experian

news release

Half-yearly financial report

7am, 12 November 2019 — Experian plc, the global information services company, today issues its half-yearly financial report for the six months ended 30 September 2019.

Brian Cassin, Chief Executive Officer, commented:
"We have started the year well. First-half organic revenue growth was 7%, with acceleration in Q2. This reflects successful execution on big new addressable market opportunities, the global roll out of our innovative platforms and considerable momentum in Consumer Services as we invest in Experian Boost.
"We now expect full-year organic revenue growth in the 7-8% range, at the upper end of our previous guidance. We continue to expect EBIT growth at or above revenue growth and strong progress in Benchmark earnings per share, all at constant currency, and for the full year we expect operating cash conversion of around 90%."

Benchmark and Statutory financial highlights

	2019 US$m	2018[2] US$m	Actual rates growth %	Constant rates growth %	Organic[3] growth %
Benchmark[1]					
Revenue – ongoing activities	2,495	2,361	6	8	7
Revenue	2,495	2,364	6	8	n/a
Benchmark EBIT – ongoing activities[4]	670	647	4	6	n/a
Total Benchmark EBIT	670	649	3	5	n/a
Benchmark EPS	USc 49.1	USc 48.7	1	3	n/a
Statutory					
Revenue	2,495	2,364	6	8	n/a
Operating profit	556	580	(4)	n/a	n/a
Profit before tax	480	470	2	n/a	n/a
Basic EPS	USc 39.0	USc 35.3	10	n/a	n/a
Total dividend	USc 14.5	USc 14.0	4	n/a	n/a

1 See Appendix 1 (page 13) and note 6 to the financial statements (pages 25-26) for definitions of non-GAAP measures.
2 Benchmark measures are restated for exited business activities which comprise certain B2B businesses. 3 Organic revenue growth at constant exchange rates.
4 See page 13 for reconciliation of Benchmark EBIT from ongoing activities to Profit before tax.

- **Strong first half performance.**
  - Q2 organic revenue growth of 7% and H1 organic revenue growth of 7%.
  - B2B organic revenue growth of 6%.
  - Consumer Services organic revenue growth of 11% with rapidly growing new product portfolio.
  - Benchmark EBIT (ongoing activities) growth at constant rates of 6%.
  - Benchmark EBIT margin of 26.9%, down 50 basis points at both constant rates and actual rates, including one-off launch costs for Experian Boost.
  - Benchmark EPS growth of 3% at constant rates.
- **Operational highlights.**
  - Strong momentum as we accelerate our global B2B innovation plays; Ascend, Experian One, open banking (Trusso and Verdus) and CrossCore all progressed strongly in the half, and considerable momentum in Experian Boost with quadrupling of revenues in CreditMatch.
  - Good momentum in North America, as B2B innovations take-hold and with double-digit Consumer Services growth.
  - Double-digit organic revenue growth in Latin America; preparing for positive data.
  - Generating audiences at scale as global free consumer memberships reach 70m across our three major markets, up from c. 45m last year.
  - Significant progress in Experian Boost, unique account connections of 2m US consumers.
  - Further strategic progress with US$437m investments in acquisitions, including Compuscan, and additional acquisitions and minority investments.
- **Continuing commitment to shareholder returns and disciplined capital allocation.**
  - First interim dividend up 4% to 14.5 US cents per ordinary share.
  - Completed US$181m of the share repurchase programme to 8 November 2019, of which US$137m was in the first half.

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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 559 971 33. 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 FY20 on 17 January 2020.

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 12 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 17,200 people operating across 44 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

This was another half of good progress with strong momentum in North America, Latin America back to strong levels of growth, and pleasing progress in Consumer Services. All of which has its roots in our technology investments, new product innovation, new data sets and strong sales execution. We are experiencing expansion on many fronts as we address new opportunities to grow with existing clients and as we win new customers all around the world. We are also engaging with consumers in new ways and now reach tens of millions of people across our three major markets through our free offers. This gives us great confidence as we look out to H2 and beyond and we have therefore raised our full year organic revenue guidance to 7-8 %, the top half of our previous guidance range.

Financial highlights:

- Total revenue growth of 8% at constant currency and organic revenue growth of 7%. At actual exchange rates total revenue growth was 6%. Organic revenue growth was 6% in Q1 accelerating to 7% in Q2.
- Double-digit organic revenue growth in North America and Latin America, while UK and Ireland was flat and EMEA/Asia Pacific saw modest decline.
- Continued momentum in B2B, with organic revenue growth of 6% at constant exchange rates with good demand for new sources of data and as we scale our global platforms.
- Strong growth in Consumer Services, with organic revenue up 11% at constant exchange rates as we empower consumers to take control of their data and as we build relationships with millions of consumers.
- Growth in Benchmark EBIT of 6% at constant exchange rates, 4% at actual exchange rates.
- Benchmark EBIT margin at constant currency and actual rates was 26.9%, down 50 basis points, as we invested behind the launch of Experian Boost (80 basis points one-off launch costs) and saw higher depreciation on technology investments.
- Growth in Benchmark earnings per share of 3% at constant exchange rates and 1% at actual exchange rates.
- Conversion of Benchmark EBIT into Benchmark operating cash flow was 51%, in the seasonally weaker half of the year for cash flow.

We delivered further progress in B2B:

- Our Data segment delivered organic revenue growth of 8% at constant exchange rates, with all regions contributing positively. This reflects investment in a wide range of unique sources of data, strength in consumer information across all territories, strong recovery in Brazil and a growing contribution from our bureaux in EMEA/Asia Pacific.
- The total contract value for Ascend has now reached US$270m, as we secure new engagements for existing modules and introduce new modules to the platform. Ascend is currently live in the USA, UK, Brazil, and Italy and we expect to launch in more countries during this financial year.
- While Decisioning revenue was flat in the half against strong prior-year comparables, pipelines are growing. We secured new contracts for PowerCurve; we have made excellent progress in fraud and identity, including with CrossCore; and Experian One, our new cloud-based decisioning platform, secured new wins during the half.
- Experian Health delivered further good progress as we expand our position with healthcare providers and successfully extend our suite of services.

We made significant progress in Consumer Services as we:

- Secured direct relationships with 70m consumers for free Experian offers (up from over 45m in FY19). We now have 24m free members in the USA, 39m in Brazil and 6.6m the UK.
- Delivered strong growth in credit marketplace (lead generation) revenues in both the US and the UK and our consumer activities in Brazil have made significant progress towards meaningful revenue-generation.
- Expanded our Experian Boost membership, with unique account connections of 2m US consumers since launch.

With regards to capital allocation and uses of cash:

- We have made further strategic progress having completed the acquisition of Compuscan in the half plus other smaller investments, such as MyHealthDirect. We also purchased the remaining 45% of our subsidiary Experian MicroAnalytics and, after the end of the half-year took a controlling interest in RAMCI, a credit bureau in Malaysia, and we acquired Auto I.D., Inc., a leading provider of automotive solutions and services in the USA.
- We made equity investments in Grab and CompareAsiaGroup. We also agreed new commercial agreements to help power their consumer financial marketplaces.
- We are announcing a first interim dividend of 14.5 US cents per share, up 4% year-on-year. This will be paid on 31 January 2020 to shareholders on the register at the close of business on 3 January 2020.
- We completed US$137m in net share repurchases in the first half, as part of our US$400m share repurchase programme this year, and as at 8 November 2019 that has increased to US$181m.
- Net debt at the end of the first half was US$4,060m, which places us at 2.4 times Benchmark EBITDA, within our target leverage range of 2.0 to 2.5 times net debt to Benchmark EBITDA.

Regional highlights
We delivered strong organic revenue growth in North America and Latin America, whilst UK and Ireland was flat and EMEA/Asia Pacific was slightly lower.

	Year-on-year % change in organic revenue [1]					**EBIT margin**
	Data	*Decisioning*	**B2B[2]**	**Consumer Services**	**Total**	**Total**
North America	*9*	*6*	8	13	10	34.6%
Latin America	*10*	*7*	10	n/a	10	27.6%
UK and Ireland	*4*	*(8)*	(1)	3	-	20.2%
EMEA/Asia Pacific	*7*	*(12)*	(3)	n/a	(3)	(2.5)%
Total Global	*8*	-	6	11	7	26.9%

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

North America

Revenue in North America was US$1,573m, with total and organic revenue growth of 10%.

North America B2B delivered organic revenue growth of 8% at constant exchange rates. Data saw strength in core profiles, as well as in mortgage, and a very strong contribution from Clarity Services. We are excited about our prospects as we launch new suites of credit score products which combine traditional credit, alternative credit and trended data assets covering a wider proportion of the US population and helping more people gain access to fair and affordable credit. Revenues for Ascend have also grown significantly as we secure new customers for existing modules and introduce new versions. In total five modules of Ascend have been successfully launched in the USA with further modules pending. Automotive also performed well in the half, reflecting good demand for our superior data assets, integrated cross-Experian propositions and new client wins for the automotive version of the Ascend sandbox.

Decisioning performed well, revenue was up 6% at constant exchange rates, as we delivered on significant new client engagements for fraud and identity management services. We have also secured a healthy pipeline for software including for Experian One, our cloud-based decisioning platform. Experian health performed well as we extend our position with healthcare providers. Our clients want to deliver better engagement with their patients and to provide greater transparency on payments. This is driving demand across our product suite, including for patient engagement, coverage discovery and identity management offers. The acquisition of MyHealthDirect further strengthens our proposition as it will help to simplify and automate the appointment, scheduling and payment processes for both healthcare providers and for patients.

In Consumer Services, we have had a tremendous response to the introduction of Experian Boost, the new unique service we introduced in March 2019. Experian Boost gives consumers the ability to make positive choices about using their data to build out their credit files using non-traditional sources like utility or mobile phone bills. In the USA 2m unique consumers have now connected their accounts, and "Experian Boost" is now one of the top 10 most searched keyword terms in the credit monitoring category. In total we have now signed 24m consumers to free membership offers, up from 16m at H1 FY19 and we stepped up marketing investment in the half to promote the service and drive traffic to our sites and mobile application.

Revenue performance in Consumer Services was strong, up 13% at constant exchange rates. This was in part driven by a quadrupling in lead generation revenue in the half through CreditMatch as consumers engage with Experian and are matched to suitable credit offers. Growth also reflected ongoing strength in identity management offers and a considerably-reduced drag in paid-for credit monitoring services. Partner Solutions also performed well, to some extent benefitting from a one-off data breach resolution contract win. During the second half, we expect the Consumer Services business to continue to grow well, with growth rates reflecting the material breach contract recorded in the second half of the previous year.

We have recently completed the acquisition of Auto I.D., Inc. a leading provider of solutions and services to automotive lenders in the US. We already have a successful, fast-growing automotive business in North America and adding Auto I.D.'s capabilities in recovering loss, mitigating risk, improving compliance and identifying fraud will allow us to offer an even more extensive range of products to our automotive clients.

North America Benchmark EBIT increased by 11% to US$544m. The Benchmark EBIT margin increased by 20 basis points year-on-year to 34.6%. This reflected strong operating leverage in B2B, offset by investments in customer acquisition to support the roll out of Experian Boost.

Latin America

Revenue in Latin America was US$352m, with total and organic revenue growth of 10% at constant exchange rates.

In Brazil, we have seen further improvements to economic and business confidence. Our business grew double-digit in H1 as this greater confidence combined with our innovation-led strategy which helped drive strong revenue performance. We have seen good growth across both consumer and business information, as well as a growing revenue contribution from our consumer-activities as we engage with millions of consumer members. Our base continues to grow quickly, and we now have 39m free members or over 18% of the population, giving us material scale.

In October, we received formal accreditation from the Central Bank in Brazil to incorporate positive credit payment data as part of our operations. This is a big and welcome change which will mean consumers and companies in Brazil will be automatically included in a positive credit registry. We believe it will help drive greater access to credit in Brazil at more affordable rates, reduce levels of credit distress and, in time, create the conditions for more customised credit offers. We estimate that over 150m people will be included in the positive data bureau with the advent of positive data.

We have now started to receive the positive data and expect to launch new products during FY20 and FY21. We believe we will have new opportunities to develop better scores, to increase adoption of advanced analytical and cloud-based decisioning tools, and that positive data will give rise to enhanced services for consumers. Our plans are well advanced as we have pre-invested in our technology platform and have a detailed roadmap for the roll out of positive data propositions.

Growth in Spanish Latin America was driven by a strong performance in Colombia, as we extend the range of services we offer to our B2B clients and we signed a number of significant new contracts. We see good prospects as we introduce more of our global Experian platforms into the region, including Ascend, CrossCore and Experian One and direct-to-consumer.

Benchmark EBIT in Latin America was US$97m, up 6% at constant exchange rates. Benchmark EBIT margin was 27.6% (2018: 28.9%) reflecting revenue mix effects and investments in consumer, positive data preparation and our technology platforms.

UK and Ireland

Revenue in the UK and Ireland was US$371m. Total and organic revenue growth was flat at constant exchange rates. B2B declined (1)% while Consumer Services delivered organic revenue growth of 3%.

Within B2B, Data delivered revenue growth of 4% at constant exchange rates, with a strong performance across the consumer credit bureau operations. This reflects the investments we have made in unique propositions, such as trended data and open banking (Trusso and Verdus), and in our B2B platform strategy. We are delivering services to digitise the process of applying for a mortgage, with several new client engagements, take-up rates for our open-data aggregation platform have been strong and we have established significant scale in personalised eligibility services for B2B marketplaces. Other parts of our Data operations were somewhat weaker however, particularly on the more cyclical marketing side of our business. Decisioning also experienced weakness, with organic revenue down (8%). This was as we lapped strong prior-year comparables and saw a subdued macroeconomic backdrop impact the pace of client investments in new software installations. We expect this to continue to be a headwind in the near-term given ongoing political and economic uncertainty in the UK.

In Consumer Services, we have made steady progress with the business back to growth in H1, driven by significant expansion of our CreditMatcher comparison service. This more than offset modest declines in paid memberships. Our free membership base has reached 6.6m consumers and we will continue to add exciting new features to help consumers better manage their money.

Benchmark EBIT was US$75m, down (20)% at constant exchange rates. This reflected the reduction in Decisioning revenue, as well as increased depreciation and further investment related to technology infrastructure to support the roll out of our global platforms. The Benchmark EBIT margin was 20.2% (2018: 25.7%).

EMEA/Asia Pacific

In EMEA/Asia Pacific, revenue was US$199m, with total revenue growth of 5% and organic growth of (3)% at constant rates. The difference relates to the contribution from the Compuscan acquisition.

We delivered good growth in Data, where organic revenue was up 7% at constant exchange rates. This reflected good progress in our bureaux in EMEA and significant growth across our consumer credit bureaux in India and Australia. We also benefitted from first time revenue contributions for Ascend, as we secure new client engagements, and for affordability solutions, for example through Trusso, our open data platform. In its first few months under Experian ownership Compuscan, our new credit bureau in South Africa performed well and we are excited about the opportunities for the combined business.

Decisioning revenue declined by (12%) at constant exchange rates, reflecting solid progress in EMEA offset by weakness in Asia Pacific as we lapped a small number of large decisioning contracts in the prior year. Notwithstanding this, pipelines are very strong, and we have secured several contracts across our PowerCurve suite. We therefore have good line of sight to improving revenue growth momentum as we exit this financial year.

We made several strategic investments in both EMEA and Asia Pacific during the half. We are delighted to welcome RAMCI to Experian. RAMCI is a credit bureau in Malaysia in which we previously held a minority stake and which now moves to control. We have also taken minority equity stakes in Grab and CompareAsiaGroup. We also agreed commercial agreements to supply scores and decisioning software to power their consumer credit portals.

Benchmark EBIT was US$(5)m (2018: US$(9)m). At actual exchange rates Benchmark EBIT growth was 36% and at constant exchange rates it was 46%. Benchmark EBIT margin from ongoing activities at actual rates increased 200 basis points to (2.5)% as our operations grow in scale.

Other financial developments

Our Benchmark PBT was US$604m, up 4% at constant currency and 2% at actual rates, after higher Benchmark net interest expense of US$66m (2018: US$56m), reflecting higher Net debt largely due to the acquisitions made in the half and a US$5m IFRS16 related interest charge (see note 3 to the financial statements for further information). We now expect net interest of c.US$130m for the full year including the effects of IFRS16. While IFRS16 will have no material impact on our overall financial results, it will reduce total operating expense by around $10m and increase interest expense by a similar amount in FY20.

The Benchmark tax rate was 26.2% (2018: 25.3%). The increase reflected the mix of profit in the half. We expect the Benchmark tax rate to be c. 26% in FY20 reflecting the mix of profits and prevailing tax rates by territory.

Our Benchmark EPS was 49.1 US cents, an increase of 3% at constant currency and 1% at actual rates, as the weighted average number of ordinary shares (WANOS) reduced to 903m (2018: 907m) as a result of our share repurchase programme.

Benchmark operating cash flow declined 29% at actual rates and our Benchmark operating cash flow conversion was 51% (2018: 74%), as we saw our investment programme phased more to the first half of the year which is also our traditionally weaker half of the year for cash generation. We continue to expect a conversion of Benchmark EBIT to operating cash flow of around 90% for the year ending 31 March 2020.

Consistent with our capital allocation framework, uses of cash were balanced between growth investment and returns to shareholders. Net capital expenditure was US$223m, which represented 9% of total revenue in the half. We continue to expect net capital expenditure to be in the range of 9-10% of revenue in FY20 as we invest in new products and innovation. After acquisition and investment expenditure of US$499m, ordinary dividends paid of US$294m, and net share purchases of US$137m, we ended the half year with Net debt of US$4,060m, placing us at 2.4 times EBITDA, within our target range of 2.0 to 2.5 times net debt to EBITDA.

Foreign exchange translation was a 2% headwind to EPS in the half year. This was predominantly due to the Brazilian real, which weakened by 4% relative to the US dollar versus the prior year, and weakness in GBP sterling. Assuming recent rates stay the same for the rest of the year, we now expect a full-year EBIT headwind of c.1-2%.

Group financial results

Revenue by region

Six months ended 30 September	2019 US$m	2018[1] US$m	Growth % Total at actual rates	Total at constant rates	Organic at constant rates
North America					
Data	791	726		9	9
Decisioning	322	301		7	6
B2B	1,113	1,027		8	8
Consumer Services	460	403		14	13
Total ongoing activities	**1,573**	**1,430**	**10**	**10**	**10**
Exited business activities[1]	-	-			
Total North America	**1,573**	**1,430**			
Latin America					
Data	300	287		10	10
Decisioning	52	52		7	7
Total ongoing activities	**352**	**339**	**4**	**10**	**10**
Exited business activities	-	-			
Total Latin America	**352**	**339**			
UK and Ireland					
Data	182	184		4	4
Decisioning	109	126		(8)	(8)
B2B	291	310		(1)	(1)
Consumer Services	80	83		3	3
Total ongoing activities	**371**	**393**	**(6)**	**-**	**-**
Exited business activities	-	3			
Total UK and Ireland	**371**	**396**			
EMEA/Asia Pacific					
Data	104	86		26	7
Decisioning	95	113		(11)	(12)
Total ongoing activities	**199**	**199**	**-**	**5**	**(3)**
Exited business activities	-	-			
Total EMEA/Asia Pacific	**199**	**199**			
Total revenue - ongoing activities	**2,495**	**2,361**	**6**	**8**	**7**
Total revenue - exited business activities	-	3			
Revenue	**2,495**	**2,364**	**6**	**8**	

1 Results for 2018 are restated for the reclassification to exited business activities of certain B2B businesses.
See Appendix 1 (page 13) and note 6 to the financial statements (pages 25-26) for definitions of non-GAAP measures.
See Appendix 2 (page 13) 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	2019 US$m	2018[1] US$m	Growth % Total at actual rates	Growth % Total at constant rates
Benchmark EBIT by geography				
North America	544	492		11
Latin America	97	98		6
UK and Ireland	75	101		(20)
EMEA/Asia Pacific	(5)	(9)		46
Benchmark EBIT before Central Activities	**711**	**682**		**5**
Central Activities – central corporate costs	(41)	(35)		
Benchmark EBIT from ongoing activities	**670**	**647**	**4**	**6**
Exited business activities[1]	-	2		
Benchmark EBIT	**670**	**649**	**3**	**5**
Net interest	(66)	(56)		
Benchmark PBT	**604**	**593**	**2**	**4**
Exceptional items	(35)	-		
Amortisation of acquisition intangibles	(59)	(56)		
Acquisition expenses	(16)	(6)		
Adjustment to the fair value of contingent consideration	1	(3)		
Non-benchmark share of post-tax profit of associates	36	-		
Interest on uncertain tax provisions	(7)	(7)		
Financing fair value remeasurements	(44)	(51)		
Profit before tax	**480**	**470**		
Group tax charge	(125)	(149)		
Profit after tax	**355**	**321**		
Benchmark earnings				
Benchmark PBT	**604**	**593**	**2**	**4**
Benchmark tax charge	(158)	(150)		
Total Benchmark earnings	**446**	**443**		
Owners of Experian plc	**443**	**442**	**-**	**2**
Non-controlling interests	3	1		
Benchmark EPS	**US49.1c**	**US48.7c**	**1**	**3**
Basic EPS	US39.0c	US35.3c		
Weighted average number of ordinary shares	903m	907m		
Benchmark EBIT margin – ongoing activities				
North America	34.6%	34.4%		
Latin America	27.6%	28.9%		
UK and Ireland	20.2%	25.7%		
EMEA/Asia Pacific	(2.5)%	(4.5)%		
Benchmark EBIT margin	**26.9%**	**27.4%**		

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Group financial review

Key statutory measures

Statutory revenue
We continued to make good progress during the period, revenue increased by 6% to US$2,495m (2018: US$2,364m), reflecting an improved underlying performance by both business segments.

Statutory operating profit and profit before tax
Operating profit for the six months ended 30 September 2019 decreased to US$556m from US$580m in the prior period, largely due to the charge for Exceptional items. Profit before tax increased to US$480m (2018: US$470m). We benefitted from a gain on an associate’s business disposal which increased our share of the post-tax profit of associates by US$37m in the period.

Statutory Basic EPS
Basic EPS was up 10% to 39.0 US cents (2018: 35.3 US cents). The increase reflects a mix of factors including a higher profit before tax, a lower tax charge 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$552m (2018: US$638m) reflecting movements in working capital. New borrowings totalled US$839m, reflecting the funding required for the increased acquisition activity (US$353m), cash outflows in respect of net share purchases (US$137m) and payment of the second interim dividend (US$295m) during the half year. Undrawn committed borrowing facilities were US$2,175m at 30 September 2019, a reduction of US$450m from 31 March 2019, as committed facilities were drawn down.

Tax
The effective rate of tax based on profit before tax is 26.0%, a reduction from the comparative period which was 31.7%, and unusually high as a result of a non-recurring tax charge in North America.

Balance sheet commentary

Net assets
At 30 September 2019, net assets amounted to US$2,317m (2018: US$2,282m). Capital employed, as defined in note 6(q) to the condensed half-yearly financial statements, was US$6,657m (2018: US$6,092m). Following the implementation of IFRS 16, right-of-use assets and lease liabilities have been recognised on the Group balance sheet. Further detail on the transition to IFRS 16 is included in note 3.

Equity
There was a decrease in equity of US$177m from US$2,494m at 31 March 2019 with movements detailed in the Group statement of changes in total equity on page 18.

Key movements in equity during the half include:

- Profit for the period of US$355m.
- Currency translation losses of US$112m.
- Remeasurement gains of US$44m in respect of defined benefit pension plans.
- Dividends of US$295m and a movement of US$137m in connection with net share purchases.

Seasonality
In recent years, our Benchmark EBIT performance has tended to be weighted towards the second half of the year reflecting revenue seasonality. This pattern is expected to continue during the year ending 31 March 2020.

Foreign currency

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 2019	Period ended 30 September 2018	Year ended 31 March 2019
US dollar : Brazilian real	3.95	3.78	3.79
Pound sterling : US dollar	1.26	1.33	1.31
Euro : US dollar	1.12	1.18	1.16
US dollar : Colombian peso	3,292	2,902	3,025
US dollar : South African rand	14.54	13.38	13.76

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 in the table below.

	30 September 2019	30 September 2018	31 March 2019
US dollar : Brazilian real	4.16	4.01	3.89
Pound sterling : US dollar	1.23	1.30	1.31
Euro : US dollar	1.09	1.16	1.12
US dollar : Colombian peso	3,464	2,981	3,163
US dollar : South African rand	15.17	14.16	14.47

Risks

We continue to 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 52 to 59 of our Annual Report for the year ended 31 March 2019:

- 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; and
- Undesirable investment outcomes.

'Data ownership, access and integrity' reported as a principal risk in our Annual Report for the year ended 31 March 2019 overlaps with other risks such as legislative, regulatory and compliance. Consequently, we no longer identify 'data ownership, access and integrity' as a standalone principal risk. None of the risk information in this category has been eliminated but is covered within the other principal risks noted above.

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. Recent examples include the California Consumer Privacy Act and the Brazilian General Data Protection Law.

We continue to experience an increasing number of consumer and class actions in the USA.

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

We are also still closely monitoring trends in geopolitical risks given the uncertainty related to Brexit and populist agendas across a number of regions.

Further information on financial risk management is given in note 24 to the condensed half-yearly financial statements.

The Chief Executive Officer's, Business and Group financial reviews on pages 3 to 11 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 below and Benchmark EPS in note 13 on page 32.

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

Six months ended 30 September	**2019 US$m**	**2018[1] US$m**	**Growth: Total at constant rates %**	**Growth: Organic at constant rates %**
Revenue				
Data	1,377	1,283	10	8
Decisioning	578	592	-	-
B2B	1,955	1,875	7	6
Consumer Services	540	486	12	11
Total – ongoing activities	**2,495**	**2,361**	**8**	**7**
Exited business activities[1]	-	3	n/a	
Total revenue	**2,495**	**2,364**	**8**	
Benchmark EBIT				
B2B	586	561	7	
Consumer Services	125	121	4	
Total business segments	**711**	**682**	**6**	
Central Activities – central corporate costs	(41)	(35)	n/a	
Total – ongoing activities	**670**	**647**	**6**	
Exited business activities[1]	-	2	n/a	
Total Benchmark EBIT	**670**	**649**	**5**	
Benchmark EBIT margin – ongoing activities				
B2B[1]	30.0%	29.9%		
Consumer Services	23.1%	24.9%		
Total Benchmark EBIT margin	**26.9%**	**27.4%**		

1. Comparative information is restated following the reclassification to exited business activities of certain B2B businesses.

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

Six months ended 30 September	**2019 US$m**	**2018 US$m**
Benchmark EBIT	670	649
Net interest expense	(66)	(56)
Benchmark PBT	**604**	**593**
Exceptional items and other adjustments made to derive Benchmark PBT[2]	(124)	(123)
Profit before tax	**480**	**470**

2. See note 9.

Appendices (continued)

4. Cash flow and Net debt summary

Six months ended 30 September	**2019 US$m**	**2018 US$m**
Benchmark EBIT	670	649
Amortisation and depreciation charged to Benchmark EBIT	204	159
Benchmark EBITDA	**874**	**808**
Net capital expenditure	(223)	(181)
Increase in working capital	(317)	(188)
Principal lease payments	(26)	-
Profit retained in associates	(1)	(2)
Charge for share incentive plans	33	41
Benchmark operating cash flow	**340**	**478**
Net interest paid	(69)	(55)
Tax paid	(146)	(84)
Dividends paid to non-controlling interests	(1)	-
Benchmark free cash flow	**124**	**339**
Acquisitions	(437)	(13)
Purchase of investments	(62)	(17)
Movement in Exceptional and other non-benchmark items	(17)	(8)
Ordinary dividends paid	(294)	(284)
Net cash (outflow)/inflow – continuing operations	**(686)**	**17**
Net cash outflow – discontinued operations	(7)	(32)
Net debt at 1 April	(3,262)	(3,408)
Net share purchases	(137)	(107)
Foreign exchange and other movements	32	27
Net debt at 30 September	**(4,060)**	**(3,503)**

5. Total investment

Six months ended 30 September	**2019 US$m**	**2018 US$m**
Capital expenditure	226	183
Disposal of property, plant and equipment	(3)	(2)
Net capital expenditure	**223**	**181**
Acquisitions	437	13
Purchase of investments	62	17
Total investment	**722**	**211**

Condensed half-yearly financial statements

Group income statement

for the six months ended 30 September 2019

	Six months ended 30 September 2019			Six months ended 30 September 2018		
	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))	2,495	-	**2,495**	2,364	-	**2,364**
Total operating expenses (note 9(a))	(1,830)	(109)	**(1,939)**	(1,719)	(65)	**(1,784)**
Operating profit/(loss)	665	(109)	**556**	645	(65)	**580**
Interest income	6	-	**6**	5	-	**5**
Finance expense	(72)	(51)	**(123)**	(61)	(58)	**(119)**
Net finance costs (note 10(a))	(66)	(51)	**(117)**	(56)	(58)	**(114)**
Share of post-tax profit of associates[3]	5	36	**41**	4	-	**4**
Profit/(loss) before tax (note 7(a))	604	(124)	**480**	593	(123)	**470**
Group tax (charge)/credit (note 11(a))	(158)	33	**(125)**	(150)	1	**(149)**
Profit/(loss) for the period	446	(91)	**355**	443	(122)	**321**
Attributable to:						
Owners of Experian plc	443	(91)	**352**	442	(122)	**320**
Non-controlling interests	3	-	**3**	1	-	**1**
Profit/(loss) for the period	446	(91)	**355**	443	(122)	**321**
Total Benchmark EBIT[1]	670	-	**670**	649	-	**649**

	US cents	US cents	**US cents**	US cents	US cents	**US cents**
Earnings/(loss) per share (note 13(a))						
Basic	49.1	(10.1)	**39.0**	48.7	(13.4)	**35.3**
Diluted	48.7	(10.0)	**38.7**	48.3	(13.4)	**34.9**

1. Total Benchmark EBIT and other Benchmark items are non-GAAP measures, defined in note 6 to the condensed half-yearly financial statements.

2. The loss before tax for non-benchmark items of US$124m (2018: US$123m) is analysed in note 9 to the condensed half-yearly financial statements.

3. The non-benchmark share of post-tax profit of associates of US$36m (2018: US$nil) includes a gain of US$38m relating to a business disposal by an associate.

Condensed half-yearly financial statements

Group statement of comprehensive income
for the six months ended 30 September 2019

	Six months ended 30 September	
	2019	2018
	US$m	US$m
Profit for the period	**355**	321
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations (note 16(b))	**44**	8
Changes in the fair value of financial assets revalued through OCI	**-**	(2)
Items that will not be reclassified to profit or loss	**44**	6
Items that may be reclassified subsequently to profit or loss:		
Currency translation losses	**(112)**	(188)
Items that may be reclassified subsequently to profit or loss	**(112)**	(188)
Other comprehensive income for the period[1]	**(68)**	(182)
Total comprehensive income for the period	**287**	139
Attributable to:		
Owners of Experian plc	**284**	138
Non-controlling interests	**3**	1
Total comprehensive income for the period	**287**	139

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.

Condensed half-yearly financial statements

Group balance sheet
at 30 September 2019

	Notes	30 September 2019 US$m	30 September 2018 US$m	31 March 2019 US$m
Non-current assets				
Goodwill		**4,507**	4,276	4,324
Other intangible assets		**1,545**	1,436	1,474
Property, plant and equipment		**519**	315	333
Investments in associates		**155**	126	122
Deferred tax assets		**115**	142	147
Post-employment benefit assets	16(a)	**105**	56	61
Trade and other receivables		**145**	88	129
Financial assets revalued through OCI		**164**	94	103
Other financial assets		**168**	172	154
		7,423	6,705	6,847
Current assets				
Trade and other receivables		**1,018**	989	1,055
Current tax assets		**30**	30	27
Other financial assets		**10**	7	9
Cash and cash equivalents	19(b)	**146**	175	149
		1,204	1,201	1,240
Current liabilities				
Trade and other payables		**(1,139)**	(1,183)	(1,464)
Borrowings	19(b)	**(1,140)**	(550)	(869)
Current tax liabilities		**(272)**	(333)	(313)
Provisions		**(54)**	(67)	(41)
Other financial liabilities		**(163)**	(126)	(152)
		(2,768)	(2,259)	(2,839)
Net current liabilities		**(1,564)**	(1,058)	(1,599)
Total assets less current liabilities		**5,859**	5,647	5,248
Non-current liabilities				
Trade and other payables		**(102)**	(91)	(99)
Borrowings	19(b)	**(3,166)**	(2,965)	(2,455)
Deferred tax liabilities		**(160)**	(157)	(132)
Post-employment benefit obligations	16(a)	**(52)**	(55)	(55)
Other financial liabilities		**(62)**	(97)	(13)
		(3,542)	(3,365)	(2,754)
Net assets		**2,317**	2,282	2,494
Equity				
Called-up share capital	21	**96**	97	96
Share premium account	21	**1,572**	1,558	1,559
Retained earnings		**18,669**	18,524	18,718
Other reserves		**(18,027)**	(17,907)	(17,893)
Attributable to owners of Experian plc		**2,310**	2,272	2,480
Non-controlling interests		**7**	10	14
Total equity		**2,317**	2,282	2,494

Condensed half-yearly financial statements

Group statement of changes in total equity
for the six months ended 30 September 2019

	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 2019	96	1,559	18,718	(17,893)	**2,480**	14	**2,494**
Comprehensive income:							
Total profit for the period	-	-	352	-	**352**	3	**355**
Other comprehensive income	-	-	44	(112)	**(68)**	-	**(68)**
Total comprehensive income	-	-	396	(112)	**284**	3	**287**
Transactions with owners:							
Employee share incentive plans:							
– value of employee services	-	-	33	-	**33**	-	**33**
– shares issued on vesting	-	13	-	-	**13**	-	**13**
– other vesting of awards and exercises of share options	-	-	(57)	70	**13**	-	**13**
– purchase of shares by employee trusts	-	-	-	(92)	**(92)**	-	**(92)**
– other payments	-	-	(5)	-	**(5)**	-	**(5)**
Purchase and cancellation of own shares	-	-	(58)	-	**(58)**	-	**(58)**
Transactions in respect of non-controlling interests	-	-	(64)	-	**(64)**	(9)	**(73)**
Dividends paid	-	-	(294)	-	**(294)**	(1)	**(295)**
Transactions with owners	-	13	(445)	(22)	**(454)**	(10)	**(464)**
At 30 September 2019	**96**	**1,572**	**18,669**	**(18,027)**	**2,310**	**7**	**2,317**

Group statement of changes in total 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 1 April 2018	97	1,546	18,609	(17,775)	**2,477**	7	**2,484**
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 vesting of awards and exercises of share 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**	**18,524**	**(17,907)**	**2,272**	**10**	**2,282**

Condensed half-yearly financial statements

Group cash flow statement

for the six months ended 30 September 2019

	Notes	Six months ended 30 September	
		2019	2018
		US$m	US$m
Cash flows from operating activities			
Cash generated from operations	17(a)	**552**	638
Interest paid		**(72)**	(57)
Interest received		**3**	2
Dividends received from associates		**4**	2
Tax paid		**(146)**	(84)
Net cash inflow from operating activities – continuing operations		**341**	501
Net cash outflow from operating activities – discontinued operations	12	**(7)**	(32)
Net cash inflow from operating activities		**334**	469
Cash flows from investing activities			
Purchase of other intangible assets	17(c)	**(191)**	(151)
Purchase of property, plant and equipment		**(35)**	(32)
Sale of property, plant and equipment		**3**	1
Purchase of other financial assets		**(62)**	(12)
Purchase of investment in associates		**-**	(5)
Acquisition of subsidiaries, net of cash acquired	17(d)	**(353)**	(3)
Net cash flows used in investing activities		**(638)**	(202)
Cash flows from financing activities			
Cash inflow in respect of shares issued	17(e)	**13**	12
Cash outflow in respect of share purchases	17(e)	**(150)**	(119)
Other payments on vesting of share awards		**(5)**	(4)
Transactions in respect of non-controlling interests		**(68)**	2
New borrowings		**839**	529
Repayment of borrowings		**-**	(356)
Payment of lease liabilities		**(26)**	-
Net payments for cross-currency swaps and foreign exchange contracts		**(14)**	-
Net receipts from equity swaps		**5**	3
Dividends paid		**(295)**	(284)
Net cash flows from/(used in) financing activities		**299**	(217)
Net (decrease)/increase in cash and cash equivalents		**(5)**	50
Cash and cash equivalents at 1 April		**146**	137
Exchange movements on cash and cash equivalents		**2**	(15)
Cash and cash equivalents at 30 September	17(f)	**143**	172

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2019

1. Corporate information

Experian plc (the Company) is the ultimate parent company of the Experian group of companies (Experian or the Group). Experian is a 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 2019.

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 2019 and 30 September 2018;
- were approved for issue on 11 November 2019;
- have not been audited but have been reviewed by the Company's auditor with their report set out on page 45; 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 2019.

No significant events impacting the Group, other than those disclosed in this document, have occurred between 30 September 2019 and 11 November 2019.

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 2019, were approved by the directors on 14 May 2019 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 2019 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 half-yearly 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 2019, except for the changes to accounting standards set out in note 3.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2019

3. Changes in accounting standards

IFRS 16 'Leases'

With effect from 1 April 2019, the Group has adopted IFRS 16 'Leases' which replaces IAS 17 'Leases'.

IFRS 16 removes the distinction between finance and operating leases, bringing the majority of leases onto the balance sheet for the first time. As a lessee, we have recognised both right-of-use assets and lease liabilities on our balance sheet, increasing both assets and financial liabilities.

In accordance with the IFRS 16 transition guidance, we have adopted the new rules using the modified retrospective approach which allows the matching of the opening right-of-use assets with the opening lease liabilities on 1 April 2019. Under this approach, no restatement of comparative information is required.

We have used the following practical expedients when adopting IFRS 16:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Relied on our previous assessment as to whether leases are onerous under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', at 31 March 2019, rather than performing impairment tests on transition.
- Excluded initial direct costs from the measurement of the right-of-use assets at 1 April 2019.

The weighted average incremental borrowing rate applied to lease liabilities on initial recognition at 1 April 2019 was 4.5%.

There was no material difference between the operating lease commitments disclosed at 31 March 2019 under IAS 17, discounted using the incremental borrowing rate on initial recognition, and the lease liabilities recognised in the Group balance sheet at 1 April 2019.

The impact of adoption on the Group's financial results is set out below. In addition, we have updated our definition of Net debt and Net funding to exclude lease liabilities.

	Six months ended 30 September 2019		
Group income statement	As reported under IAS 17 US$m	IFRS 16 adjustment US$m	As reported under IFRS 16 **US$m**
Revenue	2,495	-	**2,495**
IAS 17 Operating lease charge	(29)	29	**-**
IFRS 16 Depreciation	-	(24)	**(24)**
Other operating expenses	(1,915)	-	**(1,915)**
Total operating expenses	(1,944)	5	**(1,939)**
Operating profit	551	5	**556**
Interest income	6	-	**6**
Finance expense	(118)	(5)	**(123)**
Net finance costs	(112)	(5)	**(117)**
Share of post-tax profit of associates	41	-	**41**
Profit before tax	480	-	**480**
Group tax charge	(125)	-	**(125)**
Profit for the period	355	-	**355**
Attributable to:			
Owners of Experian plc	352	-	**352**
Non-controlling interests	3	-	**3**
Profit for the period	355	-	**355**
Total Benchmark EBIT[1]	665	5	**670**

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

The operating lease expense previously reported under IAS 17 on a straight-line basis has been replaced by depreciation of the right-of-use assets and interest on the lease liabilities.

We also made lease payments of US$6m in respect of low-value assets which continue to be recognised as an expense, on a straight-line basis, in the Group income statement. This treatment utilises the exemption available in IFRS 16 for such assets. We have chosen not to apply the exemption for short-term leases. We have no material sub-lease income.

3. Changes in accounting standards (continued)

IFRS 16 'Leases' (continued)

Group balance sheet (extract)	At 31 March 2019 US$m	IFRS 16 adjustment US$m	**At 1 April 2019 US$m**
Non-current assets			
Property, plant and equipment	333	192	**525**
Current assets			
Trade and other receivables	1,055	(1)	**1,054**
Current liabilities			
Trade and other payables	(1,464)	5	**(1,459)**
Borrowings	(869)	(41)	**(910)**
Non-current liabilities			
Trade and other payables	(99)	8	**(91)**
Borrowings	(2,455)	(163)	**(2,618)**
Other	5,993	-	**5,993**
Net assets	2,494	-	**2,494**
Total equity	2,494	-	**2,494**

The Group’s lease portfolio consists of 33 significant property leases across the countries in which we operate. In addition, we lease approximately 170 smaller properties, 800 motor vehicles, and a small number of hardware assets. At 30 September 2019 we hold right-of-use assets with a net book value of US$206m comprising property assets of US$174m and US$32m for plant and equipment. The corresponding lease liabilities at 30 September 2019 are valued at US$222m split between current (US$50m) and non-current (US$172m) borrowings in the Group balance sheet.

The Group’s future commitments for leases committed to but not yet commenced total US$7m and do not form part of the lease liabilities or right-of-use assets.

Lease liability analysis by maturity

Six months ended 30 September 2019	US$m
Less than one year	50
One to two years	45
Two to three years	37
Three to four years	31
Four to five years	15
Over five years	44
	222

In the Group cash flow statement, principal lease payments are now presented within cash flows used in financing with the associated interest recorded as a cash outflow from operating activities. Previously lease payments were recognised as cash outflows from operating activities. During the six months ended 30 September 2019, we recognised total payments for leases of US$30m which comprised US$26m for repayments of principal and US$4m for payments of interest.

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 2019, 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 2019.

(b) 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 2019.

During the six months ended 30 September 2019 the annual tests were performed with no impairment identified.

(c) 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 2019 is the discount rate of 1.8% (2018: 2.7%). The discount rate used in the year ended 31 March 2019 was 2.3%.

(d) Revenue recognition (note 7)

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.

Accrued income balances, which represent the right to consideration in exchange for goods or services that we have transferred to a customer, are assessed as to whether they meet the definition of a contract asset:

- When the right to consideration is conditional on something other than the passage of time, a balance is classified as a contract asset. This arises where there are further performance obligations to be satisfied as part of the contract with the customer and typically includes balances relating to software licensing contracts;

4. Accounting policies, estimates and judgments (continued)

(d) Revenue recognition (note 7) (continued)

- When the right to consideration is conditional only on the passage of time, the balance does not meet the definition of a contract asset and is classified as an unbilled receivable. This typically arises where the timing of the related billing cycle occurs in a period after the performance obligation is satisfied.

Certain costs incurred prior to the satisfaction or partial-satisfaction of a performance obligation are also deferred as contract costs and these are amortised on a systematic basis consistent with the pattern of transfer of the related goods or services.

- Costs to obtain a contract predominantly comprise sales commissions costs.
- Costs to fulfil a contract predominantly comprise of labour costs directly relating to the implementation services provided.

Contract liabilities arise when we have an obligation to transfer future goods or services to a customer for which we have received consideration, or the amount is due, from the customer and include both deferred income balances and specific reserves.

(e) 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.

(f) Leases

The Group undertakes an assessment of whether a contract is or contains a lease at its inception. The assessment establishes whether the Group obtains substantially all the economic benefits from the use of an asset and whether we have the right to direct its use.

Low-value lease payments are recognised as an expense, on a straight-line basis over the lease term. For other leases we recognise both a right-of-use asset and a lease liability at the commencement date of a lease contract.

The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability adjusted for payments made at or before the commencement date, plus initial direct costs and an estimate of the cost of any obligation to refurbish the asset or site, less lease incentives.

Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are adjusted for any remeasurement of the lease liability. Depreciation is calculated on a straight-line basis over the lower of the useful life of the right-of-use asset and the period of the lease.

The lease term comprises the non-cancellable period of a lease, plus periods covered by an extension option, if it is reasonably certain to be exercised, and periods covered by a termination option if it is reasonably certain not to be exercised.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted at the interest rate implicit in the lease or if that rate cannot be easily determined the Group’s incremental borrowing rate.

Lease payments comprise payments of fixed principal, less any lease incentives, variable elements linked to an index, guaranteed residuals or buy-out options that are reasonably certain to be exercised. It includes payments in respect of optional renewal periods where these are reasonably certain to be exercised or early termination payments where the lease term reflects such an option.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in the Group income statement if the asset is fully depreciated.

The Group presents right-of-use assets within property, plant and equipment and lease liabilities within borrowings in the Group balance sheet.

5. Accounting developments

There are no 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' Benchmark post-tax results.

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

- Charges for the amortisation and impairment of acquisition intangibles are excluded from the calculation of Benchmark PBT because these charges are based on judgments about their value and economic life and bear no relation to the Group's underlying ongoing performance. Impairment of goodwill is similarly excluded from the calculation of Benchmark PBT.
- Acquisition and disposal expenses (representing the incidental costs of acquisitions and disposals, one-time integration costs and other corporate transaction expenses) relating to successful, active or aborted acquisitions and disposals 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 2019, 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.

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

(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.

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

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

(j) Benchmark earnings per share (Benchmark EPS) (note 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, principal lease payments and the Benchmark 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 lease liabilities and 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 lease liabilities and 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, in continuing operations, 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 to add Net debt.

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2019

7. Segment information

(a) Income statement

Six months ended 30 September 2019	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	1,573	352	371	199	**2,495**	-	**2,495**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT	544	97	75	(5)	**711**	(41)	**670**
Net interest expense included in Benchmark PBT (note 10(b))	(2)	(1)	(1)	(1)	**(5)**	(61)	**(66)**
Benchmark PBT	542	96	74	(6)	**706**	(102)	**604**
Exceptional items (note 9(a))	(35)	-	-	-	**(35)**	-	**(35)**
Amortisation of acquisition intangibles	(42)	(8)	(4)	(5)	**(59)**	-	**(59)**
Acquisition expenses	(4)	-	(4)	(8)	**(16)**	-	**(16)**
Adjustment to the fair value of contingent consideration	-	-	1	-	**1**	-	**1**
Non-benchmark share of post-tax profit of associates	-	-	-	-	**-**	36	**36**
Interest on uncertain tax provisions (note 10(a))	-	-	-	-	**-**	(7)	**(7)**
Financing fair value remeasurements (note 10(c))	-	-	-	-	**-**	(44)	**(44)**
Profit/(loss) before tax	461	88	67	(19)	**597**	(117)	**480**

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							
Ongoing activities	1,430	339	393	199	**2,361**	-	**2,361**
Exited business activities	-	-	3	-	**3**	-	**3**
Total	1,430	339	396	199	**2,364**	-	**2,364**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	492	98	101	(9)	**682**	(35)	**647**
Exited business activities	-	-	2	-	**2**	-	**2**
Total	492	98	103	(9)	**684**	(35)	**649**
Net interest expense included in Benchmark PBT (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**

The results for the six months ended 30 September 2018 have been restated following the reclassification to exited business activities of certain B2B businesses.

Additional information by operating segment, including that on total and organic growth at constant exchange rates, and the disaggregation of revenue from contracts with customers, is provided within pages 3 to 9.

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 2018[1]	**1,430**	**339**	**393**	**199**	**2,361**
Adjustment to constant exchange rates	(1)	(3)	(4)	(3)	**(11)**
Revenue at constant rates for the six months ended 30 September 2018	**1,429**	**336**	**389**	**196**	**2,350**
Organic revenue growth	137	32	(1)	(6)	**162**
Revenue from acquisitions	7	-	1	16	**24**
Revenue at constant rates for the six months ended 30 September 2019	**1,573**	**368**	**389**	**206**	**2,536**
Adjustment to actual exchange rates	-	(16)	(18)	(7)	**(41)**
Revenue for the six months ended 30 September 2019	**1,573**	**352**	**371**	**199**	**2,495**
Organic revenue growth at constant exchange rates	10%	10%	-	(3%)	**7%**
Revenue growth at constant exchange rates	10%	10%	-	5%	**8%**

1. The results for the six months ended 30 September 2018 have been restated following the reclassification to exited business activities of certain B2B businesses.

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 2019	Business-to-Business US$m	Consumer Services US$m	**Total business segments US$m**	Central Activities US$m	**Total continuing operations US$m**
Revenue from external customers	1,955	540	**2,495**	-	**2,495**
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT	586	125	**711**	(41)	**670**
Net interest expense included in Benchmark PBT (note 10(b))	(4)	(1)	**(5)**	(61)	**(66)**
Benchmark PBT	582	124	**706**	(102)	**604**
Exceptional items (note 9(a))	(35)	-	**(35)**	-	**(35)**
Amortisation of acquisition intangibles	(49)	(10)	**(59)**	-	**(59)**
Acquisition expenses	(14)	(2)	**(16)**	-	**(16)**
Adjustment to the fair value of contingent consideration	1	-	**1**	-	**1**
Non-benchmark share of post-tax profit of associates	-	-	**-**	36	**36**
Interest on uncertain tax provisions (note 10(a))	-	-	**-**	(7)	**(7)**
Financing fair value remeasurements (note 10(c))	-	-	**-**	(44)	**(44)**
Profit/(loss) before tax	485	112	**597**	(117)	**480**

Six months ended 30 September 2018	Business-to-Business 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	1,875	486	**2,361**	-	**2,361**
Exited business activities	3	-	**3**	-	**3**
Total	1,878	486	**2,364**	-	**2,364**
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT					
Ongoing activities	561	121	**682**	(35)	**647**
Exited business activities	2	-	**2**	-	**2**
Total	563	121	**684**	(35)	**649**
Net interest expense included in Benchmark PBT (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**

The results for the six months ended 30 September 2018 have been restated following the reclassification to exited business activities of certain B2B businesses.

9. Exceptional items and other adjustments made to derive Benchmark PBT

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

	Six months ended 30 September 2019 US$m	2018 US$m
Exceptional items:		
Legal provisions movements (note 9(b))	**35**	-
Charge for Exceptional items	**35**	-
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	**59**	56
Acquisition expenses	**16**	6
Adjustment to the fair value of contingent consideration	**(1)**	3
Non-benchmark share of post-tax profit of associates	**(36)**	-
Interest on uncertain tax provisions	**7**	7
Financing fair value remeasurements (note 10(c))	**44**	51
Charge for other adjustments made to derive Benchmark PBT	**89**	123
Charge for Exceptional items and other adjustments made to derive Benchmark PBT	**124**	123
By income statement caption:		
Within total operating expenses	**109**	65
Within operating profit	**109**	65
Within share of post-tax profit of associates	**(36)**	-
Within finance expense	**51**	58
Charge for Exceptional items and other adjustments made to derive Benchmark PBT	**124**	123

(b) Legal provisions movements

During the six months ended 30 September 2019, there has been a movement in provisions in respect of a number of historic legal claims.

10. Net finance costs

(a) Net finance costs included in profit before tax

	Six months ended 30 September 2019 US$m	2018 US$m
Interest income:		
Bank deposits, short-term investments and loan notes	**(6)**	(5)
Finance expense:		
Interest expense	**67**	61
Charge in respect of financing fair value remeasurements (note 10(c))	**44**	51
Interest on uncertain tax provisions	**7**	7
Interest on leases	**5**	-
Finance expense	**123**	119
Net finance costs included in profit before tax	**117**	114

(b) Net interest expense included in Benchmark PBT

	Six months ended 30 September 2019 US$m	2018 US$m
Interest income	**(6)**	(5)
Interest expense	**72**	61
Net interest expense included in Benchmark PBT	**66**	56

10. Net finance costs (continued)

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

	Six months ended 30 September	
	2019	2018
	US$m	US$m
Foreign exchange losses on Brazilian real intra-Group funding	**15**	44
Increase in the fair value of put options	**-**	3
Other financing fair value losses	**29**	4
Charge in respect of financing fair value remeasurements	**44**	51

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	
	2019	2018
	US$m	US$m
Group tax charge	**125**	149
Profit before tax	**480**	470
Effective rate of tax based on Profit before tax	**26.0%**	31.7%

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

	Six months ended 30 September	
	2019	2018
	US$m	US$m
Group tax charge	**125**	149
Tax relief on other adjustments made to derive Benchmark PBT	**33**	1
Benchmark tax charge	**158**	150
Benchmark PBT	**604**	593
Benchmark tax rate	**26.2%**	25.3%

12. Discontinued operations

There have been no material divestments during the six months ended 30 September 2019. On 31 May 2017 we completed the divestment of our email/cross-channel marketing business (CCM), and the results and cash flows of that business were accordingly classified as discontinued.

The cash outflow from operating activities of US$7m (2018:US$32m) relates to CCM and is stated after tax paid of US$nil (2018: US$21m).

13. Earnings per share disclosures

(a) Earnings per share (EPS)

	Six months ended 30 September			
	Basic		Diluted	
	2019 US cents	2018 US cents	**2019 US cents**	2018 US cents
Continuing operations	**39.0**	35.3	**38.7**	34.9
Add: Exceptional items and other adjustments made to derive Benchmark PBT, net of related tax	**10.1**	13.4	**10.0**	13.4
Benchmark EPS (non-GAAP measure)	**49.1**	48.7	**48.7**	48.3

(b) Analysis of earnings

	Six months ended 30 September	
	2019 US$m	2018 US$m
Continuing operations attributable to owners of Experian plc	**352**	320
Add: Exceptional items and other adjustments made to derive Benchmark PBT, net of related tax	**91**	122
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**443**	442
Benchmark earnings attributable to non-controlling interests (non-GAAP measure)	**3**	1
Total Benchmark earnings (non-GAAP measure)	**446**	443

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

	Six months ended 30 September	
	2019 US$m	2018 US$m
Total Benchmark earnings (non-GAAP measure)	**446**	443
Loss from Exceptional items and other adjustments made to derive Benchmark PBT, net of related tax	**(91)**	(122)
Profit for the period	**355**	321

(d) Weighted average number of ordinary shares

	Six months ended 30 September	
	2019 million	2018 million
Weighted average number of ordinary shares	**903**	907
Add: dilutive effect of share incentive awards, options and share purchases	**7**	9
Diluted weighted average number of ordinary shares	**910**	916

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14. Dividends

	Six months ended 30 September			
	2019 **US cents per share**	**2019** **US$m**	2018 US cents per share	2018 US$m
Amounts recognised and paid:				
Second interim – paid in July 2019 (2018: July)	**32.50**	**294**	31.25	284
First interim – announced	**14.50**	**131**	14.00	126

A first interim dividend of 14.5 US cents per ordinary share will be paid on 31 January 2020 to shareholders on the register at the close of business on 3 January 2020 and is not included as a liability in these condensed half-yearly financial statements. The announced dividend payment of 14.5 US cents per ordinary share is a gross amount. The first interim dividend for the six months ended 30 September 2018 was 14.0 US cents per ordinary share and the total dividend per ordinary share for the year ended 31 March 2019 was 46.5 US cents with a total full year cost of US$420m.

15. Capital expenditure, disposals and capital commitments

(a) Additions

During the six months ended 30 September 2019, the Group recognised capital additions of US$259m (2018: US$183m), comprising capital expenditure of US$226m (2018: US$183m) and right-of-use asset additions of US$33m (2018: US$nil).

(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 2019 was US$3m (2018: US$2m), there was no profit or loss on disposal (2018: loss on disposal US$1m).

(c) Capital commitments

At 30 September 2019, the Group had capital commitments in respect of intangible assets and property, plant and equipment for which contracts had been placed of US$39m (2018: US$21m). Capital commitments at 30 September 2019 include commitments of US$1m not expected to be incurred before 30 September 2020. Capital commitments at 30 September 2018 included commitments of US$5m not then expected to be incurred before 30 September 2019.

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

(a) Amounts recognised in the Group balance sheet

	30 September	
	2019	2018
	US$m	US$m
Retirement benefit assets/(obligations) - funded plans:		
Fair value of funded plans' assets	**1,160**	1,088
Present value of funded plans' obligations	**(1,055)**	(1,032)
Assets in the Group balance sheet for funded defined benefit pensions	**105**	56
Obligations for unfunded post-employment benefits:		
Present value of defined benefit pensions - unfunded plans	**(48)**	(50)
Present value of post-employment medical benefits	**(4)**	(5)
Liabilities in the Group balance sheet	**(52)**	(55)
Net post-employment benefit assets	**53**	1

The net retirement benefit assets of US$6m at 1 April 2019 comprised assets of US$61m in respect of funded plans and obligations of US$55m in respect of unfunded plans. The retirement benefit assets and obligations are denominated primarily in pounds sterling.

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

	Six months ended 30 September	
	2019	2018
	US$m	US$m
At 1 April	**6**	(11)
Charge to the Group income statement within total operating expenses	**(4)**	(5)
Remeasurements recognised within Other comprehensive income	**44**	8
Differences on exchange	**(2)**	-
Contributions paid by the Group	**9**	9
At 30 September	**53**	1

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 2019 (2018: US$4m).

It is anticipated that agreement will be reached on the 2019 actuarial valuation prior to 31 March 2020, the results of which will then be reflected in the Group's statutory financial statements for that year.

(c) Actuarial assumptions

	30 September	
	2019	2018
	%	%
Discount rate	**1.8**	2.7
Inflation rate – based on the UK Retail Prices Index (the RPI)	**3.1**	3.3
Inflation rate – based on the UK Consumer Prices Index (the CPI)	**2.1**	2.3
Increase in salaries	**2.6**	3.8
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**2.9**	3.0
Increase for pensions in payment – element based on the CPI (where cap is 2.5%)	**1.6**	1.7
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.8**	1.9
Increase for pensions in deferment	**2.1**	2.3
Inflation in medical costs	**6.1**	6.3

The mortality and other demographic assumptions used at 30 September 2019 remain unchanged from those used at 31 March 2019 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	
	2019	2018
	US$m	US$m
Profit before tax	**480**	470
Share of post-tax profit of associates	**(41)**	(4)
Net finance costs	**117**	114
Operating profit	**556**	580
Loss on disposal of fixed assets	**-**	1
Amortisation and depreciation[1]	**263**	215
Charge in respect of share incentive plans	**33**	41
Increase in working capital (note 17(b))	**(317)**	(188)
Acquisition expenses - difference between income statement charge and amount paid	**-**	(6)
Adjustment to the fair value of contingent consideration	**(1)**	3
Movement in other non-benchmark items included in working capital	**18**	(8)
Cash generated from operations	**552**	638

1. Amortisation and depreciation includes amortisation of acquisition intangibles of US$59m (2018: US$56m) which is excluded from Benchmark PBT.

(b) Increase in working capital

	Six months ended 30 September	
	2019	2018
	US$m	US$m
Trade and other receivables	**(13)**	46
Trade and other payables	**(304)**	(234)
Increase in working capital	**(317)**	(188)

(c) Purchase of other intangible assets

	Six months ended 30 September	
	2019	2018
	US$m	US$m
Databases	**87**	85
Internally generated software	**86**	58
Internal use software	**18**	8
Purchase of other intangible assets	**191**	151

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

	Six months ended 30 September	
	2019	2018
	US$m	US$m
Purchase of subsidiaries (note 23(a))	**350**	-
Less: net cash acquired with subsidiaries	**(12)**	-
Settlement of deferred and contingent consideration	**15**	3
As reported in the Group cash flow statement	**353**	3
Acquisition expenses paid	**16**	12
Transactions in respect of non-controlling interests	**68**	(2)
Cash outflow for acquisitions (non-GAAP measure) (Appendix 4)	**437**	13

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

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

	Notes	Six months ended 30 September	
		2019	2018
		US$m	US$m
Issue of ordinary shares	21	**(13)**	(12)
Purchase of shares by employee trusts	22	**92**	-
Purchase and cancellation of own shares		**58**	119
Cash outflow in respect of net share purchases (non-GAAP measure)		**137**	107
As reported in the Group cash flow statement:			
Cash inflow in respect of shares issued		**(13)**	(12)
Cash outflow in respect of share purchases		**150**	119
Cash outflow in respect of net share purchases (non-GAAP measure)		**137**	107

In the prior period cash outflow in respect of net share purchases included US$1m in respect of the settlement of shares purchased in the year ended 31 March 2018.

(f) Analysis of cash and cash equivalents

	30 September	
	2019	2018
	US$m	US$m
Cash and cash equivalents in the Group balance sheet	**146**	175
Bank overdrafts	**(3)**	(3)
Cash and cash equivalents in the Group cash flow statement	**143**	172

Cash and cash equivalents at 31 March 2019 of US$146m in the Group cash flow statement were reported net of overdrafts of US$3m.

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

	Notes	Six months ended 30 September	
		2019	2018
		US$m	US$m
Cash generated from operations	17(a)	**552**	638
Purchase of other intangible assets	17(c)	**(191)**	(151)
Purchase of property, plant and equipment		**(35)**	(32)
Sale of property, plant and equipment		**3**	1
Acquisition expenses paid	17(d)	**16**	12
Payment of lease liabilities		**(26)**	-
Cash flows in respect of Exceptional and other non-benchmark items		**17**	8
Dividends received from associates		**4**	2
Benchmark operating cash flow (non-GAAP measure)		**340**	478

Benchmark free cash flow for the six months ended 30 September 2019 was US$124m (2018: US$339m). Cash flow conversion for the six months ended 30 September 2019 was 51% (2018: 74%).

Notes to the condensed half-yearly financial statements
for the six months ended 30 September 2019

19. Net debt (non-GAAP measure)

(a) Analysis by nature

	30 September 2019 US$m	2018 US$m
Cash and cash equivalents (net of overdrafts)	**143**	172
Debt due within one year – commercial paper	**(518)**	-
Debt due within one year – bonds and notes	**(552)**	(523)
Debt due within one year – bank loans[1]	**-**	(3)
Debt due after more than one year – bonds and notes	**(2,082)**	(2,227)
Debt due after more than one year – bank loans[1]	**(900)**	(705)
Derivatives hedging loans and borrowings	**(151)**	(217)
	(4,060)	(3,503)

1. Includes finance lease obligations in the prior period.

(b) Analysis by balance sheet caption

	30 September 2019 US$m	2018 US$m
Cash and cash equivalents	**146**	175
Current borrowings	**(1,140)**	(550)
Non-current borrowings	**(3,166)**	(2,965)
Borrowings	**(4,306)**	(3,515)
Total of Group balance sheet line items	**(4,160)**	(3,340)
Lease obligations reported within borrowings excluded from Net debt from 1 April 2019	**222**	-
Accrued interest reported within borrowings above but excluded from Net debt	**29**	54
Derivatives reported within other financial assets	**20**	14
Derivatives reported within other financial liabilities	**(171)**	(231)
	(4,060)	(3,503)

At 30 September 2019 the fair value of borrowings is US$4,358m (2018: US$3,494m) and includes lease liabilities of US$222m recognised in respect of right-of-use assets.

(c) Movements in Net debt

	31 March 2019	Movements in the period ended 30 September 2019						**30 September 2019**
		Lease obligations on transition	Non-cash lease obligation additions	Cash flow	Net share purchases	Fair value gains/ (losses)	Exchange and other movements	
	US$m	US$	US$	US$m	US$m	US$m	US$m	**US$m**
Derivatives hedging loans and borrowings	(119)	-	-	14	-	11	(57)	**(151)**
Borrowings[1]	(3,324)	(204)	(33)	(809)	-	(18)	82	**(4,306)**
Total financing liabilities	(3,443)	(204)	(33)	(795)	-	(7)	25	**(4,457)**
Lease obligations[2]	13	204	33	(30)	-	-	2	**222**
Accrued interest	19	-	-	-	-	-	10	**29**
Cash and cash equivalents	149	-	-	132	(137)	-	2	**146**
Net debt	**(3,262)**	**-**	**-**	**(693)**	**(137)**	**(7)**	**39**	**(4,060)**

1. Cash flows include principal (US$26m) and interest (US$4m) payments in respect of lease obligations.
2. Following the implementation of IFRS 16, leases are excluded from our definition of Net debt and the opening position has been restated to exclude US$13m of finance lease liabilities previously reported at 31 March 2019.

20. Undrawn committed bank borrowing facilities

	30 September	
	2019	2018
	US$m	US$m
Facilities expiring in:		
Less than one year	**225**	-
One to two years	**-**	635
Two to three years	**-**	1,800
Three to four years	**-**	-
Four to five years	**1,950**	-
	2,175	2,435

At 31 March 2019, there were undrawn committed borrowing facilities of US$2,625m.

There is one financial covenant in connection with the borrowing facilities. Benchmark EBIT must exceed three times net interest expense before financing fair value remeasurements. The calculation of the financial covenant excludes the effects of IFRS 16. The Group monitors this, and the Net debt to EBITDA leverage ratio, and has complied with this covenant throughout the period.

21. Called-up share capital and share premium account

	Number of shares million	**Called-up share capital US$m**	**Share premium account US$m**
At 1 April 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
Shares issued under employee share incentive plans	0.1	-	1
Purchase and cancellation of own shares	(4.6)	(1)	-
At 31 March 2019	971.5	96	1,559
Shares issued under employee share incentive plans	0.8	-	13
Purchase and cancellation of own shares	(2.0)	-	-
At 30 September 2019	**970.3**	**96**	**1,572**

22. Own shares held

	Number of shares million	**Cost of shares US$m**
At 1 April 2018	74	1,227
Other vesting of awards and exercises of share options	(4)	(56)
At 30 September 2018	70	1,171
Other vesting of awards and exercises of share options	-	(4)
At 31 March 2019	70	1,167
Purchase of shares by employee trusts	3	92
Other vesting of awards and exercises of share options	(5)	(70)
At 30 September 2019	**68**	**1,189**

Own shares held at 30 September 2019 include 60 million (2018: 61 million) shares held as treasury shares and 8 million (2018: 9 million) shares held in employee trusts. Own shares held at 31 March 2019 included 61 million shares held as treasury shares (1 April 2018: 62 million shares) and 9 million shares (1 April 2018: 12 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. Acquisitions

(a) Acquisitions in the period

The Group made four acquisitions in the period to 30 September 2019, including the acquisition of the whole of the issued share capital of Compuscan (CSH Group (Pty) Limited) which completed on 30 April 2019. Compuscan is a leading provider of credit information and decision analytics in South Africa, with operations across seven key geographies in sub-Saharan Africa. Provisional goodwill of US$283m was recognised based on the fair value of net assets acquired of US$96m.

	Compuscan US$m	Other US$m	Total US$m
Intangible assets:			
Customer and other relationships	53	29	**82**
Software development	22	13	**35**
Marketing-related acquisition intangibles	-	1	**1**
Other non-acquisition intangibles	-	1	**1**
Intangible assets	75	44	**119**
Property, plant and equipment	5	-	**5**
Trade and other receivables	9	1	**10**
Cash and cash equivalents (note 17(d))	10	2	**12**
Trade and other payables	(11)	(6)	**(17)**
Current tax liabilities	(3)	-	**(3)**
Deferred tax liabilities	(20)	(10)	**(30)**
Total identifiable net assets	65	31	**96**
Goodwill	203	80	**283**
Total	**268**	**111**	**379**
Satisfied by:			
Cash (note 17(d))	268	82	**350**
Contingent consideration	-	29	**29**
Total	**268**	**111**	**379**

These provisional fair values contain amounts which will be finalised no later than one year after the date of acquisition. Provisional amounts have been included at 30 September 2019, as a consequence of the timing and complexity of the acquisitions. Goodwill represents the synergies, assembled workforces and future growth potential of the acquired businesses. None of the goodwill arising in the period of US$283m is currently deductible for tax purposes.

There have been no other material gains, losses, error corrections or other adjustments recognised in the period that relate to acquisitions in the current or prior periods.

(b) Additional information in respect of acquisitions in the period

	Compuscan US$m	Other US$m	Total US$m
Increase in book value from fair value adjustments:			
Intangible assets	75	43	**118**
Trade and other payables	(3)	-	**(3)**
Deferred tax liabilities	(20)	(10)	**(30)**
Increase in book value from fair value adjustments	**52**	**33**	**85**
Gross contractual amounts receivable in respect of trade and other receivables	7	1	**8**
Pro forma revenue from 1 April 2019 to date of acquisition	3	5	**8**
Revenue from date of acquisition to 30 September 2019	16	2	**18**
Profit/(loss) before tax from date of acquisition to 30 September 2019	2	(1)	**1**

At the dates of acquisition, the gross contractual amounts receivable in respect of trade and other receivables of US$8m were expected to be collected in full. If the transactions had occurred on the first day of the financial year there would have been no impact on profit before tax.

24. 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 2019. 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 2019

	Level 1 US$m	Level 2 US$m	Level 3 US$m	**Total US$m**
Financial assets:				
Derivatives used for hedging	-	24	-	**24**
Financial assets at fair value through profit and loss	-	57	-	**57**
Amounts reported within other financial assets	-	81	-	**81**
Financial assets revalued through OCI	37	-	127	**164**
	37	81	127	**245**
Financial liabilities:				
Derivatives used for hedging	-	(158)	-	**(158)**
Financial liabilities at fair value through profit and loss	-	(50)	(60)	**(110)**
	-	(208)	(60)	**(268)**
Net financial assets/(liabilities)	**37**	**(127)**	**67**	**(23)**

(ii) 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 within 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)**

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.

24. Financial risk management (continued)

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

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 2019.

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 2019

	Financial assets revalued through OCI US$m	Contingent consideration US$m	Other US$m	**Total US$m**
At 1 April 2019	67	(27)	(17)	**23**
Additions[1]	62	(34)	-	**28**
Adjustment to the fair value of contingent consideration	-	1	-	**1**
Settlement of contingent consideration	-	15	-	**15**
Other	(2)	1	1	**-**
At 30 September 2019	**127**	**(44)**	**(16)**	**67**

1. Additions to contingent consideration comprise US$29m in respect of acquisitions and US$5m for transactions in respect of non-controlling interests.

(ii) 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**
Additions	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**

(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 not measured at fair value 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, other than bonds, 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 variable rate bank loans and 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 2019.

25. Related party transactions

The Group's related parties were disclosed in the Group's statutory financial statements for the year ended 31 March 2019 and there have been no material changes during the six months ended 30 September 2019. Following the divestment of CCM in the year ended 31 March 2018, the Group owns 24.47% 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 2019 the Group recorded the following transactions and balances with Vector and its subsidiaries:

	Transaction amount Six months ended 30 September		Balance owed to Experian 30 September	
	2019 US$m	2018 US$m	**2019 US$m**	2018 US$m
Promissory note and accrued interest	**3**	2	**90**	82
Transitional Services Arrangement (TSA) fees	**-**	2	**-**	-
Net amounts collected/(settled) and (payable)/ receivable under the TSA	**(1)**	12	**1**	-

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 2019, 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 Six months ended 30 September		Balance owed to Vector 30 September	
	2019 US$m	2018 US$m	**2019 US$m**	2018 US$m
Cash received on behalf of Vector	**1**	27	**1**	-

	Transaction amount Six months ended 30 September		Balance owed to Experian 30 September	
	2019 US$m	2018 US$m	**2019 US$m**	2018 US$m
Cash paid on behalf of Vector	**2**	15	**2**	-

Transactions with associates are made on normal market terms and in the period ended 30 September 2019 comprised the provision and receipt of services to other associates of US$1m (2018: US$4m) and US$3m (2018: US$2m) respectively. At 30 September 2019, amounts owed by associates, other than Vector, were US$nil (2018: US$1m) and amounts due to associates, other than Vector, totalled US$1m (2018: US$nil).

26. 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.

26. 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. To date the Brazilian courts have ultimately upheld Experian's position in respect of the tax years from 2007 to 2011, with no further right of appeal. The Brazilian tax authorities have raised similar assessments in respect of the 2012, 2013 and 2014 tax years, in which approximately US$95m of tax 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 cases to date and other factors in respect of the claim.

(c) UK marketing services regulation

Experian is in a process with the UK Information Commissioner's Office (ICO) with respect to a 2018 audit of several companies on the use of data for marketing purposes under the new EU General Data Protection Regulation (GDPR), which relates to our marketing services activities in the UK. We expect the outcome of this review to be released in the second half of the year ending 31 March 2020. At this stage we do not know what the final outcome will be, but it may require some changes to business processes in our UK marketing services business. This business represents approximately 1.6% of Experian's global revenues and we do not expect this to result in a materially adverse financial outcome for the Group.

(d) Other litigation and claims

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

27. Events occurring after the end of the reporting period

(a) First interim dividend

Details of the first interim dividend approved by the Board on 11 November 2019 are given in note 14.

(b) Acquisitions

On the 21 October 2019 the Group acquired a controlling interest in RAM Credit Information Sdn. Bhd. (RAMCI), a leading credit bureau in Malaysia.

On 8 November 2019 the Group announced that it had signed a definitive agreement to acquire 100% of the outstanding shares of Auto I.D., Inc. a leading provider of solutions and services to automotive lenders, for a cash consideration of US$180m, payable in full on closing. The provisional fair values of acquired assets and liabilities are currently being determined and will be disclosed in the Group's statutory financial statements for the year ending 31 March 2020.

28. 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 2019 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 14 May 2019 were listed in the Group's statutory financial statements for the year ended 31 March 2019. Don Robert retired as Chairman and as a director of Experian plc on 24 July 2019 in accordance with his previously announced intention, and Mike Rogers took up the role of Chairman on that date. Paul Walker retired from the Board on 24 July 2019 in accordance with his previously announced intention. A list of current directors is maintained on the Company website at www.experianplc.com.

By order of the Board

Charles Brown
Company Secretary

11 November 2019

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 2019 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 total 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 2019 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.

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

11 November 2019

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 2020

A first interim dividend in respect of the year ending 31 March 2020 of 14.50 US cents per ordinary share will be paid on 31 January 2020 to shareholders on the register at the close of business on 3 January 2020. Unless shareholders elect by 3 January 2020 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 10 January 2020.

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 2020 to be paid on 31 January 2020, should return a completed and signed DRIP application form, to be received by the registrars by no later than 3 January 2020. 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	2 January 2020
First interim dividend record date	3 January 2020
First interim dividend exchange rate determined	10 January 2020
Trading update, third quarter	17 January 2020
First interim dividend payment date	31 January 2020
Preliminary announcement of full year results	20 May 2020
Trading update, first quarter	16 July 2020
Annual General Meeting	22 July 2020

Contact information

Corporate headquarters

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Investor relations

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Registered number - 93905

Registrars

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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