

Informa PLC

Nine-Months Trading Update

Growth Acceleration Plan on track; 2015 expectations re-confirmed

London: Informa (LSE:INF.L), the International Publishing, Events and Business Intelligence Group, today issued a trading update on its operating and financial performance for the nine-months ending 30 September 2015.

KEY HIGHLIGHTS

- **Current trading:** Consistent performance in the third quarter leads to nine-month reported revenue growth of 6.9% and organic growth of about 2%, ex-events phasing; full-year expectations re-confirmed.
 - **Academic Publishing:** Performance continues in line with the market, alongside ongoing investment in content and technology.
 - **Business Intelligence:** Focus on customer, subscription management and key market verticals delivers further improvement in organic trend; on track to more than halve 2014 decline this year.
 - **Global Exhibitions:** Ongoing strong underlying organic growth from increasingly international portfolio of market-leading Exhibitions.
 - **Knowledge & Networking:** Continued implementation of new strategy, including selective disposals of European Conference businesses; trading consistent during this transition ahead of traditionally busy fourth-quarter trading period.
- **2014-2017 Growth Acceleration Plan ("GAP"):** Continued progress on implementing *GAP*, our multi-year strategy to accelerate growth and improve returns across the Group:
 - **Investment** – Continued implementation of *GAP* investment programme, with close to 20 projects now underway. Estimated spend (£70-90m) and projected returns unchanged, fully funded through free cash flow.
 - **Portfolio Management** – Exit from Scandinavian conference businesses (Denmark and Sweden) within **Knowledge & Networking** increases focus on large, Branded, recurring English-language events. Ongoing review of strategic options for remaining Continental European Conference businesses (Germany and the Netherlands).
 - **Acquisition Strategy** – Addition of FIME, a leading provider of healthcare exhibitions in the Americas. This strengthens our growing international business in the Life Sciences vertical and further progresses our strategy to build scale in **Global Exhibitions**. As we enter 2016, the Division is expected to generate over £100m annual profit, representing more than 25% of the Group, compared with less than 10% five years ago.
 - **Funding** – *GAP* strategy to retain financial flexibility with a strong balance sheet and competitive financing leads to issue of \$250m US Private Placement Notes, extending average debt-maturity and increasing balance sheet flexibility.

Stephen A. Carter, Group Chief Executive, said:

"Informa's continued and improving operational performance and ongoing progress in the implementation of our *Growth Acceleration Plan* positions the Group to deliver the improvements in operations and earnings targeted for 2015."

TRADING SUMMARY

Market Backdrop

Trading conditions continue to vary by region, market and vertical. By region, we continue to see good strength in North America and the United Kingdom, which combined, now represent approaching 60% of Group revenues. This is balanced by ongoing volatility across parts of Europe, Latin America and Asia, reflecting a variety of challenges including currency weakness, political unrest and wider macro uncertainty.

By market, we see growing and strong demand for Exhibitions, as the value of face-to-face media continues to rise. Similarly, the market for specialist information services that support decision-making and efficiency remains strong. The Academic Publishing market remains robust with consistent demand for high quality specialist academic content, albeit with some ongoing softness in the US Medical Books market.

By vertical, we continue to see strength in categories such as Humanities & Social Sciences, Maritime, Pharma & Healthcare, Pop Culture, Real Estate & Construction. Unsurprisingly, the weakest market is Energy and Resources, (not a major vertical for Informa at less than 5% of Group revenue), where the collapse in commodity prices continues to have a marked impact on corporate activity.

Trading Performance

The Group achieved reported revenue growth of 6.9% across the first nine-months of the year and organic growth of about 2% after adjusting for the impact of events phasing, which reflects the absence of two major non-annual exhibitions and the movement of certain large conferences from the third to the fourth quarter. Before adjusting for phasing, organic growth was marginally positive (+0.3%). This was achieved despite the increasing importance of the fourth quarter for our growing subscriptions revenue and some softness in the US medical books market.

Academic Publishing: Customer demand for innovation in product format, pricing models and distribution continues to grow. This gradual shift towards increased flexibility and usage-driven purchasing should be a positive over the long-term given the depth of our specialist content portfolio, and our GAP investments are targeted to ensure we stay ahead of these developments and can continue to grow in line or ahead of the market.

Our performance in the third quarter was consistent with this trend, with organic growth across the nine-months of +1.5%. We experienced some underlying softness in US Medical Books combined with ongoing movements in book purchasing patterns. As in the first half, we expect this phasing to even out across the year.

Business Intelligence: The introduction of a simplified operating model, reorganisation along five core verticals (Agribusiness & Commodities, Finance, Maritime, Pharma & Healthcare and Telecoms Media & Technology) and increased emphasis on subscription renewal and improved customer management continues to drive steady progress towards a return to positive organic growth.

This was evident through further consistent improvement in the third quarter, with the organic revenue decline falling below 3% across the first nine-months of the year (-2.9%). While the fourth quarter includes the majority of annual one-off sales activity, the improvements made to subscription renewal rates combined with the development of our sales pipeline gives us increasing confidence that across the year we can more than halve the organic decline reported in 2014 (-8.5%).

Global Exhibitions: Our strategy to internationalise and scale this Division through a combination of organic expansion and targeted investment continues to deliver. Organic growth through the first nine months of the year was +10.6%, following a strong performance in the third quarter in Construction & Real Estate (*Cityscape Global / Egypt*), Luxury (*Monaco Yacht Show*) and Pop Culture (*FanExpo*). This figure also includes the negative impact of the scheduled absence of two large non-annual events in Printing (*IPEX*) and Manufacturing (*Formobile*).

We continue to pursue attractive investment opportunities in Exhibitions (more than 25% of Group profit) where we can use our existing market and geographic expertise to generate growth and value. The announced acquisition of FIME, an Americas Healthcare Exhibition business, further strengthens our position in the US and growing international presence in Life Sciences, which includes our largest Exhibition, *Arab Health*. We plan to exploit synergies between these Brands, sharing content, customer relationships, management and marketing.

Knowledge & Networking: The restructuring of K&N to simplify its operating model, improve profitability and increase focus on core verticals and geographies continued in the third quarter. The ongoing review of our Continental European Conference businesses led to the disposal of our operations in Sweden and Denmark and further strategic options in the region are being considered. Combined with the prior closure of our Johannesburg and Melbourne offices, this further concentrates activities on the major geographic hubs of the UK, US and Dubai. It also reduces the long tail of smaller conferences, leaving K&N (now less than 15% of Group profit) more focused on large, Branded, recurring English-language events, with more attractive financial and operational characteristics.

Trading through this transition period remained steady despite the ongoing impact of depressed commodity and energy markets. The movement of several large events from the third to the fourth quarter led to a nine-month organic revenue contraction of -7.7%. Adjusted for phasing, the organic trend was similar to the half year.

ENQUIRIES

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ANALYSTS AND INVESTORS

Gareth Wright, Group Finance Director, and Richard Menzies-Gow, Director of Investor Relations, will be hosting a conference call for analysts and investors today to discuss the Nine-Months Trading Update, commencing at 9.30am. Dial-in details: +44 (0) 20 3427 1902 / Confirmation Code: 8305488.

NOTES TO EDITORS**About Informa PLC**

Informa operates at the heart of the Knowledge and Information Economy. It is one of the world's leading business intelligence, academic publishing, knowledge and events businesses.

With more than 6,500 employees globally, it has a presence in all major geographies, including North America, South America, Asia, Europe, the Middle East and Africa.

Cautionary Statements

This Trading Update contains forward looking statements. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward looking statements. The terms 'expect', 'should be', 'will be' and similar expressions identify forward looking statements. Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in Informa's markets; exchange rate fluctuations, customers' acceptance of its products and services; the actions of competitors; legislative, fiscal and regulatory developments; changes in law and legal interpretation affecting Informa's intellectual property rights and internet communications; and the impact of technological change. These forward looking statements speak only as of the date of this Trading Update. 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 statement is based.