

FROM PROGRESS TO DELIVERY

Informa is now well placed for both product and market growth opportunities in the Knowledge and Information Economy.



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Two years ago Informa launched its *Growth Acceleration Plan*, a programme to return every part of the business to growth, enhance operational efficiency and seize new market opportunities.

After a period of intense work, including major reorganisation, selected US acquisitions and withdrawal from non-core activities, it is clear that 2016 will be the Delivery Year.

We have strengthened all four Divisions with committed, coherent and creative Leadership Teams. Their businesses will benefit from £90m of investment, which has now been committed as part of the *Growth Acceleration Plan* or *GAP*, and detailed plans and projects are underway across the Group to consolidate improvements in our performance.

During 2016 we will invest tactically in functional simplification, systems, products, people and our publishing, marketing and sales platforms, which will be enhanced by improved activation and provisioning.

We are doing all this because it strengthens Informa's competitiveness; it meets customer demand; and it builds capabilities that will unlock further growth.

PROGRESS AND PERFORMANCE IN 2015

Informa's performance in 2015 was a credit to the Group, and to every colleague within the Group.

Like many businesses, we overcame challenges in specific markets. Our trading environment was impacted by energy price volatility, adverse currency movements, and geo-political upheaval in several parts of the world. Throughout, we stuck to our plans and I am pleased to report that we are on track with action to:

- Repair and recover our position in **Business Intelligence**;
- Accelerate our growth and size and scale in **Global Exhibitions**;
- Maintain our position as a leading publisher in **Academic Publishing**, with deep content and strong customer relationships; and
- Rethink and re-energise our approach to conferences and learning in **Knowledge & Networking** by focusing on communities and content.

This Annual Report reflects the progress we achieved in all these areas during 2015.

It was a year in which we improved the management of our business operations, including how we deliver customer support, subscription renewals, cash collection and cash management, and imposed greater discipline around integrating acquisitions into the Group.

This effort, combined with Informa's unique blend of passion, professionalism and personality, helped deliver a strong annual performance.

We have managed to invest at scale in our own business, by acquisition and through organic investment, whilst meeting

our commercial performance targets and rewarding our Shareholders. Those Shareholder returns include dividend growth and the share price appreciation we have seen over the past three years, with gains for over 16% of Colleagues who participate in Informa's employee share ownership scheme ShareMatch.

Over the past year, we have also seen initial benefits emerge from *GAP*, particularly in the **Business Intelligence** and **Global Exhibitions** Divisions. Our **Academic Publishing** Division has performed with resilience in a steadily changing marketplace, and the **Knowledge & Networking** Division has been enhanced by a streamlined operating structure under a new Leadership Team.

IMPROVED FINANCIAL PERFORMANCE

In the period covered by this report – the second year of *GAP* – Informa delivered financial results that reflect the work undertaken to simplify our operating structure, strengthen our systems, enhance our products and extend our customer focus.

Our improved capabilities in these areas, combined with an extended market reach particularly in the US, enabled Informa to generate revenues of £1.2bn for 2015, representing an increase of more than 6.5% on the previous year, and adjusted profits of £365.6m, an increase of almost 10% on the previous year.

Importantly, in the fourth quarter all four Divisions returned to growth, which is an important measure of future potential. For the year as a whole, our **Global Exhibitions** Division represented 22% of our revenues. The Division's organic revenue grew by 10.5% as successful events and acquisitions contributed strongly to overall performance.

Academic Publishing grew in line with the market in 2015. Some softness in the US Medical Books market and the wider lower level academic market had a marginally negative impact on the Division, but our balanced mix of books and journals, subscription and open access options, print and online formats, and our geographic reach and focus on upper level academia mitigated these negatives.

Business Intelligence moved towards organic revenue growth, reporting negative growth of -1.9% for the full year but moving into positive growth in the fourth quarter. This represents significant progress on its 2014 performance, reflecting improved customer retention. The Division has brought forward its growth ambition and is targeting positive organic growth for the full year of 2016.

We implemented a number of restructuring measures in 2015 in **Knowledge & Networking**. The Division moved towards a positive growth rate as the year progressed and has put in place a new operating structure for 2016 as part of its plan to generate sustained positive growth.

Overall we have delivered improved free cash flow and a better working capital performance as a result of our simplified operating model, tight financial control, improved subscription renewals and scale in the US market.

Our debt levels remain within our target range at just over two times earnings. The success of these metrics follows measures put in place to improve our financial fitness since 2013. This has given us the flexibility and the confidence to pursue our growth and acceleration strategy.

As the Chairman of the Board noted in his introduction, our performance in 2015 has enabled the Group to exceed the 2% minimum growth in dividend commitment we made at the outset of *GAP*, increasing the total Dividend Per Share by 4.1% to 20.1p and committing to increase the dividend by at least 4% for the remaining period of the Plan.

CONTINUED PROGRESS WITH OUR GROWTH STRATEGY

Our improved financial performance is a clear beneficial outcome of the simplified structure at the core of our business, and the increased focus on customers and markets.

As shown by our business model and strategy section on page 18, the *2014–2017 Growth Acceleration Plan* is designed to drive growth in all parts of our business, whilst simultaneously building scale and capabilities for further expansion.

We made good progress on all six elements within *GAP*, notably in our new management approach, improved portfolio management discipline and our investment programme in platforms, people and products.

GAP management model

The Management and Leadership Teams within our Divisions now combine years of experience within the Group with newly-appointed executive talent in a range of positions. Amongst our top 150 managers, approximately 40 have joined the Group within the past three years.

In September, we welcomed Charlie McCurdy as the CEO of **Global Exhibitions** as a successor to Will Morris, who retired towards the end of the year. I would like to take the opportunity to thank Will for his long service to Informa and his leadership in creating the strong and international Exhibitions business we have today.

Dedicated Chief Technology Officers were appointed to each of the Operating Divisions during the year, putting technology expertise at the heart of our product development and customer engagement.

The Group now operates four coherent Operating Divisions, with shared back-office and technology support and where each has a clear focus on growing revenues, customer satisfaction and renewal rates.

GAP portfolio management

The increasingly disciplined approach Informa takes to portfolio management led to the sale of certain non-core businesses in 2015.

We disposed of the Consumer Information businesses in **Business Intelligence** in July 2015. During the second half of 2015, we withdrew from the Danish, Swedish and Dutch European conferences businesses in **Knowledge & Networking** as a result of a decision to focus on larger, Branded, English-language events. Also in this Division, we entered into a new partnership arrangement for our Russian Conferences Brand, Adam Smith, the structure of which will allow the business to be run in a more effective manner by working with a local player.

These disposals have been important in refocusing our portfolio and allowing management to concentrate on the vertical markets and Brands where we believe we have differentiation.

GAP investment

The *GAP* investment programme is one of the key elements of the overall strategy. We will invest £90m in total by the end of 2017. This plan has been almost fully funded by the significant improvements in our working capital and free cash flow over the last two years.

As of the end of 2015, more than 20 projects spanning the four Operating Divisions and **Global Support** were underway. Common to many of these projects is a focus on investing in the digital delivery of our products: strengthening our data capabilities, our customer engagement and marketing platforms, and the technology that serves our customers and products.

The Group Finance Director runs a process of vetting, progress tracking and commercial benefit analysis around each of the investments. This ensures that each project receives funding based solely on the delivery of specific tracked targets. We continue to anticipate that this investment programme will deliver returns in line with our targets.

INFORMA AND THE KNOWLEDGE AND INFORMATION ECONOMY

We are now well placed for product and market growth opportunities in the Knowledge and Information Economy, which analysts believe represents an addressable market worth more than \$750bn, and which is forecast to grow at an annualised rate of over 4% between 2015 and 2018.

Informa offers a mix of relevant and exclusive data, research, actionable insight and intelligence that is vital to commercial customers.

We serve modern businesses that make investment and purchasing decisions based on rigorous quantitative information and original insight and analysis. Informa also meets demand from professional audiences to develop their networks and make sales and business development at business-to-business trade shows, events or conferences, or to learn based on content and insight delivered online or in person.

Academics value the qualified knowledge represented by our trusted, high quality journals, learning platforms and ebooks or physical books. All of our

published academic content attracts high levels of users and allows them to disseminate and share their work and gain professional recognition amongst a wide but relevant audience.

Across our Divisions we produce, manage and distribute knowledge and information on specialist topics to specialist communities, as well as creating platforms to connect those communities. Face-to-face events remain a chosen and powerful option for connecting many people, and the rise of digital technology and lower cost software and cloud-based solutions also creates the opportunity for year-round engagement online, an area in which Informa is increasingly innovating.

Informa's position within attractive vertical markets

Informa has strengthened its position in vertical markets over the last year. We are increasingly adopting a sector-led approach to portfolio development, ensuring that our business is focused on markets and verticals where we have the greatest opportunity to grow.

Our **Business Intelligence, Global Exhibitions and Knowledge & Networking** Divisions focus in the main on seven key verticals: Telecoms, Media & Technology; Financial Services; Construction & Real Estate; Luxury & Leisure; Agriculture; Food Ingredients; and Personal Care & Beauty.

These are some, but not all, of the vertical markets where we are building Brands, data and communities.

Across the Group, Informa's geographic footprint in the US increased in 2015, as it did in 2014, and we continue to see potential for further expansion. The increasing internationalisation of our Group gives us balance and resilience, allowing us to navigate through more challenging periods in individual geographies.

//As more countries shift to higher levels of education, professionalism and consumer-led economies, Informa is well placed.//

INFORMA AND 2016

I am encouraged by the steady operational momentum with which we have started 2016. Subscription renewals are improving, new products are being launched and the volume of open access articles is growing. We also anticipate further expansion at the first major Informa events of the year, including *Biotech Showcase*, *Arab Health* and *World of Concrete*. Our **Academic Publishing** Division is making the changes necessary to create a single global books and a single global journals business, and the new and energetic Leadership Team in **Knowledge & Networking** has installed its new and more focused operating approach.

As we note this continued momentum, Informa cannot be immune to wider changes in global macro-economic conditions. These include signs of a slowdown in Chinese economic growth, oil price weakness and its impact on attendant oil economies, rapprochement with Iran, upheaval elsewhere in the Middle East, political questions about the future of Europe including the outcome of the UK's in-out referendum and the gathering interest in November's US Presidential election.

We need to make decisions with one eye on all of these market moving events.

I am confident we can navigate the fast changing environment in which we operate, thanks partly to our deep specialisms. Alongside our focus on our customers and products, Informa is emerging as a challenger Brand in many of our markets.

In all our Divisions we exist to provide knowledge, learning, insight, intelligence, connection or intellectual and commercial advantage. This approach is based on the content we have, and the manner in which we allow our customers to access it, learn from it, use it and pursue their own ambitions.

It makes us facilitators in the Knowledge and Information Economy. And that economy is set to grow in the mid to long term. As more and more countries shift to higher levels of education, professionalism, service and consumer-led economies, Informa is well placed.

We seek to enable our customers, delegates, attendees, subscribers, authors, institutions of learning, sponsors, advertisers and our markets overall to work better and be smarter.

We will continue to invest in our products, people and platforms, and do it with effective execution and entrepreneurialism.

Most of all, we will intend to be proud and mindful of doing this whilst being respectful of the cultures and communities that we work with and in. As a company, we are determined to enable our individuals and teams to have the freedom to experiment, to develop, to expand, to have fun and do good along the way.

We are grateful for the Shareholder support we received during 2015. Informa remains focused on delivering further growth and improvements in the year ahead.

STEPHEN A. CARTER
GROUP CHIEF EXECUTIVE

//It is clear
that 2016
will be the
Delivery Year
for Informa.//