informa

Press Release
22 February 2011

Informa plc
Full Year Results
For the Year Ended 31 December 2010

Strong Financial Performance – in-line with Expectations
Quality Businesses Positioned for Growth

Key Highlights

Financial

- Revenue of £1.23bn (2009: £1.22bn) with organic revenue growth of 0.4%, despite action to remove subscale activities
- Profit increased - adjusted operating profit up 1.2% to £313.2m (2009: £309.5m); organic growth of 1.8%
- Statutory profit before tax of £125.0m up 30% (2009: £96.5m)
- Earnings increased - adjusted diluted earnings per share up 1.5% to 34.8p (2009: 34.3p)
- Margin increased - adjusted operating margin of 25.5% (2009: 25.3%)
- Strong cash generation - free cash flow of £231.4m up 2.8% - adjusted cash conversion 102% (2009: 105%)
- Strengthened balance sheet - net debt/EBITDA ratio of 2.3 times
- Dividend increased - second interim dividend of 9.5p giving a total 2010 dividend of 14.0p, up 22% (2009: 11.45p)

Operational

- 65% of publishing revenues from subscriptions
- 74% of publishing revenues fully digitised
- 76 events contributing more than £0.5m of revenue each, up 10%
- New product launches within PCI and expansion through geo-cloning
- Record year for our largest event Arab Health

Outlook

Peter Rigby, Chief Executive, said:

> *"This set of results again demonstrates the high quality of our portfolio and our market leading positions. In 2010, we were particularly pleased with the expansion of our digital delivery and our growth in emerging markets, which now total 41% and 12% of revenues respectively. The financial strength of the Group has again been improved, reflecting the cash generative nature of our businesses.*
>
> *After the economic difficulties experienced over the last two years, the Group is in a strong place to deliver organic growth. We are investing in new products, recruiting and enhancing our sales teams and geo-cloning our leading events.*
>
> *The year has started well, in line with our expectations, with encouraging performances from some of our biggest events as well as a successful academic journal renewal. I am excited about the next 12 months and expect Informa to deliver a year of progress."*

Financial Highlights

	2010 £m	2009 £m	Actual %	Organic %
Revenue	**1,226.5**	1,221.7	0.4	0.4
Operating profit	**164.0**	145.7		
Adjusted operating profit [1]	**313.2**	309.5	1.2	1.8
Operating cash flow [2]	**319.8**	325.0		
Adjusted cash conversion (%) [3]	**102**	105		
Profit before tax	**125.0**	96.5		
Adjusted profit before tax [1]	**276.4**	261.3		
Profit for year	**98.9**	106.5		
Adjusted profit for year [1]	**209.0**	193.1		
Basic earnings per share (p)	**16.5**	18.8		
Diluted earnings per share (p)	**16.5**	18.8		
Adjusted diluted earnings per share (p) [1]	**34.8**	34.3		
Dividend per share (p)	**14.0**	11.5		
Free cash flow [2]	**231.4**	225.0		
Net debt [4]	**779.1**	872.6		

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] Operating cash flow divided by adjusted operating profit.
[4] Net debt as calculated in Note 12.

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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 22 February 2011 at The Auditorium, 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 at www.informa.com.

Business Review

We learned much during the recent downturn and were reassured by the overall strength of our portfolio, which is positioned to benefit as the broader economy improves. Our business model is efficient, our market leading products are resilient, our principal brands play an ever more important role in their sectors and our cost base is extremely flexible. These factors have helped us to improve Informa's operating margin in 2010 while still investing for the future.

Where our products were marginal or not market leading, we took decisive action and reduced the scale of our smaller events and consolidated some publications. During the course of 2010, this resulted in the proactive reduction of event volumes and the elimination of marginal titles.

High Quality Subscription Income – In 2010, some 36% of Group revenues came from robust data subscription services, with 38% coming from Academic Journals and 62% from Professional and Commercial Information products such as Lloyd's List Intelligence, Datamonitor or the financial data and healthcare suite of products.

Our strategy of adding to our high value subscription base continued in 2010 with 71 new academic journals (48 new society contracts, 20 new launches and 3 acquisitions) and a focused drive to expand our professional and commercial publishing business. Other developments include a redesign of the Lloyd's List suite of products, new product launches in the clinical trials database, both showing significant market uptake and the acquisition of EPFR in the US financial sector addressing global fund movements.

Digital Excellence – In 2010, 74% of publishing revenues were derived from digital activities (2009: 72%). Digital delivery is entrenched in all parts of the business and further developments continue to be core to enhancing our products to the benefit of the Group. Digital marketing and social media is bringing us closer to our customers and reducing the cost of access. Print-on-demand and the use of third party online resellers continues to benefit the fulfilment and distribution of our publishing businesses. The ability to generate richer, deeper content from our market data, news and opinion, as well as the ability to deliver on ubiquitous platforms, is improving our customer interface and boosts our retention and price point.

The publishing businesses now represent 55% of Group revenues and 70% of adjusted operating profits.

Resilient Events – Informa's event portfolio is unusual in covering the full spectrum of event types, ranging from small training courses to extremely large exhibitions. Over the coming years, we will continue to focus on raising the quality of earnings in this division by increasing the number of larger, more resilient events. For example, in 2010 we acquired Australian Exhibitions and Conferences Group, an exhibition business in Australia, creating 12 new large events. We now have over 120 exhibitions in the Group. On the conference side, we continue to identify emerging themes and produce timely, relevant events. Amongst the many successful conferences we ran are the "Com" series with a highly successful new launch in Nigeria, Market Research in the US, the German Energy event, pharma events such as Clinical Trials and Partnering with CRO's and the Super Return series.

Geographic Expansion – Emerging, growth markets are increasingly important and during 2010 we added to our events portfolio in Brazil and established a number of new events in emerging territories. In Asia, our staff numbers have grown by 11% and we will focus on boosting our exhibition and publishing businesses there in 2011. Revenue generated outside the US and Europe is now 23% (2009: 21%). Revenue from emerging markets has grown to 12% of Group revenues (2009: 11%).

Looking forward to 2011, we have further opportunities to grow our Events portfolio in Brazil, Saudi Arabia and the Far East. China and India are important growth areas for the academic and professional publishing business with significant growth in libraries and demand for English language products.

Financial Excellence – The Group's businesses are highly cash generative and in 2010, we converted 102% of our profits into operating cash flow. Our business model ensures that costs are managed carefully and operating in niche content areas often allows premium pricing policies to be adopted.

Our emphasis remains on delivering shareholder value, improving the overall quality of our business, investing for growth and at the same time improving resilience and visibility. From an organic and acquisition perspective we will look at assets which are digital or have digital potential, are content rich, have proprietorial information with high levels of repeat business and events with geo-expansion opportunities and a high quality of earnings.

We aim to maintain our position as a high quality, high margin, highly cash generative, highly digital and increasingly resilient business. Our investment in growth organically and through acquisition will take us further into emerging, growing markets where we anticipate a wider range of opportunities. Informa is well positioned to deliver another year of progress.

Financial Results

Despite a proactive reduction in some more marginal events and activities, revenue for the year ended 31 December 2010 was £1,226.5m, slightly up on 2009. Adjusted operating profits were £313.2m up 1.2% on 2009. The adjusted operating margin improved accordingly from 25.3% to 25.5% and adjusted cash conversion was 102%. Our free cash flow during 2010 was £231.4m – up 2.8% on 2009.

On an organic basis, revenue increased by 0.4% with publishing up 1.6% and events and training down 1.1%. Excluding the impact of Robbins Gioia, the US Government contractor, events and training grew by 2.7%. Organic adjusted operating profits increased by 1.8% with publishing down 1.4% and events and training, benefiting from operational leverage, up 10.0%.

Profit before taxation increased to £125.0m (2009: £96.5m), whilst basic earnings per share decreased by 12% to 16.5p (2009: 18.8p). Adjusted diluted earnings per share increased by 1.5% to 34.8p (2009: 34.3p). Reflecting our confidence in Informa's prospects, we have increased our second interim dividend by 21% to 9.5p (2009: 7.85p) making a total dividend for the year of 14.0p, a 22% increase over 2009.

We ended the year with net debt of £779.1m and a net debt to EBITDA multiple of 2.3 times, well within our stated target range of between 2 and 2.5 times.

Academic Information (AI)

Our academic division, which provides books and journals to university libraries and the wider academic market, accounts for 25% of Group revenue and 35% of the adjusted operating profit. The division continues to perform well, demonstrating the resilient nature of its high quality earnings streams. This division has delivered organic revenue and adjusted operating profit growth of 4.7% and 4.5% respectively during 2010.

Our book businesses had a strong year with a number of deals in new, emerging market libraries ensuring we kept pace with a record breaking 2009 performance. Ongoing technical developments in both print-on-demand and marketing activity supports the ever growing portfolio of books with nearly 5.5 million books sold in 2010 of which around 70% of the revenue generated was from the back catalogue.

The on-going strength of our journals business has been supported by an increase in online usage of over 25%, showing the strength of our product range and the success of the marketing teams. This acceleration in usage emphasises the ever improving quality of our publications and will further increase the resilience of the business and strengthen its position in its niche market.

Digital delivery is increasingly important for both the books and journals and we work hard to remain delivery platform neutral. 100% of our journals are available digitally and 32,000 of our books (2009: 22,000).

Geographically, emerging markets are an important growth area with India now the fourth largest books market for our academic information and there are promising growth prospects in China. Emerging markets now represent 13% of the AI revenues compared to 11% last year.

We remain sensitive to the demands of an academic environment with significant budgetary pressure and we have worked closely with our customers to secure 2011 revenue. The journal renewal process has delivered in line with our expectations. We believe this reflects the weighting of our portfolio towards HSS and libraries' need for quality content. We will endeavour to build on those subject areas such as environment and urban planning and regional studies where we have significant strength during the course of 2011.

Professional and Commercial Information

The PCI division which provides books, journals, database products, intelligence centres and other similar products to the healthcare, pharmaceutical, financial services, maritime, commodities, telecoms and legal sectors, accounts for 30% of Group revenue and 35% of the adjusted operating profit. PCI consists of Informa Business Information and Informa Financial Information.

As expected, during the year we saw the lag impact on subscription income especially in the financial services sector, however, during the second half of 2010, revenues grew and we expect them to continue to grow in 2011. We have taken the opportunity over the past two years to remove marginal product, consolidate titles and invest in our market leading brands and products, which will be the core of this division's growth in 2011 and beyond.

The PCI division delivers 88% of its products digitally, driving further growth from high value corporate sales and digital upselling. Subscriptions account for 74% of the overall division's revenue with a high renewal rate of 87% which is a testament to the strength of the product offering.

We have continued to reduce our reliance on advertising which is only 6% of PCI revenue. We will move forward with a stronger, higher quality set of assets in this portfolio. The migration from print to digital and from single subscriber to corporate access continues to boost the performance of this division and will be continued.

The Citeline suite of products for the pharmaceutical market has performed very well with new product launches in 2010 and more planned for 2011. Informa Healthcare's online portal, informahealthcare.com, was also enhanced in 2010 helping drive a substantial revenue growth for digital books. Lloyd's List has seen a 21% increase in subscription revenue with the new launch of its online product. Many other product successes contributed to the ever improving portfolio within the IBI division.

Towards the end of 2010, we took the decision to fully integrate Datamonitor into IBI. During the year Datamonitor continued to grow its subscriber base and sales and has ended the year in a stronger position than it started. Previously it had interacted closely with the rest of the group but maintained a more expanded infrastructure than most other acquired businesses. We believe that now is the right time to combine all of the divisions' market leading products within the Healthcare, Financial and Telecoms sectors. This portfolio will present our customers with an even more compelling sales proposition. We have also taken the opportunity to remove some of the marginal product in certain sectors and focus on the niche areas of information which can command high margins.

IFI, which delivers high value subscription products to the financial sector, represents 22% of PCI revenues. We have continued to see a lag on subscription income in this area but have diversified the portfolio somewhat through the acquisition of an emerging funds database which has strong growth potential.

Across this division we are investing in platforms and distributions systems, restructuring or adding to our existing sales teams, expanding geographically and we believe that the prospects remain encouraging for 2011.

Events and Training

Our Events and Training business, consisting of trade shows and exhibitions, large and small conferences and training courses, accounts for 45% of Group revenue and 30% of adjusted operating profit. This division has benefited from improving economic conditions around the world with organic revenue from core operations increasing by 2.7%. With the benefit of operational gearing, adjusted operating profits have grown by 8.1 % to £93.5m and the margin has improved by 150 basis points to 17.0%.

2010 witnessed improved economic conditions in Asia, Latin America, Australia, Germany and Scandinavia. The US remained tougher but there were definitely signs of an improved recovery towards the end of the year. On a sector basis, our financial events recovered well, telecoms remained strong and we expanded our stable of market leading healthcare events. Trade shows and exhibitions remained our most resilient products, whilst average delegate numbers increased across our entire conference portfolio giving us confidence for the future.

In May we ran IPEX, our one quadrennial event. This was a great success and contributed strongly to this year's results. Other notable successes include Arab Health, which celebrated its 35th year in 2010, the World Anti-Aging Congress held in March, the Broadband World Forum held in October and the Super Return Series which was held seven times in different locations during the course of the year.

The larger events portfolio has performed well in 2010 with the revenue from the top 200 events increasing by 16% (5% excluding IPEX). The number of events generating more than £0.5m has increased from 69 to 76 in the last 12 months. This will be an area of focus for the Group as we look to increase the number of exhibitions that we run, either through new launches or acquisition, or by seeking to increase the scale of our market leading conferences.

Our local language conference and training companies in Germany and the Netherlands recovered well after a challenging 2009. We removed a significant number of events year on year but were able to grow profits by 28% between them. We achieved a strong recovery in Sweden and Denmark, in Australia where we added an exhibition business late in the year to our market leading conference and training company and in the US where our conference business, led by its marketing division, grew its adjusted operating profits by 21%.

Our corporate training portfolio showed a much improved performance in the second half of the year with strong growth in the Far East and Australia and an improvement in its larger US operations. Revenue in the key final three months of the year, excluding Robbins Gioia, grew by 11% which gives us cautious optimism for 2011. Robbins Gioia, the US Government contractor, stabilised over the final months of the year.

We have started 2011 well with Arab Health, held in January, achieving its highest ever revenue and rebooking a record amount onsite for 2012. We also held our market leading Energy event in Germany and Middle East Electricity, both of which have grown.

Forward bookings across our exhibition business and the outlook for the conference businesses remains positive. We are intending to launch new trade shows and conferences in 2011, build on our market leading positions in the Middle East and within the Healthcare sector, as well as expand into key geographies within the Far East and Latin America.

Financial Review

2010 was a challenging year from a global trading perspective so we are pleased with these financial results which demonstrate the strength of a balanced portfolio and an ability to manage costs effectively.

Adjusted and Statutory Results

In this Financial Review we refer to adjusted and statutory results. Adjusted results are prepared to provide a more comparable indication of the Group's underlying business performance.

Adjusted operating profit increased to £313.2m (2009: £309.5m) driven by the slight increase in the adjusted operating margin from 25.3% to 25.5%. The increase in adjusted operating profit and margin demonstrates the benefits of our early actions to adapt our cost base to the challenging trading conditions.

As well as the increase in adjusted operating profit, we are pleased by the way the Group has continued to convert profit into cash. Free cash flow generated by the Group was £231.4m up 3%.

Translation Impact

The Group generates the majority of its revenue overseas. The largest exposure is to US dollars with approximately 49% of Group revenue generated in USD and currencies pegged to the USD. Each one cent movement in the USD to GBP exchange rate has a circa £3.9m impact on revenue and a circa £1.4m impact on operating profits. Offsetting any negative impact on operating profits are decreases to interest payable and tax payable.

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

Business Segments

Revenue and adjusted operating profit by division are set out below together with the respective actual and organic growth rates.

Academic Information

	2010 £m	2009 £m	Actual %	Organic %
Revenue	310.2	294.4	5	5
Adjusted Operating Profit	109.3	104.3	5	5
Adjusted Operating Margin	35%	35%		

Professional & Commercial Information

	2010 £m	2009 £m	Actual %	Organic %
Revenue	364.9	368.3	(1)	(1)
Adjusted Operating Profit	110.4	118.7	(7)	(7)
Adjusted Operating Margin	30%	32%		

Events

	2010 £m	2009 £m	Actual %	Organic %
Revenue				
Europe	248.5	242.4	3	4
US	181.3	201.1	(10)	(10)
Rest of World	121.6	115.5	5	5
Total	551.4	559.0	(1)	(1)
Adjusted Operating Profit				
Europe	45.1	40.1	13	16
US	23.5	27.6	(15)	(16)
Rest of World	24.9	18.8	32	38
Total	93.5	86.5	8	10
Adjusted Operating Margin	17%	15%		

Revenue
Organic revenue increased by 0.4% reflecting a consistent performance in our publishing businesses, up 2%. Events revenues declined by 1% but excluding the impact of Robbins-Gioia, the US Government contractor, grew by 2.4%. We also decided not to run marginal events and consolidated certain print titles.

Operating Profit
Adjusted operating profit increased to £313.2m (2009: £309.5m). Organic adjusted operating profit increased by 2%, with an increase of 10% by the events businesses recognising the impact of operational leverage offset by a 1% fall at the publishing business.

Statutory operating profit increased by 13% to £164.0m (2009: £145.7m), resulting principally from the £25.8m decrease in restructuring and reorganisation costs.

Restructuring and Reorganisation Costs
Restructuring and reorganisation costs for the year of £8.3m (2009: £34.1m) largely reflect the cost to the businesses of responding to changing market conditions. These include redundancy costs of £4.6m (2009: £18.0m), reorganisation costs of £2.8m (2009: £5.0m), vacant property provisions of £0.9m (2009: £4.7m). In addition, during 2009 aborted transaction costs of £2.1m and professional fees of £4.3m were incurred in connection with the redomicile of the ultimate parent company.

Other Adjusting Items
As a consequence of applying IFRS 3 (2008) Business Combinations from 1 January 2010, acquisition related costs of £1.3m and subsequent re-measurement of contingent consideration of £0.8m have been expensed.

Net Finance Costs

Finance costs net of interest receivable, decreased by £9.2m to £39.0m. This is primarily due to the full year impact in 2010 of reduced debt, following the rights issue proceeds of £242.5m received in May 2009, and further debt reductions from cash flows at the end of 2009 and end of 2010. Furthermore, there were exceptional interest charges in 2010 of £2.2m relating to borrowing costs being written off and the de-designation of interest rate swaps, as proceeds from the Private Placement loan notes were used to pay down the term loans.

We maintain a balance of fixed and floating rate debt through utilising derivative financial instruments. The majority of the fixed interest swaps were entered into at the time of the Datamonitor acquisition in 2007 and will expire in 2011.

Profit Before Tax

Adjusted profit before tax increased by 6% to £276.4m (2009: £261.3m) and adjusted profit for the year also increased by 8% to £209.0m (2009: £193.1m).

Taxation

Across the Group, tax has been provided on adjusted profits at an adjusted tax rate of 24.4% (2009: 26.1%). This adjusted tax rate benefits from profits generated in low tax jurisdictions, including Switzerland.

The Group tax charge on statutory profit before tax was 20.9% (2009: credit 10.4%).

Earnings and Dividend

Statutory diluted EPS of 16.5p (2009: 18.8p) is 12% below 2009 and adjusted diluted EPS of 34.8p (2009: 34.3p) is 1% ahead of 2009. If we included a full year's effect of the rights issue in 2009, the statutory diluted EPS of 16.5p (2009: 17.7p) is 7% below 2009 and adjusted diluted EPS of 34.8p (2009: 32.2p) is 8% ahead of 2009.

The Board has proposed a second interim dividend of 9.50p per share (2009: 7.85p per share), in line with the Group’s existing dividend policy. This dividend will be paid on 18 May 2011 to ordinary shareholders registered as of the close of business on 26 April 2011. This will result in a total dividend for the year of 14.0p per share (2009: 11.45p per share). Dividend cover has been reduced from 3 times to 2.5 times on an adjusted earnings basis.

Return on Capital Employed

The Group has undertaken three significant transactions in recent years – the merger with Taylor and Francis and the acquisitions of IIR and Datamonitor. In addition, a number of smaller bolt on acquisitions have also been completed. 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 2009 is 18.9%, considerably ahead of the Group’s current weighted average cost of capital.

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 102% (2009: 105%).

	2010 £m	2009 £m
Adjusted operating profit	**313.2**	**309.5**
Depreciation of PP&E	7.7	9.2
Software amortisation	16.3	13.5
Share-based payments	2.1	0.6
EBITDA	**339.3**	**332.8**
Net capital expenditure	(27.2)	(22.0)
Working capital movement (net of restructuring and reorganisation accruals)	7.7	14.2
Operating cash flow	**319.8**	**325.0**
Restructuring and reorganisation cash flow	(14.1)	(26.3)
Net interest	(36.8)	(46.4)
Taxation	(37.5)	(27.3)
Free cash flow	**231.4**	**225.0**
Acquisitions less disposals	(53.3)	(38.5)
Dividends	(75.0)	(39.4)
Net issue of shares	4.6	252.3
Net funds flow	**107.7**	**399.4**
Opening net debt	**(872.6)**	**(1,341.8)**
Non-cash items	(3.1)	(2.0)
Foreign exchange	(11.1)	71.8
Closing net debt	**(779.1)**	**(872.6)**

In the year ended 31 December 2010, before taking into account financing activities, spend on acquisitions or proceeds from the sale of assets, the Group generated free cash flow of £231.4m (2009: £225.0m). This demonstrates the ability of the Group to deleverage quickly.

The change to net debt arising from acquisitions (net of disposals) was a £53.3m outflow (2009: £38.5m outflow) which comprises current year acquisitions of £48.0m (2009: £13.2m) and consideration in respect of acquisitions completed in prior years of £5.3m (2009: £25.3m). There were no material disposals during the current or prior year. We have robust criteria for assessing acquisitions and we target acquisitions and alliances that accelerate our strategic development and meet our financial criteria.

Net debt decreased by £93.5m from £872.6m to £779.1m reflecting cash flow of £107.7m, and adverse exchange movements of £11.1m. During the year the Group paid £75.0m in relation to the 2009 second interim and the 2010 first interim dividends.

Financing and Bank Covenants

Private placement loan notes of US$730.0m equivalent were issued in December 2010 and January 2011. The notes are denominated in US Dollars ($597.5m), Euros (€50.0m) and Sterling (£40.0m). Amounts issued in December 2010 are US Dollars ($552.5m), Euros (€50.0m) and Sterling (£40.0m). The remaining US Dollars amount ($45.0m) was issued in January 2011. As per note 10, the private placement loan note as at 31 December 2010 totalled £440.0m. Proceeds of the issue have been used to repay existing bank debt facilities. The note maturities will range between five and ten years, with an average duration of 8.3 years, at a weighted average interest rate of 4.3%.

The Group has in place a single credit agreement which comprises an amortising term loan facility, fully drawn in three currency tranches, and a non-amortising £500.0m multicurrency revolving credit facility. The rights issue proceeds were used to prepay the scheduled 2009 and 2010 term loan repayments, leaving term loan balances at 31 December 2010 of £366.9m drawn in $200.0m, €100.0m, and £125.0m. The term loan and revolving credit facilities mature in May 2012 and we expect there to be comfortable headroom on our facilities through to that date.

The principal financial covenant ratios under these 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 2010 both financial covenants were comfortably achieved, with the ratio of net debt (using average exchange rates) to EBITDA reduced from 2.7 times at 31 December 2009 to 2.3 times at 31 December 2010.

Balance Sheet

Deferred income, which represents income received in advance, was up 4% (9% excluding the impact of IPEX, a quadrennial event) on a constant currency basis at 31 December 2010 compared to the same date in 2009. Deferred income arises primarily from advance subscriptions or 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 2010 of £10.5m (2009: £11.3m).

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 cost are estimated to decrease from £1.2m in 2010 to £0.3m in 2011. In addition, the contributions paid towards reducing the scheme deficits will increase from £2.3m in 2010 to £3.4m in 2011 and £3.7m in 2012 when the next triennial valuation will be available.

Related Party Transactions

Other than those relating to Directors' remuneration, there are no related party transactions to be reported in the Annual Report and Consolidated Financial Statements for the financial year ended 31 December 2010. Also, there have been no changes in related party transactions from those described in the Group's Annual Report and Financial Statements for the financial year ended 31 December 2009 that could have a material effect on the financial position or performance of the Group in the financial year ended 31 December 2010.

Conclusion

Whilst it has been a tough trading environment for the Group over the past two years, the ability to generate over £300m of adjusting operating profit at a 25% margin each year demonstrates the resilience and quality of our product offering. At the same time as digital technological advancements, product launches and other innovations have enhanced the information we provide to our customers, we have worked hard to ensure that the back office environment has continued to improve.

The Group operates predominantly around seven principal shared service centres spread geographically in alignment with the Group's main profit centres. We are pleased with the progress that has been made in this area with the recruitment of some new management, the introduction of improved systems and overall delivering greater efficiency and improved customer service. The shared service centres work closely with the IT function which is managed on a regional basis and where again we have made significant progress towards standardisation of systems on a global basis.

Alongside this, we have strengthened the small but core finance team based at the centre who provide strong and effective leadership across all financial disciplines including the control framework, corporate finance, treasury and taxation. We would like to thank all the finance teams around the world for all their hard work in 2010.

We enter 2011 with a strong balance sheet, comfortable headroom within our banking facilities, plans for growth and a business with a high quality of earnings - visible recurring revenue streams and strong cash generation.

Annual Report and Financial Statements 2010

The Annual Report and Financial Statements for the financial year ended 31 December 2010 will be sent to shareholders and published on www.informa.com at the end of March 2011.

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 2010

	Notes	Adjusted results 2010 £m	Adjusting items 2010 £m	Statutory results 2010 £m	Adjusted results 2009 £m	Adjusting items 2009 £m	Statutory results 2009 £m
Revenue from continuing operations		1,226.5	–	1,226.5	1,221.7	–	1,221.7
Net operating expenses	4	(913.3)	(149.2)	(1,062.5)	(912.2)	(163.8)	(1,076.0)
Operating profit		313.2	(149.2)	164.0	309.5	(163.8)	145.7
Loss on disposal of business		–	–	–	–	(1.0)	(1.0)
Finance costs	5	(41.8)	(2.2)	(44.0)	(51.7)	–	(51.7)
Investment income	6	5.0	–	5.0	3.5	–	3.5
Profit before tax		276.4	(151.4)	125.0	261.3	(164.8)	96.5
Tax (charge)/credit	7	(67.4)	41.3	(26.1)	(68.2)	78.2	10.0
Profit for the year		209.0	(110.1)	98.9	193.1	(86.6)	106.5
Attributable to:							
– Equity holders of the parent				98.9			105.6
– Non-controlling interest				–			0.9
Earnings per share from continuing operations							
– Basic (p)	9			16.5			18.8
– Diluted (p)	9			16.5			18.8
Adjusted earnings per share from continuing operations							
– Basic (p)	9	34.8			34.3		
– Diluted (p)	9	34.8			34.3		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Notes	2010 £m	2009 £m
Profit for the year		98.9	106.5
Decrease in fair value of cash flow hedges		15.2	13.6
Gain/(loss) on translation of foreign operations		34.6	(72.0)
Actuarial loss on defined benefit pension schemes		(1.0)	(1.5)
Tax on income and expenses taken directly to equity		(4.0)	(3.5)
Transfer (from)/ to profit or loss on cash flow hedges		(0.6)	0.3
De-designation of hedge accounting	2	1.1	–
Other comprehensive income/(expense) for the year		45.3	(63.1)
Total comprehensive income for the year		144.2	43.4
Attributable to:			
– Equity holders of the parent		144.2	42.5
– Non-controlling interest		–	0.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	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 2009	114.8	1.1	477.3	478.6	1,071.8	1.2	1,073.0
Profit for the year	–	–	–	105.6	105.6	0.9	106.5
Decrease in fair value of cash flow hedges	–	–	13.6	–	13.6	–	13.6
Loss on translation of foreign operations	–	–	(72.0)	–	(72.0)	–	(72.0)
Actuarial loss on defined benefit pension schemes	–	–	–	(1.5)	(1.5)	–	(1.5)
Tax on income and expenses taken directly to equity	–	–	(3.9)	0.4	(3.5)	–	(3.5)
Transfer to profit or loss on cash flow hedges	–	–	0.3	–	0.3	–	0.3
Total comprehensive income for the year	–	–	(62.0)	104.5	42.5	0.9	43.4
Dividends to shareholders (Note 8)	–	–	–	(38.2)	(38.2)	(1.2)	(39.4)
Share award expense	–	–	0.6	–	0.6	–	0.6
Own shares sold	–	–	–	9.6	9.6	–	9.6
Share options exercised	–	0.2	–	–	0.2	–	0.2
Rights Issue	45.9	196.6	–	–	242.5	–	242.5
Inversion accounting	–	1,641.8	(1,641.8)	–	–	–	–
Capital reduction	(160.1)	(1,839.3)	–	1,999.4	–	–	–
Amount recycled on disposal of subsidiary	–	–	(0.4)	–	–	–	–
Loss on disposal of foreign currency loans	–	–	1.3	(1.3)	–	–	–
At 1 January 2010	0.6	0.4	(1,225.0)	2,552.6	1,328.6	0.9	1,329.5
Profit for the year	–	–	–	98.9	98.9	–	98.9
Decrease in fair value of cash flow hedges	–	–	15.2	–	15.2	–	15.2
Gain on translation of foreign operations	–	–	34.6	–	34.6	–	34.6
Actuarial loss on defined benefit pension schemes	–	–	–	(1.0)	(1.0)	–	(1.0)
Tax on income and expenses taken directly to equity	–	–	(4.3)	0.3	(4.0)	–	(4.0)
Transfer from profit or loss on cash flow hedges	–	–	(0.6)	–	(0.6)	–	(0.6)
De-designation of hedge accounting	–	–	1.1	–	1.1	–	1.1
Total comprehensive income for the year	–	–	46.0	98.2	144.2	–	144.2
Dividends to shareholders (Note 8)	–	–	–	(74.1)	(74.1)	(0.9)	(75.0)
Share award expense	–	–	2.1	–	2.1	–	2.1
Own shares sold	–	–	–	3.7	3.7	–	3.7
Share options exercised	–	0.9	–	–	0.9	–	0.9
Purchase of non-controlling interest	–	–	–	(4.5)	(4.5)	–	(4.5)
Transfer of vested LTIPS	–	–	(1.5)	1.5	–	–	–
At 31 December 2010	0.6	1.3	(1,178.4)	2,577.4	1,400.9	–	1, 400.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Notes	2010 £m	2009 £m
ASSETS			
Non-current assets			
Goodwill		1,753.7	1,727.3
Other intangible assets		1,047.0	1,077.6
Property and equipment		19.0	21.4
Deferred tax assets		1.2	32.8
		2,820.9	2,859.1
Current assets			
Inventory		33.4	39.1
Trade and other receivables		235.0	220.3
Current tax asset		3.3	3.7
Cash and cash equivalents		27.8	16.5
		299.5	279.6
Total assets		3,120.4	3,138.7
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	11	0.6	0.6
Share premium account		1.3	0.4
Reserve for shares to be issued		4.8	4.2
Merger reserve		496.4	496.4
Other reserve		(1,718.6)	(1,718.6)
ESOP Trust shares		(0.4)	(0.4)
Hedging reserve		(9.9)	(21.3)
Translation reserve		49.3	14.7
Retained earnings		2,577.4	2,552.6
Equity attributable to equity holders of the parent		1,400.9	1,328.6
Non-controlling interest		–	0.9
Total equity		1,400.9	1,329.5
Non-current liabilities			
Long-term borrowings	10	639.8	889.1
Deferred tax liabilities		189.3	228.0
Retirement benefit obligation		10.5	11.3
Provisions		19.8	7.8
Trade and other payables		4.6	3.2
Derivative financial instruments		3.8	13.2
		867.8	1,152.6
Current liabilities			
Short-term borrowings	10	167.1	–
Current tax liabilities		142.1	122.3
Provisions		6.9	14.4
Trade and other payables		206.9	201.5
Deferred income		309.8	292.0
Derivative financial instruments		18.9	26.4
		851.7	656.6
Total liabilities		1,719.5	1,809.2
Total equity and liabilities		3,120.4	3,138.7

The Board of Directors approved these financial statements on 22 February 2011.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2010

	Notes	2010 £m	2009 £m
Operating activities			
Cash generated by operations	12	333.0	320.7
Income taxes paid		(37.5)	(27.3)
Interest paid		(37.5)	(47.4)
Net cash inflow from operating activities		258.0	246.0
Investing activities			
Investment income		0.7	1.0
Proceeds on disposal of property, equipment		0.8	4.1
Purchases of intangible software assets		(10.7)	(11.3)
Purchases of property and equipment		(7.7)	(8.8)
Purchase of other intangible assets		(8.1)	–
Acquisition of subsidiaries and businesses		(40.9)	(38.5)
Acquisition of non-controlling interest		(4.3)	–
Product development costs		(9.6)	(6.0)
Net cash outflow from investing activities		(79.8)	(59.5)
Financing activities			
Dividends paid to shareholders		(74.1)	(38.2)
Dividends paid to non-controlling interest		(0.9)	(1.2)
Repayments of borrowings	12	(783.6)	(617.7)
Loans drawn down/new bank loans raised	12	686.0	224.1
Proceeds from the issue of share capital		4.6	252.3
Net cash outflow from financing activities		(168.0)	(180.7)
Net increase in cash and cash equivalents		10.2	5.8
Effect of foreign exchange rate changes		1.1	0.4
Cash and cash equivalents at beginning of the year		16.5	10.3
Cash and cash equivalents at end of the year		27.8	16.5

Notes to the Full Year Results
For the year ended 31 December 2010

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 2010 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 2010 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 133B(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 2010.

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 were presented as adjusting items:

	Notes	2010 £m	2009 £m
Amortisation of other intangible assets		133.8	129.7
Impairment		5.0	–
Restructuring and reorganisation costs	4	8.3	34.1
Acquisition related costs	4	1.3	–
Subsequent re-measurement of contingent consideration	4	0.8	–
Loss on disposal of business		–	1.0
De-designation of hedge accounting	5	1.1	–
Excess interest on early repayment of syndicated loans	5	1.1	–
		151.4	164.8
Tax related to adjusting items	7	(41.3)	(78.2)
		110.1	86.6

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 and impairment of other intangible assets – the Group continues to amortise other intangible assets and test for impairment of these 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;

- 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

- de-designation of hedge accounting - where syndicated loan facilities have been terminated early the fixed interest rate swaps are of a greater value than the remaining borrowings. As the swap cannot be re-designated, the over hedged element of the swaps has been charged to the income statement as an exceptional interest charge.

The tax related to adjusting items is the tax effect of the items above and in 2010 it also includes the effect of the reduction in the UK deferred tax rate from 28% to 27%. In 2009 the tax related to adjusting items also included the deferred tax arising on Group restructuring.

The Group's operations are split into three broad market sectors of Academic Information, Professional & Commercial Information and Events & Training. These divisions are further analysed into more specific segments which bring together products in comparable market areas under common business heads. This is how the Group's operational management is structured and its results are reviewed and thus form the reporting segments (Note 3).

Significant exchange rates

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

	Average rate		Closing rate	
	2010	**2009**	**2010**	**2009**
USD	1.5447	1.5566	1.5472	1.6114
EUR	1.1676	1.1196	1.1586	1.1180

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.

Information currently reported to the Board for the purposes of managing performance is focused on the different services the Group offers, namely publishing, and training and events.

The Group's five identified reportable segments under IFRS 8 are 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 Datamonitor, 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 – Europe, US and ROW
These three divisions provide events and training to Europe, US and Rest of the World (ROW).

Information regarding the Group's reportable segments is reported below and has been prepared consistently with the Group's accounting policies.

Segment revenue and results

31 December 2010

	AI £m	PCI £m	Events Europe £m	Events US £m	Events ROW £m	Unallocated £m	Total £m
Revenue	310.2	364.9	248.5	181.3	121.6	–	1,226.5
Adjusted operating profit	109.3	110.4	45.1	23.5	24.9	–	313.2
Restructuring and reorganisation costs (Note 2)	(1.2)	(1.0)	(3.3)	(2.3)	(0.5)	–	(8.3)
Acquisition related costs (Note 2)	–	(0.7)	–	–	(0.6)	–	(1.3)
Subsequent re-measurement of contingent consideration (Note 2)	–	–	–	–	(0.8)	–	(0.8)
Intangible asset amortisation[1]	(22.3)	(56.0)	(18.6)	(25.8)	(11.1)	–	(133.8)
Impairment	–	–	–	(5.0)	–	–	(5.0)
Operating profit/(loss)	85.8	52.7	23.2	(9.6)	11.9	–	164.0
Finance costs (Note 5)							(44.0)
Investment income (Note 6)							5.0
Profit before tax							125.0

1 Excludes software amortisation.

31 December 2009

	AI £m	PCI £m	Events Europe £m	Events US £m	Events ROW £m	Unallocated £m	Total £m
Revenue	294.4	368.3	242.4	201.1	115.5	–	1,221.7
Adjusted operating profit	104.3	118.7	40.1	27.6	18.8	–	309.5
Restructuring and reorganisation costs (Note 2)	(0.7)	(13.3)	(9.3)	(3.4)	(1.0)	(6.4)	(34.1)
Intangible asset amortisation[1]	(21.7)	(45.1)	(23.5)	(27.7)	(11.7)	–	(129.7)
Operating profit/(loss)	81.9	60.3	7.3	(3.5)	6.1	(6.4)	145.7
Loss on disposal of business							(1.0)
Finance costs (Note 5)							(51.7)
Investment income (Note 6)							3.5
Profit before tax							96.5

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. Unallocated costs were £Nil in 2010. The unallocated costs of £6.4m in 2009 related to aborted transaction costs and change of domicile. 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

	2010 £m	2009 £m
AI	931.3	930.1
PCI	1,057.5	1,070.6
Events Europe	483.0	500.3
Events US	394.9	408.0
Events ROW	193.1	155.5
Total segment assets	3,059.8	3,064.5
Unallocated assets	60.6	74.2
Total assets	3,120.4	3,138.7

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:

	2010 £m	2009 £m
AI		
Subscriptions	169.6	162.0
Copy sales	140.6	132.4
Total AI	310.2	294.4
PCI		
Subscriptions	271.7	272.7
Copy sales	71.8	72.6
Advertising	21.4	23.0
Total PCI	364.9	368.3
Events		
Delegates	319.7	319.7
Exhibition	107.4	93.7
Sponsorship	51.3	53.0
Consulting	64.0	82.9
Advertising	9.0	9.7
Total events	551.4	559.0
Total revenue	1,226.5	1,221.7

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	
Geographical information	**2010 £m**	**2009 £m**	**2010 £m**	**2009 £m**
United Kingdom	164.2	168.1	1,334.1	1,412.0
North America	472.6	480.8	1,133.0	1,108.6
Continental Europe	308.0	314.2	360.0	377.7
Rest of World	281.7	258.6	293.3	240.4
	1,226.5	1,221.7	3,120.4	3,138.7

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:

	Notes	Adjusted results 2010 £m	Adjusting items 2010 £m	Statutory results 2010 £m	Adjusted results 2009 £m	Adjusting items 2009 £m	Statutory results 2009 £m
Cost of sales		430.4	–	430.4	445.0	–	445.0
Staff costs (excluding redundancy costs)		344.6	–	344.6	330.3	–	330.3
Amortisation of other intangible assets		16.3	133.8	150.1	13.5	129.7	143.2
Depreciation		7.7	–	7.7	9.2	–	9.2
Impairment		–	5.0	5.0	–	–	–
Net foreign exchange gains		3.2	–	3.2	1.4	–	1.4
Auditors' remuneration for audit services (see below)		1.2	–	1.2	1.1	–	1.1
Operating lease expenses							
– Land and buildings		24.8	–	24.8	26.5	–	26.5
– Other		1.3	–	1.3	0.9	–	0.9
Restructuring and reorganisation costs	2	–	8.3	8.3	–	34.1	34.1
Acquisition related costs	2	–	1.3	1.3	–	–	–
Subsequent re-measurement of contingent consideration	2	–	0.8	0.8	–	–	–
Other operating expenses		83.8	–	83.8	84.3	–	84.3
Total net operating expenses		913.3	149.2	1,062.5	912.2	163.8	1,076.0

5 Finance costs

	Note	2010 £m	2009 £m
Interest expense on financial liabilities measured at amortised cost		37.5	47.7
Interest cost on pension scheme liabilities		4.3	3.7
Total interest expense		41.8	51.4
Cash flow hedge ineffectiveness loss		–	0.3
		41.8	51.7
De-designation of hedge accounting	2	1.1	–
Excess interest on early repayment of syndicated loans	2	1.1	–
		44.0	51.7

6 Investment income

	2010 £m	2009 £m
Loans and receivables:		
Interest income on bank deposits	0.7	1.0
Cash flow hedge ineffectiveness gain	0.6	–
Expected return on pension scheme assets	3.7	2.5
	5.0	3.5

7 Taxation

The tax charge/(credit) comprises:

	2010 £m	2009 £m
Current tax	58.6	53.1
Deferred tax:		
Current year	(28.5)	(28.8)
Charge arising from UK corporation rate change	(4.0)	–
Deferred tax arising on Group restructuring	–	(34.3)
Total tax charge/(credit) on profit on ordinary activities	26.1	(10.0)

The tax related to adjusting items within the Consolidated Income Statement relates to the following:

	Gross 2010 £m	Tax 2010 £m	Gross 2009 £m	Tax 2009 £m
Amortisation of other intangible assets	(133.8)	34.7	(129.7)	37.3
Impairment	(5.0)	–	–	–
Restructuring and reorganisation costs (Note 2)	(8.3)	2.0	(34.1)	6.4
Acquisition related costs (Note 2)	(1.3)	–	–	–
Subsequent re-measurement of contingent consideration (Note 2)	(0.8)	–	–	–
Loss on disposal of business	–	–	(1.0)	0.2
De-designation of hedge accounting (Note 2)	(1.1)	0.3	–	–
Excess interest on early repayment of syndicated loans (Note 2)	(1.1)	0.3	–	–
Deferred tax credit arising from UK corporation rate change	–	4.0	–	–
Deferred tax arising on Group restructuring	–	–	–	34.3
	(151.4)	41.3	(164.8)	78.2

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:

	2010		**2009**	
	£m	**%**	**£m**	**%**
Profit before tax	125.0		96.5	
Tax charge at weighted average rate	28.0	22.4	22.2	23.0
Permanent differences	0.4	0.3	1.3	1.3
Losses in certain jurisdictions that have not been recognised	1.7	1.4	0.8	0.9
Deferred tax credit from corporation tax rate change	(4.0)	(3.2)	–	–
Deferred tax arising on Group restructuring	–	–	(34.3)	(35.6)
Tax charge/(credit) and effective rate for the year	26.1	20.9	(10.0)	(10.4)

In addition to the income tax charge/(credit) to the Consolidated Income Statement, a tax charge of £4.0m (2009: debit of £3.5m) all of which relates to deferred tax has been recognised directly in Other Comprehensive Income during the year.

The tax charge arising on the disposal of the relevant subsidiary was £Nil (2009: £0.2m).

8 Dividends

	2010 £m	**2009 £m**
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2008 of 3.28p per share	**–**	16.6
First interim dividend for the year ended 31 December 2009 of 3.60p per share	**–**	21.6
Second interim dividend for the year ended 31 December 2009 of 7.85p per share	47.0	**–**
First interim dividend for the year ended 31 December 2010 of 4.50p per share	27.1	**–**
	74.1	**38.2**
Proposed second interim dividend for the year ended 31 December 2010 of 9.50p per share (2009: 7.85p per share)	**57.1**	**47.0**

Holders of 49,237 (2009: 71,628) ordinary shares of 0.1 pence each have waived their rights to receive dividends.

9 Earnings per share

Basic

The basic earnings per share calculation is based on a profit attributable to equity shareholders of the parent of £98.9m (2009: £105.6m). 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 600,421,797 (2009: 560,764,541).

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 600,627,044 (2009: 560,843,788).

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

	2010	**2009**
Weighted average number of shares used in basic earnings per share calculation	600,421,797	560,764,541
Effect of dilutive share options	205,247	79,247
Weighted average number of shares used in diluted earnings per share calculation	600,627,044	560,843,788

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:

	2010 £m	**2009 £m**
Profit for the year	98.9	106.5
Non-controlling interest	–	(0.9)
Adjusting items net of attributable taxation (Note 2)	110.1	86.6
Adjusted profit for the year attributable to equity shareholders	209.0	192.2

Earnings per share:		
– Adjusted basic (p)	34.8	34.3
– Adjusted diluted (p)	34.8	34.3

10 Borrowings

	2010 £m	2009 £m
Non-current		
Bank borrowings	199.8	889.1
Private placement loan notes	440.0	–
Total non-current borrowings	639.8	889.1
Current		
Bank borrowings	167.1	–
	806.9	889.1

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 552.5m, GBP 40.0m and EUR 50.0m. The note maturities range between five and ten years, with an average duration of 8.3 years, at a weighted average interest rate of 4.3%.

- Syndicated bank loan facilities comprising an amortising term loan facility that has been fully drawn in three currency tranches of GBP 125.0m (2009: GBP 316.2m), USD 200.0m (2009: USD 630.0m) and EUR 100.0m (2009: EUR 135.0m) and a £500.0m (2009: £500.0m) revolving credit facility. £167.1m of the term loan is repayable in December 2011 with the remaining balance in May 2012. Interest is payable at the rate of LIBOR plus 0.5% (2009: LIBOR plus 0.6%).

- £43.9m (2009: £52.2m) 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 (2009: GBP 21.0m), USD 15.0m (2009: USD 15.0m), EUR 18.0m (2009: EUR 22.0m), AUD 3.0m (2009: AUD 3.0m) and CAD 1.0m (2009: CAD 1.0m). Interest is payable at the local base rate plus margins that vary between 0% and 6%.

The effective interest rate as at 31 December 2010 is 5.1% (2009: 4.5%).

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

Expiry date	2010 £m	2009 £m
Within one to two years	471.7	–
In more than two years	29.1	433.7
	500.8	433.7

11 Share Capital

	2010 £m	2009 £m
Authorised		
202,500,000,000 ordinary shares of 0.1p each (2009: 202,500,000,000 of 0.1p each)	202.5	202.5

	2010 £m	2009 £m
Issued and fully paid		
600,927,884 ordinary shares of 0.1p each (2009: 599,239,331 of 0.1p each)	0.6	0.6

	2010 £m	2009 £m
At 1 January	0.6	114.8
Rights issue	–	45.9
Capital reduction	–	(160.1)
At 31 December	0.6	0.6

12 Notes to the cash flow statement

	Notes	2010 £m	2009 £m
Profit before tax		125.0	96.5
Adjustments for:			
Depreciation of property and equipment		7.7	9.2
Amortisation of other intangible assets		150.1	143.2
Share-based payment		2.1	0.6
Loss on disposal of business		–	1.0
Gain on disposal of property and equipment		(0.2)	–
Finance costs	5	44.0	51.7
Investment income	6	(5.0)	(3.5)
Impairment		5.0	–
Decrease in inventories		6.9	0.9
(Increase)/decrease in receivables		(1.4)	55.8
Decrease in payables		(1.2)	(34.7)
Cash generated by operations		333.0	320.7

Analysis of net debt

	At 1 January 2010 £m	Non-cash items £m	Cash flow £m	Exchange movement £m	At 31 December 2010 £m
Cash and cash equivalents	16.5	–	10.2	1.1	27.8
Bank loans due in less than one year	–	0.9	(168.0)	–	(167.1)
Bank loans due in more than one year	(889.1)	(4.2)	702.8	(9.3)	(199.8)
Private placement loan notes due in more than one year	–	0.2	(437.3)	(2.9)	(440.0)
	(872.6)	(3.1)	107.7	(11.1)	(779.1)

Included within the cash flow movement of £107.7m is £783.6m (2009: £617.7m) of repayment of borrowings and £686.0m (2009: £224.1m) of loans drawn down.

The net movement caused by non-cash items arises from arrangement fee amortisation of £3.1m (2009: £2.0m).