Informa plc Interim Management Statement

Informa plc ("Informa" or the "Group") is releasing an interim management statement providing an update on the performance and financial position of the Group since the half year ended 30 June 2013 based on the results for the nine months ended 30 September with comments reflecting trading up until the date of this release.

Highlights

- Group nine-month organic revenue growth of 1.1%, adjusted for Formobile biennial
- Academic Information performance good, but boosted by timing benefits
- Gradual improvement in underlying PCI quarterly revenue trend
- Events growth in line with expectations, distorted by biennial phasing
- Disposal of Corporate Training completed and $100m cash received
- Full year expectations unchanged

Peter Rigby, Chief Executive said:

"It has been a solid quarter for the Group with good performances in each division ensuring positive organic growth across the first nine months of the year, despite the absence of our Brazilian biennial exhibition in 2013. Overall, we remain confident of meeting expectations for the full year.

We completed the sale of our five Corporate Training businesses at the end of September, leaving the Group more focused and less volatile. The sale further strengthens our balance sheet and we continue to look for attractive opportunities to deploy our capital efficiently, in line with our strategy."

Academic Information: Like-for-like revenue growth after nine months of the year was 4.0%, slightly higher than the run-rate at the H1 stage. This reflects a good performance by both our books and journals businesses but also the benefit of favourable phasing. We expect the rate of growth to fall in the fourth quarter as the pattern of sales evens out.

The journal renewal season is underway. In developed markets customers remain cautious, with little evidence of any marked expansion in budgets. Elsewhere, there is greater flexibility, and growing demand for our content in these regions puts us in a good position to reap benefits.

We continue to pursue society journal contracts and a number have come on stream in recent months. They provide valuable incremental revenue, albeit at margins which tend to be lower than wholly owned journals. This is one reason why we continue to anticipate lower divisional margins in 2013 compared to the record level achieved last year.

In September, we launched Cogent OA, an innovative new open access publisher. It will publish a number of new open access journals in subjects such as biology, engineering and behavioural science, offering authors greater flexibility whilst maintaining the highest standards of publishing and peer review.

Professional and Commercial Information ("PCI"): The like-for-like revenue decline after nine months of the year was -3.6%, an improvement from the -4.1% reported at the interim results stage. These figures include the full year impact of product pruning completed in 2012, equating to lost revenue of about £6m across 2013.
The market backdrop remains tough for PCI, particularly in the financial and pharmaceutical sectors, although we are somewhat encouraged by gradual signs of improvement, characterised by an increase in the general level of product enquiries and customer interaction. On the pharmaceutical side, a number of customers are signalling purchase intentions in 2014 when budget pressures appear, in selective cases, to be easing.

In September, Lloyd’s List announced that it intended to cease producing the print version of its daily product by the end of 2013. This has been well received by the market and the associated publicity led to a sharp jump in online traffic to its website. The move will allow us to focus our energy and investment in digital product innovation, further enhancing the quality and flexibility of the data and intelligence we offer our customers.

**Events**: Organic growth across the Events division was 1.3% in the first nine months of the year. This is lower than the 3.6% reported at the H1 stage, largely reflecting the impact of Formobile, the Brazilian biennial exhibition which was held in 2012. Excluding this, underlying revenue growth was 2.9%.

We only run a few large events during the third quarter but those that were held performed well, including the Monaco Yacht Show. The outlook for our large events in Q4 remains good, with a strong start to the quarter evident at Cityscape Global in Dubai where exhibition space almost doubled year-on-year, underlining the strong resurgence in the real estate market in the region. Small events continue to be more challenging, particularly in Europe, where demand remains weak.

**Financial performance**: The Group’s cash performance remains on track, with our year-to-date rate of conversion of operating profits into cash at 70%, ahead of the same point last year. At the end of September we completed the disposal of our five Corporate Training businesses to Providence Equity Partners and received the initial cash proceeds of about $100m, which has been used to pay down debt.

The recent strengthening of Sterling against the US Dollar, the Euro and the Brazilian Real is unhelpful to Informa’s reported financials reflecting the high proportion of its earnings that are generated overseas: approximately 45% of group sales are in US Dollars or other currencies that are closely aligned with the US Dollar. A one cent movement on the average full year £:$ exchange rate impacts group adjusted operating profit by circa £1.5m and EPS by 0.21p. Our exposure to the Euro is lower. A one cent movement on the average £:€ exchange rate for the full year impacts group adjusted operating profit by circa £0.4m and EPS by 0.06p. A one cent movement on the average £:R$ exchange rate for the full year impacts group adjusted operating profit by circa £30k.

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**Investors and Analysts**
Informa is hosting a conference call for analysts and investors today to discuss the Q3 IMS and trading outlook, commencing at 9.30am. Dial in details: UK 0844 871 9434; International +44 (0) 1452 569 393; US +1 866 434 1089.

**Note to Editors**
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This interim management statement contains forward looking statements. These statements are subject to a number of risk and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward looking statements. The terms 'expect', 'should be', 'will be' and similar expressions identify forward looking statements. Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in Informa's markets; exchange rate fluctuations, customers' acceptance of its products and services; the actions of competitors; legislative, fiscal and regulatory developments; changes in law and legal interpretation affecting Informa's intellectual property rights and internet communications; and the impact of technological change. These forward looking statements speak only as of the date of this interim management statement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based.