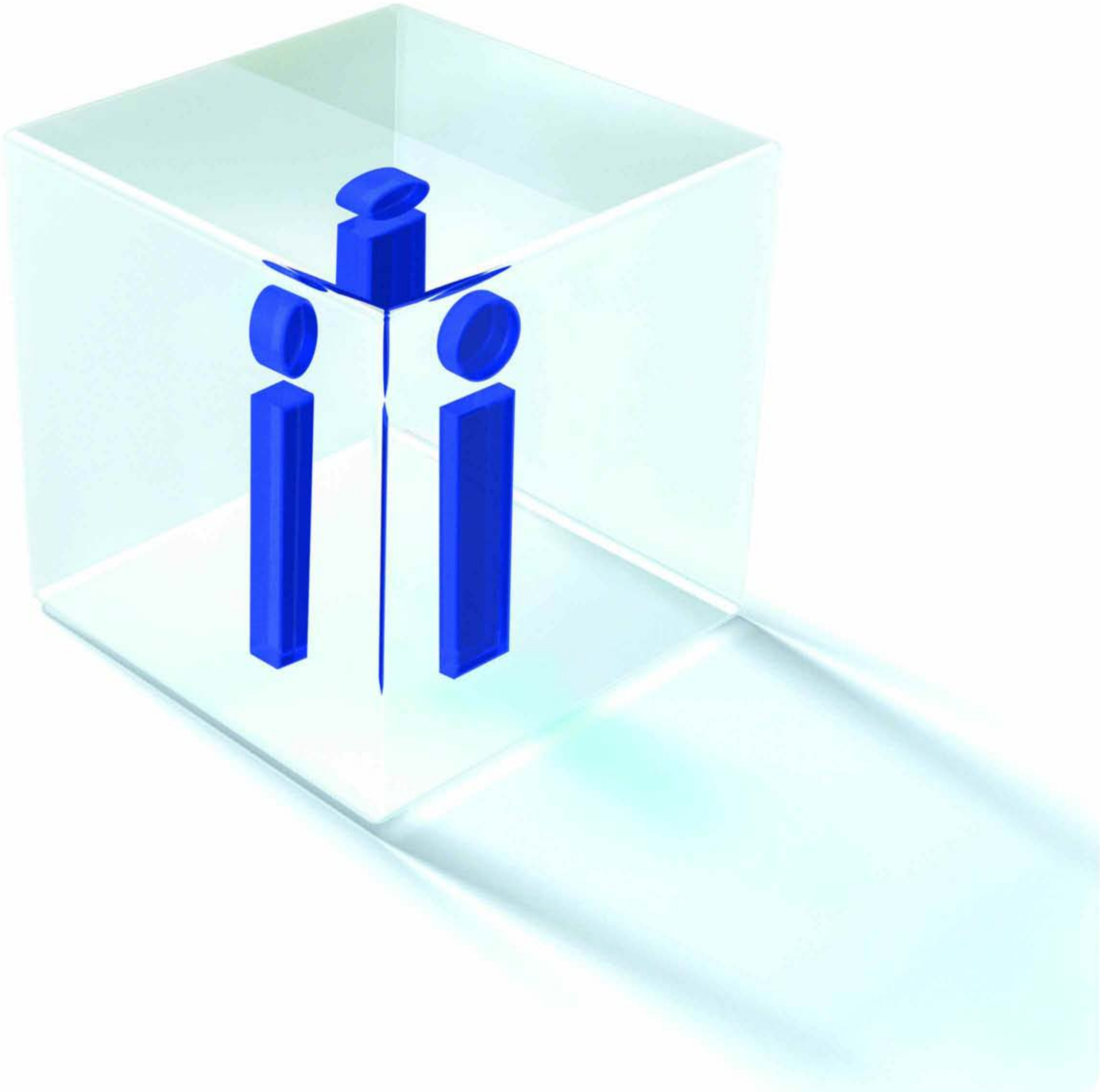
informa

Interim Report for the Six Months Ended 30 June 2005

SPECIALIST INFORMATION FOR GLOBAL MARKETS



informa

Informa plc is a leading international provider of specialist information and services to the academic, professional and business communities worldwide, in multiple media formats ranging from conferences and exhibitions through performance improvement services to journals, newspapers and books, delivered both electronically and in hard copy. The Group has over 150 offices in 40 countries and employs approximately 7,000 staff worldwide.

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First Half 2005 Highlights

Results under IFRS	H1 2005 £'m	H1 2004 £'m
Turnover	**259.7**	191.7
Operating (loss)/profit[1]	**(50.3)**	32.9
(Loss)/profit before tax[1]	**(58.9)**	23.6
Profit for the period from continuing operations[2]	**48.8**	15.1
Diluted earnings per share	**16.21p**	7.73p

1 Including a one-off goodwill write off of £86.6m
2 Including a one-off deferred tax credit of £116.6m in connection with a reorganisation of the Group's UK businesses

Comparable results under former UK GAAP[3]	H1 2005 £'m	H1 2004 £'m	Reported Growth %	Constant Currency[6] Growth %
Turnover	**258.6**	246.3	5	6
Adjusted operating profit[4]	**50.7**	46.6	9	16
Adjusted profit before tax[5]	**42.5**	38.0	12	20

3 Former UK GAAP refers to UK GAAP as at 31 December 2004 which was adopted in the Group's 2004 financial statements. See Note 19 to the Interim Report.
4 Excluding exceptional costs of £5.1m (2004: £2.0m) and goodwill amortisation and impairment of £17.0m (2004: £17.6m).
5 Excluding merger and other exceptional costs of £5.1m (2004: £20.1m) and goodwill amortisation and impairment of £17.0m (2004: £17.6m).
6 Based on 2004 exchange rates.

- Benefits of Taylor & Francis/Informa merger coming through – new events and publications well received.
- Professional and Commercial divisions built on positive market trading conditions – adjusted operating profit[4] under former UK GAAP[3] up 8% and 30% respectively (constant currency[6]).
- Solid subscription renewal rates underpin Academic & Scientific division – adjusted operating profit[4] under former UK GAAP[3] up 11% (constant currency[6]).
- Good, resilient performances from both key product areas – events and subscriptions.
- IIR integration on target.
- Interim dividend up 8% to 2.7p per ordinary share.
- Strong, well-balanced platform for further profitable growth.

Operating and Financial Review

Introduction
Informa had a strong first half of 2005. Using former UK GAAP accounting and at 2004 exchange rates the Group achieved turnover growth of 6% to £258.6m, compared to the first half of 2004. Under former UK GAAP adjusted operating profit grew by 16% to £50.7m and profit before tax increased by 20% to £42.5m.

Under International Financial Reporting Standards (IFRS) accounting the comparative 2004 first half results only include two months' contribution from the Taylor & Francis Group, making comparison between the first half 2005 and 2004 difficult. Under IFRS first half 2005 turnover was £259.7m. The reported results include a one-off goodwill write off of £86.6m required under IFRS, resulting in an operating loss of £50.3m and a loss before tax of £58.9m. The reported IFRS (post-tax) profit from continuing operations of £48.8m reflect a deferred tax credit of £116.6m.[1]

During the first half of 2005 trading conditions in the markets served by our Professional and Commercial divisions remained buoyant. In the Professional division, the Finance, Insurance, Law & Tax businesses all had a good six months as their markets stabilised. In the Commercial division, the Telecoms & Media business continued to perform strongly as third generation mobile services began to reach end users. The Maritime, Trade & Transport business benefited as the industry continued to enjoy greater prosperity. The International Conferences business, which operates across a wide range of markets and sectors, also capitalised on improving trends.

In our Academic & Scientific division the journals subscription business remained very durable and benefited fully from the integration of the Dekker business acquired in January 2004. However the book publishing business experienced tougher market conditions. Our events and publishing activities in the life sciences area were also adversely affected by reduced levels of investment in early stage drug discovery, a field which had yielded strong results in previous years. The pharmaceutical information portfolio continues to perform well.

Across the Group the events businesses have traded strongly, reflecting the generally more positive conditions in the international professional and commercial markets as well as the successful introduction of new conferences, seminars and courses for the academic marketplace, following the merger with Taylor & Francis in May 2004. During the first half of 2005 the Group ran more than 1,400 events, attracting approximately 63,000 delegates, compared to 1,200 events in the same period in 2004 with 55,000 delegates.

1 Under IFRS the Group was required to provide a deferred tax liability of £101.9m to reflect the potential tax payable on any future sale of the assets brought into the Group with the merger of Taylor & Francis in May 2004. This liability was matched by a corresponding goodwill asset of £101.9m.

Following a reorganisation of the UK businesses within the Group in January 2005 the deferred tax liability for the UK portion of the total Taylor & Francis business was extinguished, meaning £86.6m of the £101.9m goodwill asset was no longer required and was written off as a charge to the income statement. The reorganisation of these operations also had the effect of creating a deferred tax asset of £116.6m which was also required to be taken to the income statement as a tax credit in this period.

The Group's subscription businesses, which include academic and scientific journals, electronic data and information services as well as a range of professional and commercial periodicals, have generally performed well with renewal rates remaining high. Subscription revenues continued to demonstrate their traditional resilience and we have developed a number of new marketing initiatives and product enhancements, particularly electronically, to ensure that we continue to add new subscribers, especially in some of our smaller niche subject areas.

Merger Update
The merger of Informa with Taylor & Francis (T&F) was completed on 10 May 2004. The new product development resulting from the merger is proceeding to plan and we are on course to achieve £9m of incremental revenue through a combination of new products and the increased sale of existing products through improved marketing access.

Through two dedicated units, one in the US and one based in the UK for Europe, we have launched a range of conferences, courses and e-learning products for the academic market. Typical lead times for these academic events, at six to 12 months, are longer than in the commercial market place and we now have a strong second half 2005 programme of events and a good pipeline for 2006. While these events typically attract lower delegate fees, their associated costs are also lower as the events are usually held at academic institutions and are marketed predominately through email. Successful events have been held in fields as diverse as breast cancer, childhood obesity, religious terrorism, ritualistic crime, coral reef restoration, workplace stress, self-harm, natural products and distributed sensor networks. Subject matter experts drawn from our book authors, journal editors and editorial advisory board members have made important contributions to our research and event programme development and as event speakers.

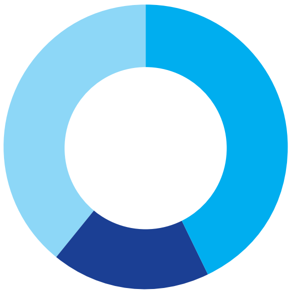
Additionally, we have launched a series of instructor-led courses in multiple US cities featuring many prominent authors of T&F's books. We are also working in partnership with a number of academic societies, including developing a major commercial conference to sit alongside the American Association of Geographers annual event; coinciding a conference with a new journal launch in digital forensics and advancing a significant new book publishing programme in mobile telecoms technology. Among a range of other merger-related revenue-driving initiatives, we expect this year to double advertising revenue in the T&F journals from 2004 levels.

The cost savings resulting from the merger are £9m per year.

Revenue by Geographical Destination (%)

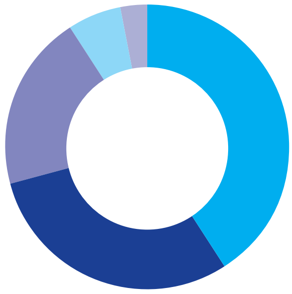
- United Kingdom – 18%
- North America – 29%
- Continental Europe – 34%
- Rest of the world – 19%

Revenue by Division (%)



- Academic & Scientific – 43%
- Professional – 18%
- Commercial – 39%

Revenue by Media (%)



- Subscriptions – 41%
- Events – 30%
- Copy sales – 20%
- Advertising – 6%
- Other – 3%

IIR

On 6 July 2005 the Group completed the acquisition of IIR Holdings Limited (IIR). The addition of IIR significantly extends the Group's events business and gives it a substantial and immediate position in the growing performance improvement market. The IIR events business clearly complements our existing events business, both geographically and by sector. IIR's Performance Improvement business, with its highly respected brands, strong market positions and high cash generation presents a unique opportunity for the Group to enter an attractive market which we see as offering strong recurring revenue streams and good growth prospects.

We have put in place a detailed 90-day integration plan for the IIR businesses. A number of integration teams from both groups have been formed, covering events, publications, marketing, sales, branding, back office operations and performance improvement. The response has been very positive and we are well on the way to achieving the targets set out in the integration plan. Since it was acquired, Informa senior management have met almost all the IIR staff and we are very pleased with the high standards of IIR's management, systems and products, which are as good as, or in many cases better than, we expected. Several members of IIR's management team have been appointed to senior positions within the combined Group.

In connection with the acquisition of IIR the Board carefully reviewed the enlarged Group's brand strategy and decided to change the corporate identity to Informa plc. The name change became effective on 18 August, following shareholder approval. At the operational level, the Group will retain its many strong and established brands and imprints including Taylor & Francis and IIR.

Board Appointment

We recently announced the appointment of John Davis, who will join the Board as a Non-Executive Director with effect from 1 October 2005. John's financial and media experience will be of value to the Board as we continue to build our business both organically and through selective acquisitions.

Outlook

The Group's strategy of combining organic growth with selective acquisitions has led to considerable growth over the last 18 months initially through the merger of Taylor & Francis and Informa and now through the acquisition of IIR. We are currently focusing on the integration of IIR and exploiting the ongoing opportunities arising from the Taylor & Francis/Informa merger – both of which enable us to develop new product revenue streams and explore new geographic areas.

The combined Group is performing in line with our expectations and the Board is confident of a satisfactory outcome for 2005. The prospects for the enlarged business are exciting.

Divisional Performance – To facilitate comparison with 2004, the following divisional commentary is based on the results stated under UK GAAP applicable as at 31 December 2004 and adopted in the 2004 financial statements (former UK GAAP) adjusted for merger and other non-operating costs and goodwill amortisation and impairment (adjusted operating profit). The divisional analysis under IFRS is shown in Note 4 to the Interim Report.

Academic & Scientific Division – This division is comprised of two segments:

- Scientific, Technical & Medical (STM), which comprises Taylor & Francis STM journals and books, PJB pharmaceutical publications business and the Informa Life Sciences events business; and
- Humanities & Social Sciences (HSS) made up of Taylor & Francis HSS journals and books published under the Routledge imprint.

Former UK GAAP	H1 2005 £'m	H1 2004 £'m	Increase on 2004 %	Constant currency %
Turnover				
STM	**66.9**	67.5	(1)	1
HSS	**45.2**	44.2	2	5
	112.1	111.7	–	3
Adjusted operating profit				
STM	**16.6**	17.2	(3)	10
HSS	**6.5**	6.6	(2)	14
	23.1	23.8	(3)	11
Adjusted operating margin %	**20.6**	21.3		

Due to its high proportion of US dollar income, the division's results have been adversely affected by exchange rate movements, at both the turnover and operating profit levels.

During the period a solid STM journal performance was offset by some decline in book sales to academic bookshops and in life sciences events and publications. The life sciences conference business, particularly in the US, continued to be affected by reduced drug discovery spend, although our European events, which are more focused on pharmaceuticals and clinical practice, performed better. The pharmaceutical publications business also reported a small decline in profitability as a result of investments in new products and staff which we expect to benefit the second half of the year.

The division saw good revenue growth in HSS, with renewals at or above the levels of recent years and good content growth in a number of our leading journals. Routledge books encountered the same challenges seen in the STM books segment as well as some movement of titles due to be published in the first half into the second half of the year.

During the period we consolidated three third-party US book warehouse operations into one owned warehouse and distribution centre in Kentucky, a move which is already producing increased efficiency and savings.

The Academic & Scientific division continues to develop new on-line information products and has announced new on-line pricing models for 2006. These have been well received by the library community and are expected to lead to an acceleration of the transition of our journal subscription base to on-line delivery.

Elsewhere, as part of a continued focus on the growth potential offered by developing countries, the division has opened a new office in Beijing to drive sales of its product in China and has registered a new company in India to develop local publishing initiatives.

Professional Division – The Professional division includes our US-led financial data and analysis business together with our specialist publishing and event products for insurance, legal, finance and tax professionals in the UK and Europe.

Former UK GAAP	H1 2005 £'m	H1 2004 £'m	Increase on 2004 %	Constant currency %
Turnover				
Financial Information	**30.1**	30.2	–	3
Insurance, Law & Tax	**15.3**	14.7	4	4
	45.4	44.9	1	3
Adjusted operating profit				
Financial Information	**8.5**	8.0	6	9
Insurance, Law & Tax	**1.9**	1.8	6	6
	10.4	9.8	6	8
Adjusted operating margin %	**22.9**	21.8		

The Financial Information business, which derives approximately 90% of its revenue in US dollars, saw turnover and profit adversely affected by the relative weakness of the US dollar upon translation of its results into sterling. Despite this, reported profit grew by 6% to £8.5m, or by 9% at constant exchange rates. The largest unit in the Financial Information business, Informa Global Markets, continued to perform strongly and reinforced its position as market leader of analytical services to the international fixed income trading community.

The Insurance, Law & Tax business achieved a strong performance from legal subscription publishing. It also saw an improvement in advertising income from the insurance information portfolio and growth in one-off legal copy sales. There was also encouraging growth in legal conferences with two new large sponsored events; In-House Counsel and Legal Leaders Forum, contributing to the increased profit.

Commercial Division – The Commercial division comprises the Telecoms & Media, Maritime, Trade & Transport and Commodities events and publishing businesses, coupled with our International Conferences business, which runs a wide range of events in a number of European, Asian, Australian and Latin American territories.

Former UK GAAP	H1 2005 £'m	H1 2004 £'m	Increase on 2004 %	Constant currency %
Turnover				
Telecoms & Media	**28.7**	25.9	11	10
Maritime, Trade & Transport	**21.4**	19.3	11	11
Commodities	**7.8**	9.4	(17)	(17)
International Conferences	**43.2**	35.1	23	21
	101.1	89.7	13	12
Adjusted operating profit				
Telecoms & Media	**8.5**	6.9	23	22
Maritime, Trade & Transport	**2.1**	1.9	11	11
Commodities	**1.0**	1.0	–	–
International Conferences	**5.6**	3.2	75	69
	17.2	13.0	32	30
Adjusted operating margin %	**17.0**	14.5		

The division's turnover was up 13% and adjusted operating profit up 32%, with exchange rate movements having a minimal impact on the reported results.

The mobile telecoms sector continued to rebound strongly with the arrival of 3G services and our own business capitalised on this, enjoying a strong start to the year. The 3GSM World Congress event held in Cannes in February saw a healthy growth in visitors, exhibitors and delegates, with overall attendance rising to some 39,000 from 32,000 in the previous year. With the event's move to Barcelona next February we are currently on target to achieve significant sponsorship and exhibition revenue growth. We are continuing to expand our telecoms event portfolio and expect to run approximately 100 events this year with 37 having taken place in the first half.

The maritime industry continued to enjoy a period of healthy freight rates. This coupled with strong demand for oil and gas related events helped our Maritime unit grow profit by 11% in the period. Advertising, electronic publishing and data income all grew steadily and events also performed well.

Our Commodities business saw an increase in conference revenue and resilient subscription sales, offset by weaker data and consultancy sales to the US agriculture sector. A small fisheries-based information business was transferred out of the Commodities business and into the Maritime unit during the period.

Our regional events business grouped under the banner International Conferences had an outstanding start to the year, benefiting from general improvements in economic environments across Europe and Asia. Revenue was 23% higher and profit was up 75% over the same period last year. The key drivers were a 17% increase in delegate numbers and a 10% rise in the number of events staged. Germany, the largest of these units, continued to defy the relatively lacklustre performance of its domestic economy while The Netherlands, the second largest events business in this group, showed a welcome return to growth after two slow years. Scandinavia, Brazil and Australia also showed signs of encouraging growth. However, our French business sustained continued losses and with no prospect of a likely turnaround we have decided to close this operation.

Financial Review

Results under former UK GAAP

Under former UK GAAP turnover increased by 5% to £258.6m and adjusted operating profit (before goodwill amortisation and exceptional items) by 9% to £50.7m. At constant exchange rates the organic turnover growth was 6% and the adjusted operating profit growth was 16%. Adjusted operating margins improved to 19.6% from 18.9%, despite investment in new products, geographic markets and additional staff over the last six months.

The results were adversely affected by exchange rate movements, as around 50% of the Group's revenues are received in US dollars and around 20% in euros. In the first half of 2005, currency movements on translation reduced reported turnover by £2.6m and adjusted operating profit by approximately £3.3m compared with the first half of 2004.

Results under IFRS

Under IFRS the Group reported an increase in turnover of 35%, to £259.7m from £191.7m for the first six months of the year. Under IFRS the combination of Informa and Taylor & Francis is accounted for as an acquisition rather than as a merger under former UK GAAP. Accordingly the 2004 comparative figures only reflect the contribution from T&F from 10 May 2004, the date of the merger. T&F generated comparable turnover of £54.8m during the period 1 January to 9 May 2004.

As set out further in Note 6 to the Interim Report, the reported results have been materially adversely affected by a one-off goodwill write-off under IFRS of £86.6m, resulting in an operating loss of £50.3m and a loss before tax of £58.9m for the first half of 2005. The post-tax results benefited from a deferred tax credit of £116.6m arising as a result of a reorganisation of the Group's UK businesses in January 2005. This contributed to a (post-tax) profit for the period from continuing operations of £48.8m.

Acquisitions

With the merger integration largely completed, in the later part of the first half of 2005 the Group spent £27.5m on the acquisition of a number of small complementary businesses. Due to the timing of these acquisitions the effect on the first half 2005 results was minimal, although the Group's net debt position increased as a result.

Finance Costs and Investment Income

Net finance costs for the first six months of 2005 were £8.5m (2004: £9.2m). The 2004 comparative figure includes interest incurred by the T&F business only from 10 May 2004.

Taxation

Across the Group tax has been provided at an underlying rate of 32% (2004: 36%), which is the rate expected for the whole of 2005. The effective tax rate has been materially distorted by the tax credit of £116.6m referred to above.

EPS

Diluted earnings per share for the first half of 2005 increased to 16.21p per ordinary share compared to 7.73p in the first half of 2004.

Dividend

The Directors have declared an interim dividend of 2.70p per ordinary share (2004: 2.50p after adjusting for the rights issue in July 2005), representing an increase of 8% per share. This dividend is payable on 4 November 2005 to ordinary shareholders registered as of the close of business on 7 October 2005.

Balance Sheet

Goodwill decreased from £603.0m at 31 December 2004 to £545.8m, with additions from the acquisitions made during the period offset by the write off of £86.6m referred to previously.

Net debt rose by £63.1m to £365.1m compared to 31 December 2004 (£302.0m), reflecting the usual seasonal nature of the Group's cash flows, £27.5m spent on acquisitions, negative exchange rate translation effects of £4.7m and a £10m special contribution made to the Group's defined benefit pension schemes.

The deferred tax liability decreased by £86.6m in connection with the reorganisation of UK business referred to above.

The Group's retirement benefit obligation in respect of defined benefit pension schemes fell by £7.2m from 31 December 2004, partly reflecting the £10m additional pension contribution referred to above.

P Rigby
Chief Executive
22 September 2005

Independent Review Report to Informa plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2005 which comprises the Consolidated Income Statement, the Balance Sheets, the Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense, and related Notes 1 to 18. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The Interim Report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

International Financial Reporting Standards

As disclosed in Note 1, the next annual financial statements of the Group will be prepared in accordance with International Financial Reporting Standards as adopted for use in the EU. Accordingly, the Interim Report has been prepared in accordance with the recognition and measurement criteria of IFRS and the disclosure requirements of the Listing Rules.

Review Work Performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2005.

Deloitte & Touche LLP
Chartered Accountants
Reading
22 September 2005

Consolidated Income Statement

For the Six Months Ended 30 June 2005 – Unaudited

	Note	Six months ended 30 June 2005 Total £'000	Six months ended 30 June 2004 Total £'000	12 months ended 31 December 2004 Total £'000
Revenue	4	**259,742**	191,673	449,845
Change in inventories of finished goods and work in progress		**4,128**	4,184	4,447
Raw materials and consumables used		**(74,640)**	(73,093)	(150,028)
Employee benefit expense		**(78,974)**	(58,510)	(139,954)
Depreciation expense		**(3,452)**	(3,597)	(7,898)
Amortisation of intangible fixed assets		**(8,680)**	(2,195)	(8,781)
Goodwill impairment		**–**	–	(15,000)
Goodwill written off	6	**(86,562)**	–	–
Other expenses		**(61,906)**	(25,612)	(70,292)
Operating (loss)/profit	4	**(50,344)**	32,850	62,339
Non–operating income and expense	5	**–**	(50)	(1,118)
Finance costs		**(9,772)**	(10,103)	(20,534)
Investment income		**1,210**	947	2,308
(Loss)/profit before tax		**(58,906)**	23,644	42,995
Deferred tax credit arising from UK restructuring	6	**116,557**	–	35,386
Other tax		**(8,882)**	(8,529)	(8,545)
Tax on profit on ordinary activities	6	**107,675**	(8,529)	26,841
Profit for the period from continuing operations		**48,769**	15,115	69,836
Attributable to:				
– Equity holders of the parent		**48,758**	15,121	69,862
– Minority interests		**11**	(6)	(26)
Earnings per share	9			
From continuing operations				
– Basic (p)		**16.29**	7.81	28.51
– Diluted (p)		**16.21**	7.73	28.31

Consolidated Statement of Recognised Income and Expense

For the Six Months Ended 30 June 2005 – Unaudited

	Note	Six months ended 30 June 2005 Total £'000	Six months ended 30 June 2004 Total £'000	12 months ended 31 December 2004 Total £'000
Actuarial (losses)/gains on pension schemes		**(2,130)**	63	(2,054)
Exchange differences on translation of foreign operations		**2,624**	(1,406)	(6,800)
Cash flow hedges: losses taken to equity		**(1,572)**	–	–
Profit for the period		**48,769**	15,115	69,836
Total recognised income and expense for the period		**47,691**	13,772	60,982
Attributable to:				
– Equity holders of the parent	10	**47,680**	13,778	61,008
– Minority interests		**11**	(6)	(26)
Change in accounting policy to adopt IAS 32 and IAS 39	3			
Attributable to:				
– Equity holders of the parent		**(948)**	–	–
– Minority interests		**–**	–	–

Consolidated Balance Sheet

At 30 June 2005 – Unaudited

	Note	30 June 2005 Total £'000	30 June 2004 Total £'000	31 December 2004 Total £'000
Assets				
Non-current assets				
Goodwill		**545,786**	618,463	603,023
Other intangible assets		**488,095**	487,672	481,024
Property and equipment		**18,495**	28,578	21,479
Other investments		**10,285**	8,817	10,605
		1,062,661	1,143,530	1,116,131
Current assets				
Inventory		**36,455**	35,023	34,700
Trade and other receivables		**101,048**	93,177	91,048
Deferred tax assets		**68,352**	7,665	40,098
Cash and cash equivalents		**948**	11,124	19,126
		206,803	146,989	184,972
Non-current assets classified as held for sale		**5,924**	–	5,924
Total assets		**1,275,388**	1,290,519	1,307,027
Equity and liabilities				
Capital and reserves				
Called up share capital		**30,074**	29,845	29,946
Share premium account		**195,870**	190,621	192,097
Reserve for shares to be issued		**1,893**	1,401	1,647
Merger reserve		**496,400**	496,400	496,400
Other reserve		**37,398**	37,398	37,398
ESOP trust shares		**(3,641)**	(6,365)	(4,731)
Hedging and translation reserve		**(6,696)**	(1,406)	(6,800)
Retained losses		**(83,430)**	(158,414)	(114,132)
Equity attributable to equity holders of parent	10	**667,868**	589,480	631,825
Minority interests		**64**	73	53
Total equity		**667,932**	589,553	631,878
Non-current liabilities				
Long-term borrowings		**356,326**	353,164	305,721
Deferred tax liabilities		**15,339**	101,901	101,901
Retirement benefit obligation		**15,287**	18,881	22,535
Provisions		**390**	9,686	660
Other payables		**519**	461	465
		387,861	484,093	431,282
Current liabilities				
Short-term borrowings		**9,725**	7,764	15,346
Current tax liabilities		**19,108**	20,902	23,141
Trade payables and other payables		**83,676**	88,517	81,019
Deferred income		**107,086**	99,690	124,361
		219,595	216,873	243,867
Total liabilities		**607,456**	700,966	675,149
Total equity and liabilities		**1,275,388**	1,290,519	1,307,027

The Board of Directors approved this Interim Report on 22 September 2005.

Consolidated Cash Flow Statement

For the Six Months Ended 30 June 2005 – Unaudited

	Note	Six months ended 30 June 2005 Total £'000	Six months ended 30 June 2004 Total £'000	12 months ended 31 December 2004 Total £'000
Operating activities				
Cash generated by operations	11	**4,647**	22,215	91,942
Income taxes paid		**(7,558)**	(5,100)	(9,419)
Interest element of finance lease payments		**(2)**	(2)	(2)
Interest paid		**(11,850)**	(7,633)	(15,029)
Net cash (used in)/from operating activities	11	**(14,763)**	9,480	67,492
Investing activities				
Interest received		**1,210**	947	2,308
Proceeds on disposal of trading investments		**–**	11	11
Proceeds on disposal of property and equipment		**176**	464	3,220
Purchases of intangible software assets		**(3,810)**	–	–
Purchases of property and equipment		**(1,505)**	(880)	(8,484)
Purchases of non-current investments		**–**	(1,450)	(1,427)
Acquisition of subsidiaries and businesses	16	**(27,516)**	(21,583)	(22,063)
Net cash used in investing activities		**(31,445)**	(22,491)	(26,435)
Financing activities				
Dividends paid	8	**(15,926)**	(7,480)	(15,822)
Repayments of borrowings		**(77,884)**	(187,366)	(285,981)
New bank loans raised		**121,244**	202,217	263,316
Repayments of obligations under finance leases		**(19)**	–	(40)
Proceeds from the issue of share capital		**3,901**	1,943	3,412
Net cash from/(used in) financing activities		**31,316**	9,314	(35,115)
Net (decrease)/increase in cash and cash equivalents	12	**(14,892)**	(3,697)	5,942
Cash and cash equivalents at beginning of period		**15,125**	9,183	9,183
Cash and cash equivalents at end of period	13	**233**	5,486	15,125

Notes to the Financial Statements
For the Six Months Ended 30 June 2005

1 Basis of Preparation

On 1 January 2005, Informa plc adopted International Financial Reporting Standards ("IFRS"), consequently the next annual financial statements of the Group will be prepared in accordance with IFRS as adopted for use in the EU. Accordingly the financial information presented in these interim financial statements has been prepared under the basis of IFRS. International Financial Reporting Standards are subject to ongoing review and amendment by the IASB and subsequent endorsement by the European Commission and are therefore subject to possible change. As a result information contained within these statements may require updating for any subsequent amendments to IFRS required for "First-Time Adoption" (IFRS 1) or any new standards that the Group may elect to adopt early. Informa plc has elected to adopt the amendments to IAS 19 "Employee Benefits", issued in December 2004, in advance of their effective date of 1 January 2006 and is presenting actuarial gains and losses arising on defined benefit pension schemes in the Statement of Recognised Income and Expense.

The figures for the six months to 30 June 2005 and to 30 June 2004 are unaudited. The comparative figures for the six months ended 30 June 2004 and for the financial year ended 31 December 2004 have been restated from accounting principles generally accepted in the United Kingdom as used in the production of the T&F Informa plc Annual Report and Financial Statements 2004 ("UK GAAP") to IFRS. A reconciliation between UK GAAP and IFRS on the profit and equity for the six months to 30 June 2005, the six months to 30 June 2004 and the financial year ended 31 December 2004 is included within these interim financial statements (Notes 17, 18 and 19). The IFRS 1 exemptions adopted by the Group along with the key impact analysis between UK GAAP and IFRS on the financial year ended 31 December 2004 are included within the regulatory announcement "REG-T&F Informa plc IFRS Statement" released on 13 June 2005.

The Group adopted IAS 32 "Financial Instruments: Presentation and Disclosure" and IAS 39 "Financial Instruments: Recognition and Measurement" from 1 January 2005. The impact on the opening balance sheet as shown in the regulatory announcement "REG-T&F Informa plc IFRS Statement" made on 13 June 2005 is set out in Note 3.

The Group has chosen not to apply IAS 34 "Interim Financial Reporting" in the preparation of these interim financial statements.

The information for the year ended 31 December 2004 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. A copy of the statuory accounts for that year under UK GAAP has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under Section 237 (2) of the Companies Act.

The Group believes that adjusted operating profit (Note 5), adjusted earnings per share (Note 9) and adjusted cash generated by operations (Note 11) provide additional useful information on underlying trends to shareholders. These measures are used for internal performance analysis and incentive compensation arrangements for certain employees. The term adjusted is not a defined term under IFRS and may not therefore be comparable with similarily titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to GAAP measurements of profit. The principal adjustments made are in respect of:

- restructuring costs – the costs incurred by the Group in reorganising and integrating businesses, notably acquisitions, are classified as restructuring;
- amortisation and impairment of acquired intangibles – the Group continues to amortise these intangibles and test for impairment of those assets but does not see these charges as integral to the underlying trading;
- non-trading items – for example gains and losses on disposal of fixed assets;
- bank facility fees written off – capitalised facility fees are amortised over the loan periods but where syndicated loan facilities have been terminated early and new facilities undertaken on funding major acquisitions, the unamortised fees are immediately expensed. This accelerated expense is not viewed as being part of the operating activities and is thus excluded from the adjusted results; and
- discontinuing activities – where the Group is in the process of exiting a major geographical location or line of business, having announced the decision but still being in the process of winding down trade.

The Group's operations are split in to three broad market sectors of Academic & Scientific, Professional and Commercial. These divisions are further analysed in to more specific segments which bring together products in comparable market areas under common business heads. This is how the Group's operational management is structured and its results are reviewed and thus forms the primary reporting segments (Note 4).

2 Accounting policies

The interim financial statements have been prepared under IFRS. Refer to the reconciliations in Notes 17,18 and 19 and the regulatory announcement “REG-T&F Informa plc IFRS Statement” made on 13 June 2005 for the impacts of the accounting policy alignment with IFRS.

Basis of Consolidation
The consolidated financial statements incorporate the accounts of the Company and all of its subsidiaries and joint ventures. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of acquired subsidiaries to bring their accounting policies into line with those used by other members of the Group. Joint ventures are accounted for in accordance with the proportional consolidation method.

Minority interests in the net assets of the consolidated subsidiaries are identified seperately from the Group’s equity and consist of the amount of those interests at the date of the original business combination plus their share of changes in equity since that date.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic and operating policy decisions require the unanimous consent of the parties sharing control. The arrangements the Group has entered in to involve the establishment of a separate entity in which each venturer has an interest. The Group reports its interests using proportionate consolidation and combines its share of the assets, liabilities, income and expense with the equivalent items in the consolidated financial statements on a line-by-line basis.

Revenue
Revenue 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 returns and cancellations. Subscription income is deferred and recognised over the period of the subscription. Conference income is deferred and recognised when the conference is held. Income from managed events represents fees earned and is recognised when the event is held.

Goodwill
Goodwill arising on the acquisition of subsidiary companies and businesses is calculated as the excess of the purchase consideration over the fair value of the net identifiable assets and liabilities at the date of acquisition. It is recognised as an asset at cost, assessed for impairment at least annually and subsequently measured at cost less accumulated impairment losses. Where an impairment test is performed a discounted cash flow analysis is carried out based on the cash flows of the income generating unit compared with the carrying value of that goodwill. Management estimate the discount rates as the risk affected cost of capital for the particular businesses. Any impairment is recognised immediately in the Income Statement.

Upon disposal the attributable carrying value of goodwill is included in the calculation of the profit or loss on disposal.

Intangible Fixed Assets
Intangible fixed assets mainly comprise book and journal titles at cost. For business combinations, cost is calculated based on the Group’s valuation methodology, using discounted cash flows. These assets are amortised over their estimated useful lives, which are as follows:

Book lists	20 years
Journal titles	20-40 years

Software which is not integral to a related item of hardware is also included in intangible assets. Capitalised internal-use software costs include external direct costs of materials and services consumed in developing or obtaining the software, and payroll and payroll-related costs for employees who are directly associated with and who devote substantial time to the project. Capitalisation of these costs ceases no later than the point at which the project is substantially complete and ready for its internal purpose. These costs are amortised over their expected useful life deemed to be three to five years.

The expected useful lives of intangible fixed assets are reviewed annually.

Property and Equipment
Property and equipment is recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets in equal instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold property	50 years
Short leasehold properties and improvements	Over life of the lease
Equipment, fixtures and fittings	3-15 years

Investments
Investments held as fixed assets are stated at cost less provision for any impairment in value. Investments held by the Company in subsidiaries and joint ventures denominated in foreign currencies are translated at rates of exchange ruling at the Balance Sheet date.

Non-current assets classified as held for sale
Non-current assets classified as held for sale are measured at the lower of carrying value and fair value less costs to sell.

2 Accounting policies continued

Inventory
Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and expenses incurred in bringing the inventory to its present condition and location. Net realisable value represents the estimated selling price less costs expected to be incurred in sale. Work in progress includes costs (excluding promotional costs) incurred for conferences planned to be held after the Balance Sheet date.

Foreign Currencies
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated at the rates ruling at that date. These translation differences are disclosed in the Income Statement.

The financial statements of foreign subsidiaries are translated into sterling at the closing rates of exchange. The results are translated at an average rate, recalculated for each month between that month's closing rate and the equivalent for the preceding month.

The differences arising from the translation of the opening net investment in foreign subsidiaries at the closing rate are taken directly to the translation reserve. In addition the differences arising from retranslation of the foreign subsidiaries' results from average rates to closing rate are taken directly to the Group's translation reserve. Such translation differences are recognised in the Income Statement in the financial year in which the operations are disposed of. The translation movement on matched long-term foreign currency borrowings, qualifying as hedged under IAS 39, are also taken directly to the translation reserve.

Leasing
Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the Income Statement.

Operating lease rentals are charged to the Income Statement in equal annual amounts over the lease term.

Rental income from sub-leasing property space is recognised on a straight-line basis over the term of the relevant lease and is matched with the relevant lease payments made by the Group on the same space.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax nor accounting profit.

Deferred tax is calculated for all business combinations from the transition date of 31 March 2004 in respect of intangible assets and properties. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, including interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Pension Costs
Certain Group companies operate defined contribution pension schemes for employees. 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 funded defined benefit schemes for employees. The cost of providing the benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognised immediately to the extent the benefits are vested, and otherwise are amortised straight line over the average period until the benefits become vested. The current service cost

2 Accounting policies continued

and the recognised element of any past service cost are presented within operating profit. The interest cost arising on the pension liability less the interest return on the plan assets is presented within finance costs. Actuarial gains and losses are recognised in full in the period in which they occur, outside of the Income Statement and in the Statement of Recognised Income and Expense. The expected return on plan assets reflects the estimate made by management of the long-term yields that will arise from the specific assets held within the pension plan.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and the fair value of any relevant scheme assets.

Share-Based Payments
The Group issues equity-settled share-based payments to certain employees. A fair value for the equity-settled share awards is measured at the date of grant. The fair value is measured using the binomial model of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations.

An expense is recognised to spread the fair value of each award over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will actually vest. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised immediately.

Financial Instruments
Derivative instruments utilised by the Group are interest rate swaps, cross currency swaps and forward foreign exchange contracts. The Group does not enter into speculative derivative contracts. All derivative instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the Group in line with the Group's risk management policies. Amounts payable or receivable in respect of interest rate swaps are recognised as adjustments to interest expense over the period of the contracts. Forward contracts for the purchase and or sale of foreign currencies are used to manage the Group's exposure to fluctuations in currency rates.

Unrealised gains and losses on contracts are accounted for on maturity of the contract. Where a currency forward contract no longer represents a hedge it is restated to fair value and any gain or loss is taken to the Income Statement. Where the instrument qualifies as a hedge under IAS 39, the difference between carrying amount and fair value is taken to the translation reserve.

Termination payments are taken to the Income Statement as incurred.

Finance Costs
Finance costs of debts are capitalised against the debt value on first drawdown of the debt and are recognised in the Income Statement at a constant rate on the carrying amount over the life of the debt.

Own Shares
Own shares deducted in arriving at shareholders' funds represent the cost of the Company's ordinary shares acquired by the Employee Share Option Plan (ESOP) trusts in connection within certain of the Group's employee share schemes.

Restructuring Provisions
Restructuring provisions are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to the affected parties.

3 IAS 32 and IAS 39

The Group adopted IAS 32 "Financial Instruments: Presentation and Disclosure" and IAS 39 "Financial Instruments: Recognition and Measurement" from 1 January 2005. In the preparation of its financial statements in accordance with IFRS for the year ended 31 December 2004, the Group continued to apply the hedge accounting rules of UK GAAP, taking advantage of the exemption available within IFRS 1 "First-Time Adoption of IFRS".

The Group is required to recognise transitional adjustments in accounting for its financial instruments in accordance with the measurement requirements of IAS 39 at 1 January 2005. The financial impact of the adoption is detailed in the Statement of Recognised Income and Expense.

IFRS 1 requires the Group to recognise various transitional adjustments to account for those hedging relationships at 1 January 2005. The accounting for those hedging relationships at transition depends on the nature of the hedged item and the hedged risk.

The Group's interest rate swaps and forward exchange contracts and similar instruments that were accounted for as fair value hedges of borrowings under UK GAAP were not previously measured at fair value. In these cases, the difference between the derivative's fair value and its previously reported carrying value has been recognised directly in opening retained earnings (translation reserve). This has the effect of increasing prepayments by £1.5 million and increasing accruals by £2.5 million. Future adjustments to hedged borrowings will be recognised in earnings on an amortised basis.

All derivative instruments will continue to be recognised on the balance sheet at fair value with future gains and losses being recognised immediately in earnings, except when the hedging requirements of IAS 39 are met, in which case gains and losses are recognised in equity.

Notes to the Financial Statements continued

For the Six Months Ended 30 June 2005

4 Business Segments

For management purposes, the Group is currently organised into the operating divisions as set out below. These divisions are the basis on which the Group reports its primary segment information.

Analysis by Market Sector

	Revenue			Profit/(loss) from operations		
	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000	**Six months 2005 £'000**	Six months 2004 £'000	12 months 2004 £'000
Academic & Scientific division						
Scientific, Technical & Medical	**66,257**	37,259	121,737	**10,113**	9,294	24,881
Humanities & Social Sciences	**45,940**	19,597	67,754	**3,208**	1,570	9,546
	112,197	56,856	189,491	**13,321**	10,864	34,427
Professional division						
Financial Information	**30,129**	30,235	60,212	**7,065**	7,742	15,908
Insurance, Law & Tax	**15,270**	14,702	33,136	**1,559**	1,724	1,099
	45,399	44,937	93,348	**8,624**	9,466	17,007
Commercial division						
Telecoms & Media	**28,696**	25,902	37,695	**7,291**	6,691	8,010
Maritime, Trade & Transport	**19,822**	19,736	39,838	**1,894**	1,778	(7,508)
Commodities	**9,444**	9,434	17,741	**845**	1,000	1,997
International Conferences	**44,184**	34,808	71,732	**4,243**	3,051	8,406
	102,146	89,880	167,006	**14,273**	12,520	10,905
Goodwill written off (Note 6)	**–**	–	–	**(86,562)**	–	–
	259,742	191,673	449,845	**(50,344)**	32,850	62,339

	Adjusted operating profit		
	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Academic & Scientific division			
Scientific, Technical & Medical	**16,030**	11,551	35,985
Humanities & Social Sciences	**6,147**	2,856	16,508
	22,177	14,407	52,493
Professional division			
Financial Information	**7,600**	7,742	15,908
Insurance, Law & Tax	**1,653**	1,724	5,311
	9,253	9,466	21,219
Commercial division			
Telecoms & Media	**7,733**	6,691	8,648
Maritime, Trade & Transport	**1,977**	1,778	2,489
Commodities	**896**	1,000	2,150
International Conferences	**6,077**	3,051	8,406
	16,683	12,520	21,693
Adjusted operating profit (Note 5)	**48,113**	36,393	95,405

Adjusted operating figures are stated before restructuring and re-organisation costs, acquired intangible asset amortisation, goodwill impairment and discontinuing operations.

5 Adjusted Figures

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Discontinuing operations	**1,511**	–	–
Restructuring and re-organisation costs	**2,496**	1,348	9,285
Intangible asset amortisation*	**7,888**	2,195	8,781
Goodwill written off/impairment	**86,562**	–	15,000
Adjusted operating profit items	**98,457**	3,543	33,066
Operating (loss)/profit	**(50,344)**	32,850	62,339
Adjusted operating profit	**48,113**	36,393	95,405
Adjusted operating items	**98,457**	3,543	33,066
Non-operating income and expense			
Loss on disposal of fixed assets	**–**	–	921
Profit/(loss) on sale of businesses	**–**	50	(3)
Impairment of other investment	**–**	–	200
	–	50	1,118
Finance costs			
Bank facility fees written off	**–**	2,415	2,415
Adjusted profit before tax items	**98,457**	6,008	36,599
(Loss)/profit before tax	**(58,906)**	23,644	42,995
Adjusted profit before tax	**39,551**	29,652	79,594
Adjusted profit before tax items	**98,457**	6,008	36,599
Deferred tax credit arising from tax restructuring	**(116,557)**	–	(35,386)
Attributable tax expense on adjusting items	**(3,115)**	(1,063)	(5,420)
	(21,215)	4,945	(4,207)
Profit for the period	**48,769**	15,115	69,836
Adjusted profit for the period	**27,554**	20,060	65,629

*Only in respect of acquisitions.

Restructuring and re-organisation costs for the six months ended 30 June 2005 consists of £1,200,000 Board level changes, £400,000 fees relating to acquisition integration and £896,000 costs of merging the UK back offices of Taylor & Francis Group plc and Informa Group plc post combination. Restructuring and re-organisation costs of £1,348,000 in the six months ended 30 June 2004 consist of costs of integrating acquisitions. Restructuring and re-organisation costs of £9,285,000 in the the 12 months ended 31 December 2004 consist of costs of re-organising book publications operations in the UK and US of £4,200,000, redundancy costs of £3,657,000, property move costs of £762,000 and other re-organisation costs of £666,000.

Notes to the Financial Statements continued

For the Six Months Ended 30 June 2005

6 Tax on Profit on Ordinary Activities

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Current tax:			
United Kingdom corporation tax	**5,201**	4,440	8,116
Foreign tax	**2,223**	4,555	8,325
Prior-year adjustments	**–**	–	(6,964)
	7,424	8,995	9,477
Deferred tax:			
Current year	**1,458**	(466)	(932)
Recognition of deferred tax asset	**(116,557)**	–	(35,386)
	(107,675)	8,529	(26,841)

Current tax for the interim period is charged at 32% (12 months ended December 2004: 36%), representing the best estimate of the weighted average annual tax expected for the full financial year, excluding the impact of any prior-year adjustments.

On the combination of Informa Group plc and Taylor & Francis Group plc on 10 May 2004 a deferred tax liability of £101,901,000 in respect of intangible and other assets, excluding goodwill, was recognised with a corresponding increase in goodwill.

On the transfer of the trade and assets of PJB Publications Limited to T&F Informa UK Limited on 1 September 2004, a deferred tax asset of £35,386,000 has been recognised, with a resultant credit to the Income Statement.

On 1 January 2005 a deferred tax asset of £116,557,000 has been recognised in respect of the transfer of the UK trade and assets of the Taylor & Francis Group businesses to T&F Informa UK Limited with a resultant credit to the Income Statement.

On 1 January 2005, following the restructuring of the UK business, goodwill has been written down by £86,562,000 in relation to the UK deferred tax liability originally provided on the combination with Taylor & Francis Group plc.

7 Joint Ventures

Under the proportional consolidation method the Group's share of joint ventures are as follows:

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Revenue	**1,098**	221	441
Employee benefit expense	**(319)**	(74)	(147)
Other expenses	**(794)**	(202)	(565)
Loss for the period from continuing operations	**(15)**	(55)	(271)
Tax on loss on ordinary activities	**(45)**	–	–
Loss for the period from continuing operations	**(60)**	(55)	(271)

8 Dividends

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2003 of 4.94p per share	**–**	7,480	7,480
Interim dividend for the year ended 31 December 2004 of 2.80p per share	**–**	–	8,342
Final dividend for the year ended 31 December 2004 of 5.33p per share	**15,926**	–	–
	15,926	7,480	15,822

The proposed interim dividend for the six months ended 30 June 2005 of 2.7p per share has been approved by the Board on 19 September 2005 and has not been included as a liability as at 30 June 2005 in accordance with IAS 1.

9 Earnings Per Share

Basic

The basic earnings per share calculation is based on a profit on ordinary activities after taxation of £48,769,000 (2004 profit: £15,115,000 six months; and £69,836,000 12 months). This profit (2004: six months profit and 12 months profit) on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those non-vested shares held by employee share ownership trusts) which is 299,335,000 (2004: 193,647,000 six months; and 244,928,000 12 months).

Diluted

The diluted earnings per share calculation is based on the basic earnings per share calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the Balance Sheet date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 300,900,000 (2004: 195,557,000 six months; and 246,713,000 12 months). In accordance with IAS 33 the weighted average number of shares includes the estimated maximum number of shares payable to the vendors of Routledge Publishing Holdings Limited assuming that there are no claims for compensation by the Group that will reduce this deferred consideration and assuming that the Company does not exercise its option to pay the balance of deferred consideration in cash. The deferred consideration shares are also assumed for the purposes of this calculation to have been issued on 1 January 2005 at the closing mid-market share price on 30 June 2005 of 379p making 335,000 (2004: 314,000 six months; and 336,000 12 months) ordinary shares potentially issued.

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

	Six months 2005	Six months 2004	12 months 2004
Weighted average number of shares used in basic earnings per share calculation	**299,334,804**	193,646,662	244,927,883
Effect of dilutive share options	**1,230,032**	1,597,198	1,449,594
Shares potentially to be issued or allotted	**334,734**	313,624	335,629
Weighted average number of shares used in diluted earnings per share calculation	**300,899,570**	195,557,484	246,713,106

Adjusted Earnings per Share

The basic and diluted adjusted earnings per share calculations has been made to allow shareholders to gain a further understanding of the trading performance of the Group. It is based on the basic and diluted earnings per share calculations above except profits are adjusted for goodwill amortisation and the after tax effect of adjusting items as follows:

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Profit for the financial period	**48,769**	15,115	69,836
Adjusting items net of attributable taxation (Note 5)	**(21,215)**	4,945	(4,207)
Adjusted profit for the period after taxation from continuing operations	**27,554**	20,060	65,629
Earnings per share:			
From continuing operations			
– Adjusted basic (p)	**9.21**	10.36	26.80
– Adjusted diluted (p)	**9.16**	10.26	26.60

10 Statement of Changes in Equity for the Six Months Ended 30 June 2005

	Note	**Six months 2005 £'000**	Six months 2004 £'000	12 months 2004 £'000
Total recognised income and expense for the period		**47,680**	13,778	61,008
Dividends paid	8	**(15,926)**	(7,480)	(15,822)
Utilisation of other reserve		**–**	–	(1)
Reserve for shares to be issued		**246**	1,401	1,647
Decrease/(increase) in ESOP shares		**1,090**	(2,724)	(1,090)
Proceeds of new share issues		**3,901**	517,176	518,754
Net addition to equity holders' funds		**36,991**	522,151	564,496
Opening equity holders' funds		**631,825**	67,329	67,329
Change in accounting policy to adopt IAS 32 and IAS 39	3	**(948)**	–	–
Closing equity holders' funds		**667,868**	589,480	631,825

During the period to 30 June 2005, 1,276,116 share options were exercised for a total consideration of £3,901,000.

11 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Operating (loss)/profit	**(50,344)**	32,850	62,339
Goodwill written off	**86,562**	–	–
Profit from operations	**36,218**	32,850	62,339
Adjustments for:			
Depreciation of property and equipment	**3,451**	3,127	7,898
Amortisation of intangible assets	**8,680**	2,195	8,781
Impairment of goodwill	**–**	–	15,000
Gain/(loss) on disposal of property and equipment	**3**	15	(92)
Operating cash flows before movements in working capital	**48,352**	38,187	93,926
(Increase)/decrease in inventories	**(1,755)**	177	500
Increase in receivables	**(9,310)**	(9,086)	(7,381)
Decrease in payables	**(28,886)**	(14,937)	(5,294)
(Decrease)/increase in retirement benefit obligation	**(7,248)**	4,987	8,641
Movement in other operating items	**3,494**	2,887	1,550
Cash generated by operations	**4,647**	22,215	91,942
Income taxes paid	**(7,558)**	(5,100)	(9,419)
Interest element of finance lease payments	**(2)**	(2)	(2)
Interest paid	**(11,850)**	(7,633)	(15,029)
Net cash from operating activities	**(14,763)**	9,480	67,492

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

11 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities continued

Adjusted Cash Generated by Operations

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Adjusted operating profit (Note 5)	**48,113**	36,393	95,405
Cash generated by operations	**4,647**	22,214	91,941
Discontinuing operations	**1,511**	–	–
Restructuring and re-organisation costs	**2,496**	1,348	9,285
Additional pension payment	**10,000**	–	–
Adjusting items on a cash flow basis	**18,654**	23,562	101,226
Accrued in prior period	**2,500**	8,000	8,000
Accrued at period end	**(948)**	(8,800)	(2,500)
Prepaid for future periods	**2,095**	–	–
Adjusted cash generated by operations	**22,301**	22,762	106,726

	Six months 2005 %	Six months 2004 %	12 months 2004 %
Percentage of adjusted operating profit converted to adjusted cash generated by operations	**46**	63	112

12 Reconciliation of Net Cash Flow to Movement in Net Debt

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
(Decrease)/increase in cash and cash equivalents	**(14,892)**	(3,697)	5,942
(Decrease)/increase in debt financing	**(43,341)**	(14,852)	22,705
Change in net debt resulting from cash flows	**(58,233)**	(18,549)	28,647
Foreign exchange translation difference	**(4,660)**	6,578	13,600
Non-cash movements	**(250)**	(166,009)	(166,035)
Movement in net debt during the period	**(63,143)**	(177,980)	(123,788)
Opening net debt	**(301,987)**	(178,199)	(178,199)
Closing net debt	**(365,130)**	(356,179)	(301,987)

Non-cash items in the period to 30 June 2005 represent amortisation of prepaid loan facility fees of £250,000. In the period to 30 June 2004 they represent net debt assumed through the acquisition of Taylor & Francis Group plc of £166,009,000. In the year to 31 December 2004 they represent an addition of £26,000 to tangible fixed assets held under finance leases and net debt assumed through the acquisition of Taylor & Francis Group plc of £166,009,000.

13 Analysis of Changes in Net Debt

	At 1 January 2005 £'000	Non-cash movements £'000	Cash flow £'000	Exchange movements £'000	At 30 June 2005 £'000
Cash at bank and in hand	**19,126**	–	(18,178)	–	**948**
Overdrafts	**(4,001)**	–	3,286	–	**(715)**
	15,125	–	(14,892)	–	**233**
Bank loans due in less than one year	**(5,156)**	–	(3,500)	56	**(8,600)**
Loan notes due in less than one year	**(6,189)**	–	5,779	–	**(410)**
Finance leases due in less than one year	**(29)**	(6)	19	–	**(16)**
Bank loans due after more than one year	**(305,721)**	(250)	(45,639)	(4,716)	**(356,326)**
Loan notes due after more than one year	**–**	–	–	–	**–**
Finance leases due after more than one year	**(17)**	6	–	–	**(11)**
	(317,112)	(250)	(43,341)	(4,660)	**(365,363)**
Total	**(301,987)**	(250)	(58,233)	(4,660)	**(365,130)**

14 Contingent liabilities

The Company has guaranteed the overdrafts of certain of its UK subsidiaries, up to a combined maximum of £23,522,000 (2004: six months £18,836,000; 12 months £18,988,000).

As at 30 June 2005 the Company had entered into forward exchange contracts to be converted into sterling as follows during 2005:

July 2005	$10.0 million @ $1.814236
	£325.0 million @ $1.818240
	€3.0 million @ €1.503997
	€145.0 million @ $1.254985

As at 30 June 2004 the Company had not entered into forward exchange contracts.

As at 31 December 2004 the Company had entered into forward exchange contracts to be converted into sterling as follows during 2005:

February 2005	$35.0 million @ $1.766488
	€15.0 million @ €1.446640

15 Post Balance Sheet Events

On 6 July 2005 Informa plc completed the acquisition of IIR Holdings Limited for US$1.4 billion (£768 million). The acquisition was funded initially by debt and then partially by a two-for-five rights issue at 265p. The rights issue net of costs raised £311 million. The new shares commenced dealing on 25 July 2005.

A new bank facility of £1.25 billion was arranged as a result of the acquisition. The old facility was repaid on 6 July 2005 with the first drawdown on the new facility taking place also on that date. £300 million was repaid on the new facility from the proceeds of the rights issue on 22 July 2005.

The name of the Group was changed on the 18 August 2005 from T&F Informa plc to Informa plc.

16 Businesses Acquired

		Date acquired
Ashley Publications Limited	Journal publishing	26 May 2005
Medic-to-Medic	Medical IT services	24 May 2005
Triangle Journals Limited	Journal publishing	29 April 2005
The Book List of IOP Publishing Limited	Book publishing	30 June 2005

Cash Paid on Acquisition Net of Cash Acquired

	2005 Six months £'000	2004 Six months £'000	2004 12 months £'000
Current-year acquisitions			
Ashley Publications Limited	**16,298**[1]	–	–
Medic-to-Medic	**6,270**[2]	–	–
Triangle Journals Limited	**1,500**	–	–
The Book List of IOP Publishing Limited	**2,000**	–	–
Other	**1,448**	–	–
Prior-year acquisitions			
Taylor & Francis Group plc	**–**	15,703[3]	15,703[3]
PJB Publications Limited	**–**	5,787[4]	5,787
Other	**–**	93	573
	27,516	21,583	22,063

1 The consideration amount disclosed for Ashley Publications Limited is based on the unaudited completion accounts and may change as a result of the audit.
2 Total consideration payable for the business of Medic-to-Medic is contingent on generated revenues in the year 2006 and will not exceed £15,000,000. The consideration of £6,270,000 has been paid in the first half of 2005.
3 Total consideration paid in cash for Taylor & Francis Group plc represents costs incurred relating to the business combination between Informa Group plc and Taylor & Francis Group plc.
4 Cash paid in relation to the December 2003 acquisition of PJB Publications Limited is in respect of accrued costs brought forward.

The combined impact on the Group's profit after tax from the newly acquired businesses for the first half of 2005 amounted to £100,000 on revenues of £500,000. The total assets of newly-acquired businesses amounted to £29,800,000 as at 30 June 2005.

All acquisitions, except for Taylor & Francis Group plc in 2004, were paid for in cash and in all acquisitions full control over the business has been acquired, either by acquiring 100% of the outstanding shares or by means of an asset purchase deal.

16 Businesses Acquired continued

Ashley Publications Limited

On May 26, 2005, the Group acquired 100% of the issued share capital of Ashley Publications Limited for cash consideration of £18,028,000.

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Net assets acquired			
Property and equipment	42	–	42
Debtors	446	–	446
Creditors	(1,687)	–	(1,687)
Investments	3	–	3
Cash and cash equivalents	1,730	–	1,730
Provisions for liabilities and charges	(6)	–	(6)
Net assets	**528**	**–**	**528**
Intangible assets			10,433
Provisional goodwill			7,067
Total consideration			18,028
Satisfied by:			
Cash			18,028
			18,028
Net cash outflow arising on acquisition			
Cash consideration			18,028
Cash and cash equivalents acquired			(1,730)
			16,298

The numbers above are based on the Ashley Publications Limited unaudited "completion accounts" and are liable to change.

Goodwill of £7,067,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, and is not deductible for tax purposes.

If the acquisition of Ashley Publications Limited had taken place on the first day of the financial year, Group revenues for the first half of 2005 would have been £900,000 higher and the Group profit attributable to equity shareholders would have been £500,000 higher.

Ashley Publications Limited generated revenues of £200,000 and net income (based on assumed tax rate of 30%) of £70,000 in the post-acquisition period from 26 May 2005 to 30 June 2005.

16 Businesses Acquired continued

Medic-to-Medic

On 24 May 2005, the Group acquired the trading assets of Medic-to-Medic for a cash consideration of £6,270,000 and further consideration contingent on revenues in 2006. Total consideration will not exceed £15,000,000.

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Net assets acquired			
Property and equipment	11	–	11
Debtors	261	–	261
Creditors	(126)	–	(126)
Net assets	**146**	**–**	**146**
Intangible assets			10,470
Provisional goodwill			4,170
Total consideration			14,786

Satisfied by:	
Cash	6,270
Deferred consideration	4,200
Contingent consideration	4,316
	14,786

Net cash outflow arising on acquisition	
Cash consideration	6,270
Cash and cash equivalents acquired	–
	6,270

Goodwill of £4,170,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, and is not deductible for tax purposes.

If the acquisition of Medic-to-Medic had taken place on the first day of the financial year, Group revenues for the first half of 2005 would have been £1,600,000 higher and the Group profit attributable to equity shareholders would have been £200,000 higher.

Medic-to-Medic generated revenues of £300,000 and net income (based on assumed tax rate of 30%) of £30,000 in the post-acquisition period from 24 May 2005 to 30 June 2005.

17 Reconciliation of Total Equity from former UK GAAP Adopted by the Group to International Financial Reporting Standards

	30 June 2004 £'000	31 December 2004 £'000
Total equity under former UK GAAP	144,503	131,240
Adjustments to opening IFRS balance sheet as at 1 January 2004	(5,960)	(6,389)
Use of acquisition accounting for Taylor & Francis Group plc merger	441,039	441,680
Deferred promotional costs expensed rather than prepaid under IFRS	(209)	(673)
Recognition in the pension charge of actuarial gains and losses on the Group pension schemes	(49)	(2,633)
Recognition of dividends paid rather than accrued	889	8,389
Intangible assets; change in amortisation charge from former UK GAAP to IFRS	10,464	18,952
Recognition of share-based payments under IFRS	(882)	604
Attributable taxation effect	(242)	41,048
Attributable deferred tax on non-current assets classified as held for sale	–	(340)
Total equity under IFRS	589,553	631,878

18 (a) Effect of IFRS on Income Statement for the Six Months Ended 30 June 2004

	UK GAAP balances in IFRS format £'000	T&F pre-acquisition results £'000	Intangible assets reversal of goodwill amortisation £'000	Pensions £'000
Revenue	246,494	(54,821)	–	–
Share of revenue of joint ventures	(221)	–	–	–
Change in inventories of finished goods and work in progress	116	4,366	–	–
Raw materials and consumables used	(81,711)	8,618	–	–
Employee benefit expense	(70,893)	14,077	–	106
Depreciation expense	(4,517)	920	–	–
Amortisation and impairment expense	(17,624)	4,965	12,659	–
Other expenses	(44,619)	18,215	–	–
Share of result of joint ventures	(55)	–	–	–
Operating profit	26,970	(3,660)	12,659	106
Merger costs	(15,703)	–	–	–
Non-operating income and expense	(50)	–	–	–
Finance costs	(11,006)	2,154	–	(1,251)
Investment income	–	–	–	947
Profit before tax	211	(1,506)	12,659	(198)
Tax on profit on ordinary activities	(7,235)	1,528	–	–
(Loss)/profit for the year from continuing operations	(7,024)	22	12,659	(198)
Less: minority interest	6	–	–	–
Profit attributable to equity holders of the parent	(7,018)	22	12,659	(198)
Statement of recognised income and expense				
Reconciliation from STRGL to IFRS statement	(4,423)	3,017	–	63

Merger costs £'000	Share based and employee payments £'000	Amortisation of intangible assets £'000	Adjustments to taxation £'000	Joint ventures £'000	Accounting alignments £'000	Deferred promotional expenditure £'000	Total IFRS and ESOP adjustments £'000	IFRS £'000
	–	–	–	–	–	–	(54,821)	191,673
–	–	–	–	221	–	–	221	–
–	–	–	–	–	–	(298)	4,068	4,184
–	–	–	–	–	–	–	8,618	(73,093)
–	(1,800)	–	–	–	–	–	12,383	(58,510)
–	–	–	–	–	–	–	920	(3,597)
–	–	(2,195)	–	–	–	–	15,429	(2,195)
–	–	–	–	(276)	1,068	–	19,007	(25,612)
–	–	–	–	55	–	–	55	–
–	(1,800)	(2,195)	–	–	1,068	(298)	5,880	32,850
15,703	–	–	–	–	–	–	15,703	–
–	–	–	–	–	–	–	–	(50)
–	–	–	–	–	–	–	903	(10,103)
–	–	–	–	–	–	–	947	947
15,703	(1,800)	(2,195)	–	–	1,068	(298)	23,433	23,644
–	–	–	(2,822)	–	–	–	(1,294)	(8,529)
15,703	(1,800)	(2,195)	(2,822)	–	1,068	(298)	22,139	15,115
–	–	–	–	–	–	–	–	6
15,703	(1,800)	(2,195)	(2,822)	–	1,068	(298)	22,139	15,121
–	–	–	–	–	–	–	3,080	(1,343)

18 (b) Effect of IFRS on Balance Sheet as at 30 June 2004

	UK GAAP balances in IFRS format £'000	Opening balance sheet adjustments £'000
Non-current assets		
Intangible assets	6,432	5,913
Goodwill	533,085	–
Property and equipment	34,575	(5,913)
Other investments	8,817	–
	582,909	–
Current assets		
Inventory	42,298	(4,000)
Trade and other receivables	93,817	–
Deferred tax assets	500	–
Cash and cash equivalents	11,124	–
	147,739	(4,000)
Non-current assets held for resale	–	–
Total assets	730,648	(4,000)
Equity		
Called up share capital	29,845	–
Share premium account	186,279	–
Reserve for shares to be issued	1,267	–
Other reserve	37,398	–
Merger reserve	34,540	–
ESOP trust shares	(3,641)	–
Retained losses	(141,258)	(5,620)
Total equity shareholders' funds	144,430	(5,620)
Minority interests	73	–
Non–current liabilities	–	
Long term borrowings	353,164	–
Deferred tax liabilities	–	(5,262)
Retirement benefit obligation	–	13,894
Provisions for liabilities and charges	9,686	–
Other payables	461	–
	363,311	8,632
Current liabilities		
Short-term borrowings	7,764	–
Current tax liabilities	20,268	–
Trade payable and other payables	95,112	(7,012)
Deferred income	99,690	–
	222,834	(7,012)
Total equity and liabilities	730,648	(4,000)

Acquisition accounting £'000	Deferred promotion £'000	Pensions £'000	Dividends £'000	Intangible assets £'000	Share-based payments £'000	Taxation £'000	Total IFRS and ESCP adjustments £'000	IFRS £'000
477,460	–	–	–	(2,133)	–	–	481,240	487,672
72,781	–	–	–	12,597	–	–	85,378	618,463
(84)	–	–	–	–	–	–	(5,997)	28,578
–	–	–	–	–	–	–	–	8,817
550,157	–	–	–	10,464	–	–	560,621	1,143,530
(2,977)	(298)	–	–	–	–	–	(7,275)	35,023
(640)	–	–	–	–	–	–	(640)	93,177
7,165	–	–	–	–	–	–	7,165	7,665
–	–	–	–	–	–	–		11,124
3,548	(298)	–	–	–	–	–	(750)	146,989
–	–	–	–	–	–	–	–	–
553,705	(298)	–	–	10,464	–	–	559,871	1,290,519
–	–	–	–	–	–	–	–	29,845
500,742	–	–	–	–	–	–	500,742	687,021
–	–	–	–	–	134	–	134	1,401
–	–	–	–	–	–	–	–	37,398
(34,540)	–	–	–	–	–	–	(34,540)	–
(3,269)	–	–	–	–	545	–	(2,724)	(6,365)
(21,894)	(298)	(135)	889	10,464	(1,800)	(168)	(18,562)	(159,820)
441,039	(298)	(135)	889	10,464	(1,121)	(168)	445,050	589,480
–	–	–	–	–	–	–	–	73
–	–	–	–	–	–	–	–	353,164
107,602	–	27	–	–	–	(466)	101,901	101,901
4,879	–	108	–	–			18,881	18,881
–	–	–	–	–	–	–	–	9,686
–	–	–	–	–	–	–	–	461
112,481	–	135	–	–	–	(466)	120,782	484,093
–	–	–	–	–	–	–	–	7,764
–	–	–	–	–	–	634	634	20,902
185	–	–	(889)	–	1,121	–	(6,595)	88,517
–	–	–	–	–	–	–	–	99,690
185	–	–	(889)	–	1,121	634	(5,961)	216,873
553,705	(298)	–	–	10,464	–	–	559,871	1,290,519

18 (c) Effect of IFRS on Income Statement for the Year Ended 31 December 2004

	UK GAAP balances in IFRS format £'000	T&F pre-acquisition results £'000	Intangible assets reversal of goodwill amortisation £'000
Revenue	504,666	(54,821)	–
Share of revenue of joint ventures	(441)	–	–
Change in inventories of finished goods and work in progress	1,042	4,366	–
Raw materials and consumables used	(158,646)	8,618	–
Employee benefit expense	(150,645)	14,077	–
Depreciation expense	(8,818)	920	–
Amortisation and impairment expense	(49,741)	4,965	29,776
Other expenses	(88,507)	18,215	–
Share of result of joint ventures	(271)	–	–
Operating profit	48,639	(3,660)	29,776
Merger costs	(15,703)	–	–
Non-operating income and expense	(1,118)	–	–
Finance costs	(20,551)	2,154	–
Investment income	1,117	–	–
Profit before tax	12,384	(1,506)	29,776
Tax on profit on ordinary activities	(12,284)	1,528	–
Profit for the year from continuing operations	100	22	29,776
Less: minority interest	26	–	–
Profit attributable to equity holders of the parent	126	22	29,776
Statement of recognised income and expense			
Reconciliation from UK GAAP STRGL to IFRS statement	(9,817)	3,017	–

Amortisation of intangible assets £'000	Pensions £'000	Merger costs £'000	Share-based and employee payments £'000	Joint ventures £'000	Adjustments in taxation £'000	Deferred promotional expenditure £'000	Total IFRS and ESOP adjustments £'000	IFRS £'000
–	–	–	–	–	–	–	(54,821)	449,845
–	–	–	–	441	–	–	441	–
–	–	–	–	–	–	(961)	3,405	4,447
–	–	–	–	–	–	–	8,618	(150,028)
–	119	–	(2,793)	(712)	–	–	10,691	(139,954)
–	–	–	–	–	–	–	920	(7,898)
(8,781)	–	–	–	–	–	–	25,960	(23,781)
–	–	–	–	–	–	–	18,215	(70,292)
–	–	–	–	271	–	–	271	–
(8,781)	119	–	(2,793)	–	–	(961)	13,700	62,339
–	–	15,703	–	–	–	–	15,703	–
–	–	–	–	–	–	–	–	(1,118)
–	(2,137)	–	–	–	–	–	17	(20,534)
–	1,191	–	–	–	–	–	1,191	2,308
(8,781)	(827)	15,703	(2,793)	–	–	(961)	30,611	42,995
	–	–	–	–	37,597	–	39,125	26,841
(8,781)	(827)	15,703	(2,793)	–	37,597	(961)	69,736	69,836
–	–	–	–	–	–	–	–	26
(8,781)	(827)	15,703	(2,793)	–	37,597	(961)	69,736	69,862
–	(2,054)	–	–	–	–	–	963	(8,854)

18 (d) Effect of IFRS on Balance Sheet as at 31 December 2004

	UK GAAP balances in IFRS format £'000	Opening balance sheet adjustments £'000	Acquisition accounting £'000
Non-current assets			
Intangible assets	6,258	5,913	477,387
Goodwill	497,986	–	75,508
Property and equipment	33,400	(5,913)	(84)
Other investments	10,605	–	–
	548,249	–	552,811
Current assets			
Inventory	42,638	(4,000)	(2,977)
Trade and other receivables	91,688	–	(640)
Deferred tax assets	414	–	39,684
Cash and cash equivalents	19,126	–	–
	153,866	(4,000)	36,067
Non-current assets held for resale	–	–	–
Total assets	702,115	(4,000)	588,878
Equity			
Called up share capital	29,946	–	–
Share premium account	187,755	–	500,742
Reserve for shares to be issued	1,267	–	–
Other reserve	37,398	–	–
Merger reserve	34,540	–	(34,540)
ESOP trust shares	(3,641)	–	(3,269)
Retained losses	(156,078)	(5,960)	(19,240)
Total equity shareholders' funds	131,187	(5,960)	443,693
Minority interests	53	–	–
Non-current liabilities			
Long-term borrowings	305,721	–	–
Deferred tax liabilities	5,901	(4,922)	140,121
Retirement benefit obligation	–	13,894	4,879
Provisions for liabilities and charges	660	–	–
Other payables	465	–	–
	312,747	8,972	145,000
Current liabilities			
Short-term borrowings	15,346	–	–
Current tax liabilities	22,420	–	–
Trade payable and other payables	96,001	(7,012)	185
Deferred income	124,361	–	–
	258,128	(7,012)	185
Total equity and liabilities	702,115	(4,000)	588,878

Deferred promotion £'000	Pensions £'000	Dividends £'000	Intangible assets £'000	Share-based payments £'000	Taxation £'000	Fixed assets for resale £'000	Total IFRS and ESCP adjustments £'000	IFRS £'000
–	–	–	(8,534)	–	–	–	474,766	481,024
–	–	–	29,529	–	–	–	105,037	603,023
–	–	–	–	–	–	(5,924)	(11,921)	21,479
–	–	–	–	–	–	–	–	10,605
–	–	–	20,995	–		(5,924)	567,882	1,116,131
(961)	–	–	–	–	–	–	(7,938)	34,700
–	–	–	–	–	–	–	(640)	91,048
–	–	–	–	–	–	–	39,684	40,098
–	–	–	–	–	–	–	–	19,126
(961)	–	–	–	–	–	–	31,106	184,972
–	–	–	–	–	–	5,924	5,924	5,924
(961)	–	–	20,995	–	–	–	604,912	1,307,027
–	–	–	–	–	–	–	–	29,946
–	–	–	–	–	–	–	500,742	688,497
–	–	–	–	380	–	–	380	1,647
–	–	–	–	–	–	–	–	37,398
–	–	–	–	–	–	–	(34,540)	–
–	–	–	–	2,179	–	–	(1,090)	(4,731)
(961)	(2,881)	8,389	20,995	(2,793)	37,597	–	35,146	(120,932)
(961)	(2,881)	8,389	20,995	(234)	37,597	–	500,638	631,825
–	–	–	–	–	–	–	–	53
–	–	–	–	–	–	–	–	305,721
–	(881)	–	–	–	(38,318)	–	96,000	101,901
–	3,762	–	–		–	–	22,535	22,535
–	–	–	–	–	–	–	–	660
–	–	–	–	–	–	–	–	465
–	2,881	–	–	–	(38,318)	–	118,535	431,282
–	–	–	–	–	–	–	–	15,346
–	–	–	–	–	721	–	721	23,141
–	–	(8,389)	–	234	–	–	(14,982)	81,019
–	–	–	–	–	–	–		124,361
–	–	(8,389)	–	234	721	–	(14,261)	243,867
(961)	–	–	20,995	–	–	–	604,912	1,307,027

Notes to the Financial Statements continued

For the Six Months Ended 30 June 2005

19 Reconciliation of Consolidated Income Statement from former UK GAAP Adopted by the Group to International Financial Reporting Standards

	Six months 2005 £'000	Six months 2004 £'000	12 months 2004 £'000
Revenue			
Under former UK GAAP	**258,644**	246,273	504,225
Use of acquisition accounting for Taylor & Francis Group plc merger	**–**	(54,821)	(54,821)
Include share of joint ventures' revenue	**1,098**	221	441
Total IFRS adjustments to revenue	**1,098**	(54,600)	(54,380)
Revenue under IFRS	**259,742**	191,673	449,845
Operating profit			
Under former UK GAAP excluding ESOP charge	**29,722**	26,970	48,639
ESOP shares charge	**(1,090)**	–	–
Under former UK GAAP	**28,632**	26,970	48,639
Use of acquisition accounting for Taylor & Francis Group plc merger	**–**	(3,660)	(3,660)
Former UK GAAP amortisation charge	**16,975**	12,659	29,776
IFRS amortisation charge	**(7,888)**	(2,195)	(8,781)
Goodwill written off	**(86,562)**	–	–
Other IFRS adjustments	**(1,501)**	(924)	(3,635)
Total IFRS adjustments to operating profit	**(78,976)**	5,880	13,700
Operating (loss)/profit under IFRS	**(50,344)**	32,850	62,339
Adjusted operating profit			
Under former UK GAAP excluding ESOP charge	**50,704**	46,620	108,343
ESOP shares charge	**(1,090)**	–	–
Under former UK GAAP	**49,614**	46,620	108,343
Operating IFRS adjustments	**(78,976)**	5,880	13,700
Former UK GAAP amortisation charge	**(16,975)**	(12,659)	(29,776)
IFRS amortisation charge	**7,888**	2,195	8,781
Goodwill written off	**86,562**	–	–
Change in adjusting items added back to operating profit	**–**	(5,643)	(5,643)
Total IFRS adjustments to adjusted operating profit	**(1,501)**	(10,227)	(12,938)
Adjusted operating profit under IFRS (Note 5)	**48,113**	36,393	95,405
(Loss)/profit before tax			
Under former UK GAAP	**20,421**	211	12,384
IFRS adjustments to operating profit	**(78,976)**	6,425	15,879
Merger costs capitalised in to acquisition value	**–**	15,703	15,703
Net finance costs effect of IFRS	**(351)**	1,305	(971)
Total IFRS adjustments before tax	**(79,327)**	23,433	30,611
Profit before tax under IFRS	**(58,906)**	23,644	42,995
Profit/(loss) after tax			
Under former UK GAAP	**10,502**	(7,024)	100
Total IFRS adjustments	**(79,327)**	23,433	30,611
Attributable taxation effect	**117,594**	(1,294)	39,125
Total IFRS adjustments	**38,267**	22,139	69,736
Profit after tax under IFRS	**48,769**	15,115	69,836

Directors and Advisers

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Richard Hooper (Non-executive Chairman)
Peter Rigby (Chief Executive)
David Gilbertson (Managing Director)
Anthony Foye (Finance Director)
Derek Mapp (Senior Non-executive Director)
Sean Watson (Non-executive Director)
Dr Pamela Kirby (Non-executive Director)

Secretary
Jeff Thomasson

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