The Economist Group

Interim report 2015

Independent since 1843

Interim report

Six months ended September 30th 2015

Contents

Chairman's statement

The accounts this year were always going to be hard to interpret because we have switched to International Financial Reporting Standards (IFRS), a widely-used standard for financial reporting. This has produced significant changes, which happen to be mostly flattering. If you apply the IFRS treatment to the first six months of last year and this, it boosts the current-year profits but reduces last year's. The change muddies comparison between the two halves, so I will concentrate on revenue and come back to profits later.

The Group's revenue in the first half was up 8% (£11.3m) on the same time last year. Even this, though, needs careful reading. The dollar was stronger—averaging $1.54 to the pound, against $1.68 last year—which boosted revenue by £8.1m; and the results were also helped by the timing of EuroFinance's flagship conference. This year it was in September, last year in October, so the swing in revenue for the half-year comparison was more than £4m. Excluding both these favourable factors, Group revenue fell slightly.

Within that undistorted total, results were mixed. On the plus side, and starting with The Economist Businesses, revenue from circulation grew by 4%, from digital advertising by 10%, and from content solutions by 17%. The only unexpected negative came from TVC, our integrated communications agency, down 29% in the first half after large clients cut spending. The other two legs of the Group also did well: the Economist Intelligence Unit's constant-currency revenue was up by 2%, and CQ Roll Call's by 2%. But all these increases could not offset another sharp decline in print advertising, by an underlying 18%.

In short, the mixture was much as it has been for five years or so. Your Group should soon reach the point where even a large percentage fall in print advertising will be offset by the growing parts of the business, but it isn't there yet. There is also no doubt that stockmarket scares of the kind we saw in September damage our clients' confidence and therefore Group revenue, and it will be hard to make up that lost ground in the rest of this year.

The pounds-and-pence results need to be seen alongside other indicators. Visits to Economist.com are running almost 15% up on the same period last year; Global Business Review (the foreign-language app) has been downloaded 328,000 times since its launch in April; Espresso has been downloaded almost 1m times. The circulation of *The Economist* was steady at 1.6m; four out of ten subscribers now take the bundle of print and digital, which is sold at a premium price. We continued to increase the number of full-price subscriptions and also to weed out discounted copies, so revenue per copy rose by 8% in sterling terms and 3% at constant exchange rates. Just as significant, the cost of acquiring new subscribers was reduced by 11%. All this points to a lot of activity: some of it is expensive innovation, but the Group is also spending to improve the efficiency of its day-to-day operations.

How well we manage in this new world is ultimately measured by profit—but not this year, unfortunately, which brings us back to IFRS. Under the old system of accounts, Group operating profit in the first six months fell from £24.0m last year to £22.2m this year. Using IFRS, it rose from £25.8m to £27.6m. Those who want details of how this could happen will find them on pages 14-17. Everyone else can be consoled by the thought that it will take only a year or so for these anomalies to drop out of the accounts.

A brief update on "the transaction"—the FT's sale of its 50% shareholding in the Group. The Group itself has bought back roughly half the 5.04m ordinary shares it will eventually buy, borrowed £91m to do so, put the St James's Street complex on the market and is receiving first-round bids; and Exor now owns 38.5% of the total shares (rising to 43.4% once the buyback is completed). These changes will themselves distort our full-year accounts—less rent to receive, more interest to pay, fees, etc. But when you end an ownership arrangement that lasted 87 years, it's hardly surprising that figures get shaken up. Even the interim dividend looks different: although the formula remains the same—one-third of last year's total ordinary dividend—the share buyback has reduced the number of shares receiving a payment. The result is a dividend of 53.6p per share, up 17% on last year's interim. As usual, the Board considered the company's cash needs for the next 12-18 months, and decided not to pay a special dividend this time (last year, £6m).

The other change coming out of the transaction has been on your Board: Philip Hoffman, John Ridding and Luke Swanson ("B" directors) have left; Eric Schmidt (an "A" director) has also left. I thank them all for their valuable contributions. We welcome Tessa Jowell and, from January 1st 2016, Brent Hoberman as "A" directors; and Suzanne Heywood as a "B" director.

Rupert Pennant-Rea
Chairman

Condensed consolidated income statement

	NOTE	Six months to Sept 30th 2015 £000	Six months to Sept 30th 2014 £000	Twelve months to March 31st 2015 £000
Revenue	2	**159,979**	148,684	328,269
Operating profit	1, 2	**27,623**	25,809	63,663
Net finance costs		**(2,810)**	(2,657)	(5,729)
Profit before tax		**24,813**	23,152	57,934
Income tax		**(5,459)**	(5,476)	(12,623)
Profit for the period		**19,354**	17,676	45,311
Attributable to:				
Equity holders of the company		**19,354**	17,676	45,311
Earnings per share (in pence per share)				
Basic	3	**77.4**	70.7	181.2
Diluted	3	**77.0**	70.4	180.6
Dividends paid per share (pence)	4	**99.2**	94.0	163.5

The accompanying notes to the condensed consolidated financial statements form an integral part of the financial information.

Condensed consolidated statement of comprehensive income

	Six months to Sept 30th 2015	Six months to Sept 30th 2014	Twelve months to March 31st 2015
	£000	£000	£000
Profit for the period	**19,354**	17,676	45,311
Items that may be reclassified subsequently to the income statement			
Change in fair value of cashflow hedges	**(196)**	-	-
Net exchange differences on translation of net investments in overseas subsidary undertakings	**(1,841)**	(142)	642
Items that will not be reclassified to the income statement			
Re-measurement of retirement benefit obligations	**11,350**	(12,561)	(29,086)
Attributable tax	**(2,270)**	2,512	5,817
Other comprehensive income/(expense) for the period	**7,043**	(10,191)	(22,627)
Total recognised gains for the period	**26,397**	7,485	22,684
Attributable to:			
Equity holders of the company	**26,397**	7,485	22,684

Condensed consolidated statement of financial position

	As at Sept 30th 2015 £000	As at Sept 30th 2014 £000	As at March 31st 2015 £000
Property, plant and equipment	**14,710**	14,464	14,954
Intangible assets	**121,451**	103,867	113,428
Investment property	**11,081**	11,204	11,134
Deferred income tax assets	**6,446**	5,286	9,066
Other financial assets	**2,562**	2,240	2,637
Non-current assets	**156,250**	137,061	151,219
Inventories	**3,363**	2,912	2,000
Trade and other receivables	**54,829**	52,966	59,027
Current income tax assets	**309**	1,523	-
Cash and cash equivalents	**25,756**	37,971	47,088
Current assets	**84,257**	95,372	108,115
Total assets	**240,507**	232,433	259,334
Trade and other liabilities	**(13,792)**	(11,183)	(15,317)
Financial liabilities - borrowings	**(51,900)**	(49,545)	(53,806)
Deferred income tax liabilities	**(1,226)**	-	(1,346)
Retirement benefit obligations	**(31,491)**	(27,114)	(43,705)
Provisions for other liabilities and charges	**(6,774)**	(776)	-
Other liabilities	**(8,950)**	(8,369)	(8,414)
Non-current liabilities	**(114,133)**	(96,987)	(122,588)
Trade and other liabilities	**(115,683)**	(119,967)	(137,387)
Financial liabilities - borrowings	**(21,555)**	(26,325)	(10,239)
Financial liabilities - derivative financial instruments	**(225)**	(164)	(2,348)
Current income tax liabilities	**(10,402)**	(9,775)	(10,023)
Other liabilities	**(622)**	(622)	(645)
Current liabilities	**(148,487)**	(156,853)	(160,642)
Total liabilities	**(262,620)**	(253,840)	(283,230)
Net liabilities	**(22,113)**	(21,407)	(23,896)

Condensed consolidated statement of financial position (continued)

	As at Sept 30th 2015 £000	As at Sept 30th 2014 £000	As at March 31st 2015 £000
Equity			
Share capital	**1,260**	1,260	1,260
ESOP shares	**(2,335)**	(2,216)	(2,519)
Translation reserve	**795**	2,048	2,832
Retained earnings	**(21,833)**	(22,499)	(25,469)
Total equity attributable to equity holders of the company	**(22,113)**	(21,407)	(23,896)

A reconciliation of net debt is set out in the note to the condensed consolidated statement of cashflows on page 11.

Condensed consolidated statement of changes in equity

for six month period ended September 30th 2015

	Equity attributable to equity holders of the company				
	Share capital	ESOP shares	Translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At April 1st 2015	1,260	(2,519)	2,832	(25,469)	(23,896)
Profit for the period	-	-	-	19,354	19,354
Other comprehensive income	-	-	(2,037)	9,080	7,043
Total comprehensive income	-	-	(2,037)	28,434	26,397
Net sale of own shares	-	184	-	-	184
Dividends	-	-	-	(24,798)	(24,798)
At September 30th 2015	1,260	(2,335)	795	(21,833)	(22,113)

for six month period ended September 30th 2014

	Equity attributable to equity holders of the company				
	Share capital	ESOP shares	Translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At April 1st 2014 - as reported under UK GAAP	1,260	(2,302)	2,190	(5,667)	(4,519)
Profit for the period	-	-	-	17,676	17,676
Other comprehensive expense	-	-	(142)	(10,049)	(10,191)
Total comprehensive income	-	-	(142)	7,627	7,485
Net sale of own shares	-	86	-	-	86
Dividends	-	-	-	(23,506)	(23,506)
Prior year adjustment on first time adoption of IFRS	-	-	-	(953)	(953)
At September 30th 2014 - as restated under IFRS	1,260	(2,216)	2,048	(22,499)	(21,407)

Condensed consolidated statement of changes in equity (continued)

for the year ended March 31st 2015

	Equity attributable to equity holders of the company				
	Share capital £000	ESOP shares £000	Translation reserve £000	Retained earnings £000	Total equity £000
At April 1st 2014 - as reported under UK GAAP	1,260	(2,302)	2,190	(5,667)	(4,519)
Profit for the year	-	-	-	45,311	45,311
Other comprehensive expense	-	-	642	(23,269)	(22,627)
Total comprehensive income	-	-	642	22,042	22,684
Net purchase of own shares	-	(217)	-	-	(217)
Dividends	-	-	-	(40,891)	(40,891)
Prior year adjustment on first time adoption of IFRS	-	-	-	(953)	(953)
At March 31st 2015 - as restated under IFRS	1,260	(2,519)	2,832	(25,469)	(23,896)

The translation reserve includes exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other current instruments designated as hedges of these investments.

Condensed consolidated statement of cashflows

	Six months to Sept 30th 2015	Six months to Sept 30th 2014	Twelve months to March 31st 2015
	£000	£000	£000
Cashflows from operating activities			
Operating profit	**27,623**	25,809	63,663
Depreciation and amortisation	**1,578**	1,624	3,260
Acquisition costs	**103**	-	73
Inventories	**(1,399)**	(206)	803
Trade and other receivables	**3,793**	4,643	2,901
Trade and other liabilities	**(22,719)**	(17,997)	(4,880)
Retirement benefit obligations	**(1,466)**	(1,157)	(1,518)
Provisions	**-**	-	(776)
Cash generated from operations	**7,513**	12,716	63,526
Income taxes paid	**(5,196)**	(5,850)	(9,574)
Net cash generated from operating activities	**2,317**	6,866	53,952
Investing activities			
Interest received	**13**	34	-
Purchase of intangible assets	**(1,837)**	(185)	(2,011)
Purchase of property, plant and equipment	**(1,313)**	(837)	(2,130)
Purchase of subsidiary undertakings, net of cash acquired	**(3,484)**	-	-
Net cash used in investing activities	**(6,621)**	(988)	(4,141)
Financing activities			
Dividends paid	**(24,798)**	(23,506)	(40,891)
Interest paid	**(2,253)**	(2,449)	(4,811)
Payments to acquire own shares	**184**	86	(217)
Payment of acquisition deferred consideration	**-**	(2,245)	(2,245)
Proceeds from borrowings	**37,511**	28,459	36,459
Repayment of borrowings	**(26,430)**	(11,632)	(37,000)
Finance lease principal payments	**(2)**	(1)	(2)
Net cash used in financing activities	**(15,788)**	(11,288)	(48,707)

Condensed consolidated statement of cashflows (continued)

	Six months to Sept 30th 2015 £000	Six months to Sept 30th 2014 £000	Twelve months to March 31st 2015 £000
Effects of exchange rate changes on cash and cash equivalents	**(1,240)**	527	3,130
Net (decrease) / increase in cash and cash equivalents	**(21,332)**	(4,883)	4,234
Cash and cash equivalents at the beginning of the period	**47,088**	42,854	42,854
Cash and cash equivalents at the end of the period	**25,756**	37,971	47,088

For the purposes of the cashflow statement, cash and cash equivalents are presented net of overdrafts repayable on demand. These overdrafts are excluded from cash and cash equivalents disclosed on the balance sheet.

	Six months to Sept 30th 2015 £000	Six months to Sept 30th 2014 £000	Twelve months to March 31st 2015 £000
Net debt			
Net debt at beginning of the period	**(16,957)**	(15,262)	(15,262)
Net (decrease) / increase in cash and cash equivalents	**(21,332)**	(4,883)	4,234
Proceeds from borrowings	**(37,511)**	(28,459)	(36,459)
Repayment of borrowings	**26,432**	11,633	37,002
Other non-cash changes	**(34)**	25	(23)
Effect of foreign exchange rate movements	**1,703**	(953)	(6,449)
Net debt at the end of the period	**(47,699)**	(37,899)	(16,957)
Net debt comprises:			
Total cash and cash equivalents	**25,756**	37,971	47,088
Borrowings	**(73,455)**	(75,870)	(64,045)
Total net debt	**(47,699)**	(37,899)	(16,957)

Notes to the condensed consolidated financial statements

for the period ended September 30th 2015

NOTE 1 Basis of preparation

The Economist Newspaper Limited (the 'company') is a company incorporated in the United Kingdom (UK). The Group financial statements consolidate those of the company and its subsidiaries (together referred to as the 'Group'). This interim report was approved by the Board of directors on November 24th 2015 and is unaudited.

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ('IFRS') as adopted by the European Union.

The financial information for the year ended March 31st 2015 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not draw attention to any matters of emphasis and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006.

This is the first period for which the company is reporting under IFRS. The company adopted IFRS in accordance with IFRS 1, 'first time adoption of IFRS'. The date at which IFRS was applied was April 1st 2014 ('transition date'). In accordance with IFRS, the company has:

- provided restated comparative financial information for the year ended March 31st 2015 and the six month period ended September 30th 2014;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied all effective IFRS standards as of September 30th 2015, as required, and;
- applied certain optional exemptions and certain mandatory exceptions as applicable for first time IFRS adopters.

The company's consolidated financial statements were previously prepared in accordance with UK generally accepted accounting principles ('UK GAAP').

Initial elections upon adoption

i. Business combination

IFRS 1 provides the option to apply IFRS 3 revised, 'Business Combinations', retrospectively or prospectively from the transition date. The retrospective basis would require restatement of all business combinations that occurred prior to the transition date. The company elected not to retrospectively apply IFRS 3 revised to business combinations that occurred prior to its transition date and such business combinations have not been restated. Any goodwill arising on such business combinations before the transition date has not been adjusted from the carrying value previously determined under UK GAAP as a result of applying these exemptions.

NOTE 1 Basis of preparation (continued)

ii. Currency translation differences
Retrospective application of IFRS would require the company to determine cumulative currency translation differences in accordance with IAS 21, 'the effect of changes in foreign exchange rates', from the date a subsidiary or equity method investee was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be reset to zero at transition date. The company has elected not to reset cumulative translation gains and losses to zero in the opening retained earnings at its transition date.

IFRS mandatory exceptions

The company has applied certain mandatory exceptions in IFRS 1 in the conversion from UK GAAP to IFRS:

i. Hedge accounting
Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in IAS 39 at that date. Hedging relationships cannot be designated retrospectively and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of its transition date are reflected as hedges in the company's results under IFRS. All derivatives, whether or not they meet the IAS 39 criteria for hedge accounting, were fair valued and recorded in the statement of financial position.

ii. Estimates
Hindsight is not used to create or revise estimates. The estimates previously made by the company under UK GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

NOTE 1 Basis of preparation (continued)

Reconciliation of UK GAAP to IFRS

IFRS 1 requires the company to reconcile equity, comprehensive income and cashflows for prior periods. The company's first time adoption of IFRS did not have an impact on the total operating, investing or financing cashflows. The following represents the reconciliations from UK GAAP to IFRS for the respective periods noted for equity, operating profit, earnings and comprehensive income:

Reconciliation of equity	**Six months to Sept 30th 2015 £000**	Six months to Sept 30th 2014 £000	Twelve months to March 31st 2015 £000
Shareholders deficit under UK GAAP	**(27,787)**	(21,281)	(26,141)
Differences in GAAP increasing / (decreasing) reported shareholders' equity:			
1. Business combinations	**8,627**	2,556	6,224
2. Derivative instruments and hedging activities	**(253)**	(129)	(1,854)
3. Employee benefits	**(1,952)**	(2,033)	(1,479)
4. Leases	**(748)**	(520)	(646)
Total equity under IFRS	**(22,113)**	(21,407)	(23,896)

Reconciliation of operating profit	**Six months to Sept 30th 2015 £000**	Six months to Sept 30th 2014 £000	Twelve months to March 31st 2015 £000
Operating profit under UK GAAP	**22,225**	24,018	60,138
Differences in GAAP increasing / (decreasing) reported operating profit:			
1. Business combinations	**3,214**	3,337	7,472
2. Derivative instruments and hedging activities	**2,318**	(1,290)	(3,475)
3. Employee benefits	**-**	(95)	(151)
4. Leases	**(134)**	(161)	(321)
Operating profit under IFRS	**27,623**	25,809	63,663

NOTE 1 Basis of preparation (continued)

Reconciliation of earnings	**Six months to Sept 30th 2015**	Six months to Sept 30th 2014	Twelve months to March 31st 2015
	£000	£000	£000
Net earnings under UK GAAP	**15,731**	18,061	45,890
Differences in GAAP increasing / (decreasing) reported earnings:			
1. Business combinations	**2,402**	2,491	5,773
2. Derivative instruments and hedging activities	**1,796**	(1,019)	(2,745)
3. Employee benefits	**(473)**	(1,730)	(3,353)
4. Leases	**(102)**	(127)	(254)
Net earnings under IFRS	**19,354**	17,676	45,311

Reconciliation of comprehensive income	**Six months to Sept 30th 2015**	Six months to Sept 30th 2014	Twelve months to March 31st 2015
	£000	£000	£000
Comprehensive income under UK GAAP	**22,970**	6,658	19,486
Differences in GAAP increasing / (decreasing) comprehensive income:			
Differences in net earnings, net of tax	**3,623**	(385)	(579)
Unrealised cashflow hedges	**(196)**	-	-
Foreign currency translation adjustments to equity	**-**	67	455
Actuarial losses on defined-benefit obligations, net of tax	**-**	1,145	3,322
Comprehensive income under IFRS	**26,397**	7,485	22,684

NOTE 1 Basis of preparation (continued)

Changes in accounting policies

In addition to the exemptions and exceptions discussed above, the following narrative explains the significant differences between the previous historical UK GAAP accounting policies and the current IFRS accounting policies applied by the company. This is not a complete summary of all the differences. The descriptive caption is numbered to correspond with numeric differences shown in the preceding tables.

1. Business combinations
Business combinations concluded prior to April 1st 2014 have not been restated and the carrying amount of any goodwill under IFRS is equal to the carrying amount under UK GAAP as of that date. Goodwill has not been amortised since the transition date.

Goodwill represented the excess of the fair value of consideration given over the fair value of the identifiable assets and liabilities acquired under UK GAAP and it was amortised over its useful economic life which was generally estimated to be 20 years. Under IFRS goodwill is the excess of consideration given after identifying separately acquired intangible assets. Goodwill is not amortised but is tested for impairment annually. Separately acquired intangible assets include customer lists, contracts and relationships, trademarks and brands, publishing rights, content, technology and software rights. Separately acquired intangibles are capitalised on acquisition at fair value and are amortised over their estimated useful lives of between two and 20 years.

Business combination acquisition costs on acquisitions completed subsequent to April 1st 2014 have been charged to the income statement. UK GAAP permitted capitalisation of acquisition costs within goodwill.

Where the initial accounting for a business combination can only be determined provisionally due to deferred or contingent consideration arrangements, subsequent adjustments to the purchase price allocation can only be recognised if they occur within 12 months of the acquisition date. After 12 months, adjustments are recognised in the income statement. The UK GAAP treatment was to adjust goodwill retrospectively when changes to the initial purchase price allocation were subsequently determined.

2. Derivative instruments and hedging activities
The company has prospectively applied hedge accounting to those hedging relationships that satisfied the hedge accounting criteria of IAS 39 at its transition date. Derivative financial instruments are recognised at fair value and re-measured at each balance-sheet date.

The Group designates certain of the derivative instruments within its portfolio to be hedges of the fair value of its cashflows. Changes in the fair value of derivatives that are designated and qualify as cashflow hedges are recorded in other comprehensive income. Where the hedging relationship does not meet the hedge accounting criteria, changes in the fair value of the derivative are recorded in the income statement.

NOTE 1 Basis of preparation (continued)

Under UK GAAP, gains and losses on derivative financial instrument contracts were recognised in the income statement on maturity of the contract with gains and losses on open contracts deferred until maturity.

3. Employee benefits
Finance costs include interest calculated on the defined-benefit pension scheme by applying the discount rate used to determine the liabilities to the net defined-benefit obligation. Under UK GAAP, net finance costs included the net income calculated as the expected return on scheme assets less the cost arising from the unwinding of the discount rate on defined-benefit scheme liabilities. Additionally, the difference between the expected return on assets and actual return was charged to other comprehensive income. There is no concept of expected returns on defined-benefit scheme assets within IFRS.

The cost of employee vacation entitlement not taken is provided as a liability and charged to the income statement but was not recognised under UK GAAP.

4. Leases
Incentives received when entering into new operating leases or given to tenants when sub-letting are deferred and subsequently recognised in the income statement over the period of the lease. Previously, lease incentives were spread over the earlier of the end of the lease term and the timing of the first full market review.

5. Deferred tax
All deferred tax assets and liabilities are classified as non-current. Defined-benefit obligations are reported gross with the deferred tax component recorded separately.

6. Investment property
Land and buildings that are leased to non-Group entities are classified as investment property. The Group measures investment property at its cost less accumulated depreciation and impairment losses.

NOTE 2 Analysis of results by business

	Six months to Sept 30th 2015 £000	Six months to Sept 30th 2014 £000	Twelve months to March 31st 2015 £000
Revenue by business			
The Economist Businesses	**109,637**	102,588	229,837
The Economist Intelligence Unit	**24,544**	22,860	48,306
CQ Roll Call	**23,829**	21,328	46,308
Other businesses	**1,969**	1,908	3,818
	159,979	148,684	328,269
Operating profit by business			
The Economist Businesses	**12,058**	12,847	33,582
The Economist Intelligence Unit	**6,773**	5,612	12,746
CQ Roll Call	**6,364**	5,227	13,033
Other businesses	**2,428**	2,123	4,302
	27,623	25,809	63,663

NOTE 3 Earnings per share

	Six months to Sept 30th 2015 £000	Six months to Sept 30th 2014 £000	Twelve months to March 31st 2015 £000
Basic earnings attributable to equity shareholders	**19,354**	17,676	45,311
	Number 000s	Number 000s	Number 000s
Weighted average number of shares	**25,200**	25,200	25,200
Shares held by the Employee Share Ownership Plan ('ESOP')	**(201)**	(190)	(194)
Weighted average number of shares	**24,999**	25,010	25,006
Effect of dilutive share options	**121**	84	77
Diluted weighted average number of shares	**25,120**	25,094	25,083
	Pence	Pence	Pence
Basic and normalised earnings per share	**77.4**	70.7	181.2
Diluted earnings per share	**77.0**	70.4	180.6

NOTE 4 Dividends

Cash dividends paid	**Six months to Sept 30th 2015 £000**	Six months to Sept 30th 2014 £000	Twelve months to March 31st 2015 £000
Final dividend for previous year of 99.2p per share (Sept 30th 2014 and March 31st 2015: 94.0p per share)	**24,798**	23,506	23,506
Interim dividend for year ended March 31st 2015 of 45.7p per share	**-**	-	11,432
Special dividend for year ended March 31st 2015 of 23.8p per share	**-**	-	5,953
	24,798	23,506	40,891

Dividends proposed in respect of the period			
Interim dividend proposed of 48.3p per share, 53.6p after share buyback (Sept 30th 2014 and March 31st 2015: 45.7p per share)	**12,077**	11,432	11,432
Special dividend proposed of nilp per share (Sept 30th 2014 and March 31st 2015: 23.8p per share)	**-**	5,953	5,953
Final dividend proposed for year ended March 31st 2015 of 99.2p per share	**-**	-	24,798
	12,077	17,385	42,183

Dividends paid in respect of the company's shares held by the ESOP are deducted in arriving at total dividends paid and proposed.

The dividend proposed of 48.3p per share increases to 53.6p at the date it is declared as the number of shares in issue decreased after the period end, as explained below.

NOTE 5 Events after the balance-sheet date

On October 16th 2015, the company entered into new five year term loan agreements and drew down £91,000,000 to fund the repurchase of 2,490,000 of its own ordinary share capital for £91,300,000. The company has committed to buying back a further 2,550,000 ordinary shares at a later date to be financed from cash raised and distributable reserves created by the sale of the Economist Complex. The marketing of the Economist Complex was started in October 2015. The repurchased ordinary shares will be held as Treasury shares.

NOTES