EQUIFAX INC
Form 10-Q
July 23, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

ý QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission File Number: 001-06605

EQUIFAX INC.
(Exact name of registrant as specified in its charter)

Georgia (State or other jurisdiction of incorporation or organization)	58-0401110 (I.R.S. Employer Identification No.)
1550 Peachtree Street, N.W., Atlanta, Georgia (Address of principal executive offices)	30309 (Zip Code)

404-885-8000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ý No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨	Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ¨ No ý

On July 13, 2015, there were 118,244,321 shares of the registrant’s common stock outstanding.

EQUIFAX INC.

QUARTERLY REPORT ON FORM 10-Q

QUARTER ENDED June 30, 2015

INDEX

FORWARD-LOOKING STATEMENTS

This report contains information that may constitute “forward-looking statements.” Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will,” “may” and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future, including statements relating to future operating results, are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part II, “Item 1A. Risk Factors,” and elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2014, and those described from time to time in our future reports filed with the Securities and Exchange Commission. As a result of such risks and uncertainties, we urge you not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended June 30,	
	2015	2014
(In millions, except per share amounts)		
Operating revenue	$678.1	$613.9
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	220.8	212.3
Selling, general and administrative expenses	218.7	183.5
Depreciation and amortization	50.1	50.7
Total operating expenses	489.6	446.5
Operating income	188.5	167.4
Interest expense	(16.2)	(17.4)
Other (expense) income, net	(13.9)	0.5
Consolidated income from operations before income taxes	158.4	150.5
Provision for income taxes	(45.9)	(56.0)
Consolidated net income	112.5	94.5
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(1.5)	(1.7)
Net income attributable to Equifax	$111.0	$92.8
Basic earnings per common share:		
Net income attributable to Equifax	$0.94	$0.76
Weighted-average shares used in computing basic earnings per share	118.6	122.0
Diluted earnings per common share:		
Net income attributable to Equifax	$0.92	$0.75
Weighted-average shares used in computing diluted earnings per share	120.9	124.3
Dividends per common share	$0.29	$0.25

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Six Months Ended June 30,	
	2015	2014
(In millions, except per share amounts)		
Operating revenue	$1,329.9	$1,198.4
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	435.9	419.1
Selling, general and administrative expenses	451.6	358.9
Depreciation and amortization	99.7	101.1
Total operating expenses	987.2	879.1
Operating income	342.7	319.3
Interest expense	(32.3)	(34.7)
Other expense, net	(14.4)	(1.6)
Consolidated income from operations before income taxes	296.0	283.0
Provision for income taxes	(93.9)	(102.2)
Consolidated net income	202.1	180.8
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(2.8)	(4.1)
Net income attributable to Equifax	$199.3	$176.7
Basic earnings per common share:		
Net income attributable to Equifax	$1.67	$1.45
Weighted-average shares used in computing basic earnings per share	119.0	122.0
Diluted earnings per common share:		
Net income attributable to Equifax	$1.64	$1.42
Weighted-average shares used in computing diluted earnings per share	121.3	124.4
Dividends per common share	$0.58	$0.50

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	Three Months Ended June 30,					
	2015			2014		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
	(In millions)					
Net income	$111.0	$ 1.5	$112.5	$92.8	$ 1.7	$94.5
Other comprehensive income:						
Foreign currency translation adjustment	19.0	(0.9)	18.1	14.9	(0.1)	14.8
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans, net	2.6	—	2.6	2.1	—	2.1
Change in cumulative loss from cash flow hedging transactions, net	—	—	—	0.1	—	0.1
Comprehensive income	$132.6	$ 0.6	$133.2	$109.9	$ 1.6	$111.5

	Six Months Ended June 30,					
	2015			2014		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
	(In millions)					
Net income	$199.3	$ 2.8	$202.1	$176.7	$ 4.1	$180.8
Other comprehensive income:						
Foreign currency translation adjustment	(18.1)	(2.5)	(20.6)	8.8	(0.6)	8.2
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans, net	5.1	—	5.1	4.2	—	4.2
Change in cumulative loss from cash flow hedging transactions	0.2	—	0.2	0.1	—	0.1
Comprehensive income	$186.5	$ 0.3	$186.8	$189.8	$ 3.5	$193.3

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED BALANCE SHEETS

	June 30, 2015	December 31, 2014
(In millions, except par values)	Unaudited	
ASSETS		
Current assets:		
Cash and cash equivalents	$84.2	$128.3
Trade accounts receivable, net of allowance for doubtful accounts of $7.7 and $7.2 at June 30, 2015 and December 31, 2014, respectively	368.2	337.2
Prepaid expenses	46.2	35.7
Other current assets	92.6	103.9
Total current assets	591.2	605.1
Property and equipment:		
Capitalized internal-use software and system costs	207.0	257.3
Data processing equipment and furniture	212.4	203.3
Land, buildings and improvements	194.2	194.8
Total property and equipment	613.6	655.4
Less accumulated depreciation and amortization	(298.0)	(354.8)
Total property and equipment, net	315.6	300.6
Goodwill	2,600.4	2,606.8
Indefinite-lived intangible assets	95.0	95.2
Purchased intangible assets, net	895.5	953.9
Other assets, net	87.8	112.6
Total assets	$4,585.5	$4,674.2
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	$335.1	$380.4
Accounts payable	35.8	20.3
Accrued expenses	111.5	85.5
Accrued salaries and bonuses	86.3	101.9
Deferred revenue	74.1	73.4
Other current liabilities	141.7	161.6
Total current liabilities	784.5	823.1
Long-term debt	1,145.8	1,145.7
Deferred income tax liabilities, net	226.4	241.5
Long-term pension and other postretirement benefit liabilities	168.1	173.0
Other long-term liabilities	54.1	56.3
Total liabilities	2,378.9	2,439.6
Commitments and Contingencies (see Note 5)		
Equifax shareholders' equity:		
Preferred stock, $0.01 par value: Authorized shares - 10.0; Issued shares - none	—	—
Common stock, $1.25 par value: Authorized shares - 300.0; Issued shares - 189.3 at June 30, 2015 and December 31, 2014; Outstanding shares - 118.2 and 119.4 at June 30, 2015 and December 31, 2014, respectively	236.6	236.6
Paid-in capital	1,240.1	1,201.7
Retained earnings	3,676.1	3,554.8

Accumulated other comprehensive loss	(448.2)	(435.4)
Treasury stock, at cost, 70.5 shares and 69.3 shares at June 30, 2015 and December 31, 2014, respectively	(2,531.1)	(2,351.7)
Stock held by employee benefits trusts, at cost, 0.6 shares at both June 30, 2015 and December 31, 2014	(5.9)	(5.9)
Total Equifax shareholders' equity	2,167.6	2,200.1
Noncontrolling interests including redeemable noncontrolling interests	39.0	34.5
Total equity	2,206.6	2,234.6
Total liabilities and equity	$4,585.5	$4,674.2

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six Months Ended June 30,	
	2015	2014
	(In millions)	
Operating activities:		
Consolidated net income	$202.1	$180.8
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Impairment of cost method investment	14.8	—
Depreciation and amortization	100.8	101.9
Stock-based compensation expense	24.5	19.6
Excess tax benefits from stock-based compensation plans	(17.1)	(10.4)
Deferred income taxes	(18.6)	2.8
Changes in assets and liabilities, excluding effects of acquisitions:		
Accounts receivable, net	(34.8)	(27.8)
Prepaid expenses and other current assets	2.7	(21.0)
Other assets	4.4	2.5
Current liabilities, excluding debt	9.4	(26.0)
Other long-term liabilities, excluding debt	1.4	2.2
Cash provided by operating activities	289.6	224.6
Investing activities:		
Capital expenditures	(55.2)	(37.7)
Acquisitions, net of cash acquired	(4.4)	(333.7)
Investment in unconsolidated affiliates, net	(0.1)	(3.0)
Cash used in investing activities	(59.7)	(374.4)
Financing activities:		
Net short-term (repayments) borrowings	(45.2)	131.4
Payments on long-term debt	—	(15.0)
Treasury stock purchases	(182.2)	(73.4)
Dividends paid to Equifax shareholders	(69.0)	(61.2)
Dividends paid to noncontrolling interests	(6.0)	(6.3)
Proceeds from exercise of stock options	17.2	24.5
Excess tax benefits from stock-based compensation plans	17.1	10.4
Other	—	0.1
Cash (used in) provided by financing activities	(268.1)	10.5
Effect of foreign currency exchange rates on cash and cash equivalents	(5.9)	(4.9)
Decrease in cash and cash equivalents	(44.1)	(144.2)
Cash and cash equivalents, beginning of period	128.3	235.9
Cash and cash equivalents, end of period	$84.2	$91.7

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND OTHER COMPREHENSIVE INCOME

For the Six Months Ended June 30, 2015

(Unaudited)

	Equifax Shareholders								
	Common Stock								
	Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Stock Held By Employee Benefits Trusts	Noncontrolling Interests	Total Equity
	(In millions, except per share amounts)								
Balance, December 31, 2014	119.4	$236.6	$1,201.7	$3,554.8	$ (435.4)	$(2,351.7)	$ (5.9)	$ 34.5	$2,234.6
Net income	—	—	—	199.3	—	—	—	2.8	202.1
Other comprehensive income	—	—	—	—	(12.8)	—	—	(2.5)	(15.3)
Shares issued under stock and benefit plans, net of minimum tax withholdings	0.7	—	(15.0)	—	—	14.3	—	—	(0.7)
Treasury stock purchased under share repurchase program ($94.94 per share)*	(1.9)	—	—	—	—	(193.7)	—	—	(193.7)
Cash dividends ($0.58 per share)	—	—	—	(69.3)	—	—	—	—	(69.3)
Dividends paid to employee benefits trusts	—	—	0.3	—	—	—	—	—	0.3
Stock-based compensation expense	—	—	24.5	—	—	—	—	—	24.5
Tax effects of stock-based compensation plans	—	—	17.1	—	—	—	—	—	17.1
Contributions from noncontrolling interests	—	—	—	—	—	—	—	1.5	1.5
Redeemable noncontrolling interest adjustment	—	—	—	(8.7)	—	—	—	8.7	—
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(6.0)	(6.0)

Other**	—	—	11.5	—	—	—	—	—	11.5
Balance, June 30, 2015	118.2	$236.6	$1,240.1	$3,676.1	$ (448.2)	$(2,531.1)	$ (5.9)	$ 39.0	$2,206.6

* We repurchased 1.9 million shares for $182.2 million during the first half of 2015. At June 30, 2015, $681.4 million was available for future purchases of common stock under our share repurchase authorization.
** At June 30, 2015, the paid-in capital includes the reversal of the $11.5 million holdback related to the accelerated share repurchase program discussed in Note 1.

Accumulated Other Comprehensive Loss consists of the following components:

	June 30, 2015	December 31, 2014
	(In millions)	
Foreign currency translation	$(188.4)	$(170.3)
Unrecognized actuarial losses and prior service cost related to our pension and other postretirement benefit plans, net of accumulated tax of $146.7 and $150.1 at June 30, 2015 and December 31, 2014, respectively	(258.2)	(263.3)
Cash flow hedging transactions, net of accumulated tax of $1.0 and $1.1 at June 30, 2015 and December 31, 2014, respectively	(1.6)	(1.8)
Accumulated other comprehensive loss	$(448.2)	$(435.4)

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2015

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations. We collect, organize and manage various types of financial, demographic, employment and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk, automate or outsource certain human resources, employment tax and payroll-related business processes, and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as government agencies. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to consumers. We also provide information, technology and services to support debt collections and recovery management. As of June 30, 2015, we operated in the following countries: Argentina, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru, Portugal, Spain, the United Kingdom, or U.K., Uruguay, and the United States of America, or U.S. We also maintain support operations in the Republic of Ireland. We offer consumer credit services in Russia and India through joint ventures and also have an investment in a consumer and commercial credit information company in Brazil.

We develop, maintain and enhance secured proprietary information databases through the compilation of actual consumer data, including credit, employment, asset, liquidity, net worth and spending activity, and business data, including credit and business demographics, that we obtain from a variety of sources, such as credit granting institutions, public record information (including bankruptcies, liens and judgments), income and tax information primarily from large to mid-sized companies in the U.S., and survey-based marketing information. We process this information utilizing our proprietary information management systems.

Basis of Presentation. The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, the instructions to Form 10-Q and applicable sections of Regulation S-X. To understand our complete financial position and results, as defined by GAAP, this Form 10-Q should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in our annual report on Form 10-K for the year ended December 31, 2014 (“2014 Form 10-K”).

Our unaudited Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the periods presented and are of a normal recurring nature. Certain prior year amounts have been reclassified to conform to current period presentation.

Earnings Per Share. Our basic earnings per share, or EPS, is calculated as net income attributable to Equifax divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The net income amounts used in both our basic and diluted EPS calculations are the same. A reconciliation of the weighted-average outstanding shares used in the two calculations is as follows:

	Three Months Ended June 30,	Six Months Ended June 30,

	2015	2014	2015	2014
	(In millions)			
Weighted-average shares outstanding (basic)	118.6	122.0	119.0	122.0
Effect of dilutive securities:				
Stock options and restricted stock units	2.3	2.3	2.3	2.4
Weighted-average shares outstanding (diluted)	120.9	124.3	121.3	124.4

For the three and six months ended June 30, 2015 and 2014, the stock options that were anti-dilutive were not material.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accelerated Share Repurchase Program. On October 24, 2014, we entered into an accelerated share repurchase(“ASR”) program to repurchase shares of our common stock under our approved share repurchase program. Under the ASR program, the number of shares to be repurchased is based generally on the daily volume weighted average price of our common stock during the term of the ASR program. On October 24, 2014, we paid $115 million in exchange for an initial delivery of 1.4 million shares to the Company, subject to a 10%, or $11.5 million, holdback. On February 4, 2015, we settled the ASR by receiving approximately 0.02 million additional shares, for a total shares received of 1.42 million from the ASR.

Financial Instruments. Our financial instruments consist of cash and cash equivalents, accounts and notes receivable, accounts payable and short- and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to the short-term nature of these instruments. The fair value of our fixed-rate debt is determined using Level 2 inputs such as quoted market prices for publicly traded instruments, and for non-publicly traded instruments through valuation techniques depending on the specific characteristics of the debt instrument. As of June 30, 2015 and December 31, 2014, the fair value of our long-term debt, based on observable inputs was $1.2 billion and $1.3 billion, respectively compared to its carrying value of $1.1 billion and $1.1 billion, respectively.

Fair Value Measurements. Fair value is determined based on the assumptions marketplace participants use in pricing the asset or liability. We use a three level fair value hierarchy to prioritize the inputs used in valuation techniques between observable inputs that reflect quoted prices in active markets, inputs other than quoted prices with observable market data and unobservable data (e.g., a company’s own data).

The following table presents items measured at fair value on a recurring basis:

		Fair Value Measurements at Reporting Date Using:		
Description	Fair Value of Assets (Liabilities) at June 30, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In millions)			
Deferred Compensation Plan Assets[1]	$24.6	$24.6	$—	$—
Deferred Compensation Plan Liability[1]	(24.6)	—	(24.6)	—
Total	$—	$24.6	$(24.6)	$—

(1) We maintain deferred compensation plans that allow for certain management employees to defer the receipt of compensation (such as salary, incentive compensation and commissions) until a later date based on the terms of the plan. The liability representing benefits accrued for plan participants is valued at the quoted market prices of the participants’ investment elections. The asset consists of mutual funds reflective of the partcipants’ investment selections and is valued at daily quoted market prices.

Other Current Assets. Other current assets on our Consolidated Balance Sheets primarily represent amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of June 30, 2015, these assets were approximately $40.4 million, with a fully offsetting balance in other current liabilities. These amounts are restricted as to their current use, and will be released according to the specific customer agreements. Other current assets also include receivables related to life insurance policies covering certain officers of the Company, as well as certain current tax accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Variable Interest Entities. We hold interests in certain entities, including credit data, information solutions and debt collections and recovery management ventures, that are considered variable interest entities, or VIEs. These variable interests relate to ownership interests that require financial support for these entities. Our investments related to these VIEs totaled $16.7 million at June 30, 2015, representing our maximum exposure to loss, with the exception of the guarantees referenced in Note 5. We are not the primary beneficiary and are not required to consolidate any of these VIEs, with the exception of a debt collections and recovery management venture, for which we meet the consolidation criteria under ASC 810. In regards to that consolidated VIE, we have a 75% equity ownership interest and control of the activities that most significantly impact the VIE's economic performance. The assets and liabilities of the VIE for which we are the primary beneficiary were not significant to the Company’s consolidated financial statements, and no gain or loss was recognized because of its consolidation.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

In determining whether we have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, we evaluate all of our economic interests in the entity, regardless of form (debt, equity, management and servicing fees, and other contractual arrangements). This evaluation considers all relevant factors of the entity's design, including: the entity's capital structure, contractual rights to earnings (losses), subordination of our interests relative to those of other investors, contingent payments, as well as other contractual arrangements that have the potential to be economically significant. The evaluation of each of these factors in reaching a conclusion about the potential significance of our economic interests is a matter that requires the exercise of professional judgment.
Certain of our VIEs have redeemable noncontrolling interests that are subject to classification outside of permanent equity on the Company's consolidated balance sheet. The redeemable noncontrolling interests are reflected using the redemption method as of the balance sheet date. Redeemable noncontrolling interest adjustments to the redemption values are reflected in retained earnings. The adjustment of redemption value at the period end that reflects a redemption value in excess of fair value is included as an adjustment to net income attributable to Equifax stockholders for the purposes of the calculation of earnings per share. None of the current period adjustments reflect a redemption in excess of fair value. Additionally, due to the immaterial balance of the redeemable noncontrolling interest, we have elected to maintain the noncontrolling interest in permanent equity, rather than temporary equity, within our consolidated balance sheet.
Other Assets. Other assets on our Consolidated Balance Sheets primarily represents our investment in unconsolidated affiliates, our cost method investment in Brazil, assets related to life insurance policies covering certain officers of the Company, and employee benefit trust assets.

Cost Method Investment. We monitor the status of our cost method investment in order to determine if conditions exist or events and circumstances indicate that it may be impaired in that its carrying amount may exceed the fair value of the investment. Significant factors that are considered that could be indicative of an impairment include: changes in business strategy, market conditions, underperformance relative to historical or expected future operating results; and negative industry or economic trends. If potential indicators of impairment exist, we estimate the fair value of the investment using a combination of a discounted cash flow analysis and an evaluation of EBITDA multiples for comparable companies. If the carrying value of the investment exceeds the estimated fair value, an impairment loss is recorded based on the amount by which the investment’s carrying amount exceeds its fair value. We recorded an impairment of our cost method investment in the second quarter of 2015. See Note 2 for further discussion.

Other Current Liabilities. Other current liabilities on our Consolidated Balance Sheets consist of the offset to other current assets, related to amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of June 30, 2015, these funds were approximately $40.4 million. These amounts are restricted as to their current use, and will be released according to the specific customer agreements. Other current liabilities also include various accrued liabilities such as interest expense, accrued employee benefits, accrued taxes, accrued payroll, and accrued legal expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements. Cloud Computing Arrangements. In April 2015, the FASB issued ASU 2015-05 “Intangibles—Goodwill and Other—Internal-Use Software: Customer's Accounting for Fees Paid in a cloud Computing Arrangement.” The update provides criteria for customers in a cloud computing arrangement to use to determine whether the arrangement includes a license of software. The guidance becomes effective for fiscal years and interim reporting periods beginning after December 15, 2015, with early adoption permitted. We do not expect the adoption of this standard to have a material impact on our consolidated financial position, results of operations and cash flows.

Presentation of Debt Issuance Costs. In April 2015, the FASB issued ASU 2015-03 “Interest - Imputation of Interest.” The guidance modified the presentation of debt issuance costs, to require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The guidance becomes effective for fiscal years and interim reporting periods beginning after December 15, 2015, with early adoption permitted. We do not expect the adoption of this standard to have a material impact on our consolidated financial position, results of operations and cash flows.

Discontinued Operations. In April 2014, the FASB issued ASU 2014-08 “Presentation of Financial Statements and Property, Plant, and Equipment: Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.” The guidance modified the definition of a discontinued operation to include disposals that qualify as a strategic shift that has or will have a major effect on an entity’s operations and financial results. The guidance became effective for fiscal years and interim reporting periods beginning after December 15, 2014, with early adoption permitted. This statement did not have a material impact on our results of consolidated operations or financial position.

Revenue Recognition. In May 2014, the FASB issued ASU No. 2014-9, "Revenue from Contracts with Customers." ASU 2014-9 is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. ASU 2014-9 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-9 was originally effective for annual reporting periods, and interim periods within that period, beginning after December 15, 2016 and early adoption was not permitted. On July 9, 2015, the FASB voted to defer the effective date by one year to December 15, 2017 for interim and annual reporting periods beginning after that date and permitted early adoption of the standard, but not before the original effective date of December 15, 2016. Companies may use either a full retrospective or a modified retrospective approach to adopt ASU 2014-9. The Company is evaluating the potential effects of the adoption of ASU 2014-9 on its Consolidated Financial Statements.

Going Concern. In August 2014, the FASB issued ASU 2014-15, "Presentation of Financial Statements - Going Concern". ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. This guidance is effective for annual periods and interim periods within that period, beginning after December 15, 2016. We do not expect the adoption of this standard to have a material impact on our consolidated financial position, results of operations and cash flows.

2. IMPAIRMENT OF INVESTMENT IN BOA VISTA SERVICOS

We hold a 15% equity interest in Boa Vista Servicos ("BVS"), which is the second largest consumer and commercial credit information company in Brazil. This investment is recorded in other assets, net, on the Consolidated Balance

Sheets and is accounted for using the cost method. As of December 31, 2014 and March 31, 2015, our investment in BVS was recorded at 90 million Brazilian Reais, which approximated the fair value. The fair value was determined by management using income and market approaches.

During the second quarter of 2015, management updated the financial projections. The updated projections, along with the continued weakness in the Brazilian consumer and small commercial credit markets were considered indicators of impairment. Management of Equifax prepared an analysis to estimate the fair value of our investment at June 30, 2015 and estimated that value to be 44 million Reais ($14.1 million). As a result, we decreased the carrying value of our investment and recorded a loss of 46 million Reais ($14.8 million) which is included in other (expense) income, net, in the Consolidated Statements of Income. Additionally, the carrying value has decreased by $36.4 million related to the foreign exchange impact since 2011, which is included in the foreign currency translation adjustments in accumulated other comprehensive income.

3. GOODWILL AND INTANGIBLE ASSETS

Goodwill. Goodwill represents the cost in excess of the fair value of the net assets acquired in a business combination. Goodwill is tested for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment tests as of September 30.

In January 2015, the Personal Solutions business in the United Kingdom was consolidated into the North America Personal Solutions segment. The change was driven by an enterprise wide strategy to maximize the penetration of our products and services in our targeted markets. We determined that market focus and operating efficiency could be further improved by reorganizing and consolidating the United States, Canada and the United Kingdom Personal Solutions operating activities into one segment called Personal Solutions. To reflect this new organizational structure, we have reallocated goodwill from the Europe reporting unit to the Personal Solutions reporting unit based on the relative fair values of the respective portions of Europe. A change in reporting units requires that goodwill be tested for impairment. During the first quarter of 2015, we performed a goodwill impairment test prior to and following the reallocation of goodwill for Europe and Personal Solutions, which resulted in no impairment.

Changes in the amount of goodwill for the six months ended June 30, 2015, are as follows:

	U.S. Information Solutions (In millions)	International	Workforce Solutions	Personal Solutions	Total
Balance, December 31, 2014[1]	$1,120.6	$487.0	$907.6	$91.6	$2,606.8
Acquisitions	—	—	—	—	—
Adjustments to initial purchase price allocation	—	—	—	—	—
Foreign currency translation	—	(7.3)	—	0.9	(6.4)
Tax benefits of stock options exercised	—	—	—	—	—
Balance, June 30, 2015	$1,120.6	$479.7	$907.6	$92.5	$2,600.4

(1)The December 31, 2014 balances have been recast to reflect the new organizational structure. As of December 31, 2014, the Personal Solutions goodwill includes $75.0 million of goodwill from the Europe reporting unit.

Indefinite-Lived Intangible Assets. Indefinite-lived intangible assets consist of indefinite-lived reacquired rights representing the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. At the time we acquired these agreements, they were considered perpetual in nature under the accounting guidance in place at that time and, therefore, the useful lives are considered indefinite. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events or circumstances indicate that there may be an impairment of the asset value. We perform our annual indefinite-lived intangible asset impairment test as of September 30. Our indefinite-lived intangible asset carrying amounts did not change materially during the three and six months ended June 30, 2015.

Purchased Intangible Assets. Purchased intangible assets represent the estimated acquisition date fair value of acquired intangible assets used in our business. Purchased data files represent the estimated acquisition date fair value of consumer credit files acquired primarily through the purchase of independent credit reporting agencies in the U.S. and Canada. We expense the cost of modifying and updating credit files in the period such costs are incurred. Our reacquired rights represent the value of rights which we had granted to Computer Sciences Corporation that were reacquired in connection with the acquisition of certain assets of CSC Credit Services ("CSC Credit Services

Acquisition”) in the fourth quarter of 2012. These reacquired rights are being amortized over the remaining term of the affiliation agreement on a straight-line basis until August 1, 2018. We amortize all of our purchased intangible assets on a straight-line basis. For additional information about the useful lives related to our purchased intangible assets, see Note 1 of the Notes to Consolidated Financial Statements in our 2014 Form 10-K.

3. GOODWILL AND INTANGIBLE ASSETS (Continued)

Purchased intangible assets at June 30, 2015 and December 31, 2014 consisted of the following:

	June 30, 2015			December 31, 2014		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Definite-lived intangible assets:	(In millions)					
Purchased data files	$672.6	$(223.7)	$448.9	$692.0	$(218.8)	$473.2
Acquired software and technology	54.0	(31.5)	22.5	53.9	(26.4)	27.5
Customer relationships	572.4	(220.8)	351.6	570.7	(204.3)	366.4
Reacquired rights	73.3	(32.8)	40.5	73.3	(26.3)	47.0
Proprietary database	7.4	(5.6)	1.8	7.4	(5.4)	2.0
Non-compete agreements	26.9	(16.2)	10.7	27.0	(11.8)	15.2
Trade names and other intangible assets	50.9	(31.4)	19.5	51.1	(28.5)	22.6
Total definite-lived intangible assets	$1,457.5	$(562.0)	$895.5	$1,475.4	$(521.5)	$953.9

Amortization expense from continuing operations related to purchased intangible assets was $31.2 million and $32.6 million during the three months ended June 30, 2015 and 2014, respectively. Amortization expense from continuing operations related to purchased intangible assets was $62.5 million and $65.3 million during the six months ended June 30, 2015 and 2014, respectively.

4. DEBT

Debt outstanding at June 30, 2015 and December 31, 2014 was as follows:

	June 30, 2015	December 31, 2014
	(In millions)	
Commercial paper	$333.3	$379.7
Notes, 6.30%, due July 2017	272.5	272.5
Notes, 3.30%, due Dec 2022	500.0	500.0
Debentures, 6.90%, due July 2028	125.0	125.0
Notes, 7.00%, due July 2037	250.0	250.0
Other	1.8	0.7
Total debt	1,482.6	1,527.9
Less short-term debt and current maturities	(335.1)	(380.4)
Less unamortized discounts	(1.7)	(1.8)
Total long-term debt, net	$1,145.8	$1,145.7

Senior Credit Facility. We are party to a $750.0 million unsecured revolving credit facility, which we refer to as the Senior Credit Facility, with a group of financial institutions. The Senior Credit Facility also has an accordion feature that allows us to request an increase in the total commitment to $1.0 billion. Borrowings may be used for general corporate purposes, including working capital, capital expenditures, acquisitions and share repurchase programs. The Senior Credit Facility is scheduled to expire in December 2017. Availability of the Senior Credit Facility for borrowings is reduced by the outstanding face amount of any letters of credit issued under the facility and, pursuant to our existing Board of Directors authorization, by the outstanding principal amount of our commercial paper notes. As of June 30, 2015, there were $1.5 million of letters of credit outstanding. As of June 30, 2015, there were no outstanding borrowings under this facility and $415.3 million was available for borrowing.

Commercial Paper Program. Our $750.0 million commercial paper program has been established through the private placement of commercial paper notes from time-to-time. Maturities of commercial paper can range from overnight to 397 days. The commercial paper program is supported by our Senior Credit Facility and, pursuant to our existing Board of Directors authorization, the total amount of commercial paper which may be issued is reduced by the amount of any outstanding borrowings under our Senior Credit Facility. At June 30, 2015, $333.3 million in commercial paper notes was outstanding, all with maturities of less than 90 days.

For additional information about our debt agreements, see Note 6 of the Notes to Consolidated Financial Statements in our 2014 Form 10-K.

5. COMMITMENTS AND CONTINGENCIES

Data Processing, Outsourcing Services and Other Agreements. We have separate agreements with IBM, Tata Consultancy Services and others to outsource portions of our computer data processing operations, applications development, maintenance and related functions and to provide certain other administrative and operational services. The agreements expire between 2015 and 2023. The estimated aggregate minimum contractual obligation remaining under these agreements was approximately $60 million as of December 31, 2014, with no future year’s minimum contractual obligation expected to exceed approximately $40 million. Annual payment obligations in regard to these agreements vary due to factors such as the volume of data processed; changes in our servicing needs as a result of new product offerings, acquisitions or divestitures; the introduction of significant new technologies; foreign currency; or the general rate of inflation. In certain circumstances (e.g., a change in control or for our convenience), we may terminate these data processing and outsourcing agreements and, in doing so, certain of these agreements require us to pay a significant penalty. During the first quarter of 2015, we amended our agreement with IBM and signed an agreement with Oracle. These agreements increased our minimum contractual obligation to approximately $100 million as of June 30, 2015.

5. COMMITMENTS AND CONTINGENCIES (Continued)

Guarantees and General Indemnifications. We may issue standby letters of credit and performance bonds in the normal course of business. The aggregate notional amount of all performance bonds and standby letters of credit was not material at June 30, 2015, and all have a remaining maturity of one year or less. We may issue other guarantees in ordinary course of business. The maximum potential future payments we could be required to make under the guarantees in ordinary course of business is not material at June 30, 2015. We have agreed to guarantee the liabilities and performance obligations (some of which have limitations) of a certain debt collections and recovery management VIE under its commercial agreements.

We have agreed to standard indemnification clauses in many of our lease agreements for office space, covering such things as tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. Certain of our credit agreements include provisions which require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In conjunction with certain transactions, such as sales or purchases of operating assets or services in the ordinary course of business, or the disposition of certain assets or businesses, we sometimes provide routine indemnifications, the terms of which range in duration and sometimes are not limited. Additionally, the Company has entered into indemnification agreements with its directors and executive officers to indemnify such individuals to the fullest extent permitted by applicable law against liabilities that arise by reason of their status as directors or officers. The Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations.

We cannot reasonably estimate our potential future payments under the guarantees and indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We had no accruals related to guarantees and indemnities on our Consolidated Balance Sheets at June 30, 2015 or December 31, 2014.

Contingencies. We are involved in legal and regulatory matters, government investigations, claims and litigation arising in the ordinary course of business. We periodically assess our exposure related to these matters based on the information which is available. We have recorded accruals in our Consolidated Financial Statements for those matters in which it is probable that we have incurred a loss and the amount of the loss, or range of loss, can be reasonably estimated. These amounts do not have a material impact on our Consolidated Financial Statements, either individually or in the aggregate.

For additional information about these and other commitments and contingencies, see Note 7 of the Notes to Consolidated Financial Statements in our 2014 Form 10-K.

6. INCOME TAXES

We are subject to U.S. federal, state and international income taxes. We are generally no longer subject to federal, state, or international income tax examinations by tax authorities for years ending prior to December 31, 2009, with few exceptions. Due to the potential for resolution of state and foreign examinations, and the expiration of various statutes of limitations, it is reasonably possible that our gross unrecognized tax benefit balance may change within the next twelve months by a range of $0 to $4.7 million.

Effective Tax Rate. Our effective income tax rate was 29.0% for the three months ended June 30, 2015, down from 37.2% for the same period in 2014. The effective income tax rate was 31.7% for the six months ended June 30, 2015, as compared to 36.1% for the same period in 2014. In 2015, the income tax rates were lower due to state income tax benefits generated from a tax law change enacted during the second quarter of 2015, and a more favorable foreign rate differential compared to 2014. The state law changes resulted in a discrete tax benefit of $8.6 million and a tax rate impact of 5.4% for the second quarter of 2015 and 2.9% for the six months ended June 30, 2015.

7. ACCUMULATED OTHER COMPREHENSIVE INCOME

Changes in accumulated other comprehensive income by component, after tax, for the six months ended June 30, 2015, are as follows:

	Foreign currency	Pension and other postretirement benefit plans	Cash flow hedging transactions	Total
	(In millions)			
Balance, December 31, 2014	$(170.3)	$(263.3)	$(1.8)	$(435.4)
Other comprehensive income before reclassifications	(18.1)	0.1	0.2	(17.8)
Amounts reclassified from accumulated other comprehensive income	—	5.0	—	5.0
Net current-period other comprehensive income	(18.1)	5.1	0.2	(12.8)
Balance, June 30, 2015	$(188.4)	$(258.2)	$(1.6)	$(448.2)

Reclassifications out of accumulated other comprehensive income for the six months ended June 30, 2015, are as follows:

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income (In millions)	Affected line item in the statement where net income is presented
Amortization of pension and other postretirement plan items:		
Prior service cost	$0.2	(1)
Recognized actuarial loss	(8.2)	(1)
	(8.0)	Total before tax
	3.0	Tax benefit
	$(5.0)	Net of tax

(1)These accumulated other comprehensive income components are included in the computation of net periodic pension cost (See Note 8 Benefit Plans for additional details).

Changes in accumulated other comprehensive income related to noncontrolling interests were not material as of June 30, 2015.

8. BENEFIT PLANS

We sponsor defined benefit pension plans and defined contribution plans. For additional information about our benefit plans, see Note 11 of the Notes to Consolidated Financial Statements in our 2014 Form 10-K.

The following table provides the components of net periodic benefit cost, included in selling, general and administrative expenses in the Consolidated Statements of Income, for the three and six months ended June 30, 2015 and 2014:

	Pension Benefits		Other Benefits	
	Three Months Ended June 30,			
	2015	2014	2015	2014
	(In millions)			
Service cost	$1.1	$1.1	$0.1	$0.1
Interest cost	7.7	7.8	0.2	0.2
Expected return on plan assets	(9.9)	(9.9)	(0.4)	(0.4)
Amortization of prior service cost	0.2	0.2	(0.3)	(0.3)
Recognized actuarial loss	4.0	3.2	0.1	0.1
Total net periodic benefit cost	$3.1	$2.4	$(0.3)	$(0.3)

	Pension Benefits		Other Benefits	
	Six months ended June 30,			
	2015	2014	2015	2014
	(In millions)			
Service cost	$2.2	$2.2	$0.2	$0.2
Interest cost	15.4	15.6	0.4	0.4
Expected return on plan assets	(20.0)	(19.8)	(0.8)	(0.8)
Amortization of prior service cost	0.4	0.4	(0.6)	(0.6)
Recognized actuarial loss	8.0	6.4	0.2	0.2
Total net periodic benefit cost	$6.0	$4.8	$(0.6)	$(0.6)

9. RESTRUCTURING CHARGES

In the first quarter of 2015, we recorded a $20.7 million restructuring charge ($13.2 million, net of tax) all of which was recorded in selling, general and administrative expenses on our Consolidated Statements of Income. This charge resulted from our continuing efforts to realign our internal resources to support the Company’s strategic objectives and increase the integration of our global operations.
The restructuring charge primarily relates to a reduction of headcount of approximately 300 positions resulting in a charge of $16.2 million, which was accrued for under existing severance plans or statutory requirements. The remainder was related to costs associated with real estate exits of $1.2 million and other integration costs of $3.3 million. Generally, severance benefits for our U.S. employees are paid through monthly payroll according to the number of weeks of severance benefit provided to the employee, while our international employees receive a lump sum severance payment for their benefit. Payments related to the above restructuring charges will be substantially completed within 2015. Payments related to the above restructuring charges totaled $7.0 million and $11.1 million for the three and six months ended June 30, 2015, respectively.

10. SEGMENT INFORMATION

Organizational Realignment. In January 2015, the personal solutions business in the United Kingdom was consolidated into the North America Personal Solutions segment. The change was driven by an enterprise wide strategy to maximize the penetration of our products and services in our targeted markets. We determined that market focus and operating efficiency could be further improved by reorganizing and consolidating the United States, Canada and the United Kingdom Personal Solutions operating activities into one segment called Personal Solutions. As a result, we modified our segment reporting effective in the first quarter of 2015. Our financial results for the three and six months ended June 30, 2015, have been recast below to reflect our new organizational structure.

Reportable Segments. We manage our business and report our financial results through the following four reportable segments, which are the same as our operating segments:

- U.S. Information Solutions ("USIS")
- International
- Workforce Solutions
- Personal Solutions

The accounting policies of the reportable segments are the same as those described in our summary of significant accounting policies in Note 1 of the Notes to Consolidated Financial Statements in our 2014 Form 10-K. We evaluate the performance of these reportable segments based on their operating revenues, operating income and operating margins, excluding unusual or infrequent items, if any. Inter-segment sales and transfers are not material for all periods presented. The measurement criteria for segment profit or loss and segment assets are substantially the same for each reportable segment. All transactions between segments are accounted for at cost, and no timing differences occur between segments.

A summary of segment products and services is as follows:

U.S. Information Solutions. This segment includes consumer and commercial information services (such as credit information and credit scoring, credit modeling services and portfolio analytics (decisioning tools), which are derived from our databases of business credit and financial information, locate services, fraud detection and prevention services, identity verification services and other consulting services); mortgage loan origination information; financial marketing services; and identity management.

International. This segment includes information services products, which includes consumer and commercial services (such as credit and financial information, credit scoring and credit modeling services), credit and other marketing products and services. In Europe and Latin America, we also provide information, technology and services to support debt collections and recovery management.

Workforce Solutions. This segment includes employment, income and social security number verification services as well as complementary payroll-based transaction services and employment tax management services.

Personal Solutions. This segment includes credit information, credit monitoring and identity theft protection products sold directly to consumers via the Internet and in various hard-copy formats in the U.S., Canada, and the U.K.

Operating revenue and operating income by operating segment during the three and six months ended June 30, 2015 and 2014 are as follows:

	Three Months Ended	Six Months Ended
(In millions)	June 30,	June 30,

Operating revenue:	2015	2014	2015	2014
U.S. Information Solutions	$315.7	$281.1	$614.4	$542.3
International	148.4	150.0	287.2	290.8
Workforce Solutions	146.3	119.4	295.0	239.1
Personal Solutions	67.7	63.4	133.3	126.2
Total operating revenue	$678.1	$613.9	$1,329.9	$1,198.4

10. SEGMENT INFORMATION (Continued)

	Three Months Ended		Six Months Ended	
(In millions)	June 30,		June 30,	
Operating income:	2015	2014	2015	2014
U.S. Information Solutions	$132.8	$111.1	$259.4	$208.1
International	29.5	32.8	57.5	61.8
Workforce Solutions	56.0	40.5	116.0	79.2
Personal Solutions	18.7	19.6	36.7	37.5
General Corporate Expense	(48.5)	(36.6)	(126.9)	(67.3)
Total operating income	$188.5	$167.4	$342.7	$319.3

	June 30,	December 31,
(In millions)	2015	2014
Total assets:		
U.S. Information Solutions	$1,962.3	$1,983.9
International	906.2	983.7
Workforce Solutions	1,272.3	1,271.3
Personal Solutions	122.3	123.8
General Corporate	322.4	311.5
Total assets	$4,585.5	$4,674.2

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

All references to earnings per share data in Management's Discussion and Analysis, or MD&A, are to diluted earnings per share, or EPS, unless otherwise noted. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding.

BUSINESS OVERVIEW

We are a leading global provider of information solutions, employment and income verifications and human resources business process outsourcing services. We leverage some of the largest sources of consumer and commercial data, along with advanced analytics and proprietary technology, to create customized insights which enable our business customers to grow faster, more efficiently and more profitably, and to inform and empower consumers.

Businesses rely on us for consumer and business credit intelligence, credit portfolio management, fraud detection, decisioning technology, marketing tools, and human resources-related services. We also offer a portfolio of products that enable individual consumers to manage their financial affairs and protect their identity. Our revenue stream is diversified among businesses across a wide range of industries, international geographies and individual consumers.

Segment and Geographic Information

Segments. The USIS segment, the largest of our four segments, consists of three product and service lines: Online Information Solutions; Mortgage Solutions; and Financial Marketing Services. Online Information Solutions and Mortgage Solutions revenue is principally transaction-based and is derived from our sales of products such as consumer and commercial credit reporting and scoring, identity management, fraud detection and modeling services. USIS also markets certain decisioning software services, which facilitate and automate a variety of consumer and commercial credit-oriented decisions. Financial Marketing Services revenue is principally project and subscription based and is derived from our sales of batch credit and consumer wealth information such as those that assist clients in acquiring new customers, cross selling to existing customers and managing portfolio risk.

The International segment consists of Canada, Europe and Latin America. Canada's products and services are similar to our USIS offerings, while Europe and Latin America are made up of varying mixes of product lines that are in our USIS reportable segment. In Europe and Latin America, we also provide information and technology services to support lenders and other creditors in the collections and recovery management process.

In January 2015, the personal solutions business in the United Kingdom was consolidated into the North America Personal Solutions segment. The change was driven by an enterprise wide strategy to maximize the penetration of our products and services in our targeted markets. We determined that market focus and operating efficiency could be further improved by reorganizing and consolidating the United States, Canada and the United Kingdom Personal Solutions operating activities into one segment called Personal Solutions.

The Workforce Solutions segment consists of the Verification Services and Employer Services business lines. Verification Services revenue is transaction-based and is derived primarily from employment and income verification. Employer Services revenues are derived from our provision of certain human resources business process outsourcing services that include both transaction and subscription based product offerings. These services include unemployment claims management, employment-based tax credit services and other complementary employment-based transaction services.

Personal Solutions revenue is both transaction and subscription based and is derived from the sale of credit monitoring and identity theft protection products, which we deliver electronically to consumers primarily via the internet in the U.S., Canada, and the U.K. We reach consumers directly and indirectly through partners.

Geographic Information. We currently have significant operations in the following countries: Argentina, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru, Portugal, the Republic of Ireland, Spain, the U.K., Uruguay and the U.S. Our operations in the Republic of Ireland focus on data handling and customer support activities. We also offer consumer credit services in India and Russia through joint ventures and have an investment in a consumer and commercial credit information company in Brazil.

Key Performance Indicators. Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include operating revenue, change in operating revenue, operating income, operating margin, net income attributable to Equifax, diluted earnings per share, cash provided by operating activities and capital expenditures. The key performance indicators for the three and six months ended June 30, 2015 and 2014 were as follows:

	Key Performance Indicators							
	Three Months Ended June 30,				Six Months Ended June 30,			
	2015		2014		2015		2014	
	(In millions, except per share data)				(In millions, except per share data)			
Operating revenue	$678.1		$613.9		$1,329.9		$1,198.4	
Operating revenue change	10	%	5	%	11	%	4	%
Operating income	$188.5		$167.4		$342.7		$319.3	
Operating margin	27.8	%	27.3	%	25.8	%	26.6	%
Net income attributable to Equifax	$111.0		$92.8		$199.3		$176.7	
Diluted earnings per share from continuing operations	$0.92		$0.75		$1.64		$1.42	
Cash provided by operating activities	$186.7		$152.8		$289.6		$224.6	
Capital expenditures	$(33.6	)	$(19.2	)	$(55.2	)	$(37.7	)

Operational and Financial Highlights

- We repurchased 1.9 million shares of our common stock on the open market for $182.2 million during the first half of 2015. At June 30, 2015, $681.4 million was available for future purchases of common stock under our share repurchase authorization.

- We paid out $69.0 million or $0.58 per share in dividends to our shareholders during the first half of 2015.

Business Environment and Company Outlook

Demand for our services tends to be correlated to general levels of economic activity, to consumer credit activity, enhanced by our own initiatives to expand our products and markets served and to small commercial credit and marketing activity. In 2015, in the United States, we continue to expect modest growth in overall economic activity and consumer credit, including in the second half of the year. We also expect mortgage market origination activity to be up slightly over 10% for all of 2015. Consistent with our expectations, mortgage market growth was strong in the first half of 2015, but is expected to be up only slightly in the second half of the year. Internationally, the environment continues to be challenging as various countries address their particular political, fiscal and economic issues. In addition, weaker foreign exchange rates, compared to the prior year, will negatively impact growth in revenue and profit when reported in U.S. dollars.

Over the long term, we expect that our ongoing investments in new product innovation, business execution, enterprise growth initiatives, technology infrastructure, and continuous process improvement will enable us to deliver long-term average organic revenue growth ranging between 6% and 8% with additional growth of 1% to 2% derived from strategic acquisitions consistent with our long term business strategy. We also expect to grow earnings per share at a somewhat faster rate than revenue over time as a result of both operating and financial leverage.

RESULTS OF OPERATIONS—THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014

Consolidated Financial Results

Operating Revenue

Consolidated Operating Revenue	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
U.S. Information Solutions	$315.7	$281.1	$34.6	12 %	$614.4	$542.3	$72.1	13 %
International	148.4	150.0	(1.6)	(1)%	287.2	290.8	(3.6)	(1)%
Workforce Solutions	146.3	119.4	26.9	23 %	295.0	239.1	55.9	23 %
Personal Solutions	67.7	63.4	4.3	7 %	133.3	126.2	7.1	6 %
Consolidated operating revenue	$678.1	$613.9	$64.2	10 %	$1,329.9	$1,198.4	$131.5	11 %

Revenue increased by $64.2 million or 10% and $131.5 million or 11% in the second quarter and first six months of 2015, respectively, compared to the same periods in 2014. This broad-based growth was driven by the increase in direct to consumer reseller revenue volume, strong mortgage market activity and overall increases in financial services, auto, government and pre-employment verticals. Total revenue was negatively impacted by foreign exchange rates, which reduced revenue by $19.0 million or 4% and $36.0 million or 3% when compared to the second quarter and the first six months of 2014, respectively.

Operating Expenses

Consolidated Operating Expenses	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
Consolidated cost of services	$220.8	$212.3	$8.5	4 %	$435.9	$419.1	$16.8	4 %
Consolidated selling, general and administrative expenses	218.7	183.5	35.2	19 %	451.6	358.9	92.7	26 %
Consolidated depreciation and amortization expense	50.1	50.7	(0.6)	(1)%	99.7	101.1	(1.4)	(1)%
Consolidated operating expenses	$489.6	$446.5	$43.1	10 %	$987.2	$879.1	$108.1	12 %

The increase in cost of services, when compared to the second quarter and first six months of 2014, was due to the increase in production costs driven by higher revenues, as well as increases in people costs. The effect of changes in foreign exchange rates reduced cost of services by $6.8 million and $12.6 million in the three and six months ended June 30, 2015, respectively.

Selling, general and administrative expense increased $35.2 million and $92.7 million in the three and six months ended June 30, 2015, as compared to the same periods in 2014. The increase for three months ended June 30, 2015, was due to increases in people costs, litigation and regulatory compliance expenses, marketing expenses, as well as professional fees. The increase for the six months ended June 30, 2015, was due to the realignment of internal resources of $20.7 million recorded in the first quarter of 2015, in addition to the costs mentioned above. The impact of changes in foreign currency exchange rates reduced our selling, general and administrative expenses by $6.3 million and $11.9 million in the three and six months ended June 30, 2015, respectively.

Depreciation and amortization expense for the second quarter and first six months of 2015 was comparable to the same periods in 2014.

Operating Income and Operating Margin

Consolidated Operating Income	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
Consolidated operating revenue	$678.1	$613.9	$64.2	10 %	$1,329.9	$1,198.4	$131.5	11 %
Consolidated operating expenses	489.6	446.5	43.1	10 %	987.2	879.1	108.1	12 %
Consolidated operating income	$188.5	$167.4	$21.1	13 %	$342.7	$319.3	$23.4	7 %
Consolidated operating margin	27.8 %	27.3 %		0.5 % pts	25.8 %	26.6 %		(0.8) % pts

Total company margin increased slightly in the second quarter of 2015 due to improved margins in our USIS and Workforce Solutions businesses, offset primarily by higher corporate expenses, including increased people costs. The total company margin decreased slightly for the first six months of 2015 due to the realignment of internal resources of $20.7 million and increases in people costs. The decrease was partially offset by the margin improvements in our USIS and Workforce Solutions segments.

Interest Expense and Other Expense, net

Consolidated Interest Expense and Other (Expense) Income, net	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
Consolidated interest expense	$(16.2)	$(17.4)	$(1.2)	(7)%	$(32.3)	$(34.7)	$2.4	(7)%
Consolidated other (expense) income, net	(13.9)	0.5	(14.4)	(2,880)%	(14.4)	(1.6)	(12.8)	800 %
Average cost of debt	4.3 %	4.4 %			4.3 %	4.4 %		
Total consolidated debt, net, at quarter end	$1,480.9	$1,555.4	$(74.5)	(5)%	$1,480.9	$1,555.4	$(74.5)	(5)%

Interest expense decreased slightly for the second quarter and first six months of 2015 when compared to the same periods in 2014, due to an overall decrease in our consolidated debt outstanding as of June 30, 2015. Additionally, our average cost of debt decreased due to the repayments of our 7.34% Notes and 4.45% Notes in 2014, as well as the use of lower rate commercial paper.

The increase in other (expense) income, net, for the three and six months periods ending June 30, 2015, as compared to the prior year, is primarily due to the impairment of our cost method investment in Brazil in the second quarter of 2015.

Income Taxes

Consolidated Provision for Income Taxes	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Change $	Change %	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	Change $	Change %
	(In millions)				(In millions)			
Consolidated provision for income taxes	$(45.9)	$(56.0)	$10.1	(18)%	$(93.9)	$(102.2)	$8.3	(8)%
Effective income tax rate	29.0%	37.2%			31.7%	36.1%		

Our effective income tax rate was 29.0% for the second quarter of 2015, down from 37.2% for the second quarter of 2014. The effective income tax rate was 31.7% for the six months ended June 30, 2015, as compared to 36.1% for the same period in 2014. In 2015, the income tax rates were lower due to state income tax benefits generated from a tax law change enacted during the second quarter of 2015, and a more favorable foreign rate differential compared to 2014. The state law changes resulted in a discrete tax benefit of $8.6 million and a tax rate impact of 5.4% for the second quarter of 2015 and 2.9% for the six months ended June 30, 2015.

Net Income

Consolidated Net Income	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions, except per share amounts)				(In millions, except per share amounts)			
Consolidated operating income	$188.5	$167.4	$21.1	13 %	$342.7	$319.3	$23.4	7 %
Consolidated other expense, net	(30.1)	(16.9)	(13.2)	78 %	(46.7)	(36.3)	(10.4)	29 %
Consolidated provision for income taxes	(45.9)	(56.0)	10.1	(18)%	(93.9)	(102.2)	8.3	(8)%
Consolidated net income	112.5	94.5	18.0	19 %	202.1	180.8	21.3	12 %
Net income attributable to noncontrolling interests	(1.5)	(1.7)	0.2	(12)%	(2.8)	(4.1)	1.3	(32)%
Net income attributable to Equifax	$111.0	$92.8	$18.2	20 %	$199.3	$176.7	$22.6	13 %
Diluted earnings per common share:								
Net income attributable to Equifax	$0.92	$0.75	$0.17	23 %	$1.64	$1.42	$0.22	15 %
Weighted-average shares used in computing diluted earnings per share	120.9	124.3			121.3	124.4		

Consolidated net income increased by $18.0 million or 19% and $21.3 million or 12%, in the three and six months ended June 30, 2015, respectively, due to increased operating income in our USIS and Workforce Solutions businesses. This increase was partially offset by declines due to foreign exchange rates that impacted the International business unit, as well as increased corporate expenses due significantly to the realignment of our internal resources, impairment of our cost method investment in Brazil, and increases in people costs.

Segment Financial Results

USIS

U.S. Information Solutions	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
Operating revenue:								
Online Information Solutions	$232.9	$205.5	$27.4	13 %	$454.8	$398.1	$56.7	14 %
Mortgage Solutions	33.1	27.6	5.5	20 %	64.4	52.0	12.4	24 %
Financial Marketing Services	49.7	48.0	1.7	4 %	95.2	92.2	3.0	3 %
Total operating revenue	$315.7	$281.1	$34.6	12 %	$614.4	$542.3	$72.1	13 %
% of consolidated revenue	47 %	46 %			46 %	45 %		
Total operating income	$132.8	$111.1	$21.7	20 %	$259.4	$208.1	$51.3	25 %
Operating margin	42.1 %	39.5 %		2.6 % pts	42.2 %	38.4 %		3.8 % pts

USIS revenue increased 12% and 13% in the second quarter and first six months of 2015, respectively, as compared to the prior year periods. USIS realized solid growth from direct to consumer reseller revenue and mortgage market, as well as continued revenue growth in financial services, and auto.

Online Information Solutions

Revenue for the second quarter and first six months of 2015 increased 13% and 14%, respectively, when compared to the prior year periods. Core credit report transaction volume increased 49% in the second quarter of 2015 and 47% in first six months of 2015, compared to the prior year, due to increased volumes to direct to consumer resellers, complemented by revenue growth in mortgage resellers, financial services, and auto verticals, as well as a slight increase in the commercial credit and compliance businesses. Revenue also benefited from growth in our identity and fraud solutions business.These increases were partially offset by lower average revenue per unit due to a change in customer mix.

Mortgage Solutions

Revenue increased by 20% and 24% for the second quarter and first six months of 2015, respectively, when compared to prior year, driven by a stronger market for refinancing and purchase activity, as well as growth from new product offerings.

Financial Marketing Services

Revenue increased 4% and 3% for the second quarter and first six months of 2015, respectively, as compared to prior year. The increases were driven primarily by growth in our customer base for our wealth-based consumer information services products.

USIS Operating Margin

USIS operating margin increased significantly in the second quarter and first six months of 2015 as compared to prior year. Margin expansion resulted from strong revenue growth over the second quarter and first six months of 2014.

International

International	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
Operating revenue:								
Europe	$62.5	$63.3	$(0.8)	(1)%	$120.4	$120.9	$(0.5)	—%
Latin America	50.9	48.0	2.9	6%	98.4	94.6	3.8	4%
Canada	35.0	38.7	(3.7)	(10)%	68.4	75.3	(6.9)	(9)%
Total operating revenue	$148.4	$150.0	$(1.6)	(1)%	$287.2	$290.8	$(3.6)	(1)%
% of consolidated revenue	22%	24%			22%	24%		
Total operating income	$29.5	$32.8	$(3.3)	(10)%	$57.5	$61.8	$(4.3)	(7)%
Operating margin	19.9%	21.9%		(2.0)% pts	20.0%	21.3%		(1.3)% pts

International revenue decreased 1% in both the second quarter and first six months of 2015, respectively, as compared to prior year. Local currency revenue grew 11% for both the three and six month period, respectively, as a result of growth across the geographies, primarily Argentina and the U.K., compared to prior year. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $18.0 million and $34.1 million in the second quarter and first six months of 2015, respectively.

Europe

On a local currency basis, revenue increased 12% in both the second quarter and first six months of 2015, respectively, primarily due to growth in the U.K. across most product segments. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $7.9 million, or 13%, and $14.7 million, or 12%, for the second quarter and first six months of 2015, respectively. Reported revenue decreased 1% in the second quarter and was flat in the first six months of 2015.

Latin America

On a local currency basis, revenue increased 18% and 15% in the second quarter and first six months of 2015, respectively, driven by core organic growth primarily in Argentina. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $5.6 million, or 12%, and $10.8 million, or 11%, in the second quarter and first six months of 2015, respectively, most notably due to depreciation in the foreign exchange rate of the Argentine peso and the Chilean peso. Reported revenue increased by 6% and 4% in the second quarter and first six months of 2015, respectively.

Canada

On a local currency basis, revenue increased 2% in the second quarter and first six months of 2015, respectively, compared to prior year, primarily due to growth within information and marketing services, partially offset by decrease in analytical services. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $4.5 million, or 12%, and $8.6 million, or 11%, in the second quarter and first six months of 2015, respectively. Reported revenue decreased by 10% and 9% in the second quarter and first six months of 2015, respectively.

International Operating Margin

Operating margin decreased in the second quarter and first six months of 2015, as compared to prior year. The decline resulted from geographic mix.

Workforce Solutions

Workforce Solutions	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
Operating revenue:								
Verification Services	$94.0	$72.3	$21.7	30 %	$179.8	$136.2	$43.6	32 %
Employer Services	52.3	47.1	5.2	11 %	115.2	102.9	12.3	12 %
Total operating revenue	$146.3	$119.4	$26.9	23 %	$295.0	$239.1	$55.9	23 %
% of consolidated revenue	22 %	19 %			22 %	20 %		
Total operating income	$56.0	$40.5	$15.5	38 %	$116.0	$79.2	$36.8	46 %
Operating margin	38.3 %	33.9 %		4.4 % pts	39.3 %	33.1 %		6.2 %pts

Verification Services

Revenue increased 30% and 32% in the second quarter and first six months of 2015, respectively, compared to prior year, due to strong growth in mortgage, auto, pre-employment screening and government verticals, and continued addition of new records to The Work Number database.

Employer Services

Revenue increased 11% and 12% in the second quarter and first six months of 2015, respectively, compared to prior year, due to growth in our employer-based compliance solutions and workforce analytics business, as well as continued higher employment based tax credit activity due to the delayed approval of the Federal Work Opportunity Tax Credit program for 2014.

Workforce Solutions Operating Margin

Operating margin increased significantly for the second quarter and first six months of 2015, respectively, compared to prior year. Margin expansion was driven by strong revenue growth over the second quarter and first six months of 2014.

Personal Solutions

Personal Solutions	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
Total operating revenue	$67.7	$63.4	$4.3	7 %	$133.3	$126.2	$7.1	6 %
% of consolidated revenue	10 %	10 %			10 %	11 %		
Total operating income	$18.7	$19.6	$(0.9)	(5)%	$36.7	$37.5	$(0.8)	(2)%
Operating margin	27.6 %	30.9 %		(3.3) %pts	27.5 %	29.7 %		(2.2) %pts

Revenue increased 7% and 6% for the second quarter and first six months of 2015, respectively, as compared to the prior year. Local currency revenue grew 8% and 7% in the second quarter and first six months of 2015, respectively, principally due to the growth in subscription revenue in Canada and the U.K., as well as breach revenue in the U.S. Direct to consumer, Equifax-branded U.S.-based subscription service revenue increased slightly in the second quarter and first six months of 2015, respectively, as a result of higher average revenue per subscriber offset by lower subscription volumes. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $1.0 million, or 1%, and $1.9 million, or 1%, for the second quarter and first six months of 2015, respectively. Operating margin decreased in the second quarter and first six months of 2015, respectively, as compared to prior year, due to higher technology and marketing expenses.

General Corporate Expense

General Corporate Expense	Three Months Ended June 30, 2015	2014	Change $	%	Six Months Ended June 30, 2015	2014	Change $	%
	(In millions)				(In millions)			
General corporate expense	$48.5	$36.6	$11.9	33 %	$126.9	$67.3	$59.6	89 %

Our general corporate expenses are unallocated costs that are incurred at the corporate level and include those expenses impacted by corporate direction, including shared services, administrative, legal, restructuring, and the portion of management incentive compensation determined by total company-wide performance. General corporate expense increased $11.9 million and $59.6 million in the second quarter and first six months of 2015, respectively, of which $20.7 million relates to the realignment of internal resources in the first quarter of 2015, and increases in people costs, litigation and regulatory compliance expenses, as well as professional fees.

LIQUIDITY AND FINANCIAL CONDITION

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities and remain in a strong financial position, with resources available for reinvestment in existing businesses, strategic acquisitions and managing our capital structure to meet short- and long-term objectives.

Sources and Uses of Cash

Funds generated by operating activities and our credit facilities continue to be our most significant sources of liquidity. We expect that funds generated from results of operations will be sufficient to finance our anticipated working capital and other cash requirements (such as capital expenditures, interest payments, potential pension funding contributions and dividend payments) for the foreseeable future. If borrowings were needed, we would expect to borrow in the commercial paper or corporate bond markets; or in the event that credit market conditions were to deteriorate, we would rely more heavily on borrowings from the Senior Credit Facility as described below. At June 30, 2015, $415.3 million was available to borrow under our Senior Credit Facility. Our Senior Credit Facility does not include a provision under which lenders could refuse to allow us to borrow under this facility in the event of a material adverse change in our financial condition, as long as we are in compliance with the covenants contained in the credit agreement.

The following table summarizes our cash flows for the six months ended June 30, 2015 and 2014:

Net cash provided by (used in):	Six Months Ended June 30, 2015	2014	Change 2015 vs. 2014
	(In millions)		
Operating activities	$289.6	$224.6	$65.0
Investing activities	$(59.7)	$(374.4)	$314.7
Financing activities	$(268.1)	$10.5	$(278.6)

Operating Activities

Cash provided by operating activities in the six months ended June 30, 2015 increased by $65.0 million over the prior year, due to $36.1 million growth in Net Income, adjusted for the Brazil impairment, and improvements in working capital.

Fund Transfer Limitations. The ability of certain of our subsidiaries and associated companies to transfer funds to U.S. is limited, in some cases, by certain restrictions imposed by foreign governments. These restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends. As of June 30, 2015, we held $75.2 million of cash in our foreign subsidiaries.

Investing Activities

Capital Expenditures

Net cash (used in):	Six Months Ended June 30, 2015	2014	Change 2015 vs. 2014
	(In millions)		
Capital expenditures	$(55.2)	$(37.7)	$(17.5)

Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding facilities and equipment, updating systems for regulatory compliance, the licensing of software applications and investing in system reliability, security and disaster recovery enhancements. Capital expenditures in the first half of 2015 increased by $17.5 million from the same period in 2014 as we are continuing to invest in new products and technology infrastructure.

Acquisitions, Divestitures and Investments

Net cash (used in):	Six Months Ended June 30, 2015	2014	Change 2015 vs. 2014
	(In millions)		
Acquisitions, net of cash acquired	$(4.4)	$(333.7)	$329.3
Investment in unconsolidated affiliates, net	$(0.1)	$(3.0)	$2.9

During the first quarter of 2015, we acquired a 75% equity interest investment in a debt collections and recovery management venture in the U.K.

During the first quarter of 2014, we acquired TDX, included as part of our International operating segment, and Forseva, included as part of our USIS operating segment.

We did not make significant investments in unconsolidated affiliates during the first half of 2015. During the first half of 2014, we invested $2.5 million in our joint venture in India.

Financing Activities

Borrowings and Credit Facility Availability

Net cash (used in) provided by:	Six Months Ended June 30, 2015	2014	Change 2015 vs. 2014
	(In millions)		
Net short-term (repayments) borrowings	$(45.2)	$131.4	$(176.6)
Payments on long-term debt	$—	$(15.0)	$15.0

Credit Facility Availability

Our principal unsecured revolving credit facility with a group of banks, which we refer to as the Senior Credit Facility, permits us to borrow up to $750.0 million through December 2017. The Senior Credit Facility may be used for general corporate purposes. Availability of the Senior Credit Facility for borrowings is reduced by the outstanding face amount of any letters of credit issued under the facility and, pursuant to our existing Board of Directors authorization, by the outstanding principal amount of our commercial paper notes, or CP.

Our $750.0 million CP program has been established to allow for borrowing through the private placement of CP with maturities ranging from overnight to 397 days. We may use the proceeds of CP for general corporate purposes. The CP program is supported by our Senior Credit Facility and, pursuant to our existing Board of Directors authorization, the total amount of CP which may be issued is reduced by the amount of any outstanding borrowings under our Senior Credit Facility.

At June 30, 2015, $333.3 million was outstanding under our CP program. At June 30, 2015, a total of $415.3 million was available under our Senior Credit Facility.

At June 30, 2015, 77% of our debt was fixed-rate debt and 23% was effectively variable-rate debt. Our variable-rate debt consists of our commercial paper, which is generally issued for terms of 1 to 90 days. At June 30, 2015, the interest rates on our variable-rate debt ranged from 0.47% to 0.55%.

Borrowing and Repayment Activity

Net short-term (repayments) borrowings primarily represent activity under our CP program. We primarily borrow under our CP program, as needed and availability allows.

The decrease in net short-term (repayments) borrowings primarily reflects the net activity of CP notes in the first half of 2015 to fund the operations of the business. The net borrowings in the first half of 2014 represents the borrowings of the CP notes to fund the acquisition of TDX.

Payments on long-term debt reflect $15 million payment made in the second quarter of 2014 on our 7.34% Notes, that were paid off in May 2014.

Debt Covenants. A downgrade in our credit ratings would increase the cost of borrowings under our CP program and credit facilities, and could limit or, in the case of a significant downgrade, preclude our ability to issue CP. Our outstanding indentures and comparable instruments also contain customary covenants including, for example, limits on the incurrence of secured debt and sale/leaseback transactions. In addition, our Senior Credit Facility requires us to maintain a maximum leverage ratio of not more than 3.5. Our leverage ratio was 1.64 at June 30, 2015. None of these covenants are considered restrictive to our operations and, as of June 30, 2015, we were in compliance with all of our debt covenants.

We do not have any credit rating triggers that would accelerate the maturity of a material amount of our outstanding debt; however, our 6.3% Senior Notes due 2017, 3.3% Senior Notes due 2022 and 7.0% Senior Notes due 2037 (together, the “Senior Notes”) contain change of control provisions. If we experience a change of control or publicly announce our intention to effect a change of control and the rating on the Senior Notes is lowered by each of Standard & Poor’s, or S&P, and Moody’s Investors Service, or Moody’s, below an investment grade rating within 60 days of such change of control or notice thereof, we will be required to offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes plus accrued and unpaid interest.

For additional information about our debt, including the terms of our financing arrangements, basis for variable interest rates and debt covenants, see Note 6 of the Notes to Consolidated Financial Statements in our 2014 Form 10-K.

Equity Transactions

Net cash provided by (used in):	Six Months Ended June 30, 2015	2014	Change 2015 vs. 2014
	(In millions)		
Treasury stock repurchases	$(182.2)	$(73.4)	$(108.8)
Dividends paid to Equifax shareholders	$(69.0)	$(61.2)	$(7.8)
Dividends paid to noncontrolling interests	$(6.0)	$(6.3)	$0.3
Proceeds from exercise of stock options	$17.2	$24.5	$(7.3)
Excess tax benefits from stock-based compensation plans	$17.1	$10.4	$6.7

Sources and uses of cash related to equity during the six months ended June 30, 2015 and 2014 were as follows:

- During the first half of 2015, we repurchased approximately 1.9 million of our common shares on the open market for $182.2 million, at an average price of $94.94 per share.

- We increased our quarterly dividend from $0.25 per share to $0.29 per share as announced in the first quarter of 2015. We paid cash dividends to Equifax shareholders of $69.0 million or $0.58 per share and $61.2 million or $0.50 per share, during the six months ended June 30, 2015 and 2014, respectively.

- We received cash of $17.2 million and $24.5 million during the first half of 2015 and 2014, respectively, from the exercise of stock options.

At June 30, 2015, the Company had $681.4 million remaining for stock repurchases under the existing Board authorization.

Contractual Obligations, Commercial Commitments and Other Contingencies

Our contractual obligations have not changed materially from those reported in our 2014 Form 10-K. For additional information about certain obligations and contingencies, see Note 5 of the Notes to Consolidated Financial Statements in this Form 10-Q.

Off-Balance Sheet Arrangements

There have been no material changes with respect to our off-balance sheet arrangements from those presented in our 2014 Form 10-K.

Benefit Plans

At December 31, 2014, our U.S. Retirement Income Plan, or USRIP, met or exceeded ERISA’s minimum funding requirements. In the future, we expect to make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and our liquidity needs. We believe additional funding contributions, if any, would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, and our committed credit facilities.

For our non-U.S., tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For our non-qualified supplementary retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with GAAP.

For additional information about our benefit plans, see Note 11 of the Notes to Consolidated Financial Statements in our 2014 Form 10-K.

Seasonality

We experience seasonality in certain of our revenue streams. Revenue generated by the online consumer information services component of our USIS operating segment are typically the lowest during the first quarter, when consumer lending activity is at a seasonal low. Revenue generated from the Employer Services business unit within the Workforce Solutions operating segment is generally higher in the first quarter due primarily to the provision of Form W-2 preparation services which occur in the first quarter each year. Revenue generated from our financial wealth asset products and data management services in our Financial Marketing Services business are generally higher in the fourth quarter each year due to the significant portion of our annual renewals which occur in the fourth quarter of each year.

RECENT ACCOUNTING PRONOUNCEMENTS

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in this Form 10-Q and Note 1 of the Notes to Consolidated Financial Statements in our 2014 Form 10-K.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. We believe the most complex and sensitive judgments, because of their significance to the Consolidated Financial Statements, result primarily from the need to make estimates and assumptions about the effects of matters that are inherently uncertain. The “Application of Critical Accounting Policies and Estimates” section in the MD&A, and Note 1 of the Notes to Consolidated Financial Statements, in our 2014 Form 10-K describe the significant accounting estimates and policies used in the preparation of our Consolidated Financial Statements. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information regarding our exposure to certain market risks, see “Quantitative and Qualitative Disclosures about Market Risk,” in Part II, Item 7A of our 2014 Form 10-K. There were no material changes to our market risk exposure during the six months ended June 30, 2015.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation was carried out by the Company’s management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in the following legal actions:

California Bankruptcy Litigation. In consolidated actions filed in the U.S. District Court for the Central District of California, captioned Terri N. White, et al. v. Equifax Information Services LLC, Jose Hernandez v. Equifax Information Services LLC, Kathryn L. Pike v. Equifax Information Services LLC, and Jose L. Acosta, Jr., et al. v. Trans Union LLC, et al. , plaintiffs asserted that Equifax violated federal and state law (the FCRA, the California Credit Reporting Act and the California Unfair Competition Law) by failing to follow reasonable procedures to determine whether credit accounts are discharged in bankruptcy, including the method for updating the status of an account following a bankruptcy discharge. On August 20, 2008, the District Court approved a Settlement Agreement and Release providing for certain changes in the procedures used by defendants to record discharges in bankruptcy on consumer credit files. That settlement resolved claims for injunctive relief, but not plaintiffs' claims for damages. On May 7, 2009, the District Court issued an order preliminarily approving an agreement to settle remaining class claims. The District Court subsequently deferred final approval of the settlement and required the settling parties to send a supplemental notice to those class members who filed a claim and objected to the settlement or opted out, with the cost for the re-notice to be deducted from the plaintiffs' counsel fee award. Mailing of the supplemental notice was completed on February 15, 2011. The deadline for this group of settling plaintiffs to provide additional documentation to support their damage claims or to opt-out of the settlement was March 31, 2011. On July 15, 2011, following another approval hearing, the District Court approved the settlement. Several objecting plaintiffs subsequently filed notices of appeal to the U.S. Court of Appeals for the Ninth Circuit, which, on April 22, 2013, issued an order remanding the case to the District Court for further proceedings. On January 21, 2014, the District Court denied the objecting plaintiffs' motion to disqualify counsel for the settling plaintiff and granted the motion of counsel for the settling plaintiffs' to be appointed as interim lead class counsel. On May 1, 2014, the District Court granted the objecting plaintiffs motion for leave to file an interlocutory appeal from the January 21, 2014 Order and the objectors filed a petition for permission to appeal to the U.S. Court of Appeals for the Ninth Circuit. On July 9, 2014, the U.S. Court of Appeals for the Ninth Circuit granted the petition for permission to appeal. Briefing is complete and the parties are awaiting a date for oral argument.

State Attorneys General Investigation. The Attorneys General of the State of Ohio and multiple other states commenced an investigation in late 2012 into certain business practices of the nationwide consumer reporting agencies (Equifax, Experian and TransUnion). In addition, the Attorneys General for the States of New York and Mississippi commenced separate investigations into the same or similar matters as those being reviewed by the multi-state attorney general investigation. On March 9, 2015, Equifax, Experian and TransUnion entered into a settlement agreement with the New York Attorney General, and on May 20, 2015, Equifax, Experian and TransUnion entered into a settlement agreement related to the multistate investigation, which included 31 states. The agreements are substantially similar and provide for the implementation over a period of 6 to 39 months of a National Consumer Assistance Plan to enhance consumer interaction with the national credit reporting agencies and improve data accuracy and quality. We are cooperating with the Attorney General of Mississippi in the remaining investigation. At this time, we are unable to predict the outcome of the Mississippi investigation, including whether it will result in any actions or proceedings being brought against us.

CFPB Investigation. In February 2014, we received a Civil Investigative Demand (a "CID") from the Consumer Financial Protection Bureau (the "CFPB") as part of its investigation to determine whether nationwide consumer reporting agencies have been or are engaging in unlawful acts or practices relating to the advertising, marketing, sale or provision of consumer reports, credit scores or credit monitoring products in violation of the Dodd Frank Act or the Fair Credit Reporting Act. The CID requests the production of documents and answers to written questions. We are cooperating with the CFPB in its investigation. At this time, we are unable to predict the outcome of this CFPB investigation, including whether the investigation will result in any action or proceeding against us.

Other. Equifax has been named as a defendant in various other legal actions, including administrative claims, regulatory matters, government investigations, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have strong defenses to and, where appropriate, will vigorously contest, many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding our accounting for legal contingencies, see Note 5 of the Notes to Consolidated Financial Statements in this Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes with respect to the risk factors disclosed in our 2014 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table contains information with respect to purchases made by or on behalf of Equifax or any "affiliated purchaser" (as defined in Rule 10b-18(a) (3) under the Securities Exchange Act of 1934), of our common stock during our second quarter ended June 30, 2015:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly-Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (3)
April 1 - April 30, 2015	1,154	$97.63	211,600	$203,006,735
May 1 - May 31, 2015	1,134	$99.05	675,621	$686,086,475
June 1 - June 30, 2015	2,479	$99.84	47,265	$681,367,537
Total	4,767	$98.77	934,486	$681,367,537

(1) The total number of shares purchased for the quarter includes shares surrendered, or deemed surrendered, in satisfaction of the exercise price and/or to satisfy tax withholding obligations in connection with the exercise of employee stock options, totaling 1,154 shares for the month of April 2015, 1,134 shares for the month of May 2015, and 2,479 shares for the month of June 2015.

(2) Average price paid per share for shares purchased as part of our share repurchase program (includes brokerage commissions).

(3) At June 30, 2015, the amount authorized for future share repurchases under the share repurchase program was $681.4 million. The program does not have a stated expiration date.

Dividend and Share Repurchase Restrictions

Our Senior Credit Facility restricts our ability to pay cash dividends on our capital stock or repurchase capital stock if a default or event of default exists or would result, according to the terms of the credit agreement.

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Chief Financial Officer
32.1	Section 1350 Certification of Chief Executive Officer
32.2	Section 1350 Certification of Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		Equifax Inc. (Registrant)	
Date:	July 23, 2015	By:	/s/ Richard F. Smith Richard F. Smith Chairman and Chief Executive Officer (Principal Executive Officer)
Date:	July 23, 2015		/s/ John W. Gamble, Jr. John W. Gamble, Jr. Corporate Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	July 23, 2015		/s/ Nuala M. King Nuala M. King Senior Vice President and Corporate Controller (Principal Accounting Officer)

INDEX TO EXHIBITS

Exhibit No.	Description
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Chief Financial Officer
32.1	Section 1350 Certification of Chief Executive Officer
32.2	Section 1350 Certification of Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase