

# Informa PLC

## Half-Year Results for Six Months to 30 June 2018

Growth Continuation combined with Accelerated Integration

### KEY FINANCIAL AND OPERATING HIGHLIGHTS<sup>1</sup>

- **Improving** Revenue Growth: +4.3% underlying<sup>1</sup> (H1 2017: +3.7%) and +4.6% reported
- **Increased** Adjusted Operating Profit: +1.9% underlying<sup>1</sup> and +3.3% reported growth to £294.4m (H1 2017: £284.9m), despite higher depreciation and currency headwinds;
- **Higher** Adjusted Diluted Earnings per Share: +2.5% to 24.6p (H1 2017: 24.0p)
- **Enhanced** Dividend: up 6% to 7.05p (H1 2017: 6.65p)
- **Strong** Free Cash Flow: +4.9% to £119.4m (H1 2017 £113.8m)
- **Efficient** Balance Sheet: Net debt/EBITDA<sup>2</sup> at 3.1x following UBM completion (H1 2017: 2.8x)
- **Lower** statutory figures largely due to one-off acquisition costs: Statutory Operating Profit £151.6m (H1 2017: £182.0m) and Statutory Diluted EPS 10.4p (H1 2017: 14.1p)

**London:** Informa (LSE: INF.L), the International Exhibitions, Events, Business Intelligence and Academic Publishing Group, today released its financial results for the six months to 30 June 2018, reporting continued growth alongside progress on the Accelerated Integration Plan for UBM.

**Stephen A. Carter, Group Chief Executive, said:** “Informa continues to deliver good trading performances, reflecting our combination of international scale, increased depth and breadth in attractive industry verticals and the recent addition of UBM. This puts us firmly on track for another year of growth in revenue, adjusted operating profit, adjusted earnings, cashflow and dividends.”

**He added:** “Our focus for the second half is clear: to maintain consistent operating performance, as we implement our Accelerated Integration Plan to combine UBM and Informa and create a truly international B2B Information Services Group.”

- **Accelerated Integration Plan (“AIP”), a one-year phased programme of activity to combine Informa with UBM:**

- The **AIP** is focused on six core areas:

**AIP 1. Operating Model:** In EMEA and the Americas, UBM’s brands and businesses will be integrated into Informa’s divisional/vertical operating structures. In Asia, the Group is to adopt UBM’s operating approach, integrating Informa’s regional business into the UBM Asia structure. The Combined Group is increasingly organised and operated around industry verticals, both within the events-led **Global Exhibitions**, and the information and content-led **Business Intelligence** and **Knowledge & Networking**;

**AIP 2. Leadership & Talent:** Strength in depth within Informa and UBM is allowing us to structure and operate for scale at speed. Today we are confirming an initial series of leadership roles, including the promotion of Patrick Martell to the new position of Chief Operating Officer, responsible for building an efficient, high-performance operating platform. In addition, Eleanor Phillips was confirmed as Group HR Director and Simon Hollins as Chief Information Officer, thereby blending talent from both companies. Depth of talent also allows us to announce a structured succession plan in Asia, whilst in Business Intelligence, the strength of management within our core vertical businesses gives us confidence in the future leadership and development of the Division;

**AIP 3. Progressive Portfolio Management:** Following our effective strategy to strengthen and return to growth our information and content-led businesses in **Business Intelligence** and **Knowledge & Networking**, we are now accelerating the shift towards greater market and vertical orientation in the same way we are in our events-led **Global Exhibitions** business. As part of this, we are confirming a portfolio management programme to review and/or exit markets which do not offer attractive long-term growth and returns, putting greater focus on markets where we are strong, such as Pharma, Life Sciences and TMT, amongst others;

<sup>1</sup>Group Underlying Revenue and Profit Growth figures are Informa only but other Half Year financials include 15 days stub period contribution from UBM / <sup>2</sup>See Financial Review for details on non-statutory measures

**AIP 4. Increased Synergies:** Confident of exceeding original cost synergy target of £60m run-rate by end 2020. The Discovery & Validation phase now gives us confidence that a £75m run-rate by end 2021 is achievable, with the incremental savings used partly to fund reinvestment in Fashion GAP; Discovery & Validation phase also confirms attractive revenue opportunities to pursue through combination;

**AIP 5. Fashion GAP:** Operational improvement programme launched to address the underperformance in the **Fashion** portfolio through a **Growth Acceleration Plan** for **Fashion**. Combination creates an opportunity to reposition the portfolio, refocus on growing customer segments, and refresh sales and marketing, including targeted investment of ±£10m over three years in core brands and talent, funded through over-delivery of Combination synergies. **Target to return Fashion portfolio to growth within three-year period;**

**AIP 6. Brand Value:** Expanded Group to focus on building value in product brands and the Informa corporate brand, thereby leading to retirement of the UBM brand by the end of the AIP in Summer 2019;

- **Growth continuation following strong first-half trading:**

- **Academic Publishing:** Consistent strength in Journal subscriptions and improving performance in specialist Books following operational improvement programme, delivering +3.5% underlying revenue growth, including some phasing benefits;
- **Global Exhibitions:** Market-leading brands and benefits of international scale in attractive markets/verticals contribute to continuing strong performance, with underlying revenue growth of +7.3%;
- **Business Intelligence:** Further momentum in consulting and specialist marketing solutions, combined with consistent subscription renewals in attractive markets/verticals, deliver continued operating momentum, with underlying revenue growth of +2.4%;
- **Knowledge & Networking:** Despite the non-renewal of a £3m managed events contract in TMT, increased focus on major Events brands in core growth markets/verticals delivers improving underlying revenue growth of +0.5%;
- **UBM Portfolio:** Six-month pro forma<sup>1</sup> performance of UBM business as expected, with steady year-on-year improvement in underlying revenue growth to +1.1%, including Events growth of +2.5%, ahead of seasonally stronger second half; 15-day contribution into reported Informa first-half results;
- **Funding:** Long-term attractive financing secured via over-subscribed issue of €650m Euro and £300m Sterling bonds, facilitating full paydown of UBM Acquisition Facility.
- **Progressive Dividends:** Strong cashflow and confidence in our second half performance leads to 6% increase in the interim dividend to 7.05p.

<sup>1</sup>Pro forma figures for UBM refer to its six-month performance to end June 2018

## ENQUIRIES

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## ANALYSTS AND INVESTORS

There will be a presentation to analysts at 8.30am on 25 July 2018 at The London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS, with a simultaneous webcast available at [www.informa.com](http://www.informa.com).

## Financial Highlights

	H1 2018 £m	H1 2017 <sup>4</sup> £m	Reported <sup>4</sup> %	Underlying <sup>1</sup> %
Revenue	957.1	915.3	4.6	4.3
Statutory Operating Profit	151.6	182.0		
Adjusted Operating Profit <sup>2</sup>	294.4	284.9	3.3	1.9
Adjusted Operating Margin (%) <sup>2</sup>	30.8	31.1		
Operating Cash Flow <sup>3</sup>	172.2	168.1		
Statutory Profit Before Tax	120.3	148.6		
Adjusted Profit Before Tax <sup>2</sup>	264.7	256.2	3.3	
Statutory Profit for the Period	94.6	118.5		
Statutory Diluted Earnings Per Share (p)	10.4	14.1		
Adjusted Diluted Earnings Per Share (p) <sup>2</sup>	24.6	24.0	2.5	
Dividend Per Share (p)	7.05	6.65	6.0	
Free Cash Flow <sup>3</sup>	119.4	113.8		
Net Debt	2,713.0	1,566.4		

<sup>1</sup>In this document we refer to Underlying and Reported figures. Unless otherwise stated, Underlying refers to results adjusted for acquisitions/disposals, the phasing of events, including biennials, and the effects of changes in foreign currency. Year-on-year growth from material acquisitions/disposals is included on a pro forma basis from first day of ownership. Reported figures exclude all such adjustments. For H1 2018, underlying revenue growth and profit growth exclude any impact of UBM from its 15 days of ownership in the period

<sup>2</sup>In this document we also refer to Adjusted and Statutory results. Adjusted results are prepared to provide a useful alternative measure to explain the Group's business performance. Adjusted results exclude adjusting items as set out in Note 4.

<sup>3</sup>Operating cash flow and free cash flow are as calculated in the Financial Review.

<sup>4</sup>H1 2017 restated for implementation of IFRS 15

## Divisional Highlights

	H1 2018 £m	H1 2017 <sup>1</sup> £m	Reported %	Underlying %
<b>ACADEMIC PUBLISHING</b>				
Revenue	238.5	238.9	-0.2	3.5
Statutory Operating Profit	48.7	58.1		
Adjusted Operating Profit	79.8	85.5	-6.7	0.5
Adjusted Operating Margin (%)	33.5	35.8		
<b>GLOBAL EXHIBITIONS</b>				
Revenue	343.1	342.8	0.1	7.3
Statutory Operating Profit	107.1	100.9		
Adjusted Operating Profit	140.4	144.8	-3.0	6.1
Adjusted Operating Margin (%)	40.9	42.2		
<b>BUSINESS INTELLIGENCE</b>				
Revenue	180.3	187.5	-3.8	2.4
Statutory Operating Profit	20.3	18.2		
Adjusted Operating Profit	33.2	37.3	-11.0	-5.4
Adjusted Operating Margin (%)	18.4	19.9		
<b>KNOWLEDGE &amp; NETWORKING</b>				
Revenue	126.2	146.1	-13.6	0.5
Statutory Operating Profit	1.8	4.8		
Adjusted Operating Profit	12.9	17.3	-25.4	-10.7
Adjusted Operating Margin (%)	10.2	11.8		
<b>UBM<sup>2</sup></b>				
Revenue	69.0			
Statutory Operating Profit/(Loss)	(26.3)			
Adjusted Operating Profit	28.1			
Adjusted Operating Margin (%)	40.7			

<sup>1</sup>H1 2017 restated for implementation of IFRS 15

<sup>2</sup>UBM contributed 15 days to Informa's H1 Results. Any reference to pro forma UBM refers to its six-month performance to end June 2018

## Trading Outlook

The combination of UBM and Informa creates an enlarged Group with greater international reach, and increased balance and breadth across geographic regions and industry verticals. This provides resilience and strength, reducing the Group's exposure to individual cycles and market shifts, while increasing the proportion of forward booked, more visible revenue streams.

This increased scale and visibility across the enlarged Group gives us confidence we can meet our ambition for more than 3.5% underlying revenue growth in 2018, including UBM's growth contribution from the date of completion on 15 June.

### ACCELERATED INTEGRATION PLAN

As we move from **Discovery & Validation** into the **Combination** phase of the AIP in August, we will start to address areas of duplication and early opportunities for procurement efficiencies.

Given the lead time in realising benefits, cost synergies will have little impact on adjusted profit in 2018 but we remain on track to deliver our target of £50m of savings in 2019. However, the **Discovery & Validation** phase has given us confidence we can exceed the original full synergy target of £60m run rate savings by the end of 2020. We now believe that £75m run rate savings are achievable by the end of 2021, with the incremental savings partly used to fund the **Fashion GAP**. The one-off cost of delivering the total £75m target is estimated at £100m.

### ACADEMIC PUBLISHING

The academic publishing market remains resilient, albeit technology is changing the way that academics collaborate and share knowledge. Our strong portfolio of specialist publishing brands, focus on niche subject categories and ongoing investment in our technology capabilities position us to adapt to these shifts effectively.

The outlook for the remainder of 2018 remains robust, although a tough comparable in the second half, combined with some adverse phasing, suggests a lower growth rate than the strong first half figure, leaving full year underlying growth likely to be around +2%.

### GLOBAL EXHIBITIONS

Our B2B Exhibitions business is performing well in a market that remains structurally robust and growing. Our strategy to increase international scale, build depth in attractive verticals and invest in our digital and data capabilities continues to improve performance.

Whilst many of our largest exhibition brands ran in the first six months of the year, forward bookings for our major brands in the second half remain healthy, including in **Health & Nutrition** (*SupplySide West*), **Technology** (*Futurecom*) and **Construction & Real Estate** (*Building Show*). This visibility, combined with the breadth of our portfolio, gives us confidence we can deliver another year of attractive growth, ahead of the wider exhibitions market.

### BUSINESS INTELLIGENCE

We continue to deliver steady improvement in our specialist information business in a market that is growing consistently, reflecting increasing demand for actionable insights and data that drives decision making. Our continued investment in upgrading core platforms and product functionality gives us confidence in subscription renewals, whilst strengthened customer relationships have improved our ability to sell additional products and services.

In 2018, the focus is on broadening our new sales pipeline and improving conversion rates through investment in sales and marketing. This continues to benefit Annualised Contract Values across our Intelligence brands, whilst supporting continued strong growth in Consulting and Specialist Marketing Solutions. This gives us confidence we can reach or exceed our target of 3% underlying growth in 2018.

### KNOWLEDGE & NETWORKING

Following the sale of our German and Swiss conference businesses at the end of 2017, the Division is increasingly focused on major branded events in the three core verticals of **Life Sciences**, **Global Finance** and **TMT**. This has further reduced volatility, increasing visibility and predictability of earnings.

These changes should deliver further steady improvement in performance in 2018, and so, despite the non-renewal of a £3m managed events contract in TMT, we are expecting underlying growth at a broadly similar level to 2017.

### UBM PORTFOLIO

Current trading within the UBM business remains in line with expectations. The second half includes many of its largest and strongest performing brands, including in **Pharma** (*CPhi Worldwide*), **Technology** (*Black Hat*), **Lifestyle & Brands** (*Furniture China*) and **Beauty** (*Cosmoprof Asia*). The strong outlook for its major brands offsets ongoing weakness in **Fashion** and so, overall, we expect underlying revenue growth for 2018 in the range of 3-4%.

## Operational Review

During the first half of 2018, Group performance remained strong whilst we completed our Offer for UBM plc, which was first announced on 30 January 2018. The Offer became effective on 15 June, at which point the **Accelerated Integration Plan** (“AIP”) was launched, a 12-month programme of activity designed to bring the two Groups together quickly and effectively.

### ACCELERATED INTEGRATION PLAN

The AIP will be implemented in four distinct phases over the 12-month period to July 2019:

#### Phase 1. Discovery & Validation: June to August 2018

The first phase is focused on each business learning more about the other, with senior teams collaborating to better understand the opportunities from combination and validating the approach to bringing the two businesses together. This has already led to some early decisions on portfolio focus, operating structure, brand and talent, as detailed below.

#### Phase 2. Combination: August to November 2018

The second phase will see new operating structures and models finalised, and the businesses start to formally come together, with leadership positions confirmed and reporting lines changed. This will allow teams to start formulating plans for 2019 and preparing budgets as a combined business. We will also start to link and combine some technology tools and platforms during this period.

#### Phase 3. Completion: November 2018 to March 2019

In the Completion Phase, we will start to operate as a single, combined business. This will include setting objectives and budgets for 2019 based on the new Informa three-year business plans. We will also continue to combine systems and technology platforms, and in March 2019, we will report our first full-year financial results as a combined Group.

#### Phase 4. Ambition & Creation: March 2019 to July 2019

In the final phase of the AIP, we will complete systems integration across the two businesses, as well as start to embed and promote the new Informa Group's purpose, promise and culture. This will include more clarity on the longer-term opportunities and ambitions for the new Informa Group.

### Discovery & Validation

As part of the first phase of the AIP, we have undertaken a detailed review of the UBM portfolio, which has underlined the strength of its major B2B brands and strong complementary fit with Informa. Other than one or two minor exceptions, there is little direct overlap or competition between brands, and we see good opportunities for revenue upside from cross-selling, cross-marketing and digital. The one area of expected weakness is the **Fashion** portfolio, where historical underperformance continues to be a drag, hence the launch of the **Fashion GAP** (see below).

The AIP is focused on six core areas:

#### AIP 1. Operating Model: Increasingly orientated around industry verticals

Early in the **Discovery & Validation** period, we made the decision to adopt a different operating approach for the Combined Group in different regions.

In EMEA and the Americas, we will follow Informa's operating model, which is largely organised around divisions and industry verticals, with one or two regional exceptions. We have not yet confirmed exactly how UBM's businesses will be allocated into divisions but the majority of its EMEA and Americas businesses are likely to become part of the **Global Exhibitions** Division. However, there will also be some data and information businesses that join **Business Intelligence** and other information and content-led event brands that more naturally fit within **Knowledge & Networking**.

Given UBM's scale and leading position in Asia, here we will retain its operating approach going forward, integrating Informa's legacy business in the region into the UBM Asia structure, with management reporting lines aligning to UBM's succession programme in the region (see below).

Our increased scale through the Combination and the greater depth and reach it gives us within certain industry verticals, is leading to greater collaboration between businesses through the sharing of knowledge, content and customer relationships. This is already evident across the events-led businesses in the **Global Exhibitions** Division and within similar businesses in **UBM's** portfolio, with our increased depth in verticals like *Health & Nutrition* opening immediate opportunities for cross-promotion and content collaboration.

This is also true across some of our information and content-led businesses, particularly in core markets/verticals within the **Knowledge & Networking** Division, which overlap with some information and content-led businesses in **Business Intelligence** and others within **UBM**.

The decision to follow Informa's operating approach outside of Asia means that UBM's legacy business and management structure in EMEA and the Americas no longer has a role within the Combined Group, with brand teams combining directly with their relevant counterparts at Informa.

## **AIP 2. Leadership and Talent: Appointment of Patrick Martell as Chief Operating Officer**

The increased scale of Informa and opportunities emerging through our increasing vertical focus, creates the need for a more robust and efficient operating platform, capable of delivering consistently high levels of performance across multiple businesses and regions.

The strength in depth of our leadership and talent is allowing us to structure and operate for such scale quickly. Recognising the need for dedicated focus on day-to-day operational activities, **Patrick Martell** has been promoted and appointed to the new position of **Group Chief Operating Officer**. This role will cover all common areas and functions where there is the potential to deliver Group-wide efficiencies, improved operational effectiveness, or other benefits of our increased scale, and will include responsibility for our network of shared service operations.

Patrick will transition into this new position as we complete the **Combination** phase of the AIP later this year when he fulfils his role as Integration Officer for UBM. In his last four years as CEO of the **Business Intelligence** Division, Patrick has worked with his Senior Management Team to reorganise and refocus the business on its customer end markets, building strong leadership across and within its six vertical businesses. This provides real strength in depth when he hands over his divisional responsibilities towards the end of the year, leaving the business in good hands to continue its journey of improving growth and performance.

As we approach the end of the **Discovery & Validation** phase, we have confirmed a series of senior roles and appointments for the newly enlarged Group, further strengthening operational and functional leadership by blending key talent from both Informa and UBM. As we move into Phase 2 of the AIP, we will finalise all remaining roles and appointments, both within Group functions and at a divisional and operating level. Some examples to date include:

- **Operations...**alongside Patrick Martell's appointment as Group Chief Operating Officer, Ian Branch (from UBM) has been appointed Group Shared Services Director, reporting to the COO;
- **Technology...**Simon Hollins (UBM) has been appointed Group Chief Information Officer and Chief Information Security Officer, with a dual reporting line to the Group CEO and COO. In addition, Jonathan Earp (from Informa) has been appointed Divisional Chief Information Officer, a role that reports to the Group CTO;
- **Divisions...**leadership in our other Divisions remains the same, with Annie Callanan CEO of **Academic Publishing**, Charlie McCurdy CEO of **Global Exhibitions**, Andrew Mullins CEO of **Knowledge & Networking** and with Patrick Martell CEO of **Business Intelligence** until the end of Combination Phase;
- **Corporate Development...**Alex Roth (Informa) has been confirmed as Director of Strategy & Business Planning, reporting to the Group CEO;
- **Communications...**Richard Menzies-Gow (Informa) has been confirmed as Director of Investor Relations, Corporate Communications & Brand, reporting to the Group CEO;
- **Company Secretary...**Rupert Hopley (Informa) has been confirmed as Group General Counsel and Company Secretary, reporting to the Group CEO;
- **HR/Talent...**Eleanor Phillips (UBM) has been appointed Group HR Director, reporting to the Group CEO;
- **Finance...**Gareth Wright (Informa) has been confirmed as Group Finance Director, reporting to the Group CEO;
- **Finance...**Kayte Herrity (Informa) has been confirmed as Head of Group Finance, reporting to the Group Finance Director;
- **Internal Audit...**Rupert Harris (UBM) has been appointed as Head of Internal Audit, reporting to the Group Finance Director as well as the Chairman of the Audit Committee;

- **Tax...**Nick Perkins (UBM) has been appointed Head of Tax, reporting to the Group Finance Director;
- **Treasury...**Richard Garry (Informa) has been confirmed as Group Treasurer, reporting to the Group Finance Director.

In addition, a long-term succession plan has been announced for the business in Asia, further strengthening the regional Senior Management Team following its recent growth and expansion. Much of this was pre-planned by UBM well ahead of the Combination as part of a structured succession programme for UBM Asia and it also now incorporates Informa's Asia business within the management structure.

These changes will see Jimé Essink, the current operational President and CEO of the UBM Asia business, with specific responsibilities for completing the Allworld and UBM integration, become President of the enlarged UBM Asia business in July 2018. He will handover the CEO role to Margaret Ma Connolly, the current Managing Director of UBM China, who will assume day-to-day responsibility for all UBM Asia's interests in the region other than the Sinoexpo joint venture and UBM ASEAN, including the UBM Allworld businesses, which Jimé will continue to oversee for a further 12 months. At that point, all responsibilities will transition to the CEO and Jimé will have a more strategic focus, with a wider remit within the Informa Group.

### **AIP 3. Progressive Portfolio Management: Focus on strategic growth verticals**

One of the key features of our *2014-2017 Growth Acceleration Plan* was to repair and return to growth our information and content-led businesses in the **Business Intelligence** and **Knowledge & Networking** Divisions. Through this period, we improved operational fitness, refocused on customers and end markets, and invested in core platforms and products. This has delivered steady improvement in performance, with both now back in growth, and with forward momentum.

In the same way the *GAP* programme accelerated the continuing shift to greater verticalisation and scale in our events-led **Global Exhibitions** Division, we plan to use the *AIP* to accelerate this strategy within our information and content-led businesses, both in **Business Intelligence** and **Knowledge & Networking** but also in those information and content-led businesses within UBM.

As part of this, we are confirming a portfolio management programme to review and/or exit those markets/verticals that do not offer compelling long-term growth or returns or where there are better owners for the business, whilst reinforcing and investing in those verticals where we have strong positions and see the greatest future opportunities and growth, such as in **Pharma, Life Sciences and TMT**, amongst others.

The programme will see us progressively manage the portfolio over the next 18 months, with up to £150m of revenue (c.5% of the Group) potentially within scope.

### **AIP 4. Increased Synergies: Target raised to £75m cost savings**

At the time of the announcement of the Combination, we set an audited, target run-rate for annualised cost synergies of at least £60m by the end of 2020, with £50m of the £60m savings to be delivered in 2019, and with a one-off cost to achieve these savings of around £80m.

The **Discovery & Validation** phase has given us confidence that we can deliver these targets and more. We now believe a minimum of £75m run-rate savings is achievable by the end of 2021, with the increase covering the ±£10m cost of reinvestment into the **Fashion** portfolio outlined below.

The one-off cost of achieving the total savings will be around £100m and with the **Combination** phase completing in November, we anticipate around 25% of this charge to be incurred in 2018.

The **Discovery & Validation** phase continues to give us confidence that there are valuable revenue opportunities to be realised from combining UBM and Informa. Many of these will be longer-term in nature, through geo-cloning brands into new regions, leveraging our expanded international sales presence, and utilising our richer pools of data more effectively in digital and sponsorship initiatives. More immediate benefits will flow from the simple cross-marketing of events across our broader customer base, with an early impact likely from 2019, giving us confidence that we can continue to outperform the wider Exhibitions market.

### **AIP 5. Fashion GAP: Target to return to growth within three years**

The **Fashion** portfolio is comprised of more than 20 brands, bought and built by UBM over a three to five-year period. Many are co-located at several flagship events taking place through the year, mainly in New York and Las Vegas, although the MAGIC brand was also launched into Japan in 2017.

Total revenue within the **Fashion** business was around \$200m in 2016. At completion, forecasts indicated an expected decline to c.\$150m in 2018, reflecting a mix of market and execution issues. The evolving retail landscape is a clear factor, as more consumer purchasing moves online, and bricks and mortar retail contracts. But internal issues have also undoubtedly impacted historical decision making and performance, including the loss of key talent, brand and product management, and pricing.

The **Fashion** portfolio represented c.20% of UBM's Events revenue and so was material to Group performance, limiting the flexibility to make major changes to its focus and approach. The Combination creates a unique opportunity to reposition and refresh the business, providing time and space to take longer-term decisions for the good of the portfolio. As part of the Informa Group, the **Fashion** portfolio accounts for around 5% of Group revenues.

To this end, we are currently designing and deploying a **Growth Acceleration Plan for Fashion**, with a target to return the **Fashion** portfolio to growth within three years. This will be achieved through a mixture of short-term tactical changes and longer-term initiatives, with greater focus around brand development and positioning, targeting new customer growth segments, improved sales and marketing, and investing in price for our customers and the market. It will include much needed incremental investment into key brands and talent of  $\pm£10m$ , which will be funded through some of the £15m over-delivery of Combination cost synergies.

#### **AIP 6. Brand Value: Retirement of the UBM brand by the end of the AIP**

Our review of the UBM portfolio as part of the **Discovery & Validation** phase emphasised the importance and value of the many operating and product brands within the business, just as they are within Informa. This is where we intend to focus our efforts and investment to generate loyalty and value going forward, combined with a programme to build further equity in the overarching Informa corporate brand.

As a result, we have announced our intention to retire the UBM brand worldwide by the end of the AIP in July 2019. This will avoid any confusion, ensuring we have clear focus and brand positioning within the Combined Group. A Brand Transition Programme is underway, led by Jimé Essink, to ensure we transfer value effectively into the new brand structure.

#### **LONG TERM FUNDING PROVIDES VISIBILITY AND FLEXIBILITY**

Our commitment to maintain a long-term, attractive funding mix led to the launch of our first public bond in July, with an over-subscribed issue of €650m Euro notes and £300m Sterling notes. This complements the US private placement notes and revolving credit facility already in place to give us a more balanced funding mix. In addition, we have successfully renegotiated and transitioned UBM's long-term financing, including US private placement notes and a US dollar bond maturing in 2020. The new bonds have enabled the paydown in full of the short-term Acquisition Facility put in place to fund the cash element of the Offer for UBM.

The bond issue pushes out the average debt maturity to 5.5 years and leaves a weighted average funding cost of around 4.1%, providing long-term visibility and flexibility. We retain comfortable headroom on the banking covenants, with leverage at the end of June at 3.1 times net debt to adjusted EBITDA (including 12 months pro forma UBM contribution). This is above the target range of 2 times to 2.5 times following the addition of UBM but with annual pro forma free cash flow of c. £600m, the enlarged Group will be back within the target range by the end of 2019.

#### **STRONG FREE CASH FLOW FUNDS PROGRESSIVE DIVIDEND**

As we have built and grown the business, a key focus for us has been on cash discipline and working capital controls and so, despite significantly increasing our investment in platforms and products, we continue to convert high levels of our profits into cash.

This discipline allows us to commit to a progressive dividend, growing broadly in line with our underlying free cashflow. For the first half, we have announced an interim dividend of 7.05p. This is a 6% increase on last year's interim dividend, and with a higher share count due to the issue of equity to UBM shareholders, reflecting confidence in the outlook for the second half performance.

Strong cash discipline also provides flexibility for ongoing reinvestment into targeted acquisitions and we remain active in identifying attractive, complementary exhibitions/events businesses and/or targeted information and data assets within our identified verticals for future scale and growth.

## Divisional Trading Review

Informa delivered further steady improvement in growth and performance through the first half of 2018, with higher levels of underlying revenue growth offset by adverse currency movements. Underlying revenue growth was +4.3% (excluding the 15-day UBM stub period) and reported growth was +4.6%. The difference reflects a -0.4% impact if the UBM stub period is included in underlying growth, a -0.4% impact from the phasing of events, a +7.8% benefit from net acquisitions and a -6.7% hit from currency movements. Adjusted operating profit rose +3.3% to £294.4m, despite the currency impact and an expected increase in depreciation, which reflects last year's higher capital expenditure flowing into the profit and loss account. The Offer for UBM became effective on 15 June, creating a 15-day stub period of £69.0m revenue and £28.1m adjusted operating profit.

The commentary below includes statutory and adjusted measures. We believe adjusted operating profit is a useful additional measure in monitoring Divisional trading performance.

### ACADEMIC PUBLISHING

	H1 2018 £m	H1 2017 £m	Reported %	Underlying %
Revenue	238.5	238.9	-0.2	3.5
Statutory Operating Profit	48.7	58.1	-16.2	
Adjusted Operating Profit	79.8	85.5	-6.7	0.5
Adjusted Operating Margin (%)	33.5	35.8		

The **Academic Publishing** Division publishes specialist books and journals. Operating as the Taylor & Francis Group, it is recognised internationally as a leading Upper Level academic publisher through a number of major publishing Brands, including *Taylor & Francis*, *Routledge*, *CRC Press* and *Cogent OA*. It has a portfolio of more than 130,000 book titles and 2,500 journals available in both print and digital formats, across a range of subject areas within **Humanities & Social Sciences**, and **Science, Technology & Medicine**.

In H1, **Academic Publishing** accounted for 24.9% of Group Revenue and 27.1% of Adjusted Profit.

Our Academic business performed well in the first half of the year, delivering higher levels of growth, largely due to an improved performance in Books. This reflects a more stable market backdrop, which combined with further benefits from our operational effectiveness programme, amongst other things, has improved how we repurpose content, speed to market and overall customer management.

On Journals, trends remain consistent, with high renewals and modest growth on subscription products combined with good growth in open access, with a strong first contribution from Dove Medical Press.

Reported revenue and profit growth was impacted by currency, with the strength of the US dollar having a marked impact, particularly on margins, reflecting the mismatch of dollar revenue and sterling costs.

### GLOBAL EXHIBITIONS

	H1 2018 £m	H1 2017 £m	Reported %	Underlying %
Revenue	343.1	342.8	0.1	7.3
Statutory Operating Profit	107.1	100.9	6.1	
Adjusted Operating Profit	140.4	144.8	-3.0	6.1
Adjusted Operating Margin (%)	40.9	42.2		

The **Global Exhibitions** Division organises transaction-oriented Exhibitions and trade shows, providing buyers and sellers across different industries and communities with a powerful platform to meet face-to-face, build relationships and trade. Informa has around 200 Exhibition Brands in core verticals including **Agriculture**, **Beauty & Aesthetics**, **Construction & Real Estate** and **Health & Nutrition**.

In H1, **Global Exhibitions** accounted for 35.9% of Group Revenues and 47.7% of Adjusted Profit.

It was another strong period of underlying trading for our Exhibitions business, as it reaped the benefits of its increased scale and international reach. Notable highlights included **Health & Nutrition** (*Natural Products Expo*, *Vitafoods*), **Life Sciences** (*Arab Health*, *Medlab*), **Construction & Real Estate** (*World of Concrete*, *TISE West*) and **Beauty & Aesthetics** (*China Beauty Expo*, *Anti-Aging World Congress*).

Our strong underlying growth reflected a combination of yield initiatives, an increase in the average space sold at existing events, selective new launches and the increasing relevance and growth of other revenue streams such as sponsorship and digital. On the latter, we continued to invest in rolling out our Markit Makr product across new verticals, establishing an online platform to complement and enrich our face-to-face brands.

**BUSINESS INTELLIGENCE**

	H1 2018 £m	H1 2017 <sup>1</sup> £m	Reported %	Underlying %
Revenue	180.3	187.5	-3.8	2.4
Statutory Operating Profit	20.3	18.2	11.5	
Adjusted Operating Profit	33.2	37.3	-11.0	-5.4
Adjusted Operating Margin (%)	18.4	19.9		

<sup>1</sup>H1 2017 restated for implementation of IFRS 15

The **Business Intelligence** Division provides specialist data, intelligence and insight to businesses, helping them to make better decisions, gain competitive advantage and enhance return on investments. It has more than 120 digital subscription Brands, providing critical intelligence to niche communities within **Pharma**, **Finance**, **Transportation**, **TMT**, **Agribusiness** and **Industry & Infrastructure**. This is supported by a portfolio of B2B media Brands, **Consulting** and **Marketing Services** businesses.

In H1, **Business Intelligence** accounted for 18.8% of Group Revenue and 11.3% of Adjusted Profit.

Continued focus on subscription renewals, further investment in product and improved customer management helped to deliver steady growth in the first half. Our two largest verticals, Finance and Pharma, performed particularly well, reflecting the strength of their brands and a steady flow of new products entering the market. Our focus on sales and marketing is also having an impact, with steadily improving trends on new business conversion.

Contingent revenue streams continue to gather pace, with strong growth in both Consulting and Specialist Marketing Solutions through the period.

**KNOWLEDGE AND NETWORKING**

	H1 2018 £m	H1 2017 £m	Reported %	Underlying %
Revenue	126.2	146.1	-13.6	0.5
Statutory Operating Profit	1.8	4.8	-62.5	
Adjusted Operating Profit	12.9	17.3	-25.4	-10.7
Adjusted Operating Margin (%)	10.2	11.8		

The **Knowledge & Networking** Division is the Group's Community Content, Connectivity and Data business, incorporating its training, learning, conference, confex, advisory and congress businesses. It organises content-driven events and programmes that provide a platform for communities to meet, network and share knowledge. It runs over 1,000 events each year globally, covering a range of subjects, but with particular focus on **Life Sciences**, **TMT** and **Finance**.

In H1, **Knowledge & Networking** accounted for 13.2% of Group Revenue and 4.4% of Adjusted Profit.

Our strategy to increase focus on major branded events in core verticals, most recently through the sale of our conference business in Germany and Switzerland, helped to deliver further improvement in the first half performance, with more than 40 events now generating over £1m of revenue.

There were particularly strong performances in **Finance** (*SuperReturn International*, *Finovate Europe*) and **Life Sciences** (*TIDES*, *Bio Process International Europe*). In **TMT**, the non-renewal of a £3m managed contract for a series of Critical Communications events distorted its performance, with underlying strength in its core events (*AI Summit London*, *Internet of Things US*). Overall, this is now a more streamlined and focused business with strong brands and a broad range of capabilities.

**UBM (PRO FORMA SIX-MONTH FIGURES)**

	H1 2018 £m	H1 2017 £m	Reported %	Underlying %
Revenue	443.9	448.4	-1.0	1.1
Adjusted Operating Profit	109.2	111.6	-2.2	-4.4
Adjusted Operating Margin (%)	24.6	24.9		

**UBM** performed steadily through the first six months of the year, reporting 1.1% underlying revenue growth, reflecting 2.5% underlying growth within its **Events** business and a 7.6% decline in **Other Marketing Services**. This is a slightly higher growth rate than the first half of 2017, ahead of its seasonally stronger period in the second half, when many of its major events take place.

Highlights in the first half included **Pharma** (*CPhI China*, *InformEx*), **Technology** (*Game Developers Conference*, *Enterprise Connect*) and **Food & Hospitality** (*Hotelex*, *Food and Hotel Asia*), offset by ongoing weakness in **Fashion**. Revenue from biennial events was £47.4m, up from £29.6m last year.

**UBM's** stub period contribution accounted for 7.2% of Group Revenue and 9.5% of Adjusted Profit.

## Financial Review

### INCOME STATEMENT

Our strategy to increase international scale and depth in attractive industry verticals led to the acquisition of UBM plc on 15 June 2018. This helped increase Group revenue in the first half of 2018 to £957.1m, up 4.6% year-on-year, including a 4.3% increase on an underlying basis if we exclude the growth contribution of UBM in the 15-day stub period. This produced Adjusted Operating Profit of £294.4m, 3.3% higher than the prior half year and a 1.9% increase on an underlying basis (excluding the UBM stub).

	Adjusted results H1 2018 £m	Adjusting items H1 2018 £m	Statutory result H1 2018 £m	Adjusted results H1 2017 <sup>1</sup> £m	Adjusting items H1 2017 £m	Statutory result H1 2017 <sup>1</sup> £m
Revenue	957.1	-	957.1	915.3	-	915.3
Operating Profit/(loss)	294.4	(142.8)	151.6	284.9	(102.9)	182.0
Loss on disposal	-	(0.6)	(0.6)	-	(4.7)	(4.7)
Net finance costs	(29.7)	(1.0)	(30.7)	(28.7)	-	(28.7)
Profit/(loss) before tax	264.7	(144.4)	120.3	256.2	(107.6)	148.6
Tax(charge)/credit	(47.7)	22.0	(25.7)	(55.8)	25.7	(30.1)
Profit/(loss) for the year	217.0	(122.4)	94.6	200.4	(81.9)	118.5
Adjusted operating margin	30.8%			31.1%		
Adjusted diluted EPS	24.6p			24.0p		

<sup>1</sup>H1 2017 restated for implementation of IFRS 15

### MEASUREMENT AND ADJUSTMENTS

In addition to the statutory results, Adjusted Results are prepared for the Income Statement, including Adjusted Operating Profit and Adjusted Diluted Earnings Per Share, as the Board considers these non-GAAP measures to be the most appropriate way to measure the Group's performance in a way that is comparable to the prior year. This is in line with similar adjusted measures used by our peer companies and therefore facilitates comparisons. Adjusted Results are outlined in the table above and exclude the Adjusting Items outlined in the next section. A reconciliation of adjusted measures to statutory measures can be found in Note 4.

The calculation of Underlying Growth includes year-on-year growth from material acquisitions from the first day of ownership, as if we had owned them in the corresponding period in the previous year. This measure also strips out the impact of any events phasing, including biennials, during the relevant period, the impact of any disposals and the impact of foreign exchange movements, to ensure that all our teams are focused on the underlying performance of acquired businesses immediately.

Underlying growth in H1 2018 is analysed as follows:

	H1 2018 Underlying growth <sup>1</sup>	Phasing and other items	Acquisitions and disposals	Currency change	H1 2018 Reported growth
<b>Group total:</b>					
Revenue	4.3%	(0.4%)	7.4%	(6.7%)	4.6%
Adjusted operating profit	1.9%	(0.3%)	10.8%	(9.1%)	3.3%

<sup>1</sup>Underlying figures are Informa only, excluding the growth contribution from the UBM stub period, which is reflected in Acquisitions and Disposals

## ADJUSTING ITEMS

The Adjusting Items below have been excluded from Adjusted Results. The total charge against Operating Profit for Adjusting Items was £142.8m in H1 2018 (H1 2017: £102.9m) with amortisation of acquired intangible assets being the major element.

	H1 2018 £m	H1 2017 £m
Intangible amortisation and impairment:		
Intangible asset amortisation <sup>1</sup>	81.3	79.4
Impairment of goodwill and intangibles	-	2.8
Acquisition and integration costs	52.2	12.1
Restructuring and reorganisation costs:		
Redundancy and reorganisation costs	7.3	2.5
Vacant property costs	2.8	6.1
Re-measurement of contingent consideration	(0.8)	-
Adjusting items in operating profit	142.8	102.9
Loss on disposal of subsidiaries and operations	0.6	4.7
Finance costs	1.0	-
Adjusting items in profit before tax	144.4	107.6
Tax related to adjusting items	(22.0)	(25.7)
Adjusting items in profit for the period	122.4	81.9

<sup>1</sup> Intangible asset amortisation is in respect of acquired intangibles and excludes amortisation of software and product development

Our proactive and targeted acquisition programme led to an increase in intangible asset amortisation arising from acquired intangibles to £81.3m (H1 2017: £79.4m). This comprised amortisation of book lists and journal titles, database content and customer and attendee relationships related to exhibitions and conferences and included £5.1m for the amortisation of acquisition intangibles relating to the acquisition of UBM plc. Intangible asset amortisation arising from software assets and product development is not treated as an Adjusting Item and is included within the calculation of Adjusted Operating Profit.

Acquisition and integration costs of £52.2m included acquisition costs relating to the acquisition of UBM plc of £42.8m and £6.0m in relation to the integration of UBM plc.

The following table provides a breakdown of the Adjusted Items by Division:

	AP £m	BI £m	GE £m	K&N £m	UBM £m	Total £m
<b>Statutory operating profit/(loss)</b>	<b>48.7</b>	<b>20.3</b>	<b>107.1</b>	<b>1.8</b>	<b>(26.3)</b>	<b>151.6</b>
Add back:						
Intangible asset amortisation <sup>1</sup>	25.1	10.9	32.4	7.8	5.1	81.3
Acquisition and integration costs	0.1	0.9	1.8	0.6	48.8	52.2
Restructuring and reorganisation costs	5.9	3.4	0.3	-	0.5	10.1
Subsequent remeasurement of contingent consideration	-	(2.3)	(1.2)	2.7	-	(0.8)
<b>Adjusted operating profit</b>	<b>79.8</b>	<b>33.2</b>	<b>140.4</b>	<b>12.9</b>	<b>28.1</b>	<b>294.4</b>

<sup>1</sup> Intangible asset amortisation is in respect of acquired intangibles and excludes amortisation of software and product development

## NET FINANCE COSTS

Adjusted net finance costs, which consist principally of interest costs on US private placement loan notes and bank borrowings, increased by £1.0m to £29.7m. The increase principally reflects £1.0m of additional interest on acquired borrowings associated with the UBM acquisition.

## TAXATION

### Tax Expense

Our effective tax rate reflects the blend of tax rates and profits in the Group's various jurisdictions, some with lower corporate tax rates than the UK. In H1 2018, the adjusted effective tax rate was 18.0% (H1 2017: 21.8%).

The principal reason for the decrease is US tax reforms, enacted in December 2017, which significantly lowered the US federal tax rate on our US sourced profits compared to the prior half year period.

The Group tax charge on statutory Profit Before Tax ("PBT") was 21.4% (H1 2017: 20.3%). This reflected the larger adjusting items in the current period compared to the available tax credits compared to the prior period particularly relating to acquisition cost.

### Tax Payments

During H1 2018, the Group paid £26.5m (H1 2017: £29.0m) of corporation and similar taxes on profits, including approximately £17.5m (H1 2017: £21.5m) of UK Corporation Tax.

### EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) calculated on the statutory profit for the year for equity shareholders of £88.9m (H1 2017: £116.1m), resulted in Basic EPS of 10.4p (H1 2017: 14.1p).

Adjusted diluted EPS of 24.6p is 2.5% ahead of H1 2017 (H1 2017: 24.0p), principally reflecting the 3.3% increase in adjusted operating profit.

	<b>H1 2018</b>	<b>H1 2017<sup>1</sup></b>
	<b>£m</b>	<b>£m</b>
Adjusted Profit for the year	<b>217.0</b>	200.4
Non-controlling interests	<b>(5.7)</b>	(2.4)
Adjusted earnings	<b>211.3</b>	198.0
Weighted average number of shares used in diluted EPS (m)	<b>857.4</b>	826.0
Adjusted Diluted EPS (pence)	<b>24.6p</b>	24.0p

<sup>1</sup>H1 2017 restated for implementation of IFRS 15

The 3.8% increase in the average number of shares reflects the time-prorated effect of the equity issued in relation to the acquisition of UBM plc on 15 June 2018, with 427,536,794 shares issued to the shareholders of UBM plc on 18 June 2018 at a price of £8.29.

### DIVIDENDS

The Board has recommended an interim dividend of 7.05p per share (H1 2017: 6.65p per share) representing a 6.0% increase on last year. The interim dividend will be paid on 14 September 2018 to ordinary shareholders registered as at the close of business on 10 August 2018.

On 28 June 2018, in the post-acquisition ownership period of UBM, there was a special dividend payment of £59.8m to the former shareholders of UBM plc. This settled a dividend liability agreed to be paid to UBM plc shareholders prior to the acquisition date.

### TRANSLATION IMPACT

Our strategy to build international scale has increased our presence in the United States in recent years, meaning a substantial proportion of our revenues and costs are in US Dollars. This exposure remains broadly similar following the acquisition of UBM. On a 2017 pro forma basis (including a full year of UBM), the enlarged Group would have received approximately 62% of its revenues and incurred approximately 55% of its costs in US dollars or currencies pegged to the US dollar. Based on these pro forma proportions, a 1 cent (\$0.01) movement in the US dollar to Sterling exchange rate, based on the 30 June 2018 closing rate, would have had a circa £13m impact on annual revenue and a circa £5m impact on annual adjusted operating profit.

The following US dollar rates versus Sterling were applied during the period:

	<b>H1 2018</b>		<b>H1 2017</b>		<b>Full Year 2017</b>	
	<b>Closing Rate</b>	<b>Average Rate</b>	<b>Closing rate</b>	<b>Average rate</b>	<b>Closing Rate</b>	<b>Average rate</b>
US dollar	<b>1.32</b>	<b>1.37</b>	1.30	1.26	1.35	1.29

For debt covenant testing purposes and for calculating Informa's leverage, both profit and net debt are translated using the average rate of exchange throughout the relevant period.

## FREE CASH FLOW

Cash flow generation remains one of the Group's priorities, providing the funds and flexibility for future investment. The following table shows the Adjusted Operating Profit and Free Cash Flow reconciled to movements in Net Debt. Free Cash Flow is our key financial measure of cash generation and is stated before cash flows relating to acquisitions and disposals, dividends and new equity issuance.

	H1 2018 £m	H1 2017 <sup>1</sup> £m	Full Year 2017 <sup>1</sup> £m
<b>Adjusted operating profit</b>	<b>294.4</b>	284.9	544.9
Depreciation of property and equipment	4.3	4.7	9.2
Software and product development amortisation	17.9	11.1	24.8
Share-based payments	2.4	2.4	5.4
Adjusted share of joint venture and associate results	(0.1)	(0.2)	-
<b>Adjusted EBITDA</b>	<b>318.9</b>	302.9	584.3
Net capital expenditure	(28.6)	(41.0)	(79.0)
Working capital movement <sup>2</sup>	(117.2)	(93.8)	(10.5)
Pension deficit contributions	(0.9)	-	-
<b>Operating cash flow</b>	<b>172.2</b>	168.1	494.8
Restructuring and reorganisation	(5.3)	(2.8)	(8.6)
Net interest	(21.0)	(22.5)	(51.8)
Taxation	(26.5)	(29.0)	(33.5)
<b>Free cash flow</b>	<b>119.4</b>	113.8	400.9

<sup>1</sup> Restated for implementation of IFRS 15

<sup>2</sup> Working Capital movement above excludes movement on restructuring, reorganisation, acquisition and integration accruals

Our focus on cash generation across the Group led to a consistently strong half year cash conversion in H1 2018, with Operating Cash Flow of £172.2m, equating to 58.5% of Adjusted Operating Profit (H1 2017: 59.0%) in the seasonally weaker first-half.

Net capital expenditure was £28.6m which is equivalent to 3.0% of H1 2018 revenue (H1 2017: 4.5%). We expect full year 2018 capital expenditure to be in the 3% to 5% range.

The working capital outflow of £117.2m in H1 2018 was £23.4m higher than the outflow in H1 2017, with the increase largely associated with movements in deferred revenue associated with the UBM business in the post-acquisition period to 30 June 2018.

Net Interest paid reduced by £1.5m primarily associated with the timing of interest payments on bank debt, which were higher in H1 2017 associated with final interest payments on the refinancing of Penton-related acquisition bank facilities.

The following table reconciles net cash inflow from operating activities, as shown in the Consolidated Cash Flow Statement, to Free Cash Flow:

	H1 2018 £m	H1 2017 £m	Full Year 2017 £m
<b>Net cash inflow from operating activities (per statutory cash flow)</b>	<b>127.6</b>	132.3	433.9
Interest received	0.5	0.3	0.2
Purchase of property and equipment	(15.2)	(5.5)	(14.7)
Proceeds on disposal of property and equipment	-	0.4	1.0
Purchase of intangible software assets	(12.0)	(28.9)	(52.2)
Product development cost additions	(1.4)	(7.0)	(13.1)
Add back: Acquisition and integration costs paid	19.9	22.2	34.0
Add back: tax paid on Penton acquisition-related derivative forward contract	-	-	11.8
<b>Free Cash Flow</b>	<b>119.4</b>	113.8	400.9

The following table reconciles net cash inflow from operating activities, as shown in the Consolidated Cash Flow Statement, to Operating Cash Flow shown in the Free Cash Flow table above:

	<b>H1 2018 £m</b>	<b>H1 2017 £m</b>	<b>Full Year 2017 £m</b>
<b>Net cash inflow from operating activities</b>	<b>127.6</b>	<b>132.3</b>	<b>433.9</b>
Add back:			
- Income tax paid before item below	26.5	29.0	33.5
- Income tax paid related to Penton acquisition-related gain on derivative forward contract	-	-	11.8
- Interest paid	21.5	22.8	52.0
<b>Cash generated by operations</b>	<b>175.6</b>	<b>184.1</b>	<b>531.2</b>
Add back:			
Acquisition & integration costs paid	19.9	22.2	34.0
Restructuring & reorganisation costs paid	5.3	2.8	8.6
Capex paid	(28.6)	(41.0)	(79.0)
<b>Operating cash flow</b>	<b>172.2</b>	<b>168.1</b>	<b>494.8</b>
Adjusted operating profit	294.4	284.9	544.9
<b>Operating cash conversion</b>	<b>58.5%</b>	<b>59.0%</b>	<b>90.8%</b>

### NET DEBT

Net debt increased by £1,339.9m to £2,713.0m at 30 June 2018 which included £556.7m of net debt acquired with the acquisition of UBM plc, £643.5m from the acquisition-related cash payment to UBM shareholders and £43.4m from the adverse impact from foreign exchange primarily associated with the US dollar strengthening by 2.6% against Sterling from the closing rate of 1.35 at 31 December 2017 to 1.32 at 30 June 2018.

	<b>H1 2018 £m</b>	<b>H1 2017 £m</b>	<b>Full Year 2017 £m</b>
<b>Free cash flow</b>	<b>119.4</b>	<b>113.8</b>	<b>400.9</b>
Net cash spend on acquisitions and disposals	(534.1)	(158.5)	(250.6)
Dividends paid	(115.8)	(108.7)	(164.0)
Special dividend paid to settle UBM acquisition liability	(59.8)	-	-
Shares acquired	(3.0)	(0.4)	(0.9)
<b>Net funds flow</b>	<b>(593.3)</b>	<b>(153.8)</b>	<b>(14.6)</b>
Borrowings acquired with acquisition of UBM plc	(702.6)	-	-
Non-cash movements	(0.6)	(1.2)	(2.2)
Foreign exchange	(43.4)	74.0	129.1
Net debt at 1 January	(1,373.1)	(1,485.4)	(1,485.4)
<b>Closing net debt</b>	<b>(2,713.0)</b>	<b>(1,566.4)</b>	<b>(1,373.1)</b>

Our strategy to retain a robust and flexible financing framework led to three key developments in the first half of 2018. Firstly, on 4 January 2018 we issued \$400m of private placement loan notes, with a maturity of 7 years (\$200m) and 10 years (\$200m), at an average interest rate of 4.03%. Secondly, we extended a bank Term Loan Facility in March 2018 for \$200m, with a maturity of up to 12 months. Thirdly, we arranged an Acquisition Facility of £1.6bn of which £644m was drawn in June 2018 to fund the cash element of the consideration on the UBM plc acquisition. This acquisition facility was fully repaid on 6 July 2018 following the issue of two new Euro Medium Term Loan Notes on 5 July 2018.

At 30 June 2018, the Group had £4.2bn of committed facilities, (£2.4bn at 30 June 2017 and £1.9bn at 31 December 2017).

	30 June 2018 £m	30 June 2017 £m	31 December 2017 £m
Cash at bank and in hand	(131.5)	(43.5)	(54.9)
Bank overdraft	10.7	5.0	6.7
Private placement loan notes	1,454.8	1,036.2	841.0
Private placement fees	(3.7)	(2.1)	(1.6)
Bond	270.1	-	-
Bank borrowings – revolving credit facility	319.6	265.8	287.6
Bank borrowings – term loan facility	152.0	307.8	296.3
Bank borrowings – acquisition facility	644.0	-	-
Bank loan and acquisition facility fees	(3.7)	(2.8)	(2.0)
Derivative assets associated with borrowings	(1.5)	-	-
Derivate liabilities associated with borrowings	2.2	-	-
<b>Net debt</b>	<b>2,713.0</b>	<b>1,566.4</b>	<b>1,373.1</b>
Undrawn portion of Revolving credit facility	535.4	634.2	567.4
Undrawn Term facilities agreement	-	150.0	-
Undrawn Acquisition Facility	947.4	-	-
<b>Unutilised committed facilities</b>	<b>1,482.8</b>	<b>784.2</b>	<b>567.4</b>
<b>Total committed facilities</b>	<b>4,195.8</b>	<b>2,350.6</b>	<b>1,940.5</b>

The principal financial covenant ratios under the private placement loan notes and Revolving Credit Facility are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. The ratio of net debt to EBITDA was 3.1 times (at 30 June 2017: 2.8 times, at 31 December 2017: 2.5 times) calculated as per our facility agreements (using average exchange rates and including a full year's trading for acquisitions). The ratio of EBITDA to net interest payable was 9.7 times (at 30 June 2017: 10.4 times, at 31 December 2017: 9.8 times).

At 30 June 2018, the Group had net pension liabilities of £13.2m, represented by a pension deficit of £17.9m and a pension surplus of £4.7m which related to one of the UBM pension schemes. The net pension liability remains manageable and relatively immaterial compared to the size of our balance sheet. All schemes are closed to future accrual and there were £0.9m of employer deficit payments in the 6 months ended 30 June 2018.

## CORPORATE DEVELOPMENT

The Group's primary focus through the first-half period was on completing the Offer for UBM plc, which was confirmed on 31 January and completed on 15 June 2018. Acquisition expenditure in the period relating to UBM was £497.6m, with a cash payment to UBM shareholders of £643.5m, less cash acquired of £145.9m. Total consideration was £4,190.1m, with the remaining £3,541.1m being satisfied through the issue of 427,536,794 shares in Informa PLC, at a price of £8.29 per share, and with £1.5m of deferred consideration relating to the expected cost to settle share save scheme awards that exercise at a date after the acquisition date.

Due to the proximity of the acquisition to the half year reporting date the acquisition intangibles acquired reflects a provisional estimate based on prior acquisitions by Informa and peers.

In addition to UBM, there were several other small acquisitions, taking total net cash spend on additions and disposals in the period to £534.1m (H1 2017: £158.5m), including acquisition expenditure of £519.0m (H1 2017: £140.9m), acquisition and integration costs of £19.9m (H1 2017: £22.2m), and disposal proceeds of £4.8m (H1 2017: proceeds of £4.6m).

Acquisitions included £9.5m (H1 2017: £13.0m) of expenditure on other intangible assets and £509.5m (H1 2017: £127.9m) on the addition of subsidiaries, net of cash acquired.

**NEW ACCOUNTING STANDARDS AND RESTATEMENT**

The new accounting standard, IFRS 16 *Leases* is effective for the 2019 financial year and the Group is in the process of assessing the impact of this standard and will provide details of the expected impact in the results for year ended 31 December 2018.

Following the adoption from 1 January 2018 of the new accounting standard, IFRS 15 *Revenue from Contracts with Customers*, the results for the 6 months ended 30 June 2017 and the year ended 31 December 2017 have been restated. The restatement impact is provided in Note 15 of the Condensed set of Financial Statements, with the H1 2017 Income Statement restated to reflect a reduction of revenue of £0.1m, profit before tax of £0.2m and profit after tax of £0.1m. The year ended 31 December 2017 Income Statement was restated to reflect a reduction in revenue of £0.8m, profit before tax of £0.6m and profit after tax of £0.5m.

The Group also adopted from 1 January 2018 IFRS 9 *Financial Instruments*. There was no material impact from the adoption of this standard and therefore no restatement required to previously reported results.

## Principal Risks and Uncertainties

The combination of the Informa and UBM businesses will require careful management, and at the 2018 half year, there is real focus on how we mitigate integration risk. The **Accelerated Integration Plan** is delivered by workstream leads and activities are overseen by an Integration Management Office (IMO) which is governed by a Steering Committee. Integration risks are tracked and mitigated by the workstream leads and progress is monitored through the IMO, with key risks reported to the Combination Steering Committee, which in turn reports to the Executive Management Team (EMT) and Board. We continue to recognise Acquisition and Integration risk as a principal risk.

Through the combination, the group's geographical reach spreads into emerging markets and new countries. Geopolitical and country risk is monitored closely but is not considered a principal risk to the group, because of the overall exposure to the US markets.

At half year 2018, the Group recognises 12 Principal Risks which have the potential to cause the most significant impact to Informa's strategic objectives, performance, future prospects and reputation. We will continue to scan for new and emerging risks, whether they arise from internal or external sources.

Regular analysis and scanning for emerging risks is embedded in our risk framework and processes to ensure that the principal risks are current and relevant to the group's objectives. There will be continued analysis across the combined group to understand how our risk profile may have changed through the combination.

The Principal Risks and Uncertainties affecting the business activities of the group were identified on pages 27-32 of the 2017 Annual Report (available on the Company's website at [www.informa.com](http://www.informa.com)).

These risks are summarised below (not in order of magnitude):

Risks relating to growth	Description
Economic instability	Changes in the wider economy affects customer budgets for travelling to events and discretionary spend on attending conferences. Downturns in commodity cycles may affect associated verticals. Political factors can also influence economic stability. Our global presence and expansion through combination with UBM enhances our resilience against economic downturn. Economic indicators relating to specific markets are considered in the strategic, planning and review processes.
Market risk	Customer demand for the Group's products and services is influenced by competition. The business may not be able to innovate at a pace that ensures that our products, services and brands remain relevant to customers. Market disruption such as artificial intelligence may increase risks or present opportunities. The combination with UBM offers greater opportunities in emerging markets, with associated risks and opportunities.
Acquisition and integration risk	Acquisitions may fail to deliver the expected benefits defined in the business case. This could arise if potential acquisitions are not evaluated accurately, there is a significant due diligence failure or acquisitions are integrated ineffectively. The combination with UBM is receiving significant focus in integration risk identification, mitigation and reporting. We acknowledge that the cultural integration can have its challenges and these are being proactively addressed.
Ineffective change management	As the Group grows through innovation and acquisition, it is necessary to change and assimilate new people, systems and ways of working. The breadth and pace of change can present strategic and operational challenges. Cultural change is a specific focus for 2018.
Reliance on key counterparties	The Group has key strategic partners who enable the delivery of its business objectives. The Group's aim is not to rely on individual partners, but in certain conditions, markets and geographies this can be unavoidable. Key counterparties will be reviewed in the second half of 2018 following the combination with UBM.

Technology failure	The Group relies on technology to deliver products and services, engage with customers and pay suppliers, without which it would experience severe disruption. This dependency is recognised in the risk of a major technology failure. We have developed technology vulnerability assessments which have defined processes and documentation.
Data loss & cyber breach	Major information security breach, loss of sensitive or valuable data, content or intellectual property are all considered risks. As cyber-attacks have become more frequent and sophisticated across the world, this risk threat has increased, and we rolled out training on cyber and data security globally in the first half of 2018 to strengthen our resilience.
<b>Risks related to people</b>	<b>Description</b>
Inability to attract and retain key talent	The inability to attract, recruit and retain colleagues, and inadequate succession planning at senior management levels. Creating a collaborative culture and recognising the value that all colleagues bring to the Group is a matter of significant importance for the management team and the Board, and will be a particular focus as we bring the legacy Informa and UBM businesses together. In addition, as a distinctive, people orientated business, we focus on the Colleague Value Proposition in each Division and we regularly review the proposition in terms of the relevant market and through colleague engagement.
Health and safety incident	A serious health and safety incident at or while travelling to an Informa event or office has the potential to cause physical harm to colleagues, customers and business partners. We continue to improve our health and safety standards across the group.
Major incident	A significant accident or event. Major incidents can result from several causes, including natural disasters, extreme weather events, disease, epidemics, civil unrest and terrorism. We have introduced a security risk assessment protocol and an on-going training programme is being rolled out to our colleagues to implement it.
<b>Risks relating to culture</b>	<b>Description</b>
Inadequate regulatory compliance	The risk that the Group may not comply with applicable regulations. We have a rolling programme of compliance risk mitigation.
Privacy regulation risk	The inability to comply with diverse tightening and growing global privacy legislation. Privacy regulations are regionally focused which presents further challenge for Informa as an international business. We continue to focus on protecting data and rolled out a group wide training module during the first half of the year.

## Going concern

The Directors confirm that, after making an assessment, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

To make the assessment, each principal risk was evaluated for the estimated financial impacts that could occur in a severe but plausible scenario, given the implemented mitigating controls. The three largest risks in terms of their financial impacts were then modelled against the latest business plan and forecasts. This process supports the view that for the period up to 31 December 2019, Informa is expected to be able to operate within the level of its current financing and meet its covenant requirements.

## Cautionary Statements

This interim management report contains certain forward-looking statements. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated. The terms 'expect', 'should be', 'will be' and similar expressions (or their negative) 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.

Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. These forward-looking statements speak only as of the date of this interim management report and are based on numerous assumptions regarding Informa's present and future business strategies and the environment in which Informa will operate in the future. 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 after the date of this announcement or to update or keep current any other information contained in this interim management report.

Nothing in this interim management report should be construed as a profit forecast. All persons, wherever located, should consult any additional disclosures that Informa may make in any regulatory announcements or documents which it publishes. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Informa PLC shares, in the UK, or in the US, or under the US Securities Act 1933 or in any other jurisdiction.

## Board of Directors

The Directors of Informa PLC are listed at [www.informa.com](http://www.informa.com).

# Responsibility Statement

We confirm that to the best of our knowledge:

- a) the Condensed set of Consolidated Financial Statements has been prepared in accordance with IAS 34 '*Interim Financial Reporting*' as adopted by the European Union;
- b) the Condensed set of Consolidated Financial Statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R; and
- c) the interim management report includes a fair review of the following information as required by DTR 4.2.7R;
  - i. an indication of important events that have occurred during the first six months of the financial year, and their impact on the Condensed set of Consolidated Financial Statements; and
  - ii. a description of the principal risks and uncertainties for the remaining six months of the year.
- d) the interim management report includes the following information as required by DTR 4.2.8R:
  - i. related-party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group in that period; and
  - ii. any changes in the related-party transactions described in the 2017 Annual Report that could have material effect on the financial position or performance of the Group in the current period.

By order of the Board

**Stephen A. Carter**  
Group Chief Executive

**Gareth Wright**  
Group Finance Director

24 July 2018

# Independent Review Report to Informa PLC

We have been engaged by the company to review the Condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, and related Notes 1 to 17. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed set of Consolidated Financial Statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

## **DIRECTORS' RESPONSIBILITIES**

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

## **OUR RESPONSIBILITY**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

## **SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

**Deloitte LLP**  
Statutory Auditor  
London, UK

24 July 2018

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2018

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6 months ended 30 June (unaudited)								Year ended 31 December 2017 (audited) <sup>1</sup>
		Adjusted results	Adjusting items	Statutory results	Adjusted results	Adjusting items	Statutory results	
	Notes	2018 £m	2018 £m	2018 £m	2017 <sup>1</sup> £m	2017 £m	2017 <sup>1</sup> £m	£m
Revenue	3	957.1	-	957.1	915.3	-	915.3	1,756.8
Net operating expenses		(662.8)	(142.8)	(805.6)	(630.6)	(102.9)	(733.5)	(1,412.1)
<b>Operating profit/(loss) before joint ventures and associate</b>		<b>294.3</b>	<b>(142.8)</b>	<b>151.5</b>	<b>284.7</b>	<b>(102.9)</b>	<b>181.8</b>	<b>344.7</b>
Share of results of joint ventures and associate		0.1	-	0.1	0.2	-	0.2	-
<b>Operating profit/(loss)</b>		<b>294.4</b>	<b>(142.8)</b>	<b>151.6</b>	<b>284.9</b>	<b>(102.9)</b>	<b>182.0</b>	<b>344.7</b>
Loss on disposal of subsidiaries and operations		-	(0.6)	(0.6)	-	(4.7)	(4.7)	(17.4)
Investment income	5	0.4	-	0.4	0.3	-	0.3	0.2
Finance costs	6	(30.1)	(1.0)	(31.1)	(29.0)	-	(29.0)	(59.3)
<b>Profit/(loss) before tax</b>		<b>264.7</b>	<b>(144.4)</b>	<b>120.3</b>	<b>256.2</b>	<b>(107.6)</b>	<b>148.6</b>	<b>268.2</b>
Tax (charge) / credit	7	(47.7)	22.0	(25.7)	(55.8)	25.7	(30.1)	45.0
<b>Profit/(loss) for the period</b>		<b>217.0</b>	<b>(122.4)</b>	<b>94.6</b>	<b>200.4</b>	<b>(81.9)</b>	<b>118.5</b>	<b>313.2</b>
<b>Attributable to:</b>								
Equity holders of the parent				88.9			116.1	310.8
Non-controlling interest				5.7			2.4	2.4
<b>Earnings per share</b>								
- Basic (p)	9	24.7		10.4	24.0		14.1	37.7
- Diluted (p)	9	24.6		10.4	24.0		14.1	37.6

<sup>1</sup>2017 restated for implementation of IFRS 15 (see Note 15)

All results relate to continuing operations. Adjusting items are detailed in Note 4.

The notes on pages 31 to 49 are an integral part of these Condensed Consolidated Financial Statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) <sup>1</sup> £m	Year ended 31 December 2017 (restated) <sup>1</sup> £m
<b>Profit for the period</b>	<b>94.6</b>	<b>118.5</b>	<b>313.2</b>
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Actuarial gain on defined benefit pension schemes	9.2	10.2	14.2
Tax relating to items that will not be reclassified to profit or loss	(2.5)	(2.3)	(4.2)
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>6.7</b>	<b>7.9</b>	<b>10.0</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Recycling of exchange gains arising on disposal of foreign operations	-	-	(3.7)
Exchange gain/(loss) on translation of foreign operations	136.9	(101.7)	(183.5)
Exchange (loss)/gain on net investment hedge debt	(39.1)	31.3	56.7
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>97.8</b>	<b>(70.4)</b>	<b>(130.5)</b>
<b>Other comprehensive income/(expense) for the period</b>	<b>104.5</b>	<b>(62.5)</b>	<b>(120.5)</b>
<b>Total comprehensive income for the period</b>	<b>199.1</b>	<b>56.0</b>	<b>192.7</b>
Total comprehensive income attributable to:			
– Equity holders of the parent	193.5	53.5	190.3
– Non-controlling interest	5.6	2.5	2.4

<sup>1</sup>2017 restated for implementation of IFRS 15 (see Note 15)

The notes on pages 31 to 49 are an integral part of these Condensed Consolidated Financial Statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018 (unaudited)

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings <sup>2</sup> £m	Total <sup>1 2</sup> £m	Non- controlling interest £m	Total equity <sup>2</sup> £m
<b>At 1 January 2018 as previously reported</b>	<b>0.8</b>	<b>905.3</b>	<b>(56.5)</b>	<b>(1,568.7)</b>	<b>2,938.5</b>	<b>2,219.4</b>	<b>11.3</b>	<b>2,230.7</b>
Restatement (Note 15)	-	-	-	-	(1.7)	(1.7)	-	(1.7)
<b>At 1 January 2018 restated</b>	<b>0.8</b>	<b>905.3</b>	<b>(56.5)</b>	<b>(1,568.7)</b>	<b>2,936.8</b>	<b>2,217.7</b>	<b>11.3</b>	<b>2,229.0</b>
Profit for the period	-	-	-	-	88.9	88.9	5.7	94.6
Exchange gain on translation of foreign operations	-	-	136.9	-	-	136.9	(0.1)	136.8
Exchange loss on net investment hedge debt	-	-	(39.1)	-	-	(39.1)	-	(39.1)
Actuarial gain on defined benefit pension schemes	-	-	-	-	9.2	9.2	-	9.2
Tax relating to components of other comprehensive income	-	-	-	-	(2.5)	(2.5)	-	(2.5)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>97.8</b>	<b>-</b>	<b>95.6</b>	<b>193.4</b>	<b>5.6</b>	<b>199.0</b>
Dividends to shareholders	-	-	-	-	(113.6)	(113.6)	-	(113.6)
Dividend to Non-controlling interests	-	-	-	-	-	-	(2.1)	(2.1)
Share award expense	-	-	-	2.4	-	2.4	-	2.4
Own shares purchased	-	-	-	(3.0)	-	(3.0)	-	(3.0)
Transfer of vested LTIPs	-	-	-	(3.9)	3.9	-	-	-
Issue of shares associated with UBM acquisition (Note 10)	0.5	-	-	3,544.6	-	3,545.1	-	3,545.1
UBM acquisition of non-controlling interest and put option (Note 13)	-	-	-	(6.6)	-	(6.6)	32.9	26.3
<b>At 30 June 2018</b>	<b>1.3</b>	<b>905.3</b>	<b>41.3</b>	<b>1,964.8</b>	<b>2,922.7</b>	<b>5,835.4</b>	<b>47.7</b>	<b>5,883.1</b>

<sup>1</sup> Total attributable to equity holders of the parent,<sup>2</sup> 1 January 2018 restated for implementation of IFRS 15 (see Note 15)

The notes on pages 31 to 49 are an integral part of these Condensed Consolidated Financial Statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2017 (unaudited)

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings <sup>2</sup> £m	Total <sup>1, 2</sup> £m	Non- controllin g interest £m	Total equity <sup>2</sup> £m
<b>At 1 January 2017 as previously reported</b>	0.8	905.3	74.0	(1,570.8)	2,777.3	2,186.6	1.2	2,187.8
Restatement (Note 15)	-	-	-	-	(1.2)	(1.2)	-	(1.2)
<b>At 1 January 2017 restated</b>	0.8	905.3	74.0	(1,570.8)	2,776.1	2,185.4	1.2	2,186.6
Profit for the period	-	-	-	-	116.1	116.1	2.4	118.5
Exchange loss on translation of foreign operations	-	-	(101.8)	-	-	(101.8)	0.1	(101.7)
Exchange gain on net investment hedge debt	-	-	31.3	-	-	31.3	-	31.3
Actuarial gain on defined benefit pension schemes	-	-	-	-	10.2	10.2	-	10.2
Tax relating to components of other comprehensive income	-	-	-	-	(2.3)	(2.3)	-	(2.3)
<b>Total comprehensive income for the period</b>	-	-	(70.5)	-	124.0	53.5	2.5	56.0
Dividends to shareholders	-	-	-	-	(107.4)	(107.4)	-	(107.4)
Dividend to Non-controlling interests	-	-	-	-	-	-	(2.0)	(2.0)
Share award expense	-	-	-	2.4	-	2.4	-	2.4
Own shares purchased	-	-	-	(0.4)	-	(0.4)	-	(0.4)
Transfer of vested LTIPs	-	-	-	(0.9)	0.9	-	-	-
<b>At 30 June 2017</b>	0.8	905.3	3.5	(1,569.7)	2,793.6	2,133.5	1.7	2,135.2

<sup>1</sup> Total attributable to equity holders of the parent<sup>2</sup> 2017 restated for implementation of IFRS 15 (see Note 15)

The notes on pages 31 to 49 are an integral part of these Condensed Consolidated Financial Statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the twelve months ended 31 December 2017 (audited)

	Share capital £m	Share premium account £m	Translation reserve <sup>2</sup> £m	Other reserves £m	Retained earnings <sup>2</sup> £m	Total <sup>1,2</sup> £m	Non- controlling interest £m	Total equity <sup>2</sup> £m
<b>At 1 January 2017 as previously reported</b>	0.8	905.3	74.0	(1,570.8)	2,777.3	2,186.6	1.2	2,187.8
Restatement (Note 15)	-	-	-	-	(1.2)	(1.2)	-	(1.2)
<b>At 1 January 2017 restated</b>	0.8	905.3	74.0	(1,570.8)	2,776.1	2,185.4	1.2	2,186.6
Profit for the year	-	-	-	-	310.8	310.8	2.4	313.2
Recycling of exchange gains arising on disposal of foreign operations	-	-	(3.7)	-	-	(3.7)	-	(3.7)
Exchange loss on translation of foreign operations	-	-	(183.5)	-	-	(183.5)	-	(183.5)
Exchange gain on net investment hedge debt	-	-	56.7	-	-	56.7	-	56.7
Actuarial gain on defined benefit pension schemes	-	-	-	-	14.2	14.2	-	14.2
Tax relating to components of other comprehensive income	-	-	-	-	(4.2)	(4.2)	-	(4.2)
<b>Total comprehensive income for the year</b>	-	-	(130.5)	-	320.8	190.3	2.4	192.7
Dividends to shareholders	-	-	-	-	(162.2)	(162.2)	-	(162.2)
Dividends to non-controlling interests	-	-	-	-	-	-	(2.0)	(2.0)
Share award expense	-	-	-	5.4	-	5.4	-	5.4
Own shares purchased	-	-	-	(0.9)	-	(0.9)	-	(0.9)
Transfer of vested LTIPs	-	-	-	(2.1)	2.1	-	-	-
NCI arising from purchase of subsidiary	-	-	-	-	-	-	(1.1)	(1.1)
Adjustment to NCI arising from exercise of put option	-	-	-	0.1	-	0.1	-	0.1
NCI adjustment arising from disposal	-	-	-	(0.4)	-	(0.4)	10.8	10.4
<b>At 31 December 2017</b>	0.8	905.3	(56.5)	(1,568.7)	2,936.8	2,217.7	11.3	2,229.0

<sup>1</sup> Total attributable to equity holders of the parent<sup>2</sup> 2017 restated for implementation of IFRS 15 (see Note 15)

The notes on pages 31 to 49 are an integral part of these Condensed Consolidated Financial Statements.

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2018

		30 June 2018 (unaudited) £m	30 June 2017 <sup>1</sup> (unaudited) £m	31 December 2017 <sup>1</sup> (audited) £m
Notes				
<b>Non-current assets</b>				
Goodwill		5,851.0	2,660.1	2,608.2
Other intangible assets		4,239.7	1,761.7	1,701.4
Property and equipment		83.0	25.9	31.8
Investments in joint ventures and associate		18.6	1.6	1.5
Other investments		4.6	1.6	4.6
Deferred tax assets		109.5	11.7	9.0
Retirement benefit surplus		4.7	-	-
Other receivables		7.0	0.4	0.1
Derivative financial instruments		1.5	-	-
		10,319.6	4,463.0	4,356.6
<b>Current assets</b>				
Inventory		57.2	53.1	54.1
Trade and other receivables		557.3	285.7	326.1
Current tax asset		25.3	31.1	25.4
Cash at bank and in hand	11	131.5	43.5	54.9
Derivative financial instruments		0.2	-	-
Assets classified as held for sale		-	21.4	-
		771.5	434.8	460.5
<b>Total assets</b>		<b>11,091.1</b>	<b>4,897.8</b>	<b>4,817.1</b>
<b>Current liabilities</b>				
Borrowings	12	(448.8)	(475.1)	(303.0)
Current tax liabilities		(96.3)	(29.5)	(29.9)
Provisions		(24.1)	(18.3)	(25.1)
Trade and other payables		(484.3)	(242.4)	(296.6)
Deferred income		(784.0)	(400.7)	(462.5)
Derivative financial instruments		(15.4)	-	-
Liabilities directly associated with assets classified as held for sale		-	(17.6)	-
		(1,852.9)	(1,183.6)	(1,117.1)
<b>Non-current liabilities</b>				
Borrowings	12	(2,395.0)	(1,134.8)	(1,125.0)
Derivative financial instruments		(4.4)	-	-
Deferred tax liabilities		(835.8)	(355.9)	(251.6)
Retirement benefit obligation		(17.9)	(27.6)	(23.6)
Provisions		(40.2)	(25.3)	(33.0)
Non-current tax liabilities		(11.1)	(8.3)	(11.1)
Trade and other payables		(50.7)	(27.1)	(26.7)
		(3,355.1)	(1,579.0)	(1,471.0)
<b>Total liabilities</b>		<b>(5,208.0)</b>	<b>(2,762.6)</b>	<b>(2,588.1)</b>
<b>Net assets</b>		<b>5,883.1</b>	<b>2,135.2</b>	<b>2,229.0</b>
<b>Equity</b>				
Share capital	10	1.3	0.8	0.8
Share premium account		905.3	905.3	905.3
Translation reserve		41.3	3.5	(56.5)
Other reserves		1,964.8	(1,569.7)	(1,568.7)
Retained earnings		2,922.7	2,793.6	2,936.8
Equity attributable to equity holders of the parent		5,835.4	2,133.5	2,217.7
Non-controlling interest		47.7	1.7	11.3
<b>Total equity</b>		<b>5,883.1</b>	<b>2,135.2</b>	<b>2,229.0</b>

<sup>1</sup> 2017 restated for implementation of IFRS 15 (see Note 15)

The notes on pages 31 to 49 are an integral part of these Condensed Consolidated Financial Statements.  
The Board of Directors approved these Condensed Consolidated Financial Statements on 24 July 2018.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2018

	Notes	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) £m	Year ended 31 December 2017 (audited) £m
<b>Operating activities</b>				
Cash generated by operations	11	175.6	184.1	531.2
Income taxes paid		(26.5)	(29.0)	(45.3)
Interest paid		(21.5)	(22.8)	(52.0)
<b>Net cash inflow from operating activities</b>		<b>127.6</b>	<b>132.3</b>	<b>433.9</b>
<b>Investing activities</b>				
Interest received		0.5	0.3	0.2
Purchase of property and equipment		(15.2)	(5.5)	(14.7)
Proceeds on disposal of property and equipment		-	0.4	1.0
Purchase of intangible software assets		(12.0)	(28.9)	(52.2)
Product development cost additions		(1.4)	(7.0)	(13.1)
Purchase of intangibles related to titles, brands and customer relationships		(9.5)	(13.0)	(30.7)
Proceeds on disposal of other intangible assets				5.2
Acquisition of subsidiaries and operations, net of cash acquired		(509.5)	(127.9)	(193.2)
Acquisition of investment		-	-	(0.5)
Cash inflow on disposal of subsidiaries and operations		8.2	4.4	14.4
(Cash outflow)/proceeds from disposal of other intangible assets		(3.4)	0.2	-
<b>Net cash outflow from investing activities</b>		<b>(542.3)</b>	<b>(177.0)</b>	<b>(283.6)</b>
<b>Financing activities</b>				
Dividends paid to shareholders	8	(113.7)	(106.7)	(162.0)
Dividends paid to non-controlling interests		(2.1)	(2.0)	(2.0)
Dividend paid in settlement of UBM acquisition liability		(59.8)	-	-
Repayment of loans		(610.2)	(1,062.5)	(1,292.1)
New loan advances		982.5	1,217.2	1,070.8
Repayment of private placement borrowings		-	-	(159.7)
New private placement borrowings		296.3	-	406.4
Borrowing fees paid		(3.0)	(0.9)	(0.7)
Cash inflow on other loans		-	0.2	0.2
Cash outflow from the purchase of share capital		(3.0)	(0.4)	(0.9)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>487.0</b>	<b>44.9</b>	<b>(140.0)</b>
<b>Net increase in cash and cash equivalents (including cash acquired)</b>		<b>72.3</b>	<b>0.2</b>	<b>10.3</b>
Effect of foreign exchange rate changes		0.3	(1.9)	(2.3)
Cash and cash equivalents at beginning of the year		48.2	40.2	40.2
<b>Cash and cash equivalents at end of period</b>	11	<b>120.8</b>	<b>38.5</b>	<b>48.2</b>

The notes on pages 31 to 49 are an integral part of these Condensed Consolidated Financial Statements.

## RECONCILIATION OF MOVEMENT IN NET DEBT

For the six months ended 30 June 2018

		6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) £m	Year ended 31 December 2017 (audited) £m
	Notes			
Increase in cash and cash equivalents in the period (including cash acquired)		72.3	0.2	10.3
Cash flows from net draw-down of borrowings		(665.6)	(154.0)	(24.9)
<b>Change in net debt resulting from cash flows</b> (including cash acquired)	11	<b>(593.3)</b>	<b>(153.8)</b>	<b>(14.6)</b>
Non-cash movements including foreign exchange	11	<b>(44.0)</b>	72.8	126.9
Borrowings acquired with UBM plc, including derivative assets and liabilities associated with borrowings	11	<b>(702.6)</b>	-	-
<b>Movement in net debt in the period</b>		<b>(1,339.9)</b>	<b>(81.0)</b>	<b>112.3</b>
Net debt at beginning of the period	11	<b>(1,373.1)</b>	(1,485.4)	(1,485.4)
<b>Net debt at end of the period</b>	11	<b>(2,713.0)</b>	<b>(1,566.4)</b>	<b>(1,373.1)</b>

The notes on pages 31 to 49 are an integral part of these Condensed Consolidated Financial Statements.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2018

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Informa PLC (the 'Company') is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales with registration number 08860726. The address of the registered office is 5 Howick Place, London, SW1P 1WG.

The unaudited Condensed set of Consolidated Financial Statements as at 30 June 2018 and for the six months then ended comprise those of the Company and its subsidiaries and its interests in joint ventures and associate (together referred to as the 'Group').

These Condensed set of Consolidated Financial Statements were approved for issue by the Board of directors on 24 July 2018 and have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, as adopted by the European Union.

The Condensed set of Consolidated Financial Statements has been prepared on a going concern basis, as outlined on page 20, and does not constitute the Group's statutory financial statements within the meaning of section 434 of the Companies Act 2006. The Condensed set of Consolidated Financial Statements should be read in conjunction with the Annual Report and audited Financial Statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Group's most recent statutory financial statements, which comprise the Annual Report and audited Financial Statements for the year ended 31 December 2017, were approved by the Directors on 28 February 2018 and delivered to the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498 of the Companies Act 2006. The Consolidated Financial Statements of the Group as at, and for the year ended, 31 December 2017 is available upon request from the Company's registered office at 5 Howick Place, London, SW1P 1WG, United Kingdom or at [www.informa.com](http://www.informa.com).

## 2. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgements and key sources of estimation adopted in the preparation of the Condensed set of Consolidated Financial Statements are consistent with those applied by the Group in its Consolidated Financial Statements for the year ended 31 December 2017 except for the adoption of new standards and interpretations effective as of 1 January 2018 listed below.

- IFRS 9 *Financial Instruments*;
- IFRS 15 *Revenue from Contracts with Customers*;
- Amendments to IFRS 4: *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*;
- Interpretation IFRIC 22: *Foreign Currency Transactions and Advance Consideration*;
- Amendments to IAS 40: *Transfer of Investment Property*;
- Amendments to IFRS 2: *Classification and Measurement of Share-based Payment Transactions*;
- Annual improvements to IFRS Standards 2014-2016 Cycle (certain items effective from 1 January 2017).

Except for the adoption of IFRS 15, the adoption of these standards and interpretations has not led to any changes to the Group's accounting policies or had any other material impact on the financial position or performance of the group. Other amendments to IFRSs effective for the period ending 30 June 2018 have no impact on the group.

The preparation of the Condensed set of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

## 2. ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

In preparing these Condensed Consolidated Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2017.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 provides a single, principles based five-step model to be applied to all sales contracts. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods, services and construction contracts previously included in IAS 11 Construction Contracts and IAS 18 Revenue. The major change is the requirement to identify and assess the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

Following an assessment of the financial impact of the changes required from the adoption of this new standard, there is no material change to the Consolidated Income Statement of the Group. The change only affects the recognition of consultancy revenue within the Business Intelligence division, where we are no longer able to recognise revenue over the course of a contract, but instead must recognise revenue once consultancy performance obligations have been delivered.

The Consolidated Balance Sheet has been adjusted by the requirement to net down deferred income against trade receivables for amounts that have been invoiced but are not yet due. This balance sheet adjustment has not affected the net assets of the Group.

The Group has adopted IFRS 15 on 1 January 2018 using the 'full' retrospective approach. As a result, the prior period results have been restated as detailed in Note 15.

### **Revenue**

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns and cancellations.

Subscription income for online services, information and journals is normally received in advance and is therefore deferred and recognised over-time as the performance obligations are satisfied over the term of the subscription.

Unit sales revenue is recognised on the sale of books and related publications once control has passed to the customer, depending on the terms of the sales agreement. Academic Publishing has both payments in advance and after sale.

Marketing and advertising services revenues are recognised on issue of the related publication or over the period of the advertising subscription or over the period when the marketing service is provided. Payment is normally received in advance and is therefore deferred and recognised over-time as the performance obligations are satisfied over the term of the contract.

Revenue from exhibitions, tradeshow, conferences and learning events, together with attendee fees and event sponsorship, is recognised when the event is held. Customers are required to pay in advance before commencement of the event, and these advance receipts are recognised as deferred income on the balance sheet from the point at which they become due.

Revenue relating to barter transactions is recorded at fair value and recognised in accordance with the Group's revenue recognition policies. Expenses from barter transactions are recorded at fair value and recognised as incurred. Barter transactions typically involve the trading of advertisements and trade show space in exchange for services provided at events.

## 2. ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### Financial risk management and financial instruments

The Group has exposure to the following risks from its use of financial instruments:

- Capital risk management
- Market risk
- Credit risk
- Liquidity risk

The Condensed set of Consolidated Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual statutory Financial Statements as at 31 December 2017.

There have been no material changes in the risk management policies or the principal risks and uncertainties affecting the business activities since the 31 December 2017.

### 3. BUSINESS SEGMENTS

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

The Group's five identified reporting segments under IFRS 8 *Operating Segments* are described in the Operational Review and include UBM as a separate segment (see Note 13).

The results of the Group's **Global Exhibitions** and **Knowledge & Networking** Divisions are impacted by the seasonality of exhibitions and conferences held in each accounting period.

#### Segment revenue and results

6 months ended 30 June 2018 (unaudited):

	AP £m	BI £m	GE £m	K&N £m	UBM <sup>2</sup> £m	Total £m
<b>Revenue</b>	<b>238.5</b>	<b>180.3</b>	<b>343.1</b>	<b>126.2</b>	<b>69.0</b>	<b>957.1</b>
Adjusted operating profit before joint ventures and associate	79.8	33.2	140.5	12.8	28.0	294.3
Share of adjusted results of joint ventures and associate	-	-	(0.1)	0.1	0.1	0.1
<b>Adjusted operating profit</b>	<b>79.8</b>	<b>33.2</b>	<b>140.4</b>	<b>12.9</b>	<b>28.1</b>	<b>294.4</b>
Intangible asset amortisation (Note 4) <sup>1</sup>	(25.1)	(10.9)	(32.4)	(7.8)	(5.1)	(81.3)
Acquisition and integration costs (Note 4)	(0.1)	(0.9)	(1.8)	(0.6)	(48.8)	(52.2)
Restructuring and reorganisation costs (Note 4)	(5.9)	(3.4)	(0.3)	-	(0.5)	(10.1)
Subsequent re-measurement of contingent consideration	-	2.3	1.2	(2.7)	-	0.8
<b>Operating profit</b>	<b>48.7</b>	<b>20.3</b>	<b>107.1</b>	<b>1.8</b>	<b>(26.3)</b>	<b>151.6</b>
Loss on disposal of businesses						(0.6)
Investment income						0.4
Finance costs						(31.1)
<b>Profit before tax</b>						<b>120.3</b>

<sup>1</sup> Excludes acquired intangible product development and software amortisation.

<sup>2</sup> UBM segment results are for the post-acquisition period to 30 June 2018 (see Note 13) and include acquisition and integration costs of £48.8m which have been attributed to this segment.

6 months ended 30 June 2017 (unaudited):

	AP £m	BI £m <sup>1</sup>	GE £m	K&N £m	Total £m <sup>1</sup>
<b>Revenue</b>	238.9	187.5	342.8	146.1	915.3
Adjusted operating profit before joint ventures and associate	85.5	37.3	144.8	17.1	284.7
Share of adjusted results of joint ventures and associate	–	–	–	0.2	0.2
<b>Adjusted operating profit</b>	85.5	37.3	144.8	17.3	284.9
Intangible asset amortisation <sup>2</sup>	(25.2)	(12.4)	(32.7)	(9.1)	(79.4)
Impairment of goodwill and intangible assets	(2.0)	(0.8)	–	–	(2.8)
Acquisition and integration costs	(0.2)	(1.9)	(9.4)	(0.6)	(12.1)
Restructuring and reorganisation costs	–	(4.0)	(1.8)	(2.8)	(8.6)
Subsequent re-measurement of contingent consideration	–	–	–	–	–
<b>Operating profit</b>	58.1	18.2	100.9	4.8	182.0
Loss on disposal of businesses					(4.7)
Investment income					0.3
Finance costs					(29.0)
<b>Profit before tax</b>					148.6

<sup>1</sup> 2017 restated for implementation of IFRS 15 (see Note 15)

<sup>2</sup> Excludes acquired intangible product development and software amortisation.

Year ended 31 December 2017 (audited):

	AP £m	BI £m <sup>1</sup>	GE £m	K&N £m	Total £m <sup>1</sup>
<b>Revenue</b>	530.0	383.4	560.4	283.0	1,756.8
Adjusted operating profit before joint ventures and associate	208.0	91.6	201.4	43.9	544.9
Share of adjusted results of joint ventures and associate	–	–	–	–	–
<b>Adjusted operating profit</b>	208.0	91.6	201.4	43.9	544.9
Intangible asset amortisation <sup>2</sup>	(50.1)	(24.0)	(66.7)	(17.0)	(157.8)
Impairment	(2.0)	(3.2)	(0.4)	–	(5.6)
Acquisition and integration costs	(1.5)	(10.2)	(6.7)	(5.6)	(24.0)
Restructuring and reorganisation costs	(0.3)	(7.0)	(1.2)	(4.4)	(12.9)
Subsequent re-measurement of contingent consideration	–	–	(0.2)	0.3	0.1
<b>Operating profit/(loss)</b>	154.1	47.2	126.2	17.2	344.7
Loss on disposal of businesses					(17.4)
Investment income					0.2
Finance costs					(59.3)
<b>Profit before tax</b>					268.2

<sup>1</sup> 2017 restated for implementation of IFRS 15 (see Note 15)

<sup>2</sup> Excludes acquired intangible product development and software amortisation.

### 3. BUSINESS SEGMENTS (CONTINUED)

#### Segment revenue by type

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

	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 <sup>5</sup> (unaudited) £m
<b>Academic Publishing</b>		
Subscriptions <sup>1</sup>	133.0	134.3
Unit sales <sup>2</sup>	105.5	104.6
Total Academic Publishing	238.5	238.9
<b>Business Intelligence</b>		
Subscriptions <sup>1</sup>	138.9	147.1
Unit sales <sup>2</sup>	18.5	16.2
Marketing and Advertising services <sup>3</sup>	22.9	24.2
Total Business Intelligence	180.3	187.5
<b>Global Exhibitions</b>		
Exhibitor <sup>4</sup>	259.5	249.6
Attendee <sup>4</sup>	37.6	36.6
Sponsorship <sup>4</sup>	22.6	28.9
Marketing and Advertising services <sup>3</sup>	23.4	27.7
Total Global Exhibitions	343.1	342.8
<b>Knowledge &amp; Networking</b>		
Exhibitor <sup>4</sup>	19.8	33.9
Attendee <sup>4</sup>	54.3	67.2
Sponsorship <sup>4</sup>	42.8	33.0
Marketing and Advertising services <sup>3</sup>	9.3	12.0
Total Knowledge & Networking	126.2	146.1
<b>UBM</b>		-
Exhibitor <sup>4</sup>	59.6	-
Attendee <sup>4</sup>	1.6	-
Sponsorship <sup>4</sup>	1.4	-
Marketing and Advertising services <sup>3</sup>	6.4	-
Total UBM	69.0	-
<b>Total revenue</b>	<b>957.1</b>	<b>915.3</b>

<sup>1</sup> Subscription income for online services, information and journals is normally received in advance and is therefore deferred and recognised over-time as the performance obligations are satisfied over the term of the subscription.

<sup>2</sup> Unit sales revenue is recognised on the sale of books and related publications once control has passed to the customer, depending on the terms of the sales agreement. Academic Publishing has both payments in advance and after sale.

<sup>3</sup> Marketing and advertising services revenues are recognised on issue of the related publication or over the period of the advertising subscription or over the period when the marketing service is provided. Payment is normally received in advance and is therefore deferred and recognised over-time as the performance obligations are satisfied over the term of the contract.

<sup>4</sup> Revenue from exhibitions, tradeshows, conferences and learning events, together with attendee fees and event sponsorship, is recognised when the event is held. Customers are required to pay in advance before commencement of the event, these advance receipts are recognised as deferred income on the balance sheet from the point at which they become due.

<sup>5</sup> 2017 restated for implementation of IFRS 15 (see Note 15)

#### 4. ADJUSTING ITEMS

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

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

	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) £m	Year ended 31 December 2017 (audited) £m
Intangible amortisation and impairment			
Intangible asset amortisation	81.3	79.4	157.8
Impairment - goodwill	-	0.8	3.4
Impairment - other intangible asset	-	2.0	2.2
Acquisition and integration costs	52.2	12.1	24.0
Restructuring and reorganisation costs			
Redundancy and reorganisation costs	7.3	2.5	6.7
Vacant property costs	2.8	6.1	6.2
Subsequent re-measurement of contingent consideration	(0.8)	-	(0.1)
<b>Adjusting items in operating profit</b>	<b>142.8</b>	<b>102.9</b>	<b>200.2</b>
Loss on disposal of subsidiaries and operations	0.6	4.7	17.4
Finance costs	1.0	-	-
<b>Adjusting items in profit before tax</b>	<b>144.4</b>	<b>107.6</b>	<b>217.6</b>
Tax related to adjusting items	(22.0)	(25.7)	(62.6)
Tax adjusting item for US federal reform	-	-	(85.4)
<b>Adjusting items in profit for the period</b>	<b>122.4</b>	<b>81.9</b>	<b>69.6</b>

The principal adjustments made are in respect of:

- Intangible asset amortisation – the amortisation charge in respect of intangible assets acquired through business combinations or the acquisition of trade and assets is excluded from adjusted results as they do not relate to underlying trading;
- Impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. Impairment charges are individually disclosed and are excluded from adjusted results as they do not relate to underlying trading;
- Acquisition and integration costs – the costs incurred by the Group in acquiring and integrating share and asset acquisitions. Acquisition costs totalled £43.2m and integration costs totalled £9.0m, with £42.8m of acquisition costs and £6.0m of integration costs relating to the UBM plc acquisition;
- Restructuring and reorganisation costs – these costs are incurred by the Group in business restructuring and aligning to the operating model. These include vacant property costs arising from restructuring activities;
- Subsequent re-measurement of contingent consideration is recognised in the period as a charge or credit to the consolidated Income Statement unless these qualify as measurement period adjustments arising within one year from the acquisition date. They are excluded from adjusted results as they do not relate to underlying trading;
- Loss on disposal of subsidiaries and operations – the loss on disposal in the period relates to a payment to finalise the working capital in relation to the prior year disposal of Euroforum; and
- The tax items relate to the tax effect on the items above.

## 5. INVESTMENT INCOME

	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) £m	Year ended 31 December 2017 (audited) £m
Investment income:			
Interest income on bank deposits	0.4	0.3	0.2
	0.4	0.3	0.2

## 6. FINANCE COSTS

	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) £m	Year ended 31 December 2017 (audited) £m
Interest expense on financial liabilities measured at amortised cost	29.6	28.3	58.1
Interest cost on pension scheme net liabilities	0.5	0.6	1.1
Total interest expense	30.1	28.9	59.2
Fair value loss on financial instruments through the income statement	–	0.1	0.1
<b>Adjusted finance costs</b>	<b>30.1</b>	<b>29.0</b>	<b>59.3</b>
Adjusting item: interest expense	1.0	–	–
	31.1	29.0	59.3

The adjusting item for interest expense of £1.0m relates to the amortisation of the balance of deferred finance costs associated with the UBM-related RCF facility that was repaid in June 2018 following the acquisition of UBM plc.

## 7. TAXATION

The tax charge comprises:

	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) <sup>1</sup> £m	Year ended 31 December 2017 (audited) £m
Current tax	27.2	26.6	50.8
Deferred tax	(1.5)	3.5	(95.8)
<b>Total tax charge/(credit) on profit on ordinary activities</b>	<b>25.7</b>	<b>30.1</b>	<b>(45.0)</b>

<sup>1</sup> 2017 restated for implementation of IFRS 15 (see Note 15)

The blended adjusted tax rate was 18.0% (30 June 2017: 21.8%, 31 December 2017: 21.2%). The charge has been accrued for the period using two separate tax rates. For the legacy Informa group, the tax charge has been accrued using the estimated average annual effective tax rate of 17.85% as applied to the adjusted profit before tax for the half year. For the legacy UBM group, the tax charge has been accrued using an effective tax rate of 19.66% as applied to the adjusted profit before tax for the period 16 June 2018 to 30 June 2018.

## 8. DIVIDENDS

	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) £m	Year ended 31 December 2017 (audited) £m
<b>Amounts recognised as distributions to equity holders in the period:</b>			
Final dividend for 2016 of 13.04p per share	–	107.4	107.4
Interim dividend for 2017 of 6.65p per share	–	–	54.8
Final dividend for 2017 of 13.80p per share	113.6	–	–
	<b>113.6</b>	<b>107.4</b>	<b>162.2</b>
<b>Proposed (not recognised as a liability at the end of the period)</b>			
Interim dividend for 2017 of 6.65p per share	–	54.8	–
Final dividend for 2017 of 13.80p per share	–	–	113.7
Interim dividend for 2018 of 7.05p per share	88.2	–	–

As at 30 June 2018 £0.1m (30 June 2017: £0.8m and 31 December 2017: £0.2m) of dividends are still to be paid.

The proposed interim dividend for the six months ended 30 June 2018 of 7.05 pence per share amounting to approximately £88.2m has been approved by the Board and will be paid on 14 September 2018 to ordinary shareholders registered as at the close of business on 10 August 2018. This has not been included as a liability as at 30 June 2018.

## 9. EARNINGS PER SHARE (EPS)

### Basic EPS

The basic earnings per share (EPS) calculation is based on a profit attributable to equity Shareholders of the parent of £88.9m (30 June 2017: £116.1m and 31 December 2017: £310.8m). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those shares held by the Employee Share Trust and ShareMatch) which is 853,933,815 (30 June 2017: 823,340,602 and 31 December 2017: 823,352,304).

### Diluted EPS

The diluted EPS calculation is based on the basic EPS 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 857,386,872 (30 June 2017: 825,989,394 and 31 December 2017: 826,146,627).

The table below sets out the adjustment in respect of dilutive potential Ordinary Shares:

	6 months ended 30 June 2018 (unaudited)	6 months ended 30 June 2017 (unaudited)	Year ended 31 December 2017 (audited)
Weighted average number of shares used in basic EPS calculation	853,933,815	823,340,602	823,352,304
Effect of dilutive potential ordinary shares	3,453,057	2,648,792	2,794,323
Weighted average number of shares used in diluted EPS calculation	857,386,872	825,989,394	826,146,627

### Earnings per share:

	6 months ended 30 June 2018 (unaudited)		6 months ended 30 June 2017 (unaudited)		Year ended 31 December 2017 (audited)	
	Earnings £m	Per share amount Pence	Earnings <sup>1</sup> £m	Per share amount Pence	Earnings <sup>1</sup> £m	Per share amount Pence
<b>Profit for the period</b>	94.6	11.1	118.5		313.2	
Non-controlling interest	(5.7)	(0.7)	(2.4)		(2.4)	
<b>Earnings for the purpose of statutory basic EPS/ statutory basic EPS (p)</b>	88.9	10.4	116.1	14.1	310.8	37.7
Effect of dilutive potential ordinary shares	-		-	-	-	(0.1)
<b>Earnings for the purpose of statutory diluted EPS/ diluted EPS (p)</b>	88.9	10.4	116.1	14.1	310.8	37.6

<sup>1</sup> Earnings 2017 restated for implementation of IFRS 15 (see Note 15)

## 9. EARNINGS PER SHARE (EPS) (CONTINUED)

### Adjusted EPS

The basic and diluted adjusted EPS calculations have been made to provide additional useful information on the underlying performance. Profits are based on operations attributable to equity Shareholders and are adjusted to exclude items that in the opinion of the Directors would distort underlying results, with those items detailed in Note 4.

Adjusted earnings per share:	6 months ended 30 June 2018 (unaudited)		6 months ended 30 June 2017 <sup>1</sup> (unaudited)		Year ended 31 December 2017 (audited)	
	Earnings £m	Per share amount Pence	Earnings <sup>1</sup> £m	Per share amount Pence	Earnings <sup>1</sup> £m	Per share amount Pence
<b>Earnings for the purpose of basic EPS/ statutory basic EPS (p)</b>	<b>88.9</b>	<b>10.4</b>	116.1	14.1	310.8	37.7
Adjusting items:						
Intangible amortisation and impairment	81.3	9.5	82.2	10.0	163.4	19.8
Acquisition and integration costs	52.2	6.1	12.1	1.4	24.0	2.9
Redundancy and restructuring costs	10.1	1.2	8.6	1.0	12.9	1.6
Subsequent re-measurement of contingent consideration	(0.8)	(0.1)	-	-	(0.1)	-
Loss on disposal of subsidiaries and operations	0.6	0.1	4.7	0.6	17.4	2.2
Investment costs	1.0	0.1	-	-	-	-
Tax related to adjusting items	(22.0)	(2.6)	(25.7)	(3.1)	(62.6)	(7.6)
Tax adjusting item for US federal tax reform	-	-	-	-	(85.4)	(10.4)
<b>Earnings for the purpose of adjusted basic EPS/ adjusted basic EPS (p)</b>	<b>211.3</b>	<b>24.7</b>	198.0	24.0	380.4	46.2
Effect of dilutive potential ordinary shares	-	(0.1)	-	-	-	(0.2)
<b>Earnings for the purpose of adjusted diluted EPS/ adjusted diluted EPS (p)</b>	<b>211.3</b>	<b>24.6</b>	198.0	24.0	380.4	46.0

<sup>1</sup> Earnings and Earnings per share for 2017 restated for implementation of IFRS 15 (see Note 15)

## 10. CAPITAL AND RESERVES

Share capital as at 30 June 2018 amounted to £1.3m (30 June 2017: £0.8m; 31 December 2017: £0.8m). There were 427,536,794 shares issued on 18 June 2018 in connection with the acquisition of UBM plc, which at the acquisition date closing share price of £8.29 resulted in an increase in share capital of £0.5m and in the Merger reserve of £3,544.6m.

	6 months ended 30 June 2018 (unaudited) Number of shares	6 months ended 30 June 2017 (unaudited) Number of shares	Year ended 31 December 2017 (audited) Number of shares
At 1 January	824,005,051	824,005,051	824,005,051
Issue of new shares as consideration for the acquisition of UBM plc	427,536,794	–	–
At 30 June / 31 December	1,251,541,845	824,005,051	824,005,051

As at 30 June 2018 the Informa Employee Share Trust held 564,091 (30 June 2017: 407,126; 31 December 2017: 388,118) ordinary shares in the Company at a market value of £4.7m (30 June 2017: £2.7m, 31 December 2017: £2.8m). As at 30 June 2017 the ShareMatch scheme held 315,893 (30 June 2017: 206,228; 31 December 2017: 273,560) ordinary shares in the Company at a market value of £2.6m (30 June 2017: £1.4m, 31 December 2017: £2.0m).

At 30 June 2018, the Group held 0.1% (30 June 2017: 0.1%; 31 December 2017: 0.1%) of its own called up share capital.

## 11. NOTES TO THE CASH FLOW STATEMENT

	6 months ended 30 June 2018 (unaudited) £m	6 months ended 30 June 2017 (unaudited) <sup>1</sup> £m	Year ended 31 December 2017 (audited) <sup>1</sup> £m
Profit before tax	120.3	148.6	268.2
Adjustments for:			
Depreciation of property and equipment	4.3	4.7	9.2
Amortisation of other intangible assets	99.2	90.5	182.6
Impairment – goodwill	–	0.8	3.4
Impairment – other intangible assets	–	2.0	2.2
Share-based payment	2.4	2.4	5.4
Subsequent re-measurement of contingent consideration	(0.8)	–	(0.1)
Loss on disposal of businesses	0.6	4.7	17.4
Investment income	(0.4)	(0.3)	(0.2)
Finance costs	31.1	29.0	59.3
Share of adjusted results of joint ventures and associates	(0.1)	(0.2)	–
Operating cash inflow before movements in working capital and pension contributions	256.6	282.2	547.4
Increase in inventories	(3.1)	(1.1)	(2.2)
Decrease/(increase) in receivables	26.7	(32.8)	(40.5)
(Decrease)/increase in payables	(103.7)	(64.2)	26.5
Movements in working capital	(80.1)	(98.1)	(16.2)
Pension deficit contributions	(0.9)	–	–
Cash generated by operations	175.6	184.1	531.2

<sup>1</sup> 2017 restated for implementation of IFRS 15 (see Note 15)

**11. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)****Analysis of movement in net debt (unaudited)**

	<b>At 1 January 2018 £m</b>	<b>Non- cash items £m</b>	<b>UBM net debt acquired<sup>1</sup> £m</b>	<b>Cash flow £m</b>	<b>Exchange movement £m</b>	<b>At 30 June 2018 £m</b>
Cash at bank and in hand	54.9	-	145.9	(69.6)	0.3	131.5
Bank overdraft	(6.7)	-	-	(4.0)	-	(10.7)
Cash and cash equivalents	48.2	-	145.9	(73.6)	0.3	120.8
Bank loans due in less than one year	(296.3)	-	-	144.1	0.2	(152.0)
Private placement loan notes due in less than one year	-	-	(284.9)	-	(2.7)	(287.6)
Bank RCF borrowings due in more than one year	(287.6)	-	(151.0)	127.6	(8.6)	(319.6)
Bank acquisition facility due in more than one year	-	-	-	(644.0)	-	(644.0)
Bond due in more than one year	-	-	(267.4)	-	(2.7)	(270.1)
Private placement loan notes due in more than one year	(841.0)	-	-	(296.3)	(29.9)	(1,167.2)
Derivative assets associated with borrowings	-	-	1.5	-	-	1.5
Derivative liabilities associated with borrowings	-	0.2	(2.4)	-	-	(2.2)
Bank loan fees	2.0	(0.5)	-	-	-	1.5
Acquisition facility fees	-	-	-	2.2	-	2.2
Private placement fees	1.6	(0.3)	1.6	0.8	-	3.7
<b>Net debt</b>	<b>(1,373.1)</b>	<b>(0.6)</b>	<b>(556.7)</b>	<b>(739.2)</b>	<b>(43.4)</b>	<b>(2,713.0)</b>

<sup>1</sup>Net debt acquired with the acquisition of UBM plc (see Note 13).

Included within the net debt cash outflow of £739.2m is £668.6m of cash from net loan draw-downs and the issue of new private placements (6 months ended 30 June 2017: £154.7m net draw-downs, year ended 31 December 2017: £25.4m net draw-downs).

	<b>At 1 January 2017 £m</b>	<b>Non- cash items £m</b>	<b>Cash flow £m</b>	<b>Exchange movement £m</b>	<b>At 30 June 2017 £m</b>
Cash at bank and in hand	49.6	-	(4.0)	(2.1)	43.5
Bank overdraft	(9.4)	-	4.2	0.2	(5.0)
Cash and cash equivalents	40.2	-	0.2	(1.9)	38.5
Other loan receivable	0.2	-	(0.2)	-	-
Bank loans due in less than one year	-	-	(321.6)	13.8	(307.8)
Private placement loan notes due in less than one year	(165.7)	-	-	3.3	(162.4)
Bank loans due in more than one year	(848.8)	-	573.3	9.7	(265.8)
Private placement loan notes due in more than one year	(516.5)	-	(406.4)	49.1	(873.8)
Bank loan fees	3.7	(0.9)	-	-	2.8
Private placement fees	1.5	(0.3)	0.9	-	2.1
<b>Net debt</b>	<b>(1,485.4)</b>	<b>(1.2)</b>	<b>(153.8)</b>	<b>74.0</b>	<b>(1,566.4)</b>

**11. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)****Analysis of movement in net debt (audited)**

	<b>At 1 January 2017 £m</b>	<b>Non- cash items £m</b>	<b>Cash flow £m</b>	<b>Exchange movement £m</b>	<b>At 31 December 2017 £m</b>
Cash at bank and in hand	49.6		7.8	(2.5)	54.9
Bank overdraft	(9.4)	-	2.5	0.2	(6.7)
Cash and cash equivalents	40.2	-	10.3	(2.3)	48.2
Other loan receivable	0.2	-	(0.2)	-	-
Private placement loan notes due in less than one year	(165.7)	-	159.7	6.0	-
Bank loans due in less than one year	-	-	(321.6)	25.3	(296.3)
Bank loans due in more than one year	(848.8)	-	542.9	18.3	(287.6)
Private placement loan notes due in more than one year	(516.5)	-	(406.4)	81.9	(841.0)
Bank loan fees	3.7	(1.6)	-	(0.1)	2.0
Private placement fees	1.5	(0.6)	0.7	-	1.6
<b>Net debt</b>	<b>(1,485.4)</b>	<b>(2.2)</b>	<b>(14.6)</b>	<b>129.1</b>	<b>(1,373.1)</b>

## 12. BORROWINGS

The Group had £4.2bn of committed facilities at 30 June 2018 (£2.4bn at 30 June 2017 and £1.9bn at 31 December 2017), see Financial Review for further details.

The total borrowings, excluding derivate assets and liabilities associated with borrowings, are as follows:

	At 30 June 2018 (unaudited) £m	At 30 June 2017 (unaudited) £m	At 31 December 2017 (audited) £m
<b>Current</b>			
Bank overdraft	10.7	5.0	6.7
Bank borrowings (\$400.0m) – due March 2018	-	307.8	296.3
Bank borrowings (\$200.0m) – due March 2019	152.0	-	-
Bank borrowings – current	162.7	312.8	303.0
Private placement loan note (\$102.0m)	-	78.5	-
Private placement loan note (€50.0m)	-	43.9	-
Private placement loan note (£40.0m)	-	40.0	-
Private placement loan note (\$45.0m) – due June 2022 <sup>1</sup>	34.7	-	-
Private placement loan note (\$175.0m) – due June 2024 <sup>1</sup>	134.6	-	-
Private placement loan note (\$150.0m) – due June 2027 <sup>1</sup>	118.3	-	-
Private placement fees	(1.5)	(0.1)	-
Private placement – current	286.1	162.3	-
<b>Total current borrowings</b>	<b>448.8</b>	<b>475.1</b>	<b>303.0</b>
<b>Non-current</b>			
Bank borrowings – revolving credit facility – due Oct 2020	319.6	265.8	287.6
Bond borrowings – (\$350.0m) due 2020	270.1	-	-
Acquisition bank facility	644.0	-	-
Bank debt issue costs	(1.5)	(2.8)	(2.0)
Acquisition bank facility fees	(2.2)	-	-
Bank borrowings – non-current	1,230.0	263.0	285.6
Private placement loan note (\$385.5m) – due Dec 2020	293.1	296.7	285.5
Private placement loan note (\$120.0m) – due October 2022	91.2	92.3	88.9
Private placement loan note (\$55.0m) – due January 2023	41.8	42.3	40.7
Private placement loan note (\$80.0m) – due January 2025	60.8	61.6	59.2
Private placement loan note (\$200.0m) – due January 2025	152.0	-	-
Private placement loan note (\$130.0m) – due October 2025	98.8	100.0	96.3
Private placement loan note (\$365.0m) – due January 2027	277.5	280.9	270.4
Private placement loan note (\$200.0m) – due January 2028	152.0	-	-
Private debt issue costs	(2.2)	(2.0)	(1.6)
Private placement – non-current	1,165.0	871.8	839.4
<b>Total non-current borrowings</b>	<b>2,395.0</b>	<b>1,134.8</b>	<b>1,125.0</b>
<b>Total borrowings</b>	<b>2,843.8</b>	<b>1,609.9</b>	<b>1,428.0</b>

<sup>1</sup> Private placement loan notes associated with the acquisition of UBM plc have a repayment option by the holders on the change of control of UBM plc and are therefore classified as repayable within one year.

The principal financial covenant ratios under the private placement loan notes and revolving credit facility are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. During the period there were no breaches to covenants under the Group's bank facilities and private placement loan notes. The revolving credit facility bank loans and the private placement loan notes are guaranteed by material subsidiaries of the Group.

### 13. BUSINESS COMBINATIONS

#### Business combinations made in 6 months ended 30 June 2018

The principal business combination in the period was the acquisition of UBM plc and the provisional amounts recognised in respect of the estimated fair value of identifiable assets and liabilities in respect of this acquisition is provided below.

#### UBM plc

On 15 June 2018, the group acquired 100% of the issued share capital of UBM plc.

Total consideration was £4,190.1m, of which £643.5m was paid in cash, £3,545.1m was settled by the issue of 427,536,794 shares in Informa PLC at a price of £8.29 per share, and there was £1.5m of deferred consideration relating to the estimated costs to settle share save scheme awards that exercise after the acquisition date. There was cash acquired of £145.9m and debt acquired at fair value of £702.6m.

The provisional fair value of the identifiable assets acquired and liabilities assumed at the acquisition date are shown below:

	Book value <sup>1</sup>	Provisional Fair value adjustments	Provisional Fair value
	£m	£m	£m
Intangible assets	31.3	2,526.9	2,558.2
Property and equipment	39.3	–	39.3
Investments in joint ventures and associates	17.1	–	17.1
Other receivables	3.0	–	3.0
Deferred tax asset	81.7	38.7	120.4
Retirement benefit surplus	6.0	–	6.0
Trade and other receivables	233.9	–	233.9
Cash at bank and on hand	145.9	–	145.9
Put option over non-controlling interests	6.6	–	6.6
Trade and other payables	(256.9)	–	(256.9)
Deferred income	(418.7)	–	(418.7)
Retirement benefit obligations	(0.9)	–	(0.9)
Provisions	(14.5)	–	(14.5)
Derivative financial instruments other	(17.1)	–	(17.1)
Derivative assets associated with borrowings	1.5	–	1.5
Derivative liabilities associated with borrowings	(2.4)	–	(2.4)
Borrowings public bond	(262.2)	(5.2)	(267.4)
Borrowings Private Placements	(276.1)	(8.8)	(284.9)
Private placement fees	1.6	–	1.6
Borrowings RCF	(151.0)	–	(151.0)
Current tax liabilities	(57.5)	(8.0)	(65.5)
Non-controlling interest	(32.9)	–	(32.9)
Deferred tax liabilities	–	(589.7)	(589.7)
Identifiable net assets acquired	(922.3)	1,953.9	1,031.6
Provisional goodwill			3,158.5
Total consideration			4,190.1
<b>Consideration</b>			
Cash			643.5
Share consideration			3,545.1
Deferred consideration			1.5
Total			4,190.1

<sup>1</sup> Book value excludes UBM goodwill, acquisition intangible assets and the related deferred tax liability on these intangibles as these amounts are replaced at acquisition date

### 13. BUSINESS COMBINATIONS (CONTINUED)

The fair values are described as provisional due to the proximity of the acquisition to the Half Year reporting date. Provisional fair values of acquisition intangibles and goodwill have been estimated from the ratio of acquisition intangibles to goodwill from observable market transactions undertaken by Informa and peer companies. These are subject to estimation uncertainty and will continue to be refined in the second half of 2018 through a detailed fair value exercise, which will involve the support from a third party valuation specialist.

The provisional goodwill arising from the acquisition has initially been identified as relating to the following factors:

- Increased scale and industry specialisation in B2B Information services;
- Access to new markets where Informa previously has less presence, with the benefit of global reach of the highly complementary geographic fit of the combined portfolios;
- Synergy opportunities from cost savings and incremental revenue opportunities;
- Enhanced quality of earnings as increased scale and international breadth provide resilience and greater revenue predictability; and
- Greater levels of product and platform innovation facilitated by increased operating and financial scale.

The disclosure above provides the estimated fair value of acquired identifiable assets and liabilities assumed of UBM plc and are provisional, pending receipt of a final valuation.

The provisional fair value of acquisition intangible assets was estimated to be £2,526.9m. There was a deferred tax liability recognised on these intangibles of £631.7m which together with a reclassification of a deferred tax asset of £42.0m resulted in the total fair value adjustment to deferred tax liabilities of £589.7m.

The provisional fair value adjustment to recognise £38.7m of deferred tax assets relates to a reclassification to deferred tax liabilities of £42.0m and the recognition of £80.7m of deferred tax assets on brought forward losses and other tax attributes in the UK, US and Brazil. These were previously not recognised by UBM as it was uncertain that they would be utilised and there were insufficient deferred tax liabilities against which they could be offset. Following the UBM business combination there are now sufficient deferred tax liabilities arising from acquisition intangibles to fully recognise these deferred tax assets.

The provisional fair value adjustment to borrowings is an adjustment of £14.0m to adjust to fair value the book value of Private Placement and Bond borrowings. This adjustment is to reflect the market rate of interest on these borrowings at the acquisition date.

There is a fair value provision of £8.0m in respect of the corporation tax provision relating to potential payments of tax for prior years that may be required to be made to HMRC by acquired UBM companies if the European Commission determines certain UK “controlled foreign company” provisions constitute State Aid that was unlawful under UK law. This amount reflects the Group’s assessment of the probability of this contingent liability arising.

Acquisition costs charged to operating profit (included in adjusted items in the Consolidated Income Statement) amounted to £42.8m for adviser and related external fees.

The business generated an Adjusted Operating Profit of £28.1m, profit after tax of £14.4m, and £69.0m of revenue for the period between the date of acquisition and 30 June 2018. If the acquisition had completed on the first day of the financial period, it would have incurred a loss after tax of £15.2m and generated £443.9m to the revenue of the Group for the 6-month period to 30 June 2018.

#### **Update on deferred and contingent consideration paid in H1 2018 relating to business combinations completed in prior years.**

In the 6 months ended 30 June 2018 there were contingent and deferred net cash payments of £11.9m relating to acquisitions completed in prior years.

## 14. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its Joint Ventures are disclosed below.

The following transactions and arrangements are those which are considered to have had a material effect on the financial performance and position of the Group for the period.

### Transactions with Directors

There were no material transactions with Directors of the Company during the year, except for those relating to remuneration and shareholdings.

During the period, the Group incurred expenses of £1.8m relating to Microsoft UK. One of the Group's Non-Executive Directors is the Chief Executive Officer of this organisation.

For the purposes of IAS 24 *Related Party Disclosures*, Executives below the level of the Company's Board are not regarded as related parties.

### Transactions with joint ventures and associates

During the period the Group received no dividends from its joint ventures and associates.

### Other related party disclosures

At 30 June 2018, the Group has guaranteed the defined benefit pension scheme liabilities of the Taylor & Francis Group Pension and Life Assurance Scheme, the Informa Final Salary Scheme and the UBM Pensions Scheme and the United Newspapers Executive Pension Scheme.

## 15. RESTATEMENT

### Restatement of results for the 6 months ended 30 June 2017

The results for the 6 months ended 30 June 2017 have been restated following the adoption in 2018 of IFRS 15 *Revenue from Contracts with Customers*.

This resulted in the Consolidated Balance Sheet at 30 June 2017 being adjusted for the reclassification of £88.4m of deferred income against trade receivables, for amounts that have been invoiced and where services have not yet been provided and amounts are not yet due.

There were adjustments of £2.2m to unbilled income for the reversal of revenue recognised in H1 2017 on a percentage completion basis and related adjustments to deferred tax and the associated entries in the income statement in the 6 months ended 30 June 2017. The movement of 2016 and 2017 revenue recognised under the new requirements resulted in a reduction of H1 2017 revenue of £0.1m, profit before tax of £0.2m and profit after tax of £0.1m, with these adjustments affecting only the Business Intelligence Division. There was no restatement to basic and diluted earnings per share, with Adjusted earnings per share restated from 24.1p to 24.0p.

### Consolidated Balance Sheet as at 30 June 2017

	Previously reported £m	IFRS 15 Adjustments – Percentage Complete £m	IFRS 15 Adjustments – Net-down	Restated £m
Non-current assets	4,463.0	–	–	4,463.0
Current assets: Trade and other receivables	376.3	(2.2)	(88.4)	285.7
Other current assets	149.1	–	–	149.1
<b>Total assets</b>	<b>4,988.4</b>	<b>(2.2)</b>	<b>(88.4)</b>	<b>4,897.8</b>
Current liabilities: Tax	(30.0)	0.5	–	(29.5)
Current liabilities: Trade and Other Payables	(242.8)	0.4	–	(242.4)
Current liabilities: Deferred income	(489.1)	–	88.4	(400.7)
Other current liabilities	(511.0)	–	–	(511.0)
Other non-current liabilities	(1,579.0)	–	–	(1,579.0)
<b>Total liabilities</b>	<b>(2,851.9)</b>	<b>0.9</b>	<b>88.4</b>	<b>(2,762.6)</b>
<b>Net assets</b>	<b>2,136.5</b>	<b>(1.3)</b>	<b>-</b>	<b>2,135.2</b>

## 15. RESTATEMENT (CONTINUED)

### Restatement of results for the year ended 31 December 2017

The results for the year ended 31 December 2017 have been restated following the adoption in 2018 of IFRS 15 *Revenue from Contracts with Customers*.

This resulted in the Consolidated Balance Sheet at 31 December 2017 being adjusted for the reclassification of £72.1m of deferred income against trade receivables, for amounts that have been invoiced and where services have not yet been provided and amounts are not yet due.

There were adjustments of £2.9m to unbilled income for the reversal of revenue recognised in 2017 on a percentage completion basis and related adjustments to deferred tax and the associated entries in the income statement in the 12 months ended 31 December 2017. The movement of 2016 and 2017 revenue recognised under the new requirements resulted in a reduction of 2017 revenue of £0.8m, profit before tax of £0.6m and profit after tax of £0.5m, with these adjustments affecting only the Business Intelligence Division. This resulted in basic earnings per share being restated from 37.8p per share to 37.7p per share and diluted earnings per share being restated from 37.7p to 37.6p. Adjusted diluted earnings per share was restated from 46.1p to 46.0p.

### Consolidated Balance Sheet as at 31 December 2017

	Previously reported £m	IFRS 15 Adjustments – Percentage Complete £m	IFRS 15 Adjustments – Net-down £m	Restated £m
Non-current assets	4,356.6	–	–	4,356.6
Current assets: Trade and other receivables	401.1	(2.9)	(72.1)	326.1
Other current assets	134.4	–	–	134.4
<b>Total assets</b>	<b>4,892.1</b>	<b>(2.9)</b>	<b>(72.1)</b>	<b>4,817.1</b>
Current liabilities: Tax	(30.5)	0.6	–	(29.9)
Current liabilities: Trade and Other Payables	(297.2)	0.6	–	(296.6)
Current liabilities: Deferred income	(534.6)	–	72.1	(462.5)
Other current liabilities	(328.1)	–	–	(328.1)
Other non-current liabilities	(1,471.0)	–	–	(1,471.0)
<b>Total liabilities</b>	<b>(2,661.4)</b>	<b>1.2</b>	<b>72.1</b>	<b>(2,588.1)</b>
<b>Net assets</b>	<b>2,230.7</b>	<b>(1.7)</b>	<b>-</b>	<b>2,229.0</b>

## 16. CONTINGENT LIABILITIES

Consideration for the acquisition of Penton Information Services on 2 November 2016 includes deferred consideration that is payable in October 2018 for anticipated future tax benefits. The estimated fair value of this consideration is £17.2m (\$22.6m) at 30 June 2018 and reflects the receipt of external legal advice. The amount is under dispute with the seller, as an amount of approximately £29.7m (\$39m) is expected by the seller. No provision has been made for the potential additional amount as the Directors do not consider it is probable that an additional amount is due. Any future settlement that is higher than the fair value estimate of £17.2m (\$22.6m) will result in an income statement charge as more than 12 months have elapsed since the acquisition and therefore any adjustment would fall outside the 12 month re-measurement period permitted by IFRS 3.

## 17. EVENTS AFTER THE BALANCE SHEET DATE

On 2 July 2018 the Group arranged the issue of two Euro Medium Term Loan Notes (EMTN), involving the issue of Euro 650m with a 5-year duration and £300m with a 8-year duration. Derivative swaps were taken out for the duration of the bonds to swap the £300m loan note and Euro 150m of the Euro 650m loan note into US Dollars. The bonds were issued on 5 July 2018 and the funds raised were used to fully refinance the acquisition facility, with the balance used to pay-down part of the RCF bank borrowings.