

# 2009 Half Year Results

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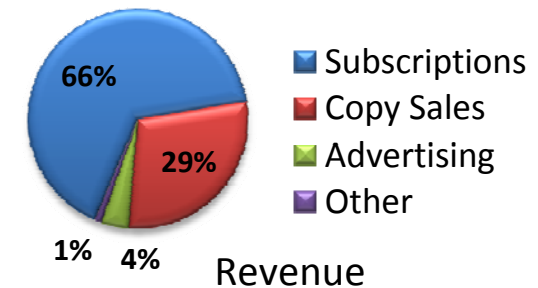


# Half Year Highlights

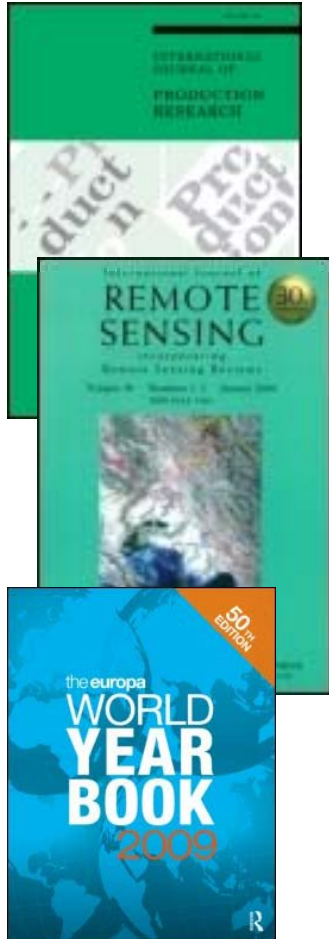
- H1 growth reported on both revenue (1%) and adjusted operating profit (5%)
- Organic revenue decline of 13% and organic operating profit decline of 13%
- Adjusted operating profit margin growth from 22% to 23%
- Proven high quality of earnings within portfolio
- Additional annualised cost savings of £20m at a cost of £10m
- Debt concerns addressed via successful rights issue – net debt below £1bn
- Interim dividend of 3.60p (2008 5.13p restated)

# Publishing

- Represents 51% of group revenue and 66% of adjusted operating profit
- Revenue increase of 13% and adjusted operating profit increase of 32%
  - Organic revenue increase of 2% and operating profit of 10%
- 66% of revenues from high renewal, resilient subscriptions
- Focus on 'need to have', niche and proprietary business information delivers high renewal rates
- Very low reliance on advertising revenue (4%)
- Electronic delivery improves margins and increases operational gearing: 74% of revenues



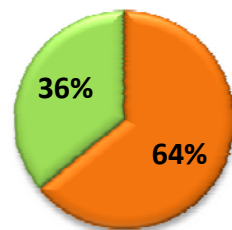
# Publishing – Academic Information



- Resilient performance
  - Revenue increase of 25% (organic 4%)
  - Adjusted operating profit increase of 45% (organic 4%)
- Print on Demand remains key to cost reduction
- Digital delivery around 60% of revenue
- Continued drive to grow portfolio in HSS division

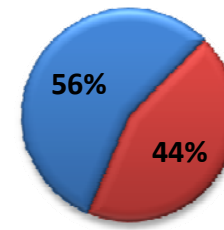


29% of profits



■ Humanities & Social Sciences  
■ Science & Technology

Revenue



■ Subscriptions  
■ Copy Sales

Revenue

# Publishing: Professional & Commercial Information



- Another strong 6 months of trading
  - Revenue increase of 5% (organic 1%)
  - Adjusted operating profit growth 23% (organic 13%)
- 73% of revenue from subscriptions



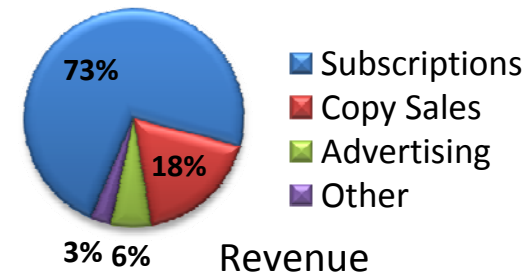
37% of profits



- Electronic delivery 85% - mostly integrated work flow solutions
- Renewal rates remain strong (82%)
- Successful launch of online Scrip product
- Financial data products continue to deliver organic growth
- Datamonitor growth continues with both top line and margin improvements – now 9 knowledge centres



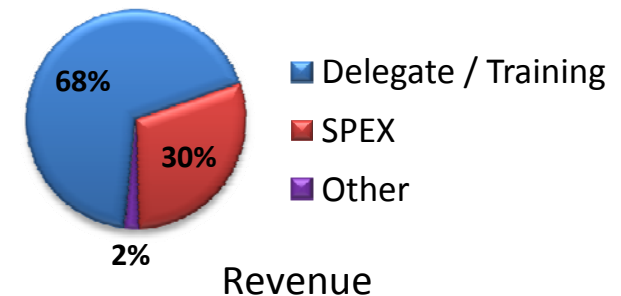
- Citeline product growth – Trialscape, TrialTrove & Pipeline



Revenue

# Events & Training

- Events portfolio 49% of group revenue and 34% adjusted operating profit
- Diversity across global regions and sectors provides increased resilience
- Conscious decision to reduce portfolio volume by 28% - 1,500 fewer small events in last 6 months
- Annualised cost saving of £16m at a cost of £9m
- Drive to grow larger industry events



# Events & Training - Europe



- Hard hit by recession



16% of profits

- Revenue slowed by 29% in H1 (constant currency)



- Adjusted operating profit margin of 17% (2008 20%)



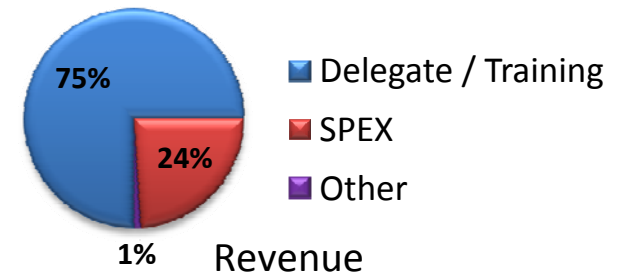
- Solid performance from large events (5% down in revenue) TETRA, COM series, Vitafoods



- Local language events hard hit (Germany, Italy, Spain)

- Volumes much lower (Germany reduced by 1/3)

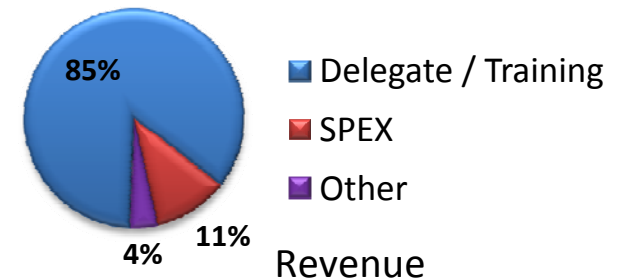
- Cost base reduced



# Events & Training - USA



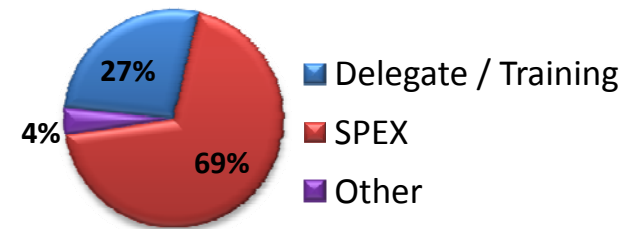
- Severe recession in USA
- Revenue slowed by 28% in H1 (constant currency)
- Adjusted operating margin of 10% (2008 17%)
- Activity across US government departments improving
- Reduction in volumes (-17%), headcount and costs
- Resisted any cuts into muscle



# Events - Rest of World



- Revenue decrease of 3% in H1 (constant currency)
- Adjusted operating margin of 22% (25% 2008 )
- Middle East large events largest contributor in division
- Growth in Cityscape Abu Dhabi, Yacht show, Arab Health, Middle East Electricity
- Exhibition events showing strong re-bookings for 2010: 12% up in constant currency
- Existing presence in emerging markets provides platform for growth (Abu Dhabi, Vietnam, Saudi, Angola, India)
- Booking trends on Cityscape Dubai slower than last year



Revenue

# Financial Highlights

- Revenue growth of 1% (£636m), operating profit growth of 5% (£147m)
- Organic revenue decline of 13%, organic profit decline of 13%
  - Around half of organic decline due to event volume reduction
- Adjusted operating profit margin 23% (2008: 22%)
- Adjusted diluted earnings per share up 6% to 16.23p
- Cash conversion remains strong at 86%(104%: 2008). Free cash flow £67m (2008: £71m)
- Net debt reduced to £985m
- Net debt to EBITDA reduced from 3.8 (31/12/08) to 3.0 times (30/6/09)
- Interim dividend of 3.60p (2008 5.13p restated)

# Income Statement

|                           | H1 2009 | H1 2008 | Increase | Organic |
|---------------------------|---------|---------|----------|---------|
|                           | £'m     | £'m     | %        | %       |
| Revenue                   | 636.3   | 627.6   | 1%       | -13%    |
| Operating profit          | 61.1    | 77.7    |          |         |
| Amortisation              | 69.7    | 59.4    |          |         |
| Reorganisation costs      | 15.8    | 3.0     |          |         |
| Adjusted Operating Profit | 146.6   | 140.1   | 5%       | -13%    |
| Adjusted OP Margin        | 23.0%   | 22.3%   |          |         |
| Adjusted Interest (net)   | 29.0    | 35.4    |          |         |
| Adjusted Tax              | 32.8    | 27.4    |          |         |
| Profit after Tax          | 84.8    | 77.3    |          |         |

# Quality of Earnings

- Highly diversified portfolio
- Subscription income 66% of publishing revenues
- Consistently high renewal rates
- Very low dependence on advertising
- Large events more resilient as 'need to attend'
- Exhibitions showing strong re-bookings for 2010

# Cost Savings

- £20m incremental annualised cost savings at a cost of £10m
  - £50m total achieved over last 18 months
- Principally staff, property and back office related
- Variable cost base represents ~50% of total costs
  - Delegate & venue costs
  - Marketing
  - Profit shares and commissions linked to financial performance
  - Procurement review
- Regional overhead structure
  - Shared Service Centres
  - IT support Infrastructure

# Cash Flow

|                           | H1 2009<br>£'m | H1 2008<br>£'m |
|---------------------------|----------------|----------------|
| Operating Profit          | 61.1           | 77.7           |
| Amortisation/Depreciation | 82.7           | 67.2           |
| Working Capital           | (31.6)         | (4.0)          |
| Operating Cash Flow       | 112.2          | 140.9          |
| Interest                  | (24.0)         | (28.2)         |
| Tax                       | (9.1)          | (14.8)         |
| CAPEX                     | (11.1)         | (20.8)         |
| Acquisitions/Disposals    | (25.4)         | 15.6           |
| Dividends                 | (16.6)         | (48.0)         |
| Share issues              | 243.2          | (2.1)          |
|                           | <b>269.2</b>   | <b>42.6</b>    |
| Cash Conversion           | 86%            | 104%           |
| Net Debt                  | 984.5          | 1,219.7        |
| Translation Impact        | 89.0           | (16.4)         |

# Net Debt

- Rights issue raised £242m (net)
- Net debt falls to below £1bn
  - £1.3bn facility expires May 2012
- Net debt to EBITDA covenant at 30/6/09 4 times
  - Actual ratio 3x
  - Without Rights 3.7x

# Deferred Income

|            | 30/06/2009<br>£m | 30/06/2008<br>£m | Reported<br>Growth | Organic<br>Growth |
|------------|------------------|------------------|--------------------|-------------------|
| Events     | 87.4             | 87.6             | 0%                 | -13%              |
| Publishing | 172.9            | 154.6            | 12%                | 1%                |
|            | <b>260.3</b>     | <b>242.2</b>     | <b>7%</b>          | <b>-4%</b>        |

# Outlook

- In-line with previous guidance
- Publishing trading well
- Larger events generally resilient
- Outlook for smaller events & training remains tough
- Continue to match product volumes with market requirements
- Market conditions remain tough & economic outlook for 2010 unclear
- Group well positioned for eventual recovery

# Appendices

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# Divisional Analysis

| <b>Revenue</b>                                   | H1 2009<br>£'m | H1 2008<br>£'m | Growth<br>% | Organic<br>% |
|--------------------------------------------------|----------------|----------------|-------------|--------------|
| <b>Academic Information</b>                      | 136.5          | 109.6          | 25%         | 4%           |
| <b>Professional &amp; Commercial Information</b> | 185.6          | 176.6          | 5%          | 1%           |
| Europe                                           | 133.7          | 169.8          | -21%        | -29%         |
| US                                               | 107.9          | 113.8          | -5%         | -28%         |
| ROW                                              | 72.6           | 57.8           | 26%         | -3%          |
| <b>Events &amp; Training</b>                     | 314.2          | 341.4          | -8%         | -24%         |
| <b>Total</b>                                     | 636.3          | 627.6          | 1%          | -13%         |
| <b>Adjusted OP</b>                               |                |                |             |              |
| <b>Academic Information</b>                      | 42.9           | 29.5           | 45%         | 4%           |
| <b>Professional &amp; Commercial Information</b> | 53.8           | 43.6           | 23%         | 13%          |
| Europe                                           | 23.0           | 33.3           | -31%        | -34%         |
| US                                               | 10.9           | 19.0           | -42%        | -58%         |
| ROW                                              | 16.0           | 14.7           | 9%          | -21%         |
| <b>Events &amp; Training</b>                     | 49.9           | 67.0           | -25%        | -38%         |
| <b>Total</b>                                     | 146.6          | 140.1          | 5%          | -13%         |

# Summary Balance Sheet

|                          | 30/6/2009 | 30/6/2008 |
|--------------------------|-----------|-----------|
|                          | £'m       | £'m       |
| Intangibles and Goodwill | 2,805.4   | 2,684.5   |
| Fixed Assets             | 25.4      | 21.9      |
| Investments and Other    | 37.1      | 29.6      |
| Current Assets           | 272.3     | 286.1     |
| Net Current Liabilities  | -580.7    | -552.3    |
| Net Debt                 | -984.5    | -1,219.7  |
| Other Liabilities        | -346.2    | -323.8    |
|                          | 1,228.8   | 926.2     |

# Reconciliation of Tax Rate

|                                     | PBT<br>£m    | Tax<br>Charge<br>£m | Effective tax<br>rate<br>% |
|-------------------------------------|--------------|---------------------|----------------------------|
| PBT as reported                     | 32.2         | 9.2                 | 28.5                       |
| <u>Adjusted for:</u>                |              |                     |                            |
| 1. Restructuring Costs              | 15.8         | 2.7                 | 17.1                       |
| 2. Intangible asset<br>amortisation | 69.7         | 20.9                | 30.0                       |
| <b>Adjusted PBT</b>                 | <b>117.7</b> | <b>32.8</b>         | <b>27.9</b>                |

# Exceptional Items

|                        | H1 2009<br>£m | H1 2008<br>£m |
|------------------------|---------------|---------------|
| Business restructuring | 10.8          | 3.0           |
| Change of domicile     | 5.0           | -             |
| Integration costs      | -             | 1.8           |
| Aborted merger costs   | -             | 0.6           |
|                        | <b>15.8</b>   | <b>17.4</b>   |

# Rights Issue Bonus Fraction

## Rights Issue Bonus Fraction

|                                                                     |                 |                                           |
|---------------------------------------------------------------------|-----------------|-------------------------------------------|
| Closing Share Price cum rights<br>8 May 2009                        | (a)             | 337.5                                     |
| TERP                                                                | (b)             | 283.93                                    |
| Bonus Fraction                                                      | (a) / (b) = (c) | <u>1.1887</u>                             |
|                                                                     |                 | <b>Number of<br/>shares<br/>(million)</b> |
| Number of shares in issue<br>pre-rights                             | (d)             | 425.1                                     |
| Number of shares in issue pre-rights<br>adjusted for bonus fraction | (c) * (d) = (e) | 505.3                                     |
| New shares issued                                                   | (f)             | 170.1                                     |
| Number of shares post right issue                                   | (d) + (f) = (g) | 595.2                                     |
| Other shares issued                                                 | (h)             | 0.1                                       |
| Total number of shares as at 30 June 09                             | (g) + (h) = (i) | <u>595.3</u>                              |
| Relevant date for purposes of weighted average<br>number of shares  |                 | 26 May 2009                               |
| Weighted number of shares, (e) and (i), for:                        |                 |                                           |
| Six months to 30 June 2009                                          |                 | 522.8                                     |
| Twelve months to 31 December 2009 (estimate)                        |                 | 559.4                                     |

## Impact on 2008 EPS and DPS

|                            | As reported | Adjusted to reflect<br>bonus element<br>of rights issue |
|----------------------------|-------------|---------------------------------------------------------|
| <b>12 months 2008</b>      |             |                                                         |
| Adjusted basic EPS         | 40.34       | 33.94                                                   |
| Adjusted diluted EPS       | 40.32       | 33.92                                                   |
| Total dividend per share   | 10.0        | 8.41                                                    |
| <b>6 months 2008</b>       |             |                                                         |
| Adjusted basic EPS         | 18.21       | 15.32                                                   |
| Adjusted diluted EPS       | 18.19       | 15.30                                                   |
| Interim dividend per share | 6.10        | 5.13                                                    |

# Sterling Exchange Rates

|                 | \$   | €    |
|-----------------|------|------|
| Average H1 2008 | 1.98 | 1.29 |
| Average H1 2009 | 1.48 | 1.11 |
| Closing 30/6/08 | 1.99 | 1.26 |
| Closing 30/6/09 | 1.64 | 1.17 |

# Geographic Spread

Geographical Reach by Revenue

