Operator: Good day, ladies and gentlemen, and welcome to the Informa 10 Month Trading Update. For your information, 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 so much. Good morning, everyone. It's Richard Menzies-Gow, Director of IR at Informa. Thanks, everyone, for joining us today. I know it's quite a busy day, so we're going to crack on through as quickly as possible. I'm here with Gareth Wright, our Group Finance Director. We're going to do the same pattern as we normally do, so Gareth's going to spend a couple of minutes giving you a few highlights on recent trading, and then we'll jump straight to Q&A. Gareth, over to you.

Gareth Wright: Thanks, Richard. Good morning, everyone, and thanks for joining the call, as Richard just said. Today’s headline would be that as Informa comes to the stressful completion of the Growth Acceleration Plan, it remains steady as she goes. Or maybe even steady as she grows [inaudible] headline. Our renewed focus on growth is paying off, with steady improvements in our underlying revenue growth, and we're building real capability across the business, giving us the capacity to do more. Whilst this is a revenue update, I will also add that our cash generation continues to be strong, underpinning our decision at the half-year to raise the dividend commitment to at least 6% growth in 2017.

You'll notice that we're approaching 10-month underlying growth numbers today. This reflects the fact that we're reporting a bit later on November 9th this year, and that we've already collected
and processed results for the month of October. So the benefit of this is that there are only now
two months to go until the report year-end.

Overall trading has remained in line with our expectations, and we remain on track for the full
year. As the statement shows, group underlying growth for the 10-month period at the end of
October was 3.2%. As expected, this is a little lower than half-year range, mainly due to the
seasonally lower growth in Global Exhibitions during the third quarter, which we outlined at our
half-year results, and which is consistent with previous years. This is a trend that we expect to
continue in Q4, and I’ll talk a bit more about that in a second.

As a reminder, the growth that we're reporting is underlying revenue growth, which includes the
pro forma growth on acquisitions from the date of completion. So, Penton’s year on year growth
is included in this, within these numbers, as is YPI’s since we bought it in February. We also
include phasing events in this calculation to give you a better light picture. However, we do not
strip out events closures or pruning.

Turning to the divisions, firstly, across our two B2B events businesses, Global Exhibitions and
K&N, we delivered our underlying revenue growth a combined basis of +5.2% in the first 10
months of the year. So this provides you with a single events growth figure, and it’s probably
more useful when you're pairing across other events groups, which typically have a mix of
exhibitions and [inaudible] in their portfolio.

Within this, our largest division, Global Exhibitions, continues to demonstrate the benefits of
scale, strong brands and international reach, delivering 9.2% underlying growth across the 10
months. As you will recall, we reported limbs and growth in the first six months of the year, and
we've run the vast majority of our top 30 major fast-growing exhibitions. As we highlighted at that
time, and as we've seen in the last few years, we always have seasonally lower growth in the second half.

Despite this, we've had some great successes in the last couple of months. In International Yachting, both Monaco Yacht Show and Fort Lauderdale International Boat Show went really well, the latter particularly impressive given the limited amount of time we had to pull the event together after the destruction caused by Hurricane Irma. And elsewhere, in Health & Nutrition, we had another strong US shows in SupplySide West, whilst in Real Estate & Construction, Cityscape Global [inaudible] performed really well, and it did better than expected.

Now, just to be clear on the 9.2% growth number, we are expecting the last two months of the year to broadly reflect in exhibitions, and this reflects that we largely only have small events left to run, offering relatively low growth. Plus, we also just ran in November, our printing event IPEX, which, as expected, was down on its previous edition.

The overall message would be that Global Exhibitions remains in great shape due to a focused, strong set of international brands in attractive and growing verticals, with lots of opportunities for future growth. And this is certainly borne out by booking trends into 2018, which remain very positive.

Turning to our other B2B events business, Knowledge & Networking, we also continued to make good progress through the last few months. All our work we've done in recent years to streamline approach businesses in major brands and our three core verticals of Life Sciences, TMT and Finance, is starting to pay off. And in fact, for the first time since we launched GAP, this business recorded a positive quarter of growth, taking the first 10-month underlying figure to a 2.7% decline, improving from the 4% decline we reported at the half-year. And this includes strong performances from Finance, through brands such as SuperReturn and Finnovate, in Life
Sciences, through BioEurope and Boston Biotech, and in TMT, it was events like Internet of Things World.

During this period, we also completed the sale of our German Swiss domestic conference business, Euroforum, to Handelsblatt. This was a good outcome for both sides, and will further increase the focus on our international brands as we go into 2018.

So the key message from K&N will be that we now have a business with forward momentum, with greater focus and with plenty of opportunities to pursue. The last two months of the year are really important to this business. There's no reason to believe we can't continue with the improving trend, setting us up well to deliver our target of positive revenue growth across the year in 2018.

Coming onto our data and information services business, Business Intelligence, here we also continue to make steady and consistent progress, reporting 1.7% underlying revenue growth in the first 10 months of the year, up from 1.1% at the half-year stage. This improvement reflects the continuing benefit of product launches and platform improvements, as the GAP investments we've made through the last years pay off.

We also had a number of successful launches in Agribusiness, Transportation and Finance during the period, and most recently this week, during an exciting new product launch at EPFR Global. And this is driving all these things together and driving improving trends in Annualised Contract Values, and consolidating our average subscription and yield over 90%.

Supporting this core subscription revenue, we continue to develop our contingent revenue. Our relaunched consulting business has made steady progress to date, with good levels of customer engagement and an expanding [inaudible] activity. In our Marketing Services, we recently
relaunched the Penton business as Informa Engage, giving it a stronger density in the market, in
time for the busy fourth quarter period.

So the key message in BI therefore is continued and steady, consistent improvement, with the
benefits of increased customer focus and product investment really now paying dividends, and
giving us visibility and confidence on delivering further improvement in growth through the end of
the year and into 2018.

In our scholarly research and reference-led content business, [inaudible] the trends remain solid
and consistent, with modest positive underlying growth of 0.9% through the first 10 months of the
year. This reflects very similar trends to those we’ve seen through the last 18 months, with
continued strong growth in our journals business, a fittest performance in Upper Level
reference-led Books, and more volatility in the volume-driven Lower Level textbook market.

We continued to focus on investing in our content and developing our strengths in areas offering
growth. Most recently, this saw us add Dove Medical Press to the portfolio, a leading
independent open-access publisher. This expands our portfolio of open-access journals to over a
hundred, and gives us more capacity in this exciting and growing area of the market.

The outlook for Academic Publishing remains robust and consistent. The last few months of the
year are important for our Books business, but the trends look fair, giving us confidence that we
can deliver a second consecutive year of modest positive growth.

So overall, as I said at the start, I think the message would be steady as she goes, as the Growth
Acceleration Plan finishing line comes in sight. We still have two important months of the year to
trade, but we are confident that we can deliver a good outcome across the year, underpinned by
all the benefits of scale and capability that the Growth Acceleration Plan has given us. And more
importantly, we think this should set us up well for 2018 and beyond, giving us a solid platform for future growth and scale.

We're happy to take any questions that you have, so we'll pass it back to the operator just to outline how the questions could come in.

Operator: Thank you. If you would like to ask a question, please signal by pressing star one on your telephone keypad. If you are using a speaker phone, please make sure your mute function is turned off, to allow your signal to reach our equipment. Once again, that's star one to ask a question. And we will take an opening question from William Packer, of Exane BNP Paribas. Please go ahead, your line is open.

William Packer: Hi, there. Thanks so much for taking my question. It's Will from Exane. Firstly, could you just comment on Penton's performance for the nine months, and for the four-month period? Has it accelerated from flat organic revenue growth we saw there? And I assume all the organic growth numbers we have, you've provided, include Penton like they did at the half-year.

Secondly, could you just talk through the factors that you expect to drive the acceleration of growth next year at BI? Does Consulting have to take off, or is that, those incremental bits of the business not important? That just assumes that the core subscription business does well.

And then finally, in terms of the Books business, we've seen from some of your peers, that actually, things have been a little better than in previous years. Does that bring some upside risk to your guidance, or is that within the guidance? Basically, the easycomms and the fact that the peers of the industry are in a better place. Thank you.
Gareth Wright: Sure, thanks, Will. Good morning. In terms of, let's work through the new order that you raised in there. Yes, so Penton is included. The way the end calculation works, we include the current year numbers for Penton, and then bring it into the comparison assuming we owned it for the full 10 months of 2016. So, Penton is fully included in these results, and therefore, where the Penton performance is a little bit weaker was in areas like print, that is fully taken into account of in terms of the growth numbers that we're reporting today.

I mean, overall, can we say Penton is a little bit flat-ish or flat in the first 10 months. The exhibitions have performed really well, but they were largely in the first six months of the year. But the other areas are performing solidly and in line with our expectations overall. So, happy with how that's going, and happy with the way the business is performing and how it continues to be integrated into Informa.

On Business Intelligence, I wouldn't say anything specifically takes off. It's just basically an overall general improvement in the performance across the business. Consulting has been a good thing, as I just said in the introduction. It's gone well, and Marketing Services has been relaunched. But there's no one specific area we need to come off to deliver the improved performance. Really, it's across the board in terms of all the revenue streams.

Richard Menzies-Gow: Yeah, well, and on Books, just quickly, I think our view would just be that trends haven't changed a lot. The truth is, though, in the Upper Level books, I think, you know, we obviously have a decent size business, and I think the trend's still sort of broadly flat-ish. And it's not easy, really. What's driving that market is just budget, budget pressure, flat budgets, and journals getting allocated first. In the Lower Level textbooks, we're just not big enough. We're really too small to be [inaudible] on the market. You know, we're really a bit part player on what's a high-volume market, so I think the others have a much better read on the market. What seems to be driving them more is just, you know, levels of return and so on and so forth. So, certainly,
for November, December, which are obviously important months for Books, we’re planning on it still remaining pretty similar to what we’ve seen, and you know, still soft-ish, particularly in the Lower Level.

William Packer: Just to come back on one of your comments, which was very interesting, was Penton having maintained its flat organic revenue growth for the second part of the year, but Exhibitions being a much lower portion of the revenue. Should we therefore infer that the non-Exhibitions part of the business is improving?

Gareth Wright: Exhibitions is quite a large portion of the revenue, so that is just a factual point. But, yes, one or two other areas are [inaudible] Printers are better than what we thought it would be, for example. But overall, I think it's where the business, where we're happy to have businesses performing. And we think it's kind of continue to see that transition away from print and towards exhibitions and increased revenue streams in the way we hoped it would. So, overall, you know, I think it's evolving in line with what we thought would happen.

William Packer: Thank you.

Operator: We will take our next question from Ian Whittaker of Liberum. Please go ahead, your line is open.

Ian Whittaker: Thanks so much. Two questions, please. First of all, just in terms of events, so as you said, you've got visibility going into 2018. How should we think about sort of events growth moving forward? Obviously, you're not going to give us specific guidance, but just in terms of when looking at the potential growth rate, vis-a-vis this year, what do you think are the trends we should consider?
Second thing, I just want to ask about the Dove acquisition. I mean, if you actually look at the sort of... It's actually had a decidedly mixed press in the past, it's been kicked out of the Open Access Scholarly Association, and then as has been stated, there's been concerns over the articles it's published and so forth. Just wondering sort of how satisfied you are that all the problems sort of Dove has had in the past have been rectified.

Gareth Wright: Thanks, Ian. Yeah, just taking these in the order you raised them. So, on the events growth, we are, as we said, you know, the registrations and contractual bookings are going well for 2018. At this stage, you really have visibility over the first half of the year. You don't know very much about the second half, but the first half is obviously the stronger half of our portfolio, so that gives us... A larger part of our portfolio, so that gives us good insight into how the business is going to perform. As you said, at this stage, we won't give specific guidance for 2018 revenue for Exhibitions, but we would expect that bookings that we're seeing gives us confidence that we can produce another year of underlying revenue growth ahead of the market in that division.

Ian Whittaker: Can I just ask on that, I mean...

Gareth Wright: And just on Dove. Sorry.

Ian Whittaker: Sorry, I was just going to ask, just on that sort of comment about the sort of bookings. I mean, the bookings for '18, what you're seeing now, are they sort of similar to what you have at comparable stage this time last year?

Gareth Wright: Yeah, as a percentage of what we would expect the business to do, yes, they are comparable. So, obviously, in terms of that, you are building growth into what you expect them to do, and they are coming in a similar percentage year-on-year of your expected outcome. So, the
percentage is consistent year-on-year, but that incorporates a level of growth ahead of the market.

Ian Whittaker: Okay.

Gareth Wright: And just on Dove quickly, I mean, you're right, there's a few sort of wrinkles and so on to the past. I think if you look across the OA market, it's a pretty nascent market. And so, you know, across various OA sort of start-up businesses, you know, as the market's evolved, different businesses have had various sort of issues with, a lot around how they scan and scrutinise papers and so on, and ensure they've got the right level of peer review and quality and so on and so forth. And I think through the years, they've got better and better at that.

So I don't think we have any issue with it. If you look at their portfolio of journals, they've got a range of new journals and a range of old ones, some which many of which are indexed in Weather Science and several that have impact factors. So that really is how you would sort of scrutinise the quality of the journals and so on. So we're pretty comfortable with that, and the key thing with Dove is it gives us capacity to do more in OA, you know, which is something I think we needed just to, in a market that's grown quite nicely, just the ability to do more.

Ian Whittaker: Great, thank you.

Gareth Wright: Thanks, Ian.

Operator: We will take our next question.

Gareth Wright: Next question, Operator?
Operator: Apologies. We will take our next question from Katherine Tait of Goldman Sachs.

Please go ahead, your line is open.

Katherine Tait: Morning, everyone. Just a couple of quick ones from me. On BI, I know you sort of talked about not needing, you know, something to particularly take off to reach that 3% past growth, but I wonder if you can give us just a sense of how you expect that to be broken down in terms of, you know, volumes, price, new products, etc.?

And also, if you'd give us a sense of how you expect the Penton growth trajectory to trend over the next year or so? And perhaps more specifically, whether or not it's likely to reach the sort of broader growth rates that you are now sort of seeing within BI.

Gareth Wright: Okay, hi, Katherine. In terms of the BI growth, it's an accommodation of different things. One of the key things we have in terms of the subscription revenues, which are about 70% of the BI business overall, is that there is a sort of pretty regular launch of new and refreshed products happening at the moment through that business across all six of the verticals it operates in. And a lot of these product launches and refreshes are the outcomes of the investments made through the Growth Acceleration Plan. And the key thing about that is, once these subscriptions renewed across the year in BI, there's definitely a weighting towards sort of December, January, February, and therefore, getting those product launches into the market now in terms of newer conversations. So that's the thing that gives us confidence about it.

And certainly, in terms of the pricing conversations, those are also, you're better set up for those if you've got new content in the market that is delivering on what the customers want. So, both new products and price are easier conversations, or relatively easy – they're not easy, but relatively, more straightforward conversations – in the environment that we find ourselves in now.
And that's not to say that the other areas are not growing. As you said, you know, Consulting, we know continues to do well, and Marketing Services is rebranded and refreshed as well. So between those three areas, you really are looking at the majority of the revenue. And therefore, you know, probably in order of the new products is probably the most helpful, and then in terms of, you know, price, that's a value-add to a lesser extent.

Richard Menzies-Gow: I think the only think, could I just to add to that, is there's an area we haven't been as good at to date, is probably on new business pipeline. You know, we've been very good at upselling to existing customers and strengthening renewals, and as new products come through, getting more value out of existing customers. The focus going into '18, and there's a lot of work going around the sales teams and account management and so on, is building a better and deeper and broader new business pipeline. So, operationally, that would be a sort of focus.

I think the other question you had was just on Penton. I mean, it's 100%, when we bought Penton, we knew the business plan was for flat growth overall this year. It was pretty flat the year before, as the mix continues to evolve. Clearly now, it's not an entity anymore now, it's now been integrated into the business, so it actually gets more difficult to track it intricately. But ultimately, the business model had a say in moving into positive growth next year on a revenue line and improving towards the growth rate of the overall group over the next couple of years. So, 100%, that will be the business plan, and we're on track for that, definitely.

Katherine Tait: Thank you very much.

Operator: We will take our next question from Steve Liechti of Investec. Please go ahead, your line is open.
Steve Liechti: Morning, guys. That's a new derivation of my name, but there you go. Couple of questions. One, just on K&N, is the 2.5% excluding any or all of the commodity stuff that you're exiting or due to exit? And is it directly comparable, therefore, to the -4% in the first half?

And then the second question is, just going back to Academics, I'm sort of slightly surprised that Books aren't a little bit better given market trends that we talked on. I understand your position, but just comment on that quickly. And then just confirm, I think you said journals were growing around 3% overall. Can you just sort of confirm whether that's still true? Thanks.

Gareth Wright: Hi, Steve. So, in terms of Knowledge & Networking, the way our underlying growth calculation works is that we, say, conclude a full year of acquisitions and disposals in the current year, and then we adjust the comparative to be consistent. We adjust for events phasing, but we do not adjust for products that have been withdrawn from the market.

So, to come to your specific question, the K&N growth at [inaudible] is consistent with the half-year basis. We have not adjusted out any commodities, products, or anything like that, to your specific question. To be clear also, we have not stripped out the Germany business, the Euroforum business that we've mentioned has been disposed. That business's performance is fully included in the 10-month trading statement that we're announcing, and that would be slightly weaker than the average, but that is included in the numbers. So the 10-month number is directly comparable to the six-month number that we released earlier in the year.

In terms of Academics, I think Books is okay. Journals is certainly the more consistent performer, and is delivering revenue growth consistently in line with what we said previously in the year. So that hasn't changed. But likewise, Books has been consistent as well, and perhaps what you're seeing is a little more consistency than it used to show in previous years. That's perhaps where some of the different trading patterns are coming through. So it's not perhaps quite so up and
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down or as lumpy as it was in last year. But overall, broadly, the message we would give in Academics and Publishing is it's been a steady year, and that it's progressing towards its targets overall that we're comfortable with, and this year it's probably a little bit steadier and more consistent this year than last year.

Steve Liechti: Great. Can I just follow up on the K&N? So, I think I understand what you're saying about including disposals on a pro forma basis. I suppose the question is, if you strip out the commodities stuff that you've sold in total for the year, what would the first half life be, and what would the 10-months life be?

Gareth Wright: Yeah, I think it will probably be a touch better, but we haven't broken that number out. We traded it for the 10 months, so we're including it in our numbers. We might do it year-end if it makes sense for '18 guidance, as to give you kind of a view then of how the '18 guidance kind of improves from the '17 guidance. But I think we'll see how the business trades out in the last two months of the year first of all, before we get into '18 guidance.

Richard Menzies-Gow: I think your comment probably is mainly around the German business we sold, Steve, which completed on the 1st of November. I think we said previously that that was declining above the rate of the division, so clearly once that drops out from the 1st of November, that will help the underlying growth trend.

Steve Liechti: I'm quite surprised you're saying it's only slightly better, given what we know the [inaudible] business must be [inaudible].

Richard Menzies-Gow: Well, you can do the math. You can do the maths on that, because you can do the maths on that, because I think we said it's about a 30-million-pound business, the German business, and declining worse than the sort of underlying rate, which was 4% the half-year. So
you can sort of back the maths up a bit. It'll certainly help going into ’18. That's why we're confident, given the streamlining we've done, the work we've done in the business, that, you know, the goal is to get that business to positive underlying business in ’18, and I think we feel we can do that.

Steve Liechti: Okay, great, thanks.

Operator: We will take our next question from Ruchi Malaiya from Bank of America. Please go ahead, your line is open.

Ruchi Malaiya: Hi, morning. On BI, can you give us an idea of how far we are through the rollout of the new products? I know you just mentioned that the focus is on getting the products out over the next few months, but then at that point, I mean, can we talk about being 50%, 80%, 90% sort of through the rollout, or is there a lot more to come through ’18?

And then on Academic Publishing, I guess a deal like Dove Medical, you talked about giving you capabilities in areas like OA. I guess the question is, do you think you have enough scale within that Academics business to sort of compete with your bigger peers? Thanks.

Richard Menzies-Gow: On the Good morning, Ruchi. On the BI rollout, we're talking about the Growth Acceleration Plan products coming to market now, and you know, we're certainly working our way through that program. But what we've been keen to stress in terms of the Growth Acceleration Plan is that whilst we change kind of the culture and operation of the group to deliver that strategy, exiting the Growth Acceleration Plan, things aren't going to change. So, whilst we are going through currently the catch-up rollout that the Growth Acceleration Plan funded, going forward, you should expect a continuous and regular drumbeat of product rollout from BI. So, it's not like we're going to go through this program and then stop. Basically, it's just the start of a
new, you know, cultural change, a new way of operating in that division, that they’re looking to update on a continuous ongoing basis across the portfolio in the product. So, as I say, you shouldn’t expect to see it basically stop or come to an end as such. It’s just the Growth Acceleration Plan that finishes, and the cultural and operational change in the division will continue going forward.

Gareth Wright: And just on your question on Academic, I mean, I think we feel, certainly, in our core Journals and Upper Level Books business, we have enough scale. I don’t think we feel squeezed. We’re definitely viewed as a major publisher, you know, and we get access and entry. And our customers tend to buy on subject focus, and so if they’re an institution focused in our areas, then we tend to be top of their list, you know, to talk to. But if they’re focused in other areas where we have less focus, then, you know, they’ll tend to put more emphasis elsewhere. But we certainly don’t feel squeezed by our sort of size in the core business.

In Lower Level textbooks, as I said earlier, we’re definitely sub-scale. I mean, we’re a bit-part player. You know, we’ve just acquired businesses along the way which have given us some exposure to that.

So we’re definitely not in the volume game that the big players are in that market. Then you look at newer areas which broadly you might term under academic services, academic digital services, whether it be analytics, author[?] services, open access social media-type stuff. I mean we’re relatively new to that, and we’ve made a few acquisitions, you’ll recall we invested in a business called Colwiz earlier this year I think it was clearly in open access we’ve been building and Dove adds to that. We’ve been investing in other areas around analytics but we’re relatively new to that, but that market is relatively new. The attraction is that you can tap into other budgets other than the core library budgets and there’s a bit more growth in those sort of markets so I think
you’ll see us gradually do a bit more as the investments start to bear through. But that won’t change overnight.

Ruchi Malaiya: Right thank you.

Richard Menzies-Gow: Next question operator.

Operator: The next question is from Patrick Wellington from Morgan Stanley.

Patrick Wellington: Morning everybody. Couple of questions on exhibitions. You’re hoping to grow at above the market growth rate next year, so what is the market growth rate for next year?

Secondly you’re saying exhibitions is flat in Q4. Q4 is normally a bit weaker but it did grow last year, it grew by about 3% in the fourth quarter, so are we seeing an underlying slowdown there and you might link into that a bit about phasing. These numbers are ex-phasing so can you tell us whether phasing is positive or negative for exhibitions in Q4? Third question is cost-saves at Penton, 14 million I think is the number. Any view on whether that is now likely to be exceeded?

Richard Menzies-Gow: Morning Patrick. In terms of the exhibitions questions, starting with those. We see the market growing at about five per cent, I think that’s pretty consistent across what it did in 16 and 17. We are, as an initial starting point for the year, targeting growth ahead of the market. That’s not to say that we’re expecting any particular slowdown from what we’ve achieved in 17 but as an initial starting point we always look to just beat the market in exhibitions and that’s what we’re aiming for at the moment as we stand. In terms of the growth in the last two months of the year, the IPEX triennial was in that. For the underlying growth calculation what we do is imagine that the previous event occurred in 2016 and therefore in the 17 growth you have that comparative in there and IPEX is an event that has declined since last edition and has declined reasonably substantially. It’s in the print market, if you remember that one.
It’s in the physical print market which is a market that has seen quite a lot of pressure on the customers and products. That event has been difficult and so that therefore is a material drag on the trading for the last two months of the year. In terms of GE, the overall phasing of the events through the year is neutral at this stage of the year.

The events do move around a bit more in the first half of the year but at this ten month period overall there’s no particular phasing effect in the numbers. On Penton, overall we’re pretty much on course and on track for that. I don’t necessarily think we’re going to beat the number overall on a net basis, we’ve got one or two areas where it is slightly outperforming, but we’re looking to reinvest our performance in the business to consolidate the performance of the business going forward. On a net reporter basis, you shouldn’t expect us to come in ahead of the synergy number that we reported because of that reinvestment.

Patrick Wellington: Ok, that’s very helpful, and reassuring on exhibitions. I think we can attribute the slowdown in Q4 to IPEX. I mean, to ask the question more obviously, your big exposure in the US has been building shows. How is the environment for building shows looking early into next year? It looks like it’s in good shape.

Richard Menzies-Gow: Yeah it is, it’s still in good shape. We had, as you saw, the head of our business in the run up to this trading statement, just to get a view on where he felt things were and in the end market, the end construction market, pretty consistent, and certainly not showing any particular slowdown and we’re also seeing booking at particular shows in that sector. World of Concrete is obviously the largest and that runs in January and that business is well on course to deliver its target for 2018. We’re not seeing any particular slowdown in that space.

Patrick Wellington: Great, thank you.
Richard Menzies-Gow: Next question operator.

Operator: Next question from Chris Collett of Deutsche Bank.

Chris Collett: Good morning. Thanks for taking the questions. I appreciate this as a sales update.

Gareth to you, you mentioned cash flow so I was just wondering if you could give us an update on, do you still expect to get to your target leverage range by the end of the year, and are you still confident of producing over 400 million of free cash flow this year? And the other question I had was, you gave us this combined growth figure for global exhibitions and knowledge and networking, you said for comparison purposes. Are you warming us up for, are you going to recombine those two divisions back into one, as they were previously?

Gareth Wright: Hi Chris. I'll do them in reverse order this time. No we're not flagging anything or setting you up for a consolidation of those two divisions. We just felt it was useful because we do get asked a bit about why are your exhibition growth numbers so far ahead of some of the peers and one of the things we feel is a dynamic in that is the peers some of them have conference numbers in the reported growth. We just wanted to give you a sense of what the two were together.

I still think it's a good growth number but the mixed effect brings it down a touch from what exhibition reports are saying. Certainly there's no flagging here that we're about to change the divisions or combine GE with K&N. It's just to give you a sense of the overall picture for our B2B events business. On leverage and free cash flow we think we're on course for our 400 million target for 2017 full year. Quite a lot of the cash comes in over the last two months because of the subscription renewals, particularly in academic publishing. There's also a bit in BI and also the cash receipts on accounts for the exhibitions that run early in 2018.
So the next two months is quite a key period for the cash but certainly at the moment we see no reason why we can’t get to the 400 million number that we flagged for the full year. In terms of leverage, I think it’s probably going to be within the range of 2-2.5x, but it’ll be at the top end of that range. We have the Dove acquisitions we announced about a month or so ago and overall it’s expected to be around 2.5x leverage at year end.

Chris Collett: Great, thank you.

Gareth Wright: Cheers Chris.

Operator: We will take our next question from Matthew Walker of Credit Suisse.

Matthew Walker: Hi guys, good morning. Could you first of all give us, just for the record, the nine-month growth rates for the group and the various divisions please? The second question is on the way you operate with open access, do you operate so that you ask for processing charges on top of your journal subscriptions or do you follow an offset model where you’re giving something up on the subscription price for the library in order to generate the APC what’s the philosophical and practical attitude to that please?

Gareth Wright: The truth is it varies by market. Some markets try and enforce an offset model. It tends to work in small markets where there is a very strong connection between funders and buyers. Effectively institutions and funding bodies themselves. You get small markets like Austria, Luxembourg and The Netherlands maybe, where you tend to have those types of models and where they are in place we will do agreements on that basis. And in other markets you don’t have that, you have a much broader disconnect between them. Sometimes you can find you can get APCs alongside subscription, particularly for individual articles.
Quite often what will happen is the particular researcher will want to promote their work in open access, or maybe a condition of their funding is that it has to be published in an open access journal but they want to be within the particular journal of repute in their area and so they may pay a smaller fee in a hybrid model to make the article open access once the journal is published but you still are generating subscription revenue on the overall journal. It’s a slightly dynamic moving start that; there’s no set way, it depends on the market.

Richard Menzies-Gow: On the growth rate, the nine-month period would be pretty consistent with what we reported at 10 months. We’ve gone for 10 months because the board meeting that signs off the statement as a practical matter was a couple of weeks later in the year this year and therefore we were able to get the October trading in there as well so we wanted to give you a bit more certainty because we’ve only got two months trade instead of three months trade, per the normal statement. The numbers overall would’ve been pretty consistent, you can see the trends from half year into these numbers and into full year guidance has also been pretty consistent overall.

Matthew Walker: Just a quick follow-up on the exhibition side. You mentioned next year your expectation of market growth was five, you weren’t signalling a particular slowdown in growth for your business, so does that mean we should expect something for 18 that is similar to the roughly 8% that you’re on track for this year?

Richard Menzies-Gow: I think that would be a result if we could do that but I wouldn’t model it at this stage. If you look at the last three or four years we’ve grown very strongly and become a much, much bigger business. This business is unrecognisable to four or five years ago. It gets harder to deliver that sort of level. Certainly we feel we can do ahead of the market, I think consensus for the moment is in underlying growth for GE next year is six, six and a half, something like that, which I think is a sensible place to start. We obviously have a lot in the first quarter and the first
half so at that point we’ll have a much better confidence to give you more visibility about exactly where it might end up. Certainly ahead of the five.

Matthew Walker: Ok, thanks a lot.

Operator: We will take our next question from Natasha Brilliant of Citi. Please go ahead.

Natasha Brilliant: Thank you, morning guys. A couple of questions on academic. Firstly, there have been some more articles that one of your competitors is facing resistance from some German universities. I know at the half year stage you said that wasn’t something you’d come across but I just wondered if that had changed at all in the last couple of months? Secondly on academic more broadly, next year you haven’t talked a great deal about it. I know it’s early days and a lot rests on Q4 but do you expect another year of modest growth or do you anticipate doing a bit better than that?

Gareth Wright: Thanks Natasha. On Germany specifically, there’s not a lot I can say but we have a contract in Germany which I think we renewed back in December pretty much in line with normal patterns and I believe it was a three-year deal that we struck so I don’t think we have any issues. I think they’re specific to the other party that you’re talking about. I think next year we’re not seeing shifts in the patterns in the market so I think our going-in expectation is continued modest growth with a mix of journals still tracking at two to four per cent, in that range, and in the books business flat-ish with the lower level exposure we have dragging a bit more although it’s getting a bit smaller. Modest growth will be the way we think about next year.

Natasha Brilliant: Ok thanks.
Operator: Next question from Jonathan Helliwell of Panmure Gordon. Please go ahead, your line is open.

Jonathan Helliwell: Morning, I think my question’s been done actually but while I’m here. I think there were three other small domestic businesses that you were reviewing: Australia, Brazil, Singapore. I was wondering where you finished up on those. And also I was interested in the way you talked about the way you adjusted for IPEX, am I hearing it correctly that you put basically a full triennial IPEX in this year and full triennial IPEX in the comm last year and then divided by three effectively. In these ‘once every three years’ IPEX calculations have quite a big impact on the numbers, assuming it declines quite significantly as you’re saying it does. How much is the IPEX revenue roughly, so we can do the maths?

Richard Menzies-Gow: Hi Jonathan, yes [inaudible].

Jonathan Helliwell: Okay, perfect thank you. What was the IPEX revenue number, so we can do the calculations?

Richard Menzies-Gow: It was about five million last time and it’s close—it’s negligible this time round, so it’s quite a big shift but the numbers are relatively small. What it does mean is that in three years’ time if we still run it then it won’t be much of a factor.

Gareth Wright: But to be clear we do include the full five million in the previous 2016 comparative, we don’t divide it by three.

Jonathan Helliwell: I hear you, thank you.
Richard Menzies-Gow: There were four particular businesses that we flagged at year end as being up for consideration. The Germany Swiss business, which we have announced the completion of the disposal of in this trading statement, the Singapore and Australian businesses, which we reviewed but felt that in the mix we would hold onto those. They’re good little businesses and they’ve proven that actually they are not much of a distraction on management. They can run pretty independently, as they have done over the course of this year, and therefore we’re going to look to retain those businesses. The final business was the Brazil business, which we closed down in the first half of the year, so we’re now out of the conference market in Brazil.

Jonathan Helliwell: Ok thank you.

Operator: Just a reminder, if you would like to ask a question, please press star one on your keypad. Our next question comes from Nick Dempsey of Barclays.

Nick Dempsey: Good morning guys. I’ve got two questions left on academic. First up, you’ve got a new CEO there, she’s come from slightly outside of the industry. I guess she’s got ideas for reinvesting to improve the business somewhat, so how much room will you give her for investing next year or in other words how much of a margin dip might we expect in 2018? Second question is there any progress on your plan to sell Garland Science, which I think you mentioned earlier in the year?

Richard Menzies-Gow: The Garland process is ongoing. It’s one that, in terms of a disposal it takes a while just to get it set up because it’s a business that’s completely integrated and operated as part of the wider academic publishing business. When you announce the intention to look at it the first think you’ve got to do is break it out operationally and be able to pull out exactly what is Garland, because in the long list of book titles it’s not immediately obvious. So quite a lot of work
to set it up before you can start looking into a negotiation, and the negotiation work is ongoing at the moment.

We would look to have an answer by the time we get to the full year results, we’ll look to have clarity on what exactly is going to happen to Garland at that stage. The fact that we have not announced anything in this trading statement about it doesn’t mean that the process is not still underway and you can expect a further update in the full year results on that. In terms of Annie, she has landed in the business and joined from the 1st of July. We are certainly looking for fresh ideas and input into that business, and some of that may involve investment, but what we’ve also been quite clear on is, we’ve used the phrase, back in 2014 Stephen and I used the phrase ‘measured change’, and that is what we’ve talked to Annie and the business about. We want to see evolution but we want to see measured change because we’re not looking for a step change in investment or in the cost base. That’s what we’re looking to deliver in 18; a bit of evolution in terms of the investment and how the business is positioning itself, but we’re not looking for a real change in the margin. Therefore, we wouldn’t flag anything at this stage for you to expect in terms of margin degradation in 18.

Nick Dempsey: Great thanks.

Operator: As we appeared to have no further questions, I would like to turn the call back to the speakers for any additional or closing remarks.

Richard Menzies-Gow: Thanks everyone and thanks for joining us. I know it’s a busy day. We’ll wrap up there. I’m around on the phone if you want to have a further chat but for now we’ll say goodbye. Thank you very much.
Operator: thank you, that will conclude today’s conference call, thank you for your participation ladies and gentlemen, you may now disconnect.