

Regulatory Story

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Informa PLC

Results for 12 Months to 31 December 2016

Year of Investment and Delivery as *Growth Acceleration Plan* produces third consecutive year of growth in Revenue, Adjusted Earnings, Free Cashflow and Dividends

KEY FINANCIAL HIGHLIGHTS

- **Higher** Revenue Growth: +11.0% to £1,345.7m (2015: £1,212.2m), +1.6% organic
- **Increased** Adjusted Operating Profit growth: +13.8% to £416.1m (2015: £365.6m)
- **Improving** Adjusted Diluted Earnings per Share growth: +6.6% to 42.1p (2015: 39.5p*)
- **Enhanced** Dividend: up 4.3% to 19.3p (2015: 18.5p*)
- **Consistent** Free Cash Flow: £305.7m (2015: £303.4m)
- **Robust** Balance Sheet: Net debt/EBITDA 2.6x (2015: 2.2x) including £1.2bn Penton addition
- **Lower** Statutory Operating Profit: £198.8m (2015: £236.5m)

London: Informa (LSE: INF.L), the International Business Intelligence, Exhibitions, Events and Academic Publishing Group, today published its results for the 12 months to 31 December 2016, reporting an improved operating performance and continued progress with the *2014-2017 Growth Acceleration Plan ("GAP")*, supported by strong returns from acquisitions and favourable currency trends.

Stephen A. Carter, Group Chief Executive, said: "2016 was a steady and strong year for the Group, where the business grew on all key financial measures, whilst

expanding significantly in the US and investing substantially in its products. This sets Informa up well for further progress in 2017."

He added: "The current year will be characterised by Accelerated Change as we combine the newly-acquired Penton business with Informa, and as we complete planned GAP investments, reap the benefits of our international scale and continue to strengthen capabilities across the Group."

- **Increased Balance and Breadth through the 2014-2017 Growth Acceleration Plan:**

- **Investment:** Three quarters of the way through GAP and organic growth investment starting to deliver, with 30+ enhanced products coming on stream through 2017/18;
- **Penton Information Services:** Integration on track, with Discovery and Delivery phases nearing completion; Patrick Martell relocated to the US to maximise synergy opportunity and ensure smooth combination with Informa;
- **International expansion:** Four-year programme of targeted organic and inorganic expansion in the US in key verticals including **Construction and Real Estate** (Hanley Wood Exhibitions, WWETT), **Health & Nutrition** (Virgo, Penton), **Agriculture** (Penton), **Life Sciences** (FIME), **Pop Culture** (Dallas Comicon) and **International Yachting** (YPI); Producing strong results, both operationally and through Dollar strength, with the US now representing over 50% of Group revenue on a pro-forma basis and US Dollar/US Dollar-pegged revenues accounting for over 65%;
- **Portfolio mix:** Proportion of recurring and predictable revenue from subscriptions and exhibitions expected to be more than 55% in 2017;
- **Balance and Breadth:** Proactive repositioning towards higher growth and margin businesses will see **Global Exhibitions** and **Academic Publishing** accounting for circa 70% of Group profit in 2017, with Business Intelligence around 20% and **Knowledge & Networking** less than 10%;
- **Portfolio Management:** Further operational focus at **Knowledge & Networking** with strategic review of five remaining domestic conference businesses in Australia, Brazil, Germany, Singapore and Switzerland.

- **Continued operational and financial momentum:**

- **Global Exhibitions:** Strong organic revenue growth of +8.7% and reported revenue growth of 16.9%, reflecting increased scale, international breadth and strengthened vertical market positions;
- **Business Intelligence:** Positive organic revenue growth of +1.1% and reported revenue growth of 4.8%, with subscription focus, strengthened customer relationships, and investment in products and platforms;
- **Academic Publishing:** Organic revenue growth of +0.3% and strong reported growth of +9.6%, despite ongoing softness in the US book market, reflecting Journals strength, Upper Level Academic focus, currency and strong returns from acquisitions.
- **Knowledge & Networking:** Progress in Branded Events offset by ongoing volatility in the remaining domestic spot conference businesses to produce a -4.1% organic revenue decline and -0.5% reported revenue decline; following previous portfolio restructuring in other domestic conference businesses in Scandinavia, the Netherlands and Russia, next stage of review now underway.

Stephen A. Carter, Group Chief Executive, concluded: "We saw clear and strong growth in **Global Exhibitions** and **Business Intelligence**, alongside a consistent performance in **Academic Publishing**, despite continued softness in US books. In **Knowledge & Networking**, we continue our programme to increase focus on Branded Events within the key verticals of Finance, Life Sciences and TMT, whilst confirming today a strategic review of our five remaining domestic conference businesses."

Financial Highlights

	2016 £m	2015 £m	Actual %	Organic ¹ %
Revenue	1,345.7	1,212.2	11.0	1.6
Statutory Operating profit	198.8	236.5		
Adjusted operating profit ²	416.1	365.6	13.8	0.0
Adjusted operating margin (%) ²	30.9	30.2		
Operating cash flow ³	393.9	377.7		
Statutory Profit before tax	178.3	219.7		
Adjusted profit before tax ²	376.5	339.7	10.8	
Statutory Profit for the year	173.5	172.7		
Statutory Diluted earnings per share (p)	23.6	24.3		
Adjusted diluted earnings per share (p) ²	42.1	39.5	6.6	
Dividend per share (p)	19.3	18.5	4.3	
Free cash flow ³	305.7	303.4		
Net debt	1,485.4	895.3		

¹In this document organic refers to results adjusted for material acquisitions, disposals and the effects of changes in foreign currency rates.

²In this document we refer to adjusted and statutory results. Adjusted results are prepared to provide a useful alternative measure to explain the Group's underlying business performance. Adjusted results exclude adjusting items as set out in the Income Statement.

³Operating cash flow, Free cash flow and Net debt are as calculated in the Financial Review.

Divisional Highlights*

	2016 £m	2015 £m	Actual %	Organic ¹ %
Global Exhibitions				
Revenue	306.9	262.5	16.9	8.7
Statutory Operating Profit	53.3	67.0		
Adjusted Operating Profit	119.0	98.0	21.4	13.5
Adjusted Operating Margin (%)	38.8	37.3		
Business Intelligence				
Revenue	290.0	276.8	4.8	1.1
Statutory Operating Profit	45.8	42.1		
Adjusted Operating Profit	65.7	63.2	4.0	(3.2)
Adjusted Operating Margin (%)	22.7	22.8		
Academic Publishing				
Revenue	490.4	447.4	9.6	0.3
Statutory Operating Profit	135.0	116.3		
Adjusted Operating Profit	187.2	164.8	13.6	(2.1)
Adjusted Operating Margin (%)	38.2	36.8		
Knowledge & Networking				
Revenue	224.4	225.5	(0.5)	(4.1)
Statutory Operating Profit	(6.7)	11.1		
Adjusted Operating Profit	37.4	39.6	(5.6)	(19.4)
Adjusted Operating Margin (%)	16.7	17.6		

ENQUIRIES

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ANALYSTS AND INVESTORS

There will be a presentation to analysts at 9.30am on 6 March 2017 at Bank of America Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. A simultaneous webcast of the analysts' presentation will be available via the Company's website (www.informa.com).

*Penton is reported as a separate segment in the 2016 results and not included in Divisional financials

Trading Outlook

The macro and geo-political environment remains uncertain and in 2017 the combination of new leadership in the US, Brexit negotiations in the UK and political elections in mainland Europe suggest the backdrop is likely to remain volatile. Within this context, our strategy to expand internationally, increase our recurring and predictable revenues and build portfolio scale gives us more resilience, with increased Balance and Breadth across the Group.

2017 - A Year of Accelerated Change

Our key priority in 2017 is the successful delivery of the *2014-2017 Growth Acceleration Plan* ("GAP"), whilst we ensure a smooth and effective combination of Penton Information Services with Informa. We are targeting £14m of net annualised synergies in 2018 and expect to realise at least half of this figure in 2017. It will, thus, be a year of Accelerated Change, as we look to reap the benefits of our increased scale and to position ourselves to create further value and opportunities for our customers.

The addition of Penton, our continued focus on improving operational fitness and the progressive delivery of enhanced products and platforms through our *GAP* investments should allow us to deliver a fourth consecutive year of growth in revenue, profit, earnings and cashflow in 2017, which will leave us well placed to fulfil our *GAP* ambitions as we enter 2018.

GLOBAL EXHIBITIONS

The Exhibitions Market remains attractive and growing, reflecting the increasing value attributed to direct, face-to-face customer interaction. Our strategy to expand our portfolio internationally and build a position in the US is helping us to consistently grow at or ahead of this market.

The addition of Penton and, more recently YPI, adds a further 35 strong Brands (taking the total to around 200) and increases our focused scale and international breadth in core verticals. This is most notable in **Health & Nutrition**, **Agriculture** and **International Yachting**, complementing our existing strength in **Construction and Real Estate**, **Life Sciences** and **Beauty**. Our increased scale creates opportunities for cross marketing and geo-cloning, as well as in general contracting and ancillary revenue, and should ensure another year of strong organic growth in 2017.

BUSINESS INTELLIGENCE

Over the past three years, we have restructured and refocused our **Business Intelligence** Division to become more customer and market oriented. This renewed focus and more commercial approach has delivered steady improvement in subscription renewals, and combined with early benefits from *GAP* investment in our intelligent products, this translated into positive organic growth in 2016.

The delivery of additional new products and upgraded platforms should help expand our audience and maintain subscription momentum. This will be complemented by the addition of Penton assets, which strengthen and expand our vertical positions, and enhance our Marketing Solutions capabilities. This takes us into 2017 off a full year of organic growth and with positive momentum, positioning us for further acceleration in the year ahead.

ACADEMIC PUBLISHING

The outlook for our **Academic Publishing** Division remains positive, underpinned by the ongoing strength of our Journals business, which continues to grow consistently, with high renewal rates and strong levels of cash generation. The US book market is expected to remain soft, which will continue to impact growth in our Books business, albeit our focus on the Upper Level Academic segment provides some protection, differentiating us from peers.

These qualities, combined with ongoing investment in content and platforms and a continued focus on operating efficiencies give us confidence we can deliver continuing organic growth in 2017, with robust margins and further strong cash flow.

KNOWLEDGE & NETWORKING

Our long-term programme of simplification and operational improvement within the **Knowledge & Networking** Division will continue in 2017 with the strategic review of our five remaining domestic conference businesses. This reflects our commitment to increase the focus on repeatable, Branded events within our three core markets of Life Sciences, Global Finance and TMT.

A streamlined portfolio should be more predictable and less volatile. When combined with ongoing investment in our digital platforms and specialist content, this positions us as a leading knowledge provider to specialist communities and networks within our core verticals. This should put us in a strong position to return the business to growth by the end of the GAP programme.

Operational Review

In 2016, the focus was on Investment and Delivery, as we prioritised the Disciplined Delivery of the *2014-2017 Growth Acceleration Plan ("GAP")* in its third year. We also increased the level of investment, both internally in the many organic initiatives underway and also externally, as we continued to pursue our programme of international expansion and scale.

GAP INVESTMENT PROGRAMME ENTERS THE DELIVERY PHASE

Our organic investment programme remains a key element of GAP, with £70m to £90m being invested across the group over a three-year period. It was the peak year of investment in 2016, with total capital expenditure of around £52m including 30 different GAP initiatives. Elements of some projects have now gone live and are starting to reap benefits in terms of expanded audiences and customer renewals. This momentum will build over the next 18 months as the rollout of enhanced customer platforms and new or upgraded products accelerates, underpinning our accelerated growth ambitions.

Examples of initiatives that have already gone live include:

Division	Project	Objective	Benefits
Business Intelligence	Pharma Insight	Content expansion, product enhancement and improved user experience for Datamonitor Healthcare	Expanded team of analysts, epidemiologists and editors, with 44 updated disease indications and 16 new indications included in primary research database. New forecasting tool launched. Immediate improvement in renewals and revenue trend.
Business Intelligence	AgriBusiness Intelligence Platform	New capability and improved customer experience through development of Intelligence platform	IEG Vantage already online with progressive rollout of other products. Cloud-based Agri data store, real-time updates, digital delivery, search capability and online tools. Immediate improvement in rolling renewal rates and good adoption of new features.
Knowledge & Networking	Digital Transformation	Improved customer experience through launch of year round, content-rich engagement platform for core TMT, Life Sciences and Finance verticals	CORE platform launched and >150 events now live, process and people changes complete with significant improvement in digital marketing capability. Still early in the rollout but where live, online conversion rates have tripled with 40% more time spent online, higher retention and improved efficiency.
Academic Publishing	Digital Content Management Platform	Single platform for Upper Level Academic content, improved discoverability and customer insight	Core technology upgrade implemented and more granular content tagging well underway with full rollout towards end 2017. Cogent OA and Taylor & Francis Online already re-launched as fully responsive, dynamic web-platforms.
Global Exhibitions	Digital platform and delivery	Establish community-based, year-round customer engagement model through enhanced digital and marketing capabilities	Upgraded web platform, enhanced capabilities in marketing automation, data, CMS, analytics and campaign management. Full launch through 2017 with events cycle. Events already on the platform seeing increased efficiency and improved customer insights and marketing leads.

As we move out of the *GAP* investment period, each Division is transitioning to business-as-usual investments, using similar principles of governance and reporting. We actively encourage all our teams to consistently reinvest in product development and technology improvements to maintain competitive advantage and differentiate from peers. We expect the level of ongoing annual investment in the business to be in the range of 3-5% of revenue, depending on the future evolution of our portfolio mix.

ENTERPRISE RESOURCE PLATFORM FOR GROWTH AND SCALE

A good example of our ongoing commitment to investment is a project to upgrade our group-wide Enterprise Resource Platform ("ERP"). As we continually strive to improve operational fitness across what is a much broader and bigger Group and prepare for the next phase of acceleration, now is the time to build an ERP foundation that gives us the capabilities to provide efficient and effective shared services at scale.

INCREASED PORTFOLIO FOCUS IN KNOWLEDGE & NETWORKING

When we launched *GAP*, the **Knowledge & Networking** Division was created to bring together all our disparate conference, confex, other content-driven events and training businesses. This allowed us to simplify its operating model and make changes to its management structure, beginning the process of running it as a single business to better leverage our scale and customer relationships.

As part of this restructuring, we started to shift the business away from its historical roots as a domestic conference business, dependent on identifying topical subject areas for one-off events and growing through volume expansion. At its peak, Informa was running over 12,000 events a year under this format.

The growth of digital content on the internet and access to specialists through social media has undermined the value of this traditional model, lowering barriers to entry, increasing volatility and putting pressure on revenue. As a result, we have been steadily refocusing the business on its Branded events in key market verticals, which are larger, repeatable events with strong Brands within the specialist communities they serve, typically the annual networking forum for that industry.

Over the last few years, the Group has progressively exited from its historical European domestic conference businesses through the sale of operations in Denmark, Italy, the Netherlands, Russia, Spain and Sweden. In 2017, we plan to review our five remaining domestic conference businesses in Australia, Brazil, Germany, Singapore and Switzerland. In aggregate these businesses run over 400 events annually, generating revenue of close to £50m but with an operating margin that is dilutive to the wider Division.

Our Branded events are focused on areas offering long-term growth and returns. Combined with our investment in complementary digital community platforms, they position the business as a critical knowledge partner within our three core end markets of Life Sciences, Global Finance and TMT.

As we further increase the focus of the **Knowledge & Networking** Division and grow the size and scale of **Global Exhibitions** and **Business Intelligence**, we naturally lower our exposure to delegate-driven conferences and further improve the quality of Group earnings.

BALANCE AND BREADTH THROUGH INTERNATIONAL EXPANSION AND SCALE

Our international expansion strategy continued through 2016 with the addition of several businesses in key verticals such as **TMT** (*Light Reading*) and **Sustainability & Waste** (*Water & Wastewater Equipment, Treatment & Transport Show*).

In November we announced the addition of *Penton Information Services* for £1.2bn, a leading US-based Exhibitions and Professional Information Services Group. This significantly strengthens our **Global Exhibitions** and **Business Intelligence** Divisions, consolidating our position in key verticals and further expanding our reach and scale in the important US market. More recently, we also added YPI for £106m, a leading US-based Exhibitions business in the attractive and growing **International Yachting** vertical.

One of the attractions of Penton and YPI is the increased Balance and Breadth they give us across our portfolio, making us more resilient with a broader set of growth drivers:

- At a Divisional level, they leave us more balanced, with our highest growth and highest margin business, **Global Exhibitions**, becoming our largest Division approaching 40% of Group profit on a pro-forma basis, slightly more than **Academic Publishing**, with **Business Intelligence** at around 20% and **Knowledge & Networking** less than 10%;
- At a vertical level, they further strengthen our position in **Health & Nutrition**, **Agriculture**, **International Yachting**, **TMT** and **Infrastructure**, whilst also broadening our exposure through established scale positions in **Design & Manufacturing**, **Aviation** and **Transport**;
- By region, they give us significant scale in the US, with over 50% of revenue now generated here (over 65% if we include countries with currencies pegged to the US dollar), leaving the UAE at around 6%, with the UK & Europe and the Rest of the World both around 20%;
- By revenue type, we now generate more than 55% of revenue from recurring or predictable Subscriptions and Exhibitions revenue.

PENTON INTEGRATION ON TRACK

We are taking a measured approach to the combination of Penton with Informa to ensure we maintain operating momentum throughout. Since completion on 2 November, we have been in a period of **Discovery** and **Delivery**. We have spent time further understanding the opportunities available through a combination with Informa, whilst also ensuring Penton delivered on its 2016 targets and started 2017 positively in what is a key trading period for both businesses. In the short period under our ownership in 2016, Penton contributed revenue of £34.0m and adjusted operating profit of £6.8m, reflecting what is a relatively quiet period for trading in November and December, with no major events taking place.

Patrick Martell, the Chief Executive of the Business Intelligence Division and CEO of Penton, has relocated to the US to lead the integration team and ensure we maximise the synergies available from combining the two businesses. We are confident of meeting our target of at least £14m annualised net operating synergies by 2018, mainly from the removal of duplicate costs and improved scale efficiencies. To date, we have already realised over £4m of savings on an annual run-rate basis, giving us confidence we can deliver at least half the £14m total in 2017.

We are also starting to identify revenue opportunities and while these generally have a longer lead time, there are some obvious cross marketing initiatives within **Global Exhibitions** that we are starting to pursue, notably within **Health & Nutrition** as we combine the strengths of the *Vitafoods*, *Supplieside* and *New Hope Network* Brands. Similarly, within **Business Intelligence**, we are already working on plans to utilise Penton's marketing services capability and apply it more broadly across the Group.

In order to facilitate a smooth integration into the **Business Intelligence** Division, we recently updated its organisational structure, expanding the **Maritime** vertical to include **Transportation** (including Aviation Week) and adding a sixth vertical, **Industry & Infrastructure**. As part of this change, we have also put greater operational focus, autonomy and accountability into the vertical teams, moving closer to the Penton structure. This ensures we are more market oriented, customer centric and focused on delivering growth as we look to reap the full benefits of recent *GAP* and acquisition investments.

The response of Penton's staff has been very positive to date, with strong enthusiasm to be part of a larger Group committed to long-term investment in the Exhibitions and Information Services sector.

STRONG CASH GENERATION, HIGHER DIVIDENDS AND A ROBUST BALANCE SHEET

The conversion of profits into cash remains a key focus of our *GAP* Funding strategy, ensuring we retain strong liquidity to meet financing commitments and reinvest into the business.

In 2016, we reported another year of strong operating cash conversion at 95% and an increase in free cash flow to £305.7m. This was despite a number of one-off factors, as highlighted at the half year stage:

- An increase in net capital expenditure of c.£20m year-on-year in the peak year of *GAP* investment;

- Timing issues within **Academic Publishing**, primarily a prior year benefit in relation to the subscription agent, SWETS;
- Cash tax payments of £43.3m, up £12.6m year-on-year, reflecting a more normalised cash tax rate after a one-off reduction in 2015 from our US expansion programme;
- Currency movements and the impact of longer term debt financing on cash interest costs.

Free cash flow was £305.7m in 2016, marginally higher than last year due to lower restructuring costs and a small contribution from Penton for the period under ownership. On a pro-forma basis, we expect annual free cash flow to be closer to £400m, reflecting equally strong cash characteristics at Penton due to its similarly high proportion of subscription and forward-booked revenue.

This strong cash performance, aligned with continued progress on *GAP* and positive operating momentum, led the Board to increase the Dividend per Share by 4.3% to 19.3p, slightly above our *GAP* annual dividend growth commitment.

Net debt finished the year at £1,485m, with the step-up from 2015 wholly accounted for by the acquisition of Penton and the impact of currency on our US dollar-denominated debt. This left our net debt to EBITDA ratio at 2.6 times at year end, in line with the guidance provided at the time of the Penton deal. Over the course of 2017, our strong cash generation will bring leverage back down comfortably within our target range of 2.0 to 2.5 times, leaving us ongoing flexibility for further infill acquisitions should attractive opportunities arise.

In December, we took the opportunity to refinance part of the short-term Acquisition Facility arranged as part of the Penton deal, through the issue of \$500m US private placement notes in three tranches. This reduced our market risk and extended our debt maturity at an attractive weighted average coupon of 3.6%. This gives us visibility at a time when the yield curve is steepening, with no material refinancing now required until 2020.

Divisional Trading Review*

The Group delivered further improvement in its trading performance during 2016, the peak year of *GAP* investment. Reported revenue grew +11.0% to £1,345.7m and adjusted operating profit was +13.8% at £416.1m. Organic revenue growth was +1.6%, an improvement from the +1.0% reported in 2015. Strong returns from acquisitions and the benefit of US Dollar strength on our expanded US revenue base helped boost reported revenue and profit. Organic operating profit was flat, reflecting underlying cost inflation and the impact of *GAP* investments.

Penton Information Services was acquired and consolidated from 2 November 2016. It is not included in financials for the four Operating Divisions in 2016 but will be incorporated from 2017. In the 2016 financial year it contributed £34.0m revenue and £6.8m adjusted operating profit, representing less than 1% of the Group on both measures.

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

GLOBAL EXHIBITIONS

	2016 £m	2015 £m	Actual %	Organic %
Revenue	306.9	262.5	16.9	8.7
Statutory Operating Profit	53.3	67.0		
Adjusted Operating Profit	119.0	98.0	21.4	13.5
Adjusted Operating Margin (%)	38.8	37.3		

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 conduct business. Informa has around 200 Exhibitions, serving a number of core verticals, including **Agriculture, Beauty, Construction & Real Estate** and **Health & Nutrition**.

In 2016, **Global Exhibitions** represented 22.8% of Group Revenues and 28.6% of Adjusted Profit.

Our strategy to internationalise and scale the **Global Exhibitions** Division continued to pay off in 2016, with another strong year of growth. The Top 20 events in the portfolio continued to perform well across key verticals, with further good growth recorded in **Life Sciences** (*Arab Health*), **Construction & Real Estate** (*World of Concrete*) **Beauty & Aesthetics** (*China Beauty, Anti-Aging World Congress*), **Health & Nutrition** (*Vitafoods, SupplySide West*), and **Pop Culture** (*FanExpo*).

The acquisition of Penton in November added around 30 leading exhibitions Brands to the portfolio, strengthening our position in key verticals including **Agriculture** and **Health & Nutrition**. It also adds further scale and predictability in the key US market and confirmed our position as the challenger operator, the third largest globally.

As we build scale and breadth we continue to invest in our Market Maker strategy. This saw us upgrade our web estate and invest in data capabilities in 2016, laying the foundations for more effective digital marketing and wider opportunities to monetise our customer relationships outside of the exhibition.

BUSINESS INTELLIGENCE

	2016 £m	2015 £m	Actual %	Organic %
Revenue	290.0	276.8	4.8	1.1
Statutory Operating Profit / (loss)	45.8	42.1		
Adjusted Operating Profit	65.7	63.2	4.0	-3.2
Adjusted Operating Margin (%)	22.7	22.8		

The **Business Intelligence** Division provides specialist data, intelligence and insight to businesses, helping them make better decisions, gain competitive advantage and enhance return on investment. It has a portfolio of more than 100 digital subscription products, providing critical intelligence to niche communities within five core industry verticals: **Pharma, Finance, Maritime, TMT, and Agribusiness**.

In 2016, **Business Intelligence** represented 21.6% of Group Revenue and 15.8% of Adjusted Profit.

Our programme of operational fitness and simplification in the **Business Intelligence** Division continued to deliver results, with the business recording positive organic revenue growth in 2016 for the first time in five years. This reflects a steady recovery in value renewal rates towards 90% and progressive improvement in annualised contract values as the focus on subscriptions, increased customer engagement and better account management, combined with early benefits from *GAP* investments, started to deliver benefits.

*Penton is reported as a separate segment in the 2016 results and not included in Divisional financials

Alongside this programme of operational improvement, the team stepped up the pace of its *GAP* investments in a wide array of product and platform initiatives, ranging from expanded content sets, to improved data collection, marketing automation tools and enhanced delivery platforms. The customer outputs from some of these initiatives started to go live towards the end of the year and this progressive rollout will be key to maintaining growth momentum in 2017.

ACADEMIC PUBLISHING

	2016 £m	2015 £m	Actual %	Organic %
Revenue	490.4	447.4	9.6	0.3
Statutory Operating Profit	135.0	116.3		
Adjusted Operating Profit	187.2	164.8	13.6	-2.1
Adjusted Operating Margin (%)	38.2	36.8		

The **Academic Publishing** Division publishes specialist books and journals. Operating as the Taylor & Francis Group, it is recognised internationally as one of the world's leading Upper Level academic publishers through its five main imprints: *Taylor & Francis*,

Routledge, CRC Press, Garland Science and Cogent OA. It has a portfolio of around 130,000 book titles and more than 2,500 journals available in both print and digital formats, across subject areas within **Humanities and Social Sciences**, and **Science, Technology and Medicine**.

In 2016, **Academic Publishing** represented 36.4% of Group Revenue and 45.0% of Adjusted Profit.

The **Academic Publishing** Division traded solidly through the year, with consistent good growth in Journals balanced by continued softness in Books, particularly in the US. This underperformance was concentrated in the Lower Level textbook segment, where we only have a limited exposure, representing around 10-15% of Books revenue. It was impacted by a combination of market factors including weak student enrolments, flat budgets, supply chain disruption, cross-border purchasing and book rentals.

Our focus remained on further improving operational fitness whilst continuing to invest in the depth of our specialist content, product innovation and our broader technology capabilities. This saw us consolidate our Books operations into a single business, improving efficiency and increasing our flexibility to meet evolving customer needs. We also made good progress with our divisional *GAP* initiatives, which are largely focused on increasing content discoverability, improving customer analytics and developing our range of author services.

KNOWLEDGE AND NETWORKING

	2016 £m	2015 £m	Actual %	Organic %
Revenue	224.4	225.5	-0.5	-4.1
Statutory Operating Profit	(6.7)	11.1		
Adjusted Operating Profit	37.4	39.6	-5.6	-19.4
Adjusted Operating Margin (%)	16.7	17.6		

The **Knowledge & Networking** Division is the Group's Community Content, Connectivity and Data business, incorporating its training, learning, conference, 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 1,600 conferences and training events each year globally, covering a range of subject areas, but with a particular focus on **Life Sciences, TMT and Finance**.

In 2016, **Knowledge & Networking** represented 16.7% of Group Revenue and 9.0% of Adjusted Profit.

Our strategy to simplify, focus and rationalise **Knowledge & Networking** continued in 2016. We ran more than 1,600 events in total during the year, down from around 3,000 three years ago and over 12,000 in 2007. This shift illustrates our increasing focus on larger Branded annual events in the three core verticals of Life Sciences, Finance and TMT, and continued shift away from small, one-off domestic conferences. The next stage of this transition is underway with the review of our five remaining domestic conference businesses in 2017. To put this in context, while divisional organic revenue growth was lower than expected in 2016 at -4.1%, the Top 20 events in the portfolio in aggregate grew around 8%.

To support our focus on Branded events, we continued to invest, through *GAP*, in strengthening our digital presence and expanding our specialist content within our three key verticals of Finance, Life Sciences and TMT. This is improving our digital marketing capability, helping to improve audience reach and deepening our relationship with the sub-communities we are targeting.

Financial Review

We regard the Knowledge & Information markets as an attractive destination for growth and expansion opportunities, revenue mix, geographic reach, operating margins and cash conversion. Over the last three years, as part of the *Growth Acceleration Plan* we have been focused on making the most of these opportunities. A particular focus has been on financial discipline and maximising our cash generation to give the Group stability and the

flexibility to fund ongoing operations, pay a growing dividend and consistently reinvest for growth.

In 2016, Informa reported another consistent financial performance, producing a third consecutive year of growth in Revenue, Adjusted Profit, Earnings, Free Cash Flow and Dividends. This was combined with further progress in implementing the *2014-2017 Growth Acceleration Plan*. As part of this, we continued to expand and scale internationally, most notably through the addition of Penton Information Services in November for £1.2bn.

Reported and organic revenue growth improved to 11.0% and 1.6% respectively, reflecting good underlying operational progress, combined with favourable currency movements and strong returns from acquisitions. This translated into 13.8% growth in adjusted Operating Profit and 6.6% adjusted EPS growth. Reported operating profit and EPS were £198.8m and 23.6p, principally reflecting Adjusted Operating Profit, acquisition-related items, amortisation and impairment.

In 2016, our operating cash conversion remained strong at 95%, ensuring further growth in free cash flow to £305.7m.

We added a number of businesses to the Group in 2016, culminating in the addition of Penton towards the end of the year. In line with our balanced approach to financing through *GAP*, we used a mixture of debt and equity to fund this acquisition, raising £715m through a fully subscribed rights issue.

The combination of our strong cash generation and balanced approach to funding allowed us to end the year with a strong balance sheet, with net debt to EBITDA at 2.6 times, just outside our target range of 2.0 times to 2.5 times. In December, we took the opportunity to refinance the majority of the short-term \$675m Acquisition Facility agreed on the Penton acquisition in the US Private Placement market, raising \$500m at attractive rates and an average term of over nine years. This provides long-term visibility and certainty and locks in an attractive rate before the yield curve potentially steepens.

The Group's approach to tax remains unchanged. We recognise that taxes help provide vital services and infrastructure that companies in turn rely on, and so commit to pay our taxes in full and on time, in compliance with the letter and intent of the laws of countries in which we operate. We actively engage and co-operate with tax authorities and use available legal tax incentives to optimise Shareholder returns.

Informa's financial obligations to its pension schemes remain limited relative to the size of the Group and low compared to many listed peers. We have two UK defined benefit pension schemes, which are closed to future accruals and require no cash contributions during 2017 to reduce scheme deficits. Penton's defined benefit schemes are of a similar scale to Informa's, are also closed to future accrual and have no contributions expected for 2017.

The Group enters 2017, the final year of the Growth Acceleration Plan, as a larger Group with increased Balance and Breadth following the addition of Penton, giving us more stability and resilience and greater visibility and predictability of revenue. This puts us in a good position to deliver on our *GAP* ambition to deliver growth in all four Operating Divisions as we enter 2018 and, combined with our strong balance sheet, to continue to create value for Shareholders.

INCOME STATEMENT

Our strategy of growth and scale led to a strong increase in Group revenue in 2016, up 11.0% to £1,345.7m, including a 1.6% increase on an organic basis. This converted to Adjusted Operating Profit of £416.1m, some 13.8% higher than the prior year and unchanged on an organic basis. This reflects that it was the peak year of investment for *GAP*, with both higher operating expenditure and increased depreciation from capital expenditure impacting the cost base.

	Adjusted Results 2016 £m	Adjusting Items 2016 £m	Statutory Results 2016 £m	Adjusted Results 2015 £m	Adjusting Items 2015 £m	Statutory Results 2015 £m
Revenue	1,345.7	-	1,345.7	1,212.2	-	1,212.2

Operating Profit/(loss)	416.1	(217.3)	198.8	365.6	(129.1)	236.5
(Loss)/profit on disposal of subsidiaries and other operations	-	(39.8)	(39.8)	-	9.1	9.1
Net finance costs	(39.6)	58.9	19.3	(25.9)	-	(25.9)
Profit/(loss) before tax	376.5	(198.2)	178.3	339.7	(120.0)	219.7
Tax (charge)/credit	(68.0)	63.2	(4.8)	(60.2)	13.2	(47.0)
Profit/(loss) for the year	308.5	(135.0)	173.5	279.5	(106.8)	172.7
Operating Profit Margin	30.9%			30.2%		

REVENUE AND ADJUSTED OPERATING PROFIT

Our programme of investment and growth is steadily delivering improved performance, with reported revenue growth of 11.0% and organic revenue growth at 1.6% in 2016, the latter up from 1.0% in 2015. Our performance was strongest in the **Global Exhibitions** Division, with reported growth of 16.9% and organic growth of 8.7%, reflecting continued strong growth across our Top 20 exhibitions as we reaped the benefits of increased scale and strong vertical market positions. **Business Intelligence** delivered reported growth of 4.8% and organic growth of 1.1%, reversing six years of organic decline, as the benefits of actions taken to increase the focus on subscriptions and customer management started to pay off. Reported growth of 9.6% and organic growth of 0.3% in **Academic Publishing** reflected a combination of robust trading in the Journals business, strong returns from acquisitions, currency benefits and some continued softness in the Books business, particularly in the US market. In **Knowledge & Networking**, trading was mixed with good progress in our Branded Events portfolio offset by continued weakness in our regional conference businesses, leading to a -0.5% decline and -4.1% decline on an organic basis.

	AP £m	BI £m	GE £m	K&N £m	Penton £m	Total £m
31 December 2016						
Revenue	490.4	290.0	306.9	224.4	34.0	1,345.7
Reported growth	9.6%	4.8%	16.9%	(0.5)%	-	11.0%
Organic growth	0.3%	1.1%	8.7%	(4.1)%	-	1.6%
Adjusted Operating Profit	187.2	65.7	119.0	37.4	6.8	416.1
Reported growth	13.6%	4.0%	21.4%	(5.6)%	-	13.8%
Organic growth	(2.1)%	(3.2)%	13.5%	(19.4)%	-	0.0%
Statutory Operating profit	135.0	45.8	53.3	(6.7)	(28.6)	198.8
31 December 2015						
Revenue	447.4	276.8	262.5	225.5	-	1,212.2
Reported Growth	9.4%	(1.7)%	31.1%	(8.4)%	-	6.6%
Organic Growth	1.6%	(1.9)%	10.5%	(4.2)%	-	1.0%
Adjusted Operating Profit	164.8	63.2	98.0	39.6	-	365.6
Reported Growth	9.9%	(16.0)%	45.6%	(4.6)%	-	9.5%
Organic Growth	2.2%	(15.6)%	11.1%	3.7%	-	0.1%
Statutory Operating Profit	116.3	42.1	67.0	11.1	-	236.5

Group Operating Profit was 13.8% higher year-on-year on a reported basis, benefiting from currency and acquisitions, and flat on an organic basis, reflecting the impact of **GAP** investment. Within the Divisions, **Global Exhibitions** delivered strong operating profit growth, consistent with its revenue performance, whilst **Academic Publishing**, **Business Intelligence** and **Knowledge & Networking** reported an organic decline in operating profit.

The Adjusted Operating Profit Margin grew by 70 basis points from 30.2% to 30.9%, largely reflecting the higher level of growth of the higher margin **Global Exhibition** Division.

Further commentary on divisional financials is provided in the Divisional Trading Review.

MEASUREMENTS AND ADJUSTMENTS

In addition to the statutory results, Adjusted Results are prepared for Adjusted Operating Profit and Adjusted Diluted Earnings Per Share as the Board consider these to be the most appropriate way to measure the Group's underlying 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 exclude the Adjusting Items outlined in the next section.

Organic measures of revenue and Adjusted Operating Profit refer to measures of growth where reported amounts are adjusted to remove material acquisitions and disposals and to eliminate the effect of changes in foreign currency exchange rates. However, organic measures are not currently adjusted to exclude the effect of events phasing, such as for biennial or triennial events.

Growth in 2016 can be analysed as follows:

	2015 £m	Organic growth	Acquisitions and disposals	Currency growth	Reported growth	2016 £m
Revenue	1,212.2	1.6%	1.2%	8.2%	11.0%	1,345.7
Adjusted Operating Profit	365.6	0.0%	3.4%	10.4%	13.8%	416.1

ADJUSTING ITEMS

The Adjusting Items below have been excluded from Adjusted Results. The total charge against Operating Profit for Adjusting Items was £217.3m in 2016 (2015: £129.1m) with the major element comprising amortisation of acquired intangible assets and impairment of goodwill and intangibles.

	2016 £m	2015 £m
Intangible asset amortisation ¹	116.7	99.5
Impairment of goodwill and intangibles	67.7	13.9
Acquisition and integration costs	33.1	2.3
Restructuring and reorganisation costs	7.2	13.7
Re-measurement of contingent consideration	(7.4)	(0.3)
Adjusting Items in Operating Profit	217.3	129.1
Loss/(profit) on disposal of subsidiaries and other operations	39.8	(9.1)
Gain on acquisition-related foreign exchange hedge	(58.9)	-
Adjusting Items in profit before tax	198.2	120.0
Tax related to Adjusting Items	(63.2)	(13.2)
Adjusting Items in profit for the year	135.0	106.8

¹ Intangible asset amortisation is in respect of acquired intangibles and excludes amortisation of software and product development

The Group's proactive and targeted acquisition programme led to an increase in intangible asset amortisation arising from acquired intangibles to £116.7m. This comprised £49.5m for amortisation of book lists and journal titles, £17.9m for database content and £49.3m related to exhibitions and conferences. Intangible asset amortisation arising from software assets and product development is not treated as an Adjusting Item and so is included within the calculation of Adjusted Operating Profit.

Our strategy to increase operational focus and manage our portfolio more proactively, combined with some trading weakness in individual markets, led to an impairment of goodwill and intangibles of £67.7m. This mainly related to the domestic conference businesses in the **Knowledge & Networking** Division, some of which have since been put under review, including Germany and Australia, as well as an impairment in some historically acquired businesses in Brazil in the **Global Exhibitions** Division.

Acquisition and integration costs are the one-off costs associated with acquiring and integrating individual acquisitions. In 2016, this included £28.6m related to the Penton acquisition.

The implementation of GAP led to further Restructuring and Reorganisation costs through 2016, totalling £7.2m. This mainly related to the consolidation of our Books operations into a single global business within **Academic Publishing** and the ongoing rationalisation programme in the **Knowledge & Networking** Division.

At the Half Year stage we wrote down the loan note related to the sale of our Corporate Training businesses in 2013, reflecting the underperformance of the business post-sale and, hence, low likelihood of repayment. This has been reflected in the full year results

too, with a full impairment recognised of £39.9m. This is balanced by a £4.0m gain due to the part-recovery of a different loan note relating to Robbins Gioia, which was sold separately to the other training businesses.

Following these results, the Group has no further exposure to either the Performance Improvement or Robbins Gioia businesses. There were also £3.9m of losses in aggregate from a number of other small business disposals.

In line with our *GAP* approach to funding, on announcement of the Penton acquisition, we entered into a forward foreign exchange contract to hedge our exposure to US Dollar and Sterling fluctuations on the £701.5m proceeds of the Rights Issue, which would part-fund the US Dollar denominated consideration. Over the course of the period between announcement and completion of the deal, Sterling weakened significantly and this led to a gain on the hedge of £58.9m.

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

	AP £m	BI £m	GE £m	K&N £m	Penton £m	Total £m
Statutory Operating Profit	135.0	45.8	53.3	(6.7)	(28.6)	198.8
Add back:						
Intangible asset amortisation ¹	48.2	18.0	33.9	9.8	6.8	116.7
Impairment of goodwill and intangibles	-	-	31.1	36.6	-	67.7
Acquisition and integration costs	0.4	0.1	3.0	1.0	28.6	33.1
Restructuring and reorganisation costs	3.6	1.8	0.1	1.7	-	7.2
Re-measurement of contingent consideration	-	-	(2.4)	(5.0)	-	(7.4)
Adjusted Operating Profit	187.2	65.7	119.0	37.4	6.8	416.1

¹ Intangible asset amortisation is in respect of acquired intangibles, and excludes amortisation of software and product development

ADJUSTED NET FINANCE COSTS

Adjusted net finance costs, which consist principally of interest costs on our US Private Placement loan notes and bank borrowings, net of interest receivable, increased by £13.7m to £39.6m in 2016. The increase reflects three factors, in broadly equal measures:

- A higher average cost of financing, following the full year impact from new US Private Placement loan notes issued in the prior year. These provide long-term financial visibility but at a more expensive rate than bank borrowings;
- The strengthening of the US Dollar, which increases the cost of Group borrowings, as the vast majority is US Dollar denominated, providing a natural hedge to our US Dollar earnings;
- Lower interest receivable, reflecting the write-down of loan notes related to the sale of the Performance Improvement businesses in 2013, and the consequent loss of accrued interest receivable.

TAXATION

Informa's effective tax rate is sensitive to the blend of tax rates and profits in the Group's various jurisdictions, some with lower corporate tax rates than the UK. In 2016, our adjusted effective rate of tax was 18.1% (2015: 17.7%).

Approach to Tax

We view the taxes we pay as part of the economic benefit we create for societies in which we operate, and believe that a fair and effective tax system is in the interests of tax-payers and society at large. We support the adoption of international best practices and governance standards, and aim to comply with tax laws and regulations everywhere we do business. As such, we have open and constructive working relationships with tax authorities worldwide. Our approach balances the interests of our stakeholders including shareholders, governments, employees and the communities in which we operate.

Tax Contribution

The Group's Total Tax Contribution ("TTC"), which is made up of all material taxes paid out of profits and other material taxes generated by our businesses, was £183.2m in 2016

(2015: £154.7m). The UK element of our TTC was £77.2m (2015: £79.9m). The increase in worldwide TTC was due to an increase in corporation tax payments, particularly in the US and higher employment taxes, both paid out of profits and by employees. The small decrease in UK TTC reflects higher VAT refunds arising from increased investments in *Growth Acceleration Plan* systems in the UK, partly offset by higher employment taxes.

Tax Expense

The Group tax charge on statutory Profit Before Tax ("PBT") was 2.7% (2015: 21.4%). The statutory rate for 2016 was affected by tax deductions arising from the write-off of loan notes relating to the historical sale of the Performance Improvement business, and crystallisation of tax deductions on prior year write-offs of loan notes relating to the historical sale of Robbins Gioia.

The rate has also been affected by a non-cash credit arising from the recognition of a deferred tax asset in respect of certain non-UK intangibles. In 2015, the statutory effective tax rate reported was affected by impairment charges that were not deductible for tax purposes.

The acquisition of Penton towards the end of 2016 has not had a significant impact on either the statutory or adjusted effective tax rate, as the Adjusted Operating Profit generated since acquisition has been largely offset by interest deductions and amortisation of goodwill available for tax purposes.

The Group benefits from tax efficient internal financing structures. Certain structures, with a tax benefit of approximately £8m in 2016, are affected by changes to UK tax legislation, introduced from 1 January 2017, with no further benefit available from that date.

Tax Payments

During 2016, the Group paid £43.3m (2015: £30.7m) of Corporation and similar taxes on profits, including approximately £24.2m (2014: £23.4m) of UK Corporation Tax. In 2015, Corporation Tax payments benefited from a one-off reduction in US tax payments arising from the treatment of the Hanley Wood Exhibitions acquisition for US tax purposes.

In 2017, tax payments will be affected by a number of one-off items:

- US Tax payments will be substantially reduced by tax deductions available from the write-off of loans in 2016 and prior years, including deductions on elements of these write-offs previously provided for in earlier years. These deductions will also reduce cash tax outflows in the US in 2018.
- UK Tax payments will increase to include tax of approximately £11.8m due on the foreign exchange gain realised on the deal contingent forward. The net impact of these items is an offset against increasing tax payments on underlying profits.

These one-off items are treated as Adjusting Items in the Financial Statements and have no impact on the tax rate on Adjusted Profits. UK tax payments will also increase due to the change in treatment of certain internal financing structures as previously noted, with the £8m increase in payments phased-in equally over 2017 and 2018.

US cash taxes due for 2017 will also be reduced through US tax losses acquired with Penton. At the end of 2016 the deferred tax asset for US tax losses stood at £90.6m, which is expected to be utilised within five years. The recognition of a deferred tax asset on acquisition mean that the cash savings arising from the losses do not reduce the Adjusted Tax Rate.

The reconciliation of the adjusted tax charge to cash taxes paid is as follows:

	2016 £m	2015 £m
Tax charge on Adjusted PBT per Consolidated Income Statement	68.0	60.2
Deferred taxes	(8.0)	(13.2)
Current tax deductions in respect of Adjusting Items	(35.7)	(14.6)
Taxes paid in relation to earlier years less 2016 (2015) taxes payable in later periods	18.6	(2.0)
Withholding and other tax payments	0.4	0.3
Income taxes paid per Consolidated Cash Flow Statement	43.3	30.7

The tax charge on Adjusted Profits is stated after the benefit of goodwill amortisation for tax purposes in the US and similar amounts elsewhere. There are £19.5m (2015: £11.5m) of current tax deductions which are taken on the amortisation of intangible assets. These continue to be treated as Adjusting Items and are included in the current tax deductions in respect of Adjusting Items noted above.

EARNINGS PER SHARE

Following the acquisition of Penton Information Services and corresponding £715m Rights Issue, the 2015 Basic and Diluted EPS figures have been restated to reflect the bonus factor (from 26.4p to 24.3p). In 2016, statutory earnings attributable to equity holders were £171.6m, translating into Basic and Diluted EPS of 23.6p.

Similarly, the 2015 Adjusted Diluted EPS of 39.5p has been restated to reflect the bonus element of the 2016 rights issue (from 42.9p to 39.5p).

In 2016, Adjusted Diluted EPS was 42.1p, 6.6% ahead of 2015 (2015: 39.5p), reflecting the 13.8% increase in Adjusted profit, partly offset by the increased charges for interest and tax and the increase in the average number of shares. The increased average number of shares reflects a combination of the Penton Rights Issue, comprising 162.2m additional shares, and the equity issued to the Penton vendors, comprising 12.8m additional shares. These additional shares are included for the period post completion of the acquisition on 2 November, resulting in an average diluted share count of 727.8m. In the absence of any further equity issues, the full year impact of these additional shares will push the average diluted share count to around 825m in 2017.

	2016 £m	2015 £m
Adjusted profit for the year	308.5	279.5
Non-controlling interests	(1.9)	(1.3)
Adjusted earnings	306.6	278.2
Weighted average number of shares used in diluted EPS (m) ¹	727.8	704.6
Adjusted diluted EPS (pence)	42.1p	39.5p

¹ 2015 number of shares restated for bonus element of 2016 rights issue

TRANSLATION IMPACT

Given our stated strategy of international expansion and purposeful shift to add businesses in North America, there has been a conscious increase in exposure to US Dollar revenues and costs. In 2016 the Group received approximately 59% (2015: 55%) of its revenues and incurred approximately 48% (2015: 43%) of its costs in US Dollars or currencies pegged to US Dollar. Each 1 cent movement in the USD to GBP exchange rate had a circa £6.5m (2015: £4.4m) impact on revenue and a circa £2.9m (2015: £2.0m) impact on Adjusted Operating Profit and a circa 0.27p (2015: 0.23p) impact on Adjusted diluted EPS.

The average exchange rate of the US Dollar to Sterling reduced 11.3% in the year.

	Average rate		Closing rate	
	2016	2015	2016	2015
USD	1.36	1.53	1.23	1.48

For the purpose of measuring Informa's leverage and assessing debt covenants, both Profit and Net Debt are translated using the average rate of exchange throughout the relevant period.

CASH FLOW

Cash flow generation remains a priority for the Group, 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 a key financial measure of how much cash the business generates from operations and is stated before cash flows relating to acquisitions and disposals, dividends and any new equity issuance.

Our focus on cash generation across the Group led to another year of strong cash conversion in 2016, with Operating Cash Flow of £393.9m equating to 95% of Adjusted Operating Profit (2015: 103%). This was slightly lower than the previous year's conversion rate, reflecting higher capital expenditure in the peak year for GAP investment and reduced working capital inflow.

Net capital expenditure was £52.0m. The working capital inflow of £5.5m compares to an inflow of £23.9 in 2015, with the reduction principally due to the prior year benefit of the receipt of a delayed payment of £15m from a subscription agent to the **Academic Publishing** Division.

Lower restructuring and reorganisation costs in the year helped offset higher interest and tax payments to produce Free Cash Flow of £305.7m, slightly higher than the level recorded in 2015.

Net Interest increased in line with the Income Statement Finance Costs and cash spend on debt arrangement fees. Tax payments increased by £12.6m as the prior year benefitted from the one-off reduction arising from the treatment of the Hanley Wood Exhibitions acquisition for US tax purposes.

	2016 £m	2015 £m
Adjusted Operating Profit	416.1	365.6
Depreciation of property and equipment	6.5	6.1
Software and product development amortisation	14.6	12.8
Share-based payments	3.9	2.6
Loss on disposal of other assets	0.1	0.1
Adjusted share of joint venture and associate results	(0.8)	0.1
Adjusted EBITDA	440.4	387.3
Net capital expenditure	(52.0)	(33.5)
Working capital movement	5.5	23.9
Operating Cash Flow	393.9	377.7
Restructuring and reorganisation	(9.9)	(16.9)
Net interest	(35.0)	(26.7)
Taxation	(43.3)	(30.7)
Free Cash Flow ¹	305.7	303.4
Acquisitions and disposals	(1,313.1)	(151.4)
Equity Rights Issue net proceeds	701.5	-
Dividends paid to shareholders	(134.5)	(126.5)
Other shares acquired	(1.0)	(0.4)
Net Funds Flow	(441.4)	25.1
Non-cash movements	(2.7)	(1.2)
Foreign exchange	(146.0)	(43.0)
Net debt at 1 January	(895.3)	(876.2)
Net Debt at 31 December	(1,485.4)	(895.3)

The following table reconciles Net Cash Inflow from Operating Activities with Free Cash Flow, as shown in the Consolidated Cash Flow Statement:

	2016 £m	2015 £m
Net cash inflow from operating activities	336.3	333.9
Purchase of property and equipment	(4.6)	(7.2)
Proceeds on disposal of property and equipment	0.6	0.4
Purchase of intangible software assets	(36.5)	(23.2)
Product development costs additions	(11.5)	(3.5)
Net capital expenditure	(52.0)	(33.5)
Interest received	0.6	0.7
Acquisition and integration costs paid	20.8	2.3
Free Cash Flow ¹	305.7	303.4

¹ Free Cash Flow ("FCF") excludes amounts paid in respect of acquisitions and integration costs. 2015 FCF as reported included £2.3m of amounts paid which have been reclassified to Acquisitions and Disposals above.

CORPORATE DEVELOPMENT

The Group continued to pursue its disciplined and targeted acquisition strategy during 2016, adding several businesses to the portfolio, including Penton Information Services.

Total net spend on additions and disposals was £1,313.1m (2015: £151.4m), which included acquisition expenditure of £1,348.7m (2015: £162.0m), acquisition and integration costs of £20.8m, disposal outflow of £2.5m (2015: inflow of £12.9m) and a £58.9m interest gain relating to the Penton consideration hedge. Acquisitions included £54.5m (2015: £93.2m) of expenditure on other intangible assets and £1,294.2m (2015: £68.8m) on the addition of subsidiaries net of cash acquired.

As part of our disciplined approach, potential acquisition opportunities are assessed on a case-by-case basis against a broad set of financial and strategic criteria. This includes delivering returns in excess of the Group's weighted average cost of capital and being accretive to earnings in the first full year of ownership. For some selective acquisitions, the Group will take a longer-term view on these metrics, to allow time for full integration of the acquired business, coupled with additional investment to maximise long-term returns.

The principal acquisitions made during 2016 are detailed below:

Acquired businesses / other intangible asset acquisitions	Division	2016 Net cash paid £m	2015 Net cash paid £m
Acquisition of subsidiaries net of cash acquired:			
Penton Information Services	Penton	1,218.8	-
Light Reading	Knowledge & Networking	44.3	-
WS Maney & Son Limited	Academic Publishing	-	21.3
Ashgate Publishing	Academic Publishing	-	19.1
Other		31.1	28.4
		1,294.2	68.8
Other intangible asset acquisitions:			
		54.5	93.2
Total net cash paid on acquisition of subsidiaries and other intangible asset acquisitions		1,348.7	162.0

Addition of Penton Information Services

The net cash consideration for Penton Information Services at closing, using an exchange rate of 1.22, was £1,218.8m (\$1,482.5m), comprising £1,240.2m (\$1,508.6m) of cash consideration paid to the vendors at closing date, less cash acquired of £21.4m (\$26.1m). Total consideration at closing, using an exchange rate of 1.22, was £1,334.0m (\$1,622.7m), consisting of £1,240.2m (\$1,508.6m) of consideration settled in cash, a deferred closing price refund of £6.6m (\$8.0m), £82.2m (\$100.0m) of share consideration and deferred consideration with a fair value of £18.2m (\$22.1m), payable in October 2018 for anticipated future tax benefits.

The provisional value of identifiable net assets of £500.2m included cash of £21.4m, intangible assets of £648.2m and deferred tax liabilities of £114.7m, with a goodwill balance of £833.8m. Acquisition costs charged to Operating Profit (included in Adjusting Items in the Consolidated Income Statement) for the year ended 31 December 2016 amounted to £26.2m for advisor and related external fees.

EQUITY RIGHTS ISSUE AND CONSIDERATION SHARES

In order to retain a stable and flexible balance sheet, we funded the addition of Penton Information Services through a mixture of debt and equity. The 1-for-4 Rights Issue raised net cash of £701.5m, and led to the issue of 162,234,656 ordinary shares of 0.1p each on 11 October 2016. The shares were issued at £4.41 each and raised gross proceeds of £715.5m (£701.5m net proceeds after expenses of £14.0m). Trading in the new shares commenced on 26 October 2016.

As part of the Penton consideration, the Group also issued 12,829,146 ordinary shares ("Consideration Shares") to the vendors on 2 November 2016, comprising MidOcean Partners, Wasserstein & Co and certain Penton senior management.

DIVIDENDS

In 2016, Dividends paid were £134.5m (2015: £126.5m) consisting of dividends paid to external shareholders of £131.9m and dividends paid to non-controlling interests of £2.6m.

The Group's dividend policy aims to achieve a balance between sufficiently rewarding shareholders and retaining the financial strength and flexibility to allow the Group to consistently invest and pursue growth. The Group have made a specific commitment through the period of *GAP* to increase the dividend consistently each year, initially set at a minimum of 2% per annum and raised in February 2016 to a minimum of 4% per annum.

As outlined in the Operational Review, the Board has proposed a 4.3% increase in the Dividend Per Share for 2016. The proposed final dividend is 13.04p per share (2015: 12.47p per share restated for the bonus factor) representing a 4.6% increase. Subject to shareholder approval at the AGM, the final dividend will be paid on 2 June 2017 to ordinary shareholders registered as at the close of business on 28 April 2017. This will result in total dividends for the year of 19.3p per share (2015: 18.5p per share restated for the bonus factor). The growth in earnings in 2016 means dividend cover against adjusted earnings was 2.0 times (2015: 2.1 times).

NET DEBT

A key element of *GAP* is the focus on maintaining a strong balance sheet and flexible funding mix, providing long-term visibility and liquidity. During 2016 we took a number of steps to further strengthen our cash management and financing structure.

The group used a mixture of debt and equity to fund the Penton acquisition in November. An equity Rights Issue raised net funds of £701.5m, while the Group also entered into a new Acquisition Facility providing £548.6m (USD 675.0m) for up to 30 months' duration and a £150.0m 2-year term facility agreement, with availability to December 2017.

Shortly after completion of the acquisition, we decided to take advantage of liquidity and attractive rates in the market to pay down the majority of this Acquisition Facility by issuing USD 500m of new US Private Placement loan notes on 25 January 2017, with a maturity of six years (USD 55m), eight years (USD 80m) and ten years (USD 365m).

Net Debt	31 December 2016 Pro-forma¹ £m	31 December 2016 £m	31 December 2015 £m
Cash at bank and in hand	(49.6)	(49.6)	(34.3)
Bank overdraft	9.4	9.4	2.0
Loans receivable	(0.2)	(0.2)	(0.3)
Private placement loan notes	1,088.6	682.2	574.6
Private placement fees	(1.5)	(1.5)	(1.6)
Bank borrowings - revolving credit facility	300.2	300.2	359.1
Bank borrowings - acquisition facility	142.2	548.6	-
Bank loan fees	(3.7)	(3.7)	(4.2)
Net debt	1,485.4	1,485.4	895.3

¹ Pro-forma 2016 represents the net debt adjustment of £406.4m for the private placement loan notes issued on 25 January 2017 applied to part repay the acquisition facility.

Net debt increased by £590.1m in 2016, driven primarily by the additional debt to fund the Penton acquisition, together with a £146.0m (2015: £43.0m) foreign exchange impact from US Dollar strengthening.

Committed funding	31 December 2016 Pro-forma¹ £m	31 December 2016 £m	31 December 2015 £m
Private Placements	1,088.6	682.2	574.6
Bank borrowings - revolving credit facility	900.0	900.0	900.0
Bank borrowings - acquisition facility	142.2	548.6	-
Banks borrowings - term facilities agreement	150.0	150.0	-
Committed funding	2,280.8	2,280.8	1,474.6

¹ Pro-forma 2016 represents the net debt adjustment of £406.4m for the private placement loan notes issued on 25 January 2017 applied to part repay the acquisition facility.

As at 31 December 2016, our US Private Placement loan notes were valued at £682.2m (31 December 2015: £574.6m) and range in maturity from December 2017 to October 2025. The average maturity length is 4.2 years (2015: 5.5 years).

As at 31 December 2016 the Revolving Credit Facility was £300.2m drawn down, the

acquisition facility was fully drawn down (£548.6m) and the term facilities agreement was not drawn at all.

The principal financial covenant ratios under the US Private Placement and Revolving Credit Facility are for a maximum net debt to EBITDA ratio of 3.5 times and a minimum EBITDA interest cover ratio of 4.0 times, tested semi-annually. At 31 December 2016 both financial covenants were achieved. The ratio of net debt to EBITDA was 2.6 times (at 31 December 2015: 2.2 times) calculated as per our facility agreements (using average exchange rates and adjusted for a full year's trading for 2016 acquisitions). The ratio of EBITDA to net interest payable was 11.0 times (at 31 December 2015: 14.9 times).

PORTFOLIO MANAGEMENT

As part of GAP, we continually reassess the mix and focus of the Group. This ensures we allocate capital efficiently to areas where potential returns are greatest. In 2016, this led to the disposal of certain small non-core businesses in Knowledge and Networking and Academic Publishing. It has also led to the strategic review of our five remaining domestic conference businesses.

The combination of this proactive Portfolio Management strategy and the overall drive to improve operational fitness through GAP, enabled us to maintain a consistent Return on Capital Employed (ROCE) in 2016, at 9.2% (2015: 9.2%), despite this being the peak year of GAP investment.

PENSIONS

When considering the Group's cash flows and financial position, it should be noted that the Group's financial obligations to its pension schemes remain relatively small compared with the size of the Group. Net pension liabilities at 31 December 2016 were £38.0m (2015: £4.0m), with the increase reflecting two factors:

- Lower corporate bond yields reduced the discount rate on our UK schemes from 3.8% in 2015 to 2.6% in 2016, increasing the pension deficit by £30.7m.
- The addition of Penton's defined benefit pension liabilities post acquisition, which totalled £16.0m as at 31 December 2016

There were no cash contributions required towards reducing scheme deficits in 2016. All schemes are closed to future accrual and there are no contributions expected for 2017 although the UK schemes are subject to triennial actuarial valuations this year. The Penton schemes are actuarially re-valued each year and the most recent valuation at December 2016 did not show any contribution requirements.

NEW ACCOUNTING STANDARDS AND AUDIT TENDER

The critical accounting judgements made in preparing the financial statements relate to judgements over the impairment of assets, identification of intangible assets acquired in business combinations, recoverability of long term receivables, taxation provisions and the presentation of Adjusted Results.

The two key new standards are IFRS 15 Revenue from customer contracts and IFRS 16 leases. IFRS 15 Revenue from customer contracts is effective for the 2018 financial year and our initial assessment is that the Group does not expect there to be any material change to the Income Statement or Balance Sheet of the Group. Full disclosure of the final assessment of the impact will be provided in the Annual Report for the year ending 31 December 2017. IFRS 16 Leases is effective for the 2019 financial year and the Group is in the process of assessing the impact of this new standard.

In the first half of 2016 the Audit Committee undertook a competitive tender process for the role of external auditor. Following recommendation by the Audit Committee, the Board approved the appointment of Deloitte LLP on 10 June 2016. The reappointment of Deloitte LLP for the 2017 financial year will be subject to shareholder approval at the AGM in May 2017. An audit tender for the external audit will next be required for the year ended 31 December 2024.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2016

	Notes	Adjusted results 2016 £m	Adjusting items 2016 £m	Statutory results 2016 £m	Adjusted results 2015 £m	Adjusting items 2015 £m	Statutory results 2015 £m
Continuing operations							
Revenue		1,345.7	-	1,345.7	1,212.2	-	1,212.2
Net operating expenses	5	(930.4)	(217.3)	(1,147.7)	(846.5)	(129.1)	(975.6)
Operating profit/(loss) before joint ventures and associate		415.3	(217.3)	198.0	365.7	(129.1)	236.6
Share of results of joint ventures and associate		0.8	-	0.8	(0.1)	-	(0.1)
Operating profit/(loss)		416.1	(217.3)	198.8	365.6	(129.1)	236.5
(Loss)/profit on disposal of subsidiaries and operations	16	-	(39.8)	(39.8)	-	9.1	9.1
Investment income	7	0.6	58.9	59.5	4.7	-	4.7
Finance costs	8	(40.2)	-	(40.2)	(30.6)	-	(30.6)
Profit/(loss) before tax		376.5	(198.2)	178.3	339.7	(120.0)	219.7
Tax (charge)/credit	9	(68.0)	63.2	(4.8)	(60.2)	13.2	(47.0)
Profit/(loss) for the year		308.5	(135.0)	173.5	279.5	(106.8)	172.7
Attributable to:							
- Equity holders of the Company		306.6	(135.0)	171.6	278.2	(106.8)	171.4
- Non-controlling interests		1.9	-	1.9	1.3	-	1.3
Earnings per share							
- Basic (p) ¹	11	42.2		23.6	39.5		24.3
- Diluted (p) ¹	11	42.1		23.6	39.5		24.3

¹ 2015 earnings per share amounts restated to reflect adjustments associated with the rights issue (see Note 11).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 £m	2015 £m
Profit for the year	173.5	172.7
Items that will not be reclassified subsequently to profit or loss:		

Actuarial (loss)/gain on Defined Benefit Pension Schemes	(14.3)	6.0
Tax relating to items that will not be reclassified to profit or loss	2.0	(1.2)
Total items that will not be reclassified subsequently to profit or loss	(12.3)	4.8
Items that may be reclassified subsequently to profit or loss:		
Exchange gain on translation of foreign operations	270.3	30.1
Exchange loss on net investment hedge debt	(162.2)	(44.7)
Total items that may be reclassified subsequently to profit or loss	108.1	(14.6)
Other comprehensive income/(expense) for the year	95.8	(9.8)
Total comprehensive income for the year	269.3	162.9
Total comprehensive income attributable to:		
- Equity holders of the Company	267.6	161.6
- Non-controlling interests	1.7	1.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Total ¹ £m	Non-controlling interest £m	Total equity £m
At 1 January 2015	0.6	204.0	(19.6)	(1,653.5)	2,698.7	1,230.2	1.5	1,231.7
Profit for the year	-	-	-	-	171.4	171.4	1.3	172.7
Exchange loss on net investment hedge debt	-	-	(44.7)	-	-	(44.7)	-	(44.7)
Exchange gain on translation of foreign operations	-	-	30.1	-	-	30.1	-	30.1
Actuarial gain on defined benefit pension schemes	-	-	-	-	6.0	6.0	-	6.0
Tax relating to components of other comprehensive income	-	-	-	-	(1.2)	(1.2)	-	(1.2)
Total comprehensive expense/(income) for the year	-	-	(14.6)	-	176.2	161.6	1.3	162.9
Dividends to shareholders (Note 10)	-	-	-	-	(126.1)	(126.1)	-	(126.1)
Dividends to Non-controlling interests	-	-	-	-	-	-	(0.5)	(0.5)
Share award expense	-	-	-	2.6	-	2.6	-	2.6
Purchase of subsidiary from non-controlling interests	-	-	-	-	(1.9)	(1.9)	(0.2)	(2.1)
Own shares purchased	-	-	-	(0.4)	-	(0.4)	-	(0.4)
Transfer of vested LTIPs	-	-	-	(1.5)	1.5	-	-	-
At 1 January 2016	0.6	204.0	(34.2)	(1,652.8)	2,748.4	1,266.0	2.1	1,268.1

Profit for the year	-	-	-	-	171.6	171.6	1.9	173.5
Exchange gain on translation of foreign operations	-	-	270.5	-	-	270.5	(0.2)	270.3
Exchange loss on net investment hedge debt	-	-	(162.2)	-	-	(162.2)	-	(162.2)
Actuarial loss on defined benefit pension schemes	-	-	-	-	(14.3)	(14.3)	-	(14.3)
Tax relating to components of other comprehensive income	-	-	-	-	2.0	2.0	-	2.0
Total comprehensive income for the year	-	-	108.3	-	159.3	267.6	1.7	269.3
Dividends to shareholders (Note 10)	-	-	-	-	(131.9)	(131.9)	-	(131.9)
Dividends to Non-controlling interests	-	-	-	-	-	-	(2.6)	(2.6)
Shares issued	0.2	701.3	-	82.2	-	783.7	-	783.7
Share award expense	-	-	-	3.9	-	3.9	-	3.9
Own shares purchased	-	-	-	(1.0)	-	(1.0)	-	(1.0)
Transfer of vested LTIPs	-	-	-	(1.6)	1.6	-	-	-
Put Option on acquisition of Non-controlling interests	-	-	-	(1.5)	-	(1.5)	-	(1.5)
At 31 December 2016	0.8	905.3	74.1	(1,570.8)	2,777.4	2,186.8	1.2	2,188.0

¹ Total attributable to equity holders of the parent

CONSOLIDATED BALANCE SHEET

As at 31 December 2016

	Notes	2016 £m	2015 ¹ £m
Non-current assets			
Goodwill		2,724.4	1,708.1
Other intangible assets		1,755.0	968.2
Property and equipment		24.1	17.3
Investments in joint ventures and associate		1.5	0.1
Investments		1.8	1.4
Deferred tax assets		13.0	0.6
Other receivables		0.5	36.2
		4,520.3	2,731.9
Current assets			
Inventory		52.4	46.0
Trade and other receivables		358.1	243.4
Current tax asset		31.1	4.2
Cash at bank and in hand		49.6	34.3
		491.2	327.9
Total assets		5,011.5	3,059.8

Current liabilities

Borrowings	12	(174.9)	(2.0)
Current tax liabilities		(30.3)	(30.4)
Provisions		(34.4)	(24.0)
Trade and other payables		(246.5)	(207.9)
Deferred income		(561.5)	(385.7)
		(1,047.6)	(650.0)

Non-current liabilities

Borrowings	12	(1,360.3)	(927.9)
Deferred tax liabilities		(329.9)	(183.3)
Retirement benefit obligation		(38.0)	(4.0)
Provisions		(11.8)	(21.0)
Non-current tax liabilities		(8.3)	-
Trade and other payables		(27.6)	(5.5)
		(1,775.9)	(1,141.7)

Total liabilities

		(2,823.5)	(1,791.7)
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Net assets

		2,188.0	1,268.1
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Equity

Share capital	13	0.8	0.6
Share premium account		905.3	204.0
Translation reserve		74.1	(34.2)
Other reserves		(1,570.8)	(1,652.8)
Retained earnings		2,777.4	2,748.4
Equity attributable to equity holders of the parent		2,186.8	1,266.0
Non-controlling interest		1.2	2.1

Total equity

		2,188.0	1,268.1
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* Restated for re-measurement of prior year valuation (see note 13)

These financial statements were approved by the Board of Directors on 5 March 2017.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2016

	2016 £m	2015 £m
Operating activities		
Cash generated by operations	415.2	392.0
Income taxes paid	(43.3)	(30.7)
Interest paid	(35.6)	(27.4)
Net cash inflow from operating activities	336.3	333.9
Investing activities		
Interest received	0.6	0.7
Purchase of property and equipment	(4.6)	(7.2)
Proceeds on disposal of property and equipment	0.6	0.4
Purchase of intangible software assets	(36.5)	(23.2)
Product development costs additions	(11.5)	(3.5)
Purchase of intangibles related to titles, Brands and customer relationships	(54.5)	(92.5)
Proceeds on disposal of other intangible assets	-	0.1
Acquisition of subsidiaries and operations, net of cash acquired	(1,294.2)	(68.8)
Cash (outflow)/inflow on disposal of subsidiaries and operations	(4.1)	12.8
Disposal of other intangible assets	1.6	-
Purchase of investment	-	(0.7)
Net cash outflow from investing activities	(1,402.6)	(181.9)
Financing activities		
Dividends paid to shareholders	(131.9)	(126.0)
Dividends paid to non-controlling interests	(2.6)	(0.5)

Proceeds from settlement of acquisition-related derivative forward contract	58.9	-
Repayment of loans	(1,455.9)	(928.9)
New loan advances	1,888.9	812.0
Repayment of private placement borrowings	-	(73.3)
New private placement borrowings	-	166.5
Borrowing fees paid	(2.1)	(1.1)
Cash inflow/(outflow) on issue of other loans	0.2	(0.3)
Rights Issue net proceeds	701.5	-
Cash outflow from the purchase of share capital	(1.0)	(0.4)
Net cash inflow/(outflow) from financing activities	1,056.0	(152.0)
Net decrease in cash and cash equivalents	(10.3)	-
Effect of foreign exchange rate changes	18.2	(3.0)
Cash and cash equivalents at beginning of the year	32.3	35.3
Cash and cash equivalents at end of the year	40.2	32.3

RECONCILIATION OF MOVEMENT IN NET DEBT

For the year ended 31 December 2016

	2016	2015
	£m	£m
Decrease in cash and cash equivalents in the year	(10.3)	0.0
Cash flows from (draw-down)/repayment of borrowings	(431.1)	25.1
Change in net debt resulting from cash flows	(441.4)	25.1
Other non-cash movements including foreign exchange	(148.7)	(44.2)
Movement in net debt in the year	(590.1)	(19.1)
Net debt at beginning of the year	(895.3)	(876.2)
Net debt at end of the year	(1,485.4)	(895.3)

NOTES TO THE FULL YEAR RESULTS

For the year ended 31 December 2016

1 GENERAL INFORMATION

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 Consolidated Financial Statements as at 31 December 2016 and for year 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 financial statements are presented in pounds sterling ("GBP"), the functional currency of the parent company, Informa PLC.

2 BASIS OF PREPARATION

The financial information for the year ended 31 December 2016 does not constitute the statutory financial statements for that year, but is derived from those financial statements. While the financial information in these Full Year Results has been prepared in accordance with International Financial Reporting Standards (IFRS), these results do not in isolation contain sufficient information to comply with IFRS. Those financial statements have not yet been delivered to the Registrar of Companies, but include the auditor's report which was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

3 RESTATEMENT

The results for the year ended 31 December 2015 have been restated for the finalisation of the valuation of the separately identifiable tangible and intangible assets and liabilities of the Ashgate Publishing Limited acquisition that completed on 16 July 2015. This resulted in the Consolidated Balance Sheet at 31 December 2015 being adjusted for the recognition of additional receivables of £0.5m, inventory of £1.0m and a reduction to goodwill of £1.5m. The Consolidated Income Statement for the year ended 31 December 2015 was not impacted by this restatement.

The impact of the prior year restatements on the previously reported Consolidated Balance Sheet is summarised as follows:

	As at 31 December 2015		
	Previously reported	Adjustments	Restated
	£m	£m	£m
Goodwill	1,709.6	(1.5)	1,708.1
Non-current assets	2,733.4	(1.5)	2,731.9
Inventory	45.0	1.0	46.0
Trade and other receivables	242.9	0.5	243.4
Current assets	326.4	1.5	327.9
Total assets	3,059.8	-	3,059.8
Net assets	1,268.1	-	1,268.1

In addition to the above, Earnings per share for the year ended 31 December 2015 has been restated to reflect the adjustment required for the bonus element of the 2016 rights issue associated with the Penton acquisition. This resulted in Reported Basic and Diluted Earnings per Share being restated from 26.4p to 24.3p and Adjusted Basic and Diluted Earnings per Share from 42.9p to 39.5p per share.

4 BUSINESS SEGMENTS

The Group 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 (2015: four) identified reporting segments under IFRS 8 *Operating Segments* are as follows:

Academic Publishing

The Academic Publishing Division provides books and journals, both in print and electronic formats, primarily for academic and research users, in the subject areas of Humanities & Social Sciences, and Science, Technology & Medicine. It operates as Taylor & Francis with other imprints including Routledge, CRC Press, Garland Science and Cogent OA.

Business Intelligence

The Business Intelligence Division provides specialist data-driven intelligence and insight to professionals in niche communities. The digital subscription products consist of rich datasets and valuable insight, across the Agricultural, Financial, Maritime, Pharmaceutical, and Technology, Media and Telecoms sectors.

Global Exhibitions

The Global Exhibitions Division is an international exhibitions organiser. It operates business to business exhibitions and trade shows, as well as a number of consumer events, enabling specialist communities to meet face-to-face, and conduct business.

Knowledge & Networking

The Knowledge & Networking Division provides conferences and training courses globally. It creates and connects communities based on the sharing of insights and learning, providing attendees with the opportunity to meet, network and share knowledge.

Penton Information Services

Penton is the US-based Exhibitions and Professional Information Services business that was acquired on 2 November 2016. The Penton business lines will be incorporated into the business segments of Business Intelligence, Global Exhibitions and Knowledge & Networking in 2017 and for 2016 in the post-acquisition period it has been operated and reported as a separate Division.

Segment Revenue and Results

The Group's primary internal Income Statement performance measure for Business Segments is Revenue and Adjusted Operating Profit. A reconciliation of Adjusted Operating Profit to Statutory Operating and Profit Before Tax is provided below:

Segment revenue and results**Period ending 31 December 2016**

	Academic Publishing £m	Business Intelligence £m	Global Exhibitions £m	Knowledge & Networking £m	Penton Information Services £m	Total £m
Revenue	490.4	290.0	306.9	224.4	34.0	1,345.7
Adjusted operating profit before Joint ventures and associate	187.2	65.7	118.2	37.4	6.8	415.3
Share of Adjusted results of joint ventures and associate	-	-	0.8	-	-	0.8
Adjusted operating profit	187.2	65.7	119.0	37.4	6.8	416.1
Intangible asset amortisation ¹	(48.2)	(18.0)	(33.9)	(9.8)	(6.8)	(116.7)
Impairment (Note 6)	-	-	(31.1)	(36.6)	-	(67.7)
Acquisition and integration costs (Note 6)	(0.4)	(0.1)	(3.0)	(1.0)	(28.6)	(33.1)
Restructuring and reorganisation costs (Note 6)	(3.6)	(1.8)	(0.1)	(1.7)	-	(7.2)
Subsequent re- measurement of contingent consideration (Note 6)	-	-	2.4	5.0	-	7.4
Operating profit/(loss)	135.0	45.8	53.3	(6.7)	(28.6)	198.8
Loss on disposal of businesses (Note 16)						(39.8)
Investment income (Note 7)						59.5
Finance costs (Note 8)						(40.2)
Profit before tax						178.3

¹ Excludes acquired intangible product development and software amortisation.

Period ending 31 December 2015

	Academic Publishing £m	Business Intelligence £m	Global Exhibitions £m	Knowledge & Networking £m	Total £m
Revenue	447.4	276.8	262.5	225.5	1,212.2
Adjusted operating profit before Joint ventures	164.8	63.2	98.1	39.6	365.7
Share of Adjusted results of joint ventures	-	-	(0.1)	-	(0.1)
Adjusted operating profit	164.8	63.2	98.0	39.6	365.6
Intangible asset amortisation ¹	(44.4)	(16.1)	(28.7)	(10.3)	(99.5)
Impairment (Note 6)	-	(1.1)	-	(12.8)	(13.9)
Acquisition and integration costs (Note 6)	(0.8)	-	(1.4)	(0.1)	(2.3)
Restructuring and	(3.3)	(3.7)	(1.4)	(5.3)	(13.7)

reorganisation costs (Note 6)					
Subsequent re-measurement of contingent consideration (Note 6)	-	(0.2)	0.5	-	0.3
Operating profit	116.3	42.1	67.0	11.1	236.5
Profit on disposal of businesses (Note 16)					9.1
Investment income (Note 7)					4.7
Finance costs (Note 8)					(30.6)
Profit before tax					219.7

[†] Excludes acquired intangible product development and software amortisation.

Adjusted operating result by operating segment is the measure reported to the Executive Directors for the purpose of resource allocation and assessment of segment performance. Finance costs and investment income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash positions of the Group.

Segment assets

	2016 £m	2015 £m
Academic Publishing	1,201.2	1,114.4
Business Intelligence	835.1	761.7
Global Exhibitions	872.8	718.6
Knowledge & Networking	458.1	374.3
Penton Information Services	1,509.7	-
Total segment assets	4,876.9	2,969.0
Unallocated assets	134.6	90.8
Total assets	5,011.5	3,059.8

For the purpose of monitoring segment performance and allocating resources between segments, the Group monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments except for certain centrally held balances, including some intangible software assets relating to group infrastructure, balances receivable from businesses sold and taxation (current and deferred). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segment.

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

	2016 £m	2015 £m
Academic Publishing		
Subscriptions	243.1	216.4
Unit sales	247.3	231.0
Total Academic Publishing	490.4	447.4
Business Intelligence		
Subscriptions	258.4	244.9
Unit sales	22.6	23.0
Advertising	9.0	8.9
Total Business Intelligence	290.0	276.8
Global Exhibitions		
Exhibitor	233.7	199.2
Attendee	37.5	33.1
Sponsorship	28.6	23.3
Advertising	7.1	6.9
Total Global Exhibitions	306.9	262.5
Knowledge & Networking		
Exhibitor	41.4	42.5
Attendee	113.8	123.5
Sponsorship	62.7	53.7
Advertising	6.5	5.8
Total Knowledge & Networking	224.4	225.5

Penton Information Services		
Subscription	5.9	-
Exhibitor	1.2	-
Attendee	0.6	-
Sponsorship	1.3	-
Advertising & Marketing Services	25.0	-
Total Penton Information Services	34.0	-
Total Revenue	1,345.7	1,212.2

Geographical information

The Group's revenue by location of customer and information about its segment assets by geographical location are detailed below:

	Revenue		Segment assets	
	2016 £m	2015 £m	2016 £m	2015 £m
UK	145.8	143.1	1,296.9	1,229.7
North America	624.7	511.5	3,340.0	1,495.9
Continental Europe	213.5	215.5	79.0	54.7
Rest of World	361.7	342.1	295.6	279.5
	1,345.7	1,212.2	5,011.5	3,059.8

No individual customer amounts to more than 10% of the Group's revenue in either 2016 or 2015.

5 OPERATING PROFIT

Operating profit has been arrived at after charging/(crediting):

Notes	Adjusted Results 2016 £m	Adjusting items 2016 £m	Statutory results 2016 £m	Adjusted results 2015 £m	Adjusting items 2015 £m	Statutory results 2015 £m
Cost of sales ¹	415.3	-	415.3	377.6	-	377.6
Staff costs (excluding redundancy costs)	372.5	-	372.5	333.6	-	333.6
Amortisation of other intangible assets	6 14.6	116.7	131.3	12.8	99.5	112.3
Impairment - Goodwill	6 -	65.8	65.8	-	13.9	13.9
Impairment - Intangibles	6 -	1.9	1.9	-	-	-
Depreciation	6.5	-	6.5	6.1	-	6.1
Acquisition and integration related costs	6 -	33.1	33.1	-	2.3	2.3
Restructuring and reorganisation costs	6 -	7.2	7.2	-	13.7	13.7
Subsequent re- measurement of contingent consideration	6 -	(7.4)	(7.4)	-	(0.3)	(0.3)
Operating lease expense - Land and buildings	22.9	-	22.9	18.1	-	18.1

- Other	1.0	-	1.0	1.3	-	1.3
Net foreign						
exchange loss	1.3	-	1.3	1.9	-	1.9
Auditor's						
remuneration						
for audit						
services (see						
below)	1.8	-	1.8	1.3	-	1.3
Other operating						
expenses	94.5	-	94.5	93.8	-	93.8
Total net						
operating						
expenses						
before joint						
ventures and						
associate	930.4	217.3	1,147.7	846.5	129.1	975.6

¹ Cost of sales includes £47.6m (2015: £45.9m) for inventory recognised as an expense including pre-publication amortisation

6 ADJUSTING ITEMS

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

	2016 £m	2015 £m
Intangible amortisation and impairment		
Intangible asset amortisation	116.7	99.5
Impairment - Goodwill	65.8	13.9
Impairment - Other intangible assets	1.9	-
Acquisition and integration costs	33.1	2.3
Restructuring and reorganisation costs		
Redundancy costs	6.0	11.4
Reorganisation costs	(0.4)	0.4
Vacant property costs	1.6	1.9
Subsequent re-measurement of contingent consideration	(7.4)	(0.3)
Adjusting items in operating profit	217.3	129.1
Loss/(profit) on disposal of subsidiaries and operations	39.8	(9.1)
Investment income	(58.9)	-
Adjusting items in profit before tax	198.2	120.0
Tax related to adjusting items	(63.2)	(13.2)
Adjusting items in profit for the year	135.0	106.8

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 £30.0m, with £26.2m relating to the Penton acquisition; and integration costs totalled £3.1m;
- Redundancy, reorganisation and vacant property costs - these are mainly related to the consolidation of our Books operations into a single global business within Academic Publishing and the ongoing rationalisation programme in the Knowledge & Networking Division, changing the operating model to align with the Group's revised strategy, the "Growth Acceleration Plan";
- 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/(profit) on disposal of subsidiaries and operations - this relates to a £3.9m loss on disposal for the fair value of consideration less the net assets/(liabilities) disposed, and costs directly attributable with disposals, together with a £35.9m net charge from the

impairment (£39.9m) and a recovery (£4.0m) of loan notes receivable arising from business disposals completed in prior years;

- Investment income of £58.9m relates to the gain on a deal contingent forward financial derivative contract associated with the Penton acquisition has been disclosed as an adjusting item as it is non-recurring in nature, further details are provided in Note 7; and
- The tax related to adjusting items is the tax effect of the items above.

7 INVESTMENT INCOME

	2016 £m	2015 £m
Loans and receivables:		
Interest income on bank deposits	0.6	0.7
Interest income on non-current receivables	-	4.0
Fair value gain on financial instruments through the income statement	58.9	-
	59.5	4.7

The fair value gain on financial instruments in 2016 of £58.9m represents the gain on maturity from the deal contingent forward contract related to the acquisition of the Penton business. The contract was taken out at the acquisition announcement date of 14 September 2016 and gave the Group the right to swap the expected sterling net proceeds from the equity rights issue of £701.5m into US dollars with a maturity date set at the acquisition closing date. This one-off gain has been shown as an adjusting item in the Consolidated Income Statement.

8 FINANCE COSTS

	2016 £m	2015 £m
Interest expense on financial liabilities measured at amortised cost	39.5	30.1
Interest cost on pension scheme liabilities	0.2	0.3
Total interest expense	39.7	30.4
Fair value loss on financial instruments through the income statement	0.5	0.2
	40.2	30.6

9 TAXATION

The tax charge comprises:

	2016 £m	2015 £m
Current tax:		
UK	34.1	19.3
USA	(20.0)	6.3
UAE & Monaco	-	1.0
Rest of world	10.2	6.0
Current year	24.3	32.6
Deferred tax:		
Current year	(15.3)	14.4
Credit arising from UK corporation tax rate change	(4.2)	-
Total tax charge on profit on ordinary activities	4.8	47.0

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

Gross 2016	Tax 2016	Gross 2015	Tax 2015
---------------	-------------	---------------	-------------

	£m	£m	£m	£m
Amortisation of other intangible assets	(116.7)	41.3	(99.5)	17.7
Deferred tax credit arising from revised treatment of certain non-UK intangible assets	-	12.1	-	-
Benefit of US goodwill amortisation for tax purposes only	-	(10.0)	-	(7.4)
Impairment	(67.7)	-	(13.9)	-
Redundancy and restructuring costs	(7.2)	1.9	(13.7)	2.6
Acquisition and integration costs	(33.1)	4.5	(2.3)	0.5
Subsequent re-measurement of contingent consideration	7.4	(0.6)	0.3	(0.2)
(Loss)/profit on disposal of businesses	(39.8)	21.5	9.1	-
Deferred tax credit on intangible assets arising from UK corporation tax rate change	-	4.3	-	-
Investment income	58.9	(11.8)	-	-
	(198.2)	63.2	(120.0)	13.2

During 2016, the treatment of certain non-UK intangible assets has been reviewed, and a deferred tax asset has been established in relation to the unamortised tax base of these intangible assets. As there is no corresponding accounting amortisation of these assets, the benefits of tax deductions for amortisation of the tax base are reflected in the adjusted tax charge, and the creation of the deferred tax asset is treated as an adjusting item.

The current and deferred tax is calculated on the estimated assessable profit for the year. Taxation is calculated on each jurisdiction based on the prevailing rates of that jurisdiction.

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

	2016		2015	
	£m	%	£m	%
Profit before tax	178.3		219.7	
Tax charge at effective UK statutory rate of 20% (2015: 20.25%)	35.7	20.0	44.5	20.2
Non-deductible impairments	16.3	9.1	2.9	1.3
Other non-deductible expenses & similar items	2.1	1.2	(2.2)	(1.0)
Profits taxed at different rates	(17.5)	(9.8)	7.6	3.5
Adjustments for prior years	(4.7)	(2.7)	(3.0)	(1.3)
Adjustments to deferred tax on intangible assets	(18.4)	(10.2)	9.9	4.5
Acquisitions and disposals related	(1.7)	(1.0)	(2.7)	(1.2)
Benefits from financing structures	(9.1)	(5.1)	(8.2)	(3.8)
Tax incentives and foreign tax credits	(4.0)	(2.2)	(3.4)	(1.5)
Losses in certain jurisdictions that have not been recognised	5.5	3.1	1.6	0.7
Deferred tax credit arising from UK corporation tax rate change	0.6	0.3	-	-
Tax charge and effective rate for the year	4.8	2.7	47.0	21.4

In addition to the income tax charge to the Consolidated Income Statement, a tax credit of £2.0m (2015: charge of £1.2m) has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

10 DIVIDENDS

	2016 ¹ Per share	2016 £m	2015 ¹ Per Share	2015 £m
Amounts recognised as distributions to equity holders in the year:				
Final dividend for the year ended 31 December 2014 (previously stated 12.90p)	-	-	11.88	83.6
Interim dividend for the year ended 31 December 2015 of (previously stated 6.55p)	-	-	6.03	42.5
Final dividend for the year ended 31 December 2015 (previously stated 13.55p)	12.47	87.8	-	-
Interim dividend for the year ended 31 December 2016 (previously stated 6.80p)	6.26	44.1	-	-

	18.73	131.9	17.91	126.1
Proposed final dividend for the year ended 31 December 2016 and 2015	13.04	107.5	12.47	87.8

¹ Dividend per Share restatement for bonus element of 2016 rights issue.

As at 31 December 2016 £0.1m (2015: £0.1m) of dividends are still to be paid. As at 31 December 2016 the shares held by the EST of 616,187 (2015: 737,272) ordinary shares of 0.1 pence each, waived their rights to receive dividends.

11 EARNINGS PER SHARE

Earnings per share figures for 2015 have been restated from previously reported figures to take into account the impact of the Rights Issue in line with IAS 33 Earnings per Share.

Basic

The basic earnings per share calculation is based on a profit attributable to equity shareholders of the parent of £171.6m (2015: £171.4m profit). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those shares held by the EST and ShareMatch), which is 725,629,255 (2015: restated amount 704,067,024).

Diluted

The diluted earnings per share calculation is based on the basic earnings per share calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the reporting date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 727,826,695 (2015: restated amount 704,563,017).

The table below sets out the adjustment in respect of dilutive potential ordinary shares with the 2015 amounts restated to reflect the adjustments associated with the Rights Issue:

	2016	2015 ¹
Weighted average number of shares used in basic earnings per share	725,629,255	704,067,024
Potentially dilutive ordinary shares	2,197,440	495,993
Weighted average number of shares used in diluted earnings per share	727,826,695	704,563,017

¹ Restated for bonus element of 2016 rights issue

Earnings per share

In addition to basic EPS adjusted diluted earnings per share calculations have been provided as this is useful additional information on the underlying performance. Earnings are based on profits attributable to equity shareholders and adjusted to exclude items that in the opinion of the Directors would distort underlying results with these items detailed in Note 6.

Earnings per share:	Earnings 2016	Per share amount 2016	Earnings 2015	Per share amount 2015
	£m	Pence	£m	Pence ¹
Profit for the year	173.5		172.7	
Non-controlling interests	(1.9)		(1.3)	
Earnings for the purpose of Statutory Basic EPS / Statutory Diluted EPS	171.6	23.6	171.4	24.3

¹ Restated for bonus element of 2016 rights issue (Earnings per share and Diluted earnings per share previously reported 26.4p).

Adjusted Earnings per share:	Earnings 2016	Per share amount 2016	Earnings 2015	Per share amount 2015
	£m	Pence	£m	Pence ¹

Earnings for the purpose of Adjusted Basic EPS /	171.6	23.6	171.4	24.3
Adjusted Diluted EPS				
Adjusting items:				
Redundancy and restructuring costs (Note 6)	7.2	1.0	13.7	2.0
Acquisition and integration costs (Note 6)	33.1	4.6	2.3	0.3
Intangible amortisation and impairment (Note 6)	184.4	25.4	113.4	16.1
Subsequent re-measurement of contingent consideration (Note 6)	(7.4)	(1.0)	(0.3)	-
Loss/(profit) on disposal and other adjusting items (Note 6)	39.8	5.4	(9.1)	(1.3)
Investment income (Note 6)	(58.9)	(8.1)	-	-
Add back tax on adjusting items (Note 6)	(63.2)	(8.7)	(13.2)	(1.9)
Earnings for the purpose of Adjusted Basic EPS	306.6	42.2	278.2	39.5
Effect of dilutive potential ordinary shares	-	(0.1)	-	-
Earnings for the purpose of Adjusted Diluted EPS	306.6	42.1	278.2	39.5

¹ Restated for bonus element of 2016 rights issue (2015 adjusted EPS previously reported 42.9p).

12 BORROWINGS

		2016 £m	2015 £m
Current			
Bank overdraft		9.4	2.0
Bank borrowings - current	14	9.4	2.0
Private placement loan note (\$102.0m) - due December 2017		82.9	-
Private placement loan note (€50.0m) - due December 2017		42.8	-
Private placement loan note (£40.0m) - due December 2017		40.0	-
Private placement fees		(0.2)	-
Private placement - current	14	165.5	-
Total current borrowings		174.9	2.0
Non-current			
Bank borrowings - revolving credit facility - due October 2020		300.2	359.1
Acquisition facility - due March 2018		548.6	-
Bank borrowing fees		(3.7)	(4.2)
Bank borrowings - non-current	14	845.1	354.9
Private placement loan note (\$102.0m) - due December 2017		-	68.8
Private placement loan note (€50.0m) - due December 2017		-	36.8
Private placement loan note (£40.0m) - due December 2017		-	40.0
Private placement loan note (\$385.5m) - due December 2020		313.3	260.2
Private placement loan note (\$120.0m) - due October 2022		97.5	81.0
Private placement loan note (\$130.0m) - due October 2025		105.7	87.8
Private placement fees		(1.3)	(1.6)
Private placement - non-current	14	515.2	573.0
Total non-current borrowings		1,360.3	927.9
		1,535.2	929.9

There have been no breaches of covenants under the Group's bank facilities and private placement loan notes during the year. The bank and private placement borrowings are guaranteed by material subsidiaries of the Group. The Group does not have any material amount of its property and equipment and other intangible assets pledged as security over loans.

The Group has issued private placement loan notes amounting to USD 737.5m (2015: USD 737.5m), GBP 40.0m (2015: GBP 40.0m) and EUR 50.0m (2015: EUR 50.0m). As at 31 December 2016, the note maturities ranged between one and nine years (2015: two and ten years), with an average duration of 4.2 years (2015: 5.5 years), at a weighted average interest rate of 4.3% (2015: 4.3%).

The Group maintains the following lines of credit:

- £900.0m (2015: £900.0m) revolving credit facility, of which £300.2m (2015: £359.1m) has been drawn down at 31 December 2016. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA; and
- £548.6m (\$675.0m) Acquisition Facility Agreement for up to 30 months to March 2019, of which £548.6m (\$675.0m) was drawn on 31 December 2016. On 25 January 2017 the Group issued £406.4m (\$500.0m) of private placement loan notes, the proceeds of which were used in January 2017 to repay £406.4m (\$500.0m) of the acquisition facility;
- £150.0m Term Facilities Agreement is available to be drawn until December 2017, and if drawn, has a final maturity of December 2019. £nil was drawn on 31 December 2016; and
- £51.2m (2015: £32.6m) comprising a number of bilateral bank uncommitted facilities that can be drawn down to meet short-term financing needs. These facilities consist of GBP 16.0m (2015: GBP 16.0m), USD 13.0m (2015: USD 13.0m), EUR 18.0m (2015: EUR 8.0m), AUD 2.0m (2015: AUD 2.0m), and CAD 2.0m (2015: CAD 2.0m). Interest is payable at the local base rate plus a margin.
- The Group has two bank guarantee facilities comprising in aggregate up to EUR 7.0m (2015: EUR 7.0m), and up to AUD 1.5m (2015: AUD 1.5m).

The effective interest rate as at 31 December 2016 is 2.3% (2015: 3.4%).

The Group had the committed undrawn borrowing facilities at 31 December 2016 relating to the undrawn amount of the revolving credit facility of £599.9m (2015: £540.9m).

13 SHARE CAPITAL

Share capital as at 31 December 2016 amounted to £0.8m (2015: £0.6m).

On 11 October 2016, the Group issued 162,234,656 ordinary shares of 0.1p each through a 1-for-4 Rights Issue. The shares were issued at £4.41 each and raised gross proceeds of £715.5m (£701.5m net proceeds after expenses of £14.0m). Trading in the new shares commenced on 26 October 2016. The excess of cash received over the nominal value of the shares issued was recorded as share premium. The net proceeds were used to part fund the acquisition of the Penton business (see Note 15).

On 2 November 2016 the Group issued 12,829,146 ordinary shares to the sellers of the Penton business in part consideration for the sale ("Consideration Shares"). The number of shares reflected the sterling equivalent of \$100.0m divided by the 95 per cent. of the volume weighted average closing price per share of Informa shares on the London Stock Exchange for the 10 consecutive trading days ending on the third trading day immediately prior to Closing, converted at the average exchange rate over such 10 consecutive trading day period. The share premium (net of transaction costs) is £905.3m at 31 December 2016.

	2016 £m	2015 £m
Issued and fully paid		
824,005,051 ordinary shares of 0.1p each (2015: 648,941,249 of 0.1p each)	0.8	0.6

	Number of Shares 2016	Number of Shares 2015
At 1 January	648,941,249	648,941,249
Issue of new shares related to the Rights Issue	162,234,656	-
Issue of new shares related to consideration for the Penton acquisition	12,829,146	-
At 31 December	824,005,051	648,941,249

14 NOTES TO THE CASH FLOW STATEMENT

	Notes	2016 £m	2015 £m
Profit before tax		178.3	219.7

Adjustments for:

Depreciation of property and equipment	5	6.5	6.1
Amortisation of other intangible assets	5	131.3	112.3
Impairment - Goodwill	6	65.8	13.9
Impairment - Other intangible assets	6	1.9	-
Share-based payment		3.9	2.6
Subsequent re-measurement of contingent consideration	6	(7.4)	(0.3)
Loss/(profit) on disposal of businesses	16	39.8	(9.1)
Loss on disposal of other assets		-	0.1
Investment income	7	(59.5)	(4.7)
Finance costs	8	40.2	30.6
Share of results of joint ventures and associate		(0.8)	0.1
Operating cash inflow before movements in working capital		400.0	371.3
Increase in inventories		(6.8)	-
Increase) in receivables		(64.2)	(21.0)
Increase in payables		86.2	41.7
Movements in working capital		15.2	20.7
Cash generated by operations		415.2	392.0

Analysis of Net Debt

	At 1 January 2016 £m	Non-cash Movements £m	Cash flow £m	Exchange Difference £m	At 31 December 2016 £m
Cash at bank and in hand	34.3	-	(3.6)	18.9	49.6
Overdrafts	(2.0)	-	(6.7)	(0.7)	(9.4)
Cash and cash equivalents	32.3	-	(10.3)	18.2	40.2
Other loan receivable	0.3	-	(0.2)	0.1	0.2
Private placement due in less than one year	-	(165.7)	-	-	(165.7)
Bank loans due in more than one year	(359.1)	-	(433.0)	(56.7)	(848.8)
Private placement loan notes due in more than one year	(574.6)	165.7	-	(107.6)	(516.5)
Bank loan fees	4.2	(2.2)	1.7	-	3.7
Private placement fees	1.6	(0.5)	0.4	-	1.5
Total	(895.3)	(2.7)	(441.4)	(146.0)	(1,485.4)

Included within the cash outflow of £441.4m (2015: inflow of £25.1m) is £1,455.9m (2015: £928.9m) facility loan repayments, £1,888.9m (2015: £812.0m) of facility loan drawn downs, no private placement repayments (2015: £73.3m) and no private placement draw downs (2015: £166.5m).

Net debt consists of loans and other borrowings (both current and non-current), less cash and cash equivalents. Net debt includes the costs incurred in raising debt and associated capitalised arrangement fees.

15 BUSINESS COMBINATIONS

The provisional amounts recognised in respect of the estimated fair value of identifiable net assets and liabilities in respect of acquisitions made in 2016 and payments made in 2016 relating to prior year acquisitions were:

Net assets/(liabilities) at acquisition date

	Penton £m	Light Reading £m	Finovate £m	Other 2016 acquisitions £m	Other payments for prior year acquisitions £m	Total £m
Intangible assets	648.2	24.6	5.1	22.2	-	700.1
Property and equipment	7.9	-	-	-	-	7.9
Investments	0.2	-	-	-	-	0.2
Deferred tax asset	-	0.2	-	-	-	0.2
Trade and other receivables	41.2	3.7	0.4	2.6	-	47.9
Cash and cash equivalents	21.4	2.0	0.8	3.5	-	27.7
Trade, other payables and provisions	(24.9)	(1.8)	-	(1.9)	4.7	(23.9)
Deferred income	(59.5)	(1.6)	(1.5)	(4.0)	-	(66.6)
Deferred tax liabilities	(114.7)	-	(3.9)	(0.9)	-	(119.5)
Retirement benefit obligation	(19.6)	-	-	-	-	(19.6)
Identifiable net assets acquired	500.2	27.1	0.9	21.5	4.7	554.4
Goodwill	833.8	22.8	20.1	0.9	-	877.6
Total consideration	1,334.0	49.9	21.0	22.4	4.7	1,432.0

Satisfied by:

Cash consideration	1,240.2	46.3	14.2	16.1	-	1,316.8
Deferred and contingent consideration paid	-	-	0.4	-	4.7	5.1
Deferred closing price adjustment	(6.6)	3.6	1.3	-	-	(1.7)
Deferred consideration	18.2	-	-	4.0	-	22.2
Contingent consideration	-	-	5.1	2.3	-	7.4
Share consideration	82.2	-	-	-	-	82.2
Total consideration	1,334.0	49.9	21.0	22.4	4.7	1,432.0

Net cash outflow arising on acquisitions:

Cash consideration	1,240.2	46.3	14.2	16.1	-	1,316.8
Deferred and contingent consideration paid	-	-	0.4	-	4.7	5.1
Less: net cash acquired	(21.4)	(2.0)	(0.8)	(3.5)	-	(27.7)
Net cash outflow arising on acquisitions	1,218.8	44.3	13.8	12.6	4.7	1,294.2

Business combinations made in 2016**Penton Information Services**

On 2 November 2016, the group acquired 100% of the issued share capital of Penton Information Services, a leading independent US-based Exhibitions and Professional Information services business.

The provisional amounts recognised in respect of the estimated fair value of the identifiable assets acquired and liabilities assumed are as follows:

	Book value	Fair value
--	------------	------------

	adjustments		
	£m	£m	£m
Intangible assets	17.6	630.6	648.2
Property and equipment	7.9	-	7.9
Investments	0.2	-	0.2
Deferred tax asset	46.8	(46.8) ¹	-
Trade and other receivables	42.9	(1.7)	41.2
Cash and cash equivalents	21.4	-	21.4
Trade and other payables	(23.8)	(1.1)	(24.9)
Deferred income	(59.5)	-	(59.5)
Borrowings	-	-	-
Deferred tax liabilities	-	(114.7)	(114.7)
Retirement benefit obligation	(19.6)	-	(19.6)
Identifiable net assets acquired	33.9	466.3	500.2
Provisional goodwill			833.8
Total consideration			1,334.0

¹ The fair value adjustment of Deferred Tax Assets represents the net presentation of Deferred Tax Assets against Deferred Tax Liabilities.

The net cash consideration at closing, using an exchange rate of 1.22, was £1,218.8m (\$1,482.5m), comprising £1,240.2m (\$1,508.6m) of cash consideration paid to the vendors at closing date, less cash acquired of £21.4m (\$26.1m). Total consideration at closing, using an exchange rate of 1.22, was £1,334.0m (\$1,622.7m), consisting of £1,240.2m (\$1,508.6m) of consideration settled in cash, deferred closing price refund of £6.6m (\$8.0m), £82.2m (\$100.0m) of share consideration and deferred consideration with an estimated fair value of £18.2m (\$22.1m) payable in October 2018 for anticipated future tax benefits.

The provisional value of Identifiable net assets of £500.2m included cash of £21.4m, intangible assets of £648.2m and deferred tax liabilities of £114.7m. A goodwill balance of £833.8m has been recorded. These net asset amounts are provisional and reflect a preliminary valuation performed by a third party valuation expert. These numbers are therefore subject to change in accordance with IFRS 3 Business Combinations (revised 2008) once the full purchase price allocation and fair value analysis has been completed.

The goodwill of £833.8m arising from the acquisition of Penton relates to the following factors:

- Provides Informa with increased scale in the Global Exhibitions market, where it now ranks as one of the top 3 commercial exhibition organisers;
- Enhances Informa's market leadership in a number of verticals, particularly natural products and ingredients, agriculture and infrastructure;
- A strong management team with expertise which can be applied to other parts of the Group; and
- Increases Informa's exposure to the US, the largest economy in the world, providing greater balance across geographies and products.

Acquisition costs charged to operating profit (included in adjusting items in the Consolidated Income Statement) for the year ended 31 December 2016 amounted to £26.2m for advisor and related external fees and an income statement credit of £58.9m relating to the derivative forward contract used to hedge the proceeds of the equity rights issue (see Note 7). In addition, there were underwriting fees associated with the equity rights issue of £14.0m which were charged to the Share Premium account.

The business contributed £34.0m of revenue and a loss after tax of £4.8m for the period between the date of acquisition and 31 December 2016. If the acquisition had completed on the first day of the financial year, it would have contributed £276.0m of revenue and £21.1m of a profit after tax to the Group for the year ended 31 December 2016.

Light Reading LLC

On 13 July 2016, the group acquired 100% of the issued share capital of Light Reading LLC a leading content-driven B2B integrated marketing services company serving the communications industry. The Company forms part of the Knowledge & Networking segment. Total consideration was £49.9m (\$67.2m) of which £44.3m (\$59.6m) was paid in cash, net of cash acquired of £2.0m (\$2.7m), and there is a deferred consideration amount payable of £3.6m (\$4.9m).

The provisional amounts recognised in respect of the estimated fair value of the identifiable assets acquired and liabilities assumed are as follows:

	Book value	Fair value adjustments	Fair value
	£m	£m	£m
Intangible assets	-	24.6	24.6
Deferred tax asset	-	0.2	0.2
Trade and other receivables	4.1	(0.4)	3.7
Cash and cash equivalents	2.0	-	2.0
Trade and other payables	(1.8)	-	(1.8)
Deferred income	(1.6)	-	(1.6)
Identifiable net assets acquired	2.7	24.4	27.1
Provisional goodwill			22.8
Total consideration			49.9

The goodwill of £22.8m arising from the acquisition of Light Reading relates to the following factors:

- Existing workforce skills and expertise;
- Savings on net operating costs by reducing duplication;

Acquisition costs (included in adjusting items in the Consolidated Income Statement) for the year ended 31 December 2016 amounted to £0.2m.

The business contributed £5.3m of revenue and profit after tax of £0.4m for the period between the date of acquisition and 31 December 2016. If the acquisition had completed on the first day of the financial year, it would have contributed £14.0m of revenue and £1.9m of profit after tax to the Group for the year ended 31 December 2016.

Finovate Group, Inc.

On 25 April 2016, the group acquired 100% of the issued share capital of Finovate Group, Inc. one of the premier event companies in the Fintech innovation space in the US. The Company will form part of the Knowledge & Networking segment. Total consideration was £21.0m (\$30.6m) of which £13.4m (\$19.6m) was paid in cash at closing, net of cash acquired of £0.8m (\$1.1m) and £0.4m (\$0.5m) of deferred consideration was paid in the year, with contingent and deferred consideration amounts payable of £6.4m (\$9.4m). The provisional amounts recognised in respect of the estimated fair value of the identifiable assets acquired and liabilities assumed are as follows

	Book value	Fair value adjustments	Fair value
	£m	£m	£m
Intangible assets	-	5.1	5.1
Trade and other receivables	0.4	-	0.4
Cash and cash equivalents	0.8	-	0.8
Trade and other payables	-	-	-
Deferred income	(1.5)	-	(1.5)
Deferred tax liabilities	-	(3.9)	(3.9)
Identifiable net assets acquired	(0.3)	1.2	0.9
Provisional goodwill			20.1
Total consideration			21.0

The goodwill of £20.1m arising from the acquisition of Finovate Group relates to the following factors:

- Existing workforce skills and expertise;
- Savings on net operating costs by reducing duplication;

Acquisition costs (included in adjusting items in the Consolidated Income Statement) for the year ended 31 December 2016 amounted to £2.7m.

The business contributed £5.0m of revenue and profit after tax of £0.9m for the period between the date of acquisition and 31 December 2016. If the acquisition had completed on the first day of the financial year, it would have contributed £7.2m of revenue and £0.9m of profit after tax to the Group for the year ended 31 December 2016.

Other business combinations made in 2016

On 14 June 2016, the group acquired 100% of the issued share capital of Eurovir SAS, a European medical events business. The Company will form part of the Global Exhibitions segment. Total consideration was £6.8m (EUR 9.0m) of which £2.8m (EUR 3.8m) was paid in cash, net of cash acquired of £2.4m (EUR 3.1m) and there are deferred and contingent consideration amounts payable of £1.6m (EUR 2.1m).

On 9 August 2016, the group acquired 100% of the issued share capital of Market Rates Insight, Inc. a US-based company providing financial institutions with comprehensive market intelligence on deposits, loans and fees. The Company will form part of the Business Intelligence segment. Total consideration was £3.1m (\$4.1m) of which £2.7m (\$3.6m) was paid in cash, and there are deferred consideration amounts payable of £0.4m (\$0.5m)

On 31 August 2016, the group acquired 100% of the issued share capital of Xconomy, Inc. a US-based company providing market intelligence on business, life sciences and technology. The Company will form part of the Knowledge & Networking segment. Total consideration was £2.5m (\$3.6m) of which £0.7m (\$1.3m) was paid in cash, net of cash acquired of £0.3m (\$0.3m), and there are deferred and contingent consideration amounts payable of £1.5m (\$2.0m).

On 4 October 2016, the group acquired 100% of the issued share capital of Co-Action Publishing AB, a Swedish based publishing company. The Company will form part of the Academic Publishing segment. Total consideration was £3.9m of which £3.2m was paid in cash, net of cash acquired of £0.3m, and there are deferred consideration amounts payable of £0.4m.

On 16 October 2016, the group acquired 60% of the issued share capital of Chengdu Weiner Meibo Exhibition Co. Ltd, a beauty exhibition business in Chengdu, China. The group has an option to purchase a further 20% from 2020. The Company will form part of the Global Exhibitions segment. Total consideration was £2.1m (CNY 18.0m) of which £1.3m (CNY 10.9m) was paid in cash, net of cash acquired of £0.4m (CNY 3.5m), and there are deferred consideration amounts payable of £0.4m (CNY 3.6m).

On 25 November 2016, the group acquired 60% of the issued share capital of Shanghai Yingye Exhibitions Co., Ltd which controls the assets of China (Shanghai) International Floor Industry Exhibition and China (Shanghai) International Mortar Technology and Equipment Exhibition. The business operates exhibitions and conferences in China for the Floor Industry and for Mortar Technology and Equipment. The Company will form part of the Global Exhibitions segment. Total consideration was £4.0m (CNY 32.8m) of which £1.9m (CNY 16.0m) was paid in cash, net of cash acquired of £0.1m (CNY 0.4m), and there were deferred contingent consideration payments of £2.0m (CNY 16.4m).

Update on consideration paid in 2016 relating to business combinations completed in prior years

During 2016 contingent and deferred consideration cash payments of £4.7m relating to acquisitions completed in prior years.

16 DISPOSAL OF SUBSIDIARIES AND OPERATIONS

During the year, the Group generated the following net (loss)/profit on disposal of subsidiaries and operations:

		2016	2015
	Segment	£m	£m
Corporate Training businesses loan impairment		(39.9)	-
Robbins Gioia loan recovery		4.0	-
Other operations (loss)/gain on disposal		(2.6)	0.3
Corporate Communications International Limited loss on disposal	Knowledge & Networking	(1.3)	-
Consumer Information business profit on disposal	Business Intelligence	-	7.4
Conference businesses in Sweden, Denmark and the Netherlands profit on disposal	Knowledge & Networking	-	1.4
(Loss)/profit for the year from disposal of subsidiaries and operations		(39.8)	9.1

Impairment of loan note receivable

In early 2013 the Group entered into an agreement to sell its five Corporate Training businesses for a mixture of cash and interest bearing loan notes. Following the under-performance of these businesses in 2016 with the new owners, the loan and related accrued interest receivable has been fully impaired in the year, leaving a carrying value of £nil at 31 December 2016 (carrying value at 31 December 2015: £35.7m (\$51.9m)).

This resulted in a total write off charge of £39.9m (\$51.9m) representing £31.4m (\$40.0m) for the fair value of the principal loan amount and £8.5m (\$11.9m) for accrued interest recognised in prior periods. There was also a £4.0m (\$5.0m) recovery from a previously fully provided loan note relating to Robbins Gioia, where there was agreement for recovery and funds were received in February 2017.

Disposals made in 2016

On 9 February 2016 the Group disposed of its Adam Smith conference business, Corporate Communications International Limited. Consideration was in the form of shares, resulting in the Group taking a 49% shareholding in the acquiring entity, Pestana Management Limited, of which 25% carry voting rights. The loss on disposal was £1.3m and the cash disposed with business was £1.2m. From the date of disposal, this new investment will be accounted for as an Associate using equity accounting.

There were other disposals which resulted in a loss of £2.6m.

17 POST BALANCE SHEET EVENT

On 1 March 2017, the Group entered into a definitive agreement to acquire 100% of the share capital of *Yachting Promotions, Inc.*, ("YPI") for cash consideration of £106.0m (\$133.0m), subject to customary closing conditions. YPI is the operator of some of the largest international yachting and boat shows in the US. The business will form part of the Global Exhibitions division. Based on its results in the 12 months ended 31 December 2016, the consideration represents a trailing multiple of 11.5 times EBITDA before tax assets. In our original press release dated 2 March 2017, these tax assets were disclosed as having a net present value of \$33.9m, reflecting historical net operating losses of around \$40m that are deductible for US tax purposes over several years. After receiving updated technical advice on the tax structure of the acquisition, we can now confirm that the acquisition will bring with it higher net operating losses of between \$40m and \$50m. These will, however, be available over a longer time period than initially advised, equating to a net present value of between \$15m and \$18m. Including these tax assets, the acquisition consideration of \$133m represents a multiple of just under 10 times EBITDA. An updated press release is available at www.informa.com.

Further information in respect of the accounting for the acquisition will be provided in the Annual Report for the year ending 31 December 2017.

Annual Report and Financial Statements 2016

The Annual Report and Financial Statements for the financial year ended 31 December 2016 will be sent to shareholders and published on www.informa.com in April 2017.

Copies of this announcement may be obtained during normal business hours from the Company Secretary at the Company's office at 5 Howick Place, London, SW1P 1WG.

Cautionary Statements

This document 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

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