	2017
	US$m	US$m
Foreign exchange losses on Brazilian real intra-Group funding	**44**	1
Increase in the fair value of put options	**3**	3
Other financing fair value losses	**4**	8
Charge in respect of financing fair value remeasurements	**51**	12

Brazilian real intra-Group funding provided to Serasa S.A., from a Group company whose functional currency is not the Brazilian real, is not considered permanent and foreign exchange gains or losses on this funding are recognised in the Group income statement.

11. Tax – ongoing activities

(a) Group tax charge and effective rate of tax

	Six months ended 30 September	
	2018	2017 (Restated) (Note 3)
	US$m	US$m
Group tax charge	**149**	129
Profit before tax	**470**	495
Effective rate of tax based on Profit before tax	**31.7%**	26.1%

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

	Six months ended 30 September	
	2018	2017 (Restated) (Note 3)
	US$m	US$m
Group tax charge	**149**	129
Tax relief on other adjustments made to derive Benchmark PBT	**1**	23
Benchmark tax charge	**150**	152
Benchmark PBT	**593**	569
Benchmark tax rate	**25.3%**	26.7%

12. Discontinued operations

There have been no material divestments during the 6 months ended 30 September 2018. On 31 May 2017 we completed the divestment of CCM, and the results and cash flows of that business were accordingly classified as discontinued.

(a) Results for discontinued operations

The loss from discontinued operations in the prior period was US$27m in respect of CCM, analysed as follows:

	2017 US$m
Revenue	46
Labour costs	(34)
Data and information technology costs	(7)
Marketing and customer acquisition costs	(1)
Other operating charges	(16)
Total operating expenses	(58)
Loss before tax	(12)
Tax credit	2
Loss after tax of discontinued operations	(10)
Profit on disposal of discontinued operations (note 23(a))	34
Tax charge in respect of disposal	(51)
Loss for the six months ended 30 September 2017 from discontinued operations	(27)

(b) Cash flows for discontinued operations	**2018 US$m**	2017 US$m
Cash outflow from operating activities	**(32)**	(48)
Cash flow from investing activities	**-**	277
Net cash (outflow)/inflow from discontinued operations	**(32)**	229

The cash outflow from operating activities of US$32m (2017:US$48m) relates to CCM and is stated after tax paid on prior period income of that business of US$3m (2017: US$4m) and tax paid on disposal of the business of US$18m (2017: US$nil).

There were no cash flows from investing activities during the period. In the prior period there was an inflow of US$277m, which comprised of an inflow of US$262m relating to CCM, and an inflow of US$15m which arose from the disposal of the comparison shopping and lead generation businesses.

Notes to the condensed half-yearly financial statements
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13. Earnings per share disclosures

(a) Earnings per share (‘EPS’)

	Six months ended 30 September			
	Basic		Diluted	
	2018	2017 (Restated) (Note 3)	**2018**	2017 (Restated) (Note 3)
	US cents	US cents	**US cents**	US cents
Continuing and discontinued operations	**35.3**	36.8	**34.9**	36.4
Add: discontinued operations loss	**-**	2.9	**-**	2.9
Continuing operations	**35.3**	39.7	**34.9**	39.3
Add: other adjustments made to derive Benchmark PBT, net of related tax	**13.4**	5.5	**13.4**	5.5
Benchmark EPS (non-GAAP measure)	**48.7**	45.2	**48.3**	44.8

(b) Analysis of earnings

	Six months ended 30 September	
	2018	2017 (Restated) (Note 3)
	US$m	US$m
Continuing and discontinued operations attributable to owners of Experian plc	**320**	340
Add: discontinued operations loss	**-**	27
Continuing operations	**320**	367
Add: other adjustments made to derive Benchmark PBT, net of related tax	**122**	51
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**442**	418
Benchmark earnings attributable to non-controlling interests (non-GAAP measure)	**1**	(1)
Total Benchmark earnings (non-GAAP measure)	**443**	417

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

	Six months ended 30 September	
	2018	2017 (Restated) (Note 3)
	US$m	US$m
Total Benchmark earnings (non-GAAP measure)	**443**	417
Loss from discontinued operations	**-**	(27)
Loss from other adjustments made to derive Benchmark PBT, net of related tax	**(122)**	(51)
Profit for the period	**321**	339

(d) Weighted average number of ordinary shares

	Six months ended 30 September	
	2018 million	2017 million
Weighted average number of ordinary shares	**907**	924
Add: dilutive effect of share incentive awards, options and share purchases	**9**	9
Diluted weighted average number of ordinary shares	**916**	933

14. Dividends

	Six months ended 30 September			
	2018 US cents per share	**2018 US$m**	2017 US cents per share	2017 US$m
Amounts recognised and paid:				
Second interim – paid in July 2018 (2017: July)	**31.25**	**284**	28.50	264
First interim – announced	**14.00**	**126**	13.50	123

A first interim dividend of 14.00 US cents per ordinary share will be paid on 1 February 2019 to shareholders on the register at the close of business on 4 January 2019 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 2017 was 13.50 US cents per ordinary share and the total dividend per ordinary share for the year ended 31 March 2018 was 44.75 US cents with a total full year cost of US$407m.

15. Capital expenditure, disposals and capital commitments

(a) Additions

During the six months ended 30 September 2018, the Group incurred capital expenditure of US$183m (2017: US$191m).

(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 2018 was US$2m (2017: US$4m) and the loss on disposal was US$1m (2017 profit on disposal: US$14m).

(c) Capital commitments

At 30 September 2018, the Group had capital commitments in respect of intangible assets and property, plant and equipment for which contracts had been placed of US$21m (2017: US$32m). Capital commitments at 30 September 2018 include commitments of US$5m not expected to be incurred before 30 September 2019. Capital commitments at 30 September 2017 included commitments of US$8m not then expected to be incurred before 30 September 2018.

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

(a) Amounts recognised in the Group balance sheet

	30 September	
	2018	2017
	US$m	US$m
Retirement benefit assets/(obligations) – funded plans:		
Fair value of funded plans' assets	**1,088**	1,117
Present value of funded plans' obligations	**(1,032)**	(1,076)
Retirement benefit assets – surplus in funded plans	**56**	41
Retirement benefit obligations – unfunded plans:		
Present value of unfunded pension obligations	**(50)**	(51)
Present value of post-retirement healthcare obligations	**(5)**	(5)
Retirement benefit obligations – unfunded plans	**(55)**	(56)
Net retirement benefit assets/(obligations)	**1**	(15)

The net retirement benefit obligations of US$11m at 1 April 2018 comprised assets of US$47m in respect of funded plans and obligations of US$58m in respect of unfunded plans. The retirement benefit assets and obligations are denominated primarily in pounds sterling.

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

	Six months ended 30 September	
	2018	2017
	US$m	US$m
At 1 April	**(11)**	(40)
Charge to Group income statement within total operating expenses	**(5)**	(5)
Remeasurements recognised within Other comprehensive income	**8**	22
Differences on exchange	**-**	(1)
Contributions paid by the Group	**9**	9
At 30 September	**1**	(15)

There was a small funding deficit at the date of the 2016 full actuarial valuation of the Experian Pension Scheme in the UK. To correct the shortfall the employer has agreed to pay deficit contributions of US$4m per annum over five years from 1 April 2017. Deficit contributions of US$4m were paid in the six months ended 30 September 2018 (2017: US$4m).

(c) Actuarial assumptions

	30 September	
	2018	2017
	%	%
Discount rate	**2.7**	2.6
Inflation rate – based on the UK Retail Prices Index (the 'RPI')	**3.3**	3.2
Inflation rate – based on the UK Consumer Prices Index (the 'CPI')	**2.3**	2.2
Increase in salaries	**3.8**	3.7
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**3.0**	3.0
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.9**	1.9
Increase for pensions in payment – element based on the CPI (where cap is 2.5%)	**1.7**	1.7
Increase for pensions in deferment	**2.3**	2.2
Inflation in medical costs	**6.3**	6.2

The mortality and other demographic assumptions used at 30 September 2018 remain unchanged from those used at 31 March 2018 and disclosed in the Group's statutory financial statements for the year then ended.

17. Notes to the Group cash flow statement

(a) Cash generated from operations

	Six months ended 30 September	
	2018	2017 (Restated) (Note 3)
	US$m	US$m
Profit before tax	**470**	495
Share of post-tax profit of associates	**(4)**	(1)
Net finance costs	**114**	52
Operating profit	**580**	546
Loss/(profit) on disposal of fixed assets	**1**	(14)
Amortisation and depreciation[1]	**215**	212
Charge in respect of share incentive plans	**41**	33
Increase in working capital (note 17(b))	**(188)**	(222)
Acquisition expenses - difference between income statement charge and amount paid	**(6)**	-
Adjustment to the fair value of contingent consideration	**3**	-
Movement in other non-benchmark items included in working capital	**(8)**	(13)
Cash generated from operations	**638**	542

1. Amortisation and depreciation includes amortisation of acquisition intangibles of US$56m (2017: US$53m) which is excluded from Benchmark EBIT.

(b) Increase in working capital

	Six months ended 30 September	
	2018	2017 (Restated) (Note 3)
	US$m	US$m
Trade and other receivables	**46**	(18)
Trade and other payables	**(234)**	(204)
Increase in working capital	**(188)**	(222)

(c) Purchase of other intangible assets

	Six months ended 30 September	
	2018	2017
	US$m	US$m
Databases	**85**	95
Internally generated software	**58**	54
Internal use software	**8**	18
Purchase of other intangible assets	**151**	167

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

	Six months ended 30 September	
	2018	2017
	US$m	US$m
Purchase of subsidiaries (note 24)	**-**	10
Settlement of deferred and contingent consideration	**3**	5
As reported in the Group cash flow statement	**3**	15
Acquisition expenses paid	**12**	9
Transactions in respect of non-controlling interests	**(2)**	8
Cash outflow for acquisitions (non-GAAP measure)	**13**	32

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

(e) Cash outflows in respect of net share purchases (non-GAAP measure)

	Notes	Six months ended 30 September	
		2018	2017
		US$m	US$m
Issue of ordinary shares		**(12)**	(14)
Purchase of shares by employee trusts	22	**-**	37
Purchase and cancellation of own shares		**119**	366
Cash outflow in respect of net share purchases (non-GAAP measure)		**107**	389
As reported in the Group cash flow statement:			
Cash inflow in respect of shares issued		**(12)**	(14)
Cash outflow in respect of net share purchases		**119**	403
		107	389

Cash outflow in respect of net share purchases includes US$1m in respect of the settlement of shares purchased in the year ended 31 March 2018. In the prior period net share purchases of US$8m were not settled until October 2017.

(f) Analysis of cash and cash equivalents

	30 September	
	2018	2017
	US$m	US$m
Cash and cash equivalents in the Group balance sheet	**175**	114
Bank overdrafts	**(3)**	(1)
Cash and cash equivalents – as reported in the Group cash flow statement	**172**	113

Cash and cash equivalents at 1 April 2018 of US$137m in the Group cash flow statement were reported net of overdrafts of US$19m.

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

	Notes	Six months ended 30 September	
		2018	2017
		US$m	US$m
Cash generated from operations	17(a)	**638**	542
Purchase of other intangible assets	17(c)	**(151)**	(167)
Purchase of property, plant and equipment		**(32)**	(24)
Sale of property, plant and equipment		**1**	18
Acquisition expenses paid		**12**	9
Cash flows in respect of other non-benchmark items		**8**	13
Dividends received from associates		**2**	2
Benchmark operating cash flow (non-GAAP measure)		**478**	393

Benchmark free cash flow for the six months ended 30 September 2018 was US$339m (2017: US$289m). Cash flow conversion for the six months ended 30 September 2018 was 74% (2017: 65%).

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2018

19. Net debt (non-GAAP measure)

(a) Analysis by nature

	30 September 2018 US$m	2017 US$m
Cash and cash equivalents (net of overdrafts)	**172**	113
Debt due within one year – bonds and notes	**(523)**	-
Debt due within one year – commercial paper	**-**	(371)
Debt due within one year – bank loans and finance lease obligations	**(3)**	(1)
Debt due after more than one year – bonds and notes	**(2,227)**	(2,320)
Debt due after more than one year – bank loans and finance lease obligations	**(705)**	(701)
Derivatives hedging loans and borrowings	**(217)**	(123)
	(3,503)	(3,403)

(b) Analysis by balance sheet caption

	30 September 2018 US$m	2017 US$m
Cash and cash equivalents	**175**	114
Current borrowings	**(550)**	(373)
Non-current borrowings	**(2,965)**	(3,075)
Borrowings	**(3,515)**	(3,448)
Total reported in the Group balance sheet	**(3,340)**	(3,334)
Accrued interest reported within borrowings above but excluded from net debt	**54**	54
Derivatives reported within other financial assets included in net debt	**14**	39
Derivatives reported within other financial liabilities included in net debt	**(231)**	(162)
	(3,503)	(3,403)

At 30 September 2018 the fair value of borrowings was US$3,494m (2017: US$3,400m).

(c) Movements in Net debt

	1 April 2018	Movements in the period ended 30 September 2018				**30 September 2018**
		Cash flow	Net share purchases	Fair value gains/(losses)	Exchange and other	
	US$m	US$m	US$m	US$m	US$m	**US$m**
Derivatives hedging loans and borrowings	(74)	-	-	(18)	(125)	**(217)**
Borrowings[1]	(3,514)	(173)	-	19	153	**(3,515)**
Total financing liabilities	(3,588)	(173)	-	1	28	**(3,732)**
Accrued interest	24	-	-	-	30	**54**
Cash and cash equivalents[1]	156	158	(107)	-	(32)	**175**
Net debt	**(3,408)**	**(15)**	**(107)**	**1**	**26**	**(3,503)**

1. Total reported in the Group balance sheet

20. Undrawn committed bank borrowing facilities

	30 September 2018 US$m	2017 US$m
Facilities expiring in:		
One to two years	**635**	300
Two to three years	**1,800**	225
Three to four years	**-**	1,800
	2,435	2,325

At 31 March 2018, there were undrawn committed borrowing facilities of US$2,325m.

The financial covenants in connection with the borrowing facilities generally provide that the underlying profitability of the Group must exceed three times net interest expense before financing fair value remeasurements. The Group has complied with its covenants 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 2017	1,005.6	100	1,530
Shares issued under employee share incentive plans	1.0	-	13
Purchase and cancellation of own shares	(18.5)	(2)	-
At 30 September 2017	988.1	98	1,543
Shares issued under employee share incentive plans	0.1	-	3
Purchase and cancellation of own shares	(8.1)	(1)	-
At 31 March 2018	980.1	97	1,546
Shares issued under employee share incentive plans	0.8	-	12
Purchase and cancellation of own shares	(4.9)	-	-
At 30 September 2018	**976.0**	**97**	**1,558**

22. Own shares held

	Number of shares million	Cost of shares US$m
At 1 April 2017	75	1,232
Purchase of shares by employee trusts	2	37
Exercise of share awards and options	(3)	(38)
At 30 September 2017	74	1,231
Exercise of share awards and options	-	(4)
At 31 March 2018	74	1,227
Exercise of share awards and options	(4)	(56)
At 30 September 2018	**70**	**1,171**

Own shares held at 30 September 2018 include 61 million (2017: 62 million) shares held as treasury shares and 9 million (2017: 12 million) shares held in employee trusts. Own shares held at 31 March 2018 included 62 million shares held as treasury shares (1 April 2017: 62 million shares) and 12 million shares (1 April 2017: 13 million shares) held in employee trusts.

The total cost of own shares held at each balance sheet date is deducted from other reserves in the Group balance sheet.

23. Disposals

(a) Profit on disposal

There were no disposals in the six months ended 30 September 2018. In the prior period, the disposal of CCM was completed.

Disposal of CCM:	2017 US$m
Net assets disposed of – book value at date of disposal:	
Goodwill	216
Other intangible assets	48
Property, plant and equipment	17
Trade and other receivables	70
Deferred tax assets	2
Trade and other payables	(10)
Accruals and deferred income	(13)
Current tax liabilities	(3)
Deferred tax liabilities	(17)
Net assets disposed of	310
Disposal proceeds:	
Net cash proceeds after consideration of working capital adjustments and mutual transaction costs	267
Promissory note	75
Share of divested business	27
Transaction costs and provisions	(25)
Total net proceeds	344
Profit on disposal	34

23. Disposals (continued)

(b) Cash inflow from disposals

Disposal of CCM:	2017 US$m
Proceeds received in cash	267
Transaction costs	(5)
Net cash inflow	262

As indicated in note 12, on 31 May 2017 we completed the divestment of CCM.

Disposal of the comparison shopping and lead generation businesses:	2017 US$m
Proceeds from loan note	15

As indicated in note 12, in the six months ended 30 September 2017, we received the remaining value of the loan note receivable in relation to the disposal of the comparison shopping and lead generation businesses.

	2017 US$m
Total cash inflow from disposals	277

24. Acquisitions

There were no acquisitions during the six months ended 30 September 2018. In the prior period we completed a small acquisition, in connection with which provisional goodwill of US$9m was recognised based on the provisional fair value of the net assets acquired of US$3m.

25. Financial risk management

(a) Financial risk factors

The Group’s activities expose it to a variety of financial risks. These are market risk, including foreign exchange risk and interest rate risk, credit risk and liquidity risk. The nature of these risks and the policies adopted by way of mitigation are unchanged from those reported in the Annual Report and Group financial statements for the year ended 31 March 2018. 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 2018

	Level 1 US$m	Level 2 US$m	Level 3 US$m	**Total US$m**
Financial assets:				
Derivatives used for hedging	-	19	-	**19**
Financial assets at fair value through profit and loss	-	76	-	**76**
Amounts reported as other financial assets	-	95	-	**95**
Financial assets revalued through OCI	37	-	57	**94**
	37	95	57	**189**
Financial liabilities:				
Derivatives used for hedging	-	195	-	**195**
Financial liabilities at fair value through profit and loss	-	11	43	**54**
	-	206	43	**249**
Net financial assets/(liabilities)	**37**	**(111)**	**14**	**(60)**

25. Financial risk management (continued)

(b) Analysis by valuation method for items measured at fair value (continued)

(ii) As at 30 September 2017

	Level 1 US$m	Level 2 US$m	Level 3 US$m	**Total US$m**
Financial assets:				
Derivatives used for hedging	-	41	-	**41**
Financial assets at fair value through profit and loss	-	46	-	**46**
Amounts reported as other financial assets	-	87	-	**87**
Financial assets revalued through OCI[1]	40	-	21	**61**
	40	87	21	**148**
Financial liabilities:				
Derivatives used for hedging	-	125	-	**125**
Financial liabilities at fair value through profit and loss	-	17	15	**32**
	-	142	15	**157**
Net financial assets/(liabilities)	**40**	**(55)**	**6**	**(9)**

1. Previously reported as available-for-sale. Reclassified following the adoption of IFRS 9 (note 3).

In accounting for items measured at fair value, we follow 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 and are summarised here for completeness:

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

Level 3 items principally comprise minority shareholdings in unlisted businesses, trade investments, contingent consideration and 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. There would be no material effect on the amounts stated from any reasonably possible change in such inputs at 30 September 2018.

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 2018

	Financial assets revalued through OCI US$m	Contingent consideration US$m	Other US$m	**Total US$m**
At 1 April 2018	46	(24)	(15)	**7**
Purchase of investment	13	-	-	**13**
Fair value losses recognised in Group income statement (note 10(c))	-	-	(3)	**(3)**
Adjustment to the fair value of contingent consideration	-	(3)	-	**(3)**
Other	(2)	1	1	**-**
At 30 September 2018	**57**	**(26)**	**(17)**	**14**

25. Financial risk management (continued)

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

(ii) Six months ended 30 September 2017

	Financial assets revalued through OCI[1] US$m	Contingent consideration US$m	Other US$m	**Total US$m**
At 1 April 2017	21	(2)	(12)	**7**
Fair value losses recognised in Group income statement (note 10(c))	-	-	(3)	**(3)**
Settlement of contingent consideration	-	5	-	**5**
Other	-	(3)	-	**(3)**
At 30 September 2017	**21**	**-**	**(15)**	**6**

1. Previously reported as available-for-sale. Reclassified following the adoption of IFRS 9 (note 3).

(d) Other financial assets and liabilities

Information in respect of the carrying amounts and the fair value of borrowings is included in note 19(b). 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 values of receivables, payables and cash and cash equivalents are considered to approximate to the carrying amounts;
- the fair values of short-term borrowings are considered to approximate to the carrying amounts due to the short maturity terms of such instruments;
- the fair value of that portion of bonds carried at amortised cost is based on quoted market prices, employing a valuation methodology falling within Level 1 of the IFRS 13 fair value hierarchy;
- the fair values of long-term floating rate bank loans and finance lease obligations are considered to approximate to the carrying amount; and
- the fair values of other financial assets and liabilities are calculated based on a discounted cash flow analysis, using a valuation methodology falling within Level 2 of the IFRS 13 fair value hierarchy.

(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 2018.

26. Related party transactions

The Group's related parties were disclosed in the Group financial statements for the year ended 31 March 2018 and there have been no material changes during the six months ended 30 September 2018. Following the divestment of CCM in the year ended 31 March 2018, the Group owns 25% of the issued share capital of Vector CM Holdings (Cayman), L.P. ('Vector'), a partnership incorporated in Cayman Islands.

In the six months ended 30 September 2018 the Group recorded the following transactions and balances with Vector and its subsidiaries:

	Transaction amount		Balance owed to Experian	
	To 30 September 2018 US$m	To 30 September 2017 US$m	**At 30 September 2018 US$m**	At 30 September 2017 US$m
Promissory note	**2**	75	**80**	75
Interest on promissory note	**2**	2	**2**	2
Transitional Services Arrangement ('TSA') fees	**2**	6	**-**	3
Net amounts exchanged and due under the TSA	**(12)**	10	**-**	13
	(6)	93	**82**	93

The promissory note is due and payable to Experian on 31 May 2024 with interest also payable on this date. A 12-month TSA between the Group and Vector to provide services to the partnership has been extended. During the six months ended 30 September 2018, we continued to process transactions on behalf of Vector. We receive a pre-agreed fee for the execution of the TSA and do not receive any margin on individual transactions. Details of amounts arising from the TSA are shown in the table below.

	Transaction amount		Balance owed to Vector	
	To 30 September 2018 US$m	To 30 September 2017 US$m	**At 30 September 2018 US$m**	At 30 September 2017 US$m
Cash received on behalf of Vector	**27**	29	**-**	5

	Transaction amount		Balance owed to Experian	
	To 30 September 2018 US$m	To 30 September 2017 US$m	**At 30 September 2018 US$m**	At 30 September 2017 US$m
Cash paid on behalf of Vector	**15**	39	**-**	18

27. Contingencies

(a) North America security incident

In September 2015, Experian North America suffered an unauthorised intrusion to its Decision Analytics computing environment that allowed unauthorised acquisition of certain data belonging to a client, T-Mobile USA, Inc. We notified the individuals who may have been affected and offered free credit monitoring and identity theft resolution services. In addition, government agencies were notified as required by law. The costs of directly responding to this incident were reflected in a US$20m income statement charge in the year ended 31 March 2016.

We have received a number of class actions and other related claims in respect of the incident and are working with regulators and government bodies as part of their investigations. It is currently not possible to predict the scope and effect on the Group of these various regulatory and government investigations and legal actions, including their timing and scale. In the event of unfavourable outcomes, the Group may benefit from applicable insurance recoveries.

27. Contingencies (continued)

(b) Brazil tax

As previously indicated, Serasa S.A. has been advised that the Brazilian tax authorities are challenging the deduction for tax purposes of goodwill amortisation arising from its acquisition by Experian in 2007. In August 2017, the Brazilian courts ultimately upheld Experian's position in respect of the tax years from 2007 to 2010 with no further right of appeal. The Brazilian tax authorities have raised a similar assessment in respect of the 2011 and 2012 tax years, in which approximately US$45m was claimed, and may raise similar claims in respect of other years. The possibility of this resulting in a liability to the Group is believed to be remote, on the basis of the advice of external legal counsel, success in the first case and other factors in respect of the claim.

(c) Other 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.

28. Events occurring after the end of the reporting period

(a) First interim dividend

Details of the first interim dividend approved by the Board on 12 November 2018 are given in note 14.

(b) Retirement benefit obligations

On 26 October 2018 the English High Court issued a judgment involving the Lloyds Banking Group's defined benefit pension plans. The judgment relates to gender equalisation of Guaranteed Minimum Pension ('GMP') benefits. This is expected to create a precedent for other UK pension plans with GMPs, including the Experian Pension Scheme. We are working with our Trustee to consider the impact of this judgment and are seeking legal and actuarial advice. The increase in pension liabilities can only be confirmed once the methodology is determined and individual calculations are undertaken, however any increase is not anticipated to be material to the Group.

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. The work carried out by the auditor 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 2018 in accordance with applicable law, regulations and accounting standards.

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:

(a) DTR 4.2.7R of the UK Financial Conduct Authority Disclosure Guidance and Transparency Rules Sourcebook, being an indication of important events that have occurred during the first six months of the financial year and the impact on these condensed half-yearly financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(b) DTR 4.2.8R of the UK Financial Conduct Authority Disclosure Guidance and Transparency Rules Sourcebook, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the enterprise during that period; and any changes in the related party transactions described in the last annual report that could do so.

The names and biographical details of the directors of Experian plc as at 16 May 2018 were listed in the Group's statutory financial statements for the year ended 31 March 2018. Roger Davis retired as a director of Experian plc and Chairman of the Remuneration Committee on 18 July 2018 in accordance with his previously announced intention, and Mike Rogers took up his role as Chairman of the Remuneration Committee on that date. Paul Walker has notified the Company of his intention to step down as a director of Experian plc with effect from the Annual General Meeting of the Company to be held in July 2019. A list of current directors is maintained on the Company website at www.experianplc.com.

By order of the Board

Charles Brown
Company Secretary

12 November 2018

Independent review report to Experian plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2018 of the Company and its subsidiaries (together the 'Group') which comprises the Group income statement, the Group statement of comprehensive income, the Group balance sheet, the Group statement of changes in equity, the Group cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2018 is not prepared, in all material respects, in accordance with IAS 34 'Interim financial reporting' as adopted by the EU and the Disclosure Guidance and Transparency Rules Sourcebook (the 'DTR') of the UK's Financial Conduct Authority (the 'UK FCA').

Scope of review

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 Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) 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.

Directors' responsibilities

The half-yearly financial report 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 DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Paul Korolkiewicz
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

12 November 2018

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 Link Market Services (Jersey) Limited, via the Company website at shares.experianplc.com. The service is free and it facilitates the use of a comprehensive range of shareholder services online.

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 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 ending 31 March 2019

A first interim dividend in respect of the year ending 31 March 2019 of 14.00 US cents per ordinary share will be paid on 1 February 2019 to shareholders on the register at the close of business on 4 January 2019. Unless shareholders elect by 4 January 2019 to receive US dollars, their dividends will be paid in pounds sterling at a rate per share calculated on the basis of the exchange rate from US dollars to pounds sterling on 11 January 2019.

Income access share ('IAS') arrangements

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

Shareholders who hold 50,000 or fewer Experian 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 buy more shares in the Company. Eligible shareholders, who wish to participate in the DRIP in respect of the first interim dividend for the year ending 31 March 2019 to be paid on 1 February 2019, should return a completed and signed DRIP application form, to be received by the registrars by no later than 4 January 2019. Shareholders should contact the registrars for further details.

American Depositary Receipts ('ADR')
Experian has a sponsored Level 1 ADR programme, for which Bank of New York Mellon acts as depositary. This 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:

BNY Mellon Shareowner Services
PO Box 505000
Louisville, KY 40233-5000
USA

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

Shareholder information (continued)

Financial calendar

First interim ex-dividend date	3 January 2019
First interim dividend record date	4 January 2019
First interim dividend exchange rate determined	11 January 2019
Trading update, third quarter	17 January 2019
First interim dividend payment date	1 February 2019
Preliminary announcement of full year results	15 May 2019
Trading update, first quarter	16 July 2019
Annual General Meeting	24 July 2019

Contact information

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Registered number - 93905

Registrars

Experian Shareholder Services
Link Market Services (Jersey) Limited
PO Box 532
St Helier
Jersey
JE4 5UW
Channel Islands

Shareholder helpline – 0371 664 9245 (+44 800 141 2952 for calls from outside the UK)
E – experian@linkregistrars.com

Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.30am and 5.30pm (UK time), Monday to Friday excluding public holidays in England and Wales.

Stock exchange listing information

Exchange: London Stock Exchange, Premium Main Market
Index: FTSE 100
Symbol: EXPN