Informa plc
Full Year Results for the Year Ended 31 December 2013

2013 – A Solid Earnings And Cash Performance
2014 – A Year Of Operational Focus And Management Transition

Key Highlights

Financial

- Group organic revenue growth (continuing) of 1.5% to £1,132.4m (2012: £1,110.6m)
- Adjusted operating profit (continuing) up 1.5% to £335.5m (2012: £330.5m)
- Adjusted diluted EPS growth (continuing) of 5.0% to 40.1p (2012: 38.2p)
- Statutory loss of £6.4m (2012: £90.7m profit), reflecting loss from discontinued operations of £109.5m
- Strong cash flow – cash conversion (continuing) increased to 99% (2012: 94%)
- Net debt/EBITDA ratio of 2.2 times (2012: 2.1 times)
- Deferred income growth of 8% at constant currency
- Final dividend maintained at 12.50p; total dividend up 2.2% to 18.90p (2012: 18.50p)

Operational

- Appointment of new Group Chief Executive
- Strategic investment in China through the acquistion of a majority stake in Baiwen, the owner and operator of China Beauty Expo
- Disposal of non-core Corporate Training businesses for USD 150m
- Launch of open access publishing brand, Cogent OA
- Over 275 large events held in 2013
- **Academic Publishing** and **Global Events** performing well

Stephen Carter, Group Chief Executive, said:

"I was delighted to take over as Group Chief Executive of Informa at the start of this year. As the reported figures highlight, the Group delivered a solid earnings and cash performance last year. This has led the Board to pay a total dividend for the year of 18.90p."

He added:

"Succeeding such a long-standing Chief Executive is a privilege and comes with attendant responsibilities. The privilege lies in being given the opportunity to work with the people and the businesses that make Informa so unique, all of which operate in the Knowledge and Information Economy. The responsibilities are to transition the business, the culture and the operating model post such long-term leadership.

It is still early days but my initial sense is that there are potential opportunities across the Group's businesses from simplifying operating structures, leveraging our scale more effectively and ensuring the more intensive use of technology, thereby delivering greater operational fitness.

*This gives us plenty to work on through 2014. The robust platform that **Academic Publishing** provides and the strength of **Global Events**, combined with a more stable macro backdrop, give us confidence we can deliver a positive outcome in the year.*

*My initial sense is there are two over-arching challenges for the Group. The first is the shift in technology happening across our markets and amongst our customers, and the ongoing implications of that for all our products and businesses. Secondly, and more specifically, is returning the **Business Intelligence** division to growth after two years of organic revenue decline."*

He concluded:

"For Informa, 2014 will be a year of measured change, operational focus and building a platform for the future growth of the Group."

Financial Highlights - continuing operations

	2013 **£m**	2012 £m	**Actual** **%**	**Organic** **%**
Revenue	**1,132.4**	1,110.6	2.0	1.5
Operating profit	**146.7**	127.8		
Adjusted operating profit[1]	**335.5**	330.5	1.5	(0.5)
Adjusted operating margin (%)[1]	**29.6**	29.8		
Operating cash flow[2]	**331.4**	310.7		
Profit before tax	**115.7**	70.4		
Adjusted profit before tax[1]	**307.6**	298.2		
(Loss)/profit for the year	**(6.4)**	90.7		
Adjusted profit for the year[1]	**241.5**	230.1		
Basic earnings per share (p)	**17.1**	15.6		
Diluted earnings per share (p)	**17.1**	15.5		
Adjusted diluted earnings per share (p)[1]	**40.1**	38.2		
Dividend per share (p)	**18.9**	18.5		
Free cash flow[2]	**209.6**	219.5		
Net debt[3]	**782.2**	802.4		

Notes:
Unless otherwise stated all financial references in this document relate to continuing operations. This excludes the Corporate Training businesses, which are reported as discontinued operations. In this document 'organic' refers to results adjusted for material acquisitions and disposals and the effects of changes in foreign currency exchange rates. In this Business Review we refer to adjusted and statutory results. Adjusted results are prepared to provide a useful alternative measure to explain the Group's underlying business performance.

[1] Adjusted results exclude adjusting items as set out in the Consolidated Income Statement and detailed in Note 2.

[2] Operating cash flow and free cash flow are as calculated on page 11, but adjusted for discontinued operations.

[3] Net debt as calculated in Note 12.

Divisional Highlights - continuing operations

	2013 **£m**	2012 £m	**Actual** **%**	**Organic** **%**
Academic Publishing*				
Revenue	**367.1**	340.3	7.9	5.3
Adjusted Operating Profit	**130.9**	126.1	3.8	3.1
Adjusted Operating Margin (%)	**35.7**	37.1		
Business Intelligence*				
Revenue	**350.6**	356.6	(1.7)	(3.9)
Adjusted Operating Profit	**109.1**	120.7	(9.6)	(12.8)
Adjusted Operating Margin (%)	**31.1**	33.8		
Global Events*				
Revenue	**414.7**	413.7	0.2	3.0
Adjusted Operating Profit	**95.5**	83.7	14.1	12.6
Adjusted Operating Margin (%)	**23.0**	20.2		

* Following the disposal of the Corporate Training businesses, the three divisions have been renamed: Academic Information has been renamed Academic Publishing; Professional and Commercial Information has been renamed Business Intelligence; Events and Training has been renamed Global Events. Please note that in 2012 the results for Global Events include a contribution from Robbins Gioia which was sold in May 2012.

Enquiries

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Note to Editors

Bringing Knowledge to Life - Businesses, professionals and academics worldwide turn to Informa for unparalleled knowledge, up-to-the minute information and highly specialist skills and services. Our ability to deliver high quality knowledge and services through multiple media channels, in dynamic and rapidly changing environments, makes our offer unique and extremely valuable to individuals and organisations.

Analyst Presentation

There will be a presentation to analysts at 9.30am on 21 February 2014 at Bank of America Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. A simultaneous webcast of the analysts' presentation will be available via the Company's website (www.informa.com).

Trading outlook

A key objective for 2014 is to manage the transition in leadership from the long standing, former Chief Executive as smoothly and effectively as possible. Internal controls must remain firm, staff motivated and operational focus intact. Externally, we must stay engaged and consistent with our customer base and continue to seize growth and value opportunities.

We should gain some support from the wider economy, which appears more stable than it has been for five years, with several core markets such as North America and the UK seemingly on a gradual recovery path. Encouragingly, core drivers behind this recovery are the knowledge based industries in which we operate, underlining our belief in the long-term growth opportunities within our markets.

Across the Group's various businesses, we see opportunities to improve the general level of operational effectiveness. These include shared service and central cost initiatives, simplifying business structures and improving intercompany communication and co-operation. We also believe we can better leverage our Group wide presence in key end-markets such as healthcare and telecoms, or in geographic regions like North America and the Middle East.

Academic Publishing remains a resilient performer and we expect another good performance in 2014. Its core market backdrop is stable and demand for our content remains strong. We see opportunities to build our presence further in overseas markets and we will continue to invest behind this and other product initiatives, such as *Cogent OA*. The latter is now operational and should start to generate revenue towards the end of 2014.

The **Global Events** division continues to see strong growth dynamics across its large events portfolio, and we have had another good start to the year with our big exhibitions in the Middle East. We will continue to invest behind this growth where appropriate, through organic launches, geo-cloning and targeted acquisitions.

The major non-annual exhibitions in 2014, *Formobile* (a Brazilian biennial) and *IPEX* (a UK quadrennial), are not anticipated to be as material as previous editions, due to World Cup disruption at the former, and structural pressures on the print industry at the latter.

Small conferences are performing less well than our large events, diluting overall divisional organic growth. We continue to rationalise small conference output and reduce costs to mitigate the impact, and are working hard at ways of improving yield and balancing delegate income with greater sponsor and exhibitor revenue. The recent acquisition of EBD Group should help here, adding valuable expertise on the 'partnering' model, including clever proprietary software that drives delegate engagement. We are planning to roll out this technology to several other conferences in our portfolio through the year.

Returning the **Business Intelligence** division to growth is a major objective for Group management. Within the business there are strong assets, but these are balanced by other areas where revenues are under pressure. There is no doubt that trends in some of our core end-markets like pharmaceutical and financial services remain challenging, with cost efficiency programmes common across the customer base. But as we better understand how technology is impacting the landscape, we have the opportunity to further improve our commercial competitiveness.

Our Group balance sheet is healthy and we remain highly cash generative. We will continue to look for both organic and inorganic investment opportunities that make strategic sense and offer attractive long-term returns, and so will be measured and rational in allocating capital as effectively as possible. As ever, we will also ensure the large number of assets we have acquired in recent years are fully integrated and invested to reap maximum benefits over the long-term.

Overall, we have a solid foundation on which to build in 2014 and our businesses are currently trading in line with our expectations. Despite the negative translation impact from recent currency movements, management will focus on both growth and operational fitness to deliver continued growth in adjusted earnings per share.

Business Review

As the world's economy moves from a manufacturing bias towards service and knowledge-based industries, Informa should be well placed. Value increasingly lies in filtering, understanding and interpreting information. Extracting trends, building forecasts and drawing conclusions. Market intelligence and data-backed decision making is the new currency of competitive advantage.

These qualities underpin our businesses, giving us confidence in the long-term potential to build value. Digital subscription revenues directly embedded into the knowledge supply chain should, in our view, increase in value. Similarly, platforms which bring communities together, driving interaction and engagement outside of the digital eco system should become more powerful.

New product development

A significant challenge for the Group is the pace of technological change and its impact on our markets. Innovation can lead to rapid shifts in distribution and consumption, customer demands and the competitive landscape. This is an opportunity as well as a threat but it means we have to stay alert to such changes and proactively invest behind our own products to protect market positions and seize new growth opportunities.

In 2013, the most significant internal investment project was the launch of *Cogent OA*, within **Academic Publishing,** a new open access publishing brand. Under the guidance of a newly formed management team, this will be the focal point for our open access activity in the future, with a range of journals scheduled for launch from 2014.

Within **Global Events**, we launched or geo-cloned 16 large events in the year in 12 different countries, including *The Delicious Food Show* in Canada and *Anti-Aging Moscow*. This is a similar run-rate to recent years and remains a core component of the organic growth strategy in this business.

Within **Business Intelligence**, there were several platform upgrades through 2013, notably the relaunch of the *Verdict Knowledge Centre*. We also continued to invest behind our Chinese healthcare database project. This is a long-term investment and while progress has been a little slower than anticipated, we should see the beginning of the commercialisation of these valuable assets by the end of 2014.

International expansion

We continue to look for opportunities to expand our reach across international markets and in 2013 we generated over £100,000 of revenue in nearly a 100 different countries. The strongest growth by region was recorded in the Middle East. This reflects the high quality of our assets in the region, particularly on the exhibition side, but also a healthy recovery in the macro environment in Dubai.

Elsewhere, we also achieved good underlying growth in China, Russia and Turkey. In aggregate, emerging markets represented 19% of Group revenue in 2013, in line with the previous year, with underlying growth in these regions balanced by recent acquisitions in developed markets such as Canada, the US and Europe. This figure also does not include any contribution yet from the recent investment in Baiwen in China.

Capital allocation

We remained active on the corporate front through the year, investing in a number of acquisitions across all our divisions. The largest investments were in the EBI pharmaceutical information business, the stake we acquired in the exhibition group, Baiwen, in China and the purchase of EBD Group, the conference 'partnering' business.

We were also pro-active in disposing of assets. The largest of these was the sale of our five Corporate Training businesses to Providence Equity Partners in July, with a closing date of 30 September 2013. The full consideration for these assets is USD 150m and we received USD 100m in cash on completion, with the remaining USD 50m structured under a vendor loan agreement.

We also exited our small conference businesses in Spain, Portugal and Italy, which were sub-scale, very focused on their respective domestic markets and with little scope for leverage on an international scale and/or into large events.

Divisional Review

Group revenue in the year to 31 December 2013 was up 2.0% on a reported basis to £1,132.4m. This included the positive contribution from a number of acquisitions (including the full year benefit of MMPI Canada and Zephyr Associates and an initial contribution from EBD Group), balanced by several disposals (Robbins Gioia in 2012 and the European conferences businesses in 2013).

Group revenue was split fairly evenly across our three divisions, with **Global Events** the largest contributor at 37%, **Academic Publishing** at 32% and **Business Intelligence** at 31%.

Academic Publishing

	2013	**2012**	**Actual**	**Organic**
	£m	**£m**	**%**	**%**
Revenue	367.1	340.3	7.9	5.3
Adjusted Operating Profit	130.9	126.1	3.8	3.1
Adjusted Operating Margin (%)	35.7	37.1		

The **Academic Publishing** division produces books and journals for university libraries and the wider academic market. In 2013, **Academic Publishing** accounted for 32% of continuing Group revenue and 39% of continuing adjusted operating profit.

Our journals are a validation and distribution platform for high-level academic research, with only those research articles reaching a certain quality threshold, as determined by peer review, being passed for publication. When linked with the highest standards of online publication, this ensures that our journal brands are trusted and relied upon by researchers worldwide.

Our books are a reference and learning tool in similar, specialised subject areas to journals but offer a more complete study of a particular topic across the spectrum of teaching through to research.

It proved to be another encouraging year for **Academic Publishing**, with a particularly strong fourth quarter pushing its financial performance comfortably ahead of internal projections. As expected, the divisional margin was a little lower than the previous year, reflecting mix and investment. We also made good strategic progress, including a significant advance in our open access capabilities, expansion of our digital product offering and a number of small, accretive acquisitions.

Our journal business performed well, underpinned by further growth in demand for our content and publishing expertise. *Taylor & Francis Online* saw an increase in usage of over 30% through the year, providing valuable currency for subscription negotiations. We continued to win contracts to publish society journals, which now account for an important portion of our portfolio. We also secured a steady flow of small archive deals, although none of the scale of previous years.

We made substantial progress in developing our open access offering in 2013, as we pushed forward with the launch of a bespoke publishing brand, *Cogent OA*. Bryan Vickery, former COO of one of the largest open access publishers in the world, joined to head up this new initiative, adding valuable expertise. *Cogent's* initial plan is to launch 15 broad, subject-based and interconnected open access journals in areas such as behavioural science, biology and engineering. The first of these have now launched and already begun receiving submissions from authors.

We successfully launched the *South Asian Culture and History Archive*, a unique online archive of local history, encompassing more than five million pages of valuable research and teaching materials. This was a new initiative, leveraging its broader digital expertise into a new product category and its success has encouraged the team to develop a pipeline of potential future products.

Our books business again performed well in 2013, boosted by a very strong end to the year. This was most marked in the US but, encouragingly, Europe also saw pockets of good recovery after a tough few years. India was unable to maintain its expected growth, with the sharp depreciation in the rupee dragging regional revenue lower.

We saw a marked acceleration in the shift from print to digital in 2013, with ebooks accounting for 20% of book revenue, up from 16% in 2012. While much of the ebook growth is likely to be substitutional, the flexibility of digital formats and global distribution channels presents opportunities for product innovation and more efficient monetisation of the long tail of our backlist.

Business Intelligence

	2013 £m	2012 £m	Actual %	Organic %
Revenue	350.6	356.6	(1.7)	(3.9)
Adjusted Operating Profit	109.1	120.7	(9.6)	(12.8)
Adjusted Operating Margin (%)	31.1	33.8		

The **Business Intelligence** division delivers high value content in a number of industry verticals including the healthcare, pharmaceutical, financial services, maritime, commodities, telecoms, insurance and legal sectors. In 2013, **Business Intelligence** accounted for 31% of continuing Group revenue and 33% of continuing adjusted operating profit.

Our business information products are targeted at niche customer segments, providing highly specialised, rich data, opinion and analysis. The vast majority of our content is proprietary, created by highly experienced in-house teams of journalists, editors and analysts.

Business Intelligence reported lower revenue and profit in 2013. While some of this decline reflects the impact of the medical books transfer to **Academic Publishing** and the full year drag of the product pruning exercise in 2012, the underlying performance was still a little behind expectations. This was due to weak renewals of high margin subscriptions and lower revenue than anticipated from consulting and one-off reports, reflected in the year-on-year margin decline.

A sizeable proportion of this shortfall stemmed from our product portfolio in the pharmaceutical sector within Informa Business Information ("IBI"), where structural shifts in the market have led to substantial cost rationalisation amongst our customer base. This makes subscription negotiations protracted, demands often unreasonable and visibility limited.

However, despite this we have seen some areas of good progress. *Citeline's* portfolio of real-time clinical trial and pipeline information services delivered another strong performance in 2013, despite the tough backdrop. This gives us belief that where we can combine strong brands with must-have data and information direct into customer workflow, there remain good growth opportunities, irrespective of the challenging budgetary climate.

After almost 300 years in circulation, *Lloyd's List* published its final, daily print edition on 20 December. This was combined with a commemorative supplement and proved to be a bumper issue, which was well supported by advertisers. *Lloyd's List* is now a digital-only subscription product, something that has been well received by its customer base. It has allowed us to streamline the editorial process and focus our resources on enhancing the digital product offering.

Informa Financial Information ("IFI") had a mixed year, with wide variance in the performance of the different businesses within its portfolio. On the positive, EPFR, a market fund flow and asset allocation data service, continued to perform well, delivering strong double digit revenue growth, as recognition of the value of its data in driving investment returns steadily increased.

On the flipside, one of the larger businesses in the IFI portfolio, Informa Global Markets ("IGM"), continued to experience challenging market conditions, and its revenue was down year-on-year. IGM provides fixed income and currency information, directly and via third party desktop terminals. Its performance is, therefore, closely correlated to investment banking headcount trends, which remained negative through the year.

Global Events

	2013 £m	2012 £m	Actual %	Organic %
Revenue	414.7	413.7	0.2	3.0
Adjusted Operating Profit	95.5	83.7	14.1	12.6
Adjusted Operating Margin (%)	23.0	20.2		

The **Global Events** division incorporates our face-to-face media businesses, across a range of formats including exhibitions, conferences, awards and public training courses. In 2013, **Global Events** accounted for 37% of continuing Group revenues and 28% of continuing adjusted operating profit.

Our exhibitions provide a powerful platform for communities to meet, share ideas, profile new technology, products and services, develop relationships and transact. Our exhibitors sign contracts and develop leads onsite, as we connect them to existing and new customers in both developed and developing geographic markets.

Our conferences are content driven events, providing a platform for thought leaders and industry experts to shape industry discussion and debate. Our delegates come to learn, converse and network.

The **Global Events** division performed well in 2013, with organic revenue growth of 3% and profit growth of over 12%. These headline numbers mask a stronger performance from our higher margin large events, which in aggregate delivered double-digit organic growth and accounted for more than 60% of divisional revenue. Key highlights included *Arab Health*, *Middle East Electricity*, *Cityscape Global* and the *Anti-Aging Medicine World Congress*. We now have over 275 large events in the portfolio.

We also successfully tendered for the Agrishow contract in Brazil early in the year, and the event, which covers exhibition space of over 400,000 square metres, ran successfully in April, growing its revenues healthily on the previous year.

The strong growth of our large events was balanced by the performance of our small conference businesses, which overall reported a decline year-on-year. This partly reflected the disposal of our businesses in Spain, Italy and Portugal in the first half of the year, and partly a further pro-active reduction in the volume of events run by some teams, largely within other European territories. These volume cuts reflected weak local demand but also a shift in emphasis to focus on those events that have the scope to be repeated, garner international interest and/or have the potential to grow into a large event through time.

Much of the revenue lost on small conferences in the year had minimal margin attached, hence, the impact on profit was relatively low, as evidenced by the strong growth in divisional profit.

The attractions of the exhibition model and positive underlying market dynamics encouraged us to allocate more capital to this area in 2013, acquiring a number of assets. These included *FanExpo* in Canada, a successful portfolio of consumer hobbyist events. While its existing portfolio offers further attractive growth potential, we also see good scope to leverage the concept through geo-cloning into new markets around the world.

More recently, we announced the acquisition of a majority stake in Baiwen, the owner and operator of China Beauty Expo (“CBE”). CBE is the largest beauty trade event in mainland China, comprising three co-located exhibitions that take place annually in Shanghai in May: *Cosmetics China*, *Cosmetech* and *Beauty Shanghai*. In 2013, the 18th edition of CBE attracted around 1,700 exhibitors from 22 countries and some 250,000 visitors across a floor space of approximately 120,000sqm. This was an important strategic move for Informa, giving us a local operational presence in the Chinese exhibition market and further strengthening our position in the global beauty and aesthetics market.

Financial Review

This is a solid set of results with earnings growth and strong cash conversion achieved in challenging trading conditions for most of our businesses. The Group's financial position remains robust with the ratio of net debt to EBITDA at 2.2 times.

Adjusted and Statutory Results

In these Full Year Results we refer to adjusted and statutory results and unless otherwise indicated the information reported is on a continuing basis.

Adjusted results are prepared to provide a more comparable indication of the Group's underlying business performance. Adjusted results exclude adjusting items as set out in the Consolidated Income Statement and detailed in Note 2.

Translation Impact

The Group is particularly sensitive to movements in the USD and Euro against the GBP.

The Group receives approximately 45% of its revenues and incurs approximately 35% of its costs in USD or currencies pegged to USD. Each 1 cent movement in the USD to GBP exchange rate has a circa £3.2m impact on revenue and a circa £1.4m impact on adjusted operating profits and a circa 0.19p impact on adjusted diluted EPS.

The Group receives approximately 9% of its revenues and incurs approximately 9% of its costs in Euros. Each 1 cent movement in the Euro to GBP exchange rate has a circa £0.9m impact on revenue and a circa £0.3m impact on adjusted operating profits and a circa 0.05p impact on adjusted diluted EPS.

With both currencies, offsetting the movements in adjusted operating profit will be movements in interest and tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

For debt covenant testing purposes, both profit and debt translation are calculated at the average rate of exchange throughout the relevant period.

Impairment

The challenging European economic climate has continued to impact the financial performance of our European Conferences business during the year. This has resulted in indicators of impairment for the European Conferences Cash Generating Unit ("CGU"). Updated five year projections have been produced for the CGU, which have resulted in an impairment of the carrying value of goodwill by £40.5m. The remaining net book value of goodwill and intangibles for this CGU is £9.2m. The European Conferences goodwill mainly arose from the IIR acquisition in 2006, an acquisition which in totality has delivered post tax returns in excess of 10% each year.

The Group has completed its standard year-end review of the carrying value of its assets, and in response has made impairment charges in respect of the Robbins Gioia ("RG") loan receivable (£8.3m) and certain intangible software assets (£17.1m).

The loan receivable was established on the disposal of 100% of the Group's shareholding in RG in May 2012. It is due to be repaid in quarterly instalments from 2016 to 2022. Following a review of RG's financial results for the second half of 2013 and projections for 2014, the decision was taken to provide for the loan in full. However, RG's financial performance will be monitored closely going forward and the Group still intends to recover as much value as possible from the loan receivable.

The intangible software assets were capitalised as part of a multi-stream IT integration project. Technology has moved forward faster than originally anticipated and the main systems introduced in the project will not be used after 2013. The carrying value of the assets was reviewed as part of the year-end process, and the value in use generated by the software assets was deemed insufficient to support the book value. The assets have therefore been fully impaired.

Restructuring and Reorganisation Costs

Restructuring and reorganisation costs for the year of £14.2m (2012: £9.9m) principally relate to the redundancy and reorganisation programmes undertaken within IBI and the European Conferences businesses. The total costs comprise redundancy costs of £10.7m (2012: £6.8m), reorganisation costs of £3.0m (2012: £2.1m) and vacant property provisions of £0.5m (2012: £1.0m).

Disposals

The principal disposal during the year, was the sale of the Group's five Corporate Training businesses, although the European Conferences businesses in Spain and Italy and other small businesses were also disposed. A total loss on disposal of £102.7m was recognised, including directly attributable costs of £11.1m, of which £99.3m has been recognised in discontinued operations, and £3.4m has been recognised within adjusting items. Further details are provided in Note 14.

Other Adjusting Items

A number of acquisitions were made during the year, and associated acquisition related costs of £5.8m have been recognised in the Consolidated Income Statement.

During the year contingent consideration was re-measured by £2.5m, which is offset by related impairments to other intangible assets of £0.3m.

Adjusted Net Finance Costs

Adjusted net finance costs, which consist principally of interest costs net of interest receivable, decreased by £4.4m from £32.3m to £27.9m. The Group maintains a balance of fixed and floating rate debt partly through utilising derivative financial instruments. The year-on-year decrease in finance cost occurs as the last of the higher rate fixed interest swaps that were entered into at the time of the Datamonitor acquisition in 2007 expired during 2012, resulting in a lower average interest rate in 2012 and 2013.

Deferred income

Deferred income is £316.0m (2012: £308.1m) at 31 December 2013, an 8% increase on a constant currency basis compared to the same date in 2012. Deferred income arises primarily from advance subscriptions and forward bookings for trade shows, exhibitions or conferences. Subscriptions generated by our **Academic Publishing** and **Business Intelligence** businesses renew annually a year in advance and many trade shows and exhibitions, because of their market leading status, receive commitments up to a year in advance.

Pensions

The Group's financial obligations to its pension schemes remain relatively small compared to the size of the Group, with net pension liabilities at 31 December 2013 of £5.4m (2012: £17.5m).

Following the completion of the triennial valuations of the defined benefit schemes in 2011, a revised deficit funding plan was agreed with the trustees to eliminate the deficits in both schemes. The contributions paid towards reducing the scheme deficits will decrease from £4.4m in 2013 to £3.1m in 2014. The contributions for the ongoing service will be £nil in 2014 as both schemes are closed to future accrual of benefits.

Taxation

Across the Group, tax has been provided on adjusted profits at an adjusted tax rate of 21.5% (2012: 22.8%). This adjusted tax rate benefits from profits generated in low tax jurisdictions, and is lower than for the previous year due to movements in the mix of profits between jurisdictions and lower tax rates in certain countries including the UK.

During 2013, the Group paid £71.6m (2012: £45.5m) of Corporation and similar taxes on profits, including approximately £44.0m (2012: £33.0m) of UK Corporation Tax. Payments in 2013 included £15.0m in regard to matters agreed with HMRC in 2012. Due to higher than expected availability of losses, and other offsets, the payments in respect of the agreed matters were some £6.0m lower than expected last year. The impact of the closure and payment of UK tax issues and also the conclusion of various overseas tax audits was assessed during the year and a further £13.7m release of tax provisions was made. This followed the release of £60.0m in 2012. Both of these amounts have been reflected as adjusting items in the accounts.

The Group tax charge on statutory Profit Before Tax ("PBT") was 10.9% (2012: 33.1% negative). The statutory tax rate reported for both 2013 and 2012 was affected by the release from tax provisions noted above and impairment charges which were not deductible for tax purposes.

Our effective tax charge reconciles to cash taxes paid as follows:

	2013 **£m**	**2012** **£m**
Tax charge on adjusted PBT per Consolidated Income Statement	66.1	68.1
Deferred taxes	2.0	(0.6)
Current tax on adjusting items	(17.1)	(16.8)
Taxes paid in relation to earlier years less 2013 taxes payable in later periods	16.6	(3.2)
Withholding and other tax payments	1.5	2.3
Total corporate taxes paid	69.1	49.8
Taxes refunded from German authorities	(0.2)	(5.8)
Taxes paid in relation to discontinued operations	2.7	1.5
Net income taxes paid per Consolidated Cash Flow Statement	71.6	45.5

Earnings and Dividend

Adjusted diluted EPS of 40.1p (2012: 38.2p) is 5% ahead of 2012 and statutory diluted EPS of 17.1p (2012: 15.5p) is 10% ahead of 2012.

The Board has proposed a second interim dividend of 12.50p per share (2012: 12.50p per share). This dividend will be paid on 27 May 2014 to ordinary shareholders registered as of the close of business on 2 May 2014. This will result in a total dividend for the year of 18.90p per share (2012: 18.50p per share). Dividend cover remained consistent at 2.2 times total earnings (2012: 2.2 times) on an adjusted earnings basis.

Return on Capital Employed

During 2013 we have completed a number of bolt-on acquisitions and we strengthened our **Global Events** division with the acquisitions of EBD Group and Shanghai Baiwen Exhibitions Co., Ltd.

Acquisitions have to meet strict acquisition criteria which include delivering returns in excess of the Group's weighted average cost of capital in the first full year, being earnings enhancing in the first full year and achieving a cash payback within seven years.

The return on investment from acquisitions completed in 2012 was 11%.

Cash Flow

The Group continues to generate strong cash flows with operating cash flow improving to £331.4m in 2013. This strength is reflected in a cash conversion rate, expressed as a ratio of operating cash flow (as calculated below) to adjusted operating profit, of 99% (2012: 94%).

	2013 £m	2012 £m
Adjusted operating profit from continuing operations	**335.5**	**330.5**
Depreciation of PP&E	6.4	6.5
Amortisation	15.8	13.8
Share-based payments	2.2	3.8
EBITDA from continuing operations	**359.9**	**354.6**
Net capital expenditure	(14.4)	(21.4)
Working capital movement (net of restructuring and reorganisation accruals)	(14.1)	(22.5)
Operating cash flow from continuing operations	**331.4**	**310.7**
Restructuring and reorganisation	(20.1)	(13.2)
Net interest	(30.1)	(32.5)
Taxation	(71.6)	(45.5)
Free cash flow	**209.6**	**219.5**
Operating cash flow of discontinued operations	4.5	18.3
Acquisitions less disposals	(90.2)	(174.4)
Dividends	(114.0)	(107.4)
Net shares (acquired)/issued	(0.4)	0.3
Net funds flow	**9.5**	**(43.7)**
Opening net debt	**(802.4)**	**(784.0)**
Non-cash items	(1.1)	(1.1)
Foreign exchange	11.8	26.4
Closing net debt	**(782.2)**	**(802.4)**

In the year ended 31 December 2013, before taking into account dividends, spend on acquisitions or proceeds from the sale of assets, the Group generated free cash flow of £209.6m (2012: £219.5m). The decrease year-on-year is principally caused by the settlement of historic tax liabilities.

The increase in net debt arising from acquisitions was £137.7m (2012: £167.3m) which comprises current year acquisitions of £132.0m (2012: £151.5m) and consideration in respect of acquisitions completed in prior years of £5.7m (2012: £15.8m). This was offset by a decrease in net debt arising from disposals of £47.5m inflow (2012: £7.1m outflow).

The Group made a number of disposals during the period for total consideration of £87.4m (2012: £13.1m), generating a net loss on disposal of £102.7m.

Net debt decreased by £20.2m from £802.4m to £782.2m, driven primarily by a cash inflow of £9.5m and exchange rate movements of £11.8m. During the year the Group paid dividends of £114.0m.

Financing and Bank Covenants

The principal financial covenant ratios under the private placement and revolving credit facilities are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. At 31 December 2013 both financial covenants were comfortably achieved. The ratio of net debt (using average exchange rates) to EBITDA was 2.2 times (2012: 2.1 times). The ratio of EBITDA to net interest payable was 13.0 times (2012: 11.5 times).

Post balance sheet events

There have been no significant events since the reporting date.

Eurozone risk

Guidance released by the FRC requires the Group to comment on its exposure to risks from the Eurozone crisis.

The Group has some trading exposure to the Eurozone. Customers located in Continental Europe generated 22% of annual revenue, although only 9% of annual revenue is denominated in Euros, as are around 9% of costs.

The Group's liquidity risk (its ability to service short term liabilities) is considered low in all scenarios bar a fundamental collapse of the financial markets. The Group had £31.9m of cash and cash equivalents at 31 December 2013, of which EUR 2.3m is denominated in Euros. The Group's treasury policy imposes ratings based limits on the quantum of deposits that may be held with any financial institution at any time. At 31 December 2013 there is headroom of £251.1m on the Group's borrowing facilities, and none of the Group's revolving credit facility is drawn in EUR. EUR 50m of the Group's £442.2m private placement financing is denominated in EUR. For further details see Note 10.

The Group's solvency risk (its ability to meet its liabilities in full) is also considered low. The exposure with regards to the potential impairment of goodwill and intangibles relating to the European Conferences CGU is minimised by the further impairment recognised in the year, as outlined on page 8.

Around 2% of Group revenues are generated from customers located in Portugal, Italy, Greece and Spain. There is a close correlation between the Group revenues denominated in Euros (9% of the Group total in 2013) and costs denominated in Euros (9%).

Annual Report and Financial Statements 2013

The Annual Report and Financial Statements for the financial year ended 31 December 2013 will be sent to shareholders and published on www.informa.com in April 2014.

Copies of this announcement may be obtained during normal business hours from the Company Secretary at the Company's office at Gubelstrasse, 11, CH-6300, Zug, Switzerland.

Cautionary Statements

This preliminary announcement contains forward looking statements. These statements are subject to a number of risks 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 announcement. 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.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2013

	Notes	Adjusted results 2013 £m	Adjusting items 2013 £m	Statutory results 2013 £m	Adjusted results 2012 £m	Adjusting items 2012 £m	Statutory results 2012 £m
Continuing operations							
Revenue		1,132.4	–	1,132.4	1,110.6	–	1,110.6
Net operating expenses	4	(796.9)	(188.8)	(985.7)	(780.1)	(202.7)	(982.8)
Operating profit/(loss)		335.5	(188.8)	146.7	330.5	(202.7)	127.8
Loss on disposal of businesses	2	–	(3.4)	(3.4)	–	(27.5)	(27.5)
Fair value gain on non-controlling interest	2	–	–	–	–	1.0	1.0
Finance costs	5	(29.8)	0.3	(29.5)	(38.3)	(3.1)	(41.4)
Investment income	6	1.9	–	1.9	6.0	4.5	10.5
Profit/(loss) before tax		307.6	(191.9)	115.7	298.2	(227.8)	70.4
Tax (charge)/credit	7	(66.1)	53.5	(12.6)	(68.1)	91.4	23.3
Profit/(loss) for the period from continuing operations		241.5	(138.4)	103.1	230.1	(136.4)	93.7
Discontinued operations							
Loss for the period from discontinued operations	13			(109.5)			(3.0)
(Loss)/profit for the year				(6.4)			90.7
Attributable to:							
– Equity holders of the parent				(6.4)			90.7
– Non-controlling interest				–			–
Earnings per share from continuing operations							
– Basic (p)	9			17.1			15.6
– Diluted (p)	9			17.1			15.5
Earnings per share from continuing and discontinued operations							
– Basic (p)	9			(1.1)			15.1
– Diluted (p)	9			(1.1)			15.0
Adjusted earnings per share from continuing operations							
– Basic (p)	9	40.1			38.2		
– Diluted (p)	9	40.1			38.2		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013 £m	2012 £m
(Loss)/profit for the year	(6.4)	90.7
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on defined benefit pension schemes	8.3	(8.5)
Tax relating to items that will not be reclassified to profit or loss	(2.2)	1.7
Total items that will not be reclassified to profit or loss	6.1	(6.8)
Items that may be reclassified subsequently to profit or loss		
Change in fair value of cash flow hedges	0.5	4.3
Exchange differences on translation of foreign operations	(25.0)	(42.3)
Tax relating to items that may be reclassified subsequently to profit or loss	(0.1)	(1.3)
Total items that may be reclassified subsequently to profit or loss	(24.6)	(39.3)
Other comprehensive expense for the year	(18.5)	(46.1)
Total comprehensive (expense)/income for the year	(24.9)	44.6
Attributable from continuing operations to:		
– Equity holders of the parent	84.6	47.6
– Non-controlling interest	–	–
Attributable from discontinued operations to:		
– Equity holders of the parent	(109.5)	(3.0)
– Non-controlling interest	–	–

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
At 1 January 2012	0.6	1.6	(1,183.0)	2,562.9	1,382.1	(1.7)	1,380.4
Profit for the year	–	–	–	90.7	90.7	–	90.7
Change in fair value of cash flow hedges	–	–	4.3	–	4.3	–	4.3
Exchange differences on translation of foreign operations	–	–	(42.3)	–	(42.3)	–	(42.3)
Actuarial loss on defined benefit pension schemes	–	–	–	(8.5)	(8.5)	–	(8.5)
Tax relating to components of other comprehensive income	–	–	(1.3)	1.7	0.4	–	0.4
Total comprehensive (expense)/income for the year	–	–	(39.3)	83.9	44.6	–	44.6
Dividends to shareholders (Note 8)	–	–	–	(107.3)	(107.3)	–	(107.3)
Share award expense	–	–	3.8	–	3.8	–	3.8
Own shares purchased	–	–	(0.1)	–	(0.1)	–	(0.1)
Share options exercised	–	0.5	–	–	0.5	–	0.5
Disposal of non-controlling interest	–	–	–	–	–	1.7	1.7
Transfer of vested LTIPs	–	–	(4.1)	4.1	–	–	–
At 1 January 2013	0.6	2.1	(1,222.7)	2,543.6	1,323.6	–	1,323.6
Loss for the year	–	–	–	(6.4)	(6.4)	–	(6.4)
Change in fair value of cash flow hedges	–	–	0.5	–	0.5	–	0.5
Exchange differences on translation of foreign operations	–	–	(25.0)	–	(25.0)	–	(25.0)
Actuarial gain on defined benefit pension schemes	–	–	–	8.3	8.3	–	8.3
Tax relating to components of other comprehensive income	–	–	(0.1)	(2.2)	(2.3)	–	(2.3)
Total comprehensive expense for the year	–	–	(24.6)	(0.3)	(24.9)	–	(24.9)
Dividends to shareholders (Note 8)	–	–	–	(114.0)	(114.0)	–	(114.0)
Share award expense	–	–	2.2	–	2.2	–	2.2
Own shares purchased	–	–	(0.4)	–	(0.4)	–	(0.4)
Cumulative foreign exchange losses on disposals (Note 14)	–	–	3.6	–	3.6	–	3.6
Purchase of non-controlling interest	–	–	–	–	–	1.0	1.0
Transfer of vested LTIPs	–	–	(4.0)	4.0	–	–	–
At 31 December 2013	0.6	2.1	(1,245.9)	2,433.3	1,190.1	1.0	1,191.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Notes	2013 £m	2012 £m
ASSETS			
Non-current assets			
Goodwill		1,597.9	1,726.5
Other intangible assets		780.3	874.7
Property and equipment		16.5	19.3
Other receivables		37.6	20.4
Derivative financial instruments		0.5	–
		2,432.8	2,640.9
Current assets			
Inventory		42.2	38.2
Trade and other receivables		203.0	228.0
Current tax asset		2.6	3.1
Cash at bank and in hand		32.4	23.9
		280.2	293.2
Total assets		2,713.0	2,934.1
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	11	0.6	0.6
Share premium account		2.1	2.1
Reserve for shares to be issued		3.6	5.9
Merger reserve		496.4	496.4
Other reserve		(1,718.6)	(1,718.6)
ESOP Trust shares		(0.2)	(0.3)
Hedging reserve		0.4	–
Translation reserve		(27.5)	(6.1)
Retained earnings		2,433.3	2,543.6
Equity attributable to equity holders of the parent		1,190.1	1,323.6
Non-controlling interest		1.0	–
Total equity		1,191.1	1,323.6
Non-current liabilities			
Long-term borrowings	10	814.1	825.7
Deferred tax liabilities		134.5	160.9
Retirement benefit obligation		5.4	17.5
Provisions		7.1	8.7
Trade and other payables		7.0	3.6
		968.1	1,016.4
Current liabilities			
Short-term borrowings	10	0.5	0.6
Current tax liabilities		45.1	78.0
Provisions		12.7	5.1
Trade and other payables		179.5	202.3
Deferred income		316.0	308.1
		553.8	594.1
Total liabilities		1,521.9	1,610.5
Total equity and liabilities		2,713.0	2,934.1

These financial statements were approved by the Board of Directors on 21 February 2014.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2013

	Notes	2013 £m	2012 £m
Operating activities			
Cash generated by operations	12	332.3	341.5
Income taxes paid		(71.6)	(45.5)
Interest paid		(31.2)	(33.8)
Net cash inflow from operating activities		229.5	262.2
Investing activities			
Investment income		1.1	1.3
Proceeds on disposal of property and equipment		0.4	0.2
Purchases of intangible software assets		(8.3)	(13.8)
Purchases of property and equipment		(5.9)	(8.0)
Purchase of other intangible assets		(50.4)	(37.8)
Acquisition of subsidiaries		(87.3)	(121.5)
Product development costs		(2.7)	(4.5)
Cash inflow/(outflow) on disposal of subsidiaries and businesses		47.5	(7.1)
Proceeds on disposal of intangible software assets		–	0.3
Net cash outflow from investing activities		(105.6)	(190.9)
Financing activities			
Dividends paid to shareholders	8	(114.0)	(107.4)
(Repayments)/draw down of borrowings		(0.6)	36.0
Cash (outflow)/inflow from the issue of share capital		(0.4)	0.3
Net cash outflow from financing activities		(115.0)	(71.1)
Net increase in cash and cash equivalents	12	8.9	0.2
Effect of foreign exchange rate changes	12	(0.3)	(1.7)
Cash and cash equivalents at beginning of the year	12	23.3	24.8
Cash and cash equivalents at end of the year	12	31.9	23.3

Notes to the Full Year Results

For the year ended 31 December 2013

1 General information

The Company is incorporated in Jersey under the Companies (Jersey) Law 1991 and headquartered in Switzerland. The address of the registered office is given on page 12. The consolidated financial statements as at 31 December 2013 and for year then ended comprise those of the Company and its subsidiaries and its interests in associates and joint ventures (together referred to as the Group).

2 Basis of preparation

The financial information for the year ended 31 December 2013 does not constitute the statutory financial statements for that year, but is derived from those financial statements. While the financial information in these Full Year Results has been prepared in accordance with International Financial Reporting Standards (IFRS), these results do not in isolation contain sufficient information to comply with IFRS. Those financial statements have not yet been delivered to the Jersey Registrar of Companies, but include the auditor's report which was unqualified and did not contain a statement under Article 113B(3) or Article 113B(6) of the Companies (Jersey) Law 1991.

The directors of Informa plc, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the Annual Report and Financial Statements for the year ended 31 December 2013.

The comparative information in the Consolidated Income Statement and associated notes has been restated for the impact of the Corporate Training businesses discontinued operations. In line with the requirements of IFRS 5 *Non-current assets held for sale and discontinued operations*, the Consolidated Statement of Financial Position has not been restated.

Adjusted results

Management believes that adjusted results and adjusted earnings per share (Note 9) provide additional useful information on underlying trends to shareholders. These measures are used for internal performance analysis and incentive compensation arrangements for employees. The term "adjusted" is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

The following charges/(credits) are presented as adjusting items:

Continuing operations	**2013 £m**	**2012 £m**
Restructuring and reorganisation costs	14.2	9.9
Acquisition related costs	5.8	1.3
Intangible asset amortisation	105.1	111.8
Impairment – European Conferences	40.5	80.0
Impairment – Robbins Gioia loan receivable	8.3	–
Impairment – Intangible software assets	17.1	–
Impairment – Other	0.3	1.3
Subsequent re-measurement of contingent consideration	(2.5)	(1.6)
Loss on disposal of businesses	3.4	27.5
Fair value gain on non-controlling interest	–	(1.0)
Interest on overdue tax	(0.3)	3.1
Early termination of cross currency swaps	–	(4.5)
	191.9	227.8
Tax related to adjusting items	(39.8)	(31.4)
Tax provision release (net of associated deferred tax charge)	(13.7)	(60.0)
	138.4	136.4

2 Basis of preparation continued

The principal adjustments made are in respect of:

- restructuring and reorganisation costs – the costs incurred by the Group in reorganising and integrating acquired businesses, non-recurring business restructuring and the closure or disposal of businesses;

- acquisition related costs – the costs incurred by the Group in making share or asset acquisitions;

- intangible asset amortisation – the Group continues to amortise other intangible assets. The amortisation charge in respect of intangible software assets and product development is included in the adjusted results. The amortisation charge in respect of all remaining other intangible assets is excluded from the adjusted results as management does not see these charges as integral to underlying trading;

- impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. The material impairment charges are individually disclosed. The impairment charge for those other separately identified intangible assets has been linked with subsequent re-measurement of contingent consideration of those acquisitions;

- loss on disposal of businesses – the loss on disposal includes the fair value of consideration less the net assets/(liabilities) disposed, non-controlling interest and costs directly attributable with the disposal;

- fair value gain on non-controlling interest – the fair value gain is the re-measurement of our existing non-controlling interest when the Group increases its shareholding; and

- early termination of cross currency swaps – following the early termination of Euro cross currency swaps, the remaining gain deferred in equity is recycled to the Consolidated Income Statement as an adjusting item.

During the period we realigned our assumptions on the useful economic lives of our acquired book lists and journal titles to be more in line with modern industry benchmarks. We reduced the assumed economic life to 20 years (from 40 years), in line with the future economic benefits derived from these assets. The impact in the period is an increase in amortisation charge for **Academic Publishing** division of £9.4m.

The tax related to adjusting items is the tax effect of the items above and in 2013 it also included the effect of the reduction in the UK corporation tax rate applicable for the purposes of calculating deferred tax from 23% to 20% (year ended 31 December 2012: 25% reduced to 23%).

In the previous financial year the Group resolved a number of outstanding tax issues which resulted in the Group making substantial adjustments to its tax provisions which are also shown as an adjusting item in the results for the years ended 31 December 2012 and 2013.

Significant exchange rates

The following significant exchange rates versus GBP were applied during the year:

	Average rate		Closing rate	
	2013	**2012**	**2013**	**2012**
USD	1.5635	1.5898	1.6510	1.6175
EUR	1.1776	1.2308	1.1997	1.2265

3 Business segments

Business segments

Management has identified reportable segments based on financial information used by the Board of Directors in allocating resources and making strategic decisions. We consider the Chief Operating Decision Maker to be the Executive Directors.

Unless otherwise indicated the segment information reported on the following pages does not include any amounts for discontinued operations, which are described in more detail in Note 13.

The Group's three identified reportable segments under IFRS 8 *Operating Segments* are therefore as follows:

Academic Publishing

This division, which includes the Taylor & Francis publishing business, provides a portfolio of online and print publications, primarily for academic users across the spectrum of Science, Technology, Medicine, Humanities and Social Sciences. This segment was previously called Academic Information.

Business Intelligence

This division, which includes Informa Business Information and Informa Financial Information provides information, across a range of formats and on a global basis, to a variety of sectors including Medical, Pharmaceutical, Financial, Law, Commerce, Commodities, Maritime and Telecoms. This segment was previously called Professional and Commercial Information.

Global Events

With the disposal of the Corporate Training businesses, the Events and Training segment has been renamed as the Global Events segment. The Global Events business consists of trade shows and exhibitions and large and small conferences.

Segment revenue and results

31 December 2013

	Academic Publishing	**Business Intelligence**	**Global Events**	**Total**
	£m	**£m**	**£m**	**£m**
Revenue	367.1	350.6	414.7	1,132.4
Adjusted operating profit	130.9	109.1	95.5	335.5
Restructuring and reorganisation costs (Note 2)	(0.9)	(9.3)	(4.0)	(14.2)
Acquisition related costs (Note 2)	(0.1)	(0.8)	(4.9)	(5.8)
Subsequent re-measurement of contingent consideration (Note 2)	–	2.8	(0.3)	2.5
Intangible asset amortisation[1]	(35.9)	(33.2)	(36.0)	(105.1)
Impairment (Note 2)	(5.5)	(5.3)	(55.4)	(66.2)
Operating profit/(loss)	88.5	63.3	(5.1)	146.7
Loss on disposal of businesses (Note 14)				(3.4)
Finance costs (Note 5)				(29.5)
Investment income (Note 6)				1.9
Profit before tax from continuing operations				115.7

[1] Excludes software amortisation.

3 Business segments continued

Segment revenue and results

31 December 2012

	Academic Publishing £m	Business Intelligence £m	Global Events £m	Total £m
Revenue	340.3	356.6	413.7	1,110.6
Adjusted operating profit	126.1	120.7	83.7	330.5
Restructuring and reorganisation costs (Note 2)	(0.9)	(4.2)	(4.8)	(9.9)
Acquisition related costs (Note 2)	–	(0.3)	(1.0)	(1.3)
Subsequent re-measurement of contingent consideration (Note 2)	–	1.3	0.3	1.6
Intangible asset amortisation[1]	(27.2)	(47.2)	(37.4)	(111.8)
Impairment (Note 2)	–	(1.1)	(80.2)	(81.3)
Operating profit/(loss)	98.0	69.2	(39.4)	127.8
Loss on disposal of businesses (Note 14)				(27.5)
Fair value gain on non-controlling interest (Note 2)				1.0
Finance costs (Note 5)				(41.4)
Investment income (Note 6)				10.5
Profit before tax from continuing operations				70.4

[1] Excludes software amortisation.

Adjusted operating result by operating segment is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance. Finance costs and investment income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash positions of the Group.

Segment assets

	2013 £m	2012 £m
Academic Publishing	865.9	870.7
Business Intelligence	1,142.7	1,151.9
Global Events	652.6	857.9
Total segment assets	2,661.2	2,880.5
Unallocated assets	51.8	53.6
Total assets	2,713.0	2,934.1

For the purpose of monitoring segment performance and allocating resources between segments, management monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments except for corporate balances, including some intangible software assets, balances receivable from businesses sold and taxation (current and deferred). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segment.

3 Business segments continued

The Group's revenues from its major products and services were as follows:

	2013 £m	2012 £m
Academic Publishing		
Subscriptions	188.9	182.7
Copy sales	178.2	157.6
Total Academic Publishing	367.1	340.3
Business Intelligence		
Subscriptions	289.0	285.8
Copy sales	44.3	52.8
Advertising	17.3	18.0
Total Business Intelligence	350.6	356.6
Global Events		
Attendee	172.4	179.7
Exhibitor	166.4	146.0
Sponsorship	67.5	63.4
Consulting	–	15.4
Advertising	8.4	9.2
Total Global Events	414.7	413.7
Total revenue from continuing operations	1,132.4	1,110.6

Information about major customers

The Group's revenue by location of customer and information about its segment assets by geographical location are detailed below:

	Revenue from continuing operations		**Segment assets**	
	2013	**2012**	**2013**	**2012**
Geographical information	**£m**	**£m**	**£m**	**£m**
United Kingdom	159.4	144.7	1,281.2	1,320.3
North America	386.8	356.9	963.9	1,087.8
Continental Europe	253.1	278.6	107.9	185.8
Rest of World	333.1	330.4	360.0	340.2
	1,132.4	1,110.6	2,713.0	2,934.1

No individual customer amounts to more than 10% of the Group's revenue.

4 Net operating expenses

Operating profit has been arrived at after charging/(crediting):

	Notes	Adjusted results 2013 £m	Adjusting items 2013 £m	Statutory results 2013 £m	Adjusted results 2012 £m	Adjusting items 2012 £m	Statutory results 2012 £m
Cost of sales		364.5	–	364.5	354.7	–	354.7
Staff costs (excluding redundancy costs)		322.6	–	322.6	323.4	–	323.4
Amortisation of other intangible assets		15.8	105.1	120.9	13.8	111.8	125.6
Depreciation		6.4	–	6.4	6.5	–	6.5
Impairment	2	–	66.2	66.2	–	81.3	81.3
Net foreign exchange loss		0.4	–	0.4	1.8	–	1.8
Auditor's remuneration for audit services		1.0	–	1.0	1.1	–	1.1
Operating lease expenses							
– Land and buildings		19.4	–	19.4	21.2	–	21.2
– Other		1.0	–	1.0	1.1	–	1.1
Restructuring and reorganisation costs	2	–	14.2	14.2	–	9.9	9.9
Acquisition related costs	2	–	5.8	5.8	–	1.3	1.3
Subsequent re-measurement of contingent consideration	2	–	(2.5)	(2.5)	–	(1.6)	(1.6)
Other operating expenses		65.8	–	65.8	56.5	–	56.5
Total net operating expenses from continuing operations		796.9	188.8	985.7	780.1	202.7	982.8

5 Finance costs

	2013 £m	2012[1] £m
Interest expense on financial liabilities measured at amortised cost	29.2	33.8
Interest cost on pension scheme liabilities	0.6	4.2
Total interest expense	29.8	38.0
Cash flow hedge ineffectiveness loss	–	0.3
Interest on overdue tax	(0.3)	3.1
	29.5	41.4

[1] The interest cost on pension scheme liabilities in 2013 is prepared in accordance with the amendment to IAS 19. On the basis of materiality, the comparatives have not been restated.

6 Investment income

	2013 £m	2012[1] £m
Loans and receivables:		
Interest income on bank deposits	0.6	1.0
Interest income on non-current receivables	1.3	1.6
Expected return on pension scheme assets	–	3.4
Early termination of cross currency swaps	–	4.5
	1.9	10.5

[1] The expected return on pension scheme assets in 2013 is prepared in accordance with the amendment to IAS 19. On the basis of materiality, the comparatives have not been restated.

7 Taxation

The tax charge/(credit) comprises:

	2013 £m	2012 £m
Current tax:		
Current year	51.0	51.1
Tax provision release	(13.7)	(61.5)
Interest on overdue tax reclassified to Finance costs	–	(3.1)
Deferred tax:		
Current year	(19.4)	(6.8)
Credit arising from UK corporation tax rate change	(5.3)	(4.5)
Exceptional deferred tax charge in respect of prior years	–	1.5
Total tax charge/(credit) on profit on ordinary activities	12.6	(23.3)

The tax shown as an adjusting item within the Consolidated Income Statement relates to the following:

Continuing operations	Notes	Gross 2013 £m	Tax 2013 £m	Gross 2012 £m	Tax 2012 £m
Restructuring and reorganisation costs	2	(14.2)	3.7	(9.9)	2.6
Acquisition related costs	2	(5.8)	–	(1.3)	–
Amortisation of other intangible assets		(105.1)	26.9	(111.8)	22.6
Impairment	2	(66.2)	4.0	(81.3)	–
Subsequent re-measurement of contingent consideration	2	2.5	–	1.6	–
Loss on disposal of businesses	14	(3.4)	–	(27.5)	(0.3)
Fair value gain on non-controlling interest	2	–	–	1.0	–
Interest on overdue tax	2	0.3	(0.1)	(3.1)	3.1
Early termination of cross currency swaps	2	–	–	4.5	(1.1)
Deferred tax credit arising from UK corporation tax rate change		–	5.3	–	4.5
Tax provision release (net of associated deferred tax charge)		–	13.7	–	60.0
		(191.9)	53.5	(227.8)	91.4

The current and deferred tax is calculated on the estimated assessable profit for the year. Taxation is calculated on each jurisdiction based on the prevailing rates of that jurisdiction.

The total tax charge/(credit) for the year can be reconciled to the accounting profit as follows:

	2013		2012	
	£m	%	£m	%
Profit before tax	115.7		70.4	
Tax charge at effective UK statutory rate of 23.25% (2012: 24.5%)	26.9	23.2	17.2	24.4
Permanent differences	3.1	2.7	17.5	24.9
Losses in certain jurisdictions that have not been recognised	1.6	1.4	6.5	9.2
Deferred tax credit arising from UK corporation tax rate change	(5.3)	(4.6)	(4.5)	(6.4)
Tax provision release (net of associated deferred tax charge)	(13.7)	(11.8)	(60.0)	(85.2)
Tax charge/(credit) and effective rate for the year	12.6	10.9	(23.3)	(33.1)

In addition to the income tax charge/(credit) to the Consolidated Income Statement, a tax charge of £2.3m (2012: credit of £0.4m) all of which relates to deferred tax has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

8 Dividends

	2013 £m	2012 £m
Amounts recognised as distributions to equity holders in the year:		
Second interim dividend for the year ended 31 December 2011 of 11.80p per share	–	71.1
First interim dividend for the year ended 31 December 2012 of 6.00p per share	–	36.2
Second interim dividend for the year ended 31 December 2012 of 12.50p per share	75.4	–
First interim dividend for the year ended 31 December 2013 of 6.40p per share	38.6	–
	114.0	**107.3**
Proposed second interim dividend for the year ended 31 December 2013 of 12.50p per share (2012: 12.50p per share)	**75.5**	**75.3**

As at 31 December 2013 £0.1m (2012: £0.1m) of dividends are still to be paid.

As at 31 December 2013 holders of 737,272 (2012: 108,422) ordinary shares of 0.1 pence each have waived their rights to receive dividends.

Pursuant to the Dividend Access Plan ("DAP") arrangements put in place in 2009 as part of the Scheme of Arrangement, shareholders in the Company are able to elect to receive their dividends from a UK source (a DAP election). Shareholders who (i) held 100,000 or fewer shares on the date of admission of the Company’s shares to the London Stock Exchange and (ii) in the case of shareholders who did not own the shares at that time, on the first dividend record date after they become shareholders in the Company, unless they elect otherwise, are deemed to have elected to receive their dividends under the DAP arrangements. Shareholders who hold more than 100,000 shares and who wish to receive their dividends from a UK source must make a DAP election. All elections remain in force indefinitely unless revoked. Unless shareholders have made a DAP election, or are deemed to have made a DAP election, dividends will be received directly from the Company, domiciled in Switzerland, and will be taxed accordingly.

9 Earnings per share

Basic

The basic earnings per share calculation is based on a loss attributable to equity shareholders of the parent of £6.4m (2012: £90.7m profit). This loss on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those non-vested shares held by employee share ownership trusts) which is 602,421,793 (2012: 602,378,791).

Diluted

The diluted earnings per share calculation is based on the basic earnings per share calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the reporting date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 602,687,758 (2012: 603,021,026).

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

	2013[1]	**2012**
Weighted average number of shares used in basic earnings per share calculation	602,421,793	602,378,791
Effect of dilutive share options	265,965	642,235
Weighted average number of shares used in diluted earnings per share calculation	602,687,758	603,021,026

[1] For 2013 the effect of dilutive share options were anti-dilutive for the purpose of the dilutive earnings per share and have not been used.

Adjusted earnings per share from continuing operations

The basic and diluted adjusted earnings per share calculations have been made to allow shareholders to gain a further understanding of the trading performance of the Group. They are based on the basic and diluted earnings per share calculations above except that profits are based on continuing operations attributable to equity shareholders and are adjusted for items that are not perceived by management to be part of the underlying trends in the business, and the tax effect of those adjusting items, as follows:

	2013 **£m**	**2012** **£m**
Profit for the year	103.1	93.7
Non-controlling interest	–	–
Adjusting items net of attributable taxation (Note 2)	138.4	136.4
Adjusted profit for the year attributable to equity shareholders	241.5	230.1
Earnings per share:		
– Adjusted basic (p)	40.1	38.2
– Adjusted diluted (p)	40.1	38.2

10 Borrowings

	2013 £m	2012 £m
Current		
Bank borrowings	–	–
Bank overdraft	0.5	0.6
Total current borrowings	0.5	0.6
Non-current		
Bank borrowings	371.9	377.2
Private placement loan notes	442.2	448.5
Total non-current borrowings[1]	814.1	825.7
	814.6	826.3

[1] The non-current borrowings for current and prior year are presented net of arrangement fees.

There have been no breaches of covenants under the Group's bank facilities and private placement loan notes during the year. The bank and private placement borrowings are guaranteed by material subsidiaries of the Group. The Group does not have any of its property and equipment and other intangible assets pledged as security over loans.

The Group maintains the following significant lines of credit:

- Private placement loan notes drawn in three currency tranches of USD 597.5m, GBP 40.0m and EUR 50.0m. As at 31 December 2013, the note maturities ranged between two and seven years, with an average duration of 5.3 years, at a weighted average interest rate of 4.3%.

- £625.0m (2012: £625.0m) revolving credit facility, of which £373.9m has been drawn down at 31 December 2013. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.

- £39.5m (2012: £40.2m) comprising a number of bilateral bank facilities that can be drawn down to meet short-term financing needs. These facilities consist of GBP 16.0m (2012: GBP 16.0m), USD 15.0m (2012: USD 15.0m), EUR 15.0m (2012: EUR 15.0m), and AUD 3.5m (2012: AUD 4.3m). Interest is payable at the local base rate plus margins that vary between 1% and 6%.

The effective interest rate as at 31 December 2013 is 3.1% (2012: 3.6%).

The Group had the following committed undrawn borrowing facilities at 31 December:

Expiry date	2013 £m	2012 £m
Within one to two years	–	–
In more than two years	251.1	245.1
	251.1	245.1

11 Share Capital

	2013 £m	2012 £m
Authorised		
202,500,000,000 ordinary shares of 0.1p each (2012: 202,500,000,000 of 0.1p each)	202.5	202.5
Issued and fully paid		
603,941,249 ordinary shares of 0.1p each (2012: 602,707,165 of 0.1p each)	0.6	0.6

	Number of shares	£m
At 1 January 2013	602,707,165	0.6
Issued in respect of share option schemes and other entitlements	1,234,084	–
At 31 December 2013	603,941,249	0.6

Share options

As at 31 December 2012 and 2013, there were no outstanding share options.

12 Notes to the cash flow statement

	Notes	2013 £m	2012 £m
Profit before tax from continuing and discontinued operations		2.5	67.0
Adjustments for:			
Depreciation of property and equipment		6.8	7.0
Amortisation of other intangible assets		139.3	148.9
Share-based payment		2.2	3.8
Subsequent re-measurement of contingent consideration	2	(2.5)	(1.6)
Loss on disposal of businesses	14	102.7	27.5
Fair value gain on non-controlling interest	2	–	(1.0)
Profit on disposal of intangible software assets		–	(0.2)
Finance costs	5	29.5	41.4
Investment income	6	(1.9)	(10.5)
Impairment		66.2	81.3
Increase in inventories		(3.8)	(2.6)
Decrease in receivables		12.6	22.3
Decrease in payables		(21.3)	(41.8)
Cash generated by operations		332.3	341.5

12 Notes to the cash flow statement continued

Analysis of net debt

	At 1 January 2013	Non-cash items	Cash flow	Exchange movement	At 31 December 2013
	£m	£m	£m	£m	£m
Cash at bank and in hand	23.9	–	8.8	(0.3)	32.4
Bank overdraft	(0.6)	–	0.1	–	(0.5)
Cash and cash equivalents	23.3	–	8.9	(0.3)	31.9
Bank loans due in less than one year	–	–	–	–	–
Bank loans due in more than one year	(377.2)	(0.8)	0.6	5.5	(371.9)
Private placement loan notes due in more than one year	(448.5)	(0.3)	–	6.6	(442.2)
	(802.4)	(1.1)	9.5	11.8	(782.2)

Included within the cash flow movement of £9.5m is £0.6m (2012: £44.0m) of repayment of borrowings and £nil (2012: £80.0m) of loans drawn down.

The net movement caused by non-cash items arises from arrangement fee amortisation of £1.1m (2012: £1.1m).

13 Discontinued operations

As a result of a deterioration in the trading performance of the Corporate Training businesses since 31 December 2012, which led to the subsequent commercial and strategic decision to exit these non-core activities, a loss for the period from discontinued operations of £109.5m has been recognised. The loss includes £99.3m recognised on disposal being proceeds of £87.3m (at fair value); less the carrying amount of the net assets and attributable goodwill – see Note 14.

The disposal was completed on 30 September 2013, on which date control of these businesses passed to the acquirer. These businesses were a separate cash generating unit and included within the **Global Events** reportable segment.

The results of the discontinued operation, which have been included in the Consolidated Income Statement, were as follows:

	2013	2012
	£m	£m
Revenue	76.2	121.9
Expenses	(90.1)	(125.3)
Loss before tax	(13.9)	(3.4)
Attributable tax credit	3.9	0.4
	(10.0)	(3.0)
Loss on disposal of discontinued operations (Note 14)	(99.3)	–
Attributable tax charge	(0.2)	–
Loss for the period from discontinued operations	(109.5)	(3.0)

During the year, the businesses contributed £9.1m inflow (31 December 2012: £16.8m inflow) to the group’s net operating cash flows, paid £2.1m (31 December 2012: £4.4m) in respect of investing activities and paid £nil (31 December 2012: £nil) in respect of financing activities.

14 Disposal of subsidiary and other assets

Disposals made in 2013

During the year, the Group disposed of its five Corporate Training businesses; the European Conferences businesses in Spain and Italy; the trade and assets in the Superyacht Cup; and other small businesses. A loss on disposal of £102.7m, including directly attributable costs of £11.1m, has been recognised within adjusting items in the Consolidated Income Statement.

The disclosure below sets out the aggregate effect of the disposals on the Group's assets and liabilities.

	Corporate Training £m	**Other businesses £m**	**Total £m**
Goodwill	119.1	–	119.1
Other intangible assets (excluding intangible software assets)	46.4	1.3	47.7
Intangible software assets	2.1	–	2.1
Property and equipment	0.9	0.1	1.0
Inventory	0.7	–	0.7
Trade and other receivables	25.3	1.4	26.7
Cash and cash equivalents	3.5	1.8	5.3
Deferred tax asset	0.1	0.1	0.2
Trade and other payables	(13.6)	(1.7)	(15.3)
Deferred income	(2.6)	(0.8)	(3.4)
Deferred tax liabilities	(8.4)	(0.3)	(8.7)
Net assets disposed	173.5	1.9	175.4
Costs directly attributable with the disposal	9.8	1.3	11.1
Cumulative foreign exchange losses reclassified from equity	3.3	0.3	3.6
Loss on disposal	(99.3)	(3.4)	(102.7)
Total consideration	87.3	0.1	87.4
Satisfied by:			
Cash and cash equivalents	60.3	0.1	60.4
Deferred consideration	27.0	–	27.0
Net cash inflow arising on disposal			
Consideration received in cash and cash equivalents	60.3	0.1	60.4
Less: cash and cash equivalents disposed of	(3.5)	(1.8)	(5.3)
Less: costs directly attributable with the disposal	(6.6)	(1.0)	(7.6)
	50.2	(2.7)	47.5

The loss on disposal of £99.3m for the Corporate Training businesses is included within discontinued operations – see Note 13.

14 Disposal of subsidiary and other assets continued

Disposals made in 2012

During the year, the Group disposed of its 100% shareholdings in the Robbins Gioia business and Excellence Data Research Private Limited and its 50.1% shareholding in China Medical Data Services Limited and its wholly owned subsidiary Asia Gateway Healthcare Information Technology (Beijing) Co., Ltd. The Group also disposed of its European Conferences businesses in Austria, Hungary and the Czech Republic, the business of Informa Virtual Business Communications GmbH, as well as three small Exhibitions for total consideration of £13.1m. A loss on disposal of £27.5m, including directly attributable costs of £1.0m, has been recognised within adjusting items in the Consolidated Income Statement.

The disclosure below sets out the aggregate effect of the disposals on the Group's assets and liabilities.

	£m
Goodwill	22.3
Other intangible assets (excluding intangible software assets)	9.9
Property and equipment	1.7
Trade and other receivables	10.4
Cash and cash equivalents	9.1
Deferred tax asset	0.1
Trade and other payables	(13.3)
Deferred income	(0.7)
Deferred tax liabilities	(1.6)
Net assets disposed	37.9
Non-controlling interest	1.7
Costs directly attributable with the disposal	1.0
Loss on disposal	(27.5)
Total consideration	13.1
Satisfied by:	
Cash and cash equivalents	3.0
Deferred consideration	10.1
Net cash outflow arising on disposal	
Consideration received in cash and cash equivalents	3.0
Less: cash and cash equivalents disposed of	(9.1)
Less: costs directly attributable with the disposal	(1.0)
	(7.1)

There have been no material working capital adjustments during 2013.