Operating highlights

Turnover of £283m (2001:£323m).

Profit before tax* unchanged at £30.1m.

Significant improvement in operating margin* to 13.1% (2001:11.8%).

Subscriptions resilient and are now the Group's largest single revenue stream at 35% of total revenue.

***Before goodwill amortisation and exceptional items.**

Advisors

Auditors
KPMG Audit Plc

Principal Bankers
Barclays Bank plc
The Royal Bank of Scotland plc

Stockbrokers
HSBC Investment Bank plc

Investor Relations
Bell Pottinger Financial Limited

Solicitors
CMS Cameron McKenna

Registrars
Lloyds TSB Registrars
The Causeway
Worthing
West Sussex
BN99 6DA

Shareholder Services Helpline:
0870 600 3964

Report

Accounts

Financial highlights

	2002	2001 (As restated)	Increase/ (Decrease)
Turnover (£m)	283.4	322.9	(12%)
Earnings before interest, tax, depreciation, amortisation of goodwill and exceptional items (£m)	44.6	43.9	2%
Profit before tax, amortisation of goodwill and exceptional items (£m)	30.1	30.1	–
Earnings per share (adjusted) (pence)	16.36	16.12	1%
Earnings per share (basic) (pence)	3.74	4.07	(8%)

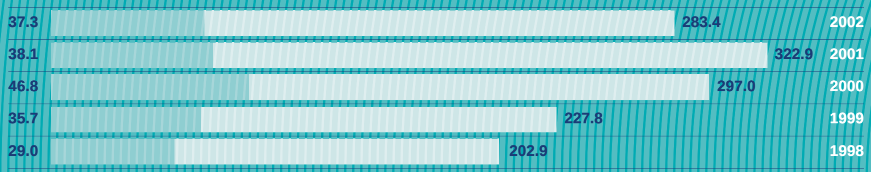
Financial analysis

Turnover by market sector	(£000)
Finance and Insurance	79,442
Telecoms and Media	52,575
Law and Tax	45,097
Maritime, Trade and Transport	46,705
Life Sciences	27,492
Commodities and Energy	31,226
Other	905

Underlying operating profit/(loss) by market sector	(£000)
Finance and Insurance	12,135
Telecoms and Media	9,301
Law and Tax	4,737
Maritime, Trade and Transport	2,379
Life Sciences	5,308
Commodities and Energy	3,615
Other	(220)

Turnover by location of customer	(£000)
United Kingdom	58,748
Continental Europe	112,952
United States	79,005
Asia Pacific	17,170
Other	15,567

Five year summary of turnover and underlying operating profit (£m)



Underlying operating profit is stated before amortisation of goodwill and exceptional items

Turnover

Underlying operating profit margin	
2002	13.1%
2001	11.8%
2000	15.8%
1999	15.7%
1998	14.3%

Underlying operating profit	(£m)
2002	37.3
2001	38.1
2000	46.8
1999	35.7
1998	29.0

About Informa

Telecoms and Media
Informa is the number one provider worldwide of information to the mobile telecommunications industry using a diverse range of media including, conferences, exhibitions, magazines, newsletters, electronic media and training courses. Our largest conference and exhibition, the 3GSM World Congress, is held annually in Cannes and is the industry's leading event. EMC is the leading provider of electronic information to the mobile market whilst MCI is the industry's main advertising-bearing magazine.

Maritime, Trade and Transport
Informa is the world's leading information provider to the international maritime and freight markets through a wide range of titles including Lloyd's List, the world's oldest newspaper; Lloyds Loading List and Containerisation International. The division also has a significant electronic information arm: Lloyds Maritime Intelligence Unit, which provides market intelligence products such as the internet-delivered Seasearcher. The Group is also a leading provider of conferences and exhibitions to the maritime market through such events as the biennial Cruise+Ferry and Ro-Ro exhibitions and the annual Shiprepair and Conversion show.

Finance and Insurance
Informa has a strong position in real time financial data, commentary and analysis in a number of niche markets including money market funds, corporate fixed income securities, government fixed income securities, foreign currency markets and US bank rate data. Much of the revenue derived from these largely electronically delivered products is subscription based. In addition we have a number of insurance titles including Insurance Day, World Insurance Report and The Review which makes us the number one provider to the international business insurance and reinsurance sector.

Commodities and Energy
Informa is a specialist source of professional and business information to the commodities market through its Agra division, which also covers European food law, dairy, cereal, coffee, juices, sugar and tea. The Group is also the main provider of information to the UK commercial fishing market through Fishing News weekly newspaper and its associated annual Glasgow fishing exhibition. In the oil and gas exploration and production market our Washington based consultancy, and leading edge conferences give Informa a strong position.

Law and Tax
The Group has a significant presence in law and tax especially in niche areas such as Maritime law, Intellectual Property, Insurance law, Copyright law and Construction law. The business is predominately based in the UK and Continental Europe where each year we produce over 1,000 conferences and publish more than 500 professional publishing products. In addition, the most complete electronic tax database product in the Netherlands, called Fiscaal Up to Date, provides information to Dutch tax consultants and accountants.

Life Sciences
Informa has a significant presence in the fast growing market of life sciences through its publishing products, which include Drug and Market Development newsletters, management reports and the scientific peer-reviewed advertising-bearing monthly magazine, BioTechniques, which is market leader in the USA. There is also a series of annual conferences including the flagship Drug Discovery Technology event, Infotech Pharma and the leading US biochip conference – 'Chips to Hits'. Our division focuses on the business, scientific and technological information needs of researchers and developers in the drug discovery and early stage drug development segments.

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

In 2002 over 3,000 conferences and 1,500 publications were produced and sold to more than 121,000 delegates and 80,000 subscribers. Among the formats we currently use are newspapers, newsletters, CD-ROM, magazines, books, exhibitions, conferences, seminars, workshops, awards, internet and other electronic real time services.

Informa's regional operations are those of a truly international business. Our worldwide network of information companies and their editorial and production teams provide the intelligence for global and local markets. They continually adapt and develop this resource to meet specialist information needs in as broad a range of markets as possible. Over 50 worldwide offices in seventeen countries supply information to customers in more than 180 countries.

Chairman and Chief Executive's review

Dear Fellow Shareholder

We are pleased to announce that Informa's operating profit before goodwill amortisation and exceptional items but after interest in 2002 was £30.1million, equalling the level we achieved in 2001. This was despite a fall in turnover of 12%, to £283million which reflected the economic slowdown seen in a number of sectors, notably mobile telecommunications. This was an excellent result in what was a difficult year for most media companies and especially those providing business-to-business information.

Our focus in these weaker trading conditions has been to manage our costs, cash and product profitability particularly closely. We successfully converted 125% of our 2002 operating profit into cash compared with 108% in 2001. This has enabled us to pay down our debt at an accelerated rate. At the end of 2002, Informa's net debt was £96million, a reduction of £23million in the year. Our operating profits before amortisation of goodwill and exceptional items covered our interest payments 5.2 times in 2002, compared to 4.8 times in 2001.

We also tailored our output of conferences and publications to the lower levels of demand now being experienced. A rationalisation of marginal and loss-making product enabled us to lower our headcount by 241 (9%) in the year at a cost of £2.5million. This will reduce full-year payroll costs by £8million and follows manpower reductions of 13% in 2001.

As staffing levels have been brought down we have managed to sublet some of our premises, but we have been left with some unoccupied buildings. We have taken an exceptional charge in 2002 of £4.2m to provide for future excess property costs.

Separately, the reduced level of activity has made it necessary to streamline our operating board resulting in £2.3million of reorganisation costs which we have similarly treated as an exceptional charge in the 2002 accounts.

The combined effect of these two charges will be to lower our operating costs in 2003 by some £2million.

Turnover at £283million was 12% down on 2001 (£323million). Despite this fall in turnover, close management of costs helped the operating margins improve to 13.1% from 11.8%. Adjusted basic earnings per share rose to 16.4pence (2001:16.1pence).

The Board recommends a final dividend of 4.94pence payable on 28 May 2003 to shareholders whose names are on the register of members on 25 April 2003. When added to the interim dividend of 2.66pence this gives a total for the year of 7.6pence, unchanged from 2001. The recommended dividend is covered two times by earnings excluding goodwill amortisation and will be fully funded by cash flow from operations.

As a whole, 2002 showed a substantial recovery from the very poor trading conditions seen in the second half of 2001, a period affected by the after-effects of September 11. However, overall activity did not recapture the levels hit in the first half of 2001 and in previous years.

Our core subscription revenue which now accounts for some 35% of total turnover, traded solidly with renewal rates continuing to average 80% across the portfolio, but our other revenue streams were affected by the economic downturn. Total delegate revenue from our conferences in 2002 was 18% below 2001, although attendance at our non telecoms conferences only fell 12%. Total advertising revenues in our publications were 13% lower. Sponsorship and exhibition income was 18% lower year on year with continuing strong marketing spend at our major events offset by a reduction in client spending at smaller conferences.

We continue to review the performance and profitability of our full product portfolio on an ongoing basis. We ran 6% (181) fewer conferences in 2002 than in 2001, with the reductions falling mainly in the telecommunications and financial areas and we also closed, merged or suspended some 20 publications. The Group retains the ability to lower its variable costs by adjusting the product offering without undermining the key market-leading positions enjoyed across our six core sectors.

Our commitment to the portfolio approach of operating in several different marketplaces with a range of different media revenue streams remains unaltered. The growth of our subscription business is the bedrock of our strategy and the focal point both for ongoing organic development and future acquisitions when greater stability returns to our markets. We also remain fully committed to our advertising, sponsorship and delegate revenue streams which will provide significant upside in better times, with little additional cost.

During 2002 we cemented an agreement in China with the Xinhua Financial Network to provide financial information to their Chinese news service and jointly arrange conferences for the Chinese market. With the Chinese economy enjoying good growth coupled with the stimulus of the W.T.O and the 2008 Olympics we believe this will be a good market for us in the medium term.

Similarly towards the end of 2002 we signed an agreement with Expomedia Group to run conferences and exhibitions in Moscow. Expomedia has considerable experience of the Russian and Eastern European markets and we believe this will prove to be an extremely worthwhile opportunity in a market which is growing rapidly.

We have also agreed a joint venture to produce Mining related events with the McCloskey Group. Already events have been held in France and Australia and further events are planned for Russia, South East Asia and China.

While our focus in 2003 remains on close cost monitoring we are developing a number of new products across the areas of our operation to drive organic growth. We will launch two new life sciences publications into the marketplace, Preclinica and Bioprocess International, at a cost of about £1.5million. In a climate of increased business focus on issues of risk we are launching a new publication on corporate risk assessment and management called Executive Risk. Also, in the maritime sector, we have developed an electronic assessment tool which will allow ports and other maritime interests to assess the risks associated with ships using their facilities.

With geopolitical and economic pressures still acute we believe it is unlikely that trading conditions will improve during 2003. Our goal this year therefore will again be to manage our profitability, maximise cash flow, reduce debt levels and take advantage of opportunities to drive organic growth through new product development and building further on the market leading positions we enjoy. We believe this approach is the correct stance to position the business well for a strong rebound and sustained profit growth when markets do improve.

Throughout this difficult year our staff have worked extremely hard to ensure our business has performed as well as possible. We would like to thank and congratulate them for their endeavours especially during such uncertain times.

In 2002 we maintained our profitability and improved margins despite continuing difficult trading conditions.

Peter Rigby Chairman

The business is well positioned to achieve significant profit improvement when economic confidence returns.

David Gilbertson Chief Executive

Telecoms and Media

The Telecoms and Media business experienced a 29% fall in its revenues due to the continuing difficulties in the mobile telecommunications industry. The division responded by cutting the number of conferences produced from 350 in 2001 to 229 in 2002 and by concentrating on our industry leading events such as our GSM and Bluetooth series'. We also lowered the cost base of the division by reducing staff numbers significantly (35% since June 2001). As a consequence we have improved the net profit margin from 15% in 2001 to 18% in 2002.

Flagship conferences and events exceeded our overall profit targets for 2002. The industry-leading 3GSM World Congress in Cannes drew over 24,000 visitors and we consolidated our position as the leading organiser of Bluetooth events, with the support of its association, Bluetooth S.I.G. Our European Bluetooth event, remains the world's largest independent event, and the Bluetooth Developers Congress in San Jose in December, both attracted over 1,500 attendees. A new Asian Bluetooth event is planned for 2003. Our leading German event, the 8th International Handelsblatt Telecoms conference and our main Netherlands event in telecoms, the 14th National Telecoms Conference, also performed well.

Capitalising on our mobile industry reputation, we attracted over 350 attendees to the Mobile Multimedia Messaging Congress in September, and our SIM conference bucked the industry trend with over 150 delegates. Initial reaction to our planned 2003 Mobile Workforce EXPO is extremely positive. Apart from the 3GSM World Congress we also ran six other regional GSM shows which all showed a solid performance. Our Mobile Internet Exhibition in Paris also produced a good result with over 1,000 visitors.

Our publishing operations fared well in tough market conditions, with many products improving market share. The newsletter business maintained profit margins at 2001 levels, reporting above budget subscription levels for our new cutting edge publications Planet Wireless, Mobile Messaging Analyst and Games Analyst. Single subscriptions to most of our portfolio of telecoms and media newsletters have declined during the year but for the second year running we have seen substantial growth in larger corporate licensing of our news output. It is anticipated that our corporate subscriptions (which have very good renewal rates and low delivery cost) will have overtaken traditional paper single subscriptions by 2004. Although advertising revenues were badly dented, internal consolidation allowed us to reduce breakeven costs and maintain yields. All our publications are now available online through www.telecoms.com.

Our consultancy and electronic subscription and reports businesses also delivered some good results. EMC, our dedicated telecoms and wireless database business, delivered positive margins and results in line with expectations. Chorleywood Consulting has made inroads into the large global operator market in response to the decline in spending from vendors and as a result saw major gains in our target Middle East and Asia regions. ARC more than doubled its profit contribution with specialist products including Future Mobile Handsets.

Maritime, Trade and Transport

Maritime Trade and Transport profits declined 47% although the second half performance showed 45% growth compared to 2001. Almost 36% of this division's income came from advertising in 2001 and this revenue dropped 15% in 2002. The consequent impact on the division's publishing business was severe. During the year we reorganised the management of the division and these changes, coupled with the biennial appearance of our major Cruise+Ferry exhibition in London in May this year, leads us to expect a significant rebound in profitability from this division in 2003.

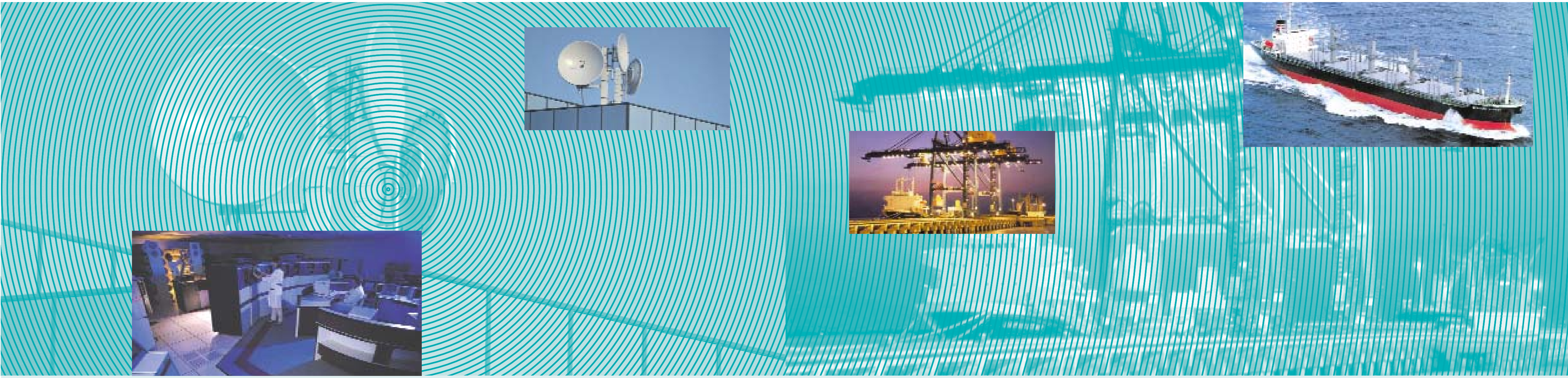
Advertising revenues were particularly affected in our range of magazines and newspapers by the economic slowdown. Conference and exhibition revenues have also shown a fall. In response, an internal review, combined with some exciting new product development initiatives and more efficient subscription management techniques, have allowed us to reduce costs and position our business more competitively for 2003. Some loss-making products have been closed, and we anticipate a significant recovery in operating profits.

Our flagship products continued to maintain their market-leading positions. The high regard in which the editorial expertise of Lloyd's List is held has been reflected in the way the paper has been repeatedly cited in the media in response to a spate of maritime incidents. On the commercial side, meanwhile, the paper's advertising department has been re-focussed, so that, after a very slow start to the year, a much stronger performance was achieved in the second half, despite the tough market conditions. Within the magazine portfolio, Containerisation International, Hazardous Cargo Bulletin and International Freighting Weekly performed very well in 2002 and MRC, our credit-rating consultancy, turned a 2001 loss into a handsome profit.

We have continued to build our electronic services. The amount of information generated by our unique shipping database has expanded substantially, and has underpinned the development of a number of electronic news and data services for the maritime market. Previously disparate product lines have been streamlined within Lloyd's Marine Intelligence Unit (LMIU) to provide a more effective service for customers. The strategy of migrating customers from lower-margin hard copy products to higher-margin, value-added electronic products is fully proving its worth. LMIU's Seasearcher database, in particular, delivered good results, and we are confident of a continuing strong performance from this division in 2003.

Elsewhere, our security and investigations unit, MRC Investigations, is well placed to exploit the new ship security regulations recently agreed by the International Maritime Organisation, requiring some 65,000 vessels to implement new security classification within 18 months.

In our conference division we reduced marginal and loss-making events and increased average delegate numbers. Our rewards included successful Bunker News events (including an expansion into Russia), the Maritime Asia awards, and our Lloyd's Maritime Training Programme. Although exhibitions revenue was depressed our international TOC exhibitions did well during the year and bookings are already ahead for 2003. This year, when our important biennial Cruise+Ferry exhibition is held, we are expecting to return considerably improved results.



Bluetooth World
Telecoms World
UNIXNT
MOBILE communications international
IT and EMU Compliance
UMTS
Lloyd's List
Daily Commercial News
Passenger Shipping International
Maritime Asia Today
seasearcher.com
Airtrade
RORO

Finance and Insurance

The Finance and Insurance division became the group's largest business in 2002. Despite the contractions in the financial markets which affected advertising and delegate revenues, net profits grew by 17%. This was mainly due to a particularly strong performance from our largely electronically delivered data-driven subscription services to the investment, insurance and capital markets, which account for the majority of the revenue in this division.

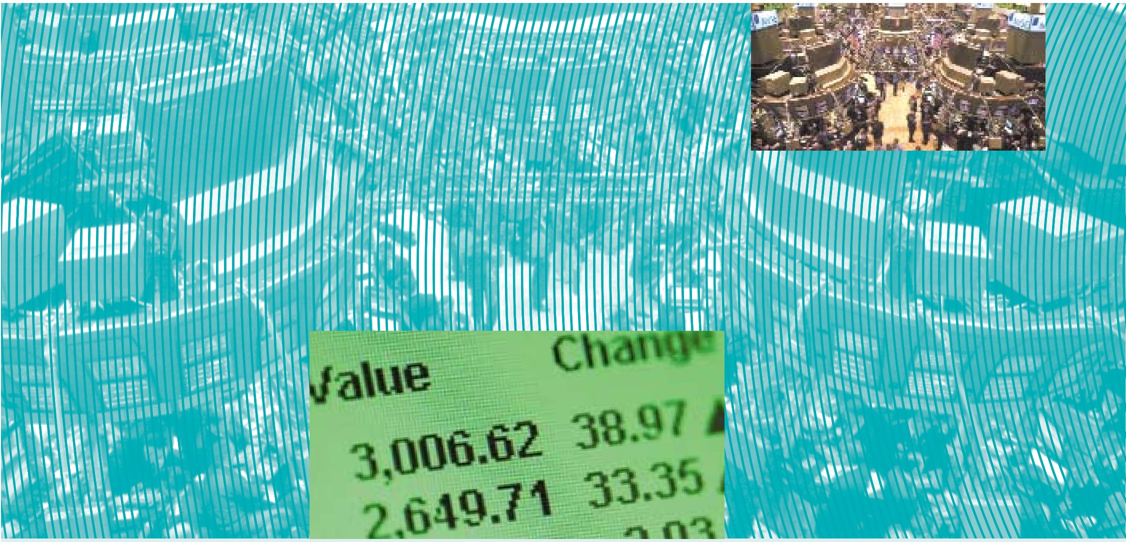
Our real time electronic commentary and analysis subscription products in the foreign exchange and fixed income security markets performed well with profit growth in excess of 15%. Screen Insider and CorporateWatch, the two main products provided by our IIPC and MCM business divisions respectively, have seen margins and renewal levels remain high and an increase in market share.

Our other business units based in the United States, Informa Research Services, Effron, Insurance Research Group and iMoneyNet continued to perform ahead of expectations. The former announced two important Internet financial portal deals in 2002 – one with CNNMoney.com and one with Yahoo! Finance. These two new portals, along with Quicken.com and other major financial web sites, display rate and pricing data on their highly popular personal finance channels, while also providing Informa the opportunity to sell hyperlinks to financial institutions. The latter's IMMFA Money Fund Report and our first Money Fund Forum Europe event, held in London, were both successful and promise well for the future growth of money funds in Europe. Other new product launches, such as Analyzer and Separate Account Express (web based applications of insurance and money manager data, respectively, targeting increased distribution channels), offer substantial growth opportunity in 2003.

Although some of our UK businesses fell short of their performance last year due to the depressed state of the markets, there were some notable performances. The relaunch of the market-leading Insurance Day delivered increased advertising and subscription levels, and Health Insurance continues to go from strength to strength. Key conferences, including Insuring Export Credit and Excellence in Claims Management, were also successful. In Australia, we enjoyed impressive results from our AFR branded events, while in Germany, the 9th Handlesblatt Real Estates conference maintained our leading position in this area.

In the banking and finance market, our leading International Payment Systems event, though down on last year, still delivered a healthy contribution, and Banking Technology magazine maintained its market-leading position. In the UK our Law & Regulation of Hedge Funds and Insurance Regulation events both delivered good profits whilst the Insurance at the edge of Change and Insurance for Industry 2002 events in Germany were well received. Other events in Continental Europe were also successful, particularly New Insurance Rights in the Netherlands and Accounting Day in Sweden.

In the pensions sector, established events Eurofunds, Multi Pensions, Nordic Funds and Spain have continued to attract strong support from delegates and sponsors. Specialist publications Pensions Today and Pensions International leave us well placed to provide information to this market.



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Commodities and Energy

The Commodities and Energy division has maintained its profitability despite the difficulties in the Middle East affecting the energy sector and the commodities business being affected by food industry consolidation, continued concern over genetically-modified foods, and the depressed state of the UK fishing industry.

Our Agra commodities business delivered a performance in line with 2001 reflecting the quality of its subscription products in a depressed market. Our key subscription products, such as EU Food Law, EuroFood and Dairy Markets Weekly, all reported good growth. Although it was a tough year for advertising sales, International Sugar Journal increased revenue on the previous year and forward bookings are good. We acquired a consultancy business Agra CEAS, and launched several new products including a number of new electronic subscription services. We also achieved a substantial growth in the number of users of Agranet, our web information service. Two more major product launches – both print and electronic – are planned for early 2003. Our events business had a number of notable successes, including a record attendance at the annual World Juice Conference and World Ethanol Conference. In Asia the Asia International Sugar conference in Singapore and the World Rice Commerce event in Beijing were both very successful.

Uncertainty over the UK fishing market dented advertising at our specialist Heighway business but overseas event joint ventures, such as Aquasur in Chile and Aquacoltura in Italy, and a new international focus for the business, are expected to deliver growth in 2003.

FO Licht, our specialist sugar and coffee markets business based in Germany, enjoyed another good year with high renewal rates, profits doubling target, and two successful product launches, Biofuels Report and Molasses & Feed Report. The web interface for our statistical source, Licht Database, is also well advanced.

Our Australian office has continued to develop a successful events business centred on the mining and metals industries. The winning events in 2002 included the Australian Longwall Mining Summit, Global Iron Ore & Steel and Global Mineral Sands Exploration. In addition we established a joint venture with The McCloskey Group – the world's leading publisher for the coal sector – to organise a series of coal events around the world. The first of these, McCloskey's European Coal Outlook proved an outstanding success and the series should develop into a significant business with forthcoming events including Russian Coal Markets and the Global Steelmaking Raw Materials Conference, run in Moscow and Rotterdam respectively.

The Middle East crisis served to depress performance at WPA, our US energy consulting business, and of our Investing in Iran and Saudi Arabia conferences. However, energy events covering Qatar, Kazakhstan and Sakhalin, successful African expansion, plus new events diversifying into Wind Power and natural gas, delivered strongly in the year and our annual Handlesblatt energy conference in Germany was again a great success. In 2003 we are expecting significant results from our Houston joint venture event with specialist energy publisher Hart's E&P, as well as from the launch of a new Offshore Energy Directory.

Agra Europe · Bunker News · Energy Day · Fishing News · World Tea Markets · Sugar Conference · Food News · World Juice 2000

Law and Tax

Informa's position as the leading provider of commercial law, shipping law, construction, intellectual property and healthcare information allowed us to deliver a solid and predictable profit from our English Language publications. In addition, despite the depressed nature of the international commercial market, our continental conference operations showed a creditable performance by concentrating on maximising the profitability of market leading events.

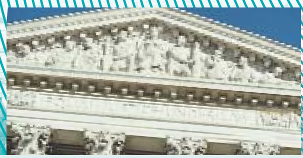
In shipping and commercial law, we remain market leaders due to our specialist titles including the Shipping and Commercial Law Library range of reference books and looseleafs. The internationally renowned Lloyd's Law Reports, delivered solid profit growth year on year because of the 'must have' nature of its content and its position as the leading brand in maritime and trade law. In 2003 an updated CD and internet version, Lloyd's Electronic Law Reports, will be relaunched which will enable quicker searches and cross references to be made.

Our construction law portfolio, including leading publications Construction Industry Law Letter, and Building Law Reports, exploited a growth in international construction projects and an abundance of claims in the sector. Our new product, Construction Directory, was particularly well received and is expected to make a major contribution to our performance in 2003.

In intellectual property, we launched Domain Names and Media World, and doubled delegate numbers at our leading Protecting the Media event. Established IP products, including the industry-respected Trademark World and Patent World all showed continued growth. In healthcare, continued investment in brands such as the market-leading Medical Directory as well as leading newsletters such as Personal and Medical Injury Law Letter, enabled solid growth to be achieved.

Profits from our taxation products and events grew through higher fees, lower breakevens and higher delegate numbers in 2002, delivering successful conferences including Tax on Shareholdings and Advanced Corporate Tax Planning. In Holland, Euroforum's Fiscaal up to Date remains one of the leading electronic taxation information services for Dutch practitioners with a growing number of products (on-line and on CD). The number of subscribers to the hardcopy newsletters Fiscaal up to Date and Douane Update is increasing steadily. A new hardcopy newsletter Pensioen Alert was also successfully launched.

In 2003 we expect to consolidate our position in key markets with a range of products linked to our conferences. We were delighted with our Advanced EC Competition Law event, delivering 15% growth and which allowed us to successfully launch the Competition Law Insight magazine in November. Other notable successes included our Dutch distance learning products, UK Legal Summer Schools, and our German events Tax Reform and Provision for Old Age.



Farm Law
Pensions Today
LLP
Fiscaal Up to Date
The Public Ledger
Copyright World
Infotech Pharma
IT Law Today

Life Sciences

The continued rapid rate of technological change and increased funding of the life science sector, together with the development of new products and growth in our existing brands, has helped our biotechnology conference and publishing division deliver outstanding profit growth of 38% compared to 2001. We have been one of the main information providers in this area for more than eight years and we have grown with the market to our present strong positions in the pharmaceutical and biotech sectors in both Europe and the US. We have been successful in building on our existing brands, launching new conferences, training courses, a trade show and developing new publications.

In the US, our key events Drug Discovery Technology (DDT) and Chips to Hits again delivered strong revenues, with attendances and profits reaching expected targets. DDT, held in August in Boston, remains the leading commercial event in the world for professionals in this field and exhibition bookings for the 2003 event are already sold out. Chips to Hits, our annual conference and exhibition for the biochip market, was also successful, as were leading antibodies events, Antibody Engineering and Antibody Production, held in San Diego. We also made a substantial push into the lifescience course business, launching over 40 training events designed to provide intensive and detailed small group instruction to professionals looking for strategies to overcome process and regulatory challenges.

Our Lifesciences publishing businesses, BioTechniques and D&MD Publications, performed very well. BioTechniques, the leading scientific peer-reviewed methods journal in bioresearch, acquired in early 2001, made significant gains in market share against all major competitors in a market that saw overall advertising spend decrease by 5%. While significant editorial, marketing and branding benefits have already been realised between our existing conferences and the journal as a result of its successful integration into the US life sciences division, we believe that there are further opportunities for synergies and economies of scale. One of these opportunities will be the launch of BioTechniques Live! - the first BioTechniques branded conference. This launch will occur in the first quarter 2003, and will coincide with the 20th anniversary of this publication. In addition we have launched a range of supplements to compliment the magazine and we have increased investment on the European focused edition of the journal, which has resulted in a significant boost to sales. We expect further growth from the European journal and from two new titles, BioProcess International, leveraging off our dominance in the biopharmaceutical manufacturing conference market, and PreClinica, which seeks to serve the under-exploited area of 'translational' research, which are being launched in the first quarter of 2003. D&MD, our newsletter and reports business, saw profits hold steady on the year with the focus on new reports and increased marketing, which should yield significant growth in the coming year.

Our UK operation enjoyed a strong performance from our lifesciences events, exceeding budgeted profit by over 30% and showing a net profit improvement of 250% over 2001. Our UK events, largely focusing on legal and regulatory controls on biotechnology, included The Biocidal Products Directive, and Protecting Biotech Inventions. Long-standing annual events, including Drug Discovery Europe and InfoTech Pharma, showed improved profits over the prior year. Our Continental European events, BioBusiness 2002 and German Trends in Biotechnology also performed well.

Biotechnology
Drug Discovery Technology
Asthma
Pharmaceutical Newsletters
Chemicals in China
Beyond Viagra
Chemicals on the web

Financial review

Group Results
Turnover fell from £323million to £283million, a decrease of 12%. This reflects the difficult conditions in the markets in which we operate.

The analysis of revenues by media has altered with subscription income, whether hard copy or electronic, becoming our largest revenue stream and now accounting for 35% of total revenue (2001:32%). Fees from delegates attending our conferences fell to 34% (2001:36%) of turnover as we cut the number of conferences we produced by 181 to 3,075. Sponsorship and exhibition revenue associated with events fell to 12% of revenue (2001:13%). Advertising sales remained a low proportion of total revenue at only 12% (2001:12%), whilst other sales remained steady, accounting for the remainder of the Group's turnover.

By location of customer the revenues were 40% from Continental Europe, 21% from the UK, 28% from the US and 11% from the Rest of the World.

As in 2001, the Group reacted to the difficult market conditions by adjusting the cost base to reflect the reduced turnover levels. Around 9% of the Group's workforce were made redundant at a cost of £2.5m. This brings the total number of staff who have left the Group to 25% of the workforce employed at 31 March 2001. Apart from employment costs we have managed to cut our direct costs so that they remain around 50% of revenue. We have also managed to sublet several properties which we no longer required. These costs are included before reaching the operating profit before goodwill amortisation. The expected cost savings of approximately £8m largely benefited 2002.

We have incurred an exceptional charge of £7m. This represents a provision of £4.2m to provide for future empty property costs, £2.3m on senior operating board restructuring, and £0.5m on the closure of O&O.

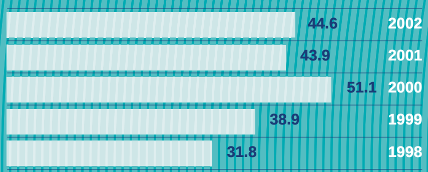
Profit before tax fell from £15million to £12.1million. Excluding goodwill amortisation and the exceptional items the profit before tax stayed level at £30.1million.

Earnings per share
Adjusted earnings per share rose to 16.36p (2001:16.12p). This is calculated after removing the amortisation of goodwill and the exceptional items. Reported basic earnings per share were 3.74p (2001:4.07p).

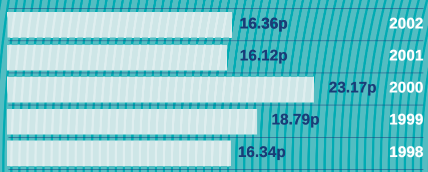
Dividend
A final dividend of 4.94p is proposed giving a total for the year of 7.6p (2001:7.6p). The recommended dividend is covered 2 times by earnings excluding goodwill amortisation and will be fully funded by cash flow from operations.

Capital Expenditure
The Group significantly reduced its fixed asset expenditure during 2002 to £5million from £15.8million in 2001. This was mainly due to the completion of the implementation of SAP. SAP has replaced existing bespoke systems covering the registration of delegates, the order processing and management of subscriptions and human resource information software.

Earnings before interest, tax, depreciation, amortisation and exceptional items (£m)



Adjusted eps



Net debt reduced by £23m to £96m (2001:£119m)

Operating profit, before amortisation of goodwill and exceptional items but after interest unchanged at £30.1m

Operating cashflow improves from 108% of operating profit to 125%

Cash flow
Informa uses operating cash flow as a percentage of operating profit as its key cash management measure. Excluding goodwill amortisation operating cash flow as a percentage of operating profit was 125% (2001:108%).

Net debt fell from £119m to £96m at the end of 2002. This was due to several factors, most notably an improvement in working capital and reduced tax and capital expenditure payments. In addition we sold our Dutch office building for £2.9m. The net interest cost is covered 5.2 times by Group operating profit before amortisation of goodwill and exceptional items.

Treasury Policy
Treasury activity is managed centrally and is principally concerned with the monitoring of working capital, managing internal and external funding requirements and monitoring and managing the Groups interest rate and foreign currency exposure.

The treasury operation is not a profit centre and its activities are carried out in accordance with the policy guidelines established by the Board which are detailed in note 32 to the accounts.

Foreign Currency
A significant portion of the Group's revenues, operating profits and cash flows are in currencies other than sterling. The reported earnings of the Group are affected by the value of sterling relative to overseas currencies, the most significant being the Euro and the United States Dollar. Earnings were reduced on translation into Sterling by £0.8million when compared to 2001 at constant currency.

Acquisitions and Disposals
During the year the Group spent £4m on acquistions. The majority of the payment (£3.1m) was paid for our US energy consultancy business on the completion of an earn-out period. In addition we made two small acquisitions during the period. These were for a Dutch magazine and a UK legal conference.

Tax
The Group's operating tax rate on profits excluding amortisation of goodwill and exceptional items was 31%. This was below the rate in 2001 of 33% which has been restated to comply with the introduction of FRS 19.

Summary
The Group remains in robust financial health and we are looking forward to another successful year.

During the year we have succeeded in maintaining profitability, maximising cashflow and reducing external borrowing levels.

Jim Wilkinson Finance Director

Board of Directors

Peter Rigby
Chairman, aged 47
After qualifying as an accountant Peter Rigby joined Metal Box. In 1981 he moved into the media industry joining Book Club Associates which was the joint venture between WH Smith and Doubleday. In 1983 he joined Stonehart Publications which was acquired by IBC in 1986. After two years as Finance Director he was appointed Deputy Chief Executive and later Chief Executive, and led the expansion of the Group into North America, Asia and Australia. He became Chairman of Informa at the inception of the Company following the merger of IBC and LLP.

David Gilbertson
Chief Executive, aged 46
David Gilbertson has some 24 years experience in the information industry having held editorial and management positions with Metal Bulletin, Reuters and Reed Elsevier. He joined Lloyd's of London Press in 1987 as Editor of Lloyd's List, joining the LLP Board in 1992. He was a member of the management buy-out team which bought LLP from Lloyd's of London in 1995, becoming Chief Executive in 1997. He took the Company to flotation on the Stock Exchange in early 1998 and became Chief Executive of Informa following the merger with IBC.

Jim Wilkinson
Finance Director, aged 37
Jim Wilkinson joined IBC in 1994 after eight years with Deloitte & Touche in London and South Africa. Appointed Financial Controller of IBC's UK publishing division, he subsequently became responsible for the Group's operations in South Africa, Singapore and Australia. In 1997 he was appointed Deputy Finance Director, becoming Finance Director a year later.

Richard Hooper*†
Senior Non-Executive Director and Chairman of the Remuneration and Nominations Committee, aged 63
Richard Hooper became a Non-Executive Director of LLP in December 1997 and became the Senior Non-Executive Director on the Informa Board following the merger of LLP and IBC. He has 27 years experience in the information and communications industry. He was a Non-Executive Director of MAI plc and then United News and Media plc from November 1993 to May 1997, and was Non-Executive Chairman of IMS Group plc 1997 to 2002. Currently, he is the Chair of the Radio Authority which regulates all non-BBC radio in the UK, and Deputy Chairman of the new converged media and telecommunications regulator the Office of Communications (Ofcom). He is also a Non-Executive Director of UK eUniversities Worldwide.

Eric Barton*†
Non-Executive Director and Chairman of the Audit Committee, aged 57
Eric Barton became a Non-Executive Director of LLP in December 1995 and continued as a Non-Executive Director on the Board of Informa after the merger. He was a Director of 3i plc, the venture capital group, from 1986 to 1999 and is currently a Non-Executive Director of Morse plc, Telecity plc, Azzuri Communications Ltd and Acal plc.

Sean Watson*†
Non-Executive Director, aged 54
Sean Watson is a solicitor and a Senior Corporate Finance Partner at CMS Cameron McKenna. He has extensive experience in all areas of corporate law. He was appointed to the board in May 2000.

* Member of the Audit Committee
† Member of the Remuneration and Nominations Committee

Peter Rigby
David Gilbertson
Jim Wilkinson

Richard Hooper
Eric Barton
Sean Watson

Statement of Directors' responsibilities in respect of the accounts

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing those accounts, the Directors are required to:

– select suitable accounting policies and apply them consistently;

– make judgements and estimates that are reasonable and prudent;

– state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and

– prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent Auditors' report to the members of Informa Group plc

We have audited the accounts on pages 16 to 39. We have also audited the information in the directors' remuneration report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors
The Directors are responsible for preparing the Annual Report and the Directors' remuneration report. As described above, this includes responsibility for preparing the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and whether the accounts and the part of the Directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Group is not disclosed.

We review whether the statement on pages 40 to 42 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statements on internal control covers all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement and the unaudited part of the Directors'remuneration report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

Basis of audit opinion
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts and the part of the Directors' remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts and the part of the directors' remuneration report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts and the part of the Directors' remuneration report to be audited.

Opinion
In our opinion:

– the accounts give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2002 and of the profit of the Group for the year then ended and

– the accounts and the part of the Directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

10 March 2003

Consolidated profit and loss account
For the year ended 31 December 2002

	notes	Before Exceptional Items £000	Exceptional Items (note 4) £000	2002 £000	2001 (As restated note 21) £000
Turnover	2	**283,442**	**–**	**283,442**	322,853
Operating profit before goodwill amortisation		**37,255**	**(6,454)**	**30,801**	38,091
Goodwill amortisation		**(10,992)**	**–**	**(10,992)**	(9,959)
Goodwill impairment		**–**	**–**	**–**	(4,288)
		(10,992)	**–**	**(10,992)**	(14,247)
Operating Profit		**26,263**	**(6,454)**	**19,809**	23,844
Loss on disposal of subsidiary undertaking	4	**–**	**(525)**	**(525)**	(838)
Profit on ordinary activities before interest		**26,263**	**(6,979)**	**19,284**	23,006
Interest	5	**(7,200)**	**–**	**(7,200)**	(7,977)
Profit on ordinary activities before tax	6	**19,063**	**(6,979)**	**12,084**	15,029
Tax on profit on ordinary activities	9	**(9,167)**	**1,909**	**(7,258)**	(9,838)
Profit on ordinary activities after tax		**9,896**	**(5,070)**	**4,826**	5,191
Minority interests – equity	23			**(59)**	(96)
Profit for the year attributable to the shareholders	10			**4,767**	5,095
Equity dividends paid and proposed	11			**(9.692)**	(10,184)
Loss for the year				**(4,925)**	(5,089)
Earnings per share (basic)	12			**3.74p**	4.07p
Earnings per share (diluted)	12			**3.74p**	4.03p
Adjusted basic earnings per share	12			**16.36p**	16.12p

A note on historical cost profits and losses has not been included as part of these accounts as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

All results are derived from continuing operations.

Consolidated statement of total recognised gains and losses
For the year ended 31 December 2002

	notes	2002 £000	2001 (As restated note 21) £000
Profit for the financial year		**4,767**	5,095
Currency translation differences on foreign currency net investments and borrowings	25	**(3,809)**	17
Total gains and losses recognised in the year		**958**	5,112
Prior year adjustment (note 21)		**(353)**	–
Total gains and losses recognised since last annual report		**605**	5,112

Consolidated cash flow statement
For the year ended 31 December 2002

	notes	2002 £000	2002 £000	2001 £000	2001 £000
Cash inflow from operating activities	28		**46,510**		41,076
Returns on investments and servicing of finance					
Interest received		**1,010**		1,804	
Interest paid		**(7,494)**		(8,375)	
Interest elements of finance lease rental payments		**(8)**		(10)	
			(6,492)		(6,581)
Taxation			**(1,667)**		(11,145)
Capital expenditure					
Purchase of tangible fixed assets		**(5,037)**		(15,778)	
Sale of tangible fixed assets		**2,914**		289	
			(2,123)		(15,489)
Acquisitions and disposals					
Purchase of subsidiary undertakings	30	**(3,232)**		(59,332)	
Purchase of businesses	31	**(815)**		(130)	
Purchase of fixed asset investment	15	**(679)**		–	
Disposal of subsidiary undertakings and businesses		**150**		200	
			(4,576)		(59,262)
Equity dividends paid			**(9,674)**		(9,825)
Cash inflow/(outflow) before financing			**21,978**		(61,226)
Financing					
Issue of ordinary share capital		**–**		54,503	
Issue costs		**–**		(624)	
Exercise of share options		**806**		602	
Investment in own shares		**–**		(1,400)	
Increase in amounts borrowed		**49,185**		117,595	
Repayment of amounts borrowed		**(68,983)**		(109,202)	
Capital element of finance lease rental payments		**(35)**		(20)	
			(19,027)		61,454
Increase in cash in the year	29		**2,951**		228

Reconciliation of net cash flow to movement in net debt

	notes	2002 £000	2001 £000
Increase in cash in the year		**2,951**	228
Cash outflow/(inflow) from decrease/(increase) in debt financing		**19,798**	(8,393)
Change in net debt resulting from cash flows		**22,749**	(8,165)
Translation differences		**554**	714
Movement in net debt in the year		**23,303**	(7,451)
Net debt at 1 January	29	**(118,832)**	(111,381)
Net debt at 31 December	29	**(95,529)**	(118,832)

Consolidated balance sheet
At 31 December 2002

	notes	2002 £000	2002 £000	2001 (As restated note 21) £000	2001 (As restated note 21) £000
Fixed assets					
Intangible assets	13		**159,639**		174,396
Tangible assets	14		**23,080**		28,292
Investments	15		**4,788**		4,109
			187,507		206,797
Current assets					
Stocks and work in progress	16	**6,212**		6,558	
Debtors	17	**51,734**		61,274	
Cash at bank and in hand		**5,195**		4,102	
		63,141		71,934	
Creditors: amounts falling due within one year	18	**(117,876)**		(126,309)	
Net current liabilities			**(54,735)**		(54,375)
Total assets less current liabilities			**132,772**		152,422
Creditors: amounts falling due after more than one year					
Bank loans	19	**(98,288)**		(116,181)	
Other creditors	20	**(855)**		(1,011)	
			(99,143)		(117,192)
Provisions for liabilities and charges	21		**(7,028)**		(828)
			26,601		34,402
Minority interests	23		**(334)**		(206)
Net assets			**26,267**		34,196
Capital and reserves					
Called up share capital	24		**12,824**		12,787
Share premium account	26		**123,103**		122,334
Special reserve	26		**1**		2
Other reserve	26		**37,398**		37,398
Profit and loss account	26		**(147,059)**		(138,325)
Surplus on shareholders' funds – equity			**26,267**		34,196

These accounts were approved by the Board on 10 March 2003 and signed on its behalf by

J H Wilkinson
Director

Company balance sheet
At 31 December 2002

	notes	2002 £000	2002 £000	2001 £000	2001 £000
Fixed assets					
Tangible assets	14		**1,351**		1,707
Investments	15		**345,143**		344,464
			346,494		346,171
Current assets					
Debtors	17	**402,980**		230,925	
Cash at bank and in hand		**2**		5	
		402,982		230,930	
Creditors: amounts falling due within one year	18	**(303,633)**		(107,162)	
Net current assets			**99,349**		123,768
Total assets less current liabilities			**445,843**		469,939
Creditors: amounts falling due after more than one year					
Bank loans	19		**(98,288)**		(116,181)
Provisions for liabilities and charges	21		**(3,670)**		–
Net assets			**343,885**		353,758
Capital and reserves					
Called up share capital	24		**12,824**		12,787
Share premium account	26		**123,103**		122,334
Special reserve	26		**1**		2
Profit and loss account	26		**207,957**		218,635
Surplus on Shareholders' funds – equity			**343,885**		353,758

These accounts were approved by the Board on 10 March 2003 and signed on its behalf by

J H Wilkinson
Director

Notes to the accounts

1 Accounting policies

Basis of preparation
The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The accounts are prepared on a going concern basis. The Group has implemented 'FRS 19:Deferred Tax'. The effect of this change in accounting policy is disclosed in note 21. Following the announcement that implementation of 'FRS 17:Retirement Benefits' has been deferred until 2005, the Group continues to prepare its accounts based on SSAP 24 and to provide the additional information required by FRS 17 (as revised).

Basis of consolidation
The consolidated accounts include the accounts of the Company and its subsidiary undertakings made up to 31 December. The acquisition method of accounting has been adopted. Under this method the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Goodwill and publishing rights
Purchased goodwill (both positive and negative) arising on consolidation of acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) before 1 January 1998, when 'FRS 10:Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit and loss on disposal.

Purchased goodwill arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life which, in the case of the majority of acquisitions to date, is estimated to be 20 years.

Impairment reviews are carried out in accordance with FRS11 to ensure that goodwill is not carried at above its recoverable amount. All amortisation and any impairment of goodwill is charged to the profit and loss account.

On the subsequent disposal or termination of a business acquired since 1 January 1998, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

No value is attributed to publishing rights acquired as the Group consider this cannot be reliably measured.

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent impairment, if any.

Turnover
Turnover represents the amount receivable, excluding sales taxes, for products and services supplied to customers and is stated after deduction of trade discounts and provisions for subscription returns and cancellations. Subscription income is deferred and recognised over the period of the subscription. Conference income is recognised when the conference is held.

Currency translation
Company
Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Group
Trading results denominated in foreign currencies are translated at the average monthly exchange rate. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on retranslation of opening net assets of overseas subsidiary undertakings is taken directly to reserves. Differences on foreign currency borrowings, which are used to finance or provide a hedge against Group equity investments in foreign enterprises, are taken directly to reserves so far as they offset the exchange differences on the net investment in these enterprises. The exchange differences arising on the retranslation of the profit and loss account at the year end rate are taken to reserves. All other translation differences are taken to the profit and loss account.

1 Accounting policies continued

Financial instruments
The Group uses interest rate and currency swaps to manage its exposure to interest rate and currency fluctuations. These instruments are accounted for as hedges where designated as hedges at the inception of contracts. The swaps are not revalued to fair value in the Group balance sheet at the year end but are disclosed in the fair value table in note 32. Interest differentials are recognised by accruing the net interest receivable or payable. Gains or losses arising on hedging instruments which are cancelled due to the termination of underlying exposure are taken to the profit and loss account immediately. Finance costs associated with debt issuance are charged to the profit and loss account over the life of the instruments.

Depreciation and amortisation
The cost of tangible fixed assets less their estimated residual value is depreciated on a straight line basis over their estimated useful lives as follows:

	Annual rate
Freehold buildings	2%
Short leasehold properties and property improvements	Over life of lease
Equipment, fixtures and fittings	10% – 33.3%
Motor vehicles	20% – 25%

Freehold and short leasehold properties and property improvements are carried at cost less depreciation and provisions for impairment in value. Freehold land is not depreciated.

Fixed assets acquired on acquisition of a subsidiary undertaking are included at the original cost less depreciation to the acquired business except to the extent that their fair value is considered to be different in which case the accumulated depreciation is adjusted accordingly.

Stocks and work in progress
Stocks are stated at the lower of cost and net realisable value. Conference costs in advance represent costs incurred for conferences held or originally planned to be held after the balance sheet date.

Deferred promotional expenditure
Promotional expenditure incurred during the year is matched against revenue generated by that expenditure. Deferred promotional expenditure included in the balance sheet represents expenditure incurred during the year in respect of revenue which is expected to arise after the balance sheet date.

Deferred tax
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided in full for timing differences, except as otherwised required by FRS 19. Deferred tax assets are only recognised to the extent that they are considered recoverable in the short term. Deferred tax balances are not discounted.

Leased assets
Assets held under finance leases are capitalised with the corresponding obligation to pay future rentals being included in creditors. A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee. The assets are valued at the equivalent purchase price and are depreciated over the shorter of their estimated useful lives or the unexpired portion of the lease. The excess of the lease payments over the value of the lease obligations is treated as a finance charge and is allocated to accounting periods over the duration of the lease to approximate to a constant periodic rate of charge on the remaining balance.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs
Certain subsidiaries operate pension schemes for employees which are defined contribution schemes. The assets of the schemes are held separately from the individual companies. The pension cost charge associated with these schemes represents contributions payable.

The Group also operates a funded defined benefit scheme for employees. The expected cost of pensions of the defined benefit pension scheme is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme. Variations from regular cost are spread over the remaining service lives of current employees in the schemes.

The pension cost associated with this scheme is addressed in accordance with the advice of qualified actuaries.

Under the terms of FRS 17 the Group is required to adopt alternative accounting for its defined benefit scheme. In accordance with the transitional arrangements under FRS 17 (paragraph 94) additional balance sheet disclosures are required for year ended 31 December 2002.

2 Analysis of operating activities

	Continuing operations 2002 £000	Continuing operations 2001 £000
Turnover	**283,442**	322,853
Cost of sales	**(119,651)**	(143,707)
Gross profit	**163,791**	179,146
Administrative expenses		
Ordinary	**(137,528)**	(155,302)
Exceptional	**(6,454)**	–
Total administrative expenses	**(143,982)**	(155,302)
Operating profit	**19,809**	23,844

3 Segmental analysis

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

Analysis by market sector	Turnover 2002 £000	2001 £000	Underlying operating profit 2002 £000	2001 £000	Profit before interest 2002 £000	2001 £000
Finance and Insurance	**79,442**	82,621	**12,135**	10,347	**7,098**	6,487
Telecoms and Media	**52,575**	73,866	**9,301**	10,910	**5,968**	7,458
Law and Tax	**45,097**	54,328	**4,737**	5,283	**1,877**	2,744
Maritime, Trade and Transport	**46,705**	52,484	**2,379**	4,531	**(582)**	2,079
Life Sciences	**27,492**	26,515	**5,308**	3,846	**3,565**	2,607
Commodities and Energy	**31,226**	31,880	**3,615**	3,717	**1,636**	2,227
Other	**905**	1,159	**(220)**	(543)	**(278)**	(596)
	283,442	322,853	**37,255**	38,091	**19,284**	23,006

Analysis by geographical location of business	Turnover 2002 £000	2001 £000	Underlying operating profit 2002 £000	2001 £000	Profit before interest 2002 £000	2001 £000
United Kingdom	**139,650**	163,399	**16,331**	19,888	**7,477**	12,254
Continental Europe	**67,313**	79,240	**7,802**	8,119	**3,534**	4,417
United States	**62,927**	63,222	**11,874**	9,381	**7,884**	6,427
Asia Pacific	**9,391**	12,195	**782**	946	**186**	377
Other	**4,161**	4,797	**466**	(243)	**203**	(469)
	283,442	322,853	**37,255**	38,091	**19,284**	23,006

Turnover by geographical location of customer	2002 £000	2001 £000
United Kingdom	**58,748**	80,508
Continental Europe	**112,952**	134,158
United States	**79,005**	76,507
Asia Pacific	**17,170**	21,757
Other	**15,567**	9,923
	283,442	322,853

The Group interest expense is arranged centrally and is not attributable to individual markets or geographical locations.
Trading between segments is not significant.

Capital employed – At 31 December Analysis by market sector	2002 £000	(As restated) 2001 £000
Finance and Insurance	**38,338**	41,597
Telecoms and Media	**25,372**	37,189
Law and Tax	**21,763**	27,352
Maritime, Trade and Transport	**22,539**	26,424
Life Sciences	**13,267**	13,349
Commodities and Energy	**15,070**	16,050
Other	**437**	584
	136,786	162,545

Capital employed – At 31 December Analysis by geographical location	2002 £000	2001 £000
United Kingdom	**67,394**	82,265
Continental Europe	**32,484**	39,894
United States	**30,368**	31,830
Asia Pacific	**4,532**	6,140
Other	**2,008**	2,416
	136,786	162,545

Reconciliation of capital employed	2002 £000	2001 £000
Capital employed	**136,786**	162,545
Net borrowings	**(95,529)**	(118,832)
Unallocated net liabilities	**(14,656)**	(9,311)
Net assets before minority interest	**26,601**	34,402

4 Exceptional items

(1) Operating costs
The £6,454,000 shown in the profit and loss account is in respect of the following:

(a) an estimate for future costs on properties not used by the group from 1 January 2003 onwards (£4,173,000).

(b) redundancy costs relating to restructuring of the senior operating board (£2,281,000).

(2) Loss on disposal of subsidiary undertaking
The current year charge represents the expected net cost arising on the closure of a Dutch subsidiary. The loss on disposal of a subsidiary undertaking in 2001 represents the write-off of amounts due from the purchaser of a subsidiary sold in 2000, which are unlikely to be received.

5 Net interest payable and other charges

	2002 £000	2001 £000
Interest payable on bank loans and overdrafts	**(8,202)**	(9,771)
Finance lease charges	**(8)**	(10)
	(8,210)	(9,781)
Other interest receivable	**1,010**	1,804
	(7,200)	(7,977)

6 Profit on ordinary activities before tax

Is stated after charging	2002 £000	2001 £000
Depreciation and amortisation		
Depreciation on owned assets	**7,295**	5,746
Depreciation on assets under finance leases	**62**	52
Amortisation of goodwill and impairment	**10,992**	14,247
(Profit)/Loss on sale of tangible fixed assets	**(23)**	17
Auditors' remuneration		
Audit services	**551**	597
Other fees paid to the auditors and their associates	**710**	614
Operating leases:		
Plant and machinery	**110**	179
Other	**9,211**	6,382
Exchange losses/(gains)	**18**	(16)

Included in the fees paid to auditors is £6,000 (2001:£6,000) in respect of the audit of the company.

In addition to other fees paid to the auditors, £nil (2001:£138,000) was paid relating to assistance with acquisitions and has been included in goodwill.

7 Remuneration of Directors (including pension contributions paid on their behalf)

	2002 £000	2001 £000
Salaries and benefits in kind	**847**	804
Performance-related emoluments	**89**	–
Aggregate emoluments	**936**	804
Payments to third parties for services of Directors	**70**	70
Pension contributions	**253**	190

Directors' profit on exercise of share options during the year was £20,442 (2001:£nil).

Details of Directors' emoluments including pension contributions and share options are given on pages 44 and 45.

8 Staff costs

	2002 £000	2001 £000
Wages and salaries	**82,795**	94,549
Social security costs	**9,520**	10,427
Redundancy costs	**4,236**	3,637
Pension costs	**2,895**	3,024
	99,446	111,637

The average number of employees of the Group during the year was:

By market sector	2002 number	2001 number
Telecoms and Media	**407**	527
Maritime, Trade and Transport	**448**	493
Finance and Insurance	**683**	745
Law and Tax	**381**	482
Commodities and Energy	**335**	343
Life Sciences	**201**	199
Other	**113**	156
	2,568	2,945

9 Tax on profit on ordinary activities

	2002 £000	2001 (As restated) £000
United Kingdom corporation tax at 30% (2001:30%)	**1,514**	5,562
Less:double taxation relief	**–**	(216)
	1,514	5,346
Overseas tax	**5,046**	4,139
Current Tax	**6,560**	9,485
Deferred tax (note 21)	**698**	353
	7,258	9,838

The underlying worldwide tax rate, after removing the effect of goodwill and exceptional items for the Group is 31% (2001 as restated:33%).

Factors affecting the tax charge for the current year.
A reconciliation of the notional current tax charge based on average standard rates of tax (weighted in proportion to accounting profits) to the actual current tax charge is set out below:

	2002 £000	2001 £000
Current tax reconciliation		
Profit on ordinary activities before tax	**12,084**	15,029
Current tax at average standard rates	**4,713**	5,110
Effects of:		
Tax depreciation in excess of amortisation	**690**	(2,299)
Utilisation of tax losses	**28**	(80)
Unrecognised tax credits in respect of overseas losses	**–**	940
Expenses not deductible for tax purposes	**1,157**	6,812
Goodwill impairment not deductible for tax purposes	**–**	1,458
Timing differences	**302**	(1,964)
Differences in tax rates	**(330)**	320
Other	**–**	(812)
Total current tax charge	**6,560**	9,485

10 Results of Informa Group plc

Of the loss for the financial year, £(986,000) (2001:£20,375,000 profit) before the payment of dividends is dealt with in the accounts of the Company. Pursuant to section 230 of the Companies Act 1985 the Company's own profit and loss account is not included in these accounts.

11 Dividends

	2002 £000	2001 £000
Interim dividend 2.66 pence per share (2001:2.66 pence)	**3,412**	3,886
Proposed final dividend 4.94 pence per share (2001:4.94 pence)	**6,335**	6,317
Waiver of dividend by share trusts	**(55)**	(19)
	9,692	10,184

12 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.

	2002 £000	2001 (As restated) £000
Profit for the year – basic and diluted earnings	**4,767**	5,095
Adjustments:		
Amortisation of goodwill and impairment	**10,992**	14,247
Exceptional items	**5,070**	838
Adjusted earnings	**20,829**	20,180
Weighted average number of equity shares – for basic and adjusted earnings	**127,294,855**	125,174,819
Effect of dilutive share options	**4,888**	1,110,519
Weighted average number of equity shares – for diluted earnings	**127,299,743**	126,285,338

	2002	2001 (As restated)
Basic earnings per equity share	**3.74p**	4.07p
Diluted earnings per equity share	**3.74p**	4.03p
Adjusted earnings per equity share	**16.36p**	16.12p

13 Intangible fixed assets – goodwill

Group	**£000**
Cost:	
At 1 January 2002	197,323
Exchange differences	(5,238)
Additions	1,101
At 31 December 2002	**193,186**
Amortisation:	
At 1 January 2002	22,927
Exchange differences	(372)
Charge for year	10,992
At 31 December 2002	**33,547**
Net book value:	
At 31 December 2002	**159,639**
At 31 December 2001	174,396

Goodwill arising on acquisitions since 1 January 1998 has been capitalised as an intangible asset in accordance with FRS 10 and will be amortised over its estimated useful life. In the case of most acquisitions, the estimated useful life is 20 years. There are two acquisitions amortised over 3 and 4 years respectively. Details of the acquisitions in 2002 are given in note 31.

14 Tangible fixed assets

Group	Land and freehold buildings £000	Short leasehold property £000	Equipment, fixtures and fittings £000	Motor vehicles £000	Total £000
Cost:					
At 1 January 2002	3,743	3,080	41,912	991	49,726
Exchange differences	142	(136)	(626)	13	(607)
Transfers	–	220	(220)	–	–
Additions	–	156	4,760	121	5,037
Disposals	(2,552)	–	(1,562)	(312)	(4,426)
At 31 December 2002	**1,333**	**3,320**	**44,264**	**813**	**49,730**
Depreciation:					
At 1 January 2002	153	1,024	19,786	471	21,434
Exchange differences	5	(60)	(556)	5	(606)
Transfers	–	16	(16)	–	–
Charge for year	58	258	6,862	179	7,357
Disposals	(141)	–	(1,235)	(159)	(1,535)
At 31 December 2002	**75**	**1,238**	**24,841**	**496**	**26,650**
Net book value:					
At 31 December 2002	**1,258**	**2,082**	**19,423**	**317**	**23,080**
At 31 December 2001	3,590	2,056	22,126	520	28,292

Depreciable assets at cost total £48,755,000 at 31 December 2002 (2001:£47,902,000).

The net book value of assets held under finance leases and hire purchase contracts included in tangible fixed assets in the Group was £149,000 (2001:£207,000). The depreciation charge on these assets in the year was £62,000 (2001:£52,000).

Plant and machinery brought forward from the previous year have been reclassified as equipment, fixtures and fittings. This has not affected their depreciation periods.

Company	Short leasehold property £000	Equipment, fixtures and fittings £000	Motor vehicles £000	Total £000
Cost:				
At 1 January 2002	39	2,694	179	2,912
Intragroup transfers	175	(74)	–	101
Additions	40	165	–	205
Disposals	–	–	(122)	(122)
At 31 December 2002	**254**	**2,785**	**57**	**3,096**
Depreciation:				
At 1 January 2002	20	1,124	61	1,205
Intragroup transfers	53	(169)	–	(116)
Charge for year	8	677	19	704
Disposals	–	–	(48)	(48)
At 31 December 2002	**81**	**1,632**	**32**	**1,745**
Net book value:				
At 31 December 2002	**173**	**1,153**	**25**	**1,351**
At 31 December 2001	19	1,570	118	1,707

The net book value of assets held under finance leases and hire purchase contracts included in tangible fixed assets in the Company was £25,000 (2001:£118,000). The depreciation charge on these assets in the year was £19,000 (2001:£36,000).

15 Investments

Group	Investment in own shares £000	Other investments £000	Total £000
Cost and net book value:			
At 1 January 2002	3,641	468	4,109
Additions	–	679	679
At 31 December 2002	**3,641**	**1,147**	**4,788**

The investment in own shares is the Informa Employee Share Trust ('IEST') which holds shares to satisfy the future exercise of executive options and these are held in trust until such time as they may be transferred to the executives in accordance with the conditions outlined in the Directors' Report on page 43. The trustees have waived the right to receive dividends. All professional fees relating to the establishment of the trust and the loss arising from the difference between cost and the option price have been charged to the profit and loss account. The Trust held 632,775 shares at 31 December 2002 (2001:632,775 shares). The market value of the holding stood at £1,059,898 at 31 December 2002 (2001:£1,689,509). The shares held are under option at 401p, 825p and 581p as detailed in note 24.

The addition in the year represents the Group's investment in Xinhua Financial Network Ltd.

Company	Investment in own shares £000	Shares in subsidiary undertakings £000	Other investments £000	Total £000
Cost and net book value:				
At 1 January 2002	3,641	340,823	–	344,464
Additions	–	–	679	679
At 31 December 2002	**3,641**	**340,823**	**679**	**345,143**

The investment in own shares is held by the Informa Employee Share Trust, as detailed above.

The addition in the year represents the Company's investment in Xinhua Financial Network Ltd.

The listing below shows the principal subsidiary undertakings at 31 December 2002. All of these companies are included in the consolidated financial statements and are wholly owned within the Group. Except where indicated they are incorporated in England. The Group also controls the Informa Employee Share Trust, an independently administered employee share ownership plan.

Name of subsidiary	Nature of business
Agra Europe (London) Limited	Conference organisation and publishing
Euroforum BV (Incorporated in the Netherlands)	Conference organisation and publishing
Euroforum Deutschland GmbH (Incorporated in Germany)	Conference organisation and publishing
IBC Asia (S) Pte Limited (Incorporated in Singapore)	Conference organisation
Informa USA Inc. (Incorporated in USA)	Conference organisation and publishing
Informa UK Limited	Conference organisation and publishing
Informa QUEST Limited	Qualifying employee share trust
Informa Limited	Holding company

Of the above, only Informa Limited and Informa QUEST Limited are directly owned by Informa Group plc.

16 Stocks and work in progress

	Group 2002 £000	Group 2001 £000	Company 2002 £000	Company 2001 £000
Conference costs in advance	**5,034**	5,292	**–**	–
Marketing and publication stocks	**1,178**	1,266	**–**	–
	6,212	6,558	**–**	–

17 Debtors

	Group 2002 £000	Group 2001 £000	Company 2002 £000	Company 2001 £000
Falling due within one year:				
Trade debtors	**32,807**	41,935	**–**	–
Other debtors	**5,767**	5,145	**746**	289
Prepayments and accrued income	**11,356**	14,044	**2,204**	2,724
Other taxes and social security costs	**–**	–	**53**	–
Deferred tax (see note 21)	**968**	–	**–**	–
Deferred consideration receivable on sale of subsidiary undertakings	**–**	150	**–**	–
Owed by Group undertakings	**–**	–	**399,977**	227,418
Corporation tax receivable	**–**	–	**–**	494
	50,898	61,274	**402,980**	230,925
Falling due after more than one year:				
Deferred tax (see note 21)	**836**	–	**–**	–
	51,734	61,274	**402,980**	230,925

18 Creditors: amounts falling due within one year

	note	Group 2002 £000	Group 2001 £000	Company 2002 £000	Company 2001 £000
Bank overdrafts	19	**2,062**	3,815	**21**	16
Short term bank loans	19	**374**	2,500	**–**	–
Net obligations under finance leases		**55**	90	**2**	68
Trade creditors		**8,232**	10,951	**195**	–
Corporation tax payable		**13,605**	8,958	**124**	–
Other taxes and social security costs		**2,678**	3,327	**–**	–
Deferred income and payments received on account		**52,159**	51,038	**–**	–
Other creditors and accruals		**32,124**	35,331	**6,937**	5,908
Owed to Group undertakings		**–**	–	**290,019**	94,853
Deferred consideration payable for purchase of subsidiary undertakings and businesses		**252**	3,982	**–**	–
Proposed dividend		**6,335**	6,317	**6,335**	6,317
		117,876	126,309	**303,633**	107,162

19 Bank loans and overdrafts

	note	Group 2002 £000	Group 2001 £000	Company 2002 £000	Company 2001 £000
Bank loans and overdrafts:					
Payments due after five years		**35,673**	35,268	**35,673**	35,268
Payments due between two and five years		**62,615**	80,913	**62,615**	80,913
		98,288	116,181	**98,288**	116,181
Payments due within one year	18	**2,436**	6,315	**21**	16
		100,724	122,496	**98,309**	116,197

	Group 2002 £000	Group 2001 £000	Company 2002 £000	Company 2001 £000
These are secured as follows:				
Amounts falling due within one year:				
Secured by guarantees from certain subsidiary companies	**2,436**	6,315	**21**	16
Amounts falling due after more than one year:				
Secured by guarantees from certain subsidiary companies	**98,288**	116,181	**98,288**	116,181
	100,724	122,496	**98,309**	116,197

In 2000 the Group arranged a £200m multi-currency revolving facility. This facility was reduced to £150m in the year and will expire in December 2005. In 2001 the Group raised US$50,000,000 on the US private placement market.

The 7.35% Guaranteed Senior Unsecured Notes are due 15 August 2011.

Rates of interest are determined by current market rates. Further details of borrowings and financial liabilities are given in note 32.

20 Creditors: amounts falling due after more than one year – other creditors

	Group 2002 £000	Group 2001 £000	Company 2002 £000	Company 2001 £000
Deferred consideration payable for purchase of subsidiary undertakings and businesses	**169**	224	**–**	–
Net obligations under finance leases	**59**	59	**–**	–
Other long term creditors	**627**	728	**–**	–
	855	1,011	**–**	–

Obligations under finance leases are due between two and four years.

21 Provisions for liabilities and charges

	Group Property Lease £000	Group Deferred Tax £000	Group Total £000	Company Property Lease £000
At 1 January 2002	475	–	475	–
Adjustment to opening balances	–	353	353	–
1 January 2002 restated	475	353	828	–
Provided in year	4,173	2,502	6,675	3,670
Utilised in year	(475)	–	(475)	–
At 31 December 2002	**4,173**	**2,855**	**7,028**	**3,670**

The property lease provision represents the estimated excess of rent payable by the Group on surplus property leases, less rent received via sub–leases, and dilapidation provisions where these exist. These liabilities fall due between one and three years.

21 Provisions for liabilities and charges continued

Deferred Tax

The elements of deferred tax are as follows:

	Group 2002 £000	Group (As restated) 2001 £000
Difference between accumulated depreciation/amortisation and tax depreciation	**2,966**	1,768
Tax losses	**(111)**	(1,415)
Undiscounted deferred tax liability	**2,855**	353

The movements on deferred tax are as follow:

	Group (As restated) Asset £000	Group (As restated) Liability £000
At 1 January 2002	**–**	**(353)**
Credit/(charge) to profit and loss account	**1,804**	**(2,502)**
At 31 December 2002	**1,804**	**(2,855)**

Adoption of FRS 19 has required a change in the method of accounting for deferred tax. As a result the provision for deferred tax has been increased by £353,000 at 31 December 2001. The effect of FRS19 on the current year has resulted in the provision for deferred tax increasing by £2,502,000.

At 31 December 2002, in addition to the deferred tax balances recognised above, the Group had potential deferred tax assets of £1,957,000 (2001:£1,927,000) in relation to allowable tax losses. These assets have not been recognised in the financial statements as, in the opinion of the directors, there is insufficient evidence that they will be recoverable. These assets may become recoverable if trading entities to which the tax losses relate to realise taxable profits. The deferred tax asset recognised, represents timing differences with regard to the exceptional items as disclosed in note 4.

22 Pensions

The Group operates, for their employees, a number of defined contribution schemes and a defined benefit scheme designed to provide benefits based on final pensionable salary. Details of these are given below. The assets of all schemes are held separately from those of Group companies.

A pension cost charge of £1,737,000 (2001:£1,833,000) represents contributions payable on all defined contribution schemes held by the combined Group.

The total pension cost for the funded defined benefit pension scheme was £1,158,000 (2001:£1,191,000). The pension cost is assessed on the basis of triennial valuations in accordance with the advice of an independent qualified actuary, using the attained age method. The latest formal actuarial valuation of the scheme was at 31 March 2002. The market value of the scheme's assets at that date was £16,944,000. The funding level of the scheme on a discounted cashflow valuation basis was 76% at the date of the valuation. This deficiency is to be made good by additional contributions spread forward over future working lifetimes. The assumptions that have the most significant effect on the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. It was assumed that the real rate of return on investments would be 1.5% above index–linked gilt real yield per annum and that salary increases would average 4.2% per annum and that present and future pensions would increase in line with price inflation at 2.7% per annum. The Group contributed during 2002 at an average rate of 15.9% of the contributory earnings of members and employees contributed at an average rate of 6%. From 1 April 2003 the employee's contribution will increase to 10% and the Group's contribution will increase to 18.9% following a valuation recommended by the Actuary for the scheme. The next formal actuarial valuation of this scheme is due to be carried out as at 1 April 2005.

The actuarial valuation of the scheme was updated to 31 December 2002 by a qualified actuary, using a set of assumptions consistent with those required under FRS 17.

The major assumptions used by the actuary were:

	31 December 2002	31 December 2001
Rate of increase in pensionable salaries	3.90%	4.10%
Rate of increase in pensions in payment	2.40%	2.60%
Discount rate	5.50%	6.00%
Inflation assumption	2.40%	2.60%

22 Pensions continued

The Group's share of the net pension liability which would be recognised in the Group's balance sheet as at 31 December 2002 if FRS17 had been adopted in full would be as follows:

	31 December 2002 Rate of Return	**31 December 2002** £000	31 December 2001 Rate of Return	31 December 2001 £000
Equities	**7.00%**	**11,275**	8.00%	12,612
Bonds	**5.00%**	**2,522**	6.00%	2,745
Cash	**4.00%**	**777**	4.00%	791
Total market value of assets		**14,574**		16,148
Present value of liabilities		**(25,328)**		(20,791)
Deficit in the scheme		**(10,754)**		(4,643)
Related deferred tax asset		**3,226**		1,393
Net pension liability		**(7,528)**		(3,250)

The amount of this net pension liability would also be included in the Group's profit and loss account reserve.

The following performance statement disclosures relating to the defined benefit scheme, are required under the transitional arrangements of FRS 17.

	31 December 2002 £000
Analysis of the amount charged to operating profit	
Service cost	(924)
Past service cost	(234)
Total operating charge	(1,158)
Analysis of the amount debited to other finance income	
Interest cost	(1,284)
Return on assets	1,205
Other finance cost	(79)
Analysis of amount recognised in the Consolidated Statement of Recognised Gains and Losses	
Actual less Expected Return on Scheme Assets	(4,026)
Experience gain	860
Change in basis	(2,982)
Actuarial loss	(6,148)
Movement in deficit during the year	
Deficit at start	(4,643)
Movement:	
Current service cost	(924)
Contributions	1,274
Past service cost	(234)
Other finance cost	(79)
Actuarial loss	(6,148)
Deficit at end	(10,754)
History of experience gains and losses	
Difference between the actual and expected return on scheme assets	(4,026)
% of scheme assets	*(28%)*
Experience gains and losses on scheme liabilities	860
% of scheme liabilities	*3%*
Total amount recognised in the statement of recognised gains and losses	(6,148)
% of scheme liabilities	*(24%)*

23 Minority interests

The minority interest is composed entirely of equity interests and represents the minority shares of the Euroforum HandelsZeitung Konferenz AG, MCM Asia Pacific, and Agra CEAS.

24 Called up share capital

	2002 £000	2001 £000
Authorised:		
180,000,000 ordinary shares of 10p each	**18,000**	16,000
Allotted, called up and fully paid:		
128,235,399 ordinary shares of 10p each	**12,824**	12,787

Shares with nominal value £85,000 (2001:£74,000) are held by Informa QUEST Limited and the Informa Employee Share Trust.

Movements in share capital

During the year the Company issued 108,564 shares with a nominal value of £11,000 as a result of the exercise of share options. The share premium arising on this was £107,000. The Company also issued 258,108 shares with a nominal value of £26,000 to Informa Quest Limited. The share premium arising on this was £662,000.

Informa has share option schemes under which options have been granted to certain Informa employees.

At 31 December 2002 the following options to Informa employees and Directors were outstanding:

Executive Share Options

Number of ordinary shares (options)	Date of grant	Price per share	Period of exercise
14,400	Dec 96	0.639p	Dec 99 to Dec 06
20,000	Apr 97	10.94p	Apr 00 to Apr 07
35,040	May 97	10.94p	May 00 to May 07
103,087	Apr 97	201.5p	Apr 00 to Apr 07
4,000	Sep 97	18.75p	Sep 00 to Sep 07
3,200	Oct 97	18.75p	Oct 00 to Oct 07
170,340	Apr 98	273.05p	Apr 01 to Apr 08
585,000	Aug 98	219p	Aug 01 to Aug 08
169,940	Oct 98	241.02p	Oct 01 to Sep 08
100,676	Apr 99	310.5p	Apr 02 to Apr 09
290,645 (259,974 owned by the Informa Employee Share Trust)	Oct 99	401p	Oct 02 to Sep 09
145,544 (All owned by the Informa Employee Share Trust)	Mar 00	825p	Mar 03 to Mar 10
1,643,500	Apr 00	632.5p	Apr 03 to Apr 10
183,500	Nov 00	753.3p	Nov 03 to Nov 10
259,257 (227,257 owned by the Informa Employee Share Trust)	Mar 01	581p	Mar 04 to Mar 11
1,373,097	Mar 02	282.67p	Mar 05 to Mar 12
125,000	Mar 02	282.67p	Mar 05 to Mar 07
5,226,226			

SAYE Share Options

Number of ordinary shares (options)	Date of grant	Price per share	Period of exercise
74,991	May 98	270p	Jul 03 to Dec 03
43,656	Apr 00	559p	Jul 03 to Dec 03
11,947	Apr 00	559p	Jul 05 to Dec 05
387,609	Apr 02	240.3p	Jul 05 to Dec 05
161,961	Apr 02	240.3p	Jul 07 to Dec 07
680,164			

25 Reconciliations of movements in shareholders' funds

	Group 2002 £000	Group 2001 (As restated note 21) £000	Company 2002 £000	Company 2001 £000
Profit for the year	**4,767**	5,095	**(986)**	20,375
Dividends	**(9,692)**	(10,184)	**(9,692)**	(10,184)
Other recognised (losses)/gains relating to the year	**(3,809)**	17	**–**	–
New Capital subscribed in Informa	**805**	54,182	**805**	54,182
Net additions to shareholders' funds	**(7,929)**	49,110	**(9,873)**	64,373
Opening shareholders' funds (originally £34,549,000 before deducting a prior year adjustment of £353,000)	**34,196**	(14,914)	**353,758**	289,385
Closing shareholders' funds	**26,267**	34,196	**343,885**	353,758

Of the new capital subscribed in the Group, £118,000 was for cash on the exercise of options.

26 Reserves

Group	Share premium account £000	Special reserve £000	Other reserve £000	Profit and loss account £000
At 1 January 2002	122,334	2	37,398	(137,972)
Adjustment to opening balances	–	–	–	(353)
1 January 2002 restated	122,334	2	37,398	(138,325)
Exchange differences	–	–	–	(3,809)
Retained loss for the year	–	–	–	(4,925)
Issue of share capital	769	(1)	–	–
At 31 December 2002	**123,103**	**1**	**37,398**	**(147,059)**

The aggregate amount of goodwill written off against Group reserves in respect of acquisitions prior to 1 January 1998, when 'FRS 10:Goodwill and intangible assets' was adopted, amounts to £41,298,000 (2001:£41,298,000).

Company	Share premium account £000	Special reserve £000	Profit and loss account £000
At 1 January 2002	122,334	2	218,635
Retained loss for the year	–	–	(10,678)
Issue of share capital	769	(1)	–
At 31 December 2002	**123,103**	**1**	**207,957**

Included in the profit and loss account of the Company at 31 December 2002 are undistributable reserves of £203,344,000 (2001:£203,344,000).

27 Contingent liabilities and financial commitments

Group
The Group had no contingent liabilities at 31 December 2002 (31 December 2001:£nil). Annual commitments in respect of operating leases are as follows:

	2002 Land and buildings £000	2002 Other £000	2001 Land and buildings £000	2001 Other £000
Leases which expire:				
Within one year	**629**	**80**	347	54
Between one and five years	**2,284**	**479**	1,742	530
After five years	**5,437**	**254**	4,117	402
	8,350	**813**	6,206	986

Group	2002 £000	2001 £000
Outstanding contracts placed	**83**	250

Company
At 31 December 2002 the company was committed to making annual payments of £nil on leases of land and buildings expiring within one year (2001:£nil), £352,000 between one and five years (2001:£nil) and £210,000 expiring more than five years (2001:£634,000). The Company had no contingent liabilities at 31 December 2002 (2001:£nil).

28 Reconciliation of operating profit to net cash inflow from operating activities

Group	2002 £000	2001 £000
Operating profit	**19,809**	23,844
Depreciation charges	**7,357**	5,798
Amortisation of goodwill	**10,992**	14,247
(Profit)/loss on sale of tangible fixed assets	**(23)**	17
Decrease in stocks	**219**	1,197
Decrease in debtors	**10,393**	16,336
Decrease in creditors	**(2,457)**	(20,279)
Other operating items	**220**	(84)
Net cash inflow from operating activities	**46,510**	41,076

29 Analysis of changes in net debt

Group	2002 At 1 Jan £000	Cash flow £000	Exchange movement £000	2002 At 31 Dec £000
Cash at bank and in hand	4,102	1,174	(81)	**5,195**
Overdrafts	(3,815)	1,777	(24)	**(2,062)**
	287	2,951	(105)	**3,133**
Bank loans due in less than one year	(2,500)	2,126	–	**(374)**
Loan notes due in less than one year	(438)	438	–	**–**
Bank loans due after one year	(116,181)	17,234	659	**(98,288)**
Total	(118,832)	22,749	554	**(95,529)**

30 Purchase of subsidiary undertakings

	2002 £000	2001 £000
Net assets assumed	–	5,199
Fair value adjustments	(80)	(6,668)
	(80)	(1,469)
Goodwill	67	58,006
Total consideration payable	(13)	56,537
Movement on provision for deferred consideration	76	3,046
Satisfied by cash	63	59,583
Less: cash acquired	–	(2,529)
Net cash consideration	63	57,054
Deferred consideration paid	3,169	2,337
Exchange movements since date of acquisition	–	(59)
Cash paid on purchase of subsidiary undertakings	3,232	59,332

No subsidiary undertakings were acquired during the year.

The 2002 adjustments relate to prior year fair value adjustments on the write down of pre-acquisition debtors in the books of Broadcast Press Hilversham (BHP) BV and MCM Group Inc.

31 Purchase of businesses

	2002 £000	2001 £000
Net (liabilities) assumed:		
Deferred income provision	(13)	(58)
	(13)	(58)
Fair value adjustments	–	(83)
	(13)	(141)
Goodwill	1,034	271
Accrued acquisition expenses	(6)	–
Total consideration payable	1,015	130
Movement on provision for deferred consideration	(200)	–
Cash paid on purchase of businesses	815	130

The acquisitions in the year were the Legal IT Forum event and the Video Audio Report. The deferred consideration on Legal IT Forum is payable dependent on the future profitability of the event.

No adjustments were made to the prior year acquisition.

32 Financial Risk Management

Treasury Policy

The Board set the Group's treasury policy to ensure that it has adequate financial resources to develop the Group's businesses and to manage the currency and interest risks to which the Group is exposed. The Group's policy is not to enter into speculative transactions.

Group Treasury acts as a service centre operating under the clearly defined regulation of the Board.

Funding and deposit management: The Group primarily borrows at short term variable rates under its syndicated loan facility. This facility was reduced from £200 million to £150 million in the year but will still exist until December 2005. In the previous year, the Group raised US$50,000,000 on the US private placement market. The 7.35% Guaranteed Senior Unsecured Notes due 15 August 2011, are diversifying and consolidating funding outside the bank market. The US dollars received have been swapped into floating GB sterling, US dollar and Euro loans. In order to minimise interest costs, foreign currency borrowings are utilised to the extent that they can be hedged internally to the Group. Cash pooling arrangements have been made in GB sterling, Euros and US dollars to maximise the interest receivable on surplus working capital. The Group monitors the distribution of its cash assets, borrowings and facilities so as to control exposure to the relative performance of any particular territory, currency or institution.

Currency risk management: Foreign currency borrowings are effectively hedged against foreign currency investments. The revenue and expenditure of the Group's business units is generally matched in the local currency, limiting such exposure.

Interest rate risk management: The Group policy allows the fixing of that proportion of debt that is deemed to be sufficiently certain in the long term. At the balance sheet date, £74,371,000 of debt is fixed under interest rate swap agreements lasting up to October 2007. The gains or losses on these derivative instruments are taken as and when they occur and yielded a loss of £847,000 in the year (2001:profit £130,000) which is dealt with as a component of interest payable. The net unrecognised loss on derivative instruments is £1,646,000 (2001:£305,000).

Short-term debtors and creditors that meet the definition of a financial asset or liability under FRS13 have been excluded from all numerical disclosures in this note except for the analysis of net currency exposure.

i) Fair values of financial instruments used for risk management

The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, and is calculated by reference to market rates discounted to current value. Where market values are not available, fair values have been calculated by discounting cash flows at prevailing interest rates.

The fair value of financial instruments at 31 December 2002 was:

	2002 Book value £000	2002 Fair value £000	2001 Book value £000	2001 Fair value £000
Primary financial instruments held or issued to finance the Group's operations				
Overdrafts	(2,062)	(2,062)	(3,815)	(3,815)
Short-term borrowings and current portion of long-term borrowings	(374)	(374)	(2,938)	(2,938)
Long-term borrowings	(98,288)	(98,288)	(116,181)	(116,181)
Cash deposits	5,195	5,195	4,102	4,102
Other financial assets	1,147	1,147	468	468
Other financial liabilities	(228)	(210)	(284)	(254)
Derivative financial instruments held to manage profile				
Interest rate swaps and similar instruments	(651)	(2,564)	(782)	(1,041)
Forward rate agreements and similar instruments	–	(40)	–	(46)
Forward exchange deals and similar instruments	–	307	–	–

Included in the above borrowings is £nil of loan notes (2001:£438,000).

The carrying value of primary financial instruments approximates to fair value due to the short maturity of the instruments or because they bear interest at rates approximate to market. The book value of fixed asset investments approximates to the fair value, being the estimated sale proceeds.

32 Financial Risk Management continued

ii) Interest rate exposure of financial assets and liabilities
The interest rate exposure of the financial assets and liabilities of the Group as at 31 December 2002 was:

	Financial assets			Financial liabilities				Net financial assets/ (liabilities)
	Floating rate £000	Non-interest bearing £000	Total £000	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000	**Total £000**
Sterling	289	168	457	(30,094)	(2,433)	–	(32,527)	**(32,070)**
US Dollar	822	70	892	(19,637)	(13,262)	–	(32,899)	**(32,007)**
Euro	2,029	14	2,043	(25,724)	(10,141)	(169)	(36,034)	**(33,991)**
Other European currencies	271	183	454	–	(143)	–	(143)	**311**
Other worldwide currencies	1,181	1,315	2,496	–	–	–	–	**2,496**
	4,592	1,750	6,342	(75,455)	(25,979)	(169)	(101,603)	**(95,261)**
Of which:								
Cash and deposits			5,195				–	**5,195**
Gross borrowings			–				(100,724)	**(100,724)**
Derivative financial instruments			–				(651)	**(651)**
Other financial assets			1,147				–	**1,147**
Other financial liabilities			–				(228)	**(228)**
			6,342				(101,603)	**(95,261)**

Floating rate financial assets attract interest based on relevant national LIBID equivalents. Cash deposits include deposits on money markets at daily and monthly rates. The period until maturity for cash balances on which no interest is received fluctuates daily reflecting working capital requirements. The non-interest bearing financial assets comprise fixed asset investments, of which the Group does not currently intend to dispose. There are no financial assets attracting a fixed rate of interest.

The interest rate profile of fixed rate financial liabilities and the weighted average maturity period of interest-free financial liabilities are analysed below:

	2002			2001		
	Weighted average interest rate of fixed rate liabilities %	**Weighted average years for which rate is fixed years**	**Weighted average years to maturity for non-interest liabilities years**	Weighted average interest rate of fixed rate liabilities %	Weighted average years for which rate is fixed years	Weighted average years to maturity for non-interest liabilities years
Sterling	**6.18**	**2.23**	**–**	5.44	3.36	–
US Dollar	**4.25**	**3.65**	**–**	3.76	2.79	–
Euro	**5.71**	**1.55**	**2.00**	4.04	1.35	3.00
Weighted average	**5.78**	**2.36**	**2.00**	4.64	2.39	3.00

The floating rate borrowings bear interest at relevant national LIBOR equivalents.

32 Financial Risk Management continued

iii) Currency exposure of financial assets and liabilities
The table below shows the net unhedged monetary assets and liabilities of Group companies at 31 December 2002 that are not denominated in their functional currency and therefore give rise to exchange gains and losses in the profit and loss account.

Net foreign currency monetary assets/(liabilities)					**2002 £000**					2001 £000
	Sterling	US Dollar	Euro	Other	**Total**	Sterling	US Dollar	Euro	Other	Total
Functional currency of Group operation										
Sterling	–	311	139	(2)	**448**	–	(91)	31	39	(21)
US Dollar	(8)	–	13	19	**24**	(48)	–	20	337	309
Euro	3	1	–	–	**4**	(3,927)	392	–	–	(3,535)
Other	57	474	–	(18)	**513**	54	911	–	50	1,015
	52	786	152	(1)	**989**	(3,921)	1,212	51	426	(2,232)

iv) Maturity of financial liabilities
The maturity profile of the Group's financial liabilities at 31 December 2002 was as follows:

	2002 £000	2001 £000
In one year or less, or on demand	**(2,436)**	(6,986)
In more than one year but not more than two years	**(805)**	(109)
In more than two years but not more than five years	**(62,689)**	(81,637)
In more than five years	**(35,673)**	(35,268)
	(101,603)	(124,000)

v) Borrowing facilities
The undrawn committed facilities available at 31 December 2002 in respect of which all conditions precedent had been met at that date were as follows:

	2002 £000	2001 £000
Expiring in one year or less	**7,122**	2,500
Expiring in more than one year but not more than two years	**–**	–
Expiring in more than two years	**87,385**	119,087
	94,507	121,587

Directors' report

The Directors present their annual report and audited financial statements for the year ended 31 December 2002.

Principal activities
Informa provides business information and education through multiple distribution channels.

Review of activities
The business and future developments of the Group are outlined in the Chairman and Chief Executive's review on pages 4 to 11, and the Financial review on pages 12 to 13.

Results and dividends
The results for the year are shown in the consolidated profit and loss account on page 16 and the related notes. The Directors recommend the payment of a final dividend of 4.94p per share which, if approved at the Annual General Meeting, will be paid on 28 May 2003 to shareholders whose names are on the register of members on 25 April 2003, and which makes a total of 7.6p per share for the year.

Going concern
After reviewing the Group's budget for 2003 and its medium-term plans, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt a going concern basis in preparing the accounts.

The Directors who have served on the Board of the Company during the year are:

P S Rigby
D S Gilbertson
J H Wilkinson
E A Barton
R Hooper
S M Watson

Directors' interests
Directors' interests as at 31 December 2002 were:

Ordinary shares	2002 1st January	Acquired	Sold	2002 31st December
P S Rigby	462,068	0	0	462,068
D S Gilbertson	470,000	11,680	0	481,680
J H Wilkinson	5,000	5,025	0	10,025
E A Barton	7,500	0	0	7,500
R Hooper	6,508	0	0	6,508
S M Watson	2,250	0	0	2,250

The directors' interest in share options are disclosed in the Directors' remuneration report. The Company's register of Directors' interests contains full details of Directors' shareholdings and options to subscribe. Since 31 December 2002 none of the Directors have sold or acquired additional shares in the Company.

Mr D S Gilbertson, Mr E A Barton and Mr R Hooper retire from the Board in accordance with the Company's articles of association, and being eligible offer themselves for appointment. Biographical details of all directors of the Company are set out on page 14

Share capital
Details of the share capital are set out in note 24. As at 19 February 2003 notifications of interests at or above 3% in the issued share capital of the Company have been received from the following:-

	% Holding	Date Company informed
Aegon UK Plc	3.15	17-Feb-03
Morley Fund Management Limited	5.90	03-Dec-02
Fidelity International Limited	10.97	29-Nov-02
Henderson Global Investors Limited	9.80	14-Aug-02
Legal & General Investment Management Limited	3.03	28-May-02

Corporate governance report

In accordance with the Listing rules of the UK Listing Authority the following statement sets out how the Board has applied the principles of the Combined Code. The Board has complied with all the provisions of the Combined Code throughout the year.

Directors
Directors are elected based on their level of competence and experience and have access to professional advice in carrying out their duties. Directors also have access to training courses, to ensure their knowledge is up-to-date and their skills developed as required. The Company Secretary is responsible for ensuring that new Directors receive appropriate training where necessary.

Throughout the period all Directors have access to the services of the Company Secretary, who is normally present at Board meetings and is responsible for ensuring that the Directors receive relevant, timely information. There is a procedure for Directors to take independent advice in the course of their duties, if considered appropriate, at the Company's expense.

The Company maintains a clear division of roles at the Board level with the Chairman being separate from the Chief Executive. The composition of the Board throughout the period has represented a balance between Executive and Non-Executive elements, with three Executive and three Non-Executive Directors.

All of the Non-Executive Directors who held positions during the year are considered by the Board to be independent within the meaning of the Code. The senior Non-Executive Director is Mr R Hooper. Biographical details of the Non-Executive Directors can be found on page 14.

The senior Non-Executive Director, Mr R Hooper, can be contacted at the Group's registered office in accordance with The Higgs Report.

Relations with shareholders
The Board recognises the importance of regular dialogue with the shareholders as a means of communicating the Company's direction and strategy and to respond to their concerns. All shareholders are invited to the AGM at which the annual report is presented and Directors, including the chairmen of the Audit and Remuneration and Nominations Committees, are present to answer any questions that may arise. The number of proxy votes received for and against each resolution is disclosed at the AGM and a separate resolution is proposed on each item.

In addition to the preliminary and interim results presentations and the AGM, a series of meetings between institutional shareholders and Executive Directors are held throughout the year. Financial and other information about the Company is available on the Company's website (www.informa.com).

Non audit services provided by external auditors
In order to maintain the independence of the external auditors, the board has determined that non-audit work will not be offered to the external auditors unless there are clear efficiencies and value added benefits to the company.

Accountability and committees
The Board's assessment of the Company's position and prospects is set out in the main body of the report on pages 4 to 13.

i. The Audit Committee consists of the Non-Executive Directors and has written terms of reference detailing its authority and duties. The Audit Committee is responsible for considering the adequacy and effectiveness of the internal controls and risk assurance function, reviewing the scope and conclusions of the work performed by the internal and external auditors and reviewing the financial statements and related policies. The committee has met twice during the year.

ii. The Risk Committee is chaired by the Chief Executive and consists of a senior group of management. The committee reports its findings and recommendations to the Audit Committee. The committee is responsible for assessing Informa's financial and operational risks and ensuring adequate controls are in place to manage those risks. The committee has met twice during the year.

Internal control
The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement.

In accordance with the guidance published by the Internal Control Working Party of the Institute of Chartered Accountants in England & Wales (the Turnbull Report), the Board has an ongoing process for identifying, evaluating and managing the material risks faced by the business, which have been in place throughout the year under review, and up until the date of approval of the annual report and accounts.

The Board has reviewed the effectiveness of the Group's system of internal control and has taken account of material developments, which have taken place since 31 December 2001. This has been performed through the Risk Committee as described above. It has considered the major business and financial risks, the control environment and the results of the internal auditor's work. Steps are being taken to embed internal control and risk management further into the operations of the Group and to deal with areas of improvement which have come to management's and the Board's attention.

Any significant control weaknesses identified are brought to the attention of the Board on a timely basis and investigated by management, assisted by the internal audit and risk assurance function. Any action taken is reviewed and approved by the Audit Committee and the results reported to the Board.

Key procedures which the Directors have established with a view to providing effective internal control, and which have been in place throughout the year, are as follows:

The Board of directors
– The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board;

– The Board has met 6 times during the year to consider group strategy, policy and financial performance, business development and group management issues. Directors of key operating companies meet regularly to manage their respective businesses. In addition where necessary the approved sub committees of the Board met between meetings, on an ad hoc basis;

– Each Executive Director has been given responsibility for specific aspects of the Group's affairs;

– The Board seeks assurance that effective control is being maintained through regular reports from business group management, the Audit Committee, the Risk Committee and various internal and external monitoring functions;

– The Board approves the annual budget after performing a review of key risk factors. Performance is monitored regularly by way of variances and key performance indicators to enable relevant action to be taken.

Quality and integrity of personnel
The integrity and competence of personnel is managed through high recruitment standards and a commitment to management and business skills training. High quality personnel are seen as an essential part of the control environment and the high ethical standards expected are communicated by management leadership, through the employee handbook provided to all employees and are also available on the Group's intranet.

Social responsibility
The Group is aware of its social responsibility and has core procedures embedded in its internal systems and controls to ensure that the Group's set social standards are not breached. The group is a keen supporter of local initiatives and regularly sponsors a number of charities.

Environmental responsibility
The Group does not directly operate in industries where there is the potential for serious industrial pollution. However it does take its environmental responsibility seriously and complies with all relevant environmental laws and regulations in each country in which it operates. Wherever economically feasible, account is taken of environmental issues when placing contracts with its suppliers of goods and services. The Group manages sensibly its energy requirements.

Investment appraisal
The Board and business group managers consider proposals for the acquisition of new businesses and the launch of new products. Proposals beyond specified limits are put to the Board for approval and are subject to due diligence by the group's finance team and independent advisers. Capital expenditure is regulated by strict authorisation controls. For expenditure above specified levels, detailed written proposals must be submitted to the Board and reviews carried out to monitor progress against budget.

Accounting and computer systems controls and procedures
Accounting controls and procedures are regularly reviewed and communicated throughout the Group. Particular attention is paid to authorisation levels and segregation of duties. Computer systems controls and procedures include a specific focus on data security and business continuity, and are reviewed periodically.

Internal audit
The responsibilities of internal audit include the monitoring of non-financial controls as well as controls over the assets of the business; monitoring of the accuracy of divisional financial reporting and adherence to Group accounting policies. Operating units and central departments are selected for an internal audit review based on an assessment of risk. The internal audit department reports their findings to both management and to the Audit Committee.

The Board has reviewed the scope of, the resources allocated to, and the authority of, the internal audit function during the year and is satisfied that it currently meets the requirements of Informa.

Share option schemes
For details of Directors' share options, please refer to the table on page 45.

The Company has a number of Share Option Schemes:

a) IBC Executive Share Option Scheme.
IBC Group 1995 scheme was Inland Revenue approved. Options granted under this scheme are exercisable between three and ten years from date of grant only if pre-set performance criteria are satisfied. No further grants can be made under this scheme.

b) IBC Savings Related Option Scheme.
IBC Group Savings Related Scheme was an Inland Revenue approved scheme. The scheme was open to all UK employees of the IBC Group including Directors on equal terms. Grants made under the scheme were for both three-and-five year terms. No further grants can be made under this scheme.

c) LLP Group Pre Flotation Executive Option Scheme.
LLP Group 1996 Executive Share Option Scheme is Inland Revenue approved. The scheme was established prior to the flotation of LLP and grants were made to Directors and selected staff of LLP. No further grants can be made under this scheme.

d) Informa Savings Related Option Scheme.
This Inland Revenue Approved Savings Related Share Option Scheme has three and five year sections and is open to all UK employees, including Directors, on equal terms. In April 2002, 591,409 options were granted, of which 425,869 were for a three year scheme and 165,540 were for a five year scheme, at an exercise price of 240.3 pence. 131,214 lapsed during the year, of which 102,407 related three year schemes and 28,807 related to five year schemes.

In 1999 the Company established an employees' share scheme which is a Qualifying Employee Share Ownership Trust (QUEST) that encourages and facilitates the acquisition and holding of shares in the Company by, and for the benefit of, the employees and certain former employees of the Company and other companies within the Group. On 9 May 2002 the trust was allotted a further 258,108 shares at a subscription price of 266.5 pence per share being an amount equivalent to the market value of an ordinary share. As at 31 December 2002, 144,829 shares had been transferred to staff to satisfy the exercise of SAYE options.

Share option schemes continued

e) Informa Discretionary Option Scheme.
This scheme has four sections – section A which is Inland Revenue approved and sections B, C and D which are unapproved. Options may be granted under the scheme which are satisfied by the issue of new shares by the Company or may be granted over shares already in issue. Grants made under the scheme during the year were:

i) In March 2002 a grant totalling 1,282,500 shares was made to selected staff throughout the group at an exercise price of 282.67p. On the same date a grant of 268,597 options was made to Executive Directors at an exercise price of 282.67p. Both grants of options can only be exercised if performance criteria set by the Remuneration and Nominations committee are achieved. The performance criteria against which the exercise of these options is conditional, is set as the growth in adjusted earnings per share (before goodwill amortisation and impairment and exceptional items) of RPI plus 9% over a three-year period. Retesting is permitted in the fourth or fifth years on a pro-rata basis, however the option will lapse if the performance criteria is not met within five years from the date of grant.

ii) Except where otherwise stated options exercised under all the above schemes are satisfied by the issue of new shares in the Company.

Share Matching Plan
In 2001 the shareholders approved the establishment of the Informa Group plc Matching Plan. Since this date no grants have been made to employees under the plan.

Employee Involvement
The Group operates share option schemes, details of which are disclosed in note 24. The Group aims to achieve open and effective communications with all employees. The companies within the Group have different practices for achieving this, reflecting their particular size, structure and geography.

Equality of Opportunity
The Group is committed to the principle of equal opportunity in employment. We strive to make full use of the talents of our employees, provide a healthy environment, and encourage good and productive working relationships throughout the organisation.

Employment of Disabled Persons
It is the Group's policy to give full and fair consideration to applications for employment from people who are disabled, to continue wherever possible the employment of employees who become disabled and provide equal opportunities for the career development of disabled employees.

Health and Safety
It is the objective of the Group to ensure the health and safety of its employees and any other persons who could be affected by its operations. It is the Group's policy to provide working environments which are safe and without risk to health and provide information, instruction, training and supervision to ensure the health and safety of its employees.

Creditor payment policy
The Group's policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Company does not follow any code or statement on payment practice. The Group has 31 days' billings from suppliers outstanding at the year-end (2001:35 days). The Company has no trade creditors at 31 December 2002 (2001:nil).

Charitable and political contributions
There were no political contributions made by the Group in the past year. The Group made £19,000 of charitable donations in the year.

Auditors
A resolution is to be proposed at the Annual General Meeting on 22 May 2003 for the re-appointment of KPMG Audit Plc.

Directors' remuneration report

The following areas within the Directors' remuneration report are subject to audit, Directors' emoluments, Directors' share options, pensions and third party services.

Remuneration and Nominations Committee
The following non-executive directors were members of the Remuneration and Nominations Committee during the year:
Mr E A Barton
Mr R Hooper (Chairman)
Mr S M Watson

The committee determines on behalf of the Board the company's policy on Executive Directors' remuneration according to written terms of reference. During the year the committee has met four times.

Policy on Directors' remuneration
The remuneration policy provides for a competitive compensation package, which reflects the Company's performance against financial objectives and personal performance criteria. It rewards above average performance and is designed to attract, retain and motivate high calibre executives. The remuneration packages are also designed to compete with other international business information providers. Details of the packages can be found below.

Fees for Non-Executive Directors are determined by the Executive Directors with regard to the time, responsibilities and experience of the individual concerned.

Salaries for Directors are assessed and benchmarked in relation to similar companies. The performance related elements of the Executive Directors' remuneration are primarily bonus and share option based. The Executive Directors have the opportunity to earn bonuses of up to 100% of basic salary subject to the achievement of performance criteria set by the Remuneration and Nominations Committee. For 2002 80% of bonus was linked to an increase in adjusted earnings per share on a graduated scale. 7% growth in adjusted earnings per share equated to 10% of salary as bonus in a sliding scale up to 15% growth, which equated to 80% of salary as bonus.

For 2003 only, the 80% company performance element of the bonus will be based on RPI plus 3%. Therefore if RPI is achieved then the bonus would be nil and any increase above this would have the bonus paid on a sliding scale up to 3%.

The remaining 20% of the bonus continues to be subject to the achievement of personal objectives agreed by the Remuneration and Nominations Committee.

A number of the Executive Directors' share options are dependent on performance criteria being met. The performance criteria against which the exercise of these options is conditional is set as the growth in adjusted earnings per share of RPI plus 9% over a three year period. The Remuneration and Nominations Committee believe that by comparing the adjusted earnings per share to the external Retail Price Index plus 9% over a period of three years is a stretching and demanding target to meet.

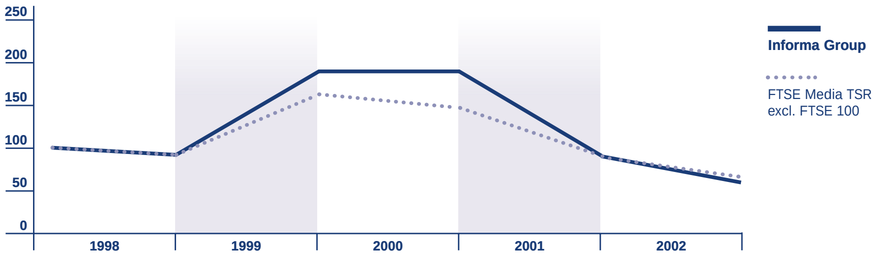
There are certain share options which the Executive Directors are entitled to which are not performance related where the Remuneration and Nominations Committee believe is appropriate, for example save as you earn. The Non-Executive Directors do not receive grants of share options.

There are formal procedures for the appointment, election and re-election of Directors. All Non-Executive Directors are appointed on a one year contract subject to re-election. All Directors' contracts have notice periods of twelve months. In accordance with the articles of association each director in office for more than 30 months is subject to re-election. The Executive Directors contracts were signed in May 2000. Non-Executive Directors' contracts were signed on the following dates: Mr R Hooper-02 March 1998; Mr E A Barton-12 October 1999; and Mr S M Watson-24 May 2000.

All Executive Directors have termination terms which permit the payment of a sum equal to basic salary, full bonus entitlement for the year whether earned or not, company pension contributions and the cost to the company of providing a company car for the period in question. The non-executive directors do not receive any termination payment.

The Executive Directors receive a cash payment in lieu of a company car and private medical insurance which also covers their spouse and dependent children.

Shareholder return
The graph below shows total shareholder return over the last few years compared to the FTSE Media sector (excluding the FTSE 100). The Directors have chosen this sector as it contains comparable peer group companies.



Service Contracts
Details of the Directors service contracts are given above.

Directors Emoluments

	note	2002 Salaries and fees	2001	2002 Bonus	2001	2002 Benefits in kind	2001	2002 Total	2001	2002 Pensions	2001
Executive directors											
D S Gilbertson		**278,300**	278,300	**55,660**	–	**15,457**	14,104	**349,417**	292,404	**69,575**	69,575
P S Rigby		**316,250**	316,250	**–**	–	**38,473**	17,500	**354,723**	333,750	**142,312**	79,062
J H Wilkinson		**165,000**	165,000	**33,000**	–	**33,070**	12,988	**231,070**	177,988	**41,250**	41,250
Non-executive directors											
E A Barton		**25,000**	25,000	**–**	–	**–**	–	**25,000**	25,000	**–**	–
R Hooper		**25,000**	25,000	**–**	–	**–**	–	**25,000**	25,000	**–**	–
S M Watson	1	**20,000**	20,000	**–**	–	**–**	–	**20,000**	20,000	**–**	–
		829,550	829,550	**88,660**	–	**87,000**	44,592	**1,005,210**	874,142	**253,137**	189,887

1 Fees for the services of Mr S M Watson are paid to CMS Cameron McKenna.

Directors shares and options
The Executive Directors are entitled to annual share option grants equal to 1.5 times basic salary in accordance with their service agreement. The grant of options made in 2002 however equalled one times basic salary following changes to the discretionary share option scheme rules.

Options

Type	Opening balance	Exercised during year	2002 Lapsed during year	Granted during year	Current balance	Exercise price	Period of exercise
P S Rigby							
SAYE Options	1,733	–	(1,733)	–	–	559.00	Jul 03–Dec 03
	–	–	–	3,953	3,953	240.30	Jul 05–Dec 05
Performance related	231,360	–	–	–	231,360	556.94	Apr 00–Mar11*
	–	–	–	111,879	111,879	282.67	Mar 05–Mar 12
Total	**233,093**	**–**	**(1,733)**	**115,832**	**347,192**		
D S Gilbertson							
SAYE Options	6,388	–	–	–	6,388	270.00	Jul 03–Dec 03
	300,066	–	–	–	300,066	448.40	Aug 01–Mar 11*
Performance related	–	–	–	98,347	98,347	282.67	Mar 05–Mar 12
	11,680	(11,680)	–	–	–	10.94	May 00–May 07
Total	**318,134**	**(11,680)**	**–**	**98,347**	**404,801**		
J H Wilkinson							
SAYE Options	5,025	(5,025)	–	–	–	194.00	Nov 01–Apr 02
	–	–	–	6,887	6,887	240.30	Jul 07–Dec 07
Performance related	137,252	–	–	–	137,252	519.80	Apr 00–Mar11*
	–	–	–	58,371	58,371	282.67	Mar 05–Mar 12
Non performance related	20,000	–	–	–	20,000	310.50	Apr 02–Apr 09
Total	**162,277**	**(5,025)**	**–**	**65,258**	**222,510**		

* weighted average

D S Gilbertson exercised options when the share price was 161p. J H Wilkinson exercised options when the share price was 252p.

None of the Directors have been granted share options up to the date of this report. The market price of the Company's shares on 31 December 2002 was 167.5p and ranged from 131p to 313.5p in the year to 31 December 2002.

Pensions
Pension and life assurance benefits are provided to Executive Directors. All executive directors receive a contribution of 25% of annual basic salary to provide for a retirement benefit to such company or personal pension scheme or other investment vehicle. They are expected to contribute at least 5% of basic salary towards such arrangements. Mr P S Rigby has sacrificed his entitlement to a bonus for 2002. The remuneration and nominations committee has authorised an additional payment of £63,250 as an employer pension contribution for Mr Rigby.

Mr D S Gilbertson was a member of the defined benefit scheme provided by the company during the year. Pension entitlements and corresponding transfer values increased as follows during the year.

	Gross increase in accrued pension	Increase in accrued pension net of inflation	Total accrued pension at 31/12/02	Value of net increase in accrual over period	Total change in value during period	Value of accrued pension at 31/12/02	Value of accrued pension at 31/12/01
Total	**(31,429)**	**(32,332)**	**21,687**	**(113,562)**	**(448,759)**	**180,506**	**619,811**

Third Party Services
The company has a contract with CMS Cameron McKenna for the provision of services of Mr S M Watson as a director of the company for an initial period of one year from 24 May 2000 and thereafter continuing by agreement between the board and Mr S M Watson on an annual basis, subject to re-election.

By order of the Board

Andrea Wilson ACIS
Company Secretary

10 March 2003

Notice of Annual General Meeting

Notice is hereby given that the Seventh Annual General Meeting of Informa Group plc (the 'Company') will be held in The Portland Suite at The Langham Hilton Hotel, 1c Portland Place, Regent Street, London W1B 1JA on Thursday, 22 May 2003 at 4.00 pm for the following purposes:

1 To receive and adopt the report of directors and audited accounts for the year ended 31 December 2002.

2 To declare a final dividend of 4.94 pence per ordinary share.

3 To re-elect Mr D S Gilbertson as a director.

4 To re-elect Mr E A Barton as a director.

5 To re-elect Mr R Hooper as a director.

6 To receive and adopt the Directors' remuneration report.

7 To re-appoint KPMG Audit Plc as auditors of the Company to hold office until the conclusion of the next general meeting at which audited accounts are laid before the Company and to authorise the directors to determine their remuneration.

To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

8 That, in accordance with Article 11 of the Company's articles of association, the Company be and is hereby generally and unconditionally authorised for the purposes of Section 166 of the Companies Act 1985 (the 'Act') to make one or more market purchases (within the meaning of Section 163(3) of that Act) of its own ordinary shares on such terms and in such manner as the Directors of the Company shall determine, provided that:

a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 12,823,540 (representing approximately 10% of the Company's issued ordinary share capital);

b) the maximum price which may be paid for each ordinary share is an amount equal to 105% of the average of the closing mid market prices for the ordinary shares of the Company (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date of purchase and the minimum price per ordinary share is the nominal value thereof exclusive of any expenses payable by the Company; and

c) unless previously renewed, varied or revoked by the Company, the authority hereby given shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company to be held after the passing of this Resolution and the date falling eighteen months after the passing of this Resolution save that the Company may make a purchase of ordinary shares after the expiry of such authority in execution of a contract of purchase that was made under and before the expiry of such authority.

Special Business

9 To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

That the rules of the Informa Group plc Discretionary Share Option Scheme be amended as follows:

a) by deleting Rule 6(1);

b) by amending Rule 6(4) by deleting the reference to paragraph (1) of the said Rule 6(4) in the first line of Rule 6(4); and

c) by deleting the words, "and, if the share option scheme is substantially confined to persons of executive status, Rule 6(1) above" from Rule 6(4)(e),

d) subject to and with effect from the date of the approval of the said amendments by the Board of Inland Revenue and the Directors be and are hereby authorised to make any further minor amendments thereto and do all such things as are necessary or desirable to obtain the approval of the Board of Inland Revenue and to carry the proposed amendments into effect.

Dated this 10 March 2003
By order of the Board

Andrea Wilson ACIS
Company Secretary

Registered Office: Mortimer House, 37/41 Mortimer Street, London W1T 3JH

Notes

1 A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

2 In order to be valid, proxy forms (together with any power of attorney or other authority under which it is signed) must be deposited at the office of the Registrar of the Company 48 hours before the time appointed for the meeting. Completion of a form of proxy does not preclude a member from attending and voting at the meeting in person. A proxy form is enclosed with this notice.

3 Only members whose names appear in the register of members of the Company at 6pm on 20 May 2003 shall be entitled to attend the Annual General Meeting either in person or by proxy and the number of shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the meeting.

Explanatory notes on the resolutions

Resolution 1: Report and Accounts
The Directors must present to shareholders at the Annual General Meeting the Directors' Report and Accounts and the Auditors' Report for the year ended 31 December 2002.

Resolution 2: Declaration of Dividend
An interim dividend of 2.66p per share for the financial year under review was paid to shareholders on 11 November 2002. The Directors now recommend the payment of a final dividend of 4.94p per share which, if approved at the Annual General Meeting, would be paid on 28 May 2003 to shareholders whose names were on the register of members on 25 April 2003. This will make a total dividend of 7.6p per share for the financial year.

Resolutions 3, 4 & 5: Re-election of Directors
Article 59 of the Company's articles of association states that any Director who has held office for more than 30 months since he was last re-elected by the Company in the general meeting must retire from office but shall be eligible for re-election. Mr D S Gilbertson, Mr E A Barton and Mr R Hooper were appointed as Directors of the Company on 16 December 1998 and were re-appointed at the Annual General Meeting held in 2000. Short biographical details of all Directors are set out on page 14 of this report.

Resolution 6: Directors' remuneration report
This resolution approves the Directors' remuneration report.

Resolution 7: Reappointment and remuneration of Auditors
This resolution proposes the reappointment of KPMG Audit Plc as auditors, and permits the Directors to fix their remuneration.

Resolution 8: Authority to purchase own shares
The authority given to the Company at the last Annual General Meeting to purchase its own shares expires on the date of the forthcoming AGM, 22 May 2003. It is proposed to renew this authority. The special resolution proposed as item 8 will authorise the Directors to buy the Company's shares subject to the constraints set out in the resolution. The Directors would exercise this power only if satisfied that it was in the interests of the shareholders as a whole to do so and that it was likely to result in an increase in earnings per share. Any shares purchased in accordance with this authority will subsequently be cancelled.

Resolution 9: Amendments to discretionary share option scheme
The company proposes to amend the rules of the discretionary share option scheme by removing the 5% in ten years limit. Shareholders are asked to refer to the Chairman's letter for a fuller explanation.

Documents on display
The following documents are available for inspection during normal business hours on any week day (Public Holidays excepted) at the Company's registered office from the date of this notice until the conclusion of the Annual General Meeting and shall be available for inspection prior to and during the Annual General Meeting in The Portland Suite at The Langham Hilton Hotel, 1c Portland Place, Regent Street, London W1B 1JA:

1) The Register of Directors' (and their families') interests in the share capital of the Company; and

2) Copies of all Directors' service contracts with the Company or any of its subsidiaries.

Shareholder Information

Contact details

Registered Office: Mortimer House, 37/41 Mortimer Street, London W1T 3JH
Tel: 020 7017 5000
Fax: 020 7017 4286
Website address: www.informa.com
Email: shareholder.enquiries@informa.com

Enquiring about your shareholding

If you want to ask, or need any information, about your shareholding please contact the Company's registrars, Lloyds TSB Registrars, whose contact details are as follows:
Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA.
Shareholder Services Hotline: 0870 600 3964

If you have received more than one copy of this annual report and accounts you may have more than one account in your name on the Company's register of members. To merge your holdings please write to Lloyds TSB Registrars giving details of the accounts concerned and how you want them to be merged.

You can find the company's share price in various daily newspapers, on the London Stock Exchange website or by visting our website at www.informa.com.

Shareview Portfolio Service

The Shareview Portfolio service from our registrars gives you more online information about your shares and other investments. To register for your portfolio at www.shareview.co.uk you will need your shareholder reference which can be found on your dividend counterfoil or share certificate, and you will be asked to select your own PIN. A user ID will then be posted to you.

Dividends

An interim dividend of 2.66p per share for the financial year under review was paid to shareholders on 11 November 2002. The directors now recommend the payment of a final dividend of 4.94p per share for the financial year ending 31 December 2002. If approved at the Annual General Meeting being held on Thursday, 22 May 2003, the final dividend will be paid on 28 May 2003 to shareholders on the register on 25 April 2003. This will make a total dividend of 7.6p per share for the financial year. You should retain the tax voucher as this may be needed for your tax return.

Paying your dividends direct to your account

Shareholders who do not currently have their dividends paid direct to a bank or building society account and who wish to do so should complete a mandate instruction available from the Company's registrars.

Financial Calendar

Ex-dividend date for 2002 final dividend	23 April 2003
Record date for 2002 final dividend	25 April 2003
Annual General Meeting	22 May 2003
Payment of final dividend	28 May 2003
Announcement of interim results for 2003	Within two months of 30 June 2003
Financial year end	31 December

Keeping you in the picture

You can find out more information about the Informa Group quickly and easily by visiting our website (www.informa.com). As well as the Report and Accounts and Interim Statements, company announcements and associated presentations are published on the website and there is a link to further websites within the group.

Informa Group plc Annual Report & Accounts 2002

informa

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Information and communication