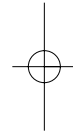




informa

Information and communication



## Information and communication

Informa is a business information group delivering high value content to clients worldwide using a broad range of media formats.

Over 50 worldwide offices generate sales in more than 180 countries.

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## Highlights



### Operating

- Strong growth in Telecoms and Media, Commodities and Energy, and Biomedical and Pharmaceutical.
- Profit from electronic media products up by 20%.
- Operating margin up 1.1% to 15.9%.

### Financial

	Half year 2000	Half year 1999	Increase
Turnover	<b>£147.5m</b>	£116.1m	<b>27%</b>
Operating profit before amortisation of goodwill and exceptional items	<b>£23.4m</b>	£17.2m	<b>36%</b>
Profit on ordinary activities before tax and exceptional items	<b>£18.0m</b>	£15.0m	<b>20%</b>
Earnings per share (adjusted)	<b>11.80p</b>	9.17p	<b>29%</b>
Earnings per share (basic)	<b>9.56p</b>	3.79p	<b>152%</b>



**We are very pleased to announce a strong set of results for Informa Group plc in the first half of the year.**



**Results**

These results show continuing vigorous organic growth in the business as we exploit the dynamic synergies between our publishing and conference activities. We are also pleased to report that the acquisitions we made late in 1999 have integrated well and are contributing at the level we expected.

Group pre-tax profits before goodwill amortisation and exceptional items for the six months ended 30 June 2000 were £20.6m, some 28% higher than the comparable period last year (1999: £16.1m). Turnover was up 27% at £147.5m (1999: £116.1m). Profit before interest, goodwill amortisation and exceptional costs was £23.4m, up 36% over 1999.

The Group's operating margin of 15.9% compares well with the 14.8% achieved in the first half of last year. The margin improvement represents generally more efficient performance, increasing electronic publishing activity, the maturing of start-up operations and the continuing gradual elimination of loss making and marginal businesses.

Adjusted earnings per share were 11.80p. This compares with 9.17p in 1999, an increase of 29%. On the strength of these figures we propose that an increased interim dividend of 2.53p, up from 2.33p, will be paid on 13 November to shareholders on the register on 13 October.

**Trading Performance**

These results reflect the strength of the Group and its continuing progress. Of the 36% increase in profit before interest, goodwill amortisation and exceptional costs, 21% is organic and 15% relates to acquisitions. This illustrates the strength of our core business which is powered by 1,500 periodicals and 3,500 events a year and our 8 million-strong client data base.

Acquisitions made at the end of 1999 from Baskerville (Telecoms and Media), EMAP (Transport, Commodities, Finance and Insurance) and Pearson (Telecoms and Media, Biomedical and Pharmaceutical and Automotive) all met our expectations and, in total, they contributed to profit in the first half once interest costs have been deducted. We expect a rising contribution from them in the second half of the year.

Currency factors, particularly the weakness of the euro in the first half of 2000, reduced the year on year increase in our operating profit when translated into sterling by some £350,000.

**Operating Review**

The first half result was led by our largest operating division Informa Telecoms and Media, which saw underlying operating profit grow by 70% to £10.2m. Most of this growth was organic. Our flagship GSM World Congress, the world's largest mobile phone event, was held in February in Cannes and attracted 5,500 delegates and 9,000 exhibition attendees. This helped cement further our relationship with the GSM association with whom we work closely on a number of initiatives.

The progress towards third generation mobile telephone technology and our pre-eminent position in this marketplace have enabled us to form alliances with a total of 35 industry associations to produce a wide range of new products. This strength was reflected in major successes in new international and regional events relating to the emerging technologies of WAP, Bluetooth, GPRS and Mobile Internet. Our second annual Bluetooth event, held in June in Monte Carlo, attracted 1,200 delegates, 30% up on last year.

Our Telecoms and Media business is now organised as a fully integrated market-facing division with conference activity and electronic and hard copy publishing all grouped under a single management structure. The benefits of this consolidation began to make themselves felt in new product development and revenue maximisation in the first half and we look forward to continuing progress in the remainder of the year.

Our Maritime and Transport business fared less well in the half with underlying operating profit some 14% below 1999 at £3.3m. One of the chief factors affecting the result is the absence of contribution in this year from the biennial Cruise + Ferry exhibition. The Ro-Ro (roll-on-roll-off shipping) event which takes its place in even years is considerably smaller although it enjoyed record receipts in May this year.

Also affecting the results adversely was the absorption into the division of some loss-making automotive titles as part of the portfolio acquisition we made from Pearson last November. The structure and performance of those products has now been addressed and performance is expected to improve in the second half.

Underlying conditions in the core maritime markets are now improving with freight rates for tankers, dry cargo vessels and containerships all rising. Our business tends to be a lagging indicator of the health of this market but, reflecting this incipient turnaround and growing business confidence in the sectors we serve, our flagship title Lloyd's List performed well in the half, showing operating profit growth of 11% on its 1999 performance.

Our other divisions performed well in the half year; Finance and Insurance and Law and Tax profits grew at 9% and 21% respectively. We continue to enjoy high subscription retention and capture rates across our range of titles especially in insurance. We also held a number of very successful conferences in the banking and legal areas, especially a major event on e-commerce for financial markets. We have also completed a number of contracts to supply our content to third party vendors which will add to future profitability, especially in the legal market.

Our Commodities and Energy portfolio was boosted by the acquisition of the Heighway commercial fishing titles from EMAP late in 1999 and rose 127% year on year, though strong organic growth of 32% was also a significant factor. The commercial Fishing Exhibition held in Glasgow in April was highly successful and there is a programme of smaller regional shows planned for the rest of this year and beyond. The German Annual Energy Conference held earlier this year in Berlin drew over 600 delegates and was extremely profitable as was a major study on Natural Gas produced by our Washington-based WPA research arm for the American Gas Association.

We have also seen a very strong result in our Biomedical and Pharmaceutical sector where underlying operating profit has quadrupled. The withdrawal late last year from unprofitable healthcare related events in the US saw the division bounce back with much higher profitability

and margins on reduced activity in the first half. Our annual Drug Discovery Event in Europe in May was a great success with more than 500 delegates. The related market leading US event was held in Boston in August and attracted more than 1,000 delegates.

#### Acquisitions

We are pleased with the acquisitions made in late 1999 which have now been integrated successfully into the group. Each has proved to be a good transaction which has both added respected brands to our product portfolio and allowed us to begin to add value to the incoming products as well.

During the first half of 2000 we acquired the Los Angeles based BISYS Research Services company, now renamed Informa Research Services. This company, with its information on lending, borrowing and mortgage rates, complements our existing range of financial information services in the US but came too late to significantly add to first half profits.

The purchase from Quantum Publishing of Seafood International magazine fits well with our commercial fishing portfolio.

In addition, since 30 June we have bought a series of titles and exhibitions in the cargo handling, freight and logistics areas from IIR Limited. These specialist market leaders strengthen further our Maritime and Transport portfolio.

We continue to research and seek complementary publishing businesses in our main markets and hope to announce additional acquisitions before year end.

#### E-Commerce

Our 100 electronic products accounted for 12% of the first half profits, with margins of about 27% compared with 15.9% overall.

In addition we use the internet heavily as a marketing tool. During the first half we took £11.6m (1999: £4.8m) worth of product bookings over the internet of which 19% came from customers not on our database and so constituted entirely new revenues.

Marketing comprises some 20% of our total costs largely due to printing and postage and we expect the internet to reduce this percentage over time. For the time being we continue to highlight our websites in the 50 million pieces of direct mail a year we distribute.

We are spending about £3million a year on new electronic development, and £15million in total on electronic media. We have invested in web-based fulfilment and content management systems which facilitate the delivery of information on line.

We are launching lloydslist.com, our maritime subscription based information portal, in the second half. This will bring together daily news content with a range of added value maritime data and analysis into a single integrated service. We have also signed a Memorandum of Understanding with the Port of Singapore Authority (PSA) to provide maritime information to the PSA's Portnet.com business.

In the US we distribute our financial information via a number of larger internet carriers including Quicken, Prodigy and Excite. This is providing a significant new revenue stream and we are looking at a number of similar opportunities in each of our sectors. Our approach to this is generally on a non-exclusive, fee and revenue sharing basis but we would also consider equity agreements in the right circumstances.

#### Outlook

The current rate of expansion of our information business and the generally positive market conditions in the sectors we serve give us optimism for the outlook for the remainder of the year. We expect to continue our progress of organic growth supplemented by strategic acquisitions and look forward to delivering a satisfactory result for the full year.

**Peter Rigby**  
Chairman

**David Gilbertson**  
Chief Executive



## Consolidated profit and loss account

For the period ended 30 June 2000



	Half year 2000		Half year 1999			1999		
	notes	unaudited £000	Before exceptional items unaudited £000	Exceptional items unaudited £000	Total unaudited £000	Before exceptional items audited £000	Exceptional items audited £000	Total audited £000
<b>Turnover</b>	2	<b>147,529</b>	116,077	–	116,077	227,773	–	227,773
Operating profit/(loss) before goodwill amortisation	2	<b>23,419</b>	17,190	(4,003)	13,187	35,680	(5,687)	29,993
Goodwill amortisation		<b>(2,622)</b>	(1,056)	–	(1,056)	(2,313)	–	(2,313)
<b>Operating profit/(loss)</b>		<b>20,797</b>	16,134	(4,003)	12,131	33,367	(5,687)	27,680
Disposal of subsidiary undertakings and termination of businesses		–	–	(1,891)	(1,891)	–	(2,676)	(2,676)
Loss on disposal of fixed assets		–	–	–	–	–	(740)	(740)
<b>Profit/(loss) before interest</b>	2	<b>20,797</b>	16,134	(5,894)	10,240	33,367	(9,103)	24,264
Net interest payable		<b>(2,839)</b>	(1,108)	(772)	(1,880)	(2,931)	(772)	(3,703)
<b>Profit/(loss) on ordinary activities before tax</b>		<b>17,958</b>	15,026	(6,666)	8,360	30,436	(9,875)	20,561
Tax on profit/(loss) on ordinary activities	3	<b>(6,780)</b>	(5,468)	1,500	(3,968)	(10,880)	1,725	(9,155)
<b>Profit/(loss) on ordinary activities after tax</b>		<b>11,178</b>	9,558	(5,166)	4,392	19,556	(8,150)	11,406
Minority interests		<b>(20)</b>	–	–	–	(40)	–	(40)
<b>Profit/(loss) for the financial period</b>		<b>11,158</b>	9,558	(5,166)	4,392	19,516	(8,150)	11,366
Dividends		<b>(2,981)</b>	(2,706)	–	(2,706)	(7,800)	–	(7,800)
<b>Retained profit/(loss) for the financial period</b>		<b>8,177</b>	6,852	(5,166)	1,686	11,716	(8,150)	3,566
<b>Dividends per share</b>		<b>2.53p</b>			2.33p			7.0p
<b>Earnings per share</b>								
Earnings per share (basic)	4	<b>9.56p</b>			3.79p			9.78p
Earnings per share (diluted)	4	<b>9.42p</b>			3.73p			9.64p
Adjusted basic earnings per share	4	<b>11.80p</b>			9.17p			18.79p

## Consolidated statement of total recognised gains and losses

For the period ended 30 June 2000

	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000
Profit for the financial period	<b>11,158</b>	4,392	11,366
Currency translation differences on foreign currency net investments	<b>1,213</b>	2,986	3,377
<b>Total gains and losses recognised since last accounts</b>	<b>12,371</b>	7,378	14,743

## Consolidated cash flow statement

For the period ended 30 June 2000

	notes	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000
<b>Net cash inflow from operating activities</b>	7	<b>24,166</b>	15,252	31,769
Return on investments and servicing of finance		(2,564)	(1,781)	(4,057)
Taxation		(3,041)	(648)	(8,970)
Capital expenditure		(3,164)	(4,880)	(8,273)
Acquisitions and disposals		(12,195)	(10,766)	(55,315)
Merger expenses paid		–	(2,632)	(2,506)
Equity dividends paid		(5,465)	(4,806)	(7,526)
<b>Cash outflow before financing</b>		<b>(2,263)</b>	(10,261)	(54,878)
Financing		700	12,226	54,945
<b>(Decrease)/increase in cash in the period</b>		<b>(1,563)</b>	1,965	67

## Reconciliation of net cash flow to movement in net debt

For the period ended 30 June 2000

	notes	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000
<b>(Decrease)/increase in cash in the period</b>		<b>(1,563)</b>	1,965	67
Cash inflow from increase in debt financing		(1,386)	(11,724)	(55,268)
<b>Change in net debt resulting from cash flows</b>		<b>(2,949)</b>	(9,759)	(55,201)
Reclassification of debt		–	–	(3,500)
Translation differences		726	1,957	3,060
<b>Movement in net debt in the period</b>		<b>(2,223)</b>	(7,802)	(55,641)
Net debt at the start of the period	8	(91,340)	(35,699)	(35,699)
<b>Net debt at the end of the period</b>	8	<b>(93,563)</b>	(43,501)	(91,340)

## Consolidated balance sheet

At 30 June 2000

	notes	2000 30 June unaudited £000	1999 31 December audited £000	1999 30 June unaudited £000
<b>Fixed assets</b>				
Intangible assets	5	<b>110,964</b>	98,810	46,762
Tangible assets		<b>14,917</b>	13,273	11,844
Investments	6	<b>3,162</b>	1,042	–
		<b>129,043</b>	113,125	58,606
<b>Current assets</b>				
Stocks and work in progress		<b>5,318</b>	6,284	4,929
Debtors		<b>48,054</b>	44,940	36,055
Cash at bank and in hand		<b>4,730</b>	5,096	6,304
		<b>58,102</b>	56,320	47,288
<b>Creditors: amounts falling due within one year</b>		<b>(107,018)</b>	(106,010)	(83,431)
<b>Net current liabilities</b>		<b>(48,916)</b>	(49,690)	(36,143)
<b>Total assets less current liabilities</b>		<b>80,127</b>	63,435	22,463
<b>Creditors: amounts falling due after more than one year</b>		<b>(96,798)</b>	(91,119)	(53,751)
<b>Provisions for liabilities and charges</b>		<b>(1,453)</b>	(1,275)	(91)
<b>Minority interests</b>		<b>(64)</b>	(44)	(4)
<b>Net liabilities</b>		<b>(18,188)</b>	(29,003)	(31,383)
<b>Capital and reserves</b>				
Called up share capital		<b>11,782</b>	11,696	11,595
Share premium account		<b>66,758</b>	65,409	65,769
Special reserve		<b>2</b>	12	102
Other reserve		<b>37,398</b>	37,398	36,832
Profit and loss account		<b>(134,128)</b>	(143,518)	(145,681)
<b>Deficit on shareholders' funds – equity</b>		<b>(18,188)</b>	(29,003)	(31,383)



**1 Basis of preparation**

With the following exceptions the financial statements for the six months ended 30 June 2000, which are unaudited, have been prepared on the basis of the accounting policies set out in our 1999 Annual Report and Accounts approved on 20 March 2000:

FRS 15: 'Tangible Fixed Assets' and FRS 16: 'Current Tax' have been adopted, although this has had no effect on the period being reported on.

**2 Segmental analysis**

Underlying operating profit in the segmental analysis excludes the amortisation of goodwill and exceptional items.

	Turnover			Profit/(loss) before interest		
	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000
Telecoms and Media	42,380	28,151	47,464	9,900	3,731	6,724
Maritime, Trade and Transport	24,860	19,232	42,578	2,602	2,700	6,909
Finance and Insurance	24,556	21,907	44,044	3,036	2,157	5,130
Law and Tax	30,117	25,977	51,573	3,388	1,454	4,023
Commodities and Energy	15,851	11,723	26,502	1,389	306	1,185
Biomedical and Pharmaceutical	7,940	7,606	14,753	563	3	412
Other	1,825	1,481	859	(81)	(111)	(119)
	<b>147,529</b>	116,077	227,773	<b>20,797</b>	10,240	24,264

**Underlying operating profit/(loss)**

	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000
Telecoms and Media	10,218	6,003	9,633
Maritime, Trade and Transport	3,283	3,799	8,967
Finance and Insurance	3,838	3,514	7,044
Law and Tax	3,616	2,987	6,132
Commodities and Energy	1,922	845	2,920
Biomedical and Pharmaceutical	624	153	1,103
Other	(82)	(111)	(119)
	<b>23,419</b>	17,190	35,680

**3 Taxation**

The underlying worldwide operating tax rate, after removing the effect of goodwill, and before exceptional items in 1999, for the Group is 33% (1999 half year: 34%). However due to goodwill amortisation, and disallowable capital losses included within exceptional items in 1999, the effective worldwide tax rate is 38% (1999 half year: 47%).

	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000
United Kingdom corporation tax	3,702	2,345	5,445
Overseas tax	3,078	1,623	3,710
	<b>6,780</b>	3,968	9,155

**4 Earnings and adjusted earnings per share**

In order to show results from operating activities on a comparable basis, an adjusted earnings per share has been calculated which excludes amortisation of goodwill and exceptional items.

	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000
Profit for the financial period	11,158	4,392	11,366
Adjustments:			
Amortisation of goodwill	2,622	1,056	2,313
Net effect of exceptional items	-	5,166	8,150
Adjusted earnings	<b>13,780</b>	10,614	21,829
Weighted average number of equity shares – for earnings and adjusted earnings	116,773,064	115,802,648	116,167,982
Effect of dilutive share options	1,662,864	2,057,543	1,728,586
Weighted average number of equity shares – for diluted earnings	<b>118,435,928</b>	117,860,191	117,896,568
Earnings per equity share	9.56p	3.79p	9.78p
Diluted earnings per equity share	9.42p	3.73p	9.64p
Adjusted earnings per equity share	<b>11.80p</b>	9.17p	18.79p

**5 Acquisitions and disposals**

The most significant acquisition made by the Group during the period was BISYS Research Services Inc. Goodwill arising on acquisitions was £14,744,000.

During the period the Group sold its interest in the DataTrain Institute to management for £828,000. Neither a profit nor a loss was made on this disposal.

## 6 Investment in own shares

During the period Informa QUEST Limited, a subsidiary of Informa Group plc, purchased 401,977 of the Company's shares at a cost of 790p each. The trust is to hold these shares to satisfy the future exercise of SAYE share options.

The purchase was funded by subsidiaries of the Group. The trustees have waived the right to receive dividends.

The Informa Employee Share Trust purchased a further 145,544 of the Company's shares at a cost of 790p. The trust holds a total of 405,518 shares to satisfy the future exercise of executive share options.

## 7 Reconciliation of operating profit to net cash inflow from operating activities

	2000 Half year unaudited £000	1999 Half year unaudited £000	1999 audited £000
Operating profit before exceptional items	20,797	16,134	33,367
Exceptional operating costs	–	(4,003)	(5,687)
Depreciation charges	1,715	1,600	3,197
Amortisation of goodwill	2,622	1,056	2,313
Loss on sale of tangible fixed assets	10	333	28
Decrease in stocks	1,017	1,811	89
(Increase)/decrease in debtors	(2,526)	4,019	(6,860)
Increase/(decrease) in creditors	744	(6,568)	5,137
Other operating items	(213)	870	185
<b>Net cash inflow from operating activities</b>	<b>24,166</b>	15,252	31,769

## 8 Analysis of net debt

For the period ended 30 June 2000

	At 1 January audited £000	Cash flow unaudited £000	Exchange movement unaudited £000	At 30 June unaudited £000
Cash at bank and in hand	5,096	(446)	80	4,730
Overdrafts	(801)	(1,117)	–	(1,918)
	4,295	(1,563)	80	2,812
Debt due in less than one year	(6,505)	5,183	–	(1,322)
Debt due after one year	(89,130)	(6,569)	646	(95,053)
<b>Total</b>	<b>(91,340)</b>	<b>(2,949)</b>	726	<b>(93,563)</b>

## Principal operating businesses

**United Kingdom**  
Agra Group

IBC Global Conferences

IBC UK Conferences

Informa Professional  
Publishing

The Informa Maritime Division

The Informa Telecoms Division

International Insider Publishing

Lloyd's Maritime  
Information Services

**Europe**  
The Euroforum Group  
has companies established  
in Austria, Denmark,  
Finland, France, Germany,  
The Netherlands, Sweden  
and Switzerland

**USA**  
Freiberg Publishing

IBC USA Conferences

Informa Financial Inc.

Washington Policy  
and Analysis

**Worldwide**  
IBC Asia (in Singapore)

IBC do Brasil

IBC Gulf Conferences

Informa Asia Publishing  
(in Hong Kong)

Informa Australia

Designed and produced  
by Thumb

Printed in England by  
First Impression

Lloyd's is the trade mark  
of the Society incorporated  
by the Lloyd's Act 1871 by  
the name of Lloyd's

The comparative figures for the financial year ended 31 December 1999 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered

to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985. The interim results will be mailed to shareholders.

Additional copies will be available from the registered office at; 19 Portland Place London W1B 1PX





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