informa

Press Release
21 February 2013

Informa plc
Full Year Results
For the Year Ended 31 December 2012

Resilient trading and proactive portfolio management drive strong adjusted profit growth and improvement in the quality of earnings

Key Highlights

Financial

- Record adjusted diluted EPS up 7.7% to 40.7p (2011: 37.8p), ahead of market expectations
- Full year dividend increased by 10.1% - second interim dividend of 12.5p giving a total 2012 dividend of 18.5p (2011: 16.8p)
- Revenue broadly flat despite Robbins Gioia and European Conference disposals - £1.23bn (2011: £1.28bn)
- Adjusted operating profit up 4.0% to £349.7m (2011: £336.2m); organic growth of 2.8%
- Record adjusted operating margin of 28.4% (2011: 26.4%)
- Adjusted profit before tax of £317.4m up 7.3% (2011: £295.9m)
- Statutory profit after tax of £90.7m (2011: £74.3m)
- Strong cash generation - operating cash flow up 5.7% to £329.0m (2011: £311.2m)
- Balance sheet strength maintained - net debt/EBITDA ratio of 2.1 times (2011: 2.1 times)

Operational

- Proactive portfolio management drives significant improvement in the quality of Group earnings
- Total product rationalisation reduced Group revenue by 2%
- Investment in new products, geo-cloning and platform development
- Acquisition of MMPI and Zephyr in 2012 - both performing well
- Long-term contract to manage Agrishow from 2013, the largest agrifoods event in Latin America
- Strong emerging market growth - now 18% of Group revenue (2011: 14%)
- Resilient core revenue stream - 67% of publishing revenues from subscriptions
- Digital excellence - 74% of publishing revenues fully digitised

Peter Rigby, Chief Executive, said:

> *"Informa has performed strongly once again in 2012, delivering earnings ahead of market expectations and strong cashflow, despite what have remained very challenging market conditions. This is testament to the resilience of our businesses, underpinned by strong brands, leading market positions, digital excellence and a growing presence in emerging markets.*
>
> *Our performance has enabled us to keep investing in our business, while maintaining our progressive dividend policy, with 10.1% growth in the total payout in 2012, underlining our commitment to delivering attractive returns to our shareholders.*
>
> *We were very proactive in managing our portfolio in 2012. This was evident through the acquisitions of Zephyr, which bolstered our digital subscription base, and MMPI, which expanded our portfolio of large exhibitions, as well as the disposals of Robbins Gioia and some small European local language Conference businesses. Internally, our focus on operating excellence also led us to proactively exit a number of lower quality publishing products and events, cutting out over £25m of revenue. This has impacted top-line growth trends but leaves the group in a stronger position going forward, with a higher underlying quality of earnings.*
>
> *The new financial year has started well, with a strong performance from our large events in the Middle East in January, while academic journal subscription renewals have been in line with expectations. Despite ongoing macro uncertainty, we are cautiously optimistic about our prospects for the year ahead, with underlying revenue growth expected across all three divisions, translating into another year of growth in adjusted earnings per share."*

Financial Highlights

	2012 £m	2011 £m	Actual %	Organic %
Revenue	1,232.5	1,275.3	(3.4)	(2.0)
Operating profit	124.4	130.3	(4.5)	
Adjusted operating profit [1]	349.7	336.2	4.0	2.8
Operating cash flow [2]	329.0	311.2	5.7	
Profit before tax	67.0	88.6	(24.4)	
Adjusted profit before tax [1]	317.4	295.9	7.3	
Profit after tax	90.7	74.3	22.1	
Adjusted profit after tax [1]	245.6	226.7	8.3	
Basic earnings per share (p)	15.1	12.5	20.8	
Diluted earnings per share (p)	15.0	12.5	20.0	
Adjusted diluted earnings per share (p) [1]	40.7	37.8	7.7	
Dividend per share (p)	18.5	16.8	10.1	
Free cash flow [2]	237.8	203.4	16.9	
Net debt [3]	802.4	784.0	2.3	

Notes:
In this document 'organic' refers to numbers adjusted for material acquisitions and disposals and the effects of changes in foreign currency exchange rates.
[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 in the Financial Review.
[3] Net debt as calculated in Note 12.

Divisional highlights

	2012 £m	2011 £m	Actual %	Organic %
Academic Information (AI)				
Revenue	340.3	323.6	5.2	2.4
Adjusted Operating Profit	126.1	116.2	8.5	4.8
Adjusted Operating Margin (%)	37.1	35.9		
Professional and Commercial Information (PCI)				
Revenue	356.6	370.5	(3.8)	(4.4)
Adjusted Operating Profit	120.7	114.0	5.9	4.6
Adjusted Operating Margin (%)	33.8	30.8		
Events and Training				
Revenue	535.6	581.2	(7.8)	(3.0)
Adjusted Operating Profit	102.9	106.0	(2.9)	(1.4)
Adjusted Operating Margin (%)	19.2	18.2		

Enquiries

Informa plc
Peter Rigby, Chief Executive +41 (0) 41 444 1341
Adam Walker, Finance Director +41 (0) 41 444 1343
Richard Menzies-Gow, Investor Relations +44 (0) 20 3377 3445

Charles Palmer – FTI Consulting +44 (0) 20 7269 7112

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 2013 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

The macro-economic environment provided little support to our businesses in 2012 and we are not assuming any significant improvement within our planning for 2013. Unsurprisingly, Europe remains the toughest region, while the US is still quite mixed. Emerging markets are more upbeat though, with the Middle East in particular having started the year in confident mood, carrying on the improving trend we saw towards the end of 2012. We are planning to deploy more capital into emerging markets, where the growth opportunities are that much greater.

Notwithstanding the tough backdrop in which we are operating, the actions we took in 2012 to sharpen the focus of parts of the business, coupled with the investments we made in acquisitions and new products put Informa in a stronger position coming into 2013. This is reflected in the solid start we have made to the year and with good visibility on many revenue streams across our subscription and exhibition businesses, there is reason for cautious optimism. Consequently, we are budgeting for underlying revenue growth across all three divisions in 2013.

In our **Academic Information ("AI")** division, the journal subscription season is well underway and to date the business has traded broadly as anticipated, with high renewal rates reflecting strong demand for our content. Budgetary pressure amongst our customer base remains a challenge but the situation does not appear to be worsening, and the quality and diversity of our portfolio puts us in a strong position, as evidenced by ongoing growth in usage. New journal, book and archive launches, including the South Asian Culture and History Archive ("SACHA"), will help drive growth through 2013 and we expect demand for digital products to continue to rise. We also have high hopes that we will continue to build our profile and customer penetration in emerging markets, where further opportunities exist.

The **Professional & Commercial Information ("PCI")** division enters 2013 leaner, more focused and more robust. Informa Business Information ("IBI") will benefit from the launch of new and revamped products such as the Healthcare Knowledge Centre, Verdict and the Chinese healthcare database, while Informa Financial Information ("IFI"), buoyed by a strong end to 2012, will also reap the full benefit of the Zephyr Associates, Inc. ("Zephyr") acquisition. All of this provides a degree of confidence that PCI can deliver top-line organic growth in 2013 although we would caution that Pharmaceutical and Financial markets remain subdued and fragile. We also face a small negative drag from the full year impact of product pruning implemented in 2012. In addition, our Medical Books business will be managed by our AI division in 2013, which will lead to a transfer of over £6m of revenue.

The **Events and Training** division also starts 2013 in a stronger position. The ongoing rebalancing of the portfolio towards large events is improving visibility, growth potential and cash dynamics. Our biggest single event, Arab Health took place in January and delivered a record result, with revenue up 11% on 2012. This was recently followed by Middle East Electricity, another one of our biggest events, where we estimate revenue grew by 8%. This augurs well for the performance of our business in this region but elsewhere forward bookings are also healthy, giving us confidence of another good performance from our events portfolio. The key delta in the Events and Training division this year will be our corporate training business. It is too early to gain much visibility on trading but we are not assuming a significant market recovery. We are encouraged by what remains a healthy pipeline of contracts, suggesting there could be pent up demand once confidence returns.

We increased the Group adjusted operating margin significantly in 2012, reflecting a proactive improvement in the mix, the annualised benefit of Datamonitor integration savings, but also a sharp focus on costs by our management team in an uncertain revenue environment. At this point we anticipate 2013 to be a year of consolidation, with greater emphasis on top-line growth than margin expansion.

There will inevitably be unexpected positives and negatives through 2013 but we are quietly confident in our prospects for the year ahead and fully expect to deliver another year of growth in adjusted earnings per share. We also expect to deliver another strong year of cash conversion, which will give us significant flexibility for investment. We will continue to look for opportunities, both internally and externally, where there is the potential to reap attractive returns while building on our strategic objectives. Equally, we remain committed to maintaining a progressive dividend policy while keeping our leverage within the target range of 2.0-2.5 times net debt / EBITDA.

Business Review

Over the last twelve years, Informa has steadily evolved from being a relatively cyclical business, heavily geared to small conferences, into a broad based, highly resilient business-to-business media group. We believe we now have an attractive balance of subscription publishing revenue and face-to-face event revenue, both with good long-term growth prospects. Digital, must-have niche information products, delivered flexibly into client workflows enrich the knowledge base, improve decision making and ultimately drive return-on-investment for our customers. Similarly, leading exhibitions provide an increasingly rare platform for live interaction across global business communities, helping to cultivate new relationships, promote the latest industry developments and stimulate transactions.

Once more, in 2012, our AI division grew its revenue and operating profits, underlining the defensive growth characteristics of this business. It had another strong end to the year, despite the absence of any major archive deals similar to those that boosted profits in 2011. The PCI division saw revenues decline but profits grow, reflecting improvements in its mix and the full year benefit of cost initiatives implemented in 2011. We were very active in cutting out low quality products from the PCI portfolio to improve its long-term profile, mainly in areas such as advertising, consulting, and one-off reports. Similarly, in Events and Training, the decline in revenue and profit can largely be attributed to disposals and a further deliberate cut in conference and training volume, as we focus on building large event exposure. However, it was also a tough year for the corporate training business and this did ultimately drag on the divisional performance.

We invested a total of £151.5m in acquisitions through the year, the largest of which was MMPI Canada Inc. ("MMPI"). This is the country's largest exhibition and conference company with a portfolio that takes Informa into new sectors such as art, crafts, and interior design. We see further growth potential from its existing portfolio but also good opportunities to both geo-clone some of its brands into other markets, whilst also taking some of our other Informa events into the Canadian market.

Another key acquisition for us this year was Zephyr in October. This is a very typical PCI business, comprising digital subscriptions with high renewal rates, high margins and strong cash flow. It fits nicely alongside Informa Investment Solutions within IFI and we think there will be some attractive synergies from integrating and cross selling the product sets. This should ensure we maintain our strong recent record of returns from bolt-on acquisition activity. The deals we completed in 2011, which included the Brazilian exhibitions businesses, delivered a return on invested capital of 12% last year, comfortably ahead of our cost of capital.

Informa continues to adapt to the changing demands of our customer base and the markets in which we operate. This was very evident through 2012, as we took firm action in some of our operations to improve long-term prospects, in some cases even exiting profitable products where we felt the structural risks were rising. None of these decisions is taken lightly but we are resolutely focused on improving the quality of group earnings, with particular reference to our four key strategic business drivers.

High Quality Subscription Income

Our publishing businesses are dominated by subscription assets with high renewal rates, where customers generally pay us twelve months in advance. This provides strong visibility on revenue and allows the businesses to essentially fund themselves, with minimal external capital required. It is a uniquely attractive model and, hence, we have seized any opportunities to grow our subscription exposure further, both organically and through acquisitions like Zephyr. In 2012, 38% of Group revenue and 67% of publishing revenue was from subscription products.

In the AI division, renewal rates on journals are over 95% and usage continues to grow by a double-digit percentage year-on-year, reflecting the 'must-have' nature of the content. We launched eight new journals in 2012 and added 12 society journals to the portfolio. The latter are typically lower margin than journals we own outright, but add breadth to our portfolio and help penetrate the customer base further.

PCI generated 80% of its 2012 revenue from subscription products, which are spread across our core industry sectors. Renewal rates on average are a little lower than AI at 78%, reflecting a more fluid end-customer base and mixed product set.

Digital Excellence

We pride ourselves on our digital expertise, which runs deep across all our businesses. We see this as a major differentiator to some of our peers, with the vast majority of our products having already successfully navigated the transition from analogue to digital. Most have been major beneficiaries, either on the cost side, or in generating incremental revenue. Even in our conferences and exhibitions, by design a face-to-face medium, digital technology is deeply engrained with social media now a powerful tool for marketing pre-event and interacting during an event.

We continue to invest in digital innovation, both in generating new, valuable digital content but also in platforms to better analyse, interpret and customise this information. A good example is the investment in T&F Online, our re-launched academic platform which carries all our digital academic content. Its customer friendly interface, rich, searchable content and smooth workflow have led to a big jump in usage of our content and also facilitate more of our customers moving to digital-only subscriptions.

At PCI, we made similar platform investments in 2012, most significantly the re-launch of Datamonitor Healthcare Knowledge Centre. This client-led development has made our pharmaceutical and healthcare research and analysis clearer, richer and more responsive, ensuring customers gain a path to knowledge, not just content. We now have a single portal for previously separate subscription services, which is highly flexible and allows us to track usage closely in order to identify and develop new offerings and upsell where appropriate. Early signs are encouraging, both in terms of revenue and client feedback, and we look forward to fully reaping the benefits of this investment in 2013 and beyond.

Our leading consumer business, Verdict has taken a similar client-centric approach in building its new Knowledge Centre, which will launch in 2013 using the framework employed for Healthcare. Verdict's clients will benefit from a real transformation in the way retail market intelligence is provided. News, data and analysis will be integrated for the first time, and previously hard-to-access data brought to life through constantly updated dashboards. With the major retail sectors represented through dedicated channels and available through mobile and tablet technologies, the new Verdict service will enhance retention rates and drive new business growth in 2013.

We also expect to generate revenues from our Chinese healthcare database in 2013. This is a unique proposition, and an exciting product suite is in development for which we expect demand to be high. Through on-the-ground partnerships we will collate and analyse non-classified patient level data drawn directly from Chinese healthcare institutions. Our involvement in the project benefits directly from our expertise in interpreting vast amounts of digital data and commercialising meaningful product from it.

Resilient Events

We began a process of rebalancing our events portfolio away from smaller conferences towards large events over seven years ago when we acquired IIR. In periods of buoyant economic activity, small conferences can grow strongly but revenues are inherently cyclical, particularly where conferences are local and one-off in nature. This was the reason we sold some of our European local language Conference businesses through the year, in Austria, Hungary and the Czech Republic.

Our focus is now on building annual events, where customers return each year to engage with a community, particularly where there is international reach. Large B2B exhibition revenue, which is predominantly generated through selling stand space, is akin to subscription income, with customers booking and paying in advance, sometimes more than a year ahead for a prime slot at leading events. This is a much higher quality of earnings, in our view.

In total, we now have over 250 events we class as large events, representing 44% of Events and Training revenue. We launched or geo-cloned a total of 17 events in 2012, with notable successes such as Cityscape Qatar and Vitafoods South America. The acquisition of MMPI in Canada has further bolstered our exhibition roster, with 45 events in total within its portfolio, including Construct Canada, the One of a Kind craft fairs and IDS, the large interior design industry exhibition.

Geographic Expansion

Finally, we continue to expand our geographic footprint, with a particular emphasis on increasing our emerging markets presence. In 2012, 18% of revenue was generated in emerging markets, our largest regions being the Middle East (6% of revenue) and Latin America (4% of revenue).

Across our three divisions, the Events and Training business has the largest exposure to emerging markets, at 27% of divisional revenue. This reflects the unique role of exhibitions in providing a platform for corporates to enter new markets. The acquisitions we made in Brazil in 2011 helped to boost our presence this year, with good growth across their existing portfolio combined with several new launches.

Our AI division currently generates about 14% of its revenue from emerging markets, with India, China and Taiwan its most important territories. We expect its presence to grow, as higher education infrastructure and local R&D investment expand rapidly.

PCI currently has the lowest emerging market penetration, accounting for 8% of its revenue. Some of its products are less suitable for local adaptation but others should become increasingly relevant as industries become more established in these regions. Our Chinese healthcare initiative will help drive revenue significantly in this direction.

Divisional Review

Group revenue for the year ended 31 December 2012 declined by 3.4% to £1,232.5m, reflecting a combination of disposals (Robbins Gioia and European Conference businesses) and proactive product pruning.

On an organic basis, revenue decreased by 2.0%, with this decline mainly attributable to deliberate rationalisation of marginal products in the PCI and Events and Training divisions. The organic revenue decline across Publishing was 1.2% and Events and Training 3.0%.

Adjusted operating profits were £349.7m, up 4.0% on 2011, aided by the increased focus on high quality, high margin product, a strong management focus on costs and a full year of savings from the integration of Datamonitor into IBI. This pushed the adjusted operating margin 200 basis points higher from 26.4% in 2011 to a record 28.4% in 2012. Organic adjusted operating profits increased by 2.8%, with Publishing growing by 4.7% and Events and Training declining 1.4%, the latter impacted by the performance of our corporate training business.

Statutory operating profit decreased to £124.4m (2011: £130.3m), resulting principally from the loss on disposals recognised of £27.5m and the impairment of £80.0m in the Half Year in relation to our European conference portfolio.

Academic Information (“AI”)

	2012 £m	2011 £m	Actual %	Organic %
Revenue	340.3	323.6	5.2	2.4
Adjusted Operating Profit	126.1	116.2	8.5	4.8
Adjusted Operating Margin (%)	37.1	35.9		

The AI division, which produces books and journals for university libraries and the wider academic market, performed very well once again, delivering organic revenue and adjusted operating profit growth despite a challenging funding backdrop amongst its customer base. It now represents 28% of Group revenue and 36% of Group adjusted operating profit.

Organic revenue growth for the year was 2.4%, ahead of the run-rate at Q3 after a very strong Q4 trading period. This was particularly impressive given it had a very tough comparable period from Q4 2011, when a large archive deal was secured and there were also two additional invoicing days prior to year-end in several key territories. The late surge in 2012 was fuelled in particular by strong book sales in the US and a number of emerging markets, where purchasing patterns evened out after an uncharacteristically weak September.

Adjusted operating margins increased by 120 basis points to 37.1%, reflecting further progress on operational efficiencies, coupled with increased demand for online products, both on the journals and the books side of the business. The further investment made in our online platform reaped early dividends, with overall site visits 60% higher in 2012 and full-text usage of our journals up 16% year-on-year. There is also growing demand for its book content via third party online platforms, with good growth in individual sales via Amazon Kindle, Google and Apple.

In total, AI published nearly 4,000 new book titles in 2012 and now offers some 44,000 titles in electronic format. It also published eight new journals through the year, taking the total journal portfolio to 1,676 titles. This list is geared towards Humanities and Social Science subject areas, where we are now the largest publisher globally, underpinning the resilience of the business.

A number of bolt-on acquisitions in the academic space were completed in 2012, notably Focal Press and the Hodder academic book list. Whilst relatively small scale, our Academic business has the ability to integrate such deals into its established platform quickly, often extracting valuable cost and revenue synergies and, hence, delivering high levels of return. These acquisitions also help stimulate ideas and collaboration to develop new products and a number of interesting launches are scheduled for 2013. Perhaps the most exciting of these is SACHA, a unique, vast online archive of South Asian history, encompassing five million pages of valuable research and teaching materials, with documents ranging from the 18th to the mid-20th Century (www.southasiaarchive.com).

The Finch Report was published in June and underlined the important role of publishers in the academic journal value chain both historically and in the future. The process for implementing some of its recommendations remains unclear but we broadly support its ambitions to widen access to research without compromising on quality. In recent years, we have steadily built our portfolio of open access journals and we have plans for further launches and initiatives in 2013.

Professional and Commercial Information ("PCI")

	2012 £m	2011 £m	Actual %	Organic %
Revenue	356.6	370.5	(3.8)	(4.4)
Adjusted Operating Profit	120.7	114.0	5.9	4.6
Adjusted Operating Margin (%)	33.8	30.8		

The PCI division delivers high value proprietary content to a number of industry verticals including the healthcare, pharmaceutical, financial services, maritime, commodities, telecoms, insurance and legal sectors. The division now accounts for 29% of Group revenues and 35% of adjusted operating profit.

Both IBI and IFI faced testing market conditions in 2012. The financial services industry continues to downsize as banks adapt to tough new regulatory measures designed to prevent another crisis. Within IFI, this has had an impact on Informa Global Markets, which sells fixed income and currency information via desktop intermediaries. IFI's other businesses have proved resilient, reflecting their niche focus and leading market positions. For example, EPFR, an emerging market fund flow and asset allocation data service, had another excellent year with revenues up over 40% in 2012. IFI profits were also boosted by the acquisition of Zephyr in October. This high margin, digital subscription business provides analytical software to fund managers and financial intermediaries to help analyse funds, portfolio manager performance and investment style. It is being merged with Informa Investment Solutions, which should create some attractive upselling opportunities in 2013.

At IBI, the biggest sector exposure is to the Healthcare and Pharmaceutical industry, representing around 60% of revenue. This continued to be a challenging end market in 2012, with corporates facing up to a weak pipeline of new major drug approvals, the negative impact of the patent cliff and inexorable rise of generic alternatives. This led to a cautious approach from our customer base, with purchasing decisions taking longer to be approved and often including extensive, procurement-led price discussions. Despite this, we did see overall growth in our key accounts and renewal rates across IBI's product portfolio in 2012 remained similar to 2011, underlining the high quality, niche nature of the information being supplied and flexible approach to platform delivery and workflow integration.

While the trading backdrop was challenging, the headline PCI revenue numbers are more a reflection of deliberate management action taken through 2012 to improve the long-term profile of the division. This included an exit from a number of volatile, low quality IBI products where future growth and margin potential were perceived to be weak or where we anticipate structural challenges ahead. This led to an exit from certain standalone advertising-driven products such as Review and International Freight Weekly and various consulting businesses. We also took the decision to merge Datamonitor Business Insights (low-value, content-light one-off reports) into our revamped Knowledge Centres to encourage subscriber uptake. In aggregate, products that were proactively closed through the year generated close to £20m of revenue at PCI on an annualised basis, hence explaining the divisional organic revenue decline.

The re-evaluation of our portfolio is a continuous process, as we respond to the demands of our customer base and wider industry trends, while seeking to optimise the potential returns from our asset base. The decisive action we took last year, whilst having a short-term negative drag on revenue, leaves PCI in a stronger position in 2013. Advertising, our most volatile revenue stream, represents just 5% of PCI.

Another illustration of our pro-active approach is the internal transfer of control of businesses where we feel it could help improve growth prospects. In 2013, this will see the Medical Books business within PCI move over to AI, boosting revenue at the latter by over £6m.

Despite revenue contraction through 2012, PCI's adjusted operating profit grew, both at a headline level and organically. This partly reflects the full year impact of Datamonitor integration synergies but a number of businesses also reported strong margin progression, including Citeline, CPDCast, Prime, Pharma Projects and Phasic. As a predominantly digital subscription business, (89% of PCI's products were delivered digitally in 2012), we see the potential for further margin upside in years to come, although this will be dependent on delivering organic revenue growth.

Events and Training

	2012 £m	2011 £m	Actual %	Organic %
Revenue	535.6	581.2	(7.8)	(3.0)
Adjusted Operating Profit	102.9	106.0	(2.9)	(1.4)
Adjusted Operating Margin (%)	19.2	18.2		

The Events and Training division incorporates all our face-to-face media businesses, across a range of formats including exhibitions, conferences, awards and in-house training programmes. It accounts for 43% of Group revenue and 29% of adjusted operating profit.

It was another busy year, during which we were very proactive in reshaping the business, reducing its exposure to small conferences and training, whilst increasing the weighting towards large events. The divisional financial performance reflected this, with revenues declining 7.8% versus 2011 and 3.0% on an organic basis. The sale of Robbins Gioia and the small European Conference businesses accounted for a large proportion of this decrease, with revenue contribution from these assets over £30m lower in 2012 compared to 2011. We also actively cut our small conference output, focusing resources on building annual, renewable, large events. In total we ran just 6,500 events across all formats in 2012, down from 12,500 at the peak in 2007. In revenue terms, we estimate that the conferences we deliberately cut out generated over £8m of revenue in 2011. The other major negative impact on divisional revenue was our corporate training business.

The sharp increase in adjusted operating margin is a direct reflection of the action outlined, with most of the products we have cut generating low margins, particularly when compared to our large events. When adjusted for currency, these large events reported high single-digit growth in 2012 and now account for 44% of Events and Training revenue (2011: 38%). This growth was delivered through a combination of like-for-like event growth, organic launches and geo-cloning activity, as well as a number of acquisitions. Key highlights included Arab Health and Middle East Electricity within our UAE business, AfricaCom and TV Connect events within Informa Telecoms & Media, the Monaco Yacht Show and the Vitafoods series of exhibitions. Cityscape Global in Dubai also saw a strong recovery after a tough few years, with 69% growth in exhibition space and 25% growth in overall attendance.

The largest acquisition we made in this division in 2012 was that of MMPI in July for £34.3m. This is Canada's biggest exhibition company, producing 45 events across various sectors including construction, design and art, and attracting more than 4,500 exhibitors annually. It has performed excellently since we took ownership, with good growth across its H2 events and significant progress already on plans to leverage its brands and expertise across the wider Informa group.

We continued to build our presence in emerging markets, with 27% of Events and Training revenue generated in these fast-growth regions in 2012 (2011: 20%). Highlights included the Middle East where revenues grew 36%. Following the acquisitions made in 2011, our Brazilian business also had a strong year, recording double-digit growth at the large Fispal exhibition, with a further boost from its biennial event, ForMobile.

The positive momentum in Brazil has continued into 2013, boosted by the recent award of a long-term contract to organise Agrishow. This is the largest event for the agriculture market in Latin America, with around 790 exhibitors and more than 152,000 visitors, across 440,000 square metres of exhibition space near Sao Paulo.

The corporate training business experienced another challenging year, with a lack of confidence amongst corporates continuing to negatively impact demand, particularly in the US, where there is still a reluctance to commit to expenditure not directly related to income. However, we made good progress developing more flexible modalities and next generation delivery mechanisms, which puts us in an even stronger position to reap rewards as demand recovers.

The sale of Robbins Gioia has removed much of the Group's exposure to US government contracts and, hence, has helped to reduce overall volatility. We also feel that the avoidance of the US fiscal cliff and an upbeat start to the year on stock markets may help to build confidence. Our contract pipeline certainly remains healthy, suggesting there is latent demand for our products if and when wider confidence recovers.

FINANCIAL REVIEW

This set of results underlines the strength of the Group, with its ability to grow profits and cash flow and increase its adjusted operating margin and earnings against a continued back drop of economic conditions which showed little sign of improvement.

Group

	2012 £m	2011 £m	Actual %	Organic %
Revenue	1,232.5	1,275.3	(3.4)	(2.0)
Adjusted Operating Profit	349.7	336.2	4.0	2.8
Adjusted Operating Margin (%)	28.4	26.4		

Adjusted and Statutory Results

In this Financial Review we refer to adjusted and statutory results. Our statutory operating profit and profit before tax have both decreased this year primarily because of the non-cash impairment of the European Conferences businesses.

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 receives approximately 46% of its revenues and incurs approximately 38% of its costs in USD or currencies pegged to USD. The Group is therefore sensitive to movements in the USD against the GBP. Each $0.01 movement in the USD to GBP exchange rate has a circa £3.6m impact on revenue, a circa £1.5m impact on operating profits and a circa 0.19p impact on adjusted diluted EPS. Offsetting this will be reductions to USD interest and USD tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

The Group receives approximately 10% of its revenues and incurs approximately 9% of its costs in Euros. The Group is therefore sensitive to movements in the Euro against the GBP. Each €0.01 movement in the Euro to GBP exchange rate has a circa £1.0m impact on revenue, a circa £0.4m impact on operating profits and a circa 0.05p impact on adjusted diluted EPS. Offsetting this will be reductions to Euro interest and Euro tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

For debt covenant testing purposes, profit and debt is translated at the average rate of exchange throughout the relevant period.

Revenue

Organic revenue across the Group decreased by 2.0% reflecting a decline in our PCI and Events and Training businesses. AI organic revenues increased by 2.4%.

Operating Profit

Adjusted operating profit increased to £349.7m (2011: £336.2m). Organic adjusted operating profit increased by 2.8%, with an increase of 4.7% by the Publishing businesses and a decline of 1.4% in the Events and Training businesses.

Statutory operating profit decreased by 4.5% to £124.4m (2011: £130.3m).

Impairment

The challenging European economic climate has impacted our European Conferences business performance 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 £80.0m. 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.

Restructuring and Reorganisation Costs

Restructuring and reorganisation costs for the year of £9.9m (2011: £15.2m) principally relate to the redundancy and reorganisation programmes undertaken within IBI and the European Conferences businesses. These include redundancy costs of £6.8m (2011: £11.9m), reorganisation costs of £2.1m (2011: £2.8m) and vacant property provisions of £1.0m (2011: £0.5m).

Other Adjusting Items

During the year, the Group disposed of its 100% shareholding in the Robbins Gioia business and a number of other smaller businesses, as listed in Note 13, 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.

With the number of acquisitions made during the year, acquisition related costs of £1.3m have been recognised in the income statement.

The remaining net credit of £1.3m relates to the re-measurement of contingent consideration of £1.6m and a fair value gain on non-controlling interest of £1.0m, being offset by impairments to other intangible assets of £1.3m.

Adjusted Net Finance Costs

Adjusted net finance costs, which consist principally of interest costs net of interest receivable, decreased by £8.0m from £40.3m to £32.3m. We maintain a balance of fixed and floating rate debt partly through utilising derivative financial instruments. The majority of the fixed interest swaps that were entered into at the time of the Datamonitor acquisition in 2007 expired during 2011, with the remaining swaps expiring at the end of September 2012. This has resulted in a lower average fixed interest rate on borrowings.

Profit Before Tax

Adjusted profit before tax increased by 7.3% to £317.4m from £295.9m and adjusted profit for the period increased by 8.3% to £245.6m from £226.7m.

Statutory profit before tax was £67.0m (2011: £88.6m). The decrease is primarily due to the impairment charge of £80.0m and loss on disposal of £27.5m.

Taxation

Across the Group, tax has been provided on adjusted profits at an adjusted tax rate of 22.6% (2011: 23.4%). This adjusted tax rate benefits from profits generated in low tax jurisdictions, including Switzerland 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.

The Group tax credit on statutory profit before tax was negative 35.4% (2011: Group tax charge of 16.1%).

During 2012, the Group resolved a number of outstanding tax issues, in the UK and elsewhere, which had arisen over a number of years. This resulted in additional tax of £9m being paid in 2012, with a further £24m (including interest on overdue tax) to be paid in 2013. Approximately £16m of tax had previously been paid on account in respect of these items. The tax treatment of other commercial transactions was agreed without further payments becoming due. Pending the resolution of these outstanding open issues, some of which go back to 2005, the Group had maintained provisions against all of these items. As these matters have now been resolved and tax paid accordingly, the Group has made a one-off adjustment to its tax provisions, which is shown as an adjusting item.

The Group makes a significant tax contribution to the territories in which it operates, not only through corporate taxes but also through the taxes its employees pay, the employer's social security contributions made by the Group and the sales and value added taxes generated by its products.

Specifically in relation to corporate taxes, the adjusted tax charge can be reconciled to tax paid in the year as follows:

	2012 £m	2011 £m
Effective Tax Charge	71.8	69.2
Deferred taxes	(1.2)	(5.8)
Current tax on adjusting items	(18.2)	(18.9)
Tax payable for 2012 due to be paid in a later year less tax due for earlier years paid in 2012	(1.1)	(0.5)
Taxes Paid	51.3	44.0
Taxes refunded from German authorities	(5.8)	–
Net taxes per cash flow	45.5	44.0

Of the corporate taxes paid of £45.5m (2011: £44.0m), approximately £33m (2011: approx. £28m) was paid in the UK.

Earnings and Dividend

Adjusted diluted EPS of 40.7p (2011: 37.8p) is 8% ahead of 2011 and statutory diluted EPS of 15.0p (2011: 12.5p) is 20% ahead of 2011.

The Board has proposed a second interim dividend of 12.50p per share (2011: 11.80p per share). This dividend will be paid on 21 May 2013 to ordinary shareholders registered as of the close of business on 26 April 2013. This will result in a total dividend for the year of 18.50p per share (2011: 16.80p per share). Dividend cover has decreased to 2.2 times (2011: 2.25 times) on an adjusted earnings basis.

Cash Flow

The Group continues to generate strong cash flows and this is reflected in a cash conversion rate, expressed as a ratio of operating cash flow (as calculated below) to adjusted operating profit, of 94% (2011: 93%).

	2012 £m	2011 £m
Adjusted operating profit	**349.7**	**336.2**
Depreciation of PP&E	7.0	6.7
Software amortisation	14.5	13.1
Share-based payments	3.8	3.0
EBITDA	**375.0**	**359.0**
Net capital expenditure	(25.8)	(23.9)
Working capital movement (net of restructuring and reorganisation accruals)	(20.2)	(23.9)
Operating cash flow	**329.0**	**311.2**
Restructuring and reorganisation cash flow	(13.2)	(19.3)
Net interest	(32.5)	(44.5)
Taxation	(45.5)	(44.0)
Free cash flow	**237.8**	**203.4**
Acquisitions less disposals	(174.4)	(112.9)
Dividends	(107.4)	(87.3)
Net issue of shares	0.3	0.3
Net funds flow	**(43.7)**	**3.5**
Opening net debt	**(784.0)**	**(779.1)**
Non-cash items	(1.1)	(2.7)
Foreign exchange	26.4	(5.7)
Closing net debt	**(802.4)**	**(784.0)**

In the year ended 31 December 2012, before taking into account dividends, spend on acquisitions or proceeds from the sale of assets, the Group generated free cash flow of £237.8m (2011: £203.4m).

The change to net debt arising from acquisitions (net of disposals) was a £174.4m outflow (2011: £112.9m outflow) which comprises current year acquisitions of £158.6m (2011: £109.1m) and consideration in respect of acquisitions completed in prior years of £15.8m (2011: £3.8m). The Group made a number of disposals during the period for total consideration of £13.1m, generating a net loss on disposal of £27.5m.

Net debt increased by £18.4m from £784.0m to £802.4m, which primarily reflects a cash outflow of £43.7m, offset by exchange rate movements of £26.4m. During the year the Group paid dividends of £107.4m.

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 2012 both financial covenants were comfortably achieved, with the ratio of net debt (using average exchange rates) to EBITDA being constant at 2.1 times at 31 December 2011 and 2012. The ratio of EBITDA to net interest payable in the year ended 31 December 2012 was 11.5 times (2011: 8.9 times).

Return on Capital Employed

During 2012 we have completed a number of bolt-on acquisitions and we strengthened our events platform with the acquisition of Informa Canada Inc. (formerly MMPI Canada Inc.). We also strengthened our PCI segment with acquisitions of Fertecon Limited, Sagient Research Systems, Inc. and Zephyr Associates, Inc.

Acquisitions have to meet our acquisition criteria which include delivering returns in excess of the Group's WACC 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 2011 was 12%.

Deferred income

Deferred income, which represents income received in advance, was down 4% on a constant currency basis at 31 December 2012 compared to the same date in 2011. Deferred income arises primarily from advance subscriptions and forward bookings for trade shows, exhibitions or conferences. Subscriptions generated by our academic journal business 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 2012 of £17.5m (2011: £12.1m).

Following the completion of the triennial valuations of the main defined benefit schemes, a revised deficit funding plan has been agreed with the trustees to eliminate the deficits in the three schemes. The contributions for the ongoing service will be £nil in 2013 as all three schemes are closed to future accrual of benefits. In addition, the contributions paid towards reducing the scheme deficits will increase from £3.9m in 2012 to £4.5m in 2013 and decrease to £3.2m in 2014.

Post balance sheet events

On 5 February 2013, the Group was awarded a 30-year licence to manage Agrishow in Brazil, the largest agrifoods event in Latin America.

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 financial crisis. Customers located in Continental Europe generated 23% of annual revenue, although only 10% 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 £23.3m of cash and cash equivalents at 31 December 2012, of which EUR 6.6m 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 2012 there is headroom of £245.1m 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 £448.5m private placement financing is denominated in EUR.

The Group's solvency risk (its ability to meet its liabilities in full) is also considered low. The most significant exposure is with regards to the potential impairment of goodwill and intangibles relating to the European Conferences CGU.

Under 3% 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 (10% of the Group total in 2012) and costs denominated in Euros (9%).

Conclusion

During the year, we have continued to enhance the quality of our earnings, removing marginal revenue streams and focusing on our core strengths as evidenced by the highest adjusted operating margin in the Group's history.

We must not forget that we continue to rely on the developed world for the majority of our revenue and the macro economic climate in 2012 was still not strong. Many of our customers continued to be very cautious in their spending patterns. We are convinced that the changes we have made leave the Group in a stronger place financially and with a good platform from which to build when better economic conditions occur, hopefully in 2013.

During the course of 2012 we have spent over £150m on acquisitions and invested around £25m in capital expenditure as we continue to invest for the future. The acquisitions that we have completed must meet strict financial criteria and I am pleased that the returns on those completed in 2011 continue to show we are improving the business and utilising our capital well.

More companies joining the Group in different geographies supporting new verticals places more pressure on our processes, systems and back office infrastructure. It is clear to me the progress that has been made over the past five years to bring consistency, financial rigour and efficiency to our support structure and make the back office platform much more stable and able to support the Group's ambitious growth plans. The job is never done but we are year by year reducing the complexity that existed in the Group as a result of the series of large acquisitions in a short period of time.

Integral to all we do financially is to ensure that the Group has a strong control environment, the appropriate capital structure and the best finance people and systems to support its operations. I am confident that we have made progress across all these areas in 2012 and would like to thank all my teams for all their hard work in delivering that progress.

Annual Report and Financial Statements 2012

The Annual Report and Financial Statements for the financial year ended 31 December 2012 will be sent to shareholders and published on www.informa.com in April 2013.

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 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 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 2012

	Notes	Adjusted results 2012 £m	Adjusting items 2012 £m	Statutory results 2012 £m	Adjusted results 2011 £m	Adjusting items 2011 £m	Statutory results 2011 £m
Revenue from continuing operations		1,232.5	–	1,232.5	1,275.3	–	1,275.3
Net operating expenses	4	(882.8)	(225.3)	(1,108.1)	(939.1)	(205.9)	(1,145.0)
Operating profit		349.7	(225.3)	124.4	336.2	(205.9)	130.3
(Loss)/profit on disposal of businesses	13	–	(27.5)	(27.5)	–	0.1	0.1
Fair value gain on non-controlling interest	2	–	1.0	1.0	–	–	–
Finance costs	5	(38.3)	(3.1)	(41.4)	(46.1)	(1.5)	(47.6)
Investment income	6	6.0	4.5	10.5	5.8	–	5.8
Profit before tax		317.4	(250.4)	67.0	295.9	(207.3)	88.6
Tax (charge)/credit	7	(71.8)	95.5	23.7	(69.2)	54.9	(14.3)
Profit for the year		245.6	(154.9)	90.7	226.7	(152.4)	74.3
Attributable to:							
– Equity holders of the parent				90.7			75.4
– Non-controlling interest				–			(1.1)
Earnings per share from continuing operations							
– Basic (p)	9			15.1			12.5
– Diluted (p)	9			15.0			12.5
Adjusted earnings per share from continuing operations							
– Basic (p)	9	40.8			37.9		
– Diluted (p)	9	40.7			37.8		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	2012	2011
	£m	£m
Profit for the year	90.7	74.3
Decrease in fair value of cash flow hedges	4.3	11.6
Loss on translation of foreign operations	(42.3)	(13.1)
Actuarial loss on defined benefit pension schemes	(8.5)	(5.1)
Tax relating to components of other comprehensive income	0.4	(3.6)
Other comprehensive expense for the year	(46.1)	(10.2)
Total comprehensive income for the year	44.6	64.1
Attributable to:		
– Equity holders of the parent	44.6	65.2
– Non-controlling interest	–	(1.1)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	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 2011	0.6	1.3	(1,178.4)	2,577.4	1,400.9	–	1, 400.9
Profit/(loss) for the year	–	–	–	75.4	75.4	(1.1)	74.3
Decrease in fair value of cash flow hedges	–	–	11.6	–	11.6	–	11.6
Loss on translation of foreign operations	–	–	(13.1)	–	(13.1)	–	(13.1)
Actuarial loss on defined benefit pension schemes	–	–	–	(5.1)	(5.1)	–	(5.1)
Tax relating to components of other comprehensive income	–	–	(4.7)	1.1	(3.6)	–	(3.6)
Total comprehensive (expense)/income for the year	–	–	(6.2)	71.4	65.2	(1.1)	64.1
Dividends to shareholders (Note 8)	–	–	–	(87.2)	(87.2)	(0.3)	(87.5)
Share award expense	–	–	3.0	–	3.0	–	3.0
Own shares purchased	–	–	(0.1)	–	(0.1)	–	(0.1)
Share options exercised	–	0.3	–	–	0.3	–	0.3
Purchase of non-controlling interest	–	–	–	–	–	(0.6)	(0.6)
Disposal of non-controlling interest	–	–	–	–	–	0.3	0.3
Transfer of vested LTIPS	–	–	(1.3)	1.3	–	–	–
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
Decrease in fair value of cash flow hedges	–	–	4.3	–	4.3	–	4.3
Loss 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 31 December 2012	0.6	2.1	(1,222.7)	2,543.6	1,323.6	–	1,323.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Notes	2012 £m	2011 £m
ASSETS			
Non-current assets			
Goodwill		1,726.5	1,764.8
Other intangible assets		874.7	969.8
Property and equipment		19.3	19.7
Other receivables		20.4	–
Derivative financial instruments		–	1.3
		2,640.9	2,755.6
Current assets			
Inventory		38.2	33.9
Trade and other receivables		228.0	251.4
Current tax asset		3.1	9.1
Cash at bank and in hand		23.9	25.0
Derivative financial instruments		–	0.7
		293.2	320.1
Total assets		2,934.1	3,075.7
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	11	0.6	0.6
Share premium account		2.1	1.6
Reserve for shares to be issued		5.9	6.2
Merger reserve		496.4	496.4
Other reserve		(1,718.6)	(1,718.6)
ESOP Trust shares		(0.3)	(0.2)
Hedging reserve		–	(3.0)
Translation reserve		(6.1)	36.2
Retained earnings		2,543.6	2,562.9
Equity attributable to equity holders of the parent		1,323.6	1,382.1
Non-controlling interest		–	(1.7)
Total equity		1,323.6	1,380.4
Non-current liabilities			
Long-term borrowings	10	825.7	806.9
Deferred tax liabilities		160.9	164.7
Retirement benefit obligation		17.5	12.1
Provisions		8.7	12.2
Trade and other payables		3.6	7.1
Derivative financial instruments		–	–
		1,016.4	1,003.0
Current liabilities			
Short-term borrowings	10	0.6	2.1
Current tax liabilities		78.0	140.8
Provisions		5.1	10.4
Trade and other payables		202.3	206.9
Deferred income		308.1	327.0
Derivative financial instruments		–	5.1
		594.1	692.3
Total liabilities		1,610.5	1,695.3
Total equity and liabilities		2,934.1	3,075.7

The Board of Directors approved these financial statements on 21 February 2013.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2012

	Notes	2012 £m	2011 £m
Operating activities			
Cash generated by operations	12	341.5	315.6
Income taxes paid		(45.5)	(44.0)
Interest paid		(33.8)	(51.9)
Net cash inflow from operating activities		262.2	219.7
Investing activities			
Investment income		1.3	1.4
Proceeds on disposal of property and equipment		0.2	0.4
Purchases of intangible software assets		(13.8)	(12.6)
Purchases of property and equipment		(8.0)	(7.7)
Purchase of other intangible assets		(37.8)	(26.2)
Acquisition of subsidiaries and businesses		(121.5)	(83.4)
Acquisition of non-controlling interest		–	(0.3)
Product development costs		(4.5)	(4.0)
Cash (outflow)/inflow on disposal of subsidiaries and businesses	13	(7.1)	0.6
Proceeds on disposal of other intangible assets		–	0.7
Proceeds on disposal of intangible software assets		0.3	–
Net cash outflow from investing activities		(190.9)	(131.1)
Financing activities			
Dividends paid to shareholders	8	(107.4)	(87.0)
Dividends paid to non-controlling interest		–	(0.3)
Repayments of borrowings	12	(44.0)	(368.3)
Loans drawn down/new bank loans raised	12	80.0	366.4
Proceeds from the issue of share capital		0.3	0.3
Net cash outflow from financing activities		(71.1)	(88.9)
Net increase/(decrease) in cash and cash equivalents		0.2	(0.3)
Effect of foreign exchange rate changes		(1.7)	(2.7)
Cash and cash equivalents at beginning of the year		24.8	27.8
Cash and cash equivalents at end of the year		23.3	24.8

Notes to the Full Year Results

For the year ended 31 December 2012

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 15. The consolidated financial statements as at 31 December 2012 and for year then ended comprise those of the Company and its subsidiaries and its interests in associates and jointly controlled entities (together referred to as the Group).

2 Basis of preparation

The financial information for the year ended 31 December 2012 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 auditors' 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 2012.

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) were presented as adjusting items:

	Notes	2012 £m	2011 £m
Restructuring and reorganisation costs		9.9	15.2
Acquisition related costs		1.3	1.4
Amortisation of other intangible assets		134.4	137.9
Impairment - European Conferences		80.0	–
Impairment - Robbins Gioia		–	50.7
Impairment - Other		1.3	3.6
Subsequent re-measurement of contingent consideration		(1.6)	(2.9)
Loss/(profit) on disposal of businesses	13	27.5	(0.1)
Fair value gain on non-controlling interest		(1.0)	–
Excess interest on early repayment of syndicated loans	5	–	1.5
Interest on overdue tax	5	3.1	–
Early termination of cross currency swaps	6	(4.5)	–
		250.4	207.3
Tax related to adjusting items	7	(35.5)	(54.9)
Tax provision release (net of associated deferred tax charge)	7	(60.0)	–
		154.9	152.4

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;
- amortisation of other intangible assets – the Group continues to amortise other intangible assets. The amortisation charge in respect of intangible software assets 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 impairment charge in respect of material acquisitions is 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/(profit) on disposal of businesses – the loss/(profit) 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;
- excess interest on early repayment of syndicated loans – capitalised facility fees are amortised over the loan periods but where syndicated loan facilities have been terminated early, the unamortised fees are immediately expensed. This accelerated expense is not viewed as being part of the underlying results and is thus excluded from the adjusted results; 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.

The tax related to adjusting items is the tax effect of the items above and in 2012 it also includes the effect of the reduction in the UK rate applicable for the purposes calculating deferred tax from 25% to 23%.

During 2012 the Group resolved a number of outstanding tax issues which result in the Group being able to make a substantial one-off adjustment to its tax provisions which is also shown as an adjusting item.

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

	Average rate		Closing rate	
	2012	**2011**	**2012**	**2011**
USD	1.5898	1.6047	1.6175	1.5439
EUR	1.2308	1.1461	1.2265	1.1934

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.

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

Academic Information ("AI")
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, Humanities and Social Sciences.

Professional and Commercial Information ("PCI")
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.

Events and Training
The Events and Training business consists of trade shows and exhibitions, large and small conferences and training courses.

Segment revenue and results
31 December 2012

	AI	PCI	Events and Training	Total
	£m	£m	£m	£m
Revenue	340.3	356.6	535.6	1,232.5
Adjusted operating profit	126.1	120.7	102.9	349.7
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] (Note 2)	(27.2)	(47.7)	(59.5)	(134.4)
Impairment (Note 2)	–	(1.1)	(80.2)	(81.3)
Operating profit/(loss)	98.0	68.7	(42.3)	124.4
Loss on disposal of business				(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				67.0

[1] Excludes software amortisation.

Segment revenue and results
31 December 2011

	AI £m	PCI £m	Events and Training £m	Total £m
Revenue	323.6	370.5	581.2	1,275.3
Adjusted operating profit	116.2	114.0	106.0	336.2
Restructuring and reorganisation costs (Note 2)	(1.3)	(10.4)	(3.5)	(15.2)
Acquisition related costs (Note 2)	(0.1)	(0.2)	(1.1)	(1.4)
Subsequent re-measurement of contingent consideration (Note 2)	–	2.6	0.3	2.9
Intangible asset amortisation[1] (Note 2)	(27.9)	(47.9)	(62.1)	(137.9)
Impairment (Note 2)	–	(2.4)	(51.9)	(54.3)
Operating profit/(loss)	86.9	55.7	(12.3)	130.3
Profit on disposal of business				0.1
Finance costs (Note 5)				(47.6)
Investment income (Note 6)				5.8
Profit before tax				88.6

[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

	2012 £m	2011 £m
AI	870.7	939.1
PCI	1,151.9	1,056.0
Events and Training	857.9	1,044.4
Total segment assets	2,880.5	3,039.5
Unallocated assets	53.6	36.2
Total assets	2,934.1	3,075.7

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 taxation (current and deferred). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segment.

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

	2012 £m	2011 £m
AI		
Subscriptions	182.7	176.6
Copy sales	157.6	147.0
Total AI	340.3	323.6
PCI		
Subscriptions	285.8	287.5
Copy sales	52.8	63.1
Advertising	18.0	19.9
Total PCI	356.6	370.5
Events and Training		
Delegates	291.1	319.6
Exhibition	145.4	134.0
Sponsorship	63.8	63.2
Consulting	26.2	55.2
Advertising	9.1	9.2
Total Events and Training	535.6	581.2
Total revenue	1,232.5	1,275.3

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		Segment assets	
	2012	2011	2012	2011
Geographical information	£m	£m	£m	£m
United Kingdom	151.2	172.7	1,320.3	1,325.6
North America	434.9	446.7	1,087.8	1,053.9
Continental Europe	287.9	317.7	185.8	316.0
Rest of World	358.5	338.2	340.2	380.2
	1,232.5	1,275.3	2,934.1	3,075.7

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):

	Note	Adjusted results 2012 £m	Adjusting items 2012 £m	Statutory results 2012 £m	Adjusted results 2011 £m	Adjusting items 2011 £m	Statutory results 2011 £m
Cost of sales		393.4	–	393.4	446.3	–	446.3
Staff costs (excluding redundancy costs)		364.7	–	364.7	355.5	–	355.5
Amortisation of other intangible assets		14.5	134.4	148.9	13.1	137.9	151.0
Depreciation		7.0	–	7.0	6.7	–	6.7
Impairment	2	–	81.3	81.3	–	54.3	54.3
Net foreign exchange loss		1.8	–	1.8	0.8	–	0.8
Auditor's remuneration for audit services		1.1	–	1.1	1.3	–	1.3
Operating lease expenses							
– Land and buildings		21.2	–	21.2	24.8	–	24.8
– Other		1.1	–	1.1	1.2	–	1.2
Restructuring and reorganisation costs	2	–	9.9	9.9	–	15.2	15.2
Acquisition related costs	2	–	1.3	1.3	–	1.4	1.4
Subsequent re-measurement of contingent consideration	2	–	(1.6)	(1.6)	–	(2.9)	(2.9)
Other operating expenses		78.0	–	78.0	89.4	–	89.4
Total net operating expenses		882.8	225.3	1,108.1	939.1	205.9	1,145.0

5 Finance costs

	Note	2012 £m	2011 £m
Interest expense on financial liabilities measured at amortised cost		33.8	41.8
Interest cost on pension scheme liabilities		4.2	4.3
Total interest expense		38.0	46.1
Cash flow hedge ineffectiveness loss		0.3	–
Excess interest on early repayment of syndicated loans	2	–	1.5
Interest on overdue tax	2	3.1	–
		41.4	47.6

6 Investment income

	Note	2012 £m	2011 £m
Loans and receivables:			
Interest income on bank deposits		1.0	1.4
Interest income on non-current receivables		1.6	–
Expected return on pension scheme assets		3.4	4.4
Early termination of cross currency swaps	2	4.5	–
		10.5	5.8

7 Taxation

The tax (credit)/charge comprises:

	Note	2012 £m	2011 £m
Current tax:			
Current year		52.4	44.5
Tax provision release		(61.5)	–
Interest on overdue tax reclassified to Finance costs	5	(3.1)	–
Deferred tax:			
Current year		(8.5)	(18.9)
Credit arising from UK corporation tax rate change		(4.5)	(6.0)
Exceptional deferred tax charge/(credit) in respect of prior years		1.5	(5.3)
Total tax (credit)/charge on profit on ordinary activities		(23.7)	14.3

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

	Gross 2012 £m	Tax 2012 £m	Gross 2011 £m	Tax 2011 £m
Restructuring and reorganisation costs (Note 2)	(9.9)	2.6	(15.2)	4.4
Acquisition related costs (Note 2)	(1.3)	–	(1.4)	–
Amortisation of other intangible assets (Note 2)	(134.4)	26.7	(137.9)	35.7
Impairment (Note 2)	(81.3)	–	(54.3)	3.1
Subsequent re-measurement of contingent consideration (Note 2)	1.6	–	2.9	–
(Loss)/profit on disposal of business (Note 13)	(27.5)	(0.3)	0.1	–
Fair value gain on non-controlling interest (Note 2)	1.0	–	–	–
Excess interest on early repayment of syndicated loans (Note 5)	–	–	(1.5)	0.4
Interest on overdue tax reclassified to Finance costs (Note 5)	(3.1)	3.1	–	–
Early termination of cross currency swap (Note 6)	4.5	(1.1)	–	–
Deferred tax credit arising from UK corporation tax rate change	–	4.5	–	6.0
Tax provision release (net of associated deferred tax charge) (Note 2)	–	60.0	–	5.3
	(250.4)	95.5	(207.3)	54.9

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

	2012		2011	
	£m	%	£m	%
Profit before tax	67.0		88.6	
Tax charge at weighted average rate	11.4	17.0	16.8	19.0
Permanent differences	22.9	34.2	3.7	4.1
Losses in certain jurisdictions that have not been recognised	6.5	9.7	5.1	5.8
Deferred tax credit arising from UK corporation tax rate change	(4.5)	(6.7)	(6.0)	(6.8)
Tax provision release (net of associated deferred tax charge)	(60.0)	(89.6)	(5.3)	(6.0)
Tax (credit)/charge and effective rate for the year	(23.7)	(35.4)	14.3	16.1

The weighted average tax rates for 2011 and 2012 have been adjusted for the impairments of Robbins Gioia and European Conferences respectively which are not allowable for tax purposes. Inclusion of these amounts would unduly distort the weighted average tax rate reported for each period.

In addition to the income tax (credit)/charge to the Consolidated Income Statement, a tax credit of £0.4m (2011: charge of £3.6m) all of which relates to deferred tax has been recognised directly in Other Comprehensive Income during the year.

8 Dividends

	2012 £m	2011 £m
Amounts recognised as distributions to equity holders in the year:		
Second interim dividend for the year ended 31 December 2010 of 9.50p per share	–	57.1
First interim dividend for the year ended 31 December 2011 of 5.00p per share	–	30.1
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	–
	107.3	**87.2**
Proposed second interim dividend for the year ended 31 December 2012 of 12.50p per share (2011: 11.80p per share)	**75.3**	**70.9**

As at 31 December 2012 £0.1m (2011: £0.2m) of dividends are still to be paid.

Holders of 108,422 (2011: 70,348) 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 profit attributable to equity shareholders of the parent of £90.7m (2011: £75.4m). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those non-vested shares held by employee share ownership trusts) which is 602,378,791 (2011: 601,047,454).

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 603,021,026 (2011: 602,928,726).

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

	2012	**2011**
Weighted average number of shares used in basic earnings per share calculation	602,378,791	601,047,454
Effect of dilutive share options	642,235	1,881,272
Weighted average number of shares used in diluted earnings per share calculation	603,021,026	602,928,726

Adjusted earnings per share
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:

	2012	**2011**
	£m	**£m**
Profit for the year	90.7	74.3
Non-controlling interest	–	1.1
Adjusting items net of attributable taxation (Note 2)	154.9	152.4
Adjusted profit for the year attributable to equity shareholders	245.6	227.8
Earnings per share:		
– Adjusted basic (p)	40.8	37.9
– Adjusted diluted (p)	40.7	37.8

10 Borrowings

	2012 £m	2011 £m
Non-current		
Bank borrowings	377.2	339.9
Private placement loan notes	448.5	467.0
Total non-current borrowings	825.7	806.9
Current		
Bank borrowings	–	1.9
Bank overdraft	0.6	0.2
	826.3	809.0

There have been no breaches of bank covenants during the year. The bank 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 bank 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. The note maturities range between five and ten years, with an average duration of 6.3 years, at a weighted average interest rate of 4.3%.

- £625.0m (2011: £625.0m) revolving credit facility, of which £379.9m has been drawn down at 31 December 2012. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.

- £40.2m (2011: £44.6m) 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 (2011: GBP 16.0m), USD 15.0m (2011: USD 15.0m), EUR 15.0m (2011: EUR 18.0m), AUD 4.3m (2011: AUD 2.3m), CAD nil (2011: CAD 1.0m) and BRL nil (2011: BRL 4.9m). Interest is payable at the local base rate plus margins that vary between 1% and 6%.

The effective interest rate as at 31 December 2012 is 3.6% (2011: 4.1%).

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

Expiry date	2012 £m	2011 £m
Within one to two years	–	–
In more than two years	245.1	281.5
	245.1	281.5

11 Share Capital

	2012 £m	2011 £m
Authorised		
202,500,000,000 ordinary shares of 0.1p each (2011: 202,500,000,000 of 0.1p each)	202.5	202.5

	2012 £m	2011 £m
Issued and fully paid		
602,707,165 ordinary shares of 0.1p each (2011: 601,202,853 of 0.1p each)	0.6	0.6

	Number of shares	£m
At 31 December 2011	601,202,853	0.6
Issued in respect of share option schemes and other entitlements	1,504,312	–
At 31 December 2012	602,707,165	0.6

Share options

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

12 Notes to the cash flow statement

	Notes	2012 £m	2011 £m
Profit before tax		67.0	88.6
Adjustments for:			
Depreciation of property and equipment		7.0	6.7
Amortisation of other intangible assets		148.9	151.0
Share-based payment		3.8	3.0
Subsequent re-measurement of contingent consideration	2	(1.6)	(2.9)
Loss/(profit) on disposal of businesses	13	27.5	(0.1)
Fair value gain on non-controlling interest	2	(1.0)	–
Loss on disposal of property and equipment		–	0.3
(Profit)/loss on disposal of software		(0.2)	0.3
Finance costs	5	41.4	47.6
Investment income	6	(10.5)	(5.8)
Impairment	2	81.3	54.3
(Increase)/decrease in inventories		(2.6)	0.2
Decrease/(increase) in receivables		22.3	(0.9)
Decrease in payables		(41.8)	(26.7)
Cash generated by operations		341.5	315.6

Analysis of net debt

	At 1 January 2012 £m	Non-cash items £m	Cash flow £m	Exchange movement £m	At 31 December 2012 £m
Cash at bank and in hand	25.0	–	0.6	(1.7)	23.9
Bank overdraft	(0.2)	–	(0.4)	–	(0.6)
Cash and cash equivalents	24.8	–	0.2	(1.7)	23.3
Bank loans due in less than one year	(1.9)	–	1.7	0.2	–
Bank loans due in more than one year	(339.9)	(0.8)	(45.6)	9.1	(377.2)
Private placement loan notes due in more than one year	(467.0)	(0.3)	–	18.8	(448.5)
	(784.0)	(1.1)	(43.7)	26.4	(802.4)

Included within the cash flow movement of £43.7m is £44.0m (2011: £368.3m) of repayment of borrowings and £80.0m (2011: £366.4m) of loans drawn down.

The net movement caused by non-cash items arises from arrangement fee amortisation of £1.1m (2011: £2.7m).

13 Disposal of subsidiary and other assets

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 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)

Disposals made in 2011

On 23 June 2011, the Group disposed of its shareholdings in Nicholas Publishing International FZ-LLC, a Publishing company which creates magazines for specific market segments and audiences. Upon completion, proceeds of £0.6m were received, resulting in a profit on disposal of £0.1m.