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Presenter: Richard Menzies-Gow
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Operator: Good day and welcome to the Q3 IMS Conference Call. Today's conference is being recorded. At this time I would like to turn the conference over to Mr Richard Menzies-Gow. Please go ahead sir.

Richard Menzies-Gow: Thanks very much. Good morning, everyone. Richard here. Thanks for joining us this morning. I trust you all had a chance to read the Q3 Trading Statement we released this morning. We're going to follow a pretty normal format today, get Gareth Wright with me, our Finance Director. He's going to say a few introductory words and then we'll jump straight to Q&A.

Just one additional thing while I've got all your attention. I can't waste this promotional opportunity. I just wanted to remind you we'll be running our 2015 Investor Day this year on the 17th and 18th November. That'll be hosted in Washington DC to coincide with one of our big US exhibitions, Greenbuild. It'll involve a series of presentations from senior management, including a sort of detailed update on the Growth Acceleration Plan and a deeper dive into several of our businesses. And obviously I'm told we'll be really looked after in and around Greenbuild in Washington.

So please do join us if you can. Lots of you are signed up. We're keen for as many people as possible. Just let me know if you're keen and you'd like to join us.

Right, shameless plug over, let me hand over to Gareth for a few introductory comments. Gareth.



Gareth Wright: Thanks Richard. Good morning, everyone, and welcome to the call, which follows the release of our nine-month trading update this morning. As Richard said, I'm going to make a few brief comments as an introduction and then we'll move into the Q&A.

Our headline is that Informa continues to make steady progress and today we are reconfirming expectations for the full year. At the results in July we described the first half as progress with performance, and that continues to be a good description at the nine-month stage.

Our strategy for the Group remains unchanged: to progressively return every part of the business to growth and to simultaneously build the capabilities and the operating platform to enable us to handle future scale.

Focusing on trading, we delivered a consistent performance in the third quarter, producing nine months' reported revenue growth of 6.9% and organic revenue growth of about 2% once we adjusted for events phasing. This is in line with the underlying figure reported at the half-year.

As a reminder, the key phasing elements that impact the nine-month period are the two large non-annual events, Ipex and ForMóbile, which do not take place this year, and we've also had a large number of conferences that have moved from being held in Q3 last year into Q4 this year.

The Group's performance was achieved against what continues to be a fairly mixed trading backdrop across the various regions, markets and verticals where we operate. It's worth focusing on the energy and resources vertical for a moment, as I understand this is currently and area of focus in the market. Thankfully, it is not a big vertical for Informa, representing less than 5% of Group revenue. However, most of this revenue is within our Knowledge and Networking division and so there's certainly been a headwind for that division through 2015.

Turning to the Growth Acceleration Plan, the consistent trading performance has been delivered while we continue to make good progress implementing all elements of our 2014 to 2017 strategy to accelerate growth and improve returns.



The GAP Investment Programme continued through Q3 with close to 20 workstreams now live across all four operating divisions. The benefits from these investments will start flowing through progressively from the second half of 2016 as previously indicated.

Portfolio management also continues to be a key element of the careful strategy as we look to increase the focus of all four operating divisions onto the core areas of strength.

We announced at the half-year that we've launched a review of our Continental European conference businesses within K&N and through the third quarter this led to an exit for our businesses in Sweden and Denmark via an MBO. We continue to review the rest of our Continental European conference businesses, with a number of strategic options under consideration.

A disciplined and targeted acquisition strategy also forms part of GAP. Our focus remains on our two faster growing divisions and on the US market, and today we've announced the acquisition of FIME, an independent Americas Healthcare Exhibition. This will be a valuable addition to our large sciences vertical within GE, with a good opportunity to share content, customer relationships, and marketing across this portfolio, most noticeably with Arab Health, our single largest event.

Finally in terms of the Growth Acceleration Plan, you will see today that we have made progress with the funding strategy, announcing the issue of \$250 million of US private placement notes. This reflects our goal to keep a flexible and balanced mix of financing through the period of the GAP. It extends the average maturity of our debt and it ensures we have the liquidity and flexibility to fund all our investments both organic and third party.

Turning to the divisions in a little bit more detail, starting with Academic Publishing the market trends here are broadly consistent with what we discussed at the half-year. We continue to see lots of innovation around products and formats as customers look for increased flexibility. This is evolving at a steady pace and our GAP investments are designed to fully exploit these opportunities.

On trading, the division continued to perform broadly in line with the academic market, with an organic growth of 1.5% across the nine months. This implies a fairly flat performance in the third quarter, which reflected phasing and book purchasing patterns similar to the trend we saw in the first half of the year. Notwithstanding this trend, we expect the phasing of purchasing patterns to even out in Q4 as it did in the first half of the year, giving us another year of organic growth in line or ahead of the academic market.

In Business Intelligence, the reorganisation of the business under a new leadership team into five core verticals and the increased focus on subscription renewal, customer management continued to deliver improved performance. The organic revenue decline across the first nine months was 2.9% compared to 3.5% reported at H1 and the 8.5% decline for 2014. Our target remains to reach a positive run rate by the end of 2016 and we are on track to achieve this.

As we discussed at the half-year, the fourth quarter includes the majority of our one-off revenue in BI, and given the emphasis we have put into getting our subscription management and renewal process back in shape we feel it's wise not to set expectations for one-off sales too high this year. But we feel very confident that we can more than half the 8.5% decline we reported last year and that would be a great achievement less than 18 months after the new team took over.

Our global exhibitions division continues to performance strongly, benefiting from our strategy to internationalise and drive scale into the business. Organic growth over the nine-month period was 10.6%, and if we exclude the negative impact of the non-annual events which don't run this year, the underlying figure was higher still.

Encouragingly, the strength was broad-based, with good performances across a range of verticals and regions in Q3. As I mentioned, we sustained an acquisition of FIME, demonstrating that the division remains a key focus for M&A activity as we continue to build and buy a scale exhibition business.

In Knowledge and Networking, our smallest division, our focus continues to be on simplifying its operation model and increasing the focus on the core verticals of finance, lifetimes and TMT,



and driving activity in the key geographic hubs in the UK, US and Dubai. The exit from Scandinavia announced today reflects this, further reducing its long-tailed small conferences.

As we've been implementing these changes through 2015 trading has remained steady. The nine-month decline of 7.7% includes an impact from the movement of several of our larger conferences out of Q3 into Q4. If we adjust for this phasing, the underlying trend was similar to that which we reported at the six-month stage – around 5% to 6% decline. As I previously mentioned, within this performance the key weakness is the Energy and Resources vertical. Unsurprisingly, this is down sharply in 2015 and this accounts for the majority of the organic decline year to date within this division.

In summary, Q3 was another consistent quarter of progress with performance, leaving us well-placed to deliver the improvement in both operations and earnings targeted for 2015.

We'll be happy to take any questions that you have. Thank you.

Richard Menzies-Gow: Back to you, operator.

Operator: If you would like to ask a question at this time, please press the * key followed by the digit 1 on your telephone. Please ensure that the mute function on your telephone is switched off to allow your signal to reach our equipment. If you find that your question has already been answered, you may remove yourself from the queue by pressing *2. Again, please press *1 to ask a question. We will take our first question from Nick Dempsey from Barclays. Please go ahead.

Nick Dempsey: Yeah, good morning, guys. I just wanted to dig into the Q4 BI a bit more. So first of all, I think last year in Q4 you were down about 10%. Presumably subscriptions were weak as well as seeing one-off sales going away. So shouldn't your improvement in subscriptions you've been seeing through this year help to at least partially offset the one-off problems you've talked about? And then just in terms of those one-off reports, consulting – whatever else in that bucket – now, what verticals is that weighted to, and is it the same sorts of customers that are buying subscriptions from you? Maybe a bit more colour on that. Thank you.



Gareth Wright: Hi, Nick. Yeah, so taking it in reverse order, I mean, I think in terms of, you know, the customers they are similar customers. I mean, you know, one of the attractions for us in the one-off market is the ability to sell to customers that we already have subscription relationships with. So they are new sales and one-off sales. We're not trying to build relationships from scratch with those customers. So certainly there'll be a weighting towards customers that we have subscriptions with. It's not exclusively that, though. There will be some other sales in there as well. So I think it's a bit of a mix.

In terms of the verticals, I don't think there's any vertical that is particularly, you know, a dynamic in this. All five verticals push hard on the one-off sales in Q3 and especially Q4. So there's no one vertical that's particularly open to it. But it is, you know, an area of opportunity for us in Q4, as businesses, you know, tend to be trying to use up budget and, you know, finish things off towards the end of a financial year. So it's definitely an opportunity but there's just a bit less visibility over it than we have on a subscription stream.

In terms of the growth, yeah, I think, you know, broadly from memory I can see where your 10% number comes from in terms of Q4 last year. I mean, there would have been a number of different factors in that decline, but certainly the subscription revenue base is a bit stronger year on year and that's why the -10 is coming back towards flat. And that's a substantial reason for that improvement. So I think, you know, a lot of that subscription renewal rate improvement is priced into the current expectations for the numbers in terms of 2015.

Nick Dempsey: So just to follow up there, Gareth, when you talked about -10 coming back to flat you mean just for the subscription piece of BI, or...? I didn't really understand how -10 related to flat.

Gareth Wright: So you're talking of -10 for Q4 last year and...

Nick Dempsey: Yeah.

Gareth Wright: I think I can see that that would be what you could come up with for the quarter in isolation for BI as a whole. So that would have included one-off sales in that number. And we're



coming back towards, you know, the... You know, the third quarter here we're at 2.9%. So we're coming back towards flat. And part of the improvement of that is the underlying subscriptions improvement, but there is still, you know, one-off, where I said that that subscription improvement isn't enough to completely cancel out the one-off risk that exists in Q4.

Nick Dempsey: Okay, I see. Thank you. That's great.

Operator: We will now take our next question from Ruchi Malaiya from BoA. Please go ahead.

Ruchi Malaiya: Hi. Good morning. So it seems like you're gaining confidence on the turnarounds at BI even with those unknowns on the 4Q one-offs. Can you talk about any possibility that the better subscription trends could get the division back into growth sooner than the current sort of second half of '16 guidance - so leaving aside 4Q how you're thinking about sort of the next few quarters after that?

On exhibitions, that's clearly growing very strongly. Maybe just some more colour on what's driving that – pricing, volume? It sort of seems like the Monaco Yacht Show is probably... it must be more pricing given you've got sort of limited space there. So just any more colour around maybe those individual shows.

And then, finally, good to see you've reiterated your expectations on GAP. Is there anything more you can tell us about the visibility that you have on how that 70-90 million of spend is progressing and how often you reassess that target? Thanks.

Gareth Wright: Okay. Hi, Ruchi. In terms of BI, you know, I can see where your question's coming from and I acknowledge, you know, what your thinking is behind it, but I think at this stage we're not getting carried away in terms of our progress. We're very pleased with what the team have achieved running that business and they've only been in place, you know, for about 18 months, as we said, and they've had a limited opportunity, first, to make changes. So they've done a lot since coming in and, you know, the focus on subscription renewals and the focus on customer lifecycle management have definitely paid dividends.

So we're pleased with progress. We're comfortable with everything they've achieved. But I think at this stage we're not getting carried away in terms of, you know, the outlook going forward. As we said at the half-year, we felt that progress was good but that there could be, you know, bumps in the road along the way. We felt there wouldn't necessarily be a smooth path straight back to growth from there. And, yeah, I think that's the case. I think it's still... It's hard work in the market and there's, you know, a lot for the businesses to do still.

So we are sticking by the previous guidance of, you know, growth by the end of 2106. Obviously as time goes along and the revenue results perform, we increase in our confidence about that, but at the moment I think we'll be sticking to that guidance, especially before we have the budget for 2016, which is something that we're working on at the moment. We'll be sticking to that guidance for now and we'll update you further when we get to the full year results in February.

Richard Menzies-Gow: Ruchi, just to put it in context, remember that business declined four of the last five years. So sort of getting it back to positive growth, you know, within a two-year timeframe with a new team is a pretty good sort of achievement. So we'll kind of see where we get to, but certainly I think as Gareth says, you know, the confidence grows in that business in terms of what's achievable and what we can do with it. So we certainly feel we're bang on track for that target.

Gareth Wright: In terms of the exhibitions, yeah, we're pleased with the growth in that business. You know, the business is going very well and again it's performed at that sort of level for, you know, a number of quarters over the last couple of years. So we're pleased with how that's going.

As you're saying, Monaco is a bit space-constrained by its very nature – we can't make the harbour any bigger – but the other shows are both growing in terms of volume and price, and Q3, you know, was another good performance in that sector. A number of verticals like construction went well, with Cityscape shows in Egypt and in the Middle East, and overall we had a number of different regions performed well.

So we're pleased with how exhibitions are going. I think the drivers are the large events in the portfolio. The Top 20 events, you know, make up round about two-thirds of the portfolio and those Top 20 events are, you know, growing double-digit overall. So that's the real driver of the growth in the divisions. And that's a combination of the strength of those exhibitions in their market positioning and the strength of their brands in the markets that they serve. So that's really been the driver in exhibitions.

In terms of GAP, I think the key thing to remember on GAP is that the Growth Acceleration Plan Investment Programme is 20 – well, it's a bit more than that overall – it's about 30 workstreams, about 20 of which are currently underway. So the progress of GAP overall internally is being managed in terms of the progress of those 20 workstreams individually.

We have regular investment appraisal meetings called stage gate meetings, where we assess whether the project is, you know, authorised to proceed to the next stage, and each of those stage gates we're looking at the metrics that give us an indication of the success probability of the project and give us an indication that the project is delivering on the expectations that were set for it at the previous stage gate. So it's not kind of, you know, here have some money and come back in two years when it's done. It's grounding at project level and at a timeline level, assessing the progress through the project.

So I think all those individual parts build up to give us the overall confidence that we're still on track to deliver the numbers that we laid out to the market around about a year ago.

Ruchi Malaiya: Thank you.

Operator: We will now take our next question from William Packer from Exane BNP Paribas. Please go ahead.

William Packer: Hi there. Thanks a lot for taking my questions. Firstly, Business Intelligence. Could you just confirm and give us a little bit of granularity around performance by subsector? Is there any particular notable trends there specifically in the financial and pharmaceutical verticals? Are you benefiting from the cyclical side of things?



Secondly, you talked about less than 5% exposure to commodities. Could you just confirm in which division that sits and is it entirely Knowledge and Networking?

And finally, in terms of the US medical books, could you just through in a little more detail what's happening there? Is that actually new? And if so, what's the incremental challenge in the last quarter? Thank you.

Gareth Wright: Sure. Hi, Will.

William Packer: Hi.

Gareth Wright: So in terms of BI you have five core verticals that we're now trading in. I think if you had to pick one that you'd say would be the strongest, I think it's probably been pharma and healthcare in the year to date. That's the sector where we've enjoyed the most success and some of the products around things like Sage and Citeline are going particularly well in that space. So that's been a good pick-up for us and one we're pleased about.

I think the performance in maritime had a good Q3 as well. They made some progress and are bringing some new products onto line in that space. So they had a good Q3. And I think, you know, the others are going reasonably well. If there's one you'd pick that would be probably the toughest I'd say it's probably the finance vertical. That's the one where they're seeing, you know, the most pressure. But I think again they're making progress with that vertical and we're pleased with how it's developing.

So that's how I'd probably rank it in terms of the five divisions, but overall progress in all of them.

In terms of commodities, the key headwind in commodities is in Knowledge and Networking. So we said 5% of Group revenue. But in Knowledge and Networking commodities is currently round about 10% of revenue, and, indeed, if you go back to 2013 it's about 15% of revenue in that division. And most of that reduction from 15 down to 10 has occurred this year.

So you can see that in Knowledge and Networking in particular it's a specific headwind, and that's because of the conferences they run in the energy sector and also conferences they run in places like the Middle East where there's a more direct fallout from lower oil prices in terms of customer income and customer confidence to invest. So it's a key thing for K&N. In the other divisions it's less of a dynamic.

Finally, in terms of US medical books, I mean, I think in this one it's worth stressing that this is a relatively small part of the annual mix for academic publishing. It's a low single-digit percentage of AP's revenue overall but it was a specific headwind in terms of Q3 trading. This is a sector of the market where we are in more lower undergraduate textbooks. Most of our textbooks are, you know, fairly late undergraduate or postgraduate. In the US medical books area it's the one area where we're perhaps weighted towards the earlier years of academic life and there's a slightly different trading dynamic in that part of the market.

But it's definitely a market issue. It's not something specific to us. We're seeing other people talk about, you know, challenges in this space and so it's something that we're working on. Not a big part of the business but, as I say, a key part of the dynamic in terms of Q3.

William Packer: Just to come back on one point around the relative vertical performance at BI, can we assume from your comments that pharma and healthcare has returned to growth for the year to date and perhaps...?

Richard Menzies-Gow: Nice try! We're not going to get drawn into vertical guidance and growth and so on, but it's safe to say that, as Gareth said, all of them are moving in the right direction, some sort of faster than others.

I mean, actually I think in pharma/healthcare in BI it's more about the product and the theme than the market. The market's not as bad as it was, but I don't think the market's suddenly brilliant. But we've got some strong brands there, some good products, and I think now there's a bit of focus behind them in terms of how we're running them and what we're doing; that we're starting to get some quick payback from that. So, you know, trending well is what I'd say to you!



William Packer: Thanks a lot.

Operator: We will now take our next question from Matthew Walker from Nomura. Please go ahead, Sir.

Matthew Walker: Thanks very much. Good morning. A few questions, please. The first one is: I think at the H1 stage you or Stephen said that the team would be budgeting for growth in Knowledge and Networking in FY16. Does that remain the case?

Secondly, I think there was also some mention of the major brands – so excluding the European conferencing – being roughly flat at the H1 stage in Knowledge and Networking. Does that remain the case?

And lastly, on the US medical acquisition, in terms of profits is that enough to offset the Scandinavian disposal that's been announced today? Because I think you said in the statement that it ran before the deal... that their event ran before the deal was closed. So presumably it doesn't fall in this year's numbers but it will fall in next year's numbers.

Gareth Wright: Hi, Matthew. Thanks for the questions. Yeah, I think we'll go in reverse order this time. So on the last one I think you just summed it up there at the end, which is that FIME is an August event – was an August event – in 2015 and therefore we closed the deal after the event. So there is no upside from FIME. I mean, there's a little bit of cost out in reality, but there's upside from FIME in terms of 2015.

And in terms of the Scandinavian businesses that will impact us in '15 I think we should be clear on the scale of those business. The impact in terms of OP is not significant, so it's not something that we'd expect concerns us to move for or anything like that. It's just not the scale of the businesses. What it is, though, is not the scale of the businesses financially but when the businesses are a bit larger in terms of the management distraction and the work you have to do to manage them. And that's really why we've exited them, to, you know, tidy up the portfolio

and concentrate on the cores in the portfolio and the strengths in the portfolio and exit the smaller local language conferences that they... the market that they're in.

So they're not a big mover in the dial overall but definitely something that helps you tidy up and improve the quality of the portfolio.

In terms of K&N – the core – I think, you know, that is as we said at the half-year and that's kind of where we are again there, in a K&N reporting down underlying about sort of 5% on an underlying basis year on year. But if you take out sort of the Energy and Resources vertical, you take our Europe and you take out Russia, then what you're left with, which is about sort of 75% of the business in revenue terms, is definitely, you know, steady overall and growing slightly. So those are the key dynamics in terms of the decline in Energy and Resources, Europe, Russia, and outside of that we're comfortable with the division's performance.

And then finally the point on 2016. Yes, we would reiterate that again as our guidance and what we think is going to happen. You know, we think the business, as it begins to transition to its new strategic model, we're looking to the business to budget for growth in 2016 and, you know, I hope to be able to talk you through that a bit more when we get to full year, about that and the background behind it.

Matthew Walker: And just a quick follow-up, which is leaving the medical books aside, what gives you confidence in the book phasing for Q4? I mean, you said the same thing in H1 and that turned out to be right, but what gives you the confidence in Q4 in the book phasing?

Gareth Wright: It's a fair question. I mean, I did say it's not a business where you have a huge pipeline that you're tracking, that you have visibility over. So overall, you know, it is an area where we've got to have some uncertainty. But we're kind of going on the, you know, the confidence of local management in terms of their ability to get there and on the previous track record of hitting these targets. And the business has had lumpy quarters in the past but overall has come through out the other side and performed at or above market growth rates. And, as there's nothing specific that the business is flagging to us as a concern, we therefore retain that confidence they can achieve that again – that's at or above market level of growth - for 2015.



Matthew Walker: Okay, thanks very much.

Gareth Wright: Thanks.

Operator: We will now take our next question from Patrick Wellington from Morgan Stanley. Please go ahead.

Patrick Wellington: Yeah, good morning, everybody. A couple of questions. Firstly on Knowledge and Networking we're talking about getting back into organic growth in 2016. But what should our base level of sales be for that? I mean, if you take, say, that 75% of the business is doing okay but you've excluded Energy, Russia, Europe, we're talking about 50 million of sales out of conferences. So are we looking at organic growth of, you know, sort of 180, 190-ish base as opposed to the 240, 250 that's reporting at the moment? That's Question 1.

Question 2: Nipping back into an earlier question but just putting it more broadly. Business Intelligence: Do you have any of your five businesses in organic growth at the moment?

And then thirdly, you did say that the benefits of the GAP programme would be starting to come through the second half of 2016. Obviously we don't have much in the way of targets for the GAP programme, so maybe you could relate that to some sort of level of organic growth or what you might expect for earnings growth as we roll through 2016/17. Thanks.

Gareth Wright: Hi, Patrick. In terms of the first question on K&N, you know, I think it really depends on what the shape of the business is like at the start of the year. We've announced the Scandinavian disposal today, but we still have an ongoing process in terms of the remaining local language European conferences businesses and that is a process that we will reach a conclusion on by the end of 2015. We're looking at a number of different options there, but that will be concluded.

And that has quite an impact on the shape of the question that you're asking because those businesses have been about a fifth - including Scandinavia - have been about a fifth of the

divisional revenue but are definitely lower growth and lower growth prospects than the remainder of the division. The performance of those businesses is stabilising – to be clear. So they are becoming more stable, but they're definitely not, you know, a driver of growth in that division.

So I think we need to work out where we are on those two first and then kind of, you know, start doing that sort of shape question that you've asked. I think if you're starting with the 180 you mentioned you must be taking all of that out and then building off that number. And I think we kind of need to see what the shape of the business is like really, you know, before we start confirming exactly how the growth is going to be achieved and where it's going to be achieved from. But it'll be driven by the core, around finance, GMT and life sciences. Those will be the main elements of it that we'll be growing off of.

In terms of the BI sectors in growth, I think, you know, we don't want to get involved in a sort of a quarterly, you know, sector-by-sector analysis of BI. I think it's just too sort of lumpy and, you know, trading is too... you know, moves around too much to be doing that. I don't think there's any value in any of us trying to construct and manage models on that basis.

So I think in terms of the performance we're happy with the overall level of performance from the division. We said, you know, certainly pharma/healthcare is leading the way. But overall, you know, we really want to focus on the target of getting the whole division back into growth on a divisional basis by the end of '16 and that's something that we're confident we can do. Confident both that we've got the parts in place to achieve it and also we've made the progress so far that's necessary to do that.

And then finally on the GAP benefits in 2016, yeah, the benefits are starting to flow next year. In reality, the material benefits really flow in '17. We've talked about the project being ROI positive in 2017 and that's where the material benefits start to flow.

In terms of '16 it's still ROI negative. So there are some benefits coming through, but with the OPEX costs still in flow and depreciation beginning to kick in it's not sort of overall net positive for the Group in '16. But we will have, you know, benefits flowing through that we're be able to

talk to the markets about and give you a bit more colour over where the benefits are, what they are, and how they're coming about.

But at the moment, say, the progress in the projects doesn't tell us anything that makes us think that those '16 benefits won't come. So we're comfortable to reiterate the guidance previously given for the Growth Acceleration Plan. But, as I say, you know, in 2016 we'll have more visibility over exactly what the benefits are.

Patrick Wellington: And just a quick follow-up. Should we expect any proceeds from the sale of those European conferences in Knowledge and Networks, or are you basically paying to get rid of these businesses?

Gareth Wright: Not in terms of Scandinavia. The key thing we've done there is we've looked at selling the businesses or we've looked at closing the businesses down, and selling was better for us overall than closing it down. Therefore, not big proceeds, you know, in material in terms of the Group, but definitely better than closing the business down.

In terms of proceeds, the main thing we've got in Q3 are the consumer information proceeds that we announced at the half-year. We announced the sale of that. Those have come through in Q3 and largely funded the acquisitions that we've made in Q3 overall.

Richard Menzies-Gow: That was £25 million.

Gareth Wright: Yeah.

Patrick Wellington: Oh, so now we know how much FIME cost, so that's good.

Richard Menzies-Gow: FIME was in Q4, Patrick!

Patrick Wellington: Thank you.

Richard Menzies-Gow: Alright. Thanks.

Operator: We will now take our next question from Andrea Beneventi from Kepler. Please go ahead.

Andrea Beneventi: Yes, good morning, gentlemen. Two questions if I may. The first one is on academic publishing. You said you expect organic growth in line or ahead of the market. Still I'm not sure I know where the market will be in 2015. Is that something you may be willing to share with us? Or if not, has the market materially changed for journals in particular, obviously setting aside the medical journals that you have moved in and the books?

And my second question is on K&N. You're mentioning the exit from Denmark, Sweden, and Continental Europe. How would the rate of decline of K&N look like without the businesses that you are selling, please - for Q3 or nine months?

Richard Menzies-Gow: Hi, Andrea. I'll answer the first one because I think on academic we sort of consistently talked about a 2-3% organic growth in that business as a sort of market sort of level, and, you know, we look to grow sort of in line or ahead of that. And obviously if you look historically, pretty consistently we've been sort of slightly ahead of that.

I don't think we think that dynamic changes in the market. You know, the journals outlook looks pretty consistent. I don't think we feel a lot's changed in terms of the journal season we're going into. It look very solid, but without much, you know, in the way of price increases. So I think we continue to feel sort of 2-3 is a decent sort of target for the business, and, you know, we'll look to sort of do that or ahead of that year to year.

Gareth Wright: And, Andrea, in terms of the K&N question, you know, I think the... What you're assuming, I guess, in your question is you're assuming the remaining European-based conferences business are not in the number because, as we said, Scandinavia doesn't make a massive difference in terms of the overall decline. But I think if you take out all the European businesses you're probably taking out about a third of the decline overall. It's going to be a third to a half. The Energy and Resources piece is a significant piece of it both in terms of the vertical and in terms of the affect it's had on the Middle East through sort of disposable income, etc., in

that area. So I'd say probably even a third of it is the European businesses and the balance in Energy.

Andrea Beneventi: Okay. Very clear. Thank you.

Gareth Wright: Thanks.

Operator: We will now take our next question from Ian Whittaker from Liberum. Please go ahead.

Ian Whittaker: Thank you very much. Just two questions actually. First of all just in terms of exhibitions. Obviously the new financing scheme does give you more flexibility. Is there an argument sort of for exhibitions to maybe also as well look at further bigger scale acquisitions in the exhibition space? Are you more sort of keen just to focus on bolt-on deals?

And the second question is more of a sort of longer term strategic question than anything else. But you take these four divisions, sort of you obviously hope that all of them will return back to growth. But looking at the growth profile you would expect, the growth profile will be significantly different across all four units and there doesn't really seem to be much in the way of synergies between your assets. So do you sort of still consider that you're the best owner of sort of the bulk of the four units moving forward or do you think there's a case that maybe you should trim down the Group and focus maybe more on an area like exhibitions?

Gareth Wright: Thanks for the questions, Ian. In terms of the second one first, I mean, that was a key part of the question that we asked ourselves going through the strategic review that we completed in 2014, because what we didn't want to do is, you know, just continue going down that line and make the Growth Acceleration Plan investments if we didn't feel there was value in it for shareholders. And the clear and definitive decision that we made in 2014 was that by implementing the Growth Acceleration Plan across all four divisions we could generate value in all four divisions for shareholders.

So I think, you know, the key message we've got at this point in time is we want to run the businesses more effectively and improve their performance on a four-division basis. And, look,

at the end of the Growth Acceleration Plan we can reconsider that, but that the moment we think we can generate value in all four divisions through the targeted improvement programme.

Ian Whittaker: So just... Sorry, just to clarify on that point. So if, for example, you got, let's say, all divisions back to growth, you looked at it and thought, okay, divisions are... sort of they're back growth now; yeah, it might be a good opportunity to sell these assets at a higher price than we maybe would have got two to three years ago. That is something that you haven't ruled out?

Gareth Wright: We said that we will own these assets through the Growth Acceleration Plan period. So we will run the Group as it's currently structured until the end of 2017, and, look, after that, you know, you've got to consider where you are. But at the moment we definitely think we can add value through all four divisions with the programmes that we've got in place.

And the reason why I'm sort of, you know, hedging it slightly is I can never say never. I can't sit here and tell you in 2017, if we've got one of these businesses growing well and someone comes in with a fantastic offer, I can't tell you now that we won't take that. But what I'm saying is as we stand here in 2015 we're planning to run these four divisions through the current strategy and in the current structure and generate the value that we think is there in those four divisions. Okay?

Ian Whittaker: Thank you. And on exhibitions? Sorry.

Gareth Wright: And then on the M&A side, yeah, we do have good capacity. That's one of the reasons why we've done the financing. We've announced today in the private placement market. That gives us more flexibility in terms of the balance sheet and therefore we do have a reasonable amount of, you know, flexibility in terms of the M&A market. I think if you look at our, you know, sort of current gearing levels, we could, you know, deploy 250 million of M&A firepower, you know, in the business and still be at sort of 2.75 times leverage.

So we've got plenty of flexibility there and plenty of opportunities. And that's where we want to be, because we found that being, you know, a cash buyer and able to move quickly on these acquisition opportunities in the last 18 months has been a real strength for us. So in a number of



the deals that we've completed we've been able to move very quickly and that's been a, you know, good way to secure the opportunities.

So we are in a position to do that again. We'll continue to look at bolt-ons like FIME that add to our existing portfolio, but we're not ruling out, you know, bigger opportunities. We look at a lot of assets that come to market. We pass on more than we say yes to. We do look at a lot of opportunities and we will continue to do that going forward.

Ian Whittaker: That's great. Thank you very much.

Gareth Wright: You're welcome.

Richard Menzies-Gow: Thanks.

Operator: We will now take our next question from Steve Liechti from Investec. Please go ahead.

Steve Liechti: Hi, guys. Just have you actually given a figure on exhibitions ex-phasing for the nine months - so the 10.6 is including phasing? Can you give us a hard number?

Richard Menzies-Gow: You want every number possible! I mean, we haven't given the exact number but you can extrapolate it. I mean, the only thing you've got to adjust for is Ipex and ForMóbile, and I think in the past we said each of those was about 4 million of revenue, something like that. So you can sort of adjust and... It would add, you know, 5 percentage points, something like that, to the sort of number without adjusting for phasing.

So, you know, very strong sort of underlying. I think, as Gareth said, the encouraging thing about that is it's pretty much across the board in terms of regions and verticals. It wasn't driven by specific things. What it was driven by was our larger exhibitions, which is why, you know, I slightly caution Q4 whether we'd hold that sort of run rate, because we tend to have smaller exhibitions in the final quarter – which we'll still grow attractively but I suspect not at the same rate.



Steve Liechti: Okay. And anything you could say in terms of rebooking rates generally? I'm not sure what consensus is for next year in terms of like-for-like growth, but, I mean, your growth has been really strong here this year in underlying terms, as you just said. I'm just trying to think for next year. You know, why shouldn't we think you should be doing double-digit growth again?

Richard Menzies-Gow: That's the problem when you do well! But, I mean, listen, I think our line on it has been sort of consistent; that we think we can grow in the sort of mid to high single digits in this business over the sort of near medium term. So I think that's probably a decent starting place going into next year.

We obviously have the benefit next year of ForMóBILE happens again in July, so that will help us a little bit in terms of phasing. But I would have thought you see the underlying, underlying assumption. I'd start in that sort of territory, because, as you said, we've had a couple of very, very strong years where, you know, particular regions and verticals have just been very strong and we've got *the* big leading brands in those areas and have been able to exploit that very healthily. But I wouldn't draw a sort of straight line on that going forward because, you know, every year you do double digits it's harder to do it the following year.

Steve Liechti: Yeah. Okay, fair enough. And then Gareth, can I just haunt you on your Knowledge and Networking comment on 2016? You're hoping for growth there. Just to clarify, is that statement including or excluding the European conferences?

Gareth Wright: We would be hoping to get that business back into growth certainly if we've exited the European businesses. I think if they're still around I think that we would look to try and get them back to neutral for next year. They are stabilising at the moment, as I said earlier. So that stability would say that if they're around we'd hope they'd be neutral and the core would be growing.

So, you know, ultimately I think we would hope that we'd be in growth with them, but, you know, the review is ongoing and I suspect they won't be... even if they are here in '16 they won't be here in the same shape that they currently are in. So the dynamic will definitely change a bit before the budget is finalised.



Steve Liechti: Okay. And you talked about a couple of options in terms of Holland and Germany specifically. Now, they are bigger businesses, I believe, than the Scandi bits. Does that make them more difficult to sell given their different degrees of challenge-ness? I'm just really trying to get comfort that you can actually get rid of them for some money as opposed to having to sort of, I guess, take a loss on exit.

Gareth Wright: Yeah, we definitely can. I mean, there's definitely options for both of them and we're running options at the moment. We announced that we were putting them under review at the half-year results and, you know, within the next couple of days after the half-year results got approached by a number of different people interested in talking to us about what we were going to do with the businesses. So there are definitely options there. And we're just running through what the options are and what the best course of action is for Informa.

Richard Menzies-Gow: It's worth stating, Steve, I mean, it doesn't necessarily mean a sale, you know, just to be crystal clear. You know, there could be options around joint ventures or, you know, different structures whereby, you know, perhaps you don't have quite the same exposure and you get a sort of partner who might be able to sort of focus and drive the business better than it is today. So, I mean, don't assume it's a disposal. That could be one option, but there are lots of different strategic options that we're sort of looking at.

Steve Liechti: Okay. Cool. Thanks.

Operator: We will now take our next question from Simon Baker from Société Générale. Please go ahead.

Simon Baker: Yes, good morning. Thank you for the question opportunity. So two questions, please. One on the GAP. I mean, you mentioned the 20 workstreams and the stage gate process. I just wanted to get a sense as to whether the GAP system now has sort of progressed from a top-down approach of the £70-90 million investment to a more bottom-up approach. So in other words if you weren't to get ratification to go to the next step, you know, does that sort of get



returned back into the central pool as a cushion or does it just not get utilised or sort of go to a next workstream possibility?

And the second question was just on the scope of the review for the Continental European conference business. Are there any of those businesses now that you've concluded that are no longer in the scope for review, or is it all going to continue to be reviewed till to the end of the year? Thank you.

Gareth Wright: No, on the European businesses we've not reached a conclusion on that process. So obviously Scandinavia, Denmark we've announced the disposal of today. The remaining businesses that review is ongoing and we will get a conclusion to it and bring you resolution by the end of the year, but we are, you know, ongoing with the process at the moment. As Richard said, there's a lot of different options being considered around sale, restructuring, different formats, etc., and that's ongoing.

So it's not something that we're going to rush into quickly. Having announced the process in July, you know, we've made, I think, good progress with it so far and we will have a conclusion by the end of the year but at the moment it's ongoing.

In terms of the Growth Acceleration Plan investment strategy, as projects sort of, you know, are challenged they can get to a stage gate where we will not proceed with them if we don't feel the benefits are there. And at that point... I think what we say at the moment is that the funds go back into the overall budget for GAP and could be reallocated.

So when we launched the project we launched with around about sort of 30 workstreams. We actually rejected out of the project a large number of other workstreams that we felt at that time we didn't want to pursue. But those other workstreams have been sort of kept warm. They've been developed and are still there as opportunities and we're constantly sort of reassessing whether some of those should come back into the project as well.



So I think at the moment that's what we'd say: the 70-90 million guidance is still the broad range we're working to and I suspect that's what we will invest, but the moving parts can change over time.

Simon Baker: Thank you.

Operator: We will now take our next question from Johnathan Barrett from N+1 Singer. Please go ahead, Sir.

Johnathan Barrett: Thank you. Good morning, chaps. I've got just two questions: one on academic and one on BI. Just on academic first of all, can you just run us through the mix again now in the business; what you're getting in terms of revenues for one-off sales, what you're getting from books and what you're getting from journals, just so we can understand the mix a bit better, and perhaps comment if any of that mix or mix changes has affected the revenue growth in Q3 and may affect Q4, just so we can understand that a bit better.

And then secondly on BI. Obviously, you know, the business is tracking the right way. I think you've got less than 2% decline in Q3 now. You've put some caveats out there on getting back to growth. I just wonder are there some specific speedbumps in the BI business that you want us to think about in terms of the 2016 profile just so that we understand it properly?

Richard Menzies-Gow: Thanks, Johnathan. I'll take the first one; maybe Gareth will take the second.

Just on academic. I mean, the way to think about that business is broadly it's 50:50 journals and books. It's slightly higher on journals now because the medical journals came over from sort of BI, but broadly I think of it similar. Subscription... The journals are all subscriptions, so, you know, annually paid in advance, and the books are, you know, copy-driven, so sort of copy sales. And about a quarter of the book sales in terms of revenue is e-books and about three-quarters of it is still sort of print.

So that's the sort of make-up I'd sort of think about of the division. I don't think anything there in the make-up has sort of driven, you know, the flat quarter in Q3 or sort of any of the trends. I



mean, we've always had a shift in sort of the way book purchases happen quarter to quarter. I mean, it's the problem with quarterly reporting more than anything, that if something shifts a week, you know, it shifts the quarter.

When there's lots of dynamics going on in the market I wouldn't paint that picture differently. You know, as with any information business customers want more information more flexibly, more personalised, with more sort of tools, and they want to buy in different ways. The great thing about the academic market is it moves at a relatively conservative pace. So there's lots of stuff going on but, you know, we're able to sort of invest and stay ahead of that, and, you know, we've done that sort of consistently. So I wouldn't read sort of anything into sort of structure that's sort of shifted or changed.

Johnathan Barrett: Is there anything in terms of one-off sales that you've got to replicate from Q4 last year in terms of, you know, large licence sales?

Richard Menzies-Gow: No. Bolt deals and stuff, not really. I mean, we do them all the time, you know, at a small level. I know a few years ago we had a couple of years where there were particularly big one-off deals - I think in Russia, in the Middle East. We haven't really had one of that scale for a long time but we're constantly doing little ones in subject areas and so on and so forth. So there's no particular difficult comp on that side, you know. And that's a sort of feature but it's not something that's been a big factor in the last sort of 18 months or so.

Johnathan Barrett: Thank you.

Gareth Wright: In terms of BI, I mean, I don't think there's any specific speedbumps that we'd want to flag to you at the moment. The way we're playing it and the way we're pitching it to you is really based on, you know, the four months in Q2, which was very strong. What we didn't want is people thinking, right, that's it, they've cracked it; you know, game over, the job's done.

Q2 was great and you guys made really good progress with it in Q2, but there's a lot of work to be done there. And with the subscription renewals and the ongoing customer management



there's a lot of ongoing day-to-day work that's got to happen right through the period of the Growth Acceleration Plan to get the business back to where we want it to be.

So it's certainly not job done. They're making good progress but, you know, we wanted to send a word of caution, especially at the end of the Q2, to make sure people understood that this wasn't just going to be a straight line back to growth, you know, by the end of 2015 or something.

So there's no specific speedbumps we're trying to flag. We're just trying to say that the one-offs could be an issue in Q4. There's a lot of revenue in there from those one-offs. And we're focusing on subscription renewal for '15. So that could be a factor. And the business has got to keep moving forward and keep delivering the improvements and support an improvement in the subscription revenues.

So we're just trying to flag that it's not a direct line from where we were earlier in the year to beating the targets that we set for ourselves previously.

Johnathan Barrett: Okay. Thank you very much.

Richard Menzies-Gow: Thank you.

Gareth Wright: You're welcome.

Operator: We will now take our final question from Chris Collett from Deutsche Bank. Please go ahead.

Chris Collett: Good morning and thanks for taking the questions. Two quick questions from me. One is just on academic and some of the phasing that you were talking about there. Have you seen any of those... the orders actually coming in in October – so, in other words, orders that you were expecting perhaps in the third quarter that had just slipped the month end and you've already seen come through that are giving you more confidence about the fourth quarter and the

overall growth rate for academic, or are you still hoping that the business will just sort of right itself by year end?

And then second question. I know you've done a lot of work on customer management and on the sales team. So I'm just wondering if you could comment for your subscription businesses what you're really seeing now in this part of the year around renewal rates and the new business pipeline, particularly how it compares now versus where you were this time last year.

Gareth Wright: I think in terms of the visibility over the pipeline, I mean, there's no one-off deals or anything coming down the pipeline that are going to be, you know, of fundamental importance in terms of hitting the Q4 numbers and there's nothing in the pipeline to suggest that we can't make the numbers that we're looking to target, but it's not dependent on individual actions or things happening.

So I guess there's pros and cons to that. If there was a silver bullet that could sort it all out for you that might be great, but on the other hand you have to land that. Whereas we think just by trading the business steadily and trading well through the fourth quarter we hit the numbers that are out there.

So overall no particular issues in the pipeline but no particular one-offs that are going to deliver the numbers for you in isolation.

Richard Menzies-Gow: And I think in terms of sort of... The other thing to think about for the academic in terms of Q4... I mean, the sales teams obviously are very close to the customers. So where a sale hasn't come in as they would have forecasted it to in a particular month or sort of quarter, they've got a pretty good intelligence around, you know, when that might come.

The Frankfurt Book Fair was last week – or the week before – so, you know, that was a sort of mass sort of, you know, hive of sort of negotiation and meeting between sort of customers and so on. So again there's good sort of intelligence, which is why the team, I think, in AP have sort of confidence that, you know, that sort of phasing element will definitely even out through the final quarter.



Chris Collett: Right. Thank you.

Gareth Wright: Okay...

Operator: There are no further questions in the phone queue at this time.

Richard Menzies-Gow: Very good. Great. Well, thanks, everyone, for joining us. We're around the rest of the day if you want to follow up with any sort of questions, but I think we're all done to close the call. Thanks very much.

Gareth Wright: Thanks for your time, everyone.

Operator: That will conclude today's conference call. Thank you for your participation ladies and gentlemen. You may now disconnect.