

## Informa PLC Half Year Results for the Six Months Ended 30 June 2014 2014 Strategy of Measured Change Delivers Robust Earnings Management Outlines Growth Acceleration Plan

### Key Highlights

#### Financial

- **Higher organic growth:** +1.9% to £569.6m revenue (H1 2013: £564.0m<sup>1</sup>)
- **Improved adjusted operating profit:** +4.5% to £166.7m (H1 2013: £159.5m<sup>1</sup>)
- **Enhanced adjusted diluted EPS:** +6.9% to 20.1p (H1 2013: 18.8p<sup>1</sup>)
- **Improved statutory profit:** £79.5m (H1 2013: £56.4m loss<sup>1</sup>)
- **Healthy free cash flow:** £64.7m (H1 2013: £52.0m<sup>1</sup>)
- **Net debt reduced:** Net debt/EBITDA 2.3 times (H1 2013: 2.4 times)
- **Stable interim dividend:** maintained at 6.4p (H1 2013: 6.4p)

<sup>1</sup> Restated for the change in accounting for joint ventures (see note 13) and discontinued operations (see note 14).

#### Operational

- **Robust Group trading performance...**full-year expectations unchanged despite adverse currency movements
- **Strengthened Executive Management...**Director of Talent & Transformation – Tom Moloney
- **Global Exhibitions acquisition...**core vertical expansion in the US through Virgo
- **Divisional Operating Structure...**new operating structure effective from January 2015
- **Investment for growth...**£60m – £90m organic investment program over three years
- **Business Intelligence restructuring...**return to growth targeted by the end of 2016

Stephen A. Carter, Group Chief Executive, said:

*“Our strategy of **Measured Change** has delivered a strong Group Operating performance in the first half of 2014. It has also allowed us to design a Growth Acceleration Plan, including a new Divisional Operating Structure, a strengthened Executive Management team and a program for growth and scale.”*

He added:

*“We continue to expand organically and by acquisition. Today’s announcement of the purchase of a US exhibition business complements our existing position in the Health & Nutrition market sector through Vitafoods, creating a strong, global Brand proposition in this attractive vertical. It also provides us with an established base on which to build our presence in the important US Exhibitions Sector.”*

*“In the second phase of our Strategic Review, Informa is focusing on growth opportunities and improving returns across the Group. Further details will be provided in the second half but we anticipate additional investment of up to £90m over three years to deliver on our mid-term organic growth objectives. This will be weighted to the Business Intelligence Division, where we believe the potential for improvement is greatest.”*

He concluded:

*“We remain disciplined in our approach to the remainder of 2014, retaining operational focus whilst simultaneously taking further steps to reposition the Group to simplify its structure, leverage its scale and deliver future growth.”*

## Financial Highlights

	H1 2014 £m	H1 2013 <sup>4</sup> £m	Actual %	Organic %
Revenue	569.6	564.0	1.0	1.9
Operating profit	112.3	90.6		
Adjusted operating profit <sup>1</sup>	166.7	159.5	4.5	1.7
Adjusted operating margin (%) <sup>1</sup>	29.3	28.3		
Operating cash flow <sup>2</sup>	108.6	109.8		
Profit before tax	100.2	74.6		
Adjusted profit before tax <sup>1</sup>	155.2	146.5	5.9	
Profit/(loss) for the period	79.5	(56.4)		
Adjusted profit for the period <sup>1</sup>	122.6	113.2	8.3	
Basic earnings per share (p)	13.0	9.6		
Diluted earnings per share (p)	13.0	9.6		
Adjusted diluted earnings per share (p) <sup>1</sup>	20.1	18.8	6.9	
Dividend per share (p)	6.4	6.4		
Free cash flow <sup>2</sup>	64.7	52.0		
Net debt <sup>3</sup>	794.8	923.4		

Notes:

Unless otherwise stated all financial references in this document relate to continuing operations. This excludes the Corporate Training businesses, which are reported as discontinued operations. In this document 'organic' refers to results adjusted for material acquisitions and disposals and the effects of changes in foreign currency exchange rates. In this document we refer to adjusted and statutory results. Adjusted results are prepared to provide a useful alternative measure to explain the Group's underlying business performance.

<sup>1</sup>Adjusted results exclude adjusting items as set out in the Condensed Consolidated Income Statement and detailed in note 3.

<sup>2</sup>Operating cash flow and free cash flow are as calculated on page 11, but adjusted for discontinued operations.

<sup>3</sup>Net debt as calculated in note 11.

<sup>4</sup>Restated for the change in accounting for joint ventures (see note 13) and discontinued operations (see note 14).

## Divisional Highlights

	H1 2014 £m	H1 2013 <sup>1</sup> £m	Actual %	Organic %
<b>Global Events<sup>2</sup></b>				
Revenue	243.9	228.3	6.8	7.0
Adjusted Operating Profit	70.0	59.1	18.4	8.5
Adjusted Operating Margin (%)	28.7	25.9		
<b>Academic Publishing</b>				
Revenue	164.3	164.7	(0.2)	3.8
Adjusted Operating Profit	52.8	54.0	(2.2)	3.0
Adjusted Operating Margin (%)	32.1	32.8		
<b>Business Intelligence</b>				
Revenue	161.4	171.0	(5.6)	(6.6)
Adjusted Operating Profit	43.9	46.4	(5.4)	(8.3)
Adjusted Operating Margin (%)	27.2	27.1		

<sup>1</sup>Restated for the change in accounting for joint ventures (see note 13) and discontinued operations (see note 14).

<sup>2</sup>From 1 January 2015, we will report the results under two separate divisions – see page 6.

## Enquiries

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## Analyst Presentation

There will be a presentation to analysts at 9.30am on 29 July 2014 at Bank of America Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. A simultaneous webcast of the analysts' presentation will be available via the Company's website ([www.informa.com](http://www.informa.com)).

## Operating Structure & Performance

Since the beginning of 2014 Informa has adopted a strategy of **Measured Change**, which is enabling a smooth, effective transition in management and operational strategy while ensuring trading remains on track. It has enabled the new leadership team to make necessary operational changes and build an effective platform for future growth and scale.

This approach is working well to date and we remain on course to meet full-year expectations, despite the negative impact of Sterling strength. We are also making good progress in driving **Operational Fitness** across the Group, undertaking a number of initiatives to reduce the complexity of business structures and reporting lines.

### Operational Simplification

The introduction of the new Divisional Operating Model will significantly simplify our operational structure and reporting lines. We have already begun this process by centralising our operating centre for Asia into Shanghai, building on the Exhibition acquisition we made in China last year.

Similarly, in April, we merged our two information and consultancy businesses in the TMT space, Ovum and ITM, into a single operating unit and onto a single platform. This simplifies our market proposition under a single Brand, 'Ovum', and is allowing us to focus our resources and invest more effectively in product development and marketing initiatives.

The consolidated Ovum business will, alongside all **Business Intelligence** businesses now report directly into Patrick Martell, the Chief Executive of the new **Business Intelligence** Division.

A further example of operational simplification is the consolidation of our Business Development and M&A Teams within Group Strategy, allowing greater cohesion and alignment across these interconnected functions.

### Organisational Efficiency

In June we completed the return of our Group Headquarters and company registration to the UK, simplifying our organisational structure and reducing administrative burden. The move has also enhanced the effectiveness of **Global Support**, improving communication and interaction between the different functions in the central team.

### Enhanced Group Services

We have been working to consolidate our Shared Service centre activity to improve efficiency and effectiveness, most notably in Europe where we are implementing a single Pan-Euro hub. Further work is underway to improve both the scope of centralised activity and the effective co-ordination between our Divisional operating businesses and the Shared Service centres. We now have three major Shared Service hubs, based in Sarasota (US), Colchester (Europe) and Singapore (Asia).

### Internal Engagement

A concerted effort has been made to improve communications across the businesses, facilitating greater engagement between senior management and the wider community, and increasing awareness of Group capabilities.

During the first half, we launched *ShareMatch*, a new Global Employee Share Matching Plan. This is designed to increase the level of equity ownership across the Group. *ShareMatch* encourages colleagues to become more engaged at a Group level by investing in its future success.

We have also introduced regular, Group-wide town-hall Conference Calls with the Group Chief Executive, providing an open forum for discussion of operational performance, new initiatives and changes to structure and management. In addition, the Group Chief Executive writes a monthly internal blog, adding further context to Group developments and facilitating a two-way communication channel between senior management and the rest of the Group.

### Strengthening Talent

A number of senior Executive appointments have been made through the first half to strengthen and complement our existing operational management capabilities. These appointments add valuable expertise and inject fresh, external thinking and experience across the Group.

Recent new additions include the external appointments of Patrick Martell from St Ives plc and Andrew Mullins from The Evening Standard and Independent Limited. It was also confirmed that Deputy Finance Director, Gareth Wright, has been appointed Chief Financial Officer.

We have also today announced the appointment of a Director of Talent & Transformation, Tom Moloney. Tom is an experienced media executive, having previously been Group Chief Executive of EMAP plc for five years. More recently Tom was Chief Executive of Dr Foster Intelligence and, latterly, has been working in Board level Executive search as a Partner at the Inzito Partnership.

Tom will be leading the people side of the business, ensuring we have the right talent to support our ambitions. He will also support the management of change across the Group, through the development and implementation of new business processes and technology, as well as taking responsibility for the management of our intellectual property.

## **Group Governance**

The appointment of three new Non-Executive Directors from 1 January (Gareth Bullock, Geoffrey Cooper and Helen Owers) has broadened the knowledge and experience across the Board and further strengthens our corporate governance.

All three appointments bring valuable expertise across numerous sectors and geographies that are relevant to the Group. Subsequent to these appointments, Gareth Bullock has been named as the Senior Independent Director and Geoffrey Cooper Chairman of the Remuneration Committee.

## **Product Refresh**

In June, we held *Invent 2014*, an initiative that brought together fifty of our next generation leaders from across both of our **Global Events** businesses – **Global Exhibitions** and the **Knowledge & Networking** Division - to collaborate and brainstorm over three days, to generate new commercial initiatives that could serve to accelerate growth.

This proved to be a highly valuable and engaging programme, which highlighted an appetite for change within the Group and belief that breaking down barriers and boundaries within key markets serves to drive further growth. A number of projects were shortlisted from *Invent* and are now in the process of being developed and commercialised as part of the *Growth Acceleration Plan*.

## **International Market Expansion**

We continue to expand internationally, extending our reach into new growth markets. Following last year's acquisition in China, we created a trading centre for China and Asia in Shanghai. This Chinese base gives us a strong platform from which to expand our Exhibition and other activities in the region. In May, we ran the flagship event, *China Beauty Expo*, attracting over 250,000 visitors to Shanghai across 127,000 square metres of exhibition space and delivering revenue and profit ahead of our acquisition plan.

Today's acquisition will provide us with a similar platform for expansion of our Exhibition activities in the US. This is the largest Exhibition market sector globally by some distance but one where Informa has historically lacked any significant presence, with our event activity in the region predominantly focused around conferences and learning.

The combination of our investment in South America, China and the US gives our **Global Exhibitions** business strong positions in these important markets, alongside its historical strength in the Middle East and Europe.

## **Targeted acquisitions**

We remain committed to pursuing attractive acquisitions that complement and enhance our existing market positions. We will continue to focus the allocation of capital into priority areas where the potential returns are greatest. In addition, all transactions are now assigned an Integration Officer to improve post-acquisition integration and ensure adequate investment is made in order to extract maximum long-term growth and value.

Today, we have announced the acquisition of Virgo Holdings LLC ('Virgo') in the US, subject to receipt of US anti-trust clearance. Financial details of the transaction have not been disclosed but we expect the acquisition to enhance Group earnings in its first full year post acquisition.

Virgo has a portfolio of six major trade shows and conferences, including the leading US exhibition in the Health & Nutrition Vertical, *SupplySide West*. This is highly complementary to *Vitafoods* our leading Exhibition Brand within this market sector in Europe, Latin America and Asia. We believe there will be some attractive synergies by bringing our Health & Nutrition assets into the same portfolio and creating a global brand proposition, in the same way our acquisition in China last year complemented our position in the Beauty Vertical where we have strong positions in Europe. The transaction also provides us with an established base in the US, the largest Exhibition market globally, through which we can build our presence.

## Strategic Review and Divisional Operating Model

In January, Alex Roth was appointed Director of Strategy & Business Planning, joining from Bain & Company, where he was a Partner in the Global TMT Practice. He assembled a largely internal team from across the operating businesses to undertake a comprehensive Strategic Review of the Group under the stewardship of a Steering Committee chaired by the Group Chief Executive.

As we detailed earlier this month, the conclusions of Phase 1 of this Strategic Review have created the need to introduce a new operating model for the Group, with the following four objectives:

1. **Simplify...** lines of accountability and authority
2. **Remove...** internal and international boundaries and barriers
3. **Create...** greater focus around markets and customers
4. **Define...** clear lines of responsibility for Group functions versus Operational Businesses

From 1 January 2015, Informa will be structured and reported as four operating Divisions:

**Academic Publishing:** This Division will continue to incorporate our Books and Journals businesses in its existing structure and form, a proven operating model that has delivered consistent growth and profitability through a period of digital evolution and dynamic structural change. It will continue to be led by the current management team, headed by Chief Executive, Roger Horton.

**Business Intelligence:** Historically, BI has been managed as three independent operating units, each housing a subset of often disparate smaller units and product groups. A single Division will allow us to operate the businesses more effectively around industry verticals, to systematise key functions and fully leverage our scale. It will also enable us to have a more dynamic approach to continuing portfolio assessment. This Division will be led by newly-appointed Chief Executive, Patrick Martell.

**Global Exhibitions:** We will consolidate all our transaction-oriented Exhibition and Trade Show assets into a single Division. This will create scale, allow us to exploit the strong growth dynamics of this market and accelerate our expansion within it through intensified geo-cloning activity and acquisitions. This Division will be led by a newly-appointed Chief Executive from within Informa, Will Morris.

**Knowledge & Networking:** Our thousands of content-driven events, which have fundamentally different business drivers to Exhibitions, will be consolidated from fifteen separate units into a single operating Division. This will include all our training, learning, conference, advisory and congress assets. It will create focus and alignment, and a more efficient structure for product innovation, product delivery and geo-cloning. It will be led by newly-appointed Chief Executive, Andrew Mullins.

In addition to the four operating Divisions, central support around key functions such as Finance, Human Resources and Technology will continue to be provided through our fifth Division, **Global Support**.

### Attractions and growth potential of our markets

One of the fundamentals underlying the new operating model is a conviction that by adapting its approach, Informa can improve its operating performance and exploit the growth available in its markets. A core element of Phase 1 of the Strategic Review was a full assessment of the value and growth outlook for these target markets, and Informa's position within them.

- In **Academic Publishing**, Informa is the market leader in Humanities and Social Sciences and growing ahead of the market. Overall, the Academic market is valued at around £29bn and growing at 2 – 3% per annum.
- In **Business Intelligence**, Informa has strong brands and leading positions in distinct verticals, including Pharmaceutical clinical trials, maritime, agriculture, TMT and certain niche financial markets. Overall, the market is estimated at £65bn and growing at 3 – 5% per annum.
- In **Global Exhibitions**, Informa is an established player within a fragmented industry. The overall market value is estimated at £17bn and growing at 4 – 6% per annum.
- In **Knowledge & Networking**, Informa is one of the largest conference operators globally, in an otherwise highly fragmented market. This characteristic makes accurate market sizing difficult but, including training, its value is comfortably over £100bn and growing in the region of 2 – 3% per annum.

## ***Growth Acceleration Plan***

Phase 2 of the Strategic Review is now underway. It is focused on the development of a Strategic Plan to accelerate the growth and value we generate from the markets where we choose to focus. By adapting the way we work through the new operating structure, we believe we can become more efficient and effective at leveraging our scale and better exploiting the opportunities available.

The *Growth Acceleration Plan* will be a three-year program to improve the performance of each of our four operating Divisions, as well as improve the effectiveness of our **Global Support** functions.

There will be a range of capital flows associated with *Growth Acceleration Plan*, with savings likely to be realised through simplification measures around structure, reporting lines and platforms. However, there will also be necessary upfront investment to improve our core capabilities in areas such as technology, content and marketing.

We are still finalising the various projects and initiatives within the *Growth Acceleration Plan* but it is expected that the net incremental investment required will be £60m – £90m, split over three years. The majority of this investment will be capital expenditure, as opposed to operating investment, with an expected peak impact on Group margins of 150 – 250 basis points (1.5% – 2.5%).

A significant portion of this investment will be made within the **Business Intelligence** Division, where we are targeting a return to positive organic growth by the end of 2016.

We will be holding an Investor Day on 6 November 2014 to provide a more detailed overview of the *Growth Acceleration Plan*. At this time, we will also provide historical segmental information for the four operating divisions that take effect from 1 January 2015.



## Divisional Trading Review

The Group reported a robust set of results for the first half of 2014, with strong performances by the Exhibition and **Academic Publishing** businesses. At a Group level, this was, tempered by ongoing weakness in **Business Intelligence**, which our new Operating Model seeks to address.

Group organic growth was 1.9% over the period and 1.0% on a reported basis. The difference represents the net effect of acquisition contributions (mainly EBD Group, EBI and China Beauty Expo) offset by currency movements. The latter was a major drag on reported financials, with the average US Dollar rate moving thirteen cents year-on-year. Overall, the revenue impact of foreign currency movements year-on-year equated to £26.7m.

Adjusted operating profit increased 4.5% to £166.7m, with a margin of 29.3%, up 100 basis points on H1 2013. This reflects good organic growth within our high margin Exhibition business, as well as the benefit of running China Beauty Expo for the first time since it was acquired, which performed ahead of expectations.

## Global Events

	H1 2014	H1 2013 <sup>1</sup>	Actual	Organic
	£m	£m	%	%
Revenue	243.9	228.3	6.8	7.0
Adjusted Operating Profit	70.0	59.1	18.4	8.5
Adjusted Operating Margin (%)	28.7	25.9		

<sup>1</sup>Restated for the change in accounting for joint ventures (see note 13) and discontinued operations (see note 14).

The **Global Events** division currently incorporates our face-to-face media businesses, across a range of formats including exhibitions, conferences, awards and public training courses. In H1 2014, **Global Events** accounted for 43% of Group revenues and 42% of adjusted operating profit.

**Global Events** reported strong trading through the first half of the year, with organic revenue growth of 7.0%, up from the 3.5% growth reported after four months, although the latter was impacted by events phasing which unwound across May and June. These figures also include the muted contribution from our quadrennial Print & Publishing exhibition, *IPEX*, which took place in March.

Reported growth was marginally lower at 6.8%, reflecting the negative impact of currency movements, which more than offset the benefit from acquisitions in the period, mainly EBD Group and the deal in China. We ran China Beauty Expo in Shanghai in May, reporting strong revenue growth year-on-year, ahead of our acquisition plan.

Under the new Operating Model, our transaction-oriented Exhibition and Trade Show assets will be managed in a separate operating Division, **Global Exhibitions**. These businesses continue to perform well, reflecting the attractive growth dynamics of the market and our powerful Brand propositions. Strong performances by our large Exhibitions, including *Arab Health*, *Vitafoods Europe* and *Anti-Aging World Congress*, drove double-digit organic growth through the first half.

The **Knowledge & Networking** Division, which will house all our content-led events, experienced mixed trading, varied by markets, and this is an area where we see good scope for revitalisation.

Full year expectations for **Global Events** are unchanged. The second half is more heavily weighted to **Knowledge & Networking** events, which tend to be lower growth and lower margin than exhibitions. Nevertheless, the outlook for our large exhibitions in the second half remains positive. We will also benefit from our Brazilian biennial exhibition, Formobile.



## Academic Publishing

	H1 2014	H1 2013	Actual	Organic
	£m	£m	%	%
Revenue	164.3	164.7	(0.2)	3.8
Adjusted Operating Profit	52.8	54.0	(2.2)	3.0
Adjusted Operating Margin (%)	32.1	32.8		

The **Academic Publishing** Division produces books and journals for university libraries and the wider academic market. In H1 2014, **Academic Publishing** accounted for 29% of Group revenue and 32% of adjusted operating profit.

Our **Academic Publishing** Division is trading robustly, recording organic revenue growth of 3.8% in H1, up from the 3.2% reported within the four Month Interim Management Statement. As expected, growth at the start of the year was affected by the strong end to 2013, when the business benefited from the phasing of book purchasing from online retailers.

The Journals business, performed well in the first half, with good subscription renewals and a strong end to the period for cash collection and processing. Our recently launched Open Access publishing unit, Cogent OA, continues to make good operational progress. It now has eight journals that are accepting article submissions, with plans for a further seven to go live by year-end.

In the Books business, trading was less predictable, with fluctuations in volumes month-to-month, particularly in ebooks. By comparison to our Journals business, this area of the market feels more fluid but we are confident that our mix of subject areas, strong positions in both wholesale and retail segments and experienced management team leave us well placed to maintain our consistent performance.

The outlook for the year remains unchanged within **Academic Publishing**, with underlying trading expected to remain robust. Organic revenue growth in the first half was a little ahead of the full year expected run-rate, although much will depend on the performance of the Books business in the fourth quarter, which this year faces a particularly tough comparable. Currency remains the key variant at a reported level. The high US Dollar weighting of revenue combined with the UK Sterling weighting of costs within the Division, mean a strong Sterling exchange rate has a significant impact on reported profits and margin.

## Business Intelligence

	H1 2014	H1 2013	Actual	Organic
	£m	£m	%	%
Revenue	161.4	171.0	(5.6)	(6.6)
Adjusted Operating Profit	43.9	46.4	(5.4)	(8.3)
Adjusted Operating Margin (%)	27.2	27.1		

The **Business Intelligence** Division delivers high value content in a number of industry verticals including the healthcare, pharmaceutical, financial services, maritime, commodities, telecoms, insurance and legal sectors. In H1 2014, **Business Intelligence** accounted for 28% of Group revenue and 26% of adjusted operating profit.

The **Business Intelligence** Division reported further organic revenue decline in the first six months of the year. This reflects ongoing subscription weakness in its core Financial and Pharmaceutical markets, alongside lower consulting and advertising revenue, the latter partly reflecting the move by Lloyd's List to become a digital-only product at the end of 2013. There was also a short-term impact within TMT from the integration activity associated with merging ITM and Ovum into a single operating unit.

The Divisional operating margin was held broadly flat year-on-year at 27.2%, reflecting the full year effect of the cost saving exercise carried out in June 2013, as well as the margin benefit that flows from the Lloyd's List digital transition.

The outlook in this Division for the rest of the year remains uncertain. While there continues to be evidence of stabilisation in some areas, overall trading remains volatile. We will manage the business to minimise further decline, while we focus on adapting its operating model and building the *Growth Acceleration Plan*.

## Group Financial Review

### Adjusted and Statutory Results

In these Half Year Results we refer to adjusted and statutory results and unless otherwise indicated the information reported is on a continuing basis.

Adjusted results are prepared to provide a more comparable indication of the Group's underlying business performance. Adjusted results exclude adjusting items as set out in the Condensed Consolidated Income Statement and detailed in note 3.

### Translation Impact

The Group is particularly sensitive to movements in the USD and Euro against the GBP.

The Group receives approximately 45% of its revenues and incurs approximately 36% of its costs in USD or currencies pegged to USD. Each 1 cent movement in the USD to GBP exchange rate has a circa £3.1m impact on revenue and a circa £1.4m impact on adjusted operating profits and a circa 0.18p impact on adjusted diluted EPS.

The Group receives approximately 9% of its revenues and incurs approximately 8% of its costs in Euros. Each 1 cent movement in the Euro to GBP exchange rate has a circa £0.9m impact on revenue and a circa £0.3m impact on adjusted operating profits and a circa 0.05p impact on adjusted diluted EPS.

With both currencies, offsetting the movements in adjusted operating profit will be movements in interest and tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

For debt covenant testing purposes, both profit and debt translations are calculated at the average rate of exchange throughout the relevant period.

### Restructuring and Reorganisation Costs

Restructuring and reorganisation costs for the period of £6.8m (H1 2013: £7.3m) principally relate to the re-domicile of the Group back to the UK, and the redundancy and reorganisation programmes undertaken within IBI. The total costs comprise redundancy costs of £2.6m (H1 2013: £7.3m), reorganisation costs of £3.4m (H1 2013: £nil) and vacant property provisions of £0.8m (H1 2013: £nil).

### Other Adjusting Items

During the period contingent consideration was re-measured by £1.7m, and with fewer acquisitions made during the period, acquisition related costs of £0.1m have been recognised in the Condensed Consolidated Income Statement.

### Net Finance Costs

Net finance costs, which consist principally of interest costs net of interest receivable, decreased by £2.2m from £13.8m to £11.6m. The Group maintains a balance of fixed and floating rate debt partly through utilising derivative financial instruments.

### Taxation

Across the Group, tax has been provided on adjusted profits (excluding the Group's share of the post-tax adjusted results of joint ventures) at an effective tax rate of 21.0% (H1 2013: 22.9%). This adjusted tax rate benefits from profits generated in low tax jurisdictions, and is lower than the previous year due to movements in the mix of profits between jurisdictions and lower tax rates in certain countries including the UK.

The Group tax charge on statutory profit before tax (excluding the Group's share of the post-tax statutory results of joint ventures) was 20.7% (H1 2013: 22.1%).

## Earnings and Dividend

Adjusted diluted EPS from continuing operations of 20.1p (H1 2013: 18.8p restated) is 6.9% ahead of the same period in 2013 and statutory diluted EPS from continuing operations of 13.0p (H1 2013: 9.6p restated) is 35.4% ahead of same period in 2013.

The Board has recommended an interim dividend of 6.4p (H1 2013: 6.4p) which will be payable on 11 September 2014 to ordinary shareholders registered as of the close of business on 15 August 2014.

## Cash Flow

The Group continues to generate strong cash flows. The cash conversion rate, expressed as a ratio of operating cash flow (as calculated below) to adjusted operating profit, is 65% (H1 2013: 69%<sup>1</sup>).

	6 months to 30 June		Year to 31
	2014	2013 <sup>1</sup>	December
	£m	£m	2013 <sup>2</sup>
			£m
<b>Adjusted operating profit from continuing operations</b>	<b>166.7</b>	<b>159.5</b>	<b>334.6</b>
Depreciation of property and equipment	3.1	3.3	6.4
Amortisation	6.0	6.4	15.7
Share-based payments	0.7	1.6	2.2
<b>EBITDA from continuing operations</b>	<b>176.5</b>	<b>170.8</b>	<b>358.9</b>
Net capital expenditure	(7.0)	(7.4)	(14.4)
Working capital movement (net of restructuring and reorganisation accruals)	(60.9)	(53.6)	(15.3)
<b>Operating cash flow from continuing operations</b>	<b>108.6</b>	<b>109.8</b>	<b>329.2</b>
Restructuring and reorganisation	(6.0)	(7.4)	(20.1)
Net interest	(12.6)	(13.5)	(30.1)
Dividends received from joint ventures	–	–	0.2
Taxation	(25.3)	(36.9)	(71.4)
<b>Free cash flow</b>	<b>64.7</b>	<b>52.0</b>	<b>207.8</b>
Operating cash flow of discontinued operations	(2.8)	1.1	4.5
Acquisitions less disposals	(15.8)	(60.8)	(88.8)
Dividends paid to shareholders	(75.4)	(75.3)	(114.0)
Net shares acquired	–	–	(0.4)
<b>Net funds flow</b>	<b>(29.3)</b>	<b>(83.0)</b>	<b>9.1</b>
<b>Opening net debt</b>	<b>(782.6)</b>	<b>(802.4)</b>	<b>(802.4)</b>
Non-cash items	(0.5)	(0.5)	(1.1)
Foreign exchange	17.6	(37.5)	11.8
<b>Closing net debt</b>	<b>(794.8)</b>	<b>(923.4)</b>	<b>(782.6)</b>

<sup>1</sup>Restated for the change in accounting for joint ventures (see note 13) and discontinued operations (see note 14).

<sup>2</sup>Restated for change in accounting for joint ventures (see note 13).

In the six months ended 30 June 2014, before taking into account dividend payments and spend on acquisitions, the Group generated free cash flow of £64.7m (H1 2013: £52.0m).

The increase in net debt arising from acquisitions was £17.8m (H1 2013: £59.3m) which comprises current year acquisitions of £15.0m (H1 2013: £50.3m) and consideration in respect of acquisitions completed in prior years of £2.8m (H1 2013: £9.0m). This was offset by a decrease in net debt arising from disposals of £2.0m inflow (H1 2013: £1.5m outflow).

Net debt increased by £12.2m from £782.6m to £794.8m, driven primarily by a net cash outflow of £29.3m, offset by exchange rate movements of £17.6m. During the period the Group paid the 2013 second interim dividend of £75.4m.

## **Financing and Bank Covenants**

The principal financial covenant ratios under the private placement and revolving credit facilities are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. At 30 June 2014 both financial covenants were comfortably achieved. The ratio of net debt (using average exchange rates) to EBITDA was 2.3 times compared to 2.2 times at 31 December 2013 and 2.4 times at 30 June 2013. The ratio of EBITDA to net interest payable was 14.2 times compared to 13.0 times at 31 December 2013 and 12.9 times at 30 June 2013.

## **Deferred Income**

Deferred income, which represents income received in advance, was up 3% on a constant currency basis at 30 June 2014 compared to the same date in 2013. Deferred income arises primarily from subscriptions paid in advance and forward bookings for trade shows, exhibitions or conferences. Due to their market leading status, many trade shows and exhibitions receive commitments up to a year in advance.

## **Pensions**

The Group's financial obligations to its pension schemes remain relatively small compared to the size of the Group, with net pension liabilities at 30 June 2014 of £7.8m (H1 2013: £7.4m).

## **Related Party Transactions**

Related party transactions, other than those relating to Directors' remuneration in the six months ended 30 June 2014, have been disclosed in note 18. Also, there have been no changes in related party transactions described in the Annual Report and Financial Statements of the Group for the financial year ended 31 December 2013 that could have a material effect on the financial position or performance on the Group in the six months ended 30 June 2014.

## **Post Balance Sheet Events**

On 22 July 2014 the Group entered into a definitive agreement to acquire 100% of the equity interests in Virgo Holdings LLC and certain related entities, subject principally to receipt of US anti-trust clearance.

## Principal Risk Factors

The principal risk factors affecting the business activities of the Group were identified on pages 28 - 31 of the 2013 Annual Report. This document is available on the Company's website at [www.informa.com](http://www.informa.com).

Some of these principal risk factors are similar to those faced by many other businesses such as the effect of general economic conditions, operating in competitive markets, reliance on recruitment and retention of key employees, risks in doing business internationally, dependence on the strength of the Group's brands, dependence on the internet and electronic platforms, being affected by changes in legislation and litigious environments.

The other principal risk factors, more specifically relating to the Group are as follows (in no order of priority):

- The Group's businesses are affected by the economic conditions of the sectors and regions in which they and their customers operate and the markets in which the Group operates are highly competitive and subject to rapid change.
- The Group's continued growth depends, in part, on its ability to identify, complete, and integrate acquisitions and its ability to expand the business into new geographic regions.
- Reliance on or loss of key customers may reduce demand for the Group's products.
- A major accident at an exhibition or event.
- Significant operational disruption caused by a major disaster.
- Inadequate crisis management.
- The Group is dependent on the internet and its digital delivery platforms, networks and distribution systems.
- Breaches of the Group's information security systems or other unauthorised access to its sensitive information could adversely affect the Group's businesses and operations.
- The Group relies on the experience and talent of its senior management and on its ability to recruit and retain key employees for the success of its business.
- Changes in tax laws or their application or interpretation may adversely impact the Group.
- The Group's IP rights may not be adequately protected and may be challenged by third parties.
- The Group is subject to regulation regarding the use of personal data.
- The Group may be adversely affected by enforcement of and changes in legislation and regulation affecting its businesses and that of its customers.
- The Group's credit risk in respect of long-term receivables.
- Leadership and Management Succession.

In the view of the Board, the principal risk factors affecting the Group for the remaining six months of the financial year are those listed above and further details of which can be found in the 2013 Annual Report.

## Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Divisional Trading Review. As set out in the above review of Principal Risk Factors, a number of risk factors and uncertainties affect the Group's results and financial position. The Group's net debt and banking covenants are summarised on page 12.

The Group has an extensive budgeting process for forecasting its trading results and cash flows and updates these forecasts to reflect current trading on a monthly basis. The Group sensitises its projections to reflect possible changes in trading performance and future acquisition spend. These forecasts and projections indicate that the Group should be able to operate within the level of its current financing facilities and management is confident that it will be able to meet its covenant requirements for the foreseeable future.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing this interim management report.

## Cautionary Statements

This interim management report contains forward looking statements. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward looking statements. The terms 'expect', 'should be', 'will be' and similar expressions identify forward looking statements. Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in Informa's markets; exchange rate fluctuations, customers' acceptance of its products and services; the actions of competitors; legislative, fiscal and regulatory developments; changes in law and legal interpretation affecting Informa's intellectual property rights and internet communications; and the impact of technological change. These forward looking statements speak only as of the date of this interim management report. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based.

## Board of Directors

The Directors of Informa PLC are listed at [www.informa.com](http://www.informa.com).



## Responsibility Statement

We confirm that to the best of our knowledge:

- a) the Condensed set of Consolidated Financial Statements has been prepared in accordance with IAS 34 *'Interim Financial Reporting'* as adopted by the European Union;
- b) the Condensed set of Consolidated Financial Statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;
- c) the interim management report includes a fair review of the following information as required by DTR 4.2.7R:
  - a. an indication of important events that have occurred during the first six months of the financial year, and their impact on the Condensed set of Consolidated Financial Statements; and
  - b. a description of the principal risks and uncertainties for the remaining six months of the year.
- d) the interim management report includes the following information as required by DTR 4.2.8R:
  - a. related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group in that period; and
  - b. any changes in the related party transactions described in the 2013 Annual Report that could have material effect on the financial position or performance of the Group in the current period.

By order of the Board

Stephen A. Carter CBE  
Group Chief Executive

Gareth Wright  
Chief Financial Officer

29 July 2014

## Independent Review Report to Informa PLC

We have been engaged by the Company to review the Condensed set of Consolidated Financial Statements in the half-yearly financial report for the six months ended 30 June 2014 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Cash Flow Statement and related notes 1 to 19. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed set of Consolidated Financial Statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

### Directors' responsibilities

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

As disclosed in note 3, the Annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, '*Interim Financial Reporting*', as adopted by the European Union.

### Our responsibility

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

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed set of Consolidated Financial Statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
29 July 2014

## Condensed Consolidated Income Statement

For the six months ended 30 June 2014

Unaudited 6 months ended 30 June								Total Year ended 31 December 2013 <sup>2</sup> £m
	Adjusted results 2014 £m	Adjusting items 2014 £m	Total 2014 £m	Adjusted results 2013 <sup>1</sup> £m	Adjusting items 2013 £m	Total 2013 <sup>1</sup> £m		
Notes								
<b>Continuing operations</b>								
<b>Revenue</b>	4	569.6	–	569.6	564.0	–	564.0	1,130.0
Net operating expenses		(402.9)	(54.4)	(457.3)	(404.5)	(68.9)	(473.4)	(984.0)
<b>Operating profit/(loss)</b>		166.7	(54.4)	112.3	159.5	(68.9)	90.6	146.0
Share of results of joint ventures		0.1	(0.1)	–	0.8	–	0.8	0.4
Loss on disposal of businesses	15	–	(0.5)	(0.5)	–	(3.0)	(3.0)	(3.4)
Finance costs		(13.3)	–	(13.3)	(14.9)	–	(14.9)	(29.5)
Investment income		1.7	–	1.7	1.1	–	1.1	1.9
<b>Profit/(loss) before tax</b>		155.2	(55.0)	100.2	146.5	(71.9)	74.6	115.4
Tax (charge)/credit	5	(32.6)	11.9	(20.7)	(33.3)	17.0	(16.3)	(12.4)
<b>Profit/(loss) for the period from continuing operations</b>		122.6	(43.1)	79.5	113.2	(54.9)	58.3	103.0
<b>Discontinued operations</b>								
Loss for the period from discontinued operations	14			–			(114.7)	(109.5)
<b>Profit/(loss) profit for the period</b>				79.5			(56.4)	(6.5)
Attributable to:								
- Equity holders of the parent				78.4			(56.4)	(6.5)
- Non-controlling interest				1.1			–	–
<b>Earnings per share from continuing operations</b>								
- Basic (p)	8			13.0			9.6	17.1
- Diluted (p)	8			13.0			9.6	17.1
<b>Earnings per share from continuing and discontinued operations</b>								
- Basic (p)	8			13.0			(9.4)	(1.1)
- Diluted (p)	8			13.0			(9.4)	(1.1)
<b>Adjusted earnings per share from continuing operations</b>								
- Basic (p)	8	20.1			18.8			40.1
- Diluted (p)	8	20.1			18.8			40.1
<b>Adjusted earnings per share from continuing and discontinued operations</b>								
- Basic (p)	8	20.1			18.9			40.5
- Diluted (p)	8	20.1			18.9			40.5

<sup>1</sup>Restated for the change in accounting for joint ventures (see note 13) and discontinued operations (see note 14).

<sup>2</sup>Restated for the change in accounting for joint ventures (see note 13).

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2014

	6 months ended 30 June 2014 £m (Unaudited)	6 months ended 30 June 2013 £m (Unaudited)	Year ended 31 December 2013 £m
<b>Profit/(loss) for the period</b>	79.5	(56.3)	(6.4)
Share of results of joint ventures	–	(0.1)	(0.1)
<b>Restated profit/(loss) for the period</b>	79.5	(56.4)	(6.5)
<b>Other comprehensive income/(expense):</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial (loss)/gain on defined benefit pension schemes	(4.6)	8.3	8.3
Tax relating to items that will not be reclassified to profit or loss	0.8	(2.0)	(2.2)
<b>Total items that will not be reclassified to profit or loss</b>	(3.8)	6.3	6.1
<b>Items that may be reclassified subsequently to profit or loss</b>			
Change in fair value of cash flow hedges	–	0.3	0.5
Exchange differences on translation of foreign operations	(9.7)	18.4	(25.0)
Tax relating to items that may be reclassified subsequently to profit or loss	–	–	(0.1)
<b>Total items that may be reclassified subsequently to profit or loss</b>	(9.7)	18.7	(24.6)
<b>Other comprehensive (expense)/income for the period</b>	(13.5)	25.0	(18.5)
<b>Total comprehensive income/(expense) for the period</b>	66.0	(31.4)	(25.0)
Attributable from continuing operations to:			
– Equity holders of the parent	64.9	84.3	84.5
– Non-controlling interest	1.1	–	–
Attributable from discontinued operations to:			
– Equity holders of the parent	–	(115.7)	(109.5)
– Non-controlling interest	–	–	–

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014

	Share capital £m	Share premium account £m	Total other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
<b>At 1 January 2013 (audited)</b>	0.6	2.1	(1,222.7)	2,543.6	1,323.6	-	1,323.6
Share of results of joint ventures	-	-	-	0.1	0.1	-	0.1
<b>Restated at 1 January 2013</b>	0.6	2.1	(1,222.7)	2,543.7	1,323.7	-	1,323.7
Loss for the period	-	-	-	(6.5)	(6.5)	-	(6.5)
Change in fair value of cash flow hedges	-	-	0.5	-	0.5	-	0.5
Exchange differences on translation of foreign operations	-	-	(25.0)	-	(25.0)	-	(25.0)
Actuarial gain on defined benefit pension schemes	-	-	-	8.3	8.3	-	8.3
Tax relating to components of other comprehensive income	-	-	(0.1)	(2.2)	(2.3)	-	(2.3)
<b>Total comprehensive expense for the year</b>	-	-	(24.6)	(0.4)	(25.0)	-	(25.0)
Dividends to shareholders (note 7)	-	-	-	(114.0)	(114.0)	-	(114.0)
Share award expense	-	-	2.2	-	2.2	-	2.2
Own shares purchased	-	-	(0.4)	-	(0.4)	-	(0.4)
Cumulative foreign exchange losses on disposals	-	-	3.6	-	3.6	-	3.6
Purchase of non-controlling interest	-	-	-	-	-	1.0	1.0
Transfer of vested LTIPs	-	-	(4.0)	4.0	-	-	-
<b>Restated at 1 January 2014</b>	0.6	2.1	(1,245.9)	2,433.3	1,190.1	1.0	1,191.1
Profit for the period	-	-	-	78.4	78.4	1.1	79.5
Exchange differences on translation of foreign operations	-	-	(9.7)	-	(9.7)	-	(9.7)
Actuarial loss on defined benefit pension schemes	-	-	-	(4.6)	(4.6)	-	(4.6)
Tax relating to components of other comprehensive income	-	-	-	0.8	0.8	-	0.8
<b>Total comprehensive (expense)/income for the period</b>	-	-	(9.7)	74.6	64.9	1.1	66.0
Inversion accounting	-	-	1,756.0	(1,756.0)	-	-	-
Issue of shares under Scheme of Arrangement	2,189.3	(2.1)	(2,189.9)	2.7	-	-	-
Capital reduction	(2,189.3)	-	-	2,189.3	-	-	-
Dividends to shareholders (note 7)	-	-	-	(75.4)	(75.4)	-	(75.4)
Share award expense	-	-	0.7	-	0.7	-	0.7
Transfer of lapsed LTIPs	-	-	(1.8)	1.8	-	-	-
<b>At 30 June 2014 (unaudited)</b>	0.6	-	(1,690.6)	2,870.3	1,180.3	2.1	1,182.4

## Condensed Consolidated Statement of Financial Position

As at 30 June 2014

		30 June 2014 £m	30 June 2013 £m (Restated)	31 December 2013 £m (Restated)
	Notes	(Unaudited)	(Unaudited)	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		1,578.5	1,673.5	1,597.9
Other intangible assets		748.1	818.4	779.0
Investments in joint ventures	13	0.6	1.3	0.6
Property and equipment		16.0	18.2	16.5
Other receivables		39.6	23.0	38.1
Derivative financial instruments		0.5	0.3	0.5
		2,383.3	2,534.7	2,432.6
<b>Current assets</b>				
Inventory		43.3	45.7	42.2
Trade and other receivables		218.1	217.9	203.0
Current tax asset		4.6	3.4	2.4
Cash at bank and in hand	11	27.6	36.9	32.0
Assets classified as held for sale		–	111.9	–
		293.6	415.8	279.6
Total assets		2,676.9	2,950.5	2,712.2
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Called up share capital	9	0.6	0.6	0.6
Share premium account		–	2.1	2.1
Reserve for shares to be issued	16	2.5	4.6	3.6
Merger reserve		496.4	496.4	496.4
Other reserve		(2,152.5)	(1,718.6)	(1,718.6)
ESOP trust shares		(0.2)	(0.3)	(0.2)
Hedging reserve		0.4	0.3	0.4
Translation reserve		(37.2)	12.6	(27.5)
Retained earnings		2,870.3	2,420.8	2,433.3
Equity attributable to equity holders of the parent		1,180.3	1,218.5	1,190.1
Non-controlling interest		2.1	–	1.0
Total equity		1,182.4	1,218.5	1,191.1
<b>Non-current liabilities</b>				
Long-term borrowings	6	816.8	958.7	814.1
Deferred tax liabilities		134.8	166.5	134.5
Retirement benefit obligation	17	7.8	7.4	5.4
Provisions		9.5	6.5	7.1
Trade and other payables		5.5	6.4	6.5
		974.4	1,145.5	967.6
<b>Current liabilities</b>				
Short-term borrowings	11	5.6	1.6	0.5
Current tax liabilities		45.8	66.2	45.0
Provisions		13.0	13.7	12.7
Trade and other payables		171.4	177.6	179.4
Deferred income		284.3	294.3	315.9
Liabilities directly associated with assets classified as held for sale		–	33.1	–
		520.1	586.5	553.5
Total liabilities		1,494.5	1,732.0	1,521.1
Total equity and liabilities		2,676.9	2,950.5	2,712.2

The Board of Directors approved this condensed set of consolidated financial statements on 29 July 2014.



## Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2014

		6 months ended 30 June 2014 £m	6 months ended 30 June 2013 £m (Restated)	Year ended 31 December 2013 £m (Restated)
	Notes	(Unaudited)	(Unaudited)	
<b>Operating activities</b>				
Cash generated by operations	11	109.6	112.3	330.1
Income taxes paid		(25.3)	(36.9)	(71.4)
Interest paid		(12.7)	(14.4)	(31.2)
<b>Net cash inflow from operating activities</b>		<b>71.6</b>	<b>61.0</b>	<b>227.5</b>
<b>Investing activities</b>				
Investment income		0.1	0.9	1.1
Dividends received from joint ventures		-	-	0.2
Proceeds on disposal of property and equipment		0.1	0.1	0.4
Purchase of intangible software assets		(4.1)	(4.0)	(8.3)
Purchase of property and equipment		(2.5)	(3.0)	(5.9)
Purchase of other intangible assets		(6.9)	(8.1)	(49.0)
Acquisition of subsidiaries	12	(10.9)	(50.2)	(87.3)
Product development costs		(0.5)	(1.9)	(2.7)
Cash (outflow)/inflow on disposal of subsidiaries and businesses	15	(0.8)	(2.5)	47.5
<b>Net cash outflow from investing activities</b>		<b>(25.5)</b>	<b>(68.7)</b>	<b>(104.0)</b>
<b>Financing activities</b>				
Dividends paid to shareholders		(75.4)	(75.3)	(114.0)
Draw down/(repayments) of borrowings		21.1	95.4	(0.6)
Cash (outflow)/inflow from the issue of share capital		-	-	(0.4)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(54.3)</b>	<b>20.1</b>	<b>(115.0)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(8.2)</b>	<b>12.4</b>	<b>8.5</b>
Effect of foreign exchange rate changes		(1.3)	(0.4)	(0.3)
Cash and cash equivalents at beginning of the year		31.5	23.3	23.3
<b>Cash and cash equivalents at end of period</b>	11	<b>22.0</b>	<b>35.3</b>	<b>31.5</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

### 1. General information

On 30 May 2014 under a Scheme of Arrangement between Informa plc ('Old Informa'), the former holding company of the Group, and its shareholders, under Article 125 of the Companies (Jersey) Law 1991, and as sanctioned by The Royal Court of Jersey, all the issued shares in Old Informa were cancelled and an equivalent number of new shares in Old Informa were issued to Informa PLC ('Company') in consideration for the allotment to shareholders of one ordinary share in the Company for each ordinary share in Old Informa that they held on the record date, 29 May 2014.

The Company was incorporated under the Companies Act 2006 on 24 January 2014 and is headquartered in the United Kingdom. The unaudited Condensed set of Consolidated Financial Statements as at 30 June 2014 and for the six months then ended comprise those of the Company and its subsidiaries and its interests in joint ventures (together referred to as the 'Group').

The half-yearly financial report does not constitute the Group's Statutory Financial Statements. The Group's most recent Statutory Financial Statements, which comprise the Annual Report and audited Financial Statements for the year ended 31 December 2013, were approved by the Directors on 21 February 2014 and have been filed with the Jersey Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991.

The Consolidated Financial Statements of the Group as at, and for the year ended, 31 December 2013 are available upon request from the Company's registered office at 37 – 41 Mortimer Street, London, W1T 3JH, United Kingdom or at [www.informa.com](http://www.informa.com).

The Condensed set of Consolidated Financial Statements has been prepared on a going concern basis, for further analysis please refer to page 14.

### 2. Accounting policies and estimates

The accounting policies, presentation and method of computations applied by the Group in the Condensed set of Consolidated Financial Statements are consistent with those applied by the Group in its Consolidated Financial Statements for the year ended 31 December 2013 except for the adoption of new standards and interpretations effective as of 1 January 2014 listed below.

- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interest in Other Entities*
- Amendment to IAS 27 *Separate Financial Statements*
- Amendment to IAS 28 *Investments in Associates and Joint Ventures*
- Amendments to IFRS 10, IFRS 12 and IAS 27 – *Investment Entities*
- Amendment to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendment to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IFRIC Interpretation 21 *Levies*

## 2. Accounting policies and estimates continued

The adoption of these standards and interpretations has not led to any changes to the Group's accounting policies, except for IFRS 11 *Joint Arrangements*. IFRS 11 is a new standard which replaces IAS 31 and SIC 13. Under IFRS 11 joint control is defined as the contractually agreed sharing of control of an arrangement which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. IFRS 11 addresses only two forms of joint arrangements (joint operations and joint ventures) and removes the option to account for them using proportionate consolidation. The Group has changed its accounting for Joint Ventures from proportionate consolidation to equity accounting. This change in policy has required a restatement of the comparative periods – see note 13.

The preparation of the Condensed set of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Condensed set of Consolidated Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2013, with the exception of the change in pre-tax discount rates for impairment purposes.

Management has increased the pre-tax discount rate used in the value in use calculations for the assessment of impairment for Goodwill and Intangible assets. The increase is to reflect our assessment of the current market and other risks specific to the cash generating units. The change is an increase of 1% for **Academic Publishing** and **Business Intelligence** to 10.5% (30 June 2013 and 31 December 2013: 9.5%) and **Global Events** to 11.5% (30 June 2013 and 31 December 2013: 10.5%), with the exception of European Conferences where the pre-tax discount rate has increased by 1% to 12.5% (30 June 2013: 10.5% and 31 December 2013: 11.5%).

## 3. Basis of preparation

The annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulations. The condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standards 34 *Interim Financial Reporting*, as adopted by the European Union.

### Adjusted results

Management believes that adjusted results and adjusted earnings per share (note 8) provide additional useful information on underlying trends to shareholders. These measures are used for internal performance analysis and incentive compensation arrangements for employees. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

## 3. Basis of preparation continued

The following charges/(credits) were presented as adjusting items:

	6 months ended 30 June 2014 £m (Unaudited)	6 months ended 30 June 2013 £m (Unaudited)	Year ended 31 December 2013 £m
<b>Continuing operations</b>			
Restructuring and reorganisation costs	6.8	7.3	14.2
Acquisition related costs	0.1	4.2	5.8
Intangible asset amortisation	45.8	57.4	105.0
Impairment – European Conferences	–	–	40.5
Impairment – Robbins Gioia loan receivable	–	–	8.3
Impairment – Intangible software assets	–	–	17.1
Impairment – Other	–	–	0.3
Subsequent re-measurement of contingent consideration	1.7	–	(2.5)
Loss on disposal of businesses	0.5	3.0	3.4
Interest on overdue tax	–	–	(0.3)
Intangible asset amortisation – joint ventures	0.1	–	0.1
	55.0	71.9	191.9
Tax related to adjusting items	(11.9)	(17.0)	(39.8)
Tax provision release (net of associated deferred tax charge)	–	–	(13.7)
	43.1	54.9	138.4

The principal adjustments made are in respect of:

- restructuring and reorganisation costs – the costs incurred by the Group in reorganising and integrating acquired businesses, non-recurring business restructuring and the closure or disposal of businesses;
- acquisition related costs – the costs incurred by the Group in making share or asset acquisitions;
- intangible asset amortisation – the Group continues to amortise other intangible assets. The amortisation charge in respect of intangible software assets and product development is included in the adjusted results. The amortisation charge in respect of all remaining other intangible assets is excluded from the adjusted results as management does not see these charges as integral to underlying trading;
- impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. The material impairment charges are individually disclosed. The impairment charge for those other separately identified intangible assets has been linked with subsequent re-measurement of contingent consideration of those acquisitions;
- loss on disposal of businesses – the loss on disposal includes the fair value of consideration less the net assets/(liabilities) disposed, non-controlling interest and costs directly attributable with the disposal; and
- intangible asset amortisation – joint ventures – the share of results includes intangible asset amortisation related to joint ventures, which is excluded from adjusted results in line with the presentation of the Group's intangible asset amortisation (see above).

The tax related to adjusting items is the tax effect of the items above and in the results reported for the year ended 31 December 2013 it also included the effect of the reduction in the UK corporation tax rate applicable for the purposes of calculating deferred tax from 23% to 20%.

In 2012 the Group resolved a number of outstanding tax issues which resulted in the Group making substantial adjustments to its tax provisions in both 2012 and 2013 which were also shown as an adjusting item in the results reported for those years.

## 3. Basis of preparation continued

### Significant exchange rates

The following significant exchange rates versus GBP were applied during the period:

	6 months ended 30 June 2014		6 months ended 30 June 2013		Year ended 31 December 2013	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
USD	1.7017	1.6690	1.5249	1.5422	1.6510	1.5635
EUR	1.2463	1.2173	1.1681	1.1767	1.1997	1.1776

## 4. Business segments

### Business segments

Management has identified reportable segments based on financial information used by the Board of Directors in allocating resources and making strategic decisions. We consider the Chief Operating Decision Maker to be the Executive Directors.

Unless otherwise indicated the segment information reported on the following pages does not include any amounts for discontinued operations, which are described in more detail in note 14.

The Group's three identified reportable segments under IFRS 8 *Operating Segments* are therefore as follows:

#### Academic Publishing:

This division, which includes the Taylor & Francis publishing business, provides a portfolio of online and print publications, primarily for academic users across the spectrum of Science, Technology, Humanities and Social Sciences.

#### Business Intelligence:

This division, which includes Informa Business Information and Informa Financial Information provides information across a range of formats and on a global basis, to a variety of sectors including Medical, Pharmaceutical, Financial, Law, Commodities, Maritime and Telecoms.

#### Global Events:

This division consists of trade shows and exhibitions and large and small conferences.

## Segment revenue and results

6 months ended 30 June 2014

	Academic Publishing £m	Business Intelligence £m	Global Events £m	Total £m
Revenue	164.3	161.4	243.9	569.6
Adjusted operating profit	52.8	43.9	70.0	166.7
Restructuring and reorganisation costs (note 3)	(1.0)	(3.3)	(2.5)	(6.8)
Acquisition related costs (note 3)	-	-	(0.1)	(0.1)
Subsequent re-measurement of contingent consideration (note 3)	-	-	(1.7)	(1.7)
Intangible asset amortisation <sup>1</sup>	(17.2)	(10.9)	(17.7)	(45.8)
Operating profit	34.6	29.7	48.0	112.3
Share of results of joint ventures				-
Loss on disposal of businesses				(0.5)
Finance costs				(13.3)
Investment income				1.7
Profit before tax for the period from continuing operations				100.2

<sup>1</sup> Excludes software amortisation.

## 4. Business segments continued

6 months ended 30 June 2013

	Academic Publishing	Business Intelligence	Global Events	Total
	£m	£m	£m	£m
Revenue	164.7	171.0	228.3	564.0
Adjusted operating profit	54.0	46.4	59.1	159.5
Restructuring and reorganisation costs (note 3)	-	(5.9)	(1.4)	(7.3)
Acquisition related costs (note 3)	-	(0.1)	(4.1)	(4.2)
Subsequent re-measurement of contingent consideration (note 3)	-	0.6	(0.6)	-
Intangible asset amortisation <sup>1</sup>	(16.2)	(21.0)	(20.2)	(57.4)
Operating profit	37.8	20.0	32.8	90.6
Share of results of joint ventures				0.8
Loss on disposal of businesses				(3.0)
Finance costs				(14.9)
Investment income				1.1
Profit before tax for the period from continuing operations				74.6

<sup>1</sup> Excludes software amortisation.

Year ended 31 December 2013

	Academic Publishing	Business Intelligence	Global Events	Total
	£m	£m	£m	£m
Revenue	367.1	350.6	412.3	1,130.0
Adjusted operating profit	130.9	109.1	94.7	334.7
Restructuring and reorganisation costs (note 3)	(0.9)	(9.3)	(4.0)	(14.2)
Acquisition related costs (note 3)	(0.1)	(0.8)	(4.9)	(5.8)
Subsequent re-measurement of contingent consideration (note 3)	-	2.8	(0.3)	2.5
Intangible asset amortisation <sup>1</sup>	(35.9)	(33.2)	(35.9)	(105.0)
Impairment (note 3)	(5.5)	(5.3)	(55.4)	(66.2)
Operating profit/(loss)	88.5	63.3	(5.8)	146.0
Share of results of joint ventures				0.4
Loss on disposal of businesses				(3.4)
Finance costs				(29.5)
Investment income				1.9
Profit before tax from continuing operations				115.4

<sup>1</sup> Excludes software amortisation.

### Segment assets

	30 June 2014	30 June 2013	31 December 2013
	£m	£m	£m
Academic Publishing	847.9	901.3	865.9
Business Intelligence	1,089.0	1,162.5	1,142.7
Global Events	684.4	700.4	651.8
Total segment assets	2,621.3	2,764.2	2,660.4
Assets relating to discontinued operations	-	111.9	-
Unallocated assets	55.6	74.4	51.8
<b>Total assets</b>	<b>2,676.9</b>	<b>2,950.5</b>	<b>2,712.2</b>

For the purpose of monitoring segment performance and allocating resources between segments, management monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments except for corporate balances, including taxation (current and deferred). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segment.



## 5. Taxation

The tax charge has been accrued for the period using the estimated average annual effective tax rate of 21.0% (30 June 2013: 22.9%). This is based on the weighted average tax rate expected for the year on adjusted profit (excluding the Group's share of the post-tax adjusted results of joint ventures), and the expected tax attributable to adjusting items.

## 6. Borrowings

The Group maintains the following significant lines of credit:

- Private placement loan notes of £431.2m drawn in three currency tranches of USD 597.5m, GBP 40.0m and EUR 50.0m. The note maturities range between five and ten years, with an average duration at 30 June 2014 of 4.8 years, at a weighted average interest rate of 4.3%.
- £625.0m (30 June 2013 and 31 December 2013: £625.0m) revolving credit facility, of which £388.4m has been drawn down at 30 June 2014 (30 June 2013: £487.9m and 31 December 2013: £373.9m). Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.
- £38.8m (30 June 2013: £41.2m and 31 December 2013: £39.5m) comprising a number of bilateral bank facilities that can be drawn down to meet short-term financing needs. These facilities consist of GBP 16.0m (30 June 2013 and 31 December 2013: GBP 16.0m), USD 15.0m (30 June 2013 and 31 December 2013: USD 15.0m), EUR 15.0m (30 June 2013 and 31 December 2013: EUR 15.0m), AUD 3.5m (30 June 2013: AUD 4.3m and 31 December 2013: AUD 3.5m). Interest is payable at the local base rate plus margins that vary between 0% and 6%.

There have been no breaches of covenants during the period. The revolving credit bank loans and the private placement loan notes are guaranteed by material subsidiaries of the Group. The Group has not pledged any of its property and equipment as security for loans.

## 7. Dividends

	6 months ended 30 June 2014 £m	6 months ended 30 June 2013 £m	Year ended 31 December 2013 £m
Amounts recognised as distributions to equity holders in the period:			
Second interim dividend for the year ended 31 December 2012 of 12.50p per share	-	75.4	75.4
First interim dividend for the year ended 31 December 2013 of 6.40p per share	-	-	38.6
Second interim dividend for the year ended 31 December 2013 of 12.50p per share	75.4	-	-
	75.4	75.4	114.0

As at 30 June 2014 £0.1m (30 June 2013: £0.2m and 31 December 2013: £0.1m) of dividends are still to be paid.

As at 30 June 2014, holders of 737,272 (30 June 2013: 99,463 and 31 December 2013: 737,272) ordinary shares of 0.1 pence each have waived their rights to receive dividends.

The proposed interim dividend for the six months ended 30 June 2014 of 6.4 pence per share has been approved by the Board. This has not been included as a liability as at 30 June 2014.

## 8. Earnings per share

### Basic

The basic earnings per share calculation is based on a profit attributable to equity shareholders of the parent of £78.4m (30 June 2013: £56.4m loss; and 31 December 2013: £6.5m loss). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those non-vested shares held by employee share ownership trusts) which is 603,203,977 (30 June 2013: 602,923,293 and 31 December 2013: 602,421,793).

### Diluted

The diluted earnings per share calculation is based on the basic earnings per share calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the reporting date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 603,203,977 (30 June 2013: 603,416,365 and 31 December 2013: 602,687,758).

The table below sets out the adjustment in respect of diluted potential ordinary shares:

	6 months ended 30 June 2014	6 months ended 30 June 2013 <sup>1</sup>	Year ended 31 December 2013 <sup>1</sup>
Weighted average number of shares used in basic	603,203,977	602,923,293	602,421,793
Effect of dilutive share options	-	493,072	265,965
Weighted average number of shares used in diluted	603,203,977	603,416,365	602,687,758

<sup>1</sup>For the six months ended 30 June 2013 and the year ended 31 December 2013 the effect of dilutive share options were anti-dilutive for the purpose of the dilutive earnings per share and have not been used.

### Adjusted earnings per share

The basic and diluted adjusted earnings per share calculations have been made to allow shareholders to gain a further understanding of the trading performance of the Group. They are based on the basic and diluted earnings per share calculations. Profits are based on operations attributable to equity shareholders and are adjusted for items that are not perceived by management to be part of the underlying trends in the business and the tax effect of those adjusting items.

From continuing operations:

	6 months ended 30 June 2014 £m	6 months ended 30 June 2013 £m	Year ended 31 December 2013 £m
Profit for the period from continuing operations	79.5	58.3	103.0
Non-controlling interest	(1.1)	-	-
Adjusting items net of attributable taxation (note 3)	43.1	54.9	138.4
Adjusted profit for the period attributable to equity shareholders from continuing operations	121.5	113.2	241.4
Earnings per share from continuing operations:			
- Adjusted basic (p)	20.1	18.8	40.1
- Adjusted diluted (p)	20.1	18.8	40.1

## 8. Earnings per share continued

### Adjusted earnings per share continued

From continuing and discontinued operations:

	6 months ended 30 June 2014 £m	6 months ended 30 June 2013 £m	Year ended 31 December 2013 £m
Profit/(loss) for the period from continuing and discontinued operations	79.5	(56.4)	(6.5)
Non-controlling interest	(1.1)	–	–
Adjusting items net of attributable taxation	43.1	170.4	250.3
Adjusted profit for the period attributable to equity	121.5	114.0	243.8
Earnings per share from continuing and discontinued operations:			
- Adjusted basic (p)	20.1	18.9	40.5
- Adjusted diluted (p)	20.1	18.9	40.5

## 9. Share capital

On 30 May 2014 under a Scheme of Arrangement between Informa plc ('Old Informa'), the former holding company of the Group, and its shareholders, under Article 125 of the Companies (Jersey) Law 1991, and as sanctioned by The Royal Court of Jersey, all the issued shares in Old Informa were cancelled and an equivalent number of new shares in Old Informa were issued to Informa PLC ('Company') in consideration for the allotment to shareholders of one ordinary share in the Company for each ordinary share in Old Informa that they held on the record date, 29 May 2014.

The Company was incorporated under the Companies Act 2006 on 24 January 2014, as a private company limited by shares with the name Informa Limited and re-registered on 14 May 2014 as a public company limited by shares called Informa PLC. The Company became the parent company of the Informa Group and the previous parent company, Old Informa, was renamed Informa Switzerland Limited.

The Company was incorporated with an issued share capital of £2 divided into 2 ordinary shares of 100 pence each which were taken by the subscribers and were paid up in full in cash. On 13 May 2014 the two ordinary shares of 100 pence each were converted into two Redeemable Deferred Shares of 100 pence each and an additional 49,998 Redeemable Deferred Shares were issued to the subscribers. The 50,000 issued Redeemable Deferred Shares of 100 pence each were redeemed on 11 June 2014.

On 13 May 2014 one ordinary share of 435 pence in the Company was issued and subsequently cancelled on 30 May 2014. Under the Scheme of Arrangement 603,941,249 ordinary shares of 435 pence each in the Company were allotted to shareholders on 30 May 2014.

On 4 June 2014 the issued share capital of the Company was reduced to 603,941,249 ordinary shares of 0.1 pence each under section 649 of the Companies Act 2006.

Share capital as at 30 June 2014 amounted to £0.6m (30 June 2013: £0.6m).

## 10. Capital and reserves

As at 30 June 2014 the Informa Employee Share Trust held 737,272 (30 June 2013: 99,463 and 31 December 2013: 737,272) ordinary shares in the Company at a cost of £737 (30 June 2013: £99 and 31 December 2013: £737) and a market value of £3.5m (30 June 2013: £0.5m and 31 December 2013: £4.2m).

During the period 737,272 shares (30 June 2013: 32,701 and 31 December 2013: 712,051) held by the Employee Share Trust have not been allocated to individuals and accordingly, dividends on these shares are payable.

At 30 June 2014 the Group held 0.0% (30 June 2013 and 31 December 2013: 0.0%) of its own called up share capital.

## 11. Notes to the Condensed Consolidated Cash Flow Statement

	6 months ended 30 June 2014 £m	6 months ended 30 June 2013 £m	Year ended 31 December 2013 £m
Profit/(loss) before tax from continuing and discontinued operations	100.2	(41.6)	2.2
Adjustments for:			
Depreciation of property and equipment	3.1	3.6	6.8
Amortisation of other intangible assets	51.8	75.7	139.2
Share-based payment	0.7	1.6	2.2
Subsequent re-measurement of contingent consideration	1.7	-	(2.5)
Loss recognised on the measurement to fair value less costs to sell	-	106.6	-
Loss on disposal of businesses	0.5	3.0	102.7
Finance costs	13.3	14.9	29.5
Investment income	(1.7)	(1.1)	(1.9)
Impairment	-	-	66.2
Share of results of joint ventures	-	(0.8)	(0.4)
Increase in inventories	(1.4)	(8.2)	(3.8)
(Increase)/decrease in receivables	(17.0)	(14.2)	11.1
Decrease in payables	(41.6)	(27.2)	(21.2)
Cash generated by operations	109.6	112.3	330.1

### Analysis of changes in net debt

	At 1 January 2014 (Restated) £m	Non-cash items £m	Cash flow £m	Exchange movement £m	At 30 June 2014 £m
Cash at bank and in hand	32.0	-	(3.1)	(1.3)	27.6
Bank overdraft	(0.5)	-	(5.1)	-	(5.6)
Cash and cash equivalents	31.5	-	(8.2)	(1.3)	22.0
Bank loans due in more than one year	(371.9)	(0.4)	(21.1)	6.5	(386.9)
Private placement loan notes due in more than one year	(442.2)	(0.1)	-	12.4	(429.9)
	(782.6)	(0.5)	(29.3)	17.6	(794.8)

Included within the cash flow movement of £29.3m is £21.1m of loans drawn down (31 December 2013: £0.6m repayment of borrowings).

The net movement caused by non-cash items arises from arrangement fee amortisation of £0.5m (31 December 2013: £1.1m).

## 12. Business combinations

Cash paid on acquisition net of cash acquired:

	6 months ended 30 June 2014 £m	6 months ended 30 June 2013 £m	Year ended 31 December 2013 £m
<b>Current period acquisitions<sup>1</sup></b>			
Landes Bioscience, Inc.	7.6	–	–
Shanghai Meisheng Culture Broadcasting Co., Ltd.	2.0	–	–
<b>Prior year acquisitions</b>			
2013 acquisitions:			
EBD Group	–	29.2	29.2
Shanghai Baiwen Exhibitions Co., Ltd.	–	–	27.4
Other	1.1	16.9	26.5
2012 acquisitions:			
Other	0.2	0.3	0.3
2011 acquisitions:			
Brazil Trade Shows Partners Participacoes S.A.	–	2.3	2.4
2010 acquisitions:			
Emerging Portfolio Fund Research Inc.	–	1.4	1.4
Other	–	0.1	0.1
	10.9	50.2	87.3

<sup>1</sup> These acquisitions are covered by the 'Current year's business combinations' tables in this note. Where goodwill is provisional, a best estimate of fair value has been made but these will be reviewed and adjusted in the next year should it be necessary.

All acquisitions were paid for in cash (including deferred and contingent consideration) and in all acquisitions full control over the business has been obtained by acquiring 100% of the ordinary issued share capital, with the exception of the acquisition of Shanghai Meisheng Culture Broadcasting Co., Ltd where 85% of the ordinary issued share capital was acquired.

The contingent consideration for our share and asset acquisitions is based on future business valuations and profit multiples and has been estimated on an acquisition by acquisition basis using available data forecasts. The range of undiscounted outcomes for contingent consideration is £6.9m to £17.2m.

## 12. Business combinations continued

### Business combinations made in 2014

#### China Beauty Expo

On 27 December 2013, the Group acquired 80% of the issued share capital of Shanghai Baiwen Exhibitions Co., Ltd ('Baiwen'). On 13 March 2014, the Group subsequently acquired 85% of the issued share capital of Shanghai Meisheng Culture Broadcasting Co., Ltd ('Meisheng'). Baiwen owns and operates China Beauty Expo, the largest beauty trade event in mainland China. This event comprises of three specialised shows in beauty salons and spa products; cosmetics and toiletries; and packaging, original equipment manufacturer and machinery. Meisheng owns the MeiYe Awards held at the China Beauty Expo Event and the associated publication, Cosmetic News. The acquisition of these companies was subject to the Chinese government approval and therefore completed at different periods. The combined acquisition information has been disclosed to provide better understanding of the transaction. The companies will form part of the **Global Events** segment.

As reported in 2013, the net cash outflow in the Baiwen acquisition, was £27.4m comprising of cash consideration of £37.9m less net cash acquired of £10.5m.

The net cash outflow in relation to the Meisheng acquisition, was £2.0m comprising of cash consideration of £2.7m less net cash acquired of £0.7m.

The disclosure below provides the net assets acquired on a combined basis with the related fair value adjustments.

#### *China Beauty Expo:*

	<b>Book Value £m</b>	<b>Fair value adjustments £m</b>	<b>Fair value £m</b>
<b>Net assets at date of acquisition</b>			
Intangible assets	–	10.4	10.4
Trade and other receivables	2.1	–	2.1
Cash and cash equivalents	11.2	–	11.2
Trade and other payables	(1.6)	–	(1.6)
Deferred income	(6.3)	–	(6.3)
Deferred tax liabilities	–	(2.6)	(2.6)
	5.4	7.8	13.2
Non-controlling interest	(1.0)	–	(1.0)
Net assets acquired	4.4	7.8	12.2
Provisional goodwill			28.4
Total consideration			40.6
Less: net cash acquired			(11.2)
Net cash outflow			29.4

## 12. Business combinations continued

### Business combinations made in 2014 continued

#### China Beauty Expo continued

*By Company:*

	Baiwen £m	Meisheng £m	Total £m
<b>Net assets at date of acquisition</b>			
Intangible assets	9.7	0.7	10.4
Trade and other receivables	1.7	0.4	2.1
Cash and cash equivalents	10.5	0.7	11.2
Trade and other payables	(1.6)	–	(1.6)
Deferred income	(5.5)	(0.8)	(6.3)
Deferred tax liabilities	(2.4)	(0.2)	(2.6)
	12.4	0.8	13.2
Non-controlling interest	(1.0)	–	(1.0)
Net assets acquired	11.4	0.8	12.2
Provisional goodwill	26.5	1.9	28.4
Total consideration	37.9	2.7	40.6
Less: net cash acquired	(10.5)	(0.7)	(11.2)
Net cash outflow	27.4	2.0	29.4

Goodwill, being the excess of the consideration over the fair value of the net tangible and intangible assets acquired, represents benefits which do not qualify for recognition as intangible assets. The fair value of the acquired identifiable assets and liabilities assumed are provisional pending receipt of final valuations.

The intangible assets acquired as part of the acquisition are as follows:

	Baiwen £m	Meisheng £m	Total £m
Software	5.3	0.4	5.7
Brand	4.4	0.3	4.7
Total intangible assets	9.7	0.7	10.4

Acquisition related costs (included in adjusting items in the Condensed Consolidated Income Statement for the period ended 30 June 2014) amounted to less than £0.1m.

Baiwen contributed £5.2m to profit after tax and £8.6m to revenue of the Group for the period ended 30 June 2014 and did not contribute to the 2013 results of the Group due to the proximity of the acquisition to the 2013 year end. Meisheng contributed £1.2m to profit after tax and £1.3m to revenue of the Group for the period between the date of acquisition and 30 June 2014.

If the Meisheng acquisition had been completed on the first day of the 2014 financial year, it would have contributed £1.2m to profit after tax and £1.3m to revenue of the Group.



## 12. Business combinations continued

### Business combinations made in 2014 continued

#### Landes Bioscience, Inc.

On 29 May 2014, the Group acquired 100% of the issued share capital of Landes Bioscience, Inc. The Company publishes peer reviewed journal titles focused on genetics, cell biology, molecular biology and biomedicine. The Company will form part of the **Academic Publishing** segment.

The net cash outflow was £7.1m. In June, £0.5m of the total deferred consideration of £0.9m was paid.

The disclosure below provides the net (liabilities)/assets acquired with the related fair value adjustments.

<b>Net (liabilities)/assets at date of acquisition</b>	<b>Book value £m</b>	<b>Fair value adjustments £m</b>	<b>Fair value £m</b>
Intangible assets	–	8.4	8.4
Trade and other receivables	0.7	–	0.7
Trade and other payables	(0.4)	–	(0.4)
Deferred income	(0.7)	–	(0.7)
Net (liabilities)/assets acquired	(0.4)	8.4	8.0
Provisional goodwill			–
Total consideration			8.0
Less: deferred consideration			(0.9)
Net cash outflow			7.1

Goodwill, being the excess of the consideration over the fair value of the net tangible and intangible assets acquired, represents benefits which do not qualify for recognition as intangible assets. The fair value of the acquired identifiable assets and liabilities assumed are provisional pending receipt of final valuations.

Acquisition related costs (included in adjusting items in the Condensed Consolidated Income Statement for the period ended 30 June 2014) amounted to less than £0.1m.

The business contributed £nil to profit after tax and £0.2m to revenue of the Group for the period between the date of acquisition and 30 June 2014.

If the acquisition had been completed on the first day of the financial year, it would have contributed £0.2m to loss after tax and £1.3m to revenue of the Group.

## 13. Investments in joint ventures

	30 June 2014 £m	30 June 2013 £m	31 December 2013 £m
Investments in joint ventures	0.6	1.3	0.6

The Group's joint ventures at 30 June 2014 are as follows:

Company	Segment	Type of business	Country of incorporation and operation	Class of shares held	Share holding/ interest	Accounting year end
Lloyd's Maritime Information Services Limited	Business Intelligence	Business information	England and Wales	Ordinary	50%	31 December
SIAL Brasil Feiras	Global Events	Event organisation	Brazil	Ordinary	49%	31 December
Professionais LTDA	Global Events	Event organisation	England and Wales	Ordinary	50%	31 December
Independent Materials Handling Exhibitions Limited	Global Events	Event organisation	Wales	Ordinary	50%	31 December
Informa Tharawat LLC	Global Events	Conference organisation	State of Qatar	Ordinary	49%	31 December

As per note 2, the Group has adopted IFRS 11 *Joint Arrangements* in the period, which has meant changing the accounting for joint ventures from proportionate consolidation to equity accounting. This change in policy requires a restatement of the comparative periods as well.

The effect of applying IFRS 11 *Joint Arrangements* is as follows:

	30 June 2013 £m	31 December 2013 £m
<b>Revenues</b>		
Total revenues as previously reported	566.7	1,132.4
Joint ventures revenues	(2.7)	(2.4)
<b>Group's revenues</b>	<b>564.0</b>	<b>1,130.0</b>
<b>Profit before tax for the period from continuing operations</b>		
Total profit before tax as previously reported	76.3	115.7
Joint ventures profit before tax	(0.3)	(0.3)
<b>Group's profit before tax for the period from continuing operations<sup>1</sup></b>	<b>76.0</b>	<b>115.4</b>
<b>Assets</b>		
Total assets as previously reported	2,951.1	2,713.0
Joint ventures assets	(0.6)	(0.8)
<b>Group's assets</b>	<b>2,950.5</b>	<b>2,712.2</b>

<sup>1</sup>This does not reflect the change in discontinued operations (see note 14).

## 13. Investments in joint ventures continued

An analysis of changes in the carrying value of investments in joint ventures is set out below:

	6 months ended 30 June 2014 £m	6 months ended 30 June 2013 £m	Year ended 31 December 2013 £m
Restated at start of year	0.6	0.5	0.5
Share of results of joint ventures	–	0.8	0.4
Dividends received	–	–	(0.2)
Exchange differences on translation of foreign operations	–	–	(0.1)
At end of year	0.6	1.3	0.6

The following represent the aggregate assets, liabilities, income and expenses of the Group's joint ventures:

	6 months ended 30 June 2014 £m	6 months ended 30 June 2013 £m	Year ended 31 December 2013 £m
Non-current assets	2.7	3.3	2.7
Current assets	2.1	4.5	1.9
Non-current liabilities	(2.1)	(2.4)	(2.0)
Current liabilities	(1.6)	(2.5)	(1.4)
Income	1.5	6.0	5.9
Expenses	(1.6)	(3.7)	(5.3)

## 14. Discontinued Operations

On 30 September 2013, the Group disposed of its five Corporate Training businesses, which created a loss for the period from discontinued operations of £109.5m. The loss included £99.3m recognised on disposal, being proceeds of £87.3m (at fair value); less the carrying amount of the net assets and attributable goodwill.

These businesses were a separate cash generating unit and included within the **Global Events** reportable segment.

The results of the discontinued operation, which have been included in the Condensed Consolidated Income Statement, were as follows:

	6 months ended 30 June 2013 £m (Restated)	Year ended 31 December 2013 £m
<b>Revenue</b>	49.0	76.2
Expenses	(60.0)	(90.1)
<b>Loss before tax – as previously reported</b>	(11.0)	(13.9)
Central cost allocation adjustment	1.4	–
<b>Loss before tax – restated</b>	(9.6)	(13.9)
Attributable tax credit – restated	1.5	3.9
	(8.1)	(10.0)
Loss recognised on the measurement to fair value less costs to sell	(106.6)	–
Loss on disposal of discontinued operations (note 15)	–	(99.3)
Attributable tax charge	–	(0.2)
<b>Loss for the period from discontinued operations</b>	<b>(114.7)</b>	<b>(109.5)</b>

As part of the finalisation of the disposal in September 2013, it was identified that the loss before tax was overstated by £1.4m. This was correctly stated in the 2013 year-end accounts, and has now been restated in the period ended 30 June 2013.

## 15. Disposals

### Disposals made in 2014

During the period there have been no disposals. However, following the disposal of the Corporate Training businesses on 30 September 2013, final adjustments (including related costs) of £0.5m have been recognised in the loss on disposal. This has been included as an adjusting item in the Condensed Consolidated Income Statement – see note 3.

### Disposals made in 2013

During 2013, the Group disposed of its five Corporate Training businesses; the European Conferences businesses in Spain and Italy; the trade and assets in the Superyacht Cup; and other small businesses. A loss on disposal of £102.7m, including directly attributable costs of £11.1m, has been recognised within adjusting items in the Condensed Consolidated Income Statement.

The disclosure below sets out the aggregate effect of the disposals on the Group's assets and liabilities.

	<b>Corporate Training £m</b>	<b>Other businesses £m</b>	<b>Total £m</b>
Goodwill	119.1	–	119.1
Other intangible assets (excluding intangible software assets)	46.4	1.3	47.7
Intangible software assets	2.1	–	2.1
Property and equipment	0.9	0.1	1.0
Inventory	0.7	–	0.7
Trade and other receivables	25.3	1.4	26.7
Cash and cash equivalents	3.5	1.8	5.3
Deferred tax asset	0.1	0.1	0.2
Trade and other payables	(13.6)	(1.7)	(15.3)
Deferred income	(2.6)	(0.8)	(3.4)
Deferred tax liabilities	(8.4)	(0.3)	(8.7)
Net assets disposed	173.5	1.9	175.4
Costs directly attributable with the disposal	9.8	1.3	11.1
Cumulative foreign exchange losses reclassified from equity	3.3	0.3	3.6
Loss on disposal	(99.3)	(3.4)	(102.7)
Total consideration	87.3	0.1	87.4
<i>Satisfied by:</i>			
Cash and cash equivalents	60.3	0.1	60.4
Deferred consideration	27.0	–	27.0
<i>Net cash inflow arising on disposal</i>			
Consideration received in cash and cash equivalents	60.3	0.1	60.4
Less: cash and cash equivalents disposed of	(3.5)	(1.8)	(5.3)
Less: costs directly attributable with the disposal	(6.6)	(1.0)	(7.6)
	50.2	(2.7)	47.5

The loss on disposal of £99.3m for the Corporate Training businesses is included within discontinued operations.

## 16. Share-based payments

The Group Long Term Incentive Plan ('LTIP') provides for a grant price equal to the closing quoted market price of the Company's shares on the date prior to grant. The vesting period is generally three years and allocations for the LTIP are forfeited if the employee voluntarily leaves the Group before the LTIP vest. The total charge for the period ended 30 June 2014 was £0.7m (30 June 2013: £1.6m).

## 17. Retirement benefit schemes

The defined benefit obligation as at 30 June 2014 is calculated on a year-to-date basis, using the latest actuarial valuation as at 30 June 2014. The actuarial assumptions made at 31 December 2013 have been updated to appropriately reflect current market conditions.

The defined benefit plan assets have been updated to reflect their market value as at 30 June 2014. Differences between the expected return on assets and the actual return on assets have been recognised as an actuarial loss in the Condensed Consolidated Statement of Comprehensive Income in accordance with the Group's accounting policy.

## 18. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures are disclosed below.

The following transactions and arrangements are those which are considered to have had a material effect on the financial performance and position of the Group for the period.

### Transactions with Directors

There were no material transactions with Directors of the Company during the year, except for those relating to remuneration and shareholdings.

For the purposes of IAS 24 *Related Party Disclosures*, Executives below the level of the Company's Board are not regarded as related parties.

### Transactions with joint ventures

During the period the Group received revenue of £nil (30 June 2013: £11,000) from Lloyd's Maritime Information Services Limited a joint venture.

During the period the Group received revenue of £0.7m (30 June 2013: £1.1m) from SIAL Brasil Feiras Professionals LTDA a joint venture.

During the period the Group received revenue of £nil (30 June 2013: £1.8m) from Independent Materials Handling Exhibitions Limited a joint venture.

### Other related party disclosures

At 30 June 2014, the Group has guaranteed the total defined benefit pension scheme liability of £7.8m (30 June 2013: £7.4m).

## 19. Events after the reporting date

On 22 July 2014 the Group entered into a definitive agreement to acquire 100% of the equity interests in Virgo Holdings LLC and certain related entities, subject principally to receipt of US anti-trust clearance.