informa

Press Release
23 February 2012

Informa plc
Full Year Results
For the Year Ended 31 December 2011

Strong operating and financial performance demonstrating resilience and delivering growth

Key Highlights

Financial

- Revenue increased - £1.28bn (2010: £1.23bn); organic revenue growth of 3.9% (excluding IPEX)
- Profit increased - adjusted operating profit up 7.3% to £336.2m (2010: £313.2m); organic growth of 7.9% (excluding IPEX)
- Margin increased - adjusted operating margin of 26.4% (2010: 25.5%)
- Adjusted profit before tax of £295.9m up 7% (2010: £276.4m)
- Statutory profit before tax decreased to £88.6m (2010: £125.0m) because of non-cash impairment
- Earnings increased - adjusted diluted earnings per share up 8.6% to 37.8p (2010: 34.8p)
- Strong cash generation - operating cash flow of £311.2m (2010: £319.8m)
- Balance sheet strengthened - net debt/EBITDA ratio of 2.1 times (2010: 2.3 times)
- Full year dividend increased by 20% reflecting strong performance and confidence in the business - second interim dividend of 11.8p giving a total 2011 dividend of 16.8p (2010:14.0p)

Operational

- 67% of publishing revenues from subscriptions (2010: 65%)
- 74% of publishing revenues fully digitised (2010: 74%)
- Recent acquisitions performing well
- Datamonitor integration into IBI delivering cost savings
- Successful launch of new digital platforms within AI and PCI
- Emerging market growth continues – now 14% of Group revenue (2010: 12%)

Peter Rigby, Chief Executive, said:

"Informa has delivered another set of strong results, in line with the expectations we set at the beginning of 2011 despite the challenging macro economic backdrop. These results further underline the Group's resilient and high quality earnings streams.

This performance has been achieved through our clear strategy of focusing on growth in the Group's subscription income, improving product reach and quality through digital delivery, increasing the number of higher quality, resilient and larger scale events and driving growth through geo-cloning and expanding in emerging markets. We have continued to deliver on all of these objectives. We are pleased with how they have driven the financial performance in each of our three divisions.

Our academic division has again displayed resilience and growth, outperforming expectations. It is encouraging to see both the books and the journals continuing to make significant contributions with good organic growth and more progress in emerging markets. The long standing nature and depth of our client relationships, combined with the quality of our product portfolio are central to the consistent performance of this business.

The professional and commercial division has performed well with good progress made in content delivery and we look forward to reaping the rewards of the integration of Datamonitor and IBI which is now largely complete.

Our efforts to grow our events business organically have paid off with a number of exhibition launches which along with the acquisitions in 2011 have further strengthened our events platform. In particular, the acquisitions we completed in Brazil last year are already benefitting from being part of a broader group.

This progress made across the Group, combined with strong underlying cash flows, visibility of earnings and a robust financial position has allowed us to increase our 2011 dividend by 20%, while also providing sufficient flexibility for us to continue investing for future growth.

2012 has started in line with our expectations, with a number of our large events showing strong forward bookings and the journal renewal in the Academic business largely complete. Given the continued uncertainty in the macro environment we will continue to manage the business carefully. However we believe that the strong foundations we have already built, supplemented by a combination of targeted investment and selective acquisitions, will support yet another year of growth."

Financial Highlights

	2011 £m	**2010 £m**	**Actual %**	**Organic %**	**Organic (ex IPEX)[4] %**
Revenue	**1,275.3**	1,226.5	4.0	2.5	3.9
Operating profit	**130.3**	164.0			
Adjusted operating profit [1]	**336.2**	313.2	7.3	5.7	7.9
Operating cash flow [2]	**311.2**	319.8			
Profit before tax	**88.6**	125.0			
Adjusted profit before tax [1]	**295.9**	276.4			
Profit for year	**74.3**	98.9			
Adjusted profit for year [1]	**226.7**	209.0			
Basic earnings per share (p)	**12.5**	16.5			
Diluted earnings per share (p)	**12.5**	16.5			
Adjusted diluted earnings per share (p) [1]	**37.8**	34.8			
Dividend per share (p)	**16.8**	14.0			
Free cash flow [2]	**203.4**	231.4			
Net debt [3]	**784.0**	779.1			

Notes:
In this document 'organic' refers to numbers adjusted for material acquisitions and disposals and the effects of changes in foreign currency exchange rates.
[1] Adjusted results exclude adjusting items as set out in the Consolidated Income Statement and detailed in Note 2.
[2] Operating cash flow and free cash flow are as calculated in the Financial Review.
[3] Net debt as calculated in Note 12.
[4] IPEX is a quadrennial printing show that occurred in 2010

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Note to Editors

Bringing Knowledge to Life - Businesses, professionals and academics worldwide turn to Informa for unparalleled knowledge, up-to-the minute information and highly specialist skills and services. Our ability to deliver high quality knowledge and services through multiple media channels, in dynamic and rapidly changing environments, makes our offer unique and extremely valuable to individuals and organisations.

Analyst Presentation

There will be a presentation to analysts at 9.30am on 23 February 2012 at The King Edward Hall, Bank of America Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. A simultaneous webcast of the analysts' presentation will be available via the Company's website at www.informa.com.

Business Review

Informa's portfolio of market leading niche products, have grown both organically and through acquisition over the past 12 years. During that time we have invested in the business to capitalise on digital opportunities and this has resulted in Informa today being a high value-add, resilient information provider with good exposure to growth markets – both geographically and by sector vertical. The positioning of Informa's quality assets within their numerous niches has enabled the Group's profits to remain highly resilient through times of austerity yet nimble enough to grow quickly as times improve.

In 2011, we saw the robust academic division grow ahead of our initial expectations following a strong end to the year, including a large content deal in Russia. The PCI division has also grown as the benefits of earlier investment come through. Our publishing businesses now represent 54% of Group revenues and 69% of adjusted operating profits. Events and Training, which encompasses a wide range of products from large exhibitions to small training courses is growing organically and has benefited from some successful acquisitions in 2011.

The strategic drivers underpinning Informa have improved the overall quality of earnings in these challenging times and have positioned us well for future growth.

High Quality Subscription Income

The predominant revenue stream across our publishing divisions is subscription income which provides resilience and visibility to this part of our business. We have grown the proportion of subscription revenues to 36% of Group revenues and 67% of publishing revenues. Contribution to this subscription revenue stream comes from the AI journals business and the numerous proprietary data, opinion and news services within the PCI division.

The strength of the academic journals is supported by very high renewal rates and increased usage statistics. The continued introduction of society journals (60 for 2011) stimulates awareness for our portfolio of products within the specific academic niche.

Proprietary, high value, niche information remains core to the PCI strategy as, increasingly, the sale of single subscriptions has been replaced by enterprise wide site licences embedding our content into the heart of our customers' business. Subscriptions now account for 78% of this divisions revenues (2010: 74%) which along with consistently high renewal rates and improved operating margins demonstrate the high quality of earnings in this division.

Digital Excellence

We have embraced digital developments across all of our product areas, most notably within the publishing divisions, where the advent of digital delivery and online marketing has been transformational over recent years. In 2011, 74% of all publishing revenues were derived from digital activities.

2011 saw the launch of Taylor & Francis Online, the new delivery platform for the digital content of over 1,600 academic journals. This platform provides faster access, better search capability, greater reliability and intuitive use for the librarian, academic, researcher or student. In 2012 this platform will be utilised for our book catalogue.

E-book sales have grown by 11%, now representing 12% of academic book sales. E-book delivery, as well as the increasing use of print on demand services and online marketing of back catalogues, has been a significant driver in improving the quality of the books business.

The transition of PCI from the traditional B2B publishing model into a high quality subscription business has been greatly facilitated by the various enabling digital technologies. A notable early benefit of the Datamonitor integration into IBI is the utilisation of existing technologies to accelerate electronic product development. IBI's new content delivery platform has been used for the next generation of the Datamonitor Knowledge Centres. Utilising this leading technology enables the business to respond rapidly to changing customer needs without the need for expensive development for each new product offering.

Resilient Events
Smaller conferences and training courses are the most cyclical area of our business and, as such, most affected by volatile economic conditions. Consequently, we have focused on increasing the proportion of larger events within our portfolio which are more resilient and command higher margins. We now have over 250 large events which represent 38% of Event and Training revenues (2010: 34%).

We have been able to enhance further the quality of the portfolio though successful launches and selective acquisitions. The acquisitions of BTS and Ibratexpo in Brazil exemplify our commitment to growing the strength of our events portfolio. Our efforts to achieve longer term organic growth through exhibition and confex launches as well as geo-cloning are apparent throughout the group as we develop a robust platform for sustained, profitable revenue growth. New launches in 2011 included Vitafoods Asia and Africa Health.

Geographic Expansion
We have been increasingly focused on geographic expansion in emerging markets across all divisions and have seen organic growth throughout the business as the investment in local sales forces has generated new customers. Emerging Markets now represent 14% of overall Group revenues (2010: 12%).

In particular we have seen specific success in Russia for our academic products as well as growth in our Com series in Africa. Aggressive geo-cloning of our events continues with 20% of the larger events delivered by this expansion model.

In addition to this organic growth, the acquisitions in Brazil have enabled us to achieve critical mass in this region and provide a good platform for organic growth into the future. This has also strengthened our sector presence in the important food and printing sectors.

Financial Excellence
We remain vigilant on costs and have not reintroduced marginal product simply to increase our top line. We are delighted that we have managed to achieve a further increase in the adjusted operating margin to 26.4%.

The Group remains highly cash generative and continues to convert close to 100% of profits into cash on an underlying basis. Cash conversion during 2011 was 93% after the impact of certain non-recurring payments, as highlighted at the half year.

We have strict financial criteria against which all acquisitions are measured. We will continue to look for bolt-on assets within the publishing divisions with digital potential, quality proprietary content and high levels of repeat business or small portfolios of exhibitions within Events and Training.

The bolt-on acquisitions completed in 2010 have performed well with a return on invested capital of 12.5%.

Whilst 2011 has been a challenging year from a global economic perspective, we have grown all three of our divisions. The quality of our assets has improved, supported by the acquisitions and we expect further improvements in 2012 following the integration of Datamonitor into the IBI group. With a significant proportion of the events contribution generated by the larger events, we have started 2012 with a good degree of visibility which gives comfort in what remains an uncertain economic environment.

Financial Results

Revenue for the year ended 31 December 2011 grew by 4.0% to £1,275.3m. Adjusted operating profits were £336.2m up 7.3% on 2010. The adjusted operating margin improved accordingly from 25.5% to 26.4%. These results are particularly pleasing given the negative year on year impact of a weakening US dollar.

On an organic basis, revenue increased by 2.5% with Publishing up 4.2% and Events and Training up 0.4%. Excluding the impact of IPEX in 2010, Events and Training grew by 3.6%. Organic adjusted operating profits increased by 5.7% with Publishing growing by 6.4% and Events and Training up 4.2% (11.7% excluding IPEX).

Statutory operating profit decreased to £130.3m (2010: £164.0m), resulting principally from the impairment recognised in the year for Robbins-Gioia (RG) of £50.7m. RG is a consulting company principally to the US Government.

Adjusted diluted earnings per share increased by 8.6% to 37.8p (2010: 34.8p).

Operating cash flow reduced to £311.2m (2010: £319.8m) reflecting an outflow of working capital as a result of non-recurring payments as highlighted at the half year.

This progress made across the Group, combined with strong underlying cash flows, visibility of earnings and a robust financial position has allowed us to grow our 2011 dividend by 20%, while at the same time leaving sufficient flexibility for us to continue investing for future growth. We ended the year with net debt of £784.0m and a net debt to EBITDA multiple of 2.1 times, well within our stated target range of between 2 and 2.5 times.

Academic Information (AI)

	2011	2010	Actual	Organic
	£m	£m	%	%
Revenue	323.6	310.2	4.3	6.1
Adjusted Operating Profit	116.2	109.3	6.3	8.3
Adjusted Operating Margin (%)	35.9	35.2		

Our academic division, providing books and journals to university libraries and the wider academic market, has performed extremely well once again delivering organic revenue and adjusted operating profit growth.

This highly resilient division, which represents 25% of the Group’s revenue and 35% of the adjusted operating profit, has benefited from the strength and quality of the journal and book portfolio which underpins growth in existing markets as well as the increased penetration into emerging markets where demand is growing.

AI continues to grow organically. In addition to the 13 new titles and 60 society journals added in 2011, the division was successful in signing a further 46 society journals for publication in 2012 and beyond. In addition, over 3,500 new books were published in the year. In 2012, T&F Online will facilitate the sale of the ever increasing number of e-books available, now in excess of 38,000. Print on Demand plays an important role in the efficiency of the books operation and the business has engaged in many facets of digital evolution.

Good progress was made in developing regions including some larger content deals into Russia, Asia and the Middle East, which supported the growth in the second half.

Journal usage was up 18% in 2011 demonstrating the quality of the content and its importance to users. Journal renewal for 2012 continues to build on this theme and is well progressed with all indicators pointing to 2012 revenues in line with expectations.

Professional and Commercial Information (PCI)

	2011 £m	2010 £m	Actual %	Organic %
Revenue	370.5	364.9	1.5	2.6
Adjusted Operating Profit	114.0	110.4	3.3	4.5
Adjusted Operating Margin (%)	30.8	30.3		

The PCI division, encompassing Informa Business Information (IBI) and Informa Financial Information (IFI) delivers high value proprietary content to a number of industry verticals including the healthcare, pharmaceutical, financial services, maritime, commodities, telecoms, insurance and legal sectors. The division now accounts for 29% of Group revenues and 34% of adjusted operating profit.

The majority of the PCI division's income is derived from high value subscription based income. The less resilient advertising revenues account for only 5% of the PCI division (2010: 6%). 89% of its revenue is delivered digitally (2010: 88%).

38% of PCI revenue is now derived from the healthcare and pharmaceutical sectors. Revenue from these markets has continued to increase from the niche specialised products we offer. The nature of the deep, highly targeted knowledge supports workflow integration and high customer retention whilst the continual feedback as to customers' needs supports our product development strategy.

The objective for the integration of Datamonitor with IBI was to produce a unified, scalable, resilient publishing business across our core sectors and to build value for our customer base. The operational efficiencies resulted in annualised cost savings across the two businesses of £12m. Efficiencies included rationalisation of the combined property portfolio, savings from transfer of Finance and IT infrastructure operations into the Group's shared service centres together with migration of editorial support operations.

The combined business is poised to deliver growth from a number of significant product synergies, including the use of Scrip news content to enhance the Healthcare Knowledge Centre proposition scheduled for launch in 2012.

The financial publishing portfolio (IFI) representing 22% of the PCI divisional revenues performed well in a challenging environment with a small adjusted organic operating profit decline of 3%. This stability was achieved through product development across the portfolio as well as vigorously chasing sales in established and new markets.

Following the restructuring carried out in PCI during 2011, we believe the division is well placed for growth in 2012 and beyond.

Events and Training

	2011	2010	Actual	Organic	Organic (ex IPEX)
	£m	£m	%	%	%
Revenue	581.2	551.4	5.4	0.4	3.6
Adjusted Operating Profit	106.0	93.5	13.4	4.2	11.7
Adjusted Operating Margin (%)	18.2	17.0			

The quality of the Events and Training business, accounting for 46% of Group revenues and 31% of adjusted operating profit, continues to improve. Organically and adjusting for IPEX, our quadrennial printing show which we ran in May 2010, revenues have grown by 3.6% and adjusted operating profits by 11.7%.

Although economic conditions have not assisted us, our strategy of focusing on large scale market leading events has resulted in our increasingly resilient portfolio performing well. As expected our larger events portfolio, now representing 38% of the overall Events and Training revenues, has grown. In 2011, we added 47 large events, reflecting an aggressive geo-cloning launch programme and new acquisitions, notably in Brazil.

Notable successes within the larger events portfolio include Arab Health, Africa.com, the Broadband World Forum and AusRail. The Australian portfolio of events acquired in December 2010 has performed well as have the Brazilian and the Anti-ageing exhibitions. These new events have given us both the regional expertise to support structural growth as well as the product platforms for further geographic growth.

Higher growth countries remain a key target for the Events business and 20% of the Events and Training revenue is now drawn from Emerging Markets (2010: 16%) where such events are the primary route to market for many sectors. We will continue to focus our acquisition and geo-cloning efforts to build the portfolio of larger events into these attractive markets.

The volume of the more cyclical smaller, local conference businesses has been reduced further. These smaller conferences, as expected, have closely followed GDP and business confidence parameters within their specific regions. Informa has considerable experience of running this business profitably through the economic cycle and management monitors these events carefully. The revenue generated across Portugal, Italy, Greece and Spain is only 3% of the Events and Training division.

Geographic expansion has been the primary growth driver for our corporate training businesses which have remained stable within the US and grown well outside of this market, delivering revenue growth of 6% in 2011 excluding Robbins-Gioia (RG), a consulting company principally to the US Government. RG, which was part of the IIR acquisition in 2005, had a difficult year with revenue falling by 15% resulting from a sustained policy by the US administration to bring more work in-house. The carrying value of the net assets of RG have been adjusted resulting in an impairment charge of £50.7m.

The Events and Training division has made a good start to the year benefiting from the fact that we run some of our larger exhibitions in the first quarter. Arab Health, our largest show, took place in January and grew by 6% over 2011 as well as rebooking strongly for 2013. We expect the conference market in Europe to remain tough but hope that the improving US economic position will lead to a better environment for corporate training.

Current Trading

Although still early in the year, the amount of resilient subscription products within our publishing divisions and the increasing proportion of larger events within our events division, underpins our confidence in the Group's prospects.

2012 has started in line with our expectations, with a number of our large shows showing strong forward bookings and the journal renewal in the academic business in line with expectations. Given the continued uncertainty in the macro environment we will continue to manage the business carefully. However we believe that the strong foundations we have already built, supplemented by a combination of targeted investment and selective acquisitions, will support yet another year of growth.

Financial Review

Global economic conditions remained challenging in 2011 especially following the Eurozone crisis in the second half of the year. Nevertheless, we think these are an excellent set of financial results, especially given the weakening US dollar, with top line growth, improved adjusted operating margin, strong cash flow and an improved balance sheet.

Group

	2011	2010	Actual	Organic	Organic (ex IPEX)
	£m	£m	%	%	%
Revenue	1,275.3	1,226.5	4.0	2.5	3.9
Adjusted Operating Profit	336.2	313.2	7.3	5.7	7.9
Adjusted Operating Margin (%)	26.4	25.5			

Adjusted and Statutory Results

In this Financial Review we refer to adjusted and statutory results. Our statutory operating profit and profit before tax has reduced this year primarily because of the non-cash impairment for Robbins-Gioia.

Adjusted results are prepared to provide a more comparable indication of the Group's underlying business performance.

Translation Impact

The Group receives approximately 47% of its revenues and incurs approximately 39% of its costs in USD or currencies pegged to USD. The Group is therefore sensitive to movements in the USD against the GBP. Each 1 cent movement in the USD to GBP exchange rate has a circa £3.6m impact on revenue and a circa £1.4m impact on operating profits. Offsetting this will be movements to USD interest and USD tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

The Group receives approximately 12% of its revenues and incurs approximately 10% of its costs in Euros. The Group is therefore sensitive to movements in the Euro against the GBP. Each 1 cent movement in the Euro to GBP exchange rate has a circa £1.3m impact on revenue and a circa £0.5m impact on operating profits. Offsetting this will be movements to Euro interest and Euro tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

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

Revenue

Organic revenue across the Group increased by 4% reflecting a strong performance in our Academic businesses, up 6%. Events and Training revenues also increased by 4% but excluding the impact of Robbins-Gioia, the US Government contractor, grew by 5%. This growth comes from increased delegate and exhibitor numbers in our Events and Training businesses and launching of new journals and titles in our Publishing businesses.

Operating Profit

Adjusted operating profit increased to £336.2m (2010: £313.2m). Organic adjusted operating profit increased by 8%, with an increase of 12% by the Events businesses and an increase of 6% at the Publishing businesses.

Statutory operating profit decreased by 21% to £130.3m (2010: £164.0m), resulting principally from the impairment recognised in the year for Robbins-Gioia of £50.7m, which is partly offset by the increase in adjusted operating profit.

Restructuring and Reorganisation Costs

Restructuring and reorganisation costs for the year of £15.2m (2010: £8.3m) principally relate to the integration of IBI and Datamonitor. These include redundancy costs of £11.9m (2010: £4.6m), reorganisation costs of £2.8m (2010: £2.8m) and vacant property provisions of £0.5m (2010: £0.9m).

Other Adjusting Items

An impairment charge of £50.7m has been recognised in the year relating to impairing the net assets of Robbins-Gioia.

With the number of acquisitions made during the year, acquisition related costs of £1.4m have been recognised in the income statement.

The remaining charge of net £0.7m relates to the re-measurement in contingent consideration of £2.9m being offset by impairments to other intangible assets of £3.6m.

Adjusted Net Finance Costs

Adjusted net finance costs, which consist principally of interest costs net of interest receivable, increased by £3.5m from £36.8m to £40.3m, mainly as a result of higher average interest rates on borrowings, arising from the long term US private placement notes issued at the end of 2010.

We maintain a balance of fixed and floating rate debt partly through utilising derivative financial instruments. The majority of the fixed interest swaps that were entered into at the time of the Datamonitor acquisition in 2007 expired during the year, with the remaining swaps expiring at the end of September 2012. This will result in a lower average fixed interest rate on borrowings in 2012.

Profit Before Tax

Adjusted profit before tax increased by 7% to £295.9m (2010: £276.4m) and adjusted profit for the year also increased by 8% to £226.7m (2010: £209.0m).

Taxation

Across the Group, tax has been provided on adjusted profits at an adjusted tax rate of 23.4% (2010: 24.4%). This adjusted tax rate benefits from profits generated in low tax jurisdictions, including Switzerland and is lower than for the previous year due to movements in the mix of profits between jurisdictions and lower tax rates in certain countries including the UK.

The Group tax charge on statutory profit before tax was 16.1% (2010: 20.9%).

Earnings and Dividend

Adjusted diluted EPS of 37.8p (2010: 34.8p) is 9% ahead of 2010, but statutory diluted EPS of 12.5p (2010: 16.5p) is 24% below 2010 following the impairment.

The Board has proposed a second interim dividend of 11.8p per share (2010: 9.5p per share). This dividend will be paid on 21 May 2012 to ordinary shareholders registered as of the close of business on 27 April 2012. This will result in a total dividend for the year of 16.8p per share (2010: 14.0p per share). Dividend cover has been reduced from 2.5 times to 2.25 times on an adjusted earnings basis.

Cash Flow

The Group continues to generate strong cash flows and this is reflected in a cash conversion rate, expressed as a ratio of operating cash flow (as calculated below) to adjusted operating profit, of 93% (2010: 102%). The reduction is principally due to certain non-recurring items such as long term incentive payments to vendors of acquired businesses and working capital movements on acquisitions.

	2011 £m	2010 £m
Adjusted operating profit	**336.2**	**313.2**
Depreciation of PP&E	6.7	7.7
Software amortisation	13.1	16.3
Share-based payments	3.0	2.1
EBITDA	**359.0**	**339.3**
Net capital expenditure	(23.9)	(27.2)
Working capital movement (net of restructuring and reorganisation accruals)	(23.9)	7.7
Operating cash flow	**311.2**	**319.8**
Restructuring and reorganisation cash flow	(19.3)	(14.1)
Net interest	(44.5)	(36.8)
Taxation	(44.0)	(37.5)
Free cash flow	**203.4**	**231.4**
Acquisitions less disposals	(112.9)	(53.3)
Dividends	(87.3)	(75.0)
Net issue of shares	0.3	4.6
Net funds flow	**3.5**	**107.7**
Opening net debt	**(779.1)**	**(872.6)**
Non-cash items	(2.7)	(3.1)
Foreign exchange	(5.7)	(11.1)
Closing net debt	**(784.0)**	**(779.1)**

In the year ended 31 December 2011, before taking into account dividends, spend on acquisitions or proceeds from the sale of assets, the Group generated free cash flow of £203.4m (2010: £231.4m).

The change to net debt arising from acquisitions (net of disposals) was a £112.9m outflow (2010: £53.3m outflow) which comprises current year acquisitions of £109.1m (2010: £48.0m) and consideration in respect of acquisitions completed in prior years of £3.8m (2010: £5.3m). The Group disposed of its interest in Nicholas Publishing International for total consideration of £0.6m, generating a profit on disposal of £0.1m. We have robust criteria for assessing acquisitions and we target acquisitions and alliances that accelerate our strategic development and meet our financial criteria.

Net debt increased by £4.9m from £779.1m to £784.0m reflecting cash flow of £3.5m, offset by adverse exchange rate movements of £5.7m. During the year the Group paid dividends of £87.3m, of which £87.0m related to the 2010 second interim and the 2011 first interim dividends, and £0.3m to non-controlling interest.

Financing and Bank Covenants

During April 2011 the Group refinanced its existing term loan and revolving credit bank facilities with a new £625.0m five year revolving credit facility provided by a group of core banks, supplementing the private placement loan notes which were issued in December 2010 and in January 2011. As part of the refinancing of the bank facilities, an amortising term loan was fully repaid in April 2011. The Group maintains the following significant facilities:

- Private placement loan notes drawn in three currency tranches of USD 597.5m, GBP 40.0m and EUR 50.0m. The note maturities range between five and ten years, with an average duration of 7.3 years, at a weighted average interest rate of 4.3%.

- £625.0m (2010: £500.0m) revolving credit facility, of which £343.5m has been drawn down at 31 December 2011. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.

- £44.6m (2010: £43.9m) comprising a number of bilateral bank facilities that can be drawn down to meet short-term financing needs. These facilities consist of GBP 16.0m (2010: GBP 16.0m), USD 15.0m (2010: USD 15.0m), EUR 18.0m (2010: EUR 18.0m), AUD 2.3m (2010: AUD 3.0m), CAD 1.0m (2010: CAD 1.0m) and BRL 4.9m (2010: BRL nil). Interest is payable at the local base rate plus margins that vary between 1% and 6%.

The principal financial covenant ratios under the private placement and revolving credit facilities are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. At 31 December 2011 both financial covenants were comfortably achieved, with the ratio of net debt (using average exchange rates) to EBITDA reduced from 2.3 times at 31 December 2010 to 2.1 times at 31 December 2011. The ratio of EBITDA to net interest payable in the year ended 31 December 2011 was 8.9 times (2010: 9.3 times).

Return on Capital Employed

During 2011 we have completed a number of bolt-on acquisitions and we strengthened our events platform with the acquisitions of Brazil Trade Shows Partners Participacoes S.A. and Ibratexpo Feiras E Eventos LTDA. in Brazil.

Acquisitions have to meet our acquisition criteria which include delivering returns in excess of the Group's WACC in the first full year, being earnings enhancing in the first full year and achieving a cash payback within seven years.

The return on investment from acquisitions completed in 2010 was 12.5%.

Balance Sheet

Deferred income, which represents income received in advance, was up 6% on a constant currency basis at 31 December 2011 compared to the same date in 2010. Deferred income arises primarily from advance subscriptions or forward bookings for trade shows, exhibitions or conferences. Subscriptions generated by our academic journal business renew annually a year in advance and many trade shows and exhibitions, because of their market leading status, receive commitments up to a year in advance.

Pensions

The Group’s financial obligations to its pension schemes remain relatively small compared to the size of the Group, with net pension liabilities at 31 December 2011 of £12.1m (2010: £10.5m).

Following the completion of the triennial valuations of the main defined benefit schemes, a revised deficit funding plan has been agreed with the trustees to eliminate the deficits in the three schemes. The contributions for the ongoing service will be £nil in 2012 as all three schemes are closed to future accrual of benefits. In addition, the contributions paid towards reducing the scheme deficits will increase from £3.4m in 2011 to £3.8m in 2012 and £4.5m in 2013.

Related Party Transactions

Related party transactions, other than those relating to Directors' remuneration, are disclosed in the Annual Report and Consolidated Financial Statements for the financial year ended 31 December 2011. Also, there have been no changes in related party transactions from those described in the Group's Annual Report and Financial Statements for the financial year ended 31 December 2010 that could have a material effect on the financial position or performance of the Group in the financial year ended 31 December 2011.

Post balance sheet events

On 1 February 2012, the Group completed the acquisition of 100% of the shares of Fertecon Limited ("Fertecon"), a leading provider of Fertiliser Commodities pricing data and market intelligence, for initial consideration of £17.3m and further performance-related consideration estimated at £2.1m payable in two years. The acquisition of Fertecon is an excellent fit with our existing Agra group. The combination of Fertecon's fertiliser industry knowledge with Agra's insight into the agrifoodsector will create a unique resource of information and analysis.

Eurozone risk

Recent guidance released by the FRC requires the Group to comment on its exposure to risks from the Eurozone crisis.

The Group's liquidity risk (its ability to service short term liabilities) is considered low in all scenarios bar a fundamental collapse of the financial markets. Whilst the Group's revolving credit facility is normally at least partially drawn in Euros (EUR 25m at 31 December 2011) this could alternatively be drawn in other currencies, and there is headroom of £281.5m on the Group's borrowing facilities at 31 December 2011. At 31 December 2011, EUR 50m of the Group's £467m private placement financing and EUR 16m of the Group's £24.8m of cash and cash equivalents are denominated in Euros. The Group's treasury policy imposes ratings based limits on the quantum of deposits that may be held with any financial institution at any time.

Just under 3.5% of Group revenues are generated from customers located in Portugal, Italy, Greece and Spain. There is a close correlation between the Group revenues denominated in Euros (12% of the Group total in 2011) and costs denominated in Euros (10%).

Conclusion

It is frustrating that yet again we need to assess these results against the backdrop of uncertain economic market conditions. Perhaps instead of thinking about a cycle, low growth or no growth will be the medium term norm. Over the past four years, we have changed the structure of the Group to enable it to perform better in these tougher economic times. Marginal revenue streams across our publishing divisions have been eliminated and a few thousand smaller conferences and training courses have been removed from the Events portfolio. Whilst this may limit some growth in any up cycle it produces a more resilient, high quality set of earnings. Our Group revenue is back to the heights it reached in 2008 but at a significantly higher margin of 26.4% (2008: 23.9%).

During 2011, we spent over £110m on acquisitions – more than the last three years combined. This reflects the efforts we have made to reduce our net debt ratios as well as a slightly better M&A environment. We have maintained our rigour when assessing acquisitions, applying strict financial criteria and I am pleased with the returns we have seen on the acquisitions completed in 2009 and 2010 as well as the first results from our acquisitions this year, particularly those in Brazil.

We refinanced the Group in April, putting in place a new five year facility until 2016. I am pleased with the support we received from our core group of banks which supplemented the funds raised in the US private placement market in 2010. The discipline we have shown around our balance sheet has contributed to the relatively low cost of funding.

There was a significant amount of work undertaken integrating the back office of Datamonitor into our shared service centre structure. I am pleased that this structure was able to absorb over £120m of annual revenues and that the cost savings originally identified were delivered. We created more scale in Singapore by relocating and merging three smaller shared service centres to support our Middle East and Far East businesses. We are on a path of continuous improvement across the shared service centre structure and although we have more to do I am pleased with the progress to date. I would like to thank all the finance teams around the world for all their hard work in 2011.

We enter 2012 in a stronger financial position than we were a year ago – refinanced, a more integrated structure, a lower net debt to EBITDA ratio and an overall improvement in our return on capital employed.

Annual Report and Financial Statements 2011

The Annual Report and Financial Statements for the financial year ended 31 December 2011 will be sent to shareholders and published on www.informa.com at the end of March 2012.

Copies of this announcement may be obtained during normal business hours from the Company Secretary at the Company's office at Gubelstrasse, 11, CH-6300, Zug, Switzerland.

Cautionary Statements

This preliminary announcement contains forward looking statements. These statements are subject to a number of risk and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward looking statements. The terms 'expect', 'should be', 'will be' and similar expressions identify forward looking statements. Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in Informa's markets; exchange rate fluctuations, customers' acceptance of its products and services; the actions of competitors; legislative, fiscal and regulatory developments; changes in law and legal interpretation affecting Informa's intellectual property rights and internet communications; and the impact of technological change. These forward looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Notes	Adjusted results 2011 £m	Adjusting items 2011 £m	Statutory results 2011 £m	Adjusted results 2010 £m	Adjusting items 2010 £m	Statutory results 2010 £m
Revenue from continuing operations		1,275.3	–	1,275.3	1,226.5	–	1,226.5
Net operating expenses		(939.1)	(205.9)	(1,145.0)	(913.3)	(149.2)	(1,062.5)
Operating profit		336.2	(205.9)	130.3	313.2	(149.2)	164.0
Profit on disposal of business		–	0.1	0.1	–	–	–
Finance costs	5	(46.1)	(1.5)	(47.6)	(41.8)	(2.2)	(44.0)
Investment income	6	5.8	–	5.8	5.0	–	5.0
Profit before tax		295.9	(207.3)	88.6	276.4	(151.4)	125.0
Tax (charge)/credit	7	(69.2)	54.9	(14.3)	(67.4)	41.3	(26.1)
Profit for the year		226.7	(152.4)	74.3	209.0	(110.1)	98.9
Attributable to:							
– Equity holders of the parent				75.4			98.9
– Non-controlling interest				(1.1)			–
Earnings per share from continuing operations							
– Basic (p)	9			12.5			16.5
– Diluted (p)	9			12.5			16.5
Adjusted earnings per share from continuing operations							
– Basic (p)	9	37.9			34.8		
– Diluted (p)	9	37.8			34.8		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	2011 £m	2010 £m
Profit for the year		74.3	98.9
Decrease in fair value of cash flow hedges		11.6	15.2
(Loss)/gain on translation of foreign operations		(13.1)	34.6
Actuarial loss on defined benefit pension schemes		(5.1)	(1.0)
Tax on income and expenses taken directly to equity		(3.6)	(4.0)
Transfer from profit or loss on cash flow hedges		–	(0.6)
De-designation of hedge accounting	5	–	1.1
Other comprehensive (expense)/income for the year		(10.2)	45.3
Total comprehensive income for the year		64.1	144.2
Attributable to:			
– Equity holders of the parent		65.2	144.2
– Non-controlling interest		(1.1)	–

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
At 1 January 2010	0.6	0.4	(1,225.0)	2,552.6	1,328.6	0.9	1,329.5
Profit for the year	–	–	–	98.9	98.9	–	98.9
Decrease in fair value of cash flow hedges	–	–	15.2	–	15.2	–	15.2
Gain on translation of foreign operations	–	–	34.6	–	34.6	–	34.6
Actuarial loss on defined benefit pension schemes	–	–	–	(1.0)	(1.0)	–	(1.0)
Tax on income and expenses taken directly to equity	–	–	(4.3)	0.3	(4.0)	–	(4.0)
Transfer from profit or loss on cash flow hedges	–	–	(0.6)	–	(0.6)	–	(0.6)
De-designation of hedge accounting	–	–	1.1	–	1.1	–	1.1
Total comprehensive income for the year	–	–	46.0	98.2	144.2	–	144.2
Dividends to shareholders (Note 8)	–	–	–	(74.1)	(74.1)	(0.9)	(75.0)
Share award expense	–	–	2.1	–	2.1	–	2.1
Own shares sold	–	–	–	3.7	3.7	–	3.7
Share options exercised	–	0.9	–	–	0.9	–	0.9
Purchase of non-controlling interest	–	–	–	(4.5)	(4.5)	–	(4.5)
Transfer of vested LTIPS	–	–	(1.5)	1.5	–	–	–
At 1 January 2011	0.6	1.3	(1,178.4)	2,577.4	1,400.9	–	1, 400.9
Profit/(loss) for the year	–	–	–	75.4	75.4	(1.1)	74.3
Decrease in fair value of cash flow hedges	–	–	11.6	–	11.6	–	11.6
Loss on translation of foreign operations	–	–	(13.1)	–	(13.1)	–	(13.1)
Actuarial loss on defined benefit pension schemes	–	–	–	(5.1)	(5.1)	–	(5.1)
Tax on income and expenses taken directly to equity	–	–	(4.7)	1.1	(3.6)	–	(3.6)
Total comprehensive (expense)/income for the year	–	–	(6.2)	71.4	65.2	(1.1)	64.1
Dividends to shareholders (Note 8)	–	–	–	(87.2)	(87.2)	(0.3)	(87.5)
Share award expense	–	–	3.0	–	3.0	–	3.0
Own shares purchased	–	–	(0.1)	–	(0.1)	–	(0.1)
Share options exercised	–	0.3	–	–	0.3	–	0.3
Purchase of non-controlling interest	–	–	–	–	–	(0.6)	(0.6)
Disposal of non-controlling interest	–	–	–	–	–	0.3	0.3
Transfer of vested LTIPS	–	–	(1.3)	1.3	–	–	–
At 31 December 2011	0.6	1.6	(1,183.0)	2,562.9	1,382.1	(1.7)	1,380.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	2011 £m	2010 £m
ASSETS			
Non-current assets			
Goodwill		1,764.8	1,753.7
Other intangible assets		969.8	1,047.0
Property and equipment		19.7	19.0
Deferred tax assets		–	1.2
Derivative financial instruments		1.3	–
		2,755.6	2,820.9
Current assets			
Inventory		33.9	33.4
Trade and other receivables		251.4	235.0
Current tax asset		9.1	3.3
Cash at bank and in hand		25.0	27.8
Derivative financial instruments		0.7	–
		320.1	299.5
Total assets		3,075.7	3,120.4
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	11	0.6	0.6
Share premium account		1.6	1.3
Reserve for shares to be issued		6.2	4.8
Merger reserve		496.4	496.4
Other reserve		(1,718.6)	(1,718.6)
ESOP Trust shares		(0.2)	(0.4)
Hedging reserve		(3.0)	(9.9)
Translation reserve		36.2	49.3
Retained earnings		2,562.9	2,577.4
Equity attributable to equity holders of the parent		1,382.1	1,400.9
Non-controlling interest		(1.7)	–
Total equity		1,380.4	1,400.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2011

Non-current liabilities			
Long-term borrowings	10	806.9	639.8
Deferred tax liabilities		164.7	189.3
Retirement benefit obligation		12.1	10.5
Provisions		12.2	19.8
Trade and other payables		7.1	4.6
Derivative financial instruments		–	3.8
		1,003.0	867.8
Current liabilities			
Short-term borrowings	10	2.1	167.1
Current tax liabilities		140.8	142.1
Provisions		10.4	6.9
Trade and other payables		206.9	206.9
Deferred income		327.0	309.8
Derivative financial instruments		5.1	18.9
		692.3	851.7
Total liabilities		1,695.3	1,719.5
Total equity and liabilities		3,075.7	3,120.4

The Board of Directors approved these financial statements on 23 February 2012.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2011

	Notes	2011 £m	2010 £m
Operating activities			
Cash generated by operations	12	315.6	333.0
Income taxes paid		(44.0)	(37.5)
Interest paid		(51.9)	(37.5)
Net cash inflow from operating activities		219.7	258.0
Investing activities			
Investment income		1.4	0.7
Proceeds on disposal of property and equipment		0.4	0.8
Purchases of intangible software assets		(12.6)	(10.7)
Purchases of property and equipment		(7.7)	(7.7)
Purchase of other intangible assets		(26.2)	(8.1)
Acquisition of subsidiaries and businesses		(83.4)	(40.9)
Acquisition of non-controlling interest		(0.3)	(4.3)
Product development costs		(4.0)	(9.6)
Proceeds on disposal of subsidiaries		0.6	–
Proceeds on disposal of other intangible assets		0.7	–
Net cash outflow from investing activities		(131.1)	(79.8)
Financing activities			
Dividends paid to shareholders		(87.0)	(74.1)
Dividends paid to non-controlling interest		(0.3)	(0.9)
Repayments of borrowings	12	(368.3)	(783.6)
Loans drawn down/new bank loans raised	12	366.4	686.0
Proceeds from the issue of share capital		0.3	4.6
Net cash outflow from financing activities		(88.9)	(168.0)
Net (decrease)/increase in cash and cash equivalents		(0.3)	10.2
Effect of foreign exchange rate changes		(2.7)	1.1
Cash and cash equivalents at beginning of the year		27.8	16.5
Cash and cash equivalents at end of the year		24.8	27.8

Notes to the Full Year Results

For the year ended 31 December 2011

1 General information

The Company is incorporated in Jersey under the Companies (Jersey) Law 1991 and headquartered in Switzerland. The address of the registered office is given on page 14. The consolidated financial statements as at 31 December 2011 and for year then ended comprise those of the Company and its subsidiaries and its interests in associates and jointly controlled entities (together referred to as the Group).

2 Basis of preparation

The financial information for the year ended 31 December 2011 does not constitute the statutory financial statements for that year, but is derived from those financial statements. While the financial information in these Full Year Results has been prepared in accordance with International Financial Reporting Standards (IFRS), these results do not in isolation contain sufficient information to comply with IFRS. Those financial statements have not yet been delivered to the Jersey Registrar of Companies, but include the auditors' report which was unqualified and did not contain a statement under Article 113B(3) or Article 113B(6) of the Companies (Jersey) Law 1991.

The directors of Informa plc, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the Annual Report and Financial Statements for the year ended 31 December 2011.

Adjusted results

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

The following charges were presented as adjusting items:

	Notes	2011 £m	2010 £m
Restructuring and reorganisation costs	4	15.2	8.3
Acquisition related costs	4	1.4	1.3
Amortisation of other intangible assets	4	137.9	133.8
Impairment - Robbins Gioia	4	50.7	–
Impairment - Counsel on Education in Management	4	–	5.0
Impairment - Other	4	3.6	–
Subsequent re-measurement of contingent consideration	4	(2.9)	0.8
Profit on disposal of business		(0.1)	–
De-designation of hedge accounting	5	–	1.1
Excess interest on early repayment of syndicated loans	5	1.5	1.1
		207.3	151.4
Tax related to adjusting items	7	(54.9)	(41.3)
		152.4	110.1

The principal adjustments made are in respect of:

- restructuring and reorganisation costs – the costs incurred by the Group in reorganising and integrating acquired businesses, non-recurring business restructuring and the closure or disposal of businesses;
- amortisation of other intangible assets – the Group continues to amortise other intangible assets. The amortisation charge in respect of intangible software assets is included in the adjusted results. The amortisation charge in respect of all remaining other intangible assets is excluded from the adjusted results as management does not see these charges as integral to underlying trading;
- impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. The impairment charge in respect of material acquisitions is individually disclosed. The impairment charge for those other separately identified intangible assets has been linked with subsequent re-measurement of contingent consideration of those acquisitions;
- de-designation of hedge accounting – where syndicated loan facilities have been terminated early the fixed interest rate swaps are of a greater value than the remaining borrowings. As the swap cannot be re-designated, the over hedged element of the swaps has been charged to the income statement as an exceptional interest charge; and
- excess interest on early repayment of syndicated loans – capitalised facility fees are amortised over the loan periods but where syndicated loan facilities have been terminated early, the unamortised fees are immediately expensed. This accelerated expense is not viewed as being part of the underlying results and is thus excluded from the adjusted results.

The tax related to adjusting items is the tax effect of the items above and in 2011 it also includes the effect of the reduction in the UK deferred tax rate from 27% to 25% (Note 7).

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

	Average rate		Closing rate	
	2011	**2010**	**2011**	**2010**
USD	1.6047	1.5447	1.5439	1.5472
EUR	1.1461	1.1676	1.1934	1.1586

3 Business segments

Business segments
Management has identified reportable segments based on financial information used by the Board of Directors in allocating resources and making strategic decisions.

The only change in the basis of segmentation or in the basis of measurement of segment profit or loss in the period is with regards to the Events and Training segment.

The Group's three identified reportable segments under IFRS 8 are therefore as follows:

Academic Information (AI)
This division, which includes the Taylor & Francis publishing business, provides a portfolio of online and print publications, primarily for academic users across the spectrum of Science, Technology, Humanities and Social Sciences.

Professional and Commercial Information (PCI)
This division, which includes Datamonitor, Informa Business Information and Informa Financial Information provides information, across a range of formats and on a global basis, to a variety of sectors including Medical, Pharmaceutical, Financial, Law, Commerce, Commodities, Maritime and Telecoms.

Events and Training
The Events and Training business consists of trade shows and exhibitions, large and small conferences and training courses. From January 2011, the three geographical divisions of Events and Training were reported to the Board of Directors as one segment and therefore will be disclosed as one reportable segment.

Information regarding the Group's reportable segments is disclosed below and has been prepared consistently with the Group's accounting policies. The comparatives have been updated to reflect the change in reportable segments.

Segment revenue and results
31 December 2011

	AI £m	PCI £m	Events and Training £m	Total £m
Revenue	323.6	370.5	581.2	1,275.3
Adjusted operating profit	116.2	114.0	106.0	336.2
Restructuring and reorganisation costs (Note 2)	(1.3)	(10.4)	(3.5)	(15.2)
Acquisition related costs (Note 2)	(0.1)	(0.2)	(1.1)	(1.4)
Subsequent re-measurement of contingent consideration (Note 2)	–	2.6	0.3	2.9
Intangible asset amortisation[1] (Note 2)	(27.9)	(47.9)	(62.1)	(137.9)
Impairment (Note 2)	–	(2.4)	(51.9)	(54.3)
Operating profit/(loss)	86.9	55.7	(12.3)	130.3
Profit on disposal of business				0.1
Finance costs (Note 5)				(47.6)
Investment income (Note 6)				5.8
Profit before tax				88.6

[1] Excludes software amortisation.

Segment revenue and results
31 December 2010

	AI £m	PCI £m	Events and training £m	Total £m
Revenue	310.2	364.9	551.4	1,226.5
Adjusted operating profit	109.3	110.4	93.5	313.2
Restructuring and reorganisation costs (Note 2)	(1.2)	(1.0)	(6.1)	(8.3)
Acquisition related costs (Note 2)	–	(0.7)	(0.6)	(1.3)
Subsequent re-measurement of contingent consideration (Note 2)	–	–	(0.8)	(0.8)
Intangible asset amortisation[1] (Note 2)	(22.3)	(56.0)	(55.5)	(133.8)
Impairment (Note 2)	–	–	(5.0)	(5.0)
Operating profit	85.8	52.7	25.5	164.0
Finance costs (Note 5)				(44.0)
Investment income (Note 6)				5.0
Profit before tax				125.0

[1] Excludes software amortisation.

Adjusted operating result by operating segment is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance. 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

	2011 £m	2010 £m
AI	939.1	931.3
PCI	1,037.4	1,057.5
Events and Training	1,063.0	1,071.0
Total segment assets	3,039.5	3,059.8
Unallocated assets	36.2	60.6
Total assets	3,075.7	3,120.4

For the purpose of monitoring segment performance and allocating resources between segments, management monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments except for corporate balances, including taxation (current and deferred). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segment.

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

	2011 £m	2010 £m
AI		
Subscriptions	176.6	169.6
Copy sales	147.0	140.6
Total AI	323.6	310.2
PCI		
Subscriptions	287.5	271.7
Copy sales	63.1	71.8
Advertising	19.9	21.4
Total PCI	370.5	364.9
Events and Training		
Delegates	319.6	319.7
Exhibition	134.0	107.4
Sponsorship	63.2	51.3
Consulting	55.2	64.0
Advertising	9.2	9.0
Total Events and Training	581.2	551.4
Total revenue	1,275.3	1,226.5

Information about major customers

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

	Revenue		Segment assets	
Geographical information	**2011 £m**	**2010 £m**	**2011 £m**	**2010 £m**
United Kingdom	172.7	164.2	1,325.6	1,334.1
North America	446.7	472.6	1,053.9	1,133.0
Continental Europe	317.7	308.0	316.0	360.0
Rest of World	338.2	281.7	380.2	293.3
	1,275.3	1,226.5	3,075.7	3,120.4

No individual customer amounts to more than 10% of the Group's revenue.

4 Net operating expenses

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

	Notes	Adjusted results 2011 £m	Adjusting items 2011 £m	Statutory results 2011 £m	Adjusted results 2010 £m	Adjusting items 2010 £m	Statutory results 2010 £m
Cost of sales		446.3	–	446.3	430.4	–	430.4
Staff costs (excluding redundancy costs)		355.5	–	355.5	344.6	–	344.6
Amortisation of other intangible assets		13.1	137.9	151.0	16.3	133.8	150.1
Depreciation		6.7	–	6.7	7.7	–	7.7
Impairment	2	–	54.3	54.3	–	5.0	5.0
Net foreign exchange loss		0.8	–	0.8	3.2	–	3.2
Auditor's remuneration for audit services (see below)		1.3	–	1.3	1.2	–	1.2
Operating lease expenses							
– Land and buildings		24.8	–	24.8	24.8	–	24.8
– Other		1.2	–	1.2	1.3	–	1.3
Restructuring and reorganisation costs	2	–	15.2	15.2	–	8.3	8.3
Acquisition related costs	2	–	1.4	1.4	–	1.3	1.3
Subsequent re-measurement of contingent consideration	2	–	(2.9)	(2.9)	–	0.8	0.8
Other operating expenses		89.4	–	89.4	83.8	–	83.8
Total net operating expenses		939.1	205.9	1,145.0	913.3	149.2	1,062.5

5 Finance costs

	Note	2011 £m	2010 £m
Interest expense on financial liabilities measured at amortised cost		41.8	37.5
Interest cost on pension scheme liabilities		4.3	4.3
Total interest expense		46.1	41.8
De-designation of hedge accounting	2	–	1.1
Excess interest on early repayment of syndicated loans	2	1.5	1.1
		47.6	44.0

6 Investment income

	2011 £m	2010 £m
Loans and receivables:		
Interest income on bank deposits	1.4	0.7
Cash flow hedge ineffectiveness gain	–	0.6
Expected return on pension scheme assets	4.4	3.7
	5.8	5.0

7 Taxation

The tax charge/(credit) comprises:

	2011 £m	2010 £m
Current tax	44.5	58.6
Deferred tax:		
Current year	(18.9)	(28.5)
Credit arising from UK corporation tax rate change	(6.0)	(4.0)
Deferred tax credit in respect of prior years	(5.3)	–
Total tax charge on profit on ordinary activities	14.3	26.1

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

	Gross 2011 £m	Tax 2011 £m	Gross 2010 £m	Tax 2010 £m
Amortisation of other intangible assets (Note 2)	(137.9)	35.7	(133.8)	34.7
Impairment (Note 2)	(54.3)	3.1	(5.0)	–
Restructuring and reorganisation costs (Note 2)	(15.2)	4.4	(8.3)	2.0
Acquisition related costs (Note 2)	(1.4)	–	(1.3)	–
Subsequent re-measurement of contingent consideration (Note 2)	2.9	–	(0.8)	–
Profit on disposal of business (Note 2)	0.1	–	–	–
De-designation of hedge accounting (Note 5)	–	–	(1.1)	0.3
Excess interest on early repayment of syndicated loans (Note 5)	(1.5)	0.4	(1.1)	0.3
Deferred tax credit arising from UK corporation tax rate change	–	6.0	–	4.0
Deferred tax credit in respect of prior years	–	5.3	–	–
	(207.3)	54.9	(151.4)	41.3

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 for the year can be reconciled to the accounting profit as follows:

	2011		2010	
	£m	%	£m	%
Profit before tax	88.6		125.0	
Tax charge at weighted average rate	16.8	19.0	28.0	22.4
Permanent differences	3.7	4.1	0.4	0.3
Losses in certain jurisdictions that have not been recognised	5.1	5.8	1.7	1.4
Deferred tax credit arising from UK corporation tax rate change	(6.0)	(6.8)	(4.0)	(3.2)
Deferred tax credit in respect of prior years	(5.3)	(6.0)	–	–
Tax charge and effective rate for the year	14.3	16.1	26.1	20.9

The weighted average tax rate for 2011 has been adjusted for the impairment of Robbins Gioia which is not allowable for tax purposes. Inclusion of this amount would unduly distort the weighted average tax rate for the period.

In addition to the income tax charge to the Consolidated Income Statement, a tax charge of £3.6m (2010: £4.0m) all of which relates to deferred tax has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

8 Dividends

	2011 £m	2010 £m
Amounts recognised as distributions to equity holders in the year:		
Second interim dividend for the year ended 31 December 2009 of 7.85p per share	–	47.0
First interim dividend for the year ended 31 December 2010 of 4.50p per share	–	27.1
Second interim dividend for the year ended 31 December 2010 of 9.50p per share	57.1	–
First interim dividend for the year ended 31 December 2011 of 5.00p per share	30.1	–
	87.2	**74.1**
Proposed second interim dividend for the year ended 31 December 2011 of 11.80p per share (2010: 9.50p per share)	**70.9**	**57.1**

As at 31 December 2011 £0.2m (2010: £nil) of dividends are still to be paid.

Holders of 70,348 (2010: 49,237) ordinary shares of 0.1 pence each have waived their rights to receive dividends.

Pursuant to the Dividend Access Plan ("DAP") arrangements put in place in 2009 as part of the Scheme of Arrangement, shareholders in the Company are able to elect to receive their dividends from a UK source (a DAP election). Shareholders who (i) held 100,000 or fewer shares on the date of admission of the Company's shares to the London Stock Exchange and (ii) in the case of shareholders who did not own the shares at that time, on the first dividend record date after they become shareholders in the Company, unless they elect otherwise, are deemed to have elected to receive their dividends under the DAP arrangements. Shareholders who hold more than 100,000 shares and who wish to receive their dividends from a UK source must make a DAP election. All elections remain in force indefinitely unless revoked. Unless shareholders have made a DAP election, or are deemed to have made a DAP election, dividends will be received directly from the Company, domiciled in Switzerland, and will be taxed accordingly.

9 Earnings per share

Basic

The basic earnings per share calculation is based on a profit attributable to equity shareholders of the parent of £75.4m (2010: £98.9m). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those non-vested shares held by employee share ownership trusts) which is 601,047,454 (2010: 600,421,797).

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 602,928,726 (2010: 600,627,044).

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

	2011	2010
Weighted average number of shares used in basic earnings per share calculation	601,047,454	600,421,797
Effect of dilutive share options	1,881,272	205,247
Weighted average number of shares used in diluted earnings per share calculation	602,928,726	600,627,044

Adjusted earnings per share

The basic and diluted adjusted earnings per share calculations have been made to allow shareholders to gain a further understanding of the trading performance of the Group. They are based on the basic and diluted earnings per share calculations above except that profits are based on continuing operations attributable to equity shareholders and are adjusted for items that are not perceived by management to be part of the underlying trends in the business, and the tax effect of those adjusting items, as follows:

	2011 £m	2010 £m
Profit for the year	74.3	98.9
Non-controlling interest	1.1	–
Adjusting items net of attributable taxation (Note 2)	152.4	110.1
Adjusted profit for the year attributable to equity shareholders	227.8	209.0

Earnings per share:		
– Adjusted basic (p)	37.9	34.8
– Adjusted diluted (p)	37.8	34.8

10 Borrowings

	2011 £m	2010 £m
Non-current		
Bank borrowings	339.9	199.8
Private placement loan notes	467.0	440.0
Total non-current borrowings	806.9	639.8
Current		
Bank borrowings	1.9	167.1
Bank overdraft	0.2	–
	809.0	806.9

There have been no breaches of bank covenants during the year. The bank borrowings are guaranteed by material subsidiaries of the Group. The Group does not have any of its property and equipment and other intangible assets pledged as security over bank loans.

The Group maintains the following significant lines of credit:

- Private placement loan notes drawn in three currency tranches of USD 597.5m, GBP 40.0m and EUR 50.0m. The note maturities range between five and ten years, with an average duration of 7.3 years, at a weighted average interest rate of 4.3%.
- £625.0m (2010: £500.0m) revolving credit facility, of which £343.5m has been drawn down at 31 December 2011. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.

  As part of the refinancing of the bank facilities, an amortising term loan was fully repaid in April 2011.
- £44.6m (2010: £43.9m) comprising a number of bilateral bank facilities that can be drawn down to meet short-term financing needs. These facilities consist of GBP 16.0m (2010: GBP 16.0m), USD 15.0m (2010: USD 15.0m), EUR 18.0m (2010: EUR 18.0m), AUD 2.3m (2010: AUD 3.0m), CAD 1.0m (2010: CAD 1.0m) and BRL 4.9m (2010: BRL nil). Interest is payable at the local base rate plus margins that vary between 1% and 6%.

The effective interest rate as at 31 December 2011 is 4.1% (2010: 5.1%).

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

Expiry date	2011 £m	2010 £m
Within one to two years	–	471.7
In more than two years	281.5	29.1
	281.5	500.8

11 Share Capital

	2011 £m	2010 £m
Authorised		
202,500,000,000 ordinary shares of 0.1p each (2010: 202,500,000,000 of 0.1p each)	202.5	202.5

	2011 £m	2010 £m
Issued and fully paid		
601,202,853 ordinary shares of 0.1p each (2010: 600,927,884 of 0.1p each)	0.6	0.6

	Number of shares	£m
At 31 December 2010	600,927,884	0.6
Issued in respect of share option schemes and other entitlements	274,969	–
At 31 December 2011	601,202,853	0.6

12 Notes to the cash flow statement

	Notes	2011 £m	2010 £m
Profit before tax		88.6	125.0
Adjustments for:			
Depreciation of property and equipment		6.7	7.7
Amortisation of other intangible assets		151.0	150.1
Share-based payment		3.0	2.1
Profit on disposal of business		(0.1)	–
Loss/(profit) on disposal of property and equipment		0.3	(0.2)
Loss on disposal of software		0.3	–
Finance costs	5	47.6	44.0
Investment income	6	(5.8)	(5.0)
Impairment	2	54.3	5.0
Decrease in inventories		0.2	6.9
Increase in receivables		(0.9)	(1.4)
Decrease in payables		(29.6)	(1.2)
Cash generated by operations		315.6	333.0

Analysis of net debt

	At 1 January 2011 £m	Non-cash items £m	Cash flow £m	Exchange movement £m	At 31 December 2011 £m
Cash at bank and in hand	27.8	–	(0.1)	(2.7)	25.0
Bank overdraft	–	–	(0.2)	–	(0.2)
Cash and cash equivalents	27.8	–	(0.3)	(2.7)	24.8
Bank loans due in less than one year	(167.1)	(2.9)	165.5	2.6	(1.9)
Bank loans due in more than one year	(199.8)	0.3	(134.5)	(5.9)	(339.9)
Private placement loan notes due in more than one year	(440.0)	(0.1)	(27.2)	0.3	(467.0)
	(779.1)	(2.7)	3.5	(5.7)	(784.0)

Included within the cash flow movement of £3.5m is £368.3m (2010: £783.6m) of repayment of borrowings and £366.4m (2010: £686.0m) of loans drawn down.

The net movement caused by non-cash items arises from arrangement fee amortisation of £2.7m (2010: £3.1m).